

THE POLITICS OF SOCIOECONOMIC CHANGE IN ARGENTINA

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FOR GOD AND THE FATHERLAND: RELIGION AND POLITICS IN ARGENTINA.

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RESOLVING THE ARGENTINE PARADOX: POLITICS AND DEVELOPMENT,

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CLASS AND CONSERVATIVE PARTIES: ARGENTINA IN COMPARATIVE PER-

SPECTIVE. By Edward Gibson. (Baltimore, Md.: Johns Hopkins University Press, 1996. Pp. 274. \$48.50 cloth.)

ARGENTINA IN THE CRISIS YEARS (1983–1990). Edited by Colin M. Lewis and

Nissa Torrents. (London: Institute of Latin American Studies, University of London, 1993. Pp. 203. \$20.00 paper.)

PERONISM WITHOUT PERON: UNIONS, PARTIES, AND DEMOCRACY IN

ARGENTINA. By James W. McGuire. (Stanford, Calif.: Stanford University Press, 1997. Pp. 338. \$49.50 cloth.)

THE LOGIC OF PRIVATIZATION: THE CASE OF TELECOMMUNICATIONS IN

THE SOUTHERN CONE OF LATIN AMERICA. By Walter Molano. (Westport, Conn.: Greenwood, 1997. Pp. 138. \$55.00 cloth.)

POLITICA Y PODER EN EL GOBIERNO DE MENEM. By Vincente Palermo and

Marcos Novaro. (Buenos Aires: FLACSO, 1996. Pp. 557.)

Earlier LARR review essays on Argentina examined different approaches to studying the socioeconomic decay that has affected the country in this century (Schvarzer 1992; García Heras 1997). The present review essay will focus instead on the recent literature dealing with the politics of socioeconomic reform since Argentina returned to democracy in 1983. The seven books under review here look at different aspects of the politics of reform but will be discussed in terms of the broad issues that some of them share.

Economic Crises and Political Responses

Both the Radical administration of President Raúl Alfonsín (1983–1989) and the Peronist administration of Carlos Menem (1989 to the

present) have faced similar economic and political problems: one of the highest inflation rates in the world, the third-largest foreign debt among developing countries, a steep fiscal deficit, sluggish economic growth, incomplete subordination of the military to civilian authority, unresolved legal issues relating to human rights violations committed during the military dictatorship (1976–1982), and the tainted credibility of democratic institutions that until the 1980s had been used and abused.

The volume edited by Colin Lewis and Nissa Torrents, *Argentina in the Crisis Years (1983–1990)*, and Davide Erro's *Resolving the Argentine Paradox* focus mainly on the Alfonsín years. In the Lewis and Torrents volume, the result of a conference hosted in London in the early 1990s, the sections dealing with politics and economics are the strongest contributions to the existing literature. In particular, those by Robert Potash, Juan Carlos Torre, and José Luis Machinea stand out.

Potash provides a brief but lucid comparison of the contrasting approaches used by Alfonsín and Menem in attempting to solve the problems of military subordination and human right violations. In Potash's view, Menem's pragmatism, as opposed to Alfonsín's legalistic approach, eventually proved capable of emasculating the military's bargaining power by providing sweeping presidential pardons in return for obedience. Potash correctly points out that by the early 1990s, the traditional factors that had triggered military coups in the past had disappeared and the prospects for military subordination to civilian leadership were encouraging. As it turned out, few other Latin American countries have managed to reduce the political clout of the military institution as dramatically as has occurred in Argentina.

The contributions by Torre and Machinea are intriguing because both essayists occupied high-level positions in the Alfonsín administration. Torre provides a good analysis of the policy dilemmas facing Alfonsín. In his view, Alfonsín's broad concern with creating political consensus over policy making led him to relegate economic issues to secondary status, which ultimately proved disastrous. According to Torre, intransigent opposition to any economic reform by the Peronist unions combined with the lack of a congressional majority, internal divisions within the Radical party, and the suspiciousness of industrial and agricultural interest groups made Alfonsín's conciliatory approach unviable, particularly after 1987.

