“We were capable, We are capable.” The slogan has repeated itself on government radio and television adverts throughout Argentina, which is celebrating 200 years since the May 25th revolution that eventually led to the country’s independence on July 9, 1816. The natural question such a slogan begs, “of what exactly?” One assumes its independence from Spain. Yet two centuries later, though nobody’s colony, many are still asking: How independent is Argentina really?

Bicentenary Blues

Despite a flurry of festivities that rang in Argentina’s third century, beyond the exhibitions, concerts, and flag-waving, the bicentenary has also been an opportunity to reflect on the country’s past, present and future. What exactly has the country been capable of and what are the challenges that it faces? This is what many Argentines – particularly intellectuals, academics, and those active in social movements – have been attempting to do: remind us of the issues that get lost in the shuffle and to celebrate with eyes wide open.

I spoke with Argentine historians Hilda Sabato and Elsa Bruzzone to gain insight into the significance of the bicentenary and the state of Argentina today and throughout its 200 years. Both have been actively working to contribute their voices to the bicentenary buzz: Sabato

through the website 'Historiadores y el Bicentenario' (Historians and the Bicentenary) which hopes to "give a space in which historians can publicly circulate questions that we have been debating in recent years with respect to our history"; and Bruzonne through her contribution on Argentina's natural resources to the newly-released 'Pensar la Nación' (Thinking the Nation), a collection of essays written by a host of academics in order to not only discuss the country's history but what is "the best Argentina we can have".

These and a host of other events – like 'The Other Bicentenary' encampment in Plaza Congreso on May 24 and 25 sponsored by a host of social movement groups and community radio stations – have sprung up because of what many see as a lack of depth and discussion around the occasion.

"There is a lot of noise but not too much beyond that," says Sabato, a professor at the University of Buenos Aires (UBA) and principal investigator of the National Council of Scientific and Technical Investigations, CONICET.

With the famous Avenida 9 de Julio set up like a tourist brochure – each province of the country on display in its own colourful stall – and events like an antique auto show, Sabato reflects, "It's going to be fun maybe, tomorrow, day after tomorrow…then we're going to go to the World Cup. I see the tone of the bicentenary on the same level as that or even less so."

The issues at hand are neither pleasant nor obscure, but those that all nations must address:

economic stability, the quality of life of its citizens, social division, land and the use of its natural resources, and political and democratic freedom and participation. And with more than 20 percent of the 40 million citizens living below the poverty line, 60% of families without medical coverage, a public education system in deterioration, and 40 percent of its workers labouring "off the books", all while battling rising inflation, Argentina has plenty to discuss.

"It's not the bicentenary that one dreamed in their youth," says Bruzzone, author of three editions of the book Water Wars. "We dreamed the dreams of the liberators of this continent, like Bolivar and San Martín. One dreamed of arriving at the bicentenary with this dream totally fulfilled, with a county without social inequality, without poverty and exclusion, without misery, of a country with jobs and healthcare and housing and education for everyone."

Weakened State

In talking with Sabato and Bruzonne, it became clear that understanding Argentina today is impossible without particularly understanding the last 100 years and what both see as the dismantling of the powers of and protections by the state. Major events? The rise and fall of Peronism, the military coup in 1976 and the junta's stranglehold until 1983, the neo-liberal economic policies of Carlos Menem's populist government, the devastating crash of 2001, and the rebuilding that has been taking place ever since.

In the first half of the 20th century, particularly after the economic crash of 1929 and 1930 and

after WWII, Argentina saw a strengthening of its industry – the state-owned oil enterprise YPF was created and the Central Bank and railways were nationalised, which helped finance the construction of hospitals, schools, and used to combat disease. Workers rights were respected, wages were high, and unionisation skyrocketed.

However the last military dictatorship, many of whose key economists had been trained at the University of Chicago under free-market guru Milton Freidman, not only pushed a policy of political violence but economic as well. The dictatorship dismantled gains made under Perón, as economic minister José Alfredo Martínez de Hoz outlawed strikes, lifted price controls and restrictions on foreign investment and sold off thousands of state enterprises. Prices and poverty rose dramatically and the dictatorship accumulated enormous amounts of debt. As it was losing ground in 1982, the military junta appointed Domingo Cavallo as head of the Central Bank who implemented policies that allowed the country's top private enterprises to shift billions in debt to the state through secured exchange rates, a process that continued after the dictatorship under Raúl Alfonsín.

"When the government of Isabel Perón was overthrown, the external debt of the country in 1976 was around US$4 billion," says Bruzzone. "When the dictatorship left, the debt had risen to US$40 billion."

