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# Direct Action, Direct Democracy

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14 March 2002

Retrieved on 3<sup>rd</sup> August 2020 from <https://web.archive.org/web/20070606210132/http://monkeyfist.com/articles/814>

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conomic situation will get worse. There's a sense that the enemies you have to defeat in order to achieve a real change are so fucking powerful that it is almost an unrealistic task. It's not just the local elites, who can create economic chaos in 5 minutes if they need to force the politicians to do something. It is also the international financial corporations, especially the IMF, and the government of the USA and some European countries, which are pushing us in such an open and shameless way."

Henshaw-Plath emphasizes the paradoxical need for things to get worse to get better: "what Argentina needs for things to move forward with the project of radical change is a combination of continued IMF imposed insanity and the assemblies and other political forms to start developing their own systems for fulfilling the functions of government which the government is failing to provide. This process will take time and is driven by the government's continued attacks on the social and economic system. Given that the IMF is totally unwilling to consider an alternate model and the government is the IMF's lapdog, it looks like there is a possibility for a positive outcome."

Adamovsky, however, is wary of the possibility of intervention from foreign militaries at any point and recalls the devastation caused by the US-backed military dictatorships: "if we get stronger, they can always kill us, as the military did in 1976, with the support of the local banks, the IMF, and the US government. They killed 30,000 activists and tortured many more, and numbed our society for the next 30 years. If that is not enough, the US can always bomb you back to the stone ages. It's as simple as that."

"I think the only chance we have in our local struggles is to develop a movement of global resistance, which can work at the global level," wrote Adamovsky, ending the interview on a note of hope. "Many people in Argentina believe that the political culture of this country has changed for good, and that after this crisis, there is no turning back."

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New York Times columnist and economist Paul Krugman points out, “bad ideas flourish because they are in the interest of powerful groups.”

Greg Palast, a British columnist, calls cutting spending during a recession insane, pointing out that “President George W. Bush backed the IMF budget-cutting advice the same week he demanded that the U.S. Congress adopt a \$50 billion scheme to spend the United States out of recession.” Looking at Palast’s account of an intercepted IMF memo, it is not difficult to see how many Argentinians are disenchanted with the entire system: “Under the bold-face heading, ‘Improving the Conditions of the Poor,’ the agency directed Argentina to cut 20 percent from \$200 monthly salaries paid under an emergency employment program. The ‘understanding’ also promised a 12 to 15 percent cut in civil servant salaries.”

So where does the money go? Since the IMF has set up the loans to be paid in dollars, not the now-devalued peso, creditors in New York and Toronto are guaranteed to get their money back, nearly risk-free, plus interest. Indeed, one IMF economist described the organization’s role as “the credit community’s enforcer.” One only has to look to the glowing financial reports from the early 1990s to see how profitable Argentina has been for foreign corporations.

## **The Future**

For Argentina, the future appears to be a grim combination of hope and the inevitability of further decline. Asked about the possibility of improvement, Henshaw-Plath responded: “The situation a year ago when I was in Buenos Aires was bad, but now it feels both worse and more hopeful. Last year everybody just seemed like they were depressed, but today there is some hope of kicking the IMF out.”

Ezequiel Adamovsky responded with the same blend of hope and resignation: “The majority of people seem to think that the eco-

The collapse, however, has not affected everyone in Argentina equally. Thanks to the IMF's imposed reduction of trade barriers, the recently privatized banks transferred a full 6% of their holdings into foreign accounts, and the wealthy were able to change their pesos into US dollars or GDM, protecting their savings while hastening the collapse of the peso.

As these events reached their climax in December, President de la Rúa announced the *corralito*, a broad set of restrictions on the amount of money that account holders could withdraw, in order to prevent a total collapse of the banking system. Before de la Rúa's speech was finished, thousands had taken to the streets, banging pots and pans in protest. Middle-aged businessmen could be seen smashing windows of banks, while many desperate Argentines wondered whether their savings would simply disappear.