Machinea's essay details the macroeconomic aspects of the stabilization policies attempted from 1985 to 1989. He acknowledges that although the Alfonsín economic team grasped the importance of promoting structural reforms, it was unable to persuade the rest of the administration of the urgency of such measures. By 1988, when some consensus was achieved, these measures had become politically unfeasible.

While one can agree with several of the conclusions drawn by Torre and Machinea, the main problem with both analyses is their tendency to

cast the Alfonsín government as a hopeless prisoner of irreconcilable demands. They unfortunately downplay the administration's responsibility in 1982 in creating expectations that were impossible to meet and its refusal to forge a political coalition with provincial parties in Congress (still possible in 1983). This approach would have facilitated legislative approval of key reforms. Similarly, both essays seem to ignore the technical flaws of macroeconomic policy. Machinea still insists that heterodox policies like the Plan Austral launched in mid-1985 are the best way to reduce inflation. In reality, heterodox shocks failed miserably, not only in Argentina but in Brazil and Peru. The more orthodox approach tried in Argentina under Menem in 1992 brought the annual inflation rate down to 1.5 percent by 1997, along with sustained economic growth and an almost balanced budget. A heterogeneous collection of essays, *Argentina in the Crisis Years* constitutes a thought-provoking set of readings for those interested in issues related to democratic transition in the 1980s.

Erro's *Resolving the Argentine Paradox: Politics and Development, 1966–1992* is yet another attempt to explain this so-called paradox. But it also delves into the 1992 Plan de Convertibilidad, which finally succeeded in defeating inflation and restarting economic prosperity. Interestingly enough, the book has a laudatory foreword by Alfredo Martínez de Hoz, the economics minister whose policies are regarded by many as having precipitated Argentina's problem with foreign debt. Erro's central question is, "Why has Argentina been unable to implement a viable development strategy and to promote political stability?" (p. 8). His answer rests on the "corporatist nature" of interest representation in Argentina (p. 20). To clarify his argument, Erro uses Philippe Schmitter's standard definition of corporatism (Schmitter 1974). This kind of an explanation is far from new. José Luis de Imaz's *Los que mandan* (published in the early 1960s) argued much of the same without resorting to corporatist theory. Erro succinctly describes the various cycles of Argentine policy making since 1966. But from a theoretical standpoint, the type of interest representation found in Argentina fails to meet Schmitter's definition of corporatism. Many of the groups to which Erro ascribes the disruption of coherent public policy had no monopoly on representation over their own sectors. Indeed, the contrary can be argued: that the lack of peak organizations, which are typical of corporatist arrangements, prevented the government at the time from obtaining the compliance of key socioeconomic sectors because their representation was often fragmented (Wynia 1978; Lewis 1990; Acuña 1992).

Erro also claims that Menem's market reforms ushered in in 1989 have been instrumental in resolving "the Argentine paradox," supposed because such reforms have undermined the corporatist nature of Argentine socioeconomic organizations. Most would agree that the once powerful armed forces have now accepted their subordination to constitutional authorities and that other strong organizations like the Sociedad Rural, the

Unión Industrial, and even the union movement have lost much of their political clout. Yet Erro's conclusions seem to me a bit premature. By 1992 it was clear that Menem's market reforms, while undermining the socio-economic power of these institutions and interest groups, had strengthened the oligopolistic control of the country's most important business conglomerates in key economic sectors, often in association with foreign companies. Not surprisingly, the political and economic clout of such conglomerates (such as Pérez Companc, Techint, Macri, Soldati, Roggio, and Bunge y Born) has increased substantially since 1990 and prevented true competition in their respective markets. This trend has been well analyzed by journalists like Luis Majul (1993, 1994) and more recently in research by Daniel Aspiazu (1998).