Though a self-proclaimed Peronist, Carlos Menem who came to power in 1989 gave the position of economic minister to Domingo Cavallo and other top slots to former employees of the International Monetary Fund (IMF). What followed was a series of billon-dollar IMF loans, the selling off of the majority of state enterprises, and the creation of the Argentine peso that was linked to the dollar, all of which resulted in massive layoffs, a freeze on local industry in the face of expensive production costs and cheap imports, and even more debt.

This free-market frenzy ended in the notorious crash of November and December of 2001, in which recession and unemployment caused investors to pull huge sums of money out of the country and get out of town. The De La Rúa government froze bank accounts of millions of Argentines, who, when finally allowed access, were left with a fraction of their savings. Food riots broke out and on December 19 and 20 a mass of Argentines swarmed Plaza de Mayo demanding that all the politicians who had gotten the country into this mess, leave immediately. De La Rúa was helicoptered from the Casa Rosada to escape the angry crowds. It was clear to many that the state had turned against its people.

“The destruction of the state, not just the welfare state but as an agent of change and intervention in society, was gradual,” says Sabato. “The dictatorship and Menem’s government were key to that destruction.”

Two hundred years later

Which brings us to the Argentina of today, a place where you can eat a five-course meal for US$30 in a trendy restaurant while a family sifts through street garbage nearby. “We have had poverty in the last few years as never before,” says Sabato. “The distribution of income has been one of the worst in history, and many people have fallen well below the poverty line.” She calls this income gap “one of the worst aspects of Argentine society today”, which she says should be “unacceptable in a country like this”.

The external debt remains (US$120 billion to be exact) and though former president Néstor Kirchner and current president Cristina Fernández de Kirchner had spoken against repaying it, the government since reversed its position and after heated arguments about how to repay the debt earlier this year, Congress voted to do so with reserves from the Central Bank. The question of whether to pay the debt has all but vanished from Congress. This despite a ruling presented by Judge Ballestero in 2000 that found 470 illegitimate financial operations surrounding the debt, calling it “illegal, immoral, illegitimate, and fraudulent”. Congress made no further investigation into the ruling, and according to Bruzzone, “it doesn’t look like they will.”

“This is the debt that every man woman and child of this country pays,” she says, and asserts that there is a much more urgent “internal debt” that must be paid. “The external debt can wait,” Bruzzone claims, “but the internal debt cannot – healthcare, education, and life which is above all else.”

Bruzonne commends the Kirchners for the re-nationalisation of things such as water and pensions, and for leaving behind the neo-liberal economic policies of previous decades, save for one key sector.

“With the issue of natural resources, this government does what all governments have done since 1976…where the process of selling all our natural resources to foreigners has been consolidating and growing.”

She mentions that 20 percent of land in Argentina is in the hands of multinational corporations and/or foreign millionaires, and warns that this is “incredibly dangerous” and would put any country “on the brink of territorial disintegration”.

Bruzonne says that her travels and studies have convinced her that “the country that does not exercise its sovereignty fully, truly and effectively over its natural wealth will always be on its knees before the international financial and economic organisms, the transnational corporations, and will never be able to be independent, autonomous and sovereign because the development of those strategic natural resources depends also on the existence of a strong nation.”

South America has some of the world’s largest fresh water reserves, those in Argentina being also stored in its glaciers. Bruzonne has warned in her research that as the world’s fresh water supplies deteriorate, they will become a strategic resource over which future conflict and wars will be fought, and therefore must be protected. Though Congress passed the Ley de Glaciares in 2007 that restricted mining in glacial areas, the president vetoed the law just a few months later. No measures have yet been taken to protect the country’s fresh water resources.

Argentina’s native forests have suffered similar neglect. According to Greenpeace Argentina, the country has lost 70 percent of its native forests to deforestation and the Secretary of Environmental and Sustainable Development estimates that between 1998 and 2006, 2.3 million hectares were deforested, or one hectare every two minutes.

After a bitter fight, Congress passed a law in 2007 that limited the cutting of native forests depending on different levels of severity of deforestation. However the implementation of the law has been another story, to be fought out on a provincial level, often pitting small-scale agricultural producers and environmentalists against well-resourced agribusinesses.

Sustainable economics?

But the practice of cutting down native forests and the often forced removal of small-scale local producers has been used to make way for large-scale agricultural enterprises, mostly the planting of transgenic soya, Argentina's principal export. Each year the country increases its export of soya to places like China and Europe. According to the National Institute of Statistics and Censuses (INDEC), Argentina will export 50 million tonnes of soy in 2010 earning it the title of number one soya exporter in the world.

The biggest exporter of soya and other staples in Argentina is Cargill, which leads Forbes top ten private corporations in the US, reporting profits of over US$120bn annually. Cargill also owns the largest soya, wheat, and corn processing plants in Argentina, and is integrated with other top corporations in the country like fertilizer and seed producer Monsanto. Money is clearly being made, but how has it benefitted the people of Argentina?