As a result of the *corralito* and widespread job cuts, many middle class citizens swiftly fell below the poverty line. "People who had been working hard, thinking about their families, and letting politicians be are now pissed, and they don't think that any sort of politician or party can fix things," said Henshaw-Plath.

The discontent that has spread, however, extends beyond the *corralito* to the IMF-mandated deep cuts in social spending. "It is like the national pastime to berate the IMF," said Henshaw-Plath. "The reason is that when push comes to shove everybody knows that the IMF has way more power in Argentina than anybody else."

Critics have long suggested that the IMF has far too much power for a non-democratic organization, which makes its decisions in secret. The votes in the IMF are granted based on the financial input of representative countries. As a result, the G-7 holds a majority, while the United States, with 17%, holds an effective veto. With the Argentinian crisis, many critics have insisted that IMF policies have been once and for all proven ineffective. Others have gone farther and named it the "demise of neoliberal economics." Still others see the IMF as doing well in terms of its own goals, but not in terms of those of the countries it claims to be helping. As

On December 19<sup>th</sup> 2001, Argentina's troubles came to a head as a collapsing economy and increasing civil unrest prompted then-President Fernando de la Rúa to declare a state of siege. Had he not been effectively forced to resign mere hours later, the declaration would have allowed Rúa to suspend Argentines' constitutional rights, including the rights to travel, free speech, labour organization, and freedom from arbitrary arrest. In the hours following de la Rúa's speech, tens of thousands of Argentines took to the streets, banging pots and pans in defiance of the declaration and of restrictions on banking. Looting, riots and antigovernment protests, which had mounted over the previous week, became widespread.

Since then, media attention has been firmly on economic policy and violence between protesters and police but has ignored the widespread and spontaneous political organization that resulted from the initial protests. Throughout the country, *assembleas* have formed in neighborhoods, where citizens discuss political problems and form proposals for ways to change the situation. The participants range from teens to senior citizens, from a wide range of social backgrounds; many had never paid attention to politics before.

Each week in Buenos Aires, an inter-barrio assembly of over 3000 delegates from the 80 or so assemblies in the core of the city meets to vote on resolutions created by the individual assemblies. Most resolutions focus on short term demands for provision of pharmaceuticals, creation of jobs, or access to money stored in banks accounts, but a novel democratic spirit is also emerging.

Emiliano, a member of a Buenos Aires assembly, described the difference in a discussion with Indymedia reporter Ana Nogueira: "What surfaces in the inter-neighborhood assemblies is that we don't have a recipe. In the 60s and 70s everyone had a recipe for what should happen. Today we are recreating it as we go, because no one has nor wants a formula, nor a hegemony of the movement in terms of the direction it should take."

He and others make a point of emphasizing plurality: “Everyone comes with their own agenda, from those who don’t want to create a new political party to those who just want their savings back, to those who want socialist revolution and everything in between. I have my own ideas about what I think should come out of this fight, but those hopes come out of the desire for fraternity, to understand my neighbor, and to maintain political horizontality.”

The political diversity that Emiliano describes is not incidental. A recent poll conducted by Pagina 12, a Argentinian newspaper, found that 61% of respondents didn’t believe in representative democracy. Many observers warn that such attitudes can only mean impending dictatorship. Most recently, the Pope expressed concern for the “death of democracy” in Argentina. Yet a large number of Argentineans insist — by their actions and words — that what they want is not less democracy, but more.

*Que se vayan todos* is a commonly heard chant when Argentineans take to the streets. It translates roughly to “they must all leave.” This sentiment reflects the population’s confidence in the inherent corruptibility, not only of politicians, but also of union leaders, media, and public servants. Argentina is not the only country with such a low regard for representative democracy. In street protests throughout Latin America, the slogan “get rid of them all” can be heard chanted in Spanish, Portuguese, and indigenous tongues.

Writing from the World Social Forum in Brazil, Canadian writer Naomi Klein remarked that people have “concluded that it is not the individual policies or politicians that are the problem, but the system of centralized power itself.” Evan Henshaw-Plath, a New York-based media activist who has spent months helping Indymedia Argentina set up shop, used stronger language in an email interview: “This isn’t a theoretical debate. You can read editorials in the paper about how Duhalde [the current president] needs to just find the leaders [of the assembly movement] so he can buy them off. This is what happened to the three major unions,

stoves. The benefits of efficient oil production couldn’t be higher for foreign shareholders and technicians, but locals long for the days when, losses or not, profits from Argentinian oil went to Argentineans.