On the Changing Nature of Political Parties

The next three books under review are mostly concerned with the role played by political parties or movements and their leaders in shaping the political debate and in crafting public policy once in power. Edward Gibson's *Class and Conservative Parties: Argentina in Comparative Perspective* is a pathbreaking work. Gibson provides a first-rate description of the role of conservative parties in Argentine political development and goes on to develop a theoretical approach and a series of concepts for analyzing conservative parties in Latin America. The book is thus relevant to both Argentine specialists and to comparativists interested in studying political parties and democratization in the region. The underlying questions considered by Gibson are three. What factors promote or hinder the development of conservative parties in the region? What are the coalition-building dynamics peculiar to such parties? What is the relationship between political conservatism and the building of democratic institutions?

To answer these questions, Gibson begins with a conceptual definition of conservative parties, which he finds as being supported by the upper classes of society (chapter 1). Next, Gibson draws a distinction between what he calls "core constituencies" that define the party's agenda and are responsible for its resources and the "non-core constituencies" from which the party draws its electoral support. He also adds the dimensions of regional and class cleavages to the analysis. Such distinctions are significant in Gibson's view because they allow researchers to comprehend better the evolution of conservative parties by discerning the relationship that links party elites to their electoral base. In accordance with this line of analysis, his thesis holds that countries where conservative parties have been able to draw mass support and be electorally competitive have been likely to experience prolonged periods of democratic governance.

Argentina provides the main test case of this thesis. Regional and party elite cleavages there prevented conservative parties from coalescing

and creating a viable alternative to mass-based electoral machines like the Radicals and later the Peronists (Chapters 2 and 3). Gibson then examines the emergence of new conservative parties as Argentina returned to democratically elected governments in the 1980s. In his view, the building of such parties was possible only as long as conservative leaders and their core constituencies could not obtain direct access to government decision making and patronage. When such access became available, which happened during the first Menem administration, the building effort unraveled as individual party leaders preferred to pursue their own interests within the Menem coalition.

The findings of *Class and Conservative Parties* would have been much enhanced had Gibson devoted more time to comparative analysis of Brazil, Mexico, and Peru. These cases are discussed only in the final chapter. Nevertheless, his analytical approach is a strong point of departure for a systematic, cross-national approach to studying conservative parties in Latin America. One can only hope that Gibson will use his considerable skills to undertake such a task in his next book.

Although Argentine conservatives never managed to win an election after 1916, the Peronists have continued to dominate the political arena even after the death of Juan Perón, and they remain the largest political party in Congress. James McGuire's *Peronism without Perón: Unions, Parties, and Democracy in Argentina* seeks to assess the changing nature of this political movement and its various components from its inception through the mid-1990s. Like Gibson's study, McGuire's book is an unusually well-researched and thorough political analysis. It is likely to become standard reading for those interested in Peronism and in Argentine politics more generally.

Whereas Gibson's concern with the process of democratic consolidation in the 1980s is confined to conservative parties, McGuire considers the same issue by examining the role of the Peronist movement. *Peronism without Perón* starts by tracing the origins of Peronism and takes the reader on a historical journey that ends with Menem and his new brand of Peronism as of 1995. McGuire's study differs from previous works on Peronism in stressing the degree of party institutionalization vis-à-vis charismatic leadership and the role played by the unions within the movement. His thesis is that Peronism's historically weak party institutionalization has prevented the consolidation of democracy in Argentina. McGuire devotes special attention to two periods, 1962–1966 and 1984–1988, when major efforts were made to turn a loosely organized political movement with a union "backbone" into a modern political party. His analysis focuses on the two opportunities that arose to promote party institutionalization and the obstacles that ultimately frustrated both attempts.

In McGuire's view, Juan Perón wanted above all to keep his leadership unchallenged. Had his movement evolved into a well-institutionalized party, his freedom to act could have been curtailed. He therefore sided sys-

tematically with the anti-party union leaders. These unionists found it convenient to work within a loosely organized movement, which left them substantial room to maneuver. The situation thus fueled union leaders' tendency to use mass demonstrations, strikes, and boycotts rather than the legislative means available to a strong party. The unionists' stakes in the democratic process were minimal, exacerbating the climate of political instability that polarized Argentina from the mid-1940s until the late 1980s. The thrust of McGuire's argument is not entirely new, but his wealth of new data and personal interviews adds much to the existing literature and sheds a different light on the Peronist phenomenon. McGuire's success in relating his analysis to mainstream theories on democracy, authoritarianism, party politics, institutions, populism, political culture, and dependency make *Peronism without Perón* appealing to a much broader audience than specialists on Argentina.