Soya production is notorious for needing an increasing amount of land yet very few workers. Consumption of soya, as any Argentine supermarket will reveal, is not designated for Argentines but for people and cattle feed abroad. This might be seen as a cruel irony for a the two million Argentines who, according to UBA, go hungry each year, while living in a country with enough fertile land to feed its population multiple times over. Beyond the profits made by a dwindling pool of producers, the best chance Argentines have of seeing any of the benefits of soya production is through the hotly contested 35 percent government tax which generates an estimated US $5 million per year. How this money is distributed and whether it can give back what soya production takes is, of course, another story.

The question then becomes: Is the soya model, reliant on large amounts of land and at the whim of the international price market sustainable for Argentina's economy and its people? With the ups and downs international finance has seen as of late there is reason to worry.

However some, like Sabato, believe that the fact that Argentina is producing goods required by the world market is a good thing, saying that the country has "a good chance of growing." She believes that what is done with the growth is the real issue.

"What do you do with the money that pours through this commodity exchange? That's the problem." She says that the government often says one thing and does another, talking against soya "without trying to create alternatives for the long run."

“They’re not doing anything to change the structure,” says Sabato. “There could be state policies devised to re-arrange this economy, without, because it’s an expanding one, restricting investment.” She laments what she calls the “improvised” way the current government handles things like taxes and prices controls and inflation.

“You have to have a plan. You have to have some horizon,” she says.

Big “D” and little “d”

When it comes to democracy, Argentina can be divided into big “D” Democracy of its politicians and the little “d” of its social movements. In terms of the current government and politicians, both Bruzonne and Sabato see little to be proud of.

“Our political world is poor. Not in terms of money. Poor in terms of capacity,” says Sabato. She goes on to discuss the inability of politicians to generate genuine political debate and criticises the “dangerous way” politicians face conflict. Instead of pluralism and diversity, Sabato says current politics centre around “defining and enemy and crushing it relentlessly”.

“This notion of politics, which was very common in Argentina in the second half of the 20th century and until the end of the dictatorship has caused a lot of pain,” she remarks.

In the face of pressing issues like the environment, Bruzonne notes the lack of “political courage” to make change, and directly calls the political classes and leaders “a disaster”.

“They are ignorant and generally very compromised – lots of corruption, lots of bribery…They don’t have a real and true commitment to their people,” she says.

Bruzzone believes politics “must be an act of service” to the country, rather than what she calls a “medium through which one fills their pockets” but “remains screwed to their seats” when decision time comes.

In a time of reflection like the bicentenary, Sabato sees the national government as offering no national agenda, and “doing nothing to reconstruct the state in a solid sense.”

Calling herself a survivor of the politically-repressive dictatorship that disappeared thousands young intellectuals, activists, and artists, Bruzzone says the challenge is not only to re-establish the state but “the social fabric” of society.

“We had a military dictatorship that destroyed a generation not for nothing. The generation that was assassinated and disappeared, which I was a part of, was the best of the best, with its dreams, its utopias, and with commitment. That’s what’s now missing in my country.”

Though dismantled during the dictatorship, this little “d” democracy has, however, been resurgent. Social movements of the poor and working-class have fought particularly through the rise of the piquetero movement in the 1990s and since the economic crash of 2001 to be heard and addressed. Their cries have been directed explicitly against the neo-liberal economic policies of privatisation that that have hit the poor and most vulnerable sectors of society the hardest. In response to economic crisis and the lack of social services, many having taken matters into their own hands as unemployed workers movements, community centres, soup kitchens, and recuperated factories have sprung up throughout the country. Bruzonne takes note of these movements, calling them the beginnings of a reconstruction of the “fabric of solidarity,” and the “revalorisation of human values”.

“In Argentina there is a long history of public participation,” observes Sabato. “One of them is the street. Since the 19th century, the street really has been a space for public participation. People go out into the streets and demonstrate.”

Argentina's politicians may remain silent around key issues but everyday Argentines are certainly not quiet about their discontent.

Second independence

Though Argentina may be 200 years old, national intellectuals like Sabato still find themselves asking questions like: "Are we able to create some common ground upon which to build this society?" With the amount the Argentine people have faced in the country's 200 years, the question is both apt and deserving of an answer.

Bruzzone puts it differently, claiming that in order to confront the country's challenges, "a second independence remains to be realised.

"Together we liberated ourselves of Spain but then we fell into the hands of the British and then the North Americans, and then into the hands of the multinational corporations and the international financial and economic organisations," she says.

As the fanfare of the bicentenary fades away, the pressing issues of Argentina remain; those that when addressed will push the country toward an independence that won't be shown in parades but in the concrete changes in the lives of its citizens. "It's our turn to complete the project," says Bruzzone, "And I think it's worth completing."

Photo by Guilermo.