The source of these dramatic changes goes back to the series of military regimes between 1976 to 1983, starting with General Jorge Videla. The string of military rulers during that period is well known for the Falkland Islands conflict, and for the disappearance of over 30,000 dissidents. What is not as well known is that General Videla and his successors ran up Argentina’s foreign debt from \$8 billion to \$43 billion.

Since the early 1990s, the International Monetary Fund (IMF) has provided Argentina with \$132 billion (US) in loans, which are granted on the condition that “structural adjustment programs” are adopted. On the recommendation of the IMF, the Argentinian government decided to peg the value of the Argentinian peso to the US dollar in 1991. This had the effect of stabilizing inflation, but it led to a sharp increase in interest rates, as well as a \$40 billion loan to back up the artificially high value currency. Keeping the peso “strong” also had the effect of making Argentinian exports less competitive with countries which did not peg their currency. Foreign investors benefited from the resulting high interest rates, but the same interest rates stifled local growth.

As part of it’s “zero-deficit” policy, the IMF imposed strict cuts on education, health care, and other social spending; and it mandated the sale of natural resources like oil and gas and the privatization of public services, most notably banking and water and electrical utilities. Phone companies, subways, airlines, and airports were also sold to foreign investors.

By last December, Argentina had piled up \$132 billion in debt and faced a collapsing currency, despite the IMF’s willingness to continue to provide loans to pay the accumulating interest. With little left to sell to foreign investors, the short-term investment boom quickly turned into a collapse.

Open publishing, a policy which allows any visitor to post photos, video, audio, or text, makes the Indymedia site a strong source of raw information rather than a polished package of information. Assemblies post resolutions, protesters post first-hand accounts, media activists post video footage, audio interviews, and photographs, and intellectuals and crackpots alike post analysis and reports to the online newswire. According to Henshaw-Plath, who helped the Argentina IMC get started, the Argentina newswire is more active than most of the 50 or so other Indymedia sites.

## The Economy

As a June, 2000, article in Business Week explains, things weren't always this way. The Yacimientos Petroliferos Fiscales (YPF), a government company, had a de facto monopoly on Argentina's rich oil and gas reserves for years. The company paid its workers well and spent up to \$6 million per month to build civic buildings, housing, and even cinemas in company towns like General Mosconi, which is named for the man that founded the YPF in the 1920's. According to the account, so lavish was YPF's spending that it was "distinguished as the world's only oil company to report losses year in, year out."

When the YPF was privatized ten years ago, everything changed. Things got more efficient: oil and gas resources were sold off to multinational oil companies like BP Amoco and Royal Dutch/Shell, which are now turning significant profits. But, the article continues, "nobody refines in Mosconi anymore — instead of training the city's unemployed to drill or build infrastructure, the multinationals fly experienced workers in for month long stints."

In General Mosconi, over 60% of the workforce is now unemployed. The region still accounts for almost a fifth of Argentina's oil production, but most of the population has trouble paying for food, much less utilities, and many families cook on portable camping

and many other groups in the past." Henshaw-Plath continues: "So, the people didn't come to direct democracy through an intellectual critique of the coercion of systems of representation but rather because they want and need real change and they see this as the only way out."

Of all the people in Argentina affected by the crisis, the *Piqueteros'* distrust of centralized power runs the deepest. The word literally means "picketeer", but has come to describe the growing numbers of unemployed Argentineans who are going hungry subsisting on a diet of bread and maté (a caffeinated tea). To get the government to listen, they have taken to setting up roadblocks on major highways and demanding to be provided with temporary employment by the government. If police try to break up a blockade, hundreds of other Piqueteros will pour in in solidarity. The Piqueteros insist that negotiators deal with them as a collective, at the blockade itself. Sending a delegate doesn't work because, as one Piquetero was quoted as saying, "they buy them off with a job." Even delegates or appointed leaders who are not bought off outright tend to favour family members and friends with the fruits of direct action.