In the end, McGuire analyzes Menem's role as both a leader of the Peronist party and the president whose radical market reforms turned the country around. Like Perón, Menem trusts his charismatic leadership above all, and to exercise it fully, he has marginalized the role of his party. Simultaneously, Menem has emasculated the unions within the movement to the point that Peronism today is probably in a greater state of flux than ever before. The backbone structure provided by the unions has been much weakened. And since Menem's alliance with the traditional enemies of Peronism, the movement has suffered a profound identity crisis.

Thus while Menem should be credited with convincing Argentines that democracy and economic prosperity can go hand-in-hand, he has often undermined the legitimacy of democratic institutions by packing the courts, keeping the Congress at bay on major decisions, ruling by decree, and harassing investigative reporters who uncovered scandals implicating him and his closest associates. Once again, Peronism has left the mediation of its own conflicts and those affecting Argentine society at large to the wisdom of a charismatic leader. This is too much weight for anyone to carry, particularly in the long run (Madsen and Snow 1991). This situation leads McGuire to the pessimistic conclusion that "only if the pro-party forces win a decisive victory can democracy become consolidated in Argentina" (p. 283).

Many would take issue with such a remark by simply pointing to the fact that Argentina today seems to be a country where democracy is thriving, despite Menem's disregard for the independence of the judiciary, the role of Congress, and the rule of law when it got in his way. One could argue that never before has the Argentine press been as free and aggressive as it is today and that citizens' organizations have become better organized and bolder in denouncing Menem's excesses. In other words, the indispensable nexus between democracy and strong parties may be overstated for some. Nonetheless, I find McGuire's argument in *Peronism without Perón*

compelling because parties remain at the core of representative democracy. If they do not work effectively to incorporate and articulate societal demands, particularly in young democracies, bigger problems are bound to arise sooner or later, with possibly devastating consequences.

Vicente Palermo and Marcos Novaro's *Política y poder en gobierno de Menem* is concerned with how Menem has tackled issues like institution building, democratization, political leadership, economic restructuring, and the redefinition of political alliances and identities in his quest for power. The book is a typical study in political sociology in the best Argentine tradition.

Palermo and Novaro argue that *menemismo* is essentially a government reform strategy. From the beginning, Menem viewed a redefinition of the role and nature of the different components of the Peronist movement as indispensable. To this end, he proceeded to deepen internal divisions and weaknesses among union leaders, while disciplining his party representatives in Congress. At the same time, Menem gave new meaning to traditional Peronist pragmatism by incorporating into his political agenda the principles of free-market economics while aligning Argentina squarely with U.S. foreign policy. Sensitive to accusations that he was betraying the very nature of what once was a pro-labor, pro-government intervention, and isolationist movement, Menem has tried to maintain the rank and file's loyalty by arguing that *menemismo* was "totally updated Peronism" and Perón would have done exactly what he did.

How could Menem bring radical reforms to a country where even marginal changes would exacerbate lingering distributional conflicts dating back to the 1940s? According to Palermo and Novaro, in 1989 Menem found Peronism as well as the military and traditional interest groups profoundly divided among themselves and weakened. Second, unlike Carlos Salinas de Gortari in Mexico, Menem could count on a legitimate mandate from an honest election. Third, the hyperinflation spirals of mid-1989 had forged enough societal consensus to be able to take drastic measures. Menem found the political field relatively free to attempt something new.

Palermo and Novaro locate Menem's merit in his ability to turn a situation of crisis and seeming political weakness when he assumed office into an opportunity to enlarge his margin for maneuver and thus gain the support of traditional adversaries of Peronism. Menem presented himself to the Argentine people as the only politician who understood the changing times and had the will to tackle them. According to the authors, Menem made Argentines believe that his changes were inevitable, that they had to accept that the old ways of thinking and doing things in Argentina were over and that the new model he was proposing must be embraced. The old cleavages between Peronism and anti-Peronism and between nationalism and economic liberalism that had polarized Argentine society for fifty years had to be abandoned. Whether they liked it or not, Menem was determined

to promote change as the only means of rescuing Argentina from self-destruction and backwardness.

In Palermo and Novaro's long description of Menem's first term, they tease out both the continuities and the contradictions of Menem's political style. Menemismo is perceived as the triumph of political strategy. In the closing part of *Política y poder en el gobierno de Menem*, they speculate on the future of menemismo. Although Carlos Menem has proved to be a master politician in times of crisis, will he be able to consolidate his reforms and political movement as socioeconomic stability becomes the norm? The authors conclude that much will depend on whether the political opposition comes up with an alternate project that is more credible. Moreover, reform of government institutions, a policy area that Menem has purposely neglected, will be a key issue. Will he be willing to allow the judiciary and the Congress to exercise the checks and balances that run counter to his penchant for autocratic decision making? Last, to what extent will Menem be able to control the old guard of his party, which grudgingly accepted his policies contradicting the Peronist legacy? The Peronist electoral debacle in the congressional elections of 1997 have sharpened these questions and shown that Palermo and Novaro have correctly identified the most relevant issues at stake.

Unlike the previous two works, *Política y poder en el gobierno de Menem* makes little use of hard empirical data to support the authors' case, despite running to more than five hundred pages. Moreover, the discussion is often repetitive and the style a bit convoluted. What is also striking is that, contrary to Palermo and Novaro's statement, there is basically no theory in this study. Unlike Gibson and McGuire, who try to link their theses to an array of explanations, Palermo and Novaro seem uninterested in this task. They attempt to compare Menem's political style with those of Carlos Salinas in Mexico and Alberto Fujimori in Peru and provide some interesting insights. These efforts, however, are unfortunately limited to the first and last chapters. Most of the works cited are by Argentine scholars, with few relevant works in English, such as those of Gibson, Scott Mainwaring et al., McGuire, Deborah Norden, David Pion-Berlin, William C. Smith et al., and Aldo Vacs. The large body of literature on the politics of economic adjustment is scarcely discussed. These drawbacks limit the book's potentially broad appeal to a domestic audience and Argentine specialists. Despite these problems, *Política y poder* is one of the most ambitious efforts to analyze systematically Menem as a reformer.

The Politics of Market Reforms

While some of the works reviewed here examine market reforms under Menem in varying degrees, Walter Molano's *The Logic of Privatization: The Case of Telecommunications in the Southern Cone of Latin America* ad-

dresses the question of how politics play a crucial part in the decision to privatize or not. This study is a truly comparative work, examining privatization policies in Argentina, Brazil, Chile, and Uruguay from the 1980s until the mid-1990s. Molano provides some useful generalizations about the logic and political processes behind the decision for or against privatization and the issues involved once the policy moves from the drawing board to implementation.

The Logic of Privatization provides a key insight into a topic that is often ignored in the contemporary literature on economic and political development. Although in the last three decades, privatization policies have been proposed in developed and developing countries alike (including post-communist countries), several divestiture programs eventually collapsed or never got off the ground due to stiff political opposition.

While most works on privatization usually consider the conditions leading to successful privatization programs, unsuccessful cases have often been neglected, as if nothing could be learned from them. Molano addresses this fundamental gap in the current literature and breaks new ground by examining the microeconomic, macroeconomic, and political factors instrumental in shaping positive and negative outcomes to privatization. Molano argues that the implementation of state divestiture programs depends on the capacity of political leaders to control the bargaining process while a state-owned enterprise is put on the auction block. Failure to control the process may expand the conflict beyond the willingness or ability of the interested parties to cope with it and may ultimately result in the collapse of the policy itself. According to Molano's findings, the best-case scenario is a situation in which a strong executive leadership faces weakly organized interests, a situation that is likely to result in implementation of the privatization program. Conversely, when weak executive leadership confronts strongly organized interests opposing privatization, rejection of the policy is almost inevitable.