When temporary employment is created in response to their demands, Piquetero groups decide collectively who gets the jobs, based on need and time spent helping with blockades. In General Mosconi, a formerly prosperous town in the far north of the country, the local Piquetero collective has started numerous civil projects, including bakeries, organic farming, and water services for the unemployed 40% of the local population.

Many commentators, some eager for revolution, have compared what is happening in Argentina to anarchist activity during the Spanish Revolution. In the 1930s, many Spanish peasants revolted not only against the powers that be, but against the very ideas of property and private ownership. Anarchist collectives appropriated (often without use of force) land and factories and ran them collectively, distributing goods according to need. Organization

was taken care of by a series of overlapping syndicates; workers were organized by both region and profession into small collectives, which would empower — and just as easily disempower — delegates to represent them at larger assemblies. According to historical accounts, the Spanish anarchists were successful for as long as three years before they were defeated militarily by socialist and fascist forces.

The various democratic movements in Argentina exhibit many of the stated principles of anarchist organizing: decentralization, temporary and conditional empowerment of representatives, and bottom-up decision making, with one notable exception: the anarchists. Says Henshaw-Plath, “They do seem to use anarchist forms of organizing, but they are most definitely not anarchists who are organizing things. The anarchists I met were very interested in what was going on, and they participated in local assemblies but they were not the driving force either organizationally or ideologically.”

Ezequiel Adamovsky, a history lecturer at the *Universidad de Buenos Aires*, extends this point to include “activists” in general: “the people who like the assemblies don’t perceive themselves as ‘activists,’ but rather as ‘common neighbors.’ Almost nobody likes the left-wing party activists, mainly because of their sectarianism and their readiness to tell everybody what to do.”

The lack of doctrine aside, some historical resonances are hard to dismiss. As in Spain in the 1930s, numerous factories in Argentina have been taken over by their workers, though not always forcefully. In an Indymedia interview, one worker explained: “The bosses went out supposedly to get money to pay us. But they never came back. We came back the next day and kept up production. Of everything we sell, we divide the profits equally. We have enough material to work with, and from the money that comes from what we sell, we make sure we can keep working. There are 50 of us who remain working here.”

In other cases, unemployed workers have attempted to occupy factories and plots of land forcefully. One such attempt by at a ceramic factory in Neuquén, a town 400 miles west of Buenos Aires, resulted in a “special police force” arriving and arresting the unemployed workers after shooting strikers with rubber bullets.

Also notable is *El Trueque*, a sort of Argentinian swap meet. Since the economic collapse, thousands have lined up every Wednesday to trade in used or homemade goods, and many others have taken to peddling other products and services at the *Mutual Sentimientos*, the building where the market is held. Since many peoples’ savings have effectively disappeared from the banks, and due to a impending devaluation of the Argentine peso, the organizers of the weekly barter market have printed their own credits. Many of the anarchist-run towns in Spain abolished the use of money altogether, though most people agree that *El Trueque* is simply a way to cushion the economic impact, and not the early stage of an alternative economic model.

Other forms of protest poignantly illustrate Argentina’s growing intolerance with official corruption. Adamovsky describes the *escraches* thus: “a bunch of people (usually not less than 80) go to the houses of corrupt politicians, judges, or businessmen to denounce them in front of their neighbours. These actions have recently become popular, and common people are starting to do the same spontaneously; whenever they come across a politician or a corrupt judge. Almost no politician or controversial person can now walk freely in the streets without being harassed by the people.”

According to those involved in the assembly movements, the mainstream media coverage ranges from actively hostile (conservative papers dismissively refer to assembly members as “soviets”) to ambivalent (TV stations show up to the weekly interbarrio meeting, but portray it as a single-issue movement). In reaction, a growing number of people rely on the Argentinian Independent Media Center’s (IMC) website ([argentina.indymedia.org](http://argentina.indymedia.org)) to supplement the mainstream coverage.