To test his argument, Molano selected privatization of the state-owned enterprise in the telecommunication sector operating in Argentina, Brazil, Chile, and Uruguay. These choices were not casual. The divestiture of state-owned enterprises in telecommunications is usually regarded by experts as a benchmark transaction in any privatization program because of its political and economic relevance. *The Logic of Privatization* details telecommunication privatization in the four countries over an extended period of time, portraying ably the interplay of the pros and cons that shaped the final outcome. Molano's findings suggest that microeconomic factors are not very relevant in determining privatization outcomes, whereas macroeconomic are slightly more significant. In the final analysis, political factors proved to be the most important ones.

This conclusion is certainly accurate for Argentina. According to Molano's model, Menem's privatization program falls into the implemen-

tation outcome. From his early days in office, Menem made privatization the cornerstone of his reform program, and political considerations, particularly from 1989 through 1992, were paramount in shaping the entire policy. Molano capably depicts the politics of privatization under Menem and in the other countries. Subsequent studies by the World Bank have come to similar conclusions (World Bank 1995). Despite its specificity, *The Logic of Privatization* is an excellent study that is bound to interest those surveying privatization from a broader perspective and seeking general patterns that go beyond the peculiarities of individual cases.

The Argentine Church under the Aegis of Market Reforms

Michael Burdick's *For God and the Fatherland: Religion and Politics in Argentina* is an ambitious study that tries to assess the relationship between politics and the Catholic Church in Argentina from the 1850s until the first Menem administration. Burdick seeks theoretical guidance from the influential works of David Martin on the secularization of society and that of Victor Turner on social conflict. Burdick states that his intent is not to test Martin's and Turner's theories but to use some of the questions that they have raised to explore the complexity of state-church relations in modern times.

After a brief historical description in the first chapter of the Catholic Church's role in Argentina between 1850 and 1940, Burdick scrutinizes the complex relationship between Peronism and Catholicism. Juan Perón appeared in many ways the aspirations and demands of lay Catholics and their bishops early in his first administration, but he is depicted here as a contradictory figure. Burdick contends that Perón thwarted the process of secularism in Argentina and restored the Catholic Church's prominent role in that country. Yet his attacks on Catholicism in the early 1950s reopened old cleavages between church and state.

Two out of the six chapters are dedicated to the Third World Priest Movement (TWPM). Burdick describes in detail the internal dynamics of this movement, its many divisions, and its attempts to reconcile Catholic teachings with reform-minded Peronism. In Burdick's view, the Argentine TWPM adopted an approach distinct from liberation theology. Unlike the scenario in other Latin American countries, the TWPM rejected Marxism in favor of a "left-wing Peronism that aspired to a national socialism and a popular democracy" but in the end "fell victim to its religio-political logic" (p. 206).

The last two chapters of *For God and the Fatherland* are devoted to the role of the church during the era of military repression (1976–1982) and the subsequent democratic period that began in 1983. In both periods, Burdick perceives the Catholic Church hierarchy interpreting its role as "the conscience of the nation" and the referee of national politics. But in doing so, the bishops steered an ambiguous course that led them to support the mil-

itary nationalistic gamble in the Malvinas/Falklands conflict, to restrain their criticisms during the military's indiscriminate abuse of human rights, and eventually to endorse the return of democracy in a lukewarm fashion. Relations with the Alfonsín administration were often problematic because the new president's attempt to establish a modern democracy based on liberal, nonclerical values ran afoul of the clergy. Initiatives like the divorce law, the repeal of the law on fathers' rights over their children's welfare, and the granting of full legal status to children born outside wedlock met with bitter resistance among the Catholic hierarchy.

Under Menem, Argentine church-state relations took a new twist. As the socioeconomic toll of market reforms on the middle and working classes began to be felt in the early 1990s, the most progressive groups within the church became some of the most outspoken critics of the Peronist administration. The Argentine episcopacy again took upon itself the role of the country's conscience. It openly denounced Menem's lack of a clear social policy and the corruption rampant within his administration.

Burdick concludes that the role of the Catholic Church and its hierarchy has inevitably eroded in the political realm. He contends that the church's days as a power broker are over but thinks that this trend may be a blessing in disguise as the church may return to "its sacramental and evangelical mission" as a result. Some historians may have a bit of trouble with Burdick's heavy use of secondary sources. Nor does *For God and the Fatherland* make any breakthroughs in terms of new data or theory. It nevertheless constitutes a good summary of church-state relations in Argentina and a viable source of information for those unfamiliar with this issue.

Conclusion

This brief essay has attempted to point out the strengths and weaknesses of the books under review. Are there common themes that can be discerned? It seems clear that many of these authors reflect a strong concern with the key roles to be played by the three branches of government in strengthening democracy in the future. Menem's considerable success with his bold reforms has often undermined the role of the Argentine Congress and the judiciary, which were active players in the Alfonsín years. Menem's proclivity toward making unilateral decisions and relying heavily on his personal charisma is generally regarded as a step backward when compared with Alfonsín's attempt to inspire in Argentines respect for the rule of law and democratic institutions. In this context, Gibson, McGuire, Palermo, and Novaro all deem the institutionalizing of political parties as the essential glue that holds democracy together.

Yet Menem succeeded by building a broad coalition in which parties and traditional interest groups have been marginal actors. Are analysts missing something here? Is it actually possible to promote economic stabil-

ity in the long term in a weak institutional framework as long as the chief executive officer's strategy of divide and conquer works? The reality is that, as in more advanced democracies, the political map in Latin America is changing quickly and in ways that escape standard academic approaches. In Argentina and the rest of Latin America, powerful economic groups have emerged in the last three decades that enjoy privileged access to government institutions, irrespective of the prevailing political orientation. Such groups are acting more and more outside traditional patterns of interest representation but are nonetheless crucial in financing politicians, manipulating the media, and allowing government officials to establish working relations with foreign investors and diplomats. While scholars have a good understanding of the strengths and weaknesses of government institutions and political parties, we know little about the political exchanges that take place between such institutions and parties on the one hand and Argentina's largest economic groups on the other. This is no small question when one considers that Menem, once in office, looked for allies among such economic groups while marginalizing the very constituency that had helped elect him.

Similarly, analysts know relatively little about the agreements between Menem and foreign countries and how such agreements favored the business interests that eventually emerged from those countries. As power relations change, so do coalition strategies. Menem understood this reality from the start and acted on it in a brilliant if controversial way. To understand better the success or failure of socioeconomic reforms, who wins and who loses, researchers must understand better how new political actors, those who escape traditional channels of organization, have come to occupy a key role in reform coalitions. The same applies to the issue of democratic development. To what degree do the economic groups that have flourished under protectionism and favorable privatization policies have a vested interest in democratic governance? What kind of democracy do they envision? Do they view political parties as the best way to articulate their demands? Do parties seek their input? We know little about the answers to these questions.

Another notable factor in Argentina is that grassroots organizations have flourished by representing new demands not incorporated by traditional parties. Human rights organizations, consumer associations, environmental groups, and myriad other such groups representing specific issues have multiplied over the years. This greater awareness of issues like the inefficiency of the legal system, government corruption, and deterioration in standards of education and medical care prove that the grassroots democratic spirit is alive and well. As economic stability has grown in the second half of the 1990s, Argentines have begun to expect more from their politicians in terms of greater government transparency and responsiveness to citizens' concerns. Grassroots organizations and the media have

been instrumental in creating public awareness of such issues. On this score, it is apparent that the political elites lag well behind their citizens. To what degree have government institutions and parties been able to comprehend these demands?

It is encouraging to find that the works examined, while not all theoretically innovative, tend to be of high caliber. This trend confirms the fact that in the last two decades, scholarship on Argentine politics and economics has made impressive strides in quality and quantity. Moreover, one finds increasing emphasis, even in case studies, on comparing Argentine events with theories and methods employed in cross-national analysis. This is welcome change that casts Argentina in a broader comparative perspective. The works by Molano, Gibson, and McGuire are particularly relevant in showing the eagerness of young scholars to become more comparative and inclined toward theory building. It is to be hoped that this trend will continue and enrich understanding of Argentina and Latin America as a whole.

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