

**PAMELA JOHNSON**

**AN EXPLORATION OF CRITICAL LATIN AMERICAN  
HISTORICAL ANALYSES OF THE CAPITALIST STATE AND  
THE UNIVERSITY SYSTEM IN ARGENTINA**

A minithesis submitted in partial fulfilment of the requirements for  
the degree of Magister Education in the Department of Education,  
University of the Western Cape.

June, 2004

SUPERVISOR: Professor D. Cooper

## KEY WORDS

ARGENTINA

UNIVERSITY SYSTEM RECONSTITUTION

STAGES OF CAPITALISM

FORMS OF STATE

GLOBAL FINANCIAL CAPITAL

NEOLIBERAL STATE

TRANSNATIONAL/ NATIONAL BOURGEOISIE

STATE IDEOLOGICAL APPARATUSES

NEOLIBERAL DISCOURSE - '*PENSAMIENTO UNICO*'

MARKET INTERVENTION

## ABSTRACT

### AN EXPLORATION OF CRITICAL LATIN AMERICAN HISTORICAL ANALYSES OF THE CAPITALIST STATE AND UNIVERSITY SYSTEM IN ARGENTINA

P. JOHNSON

MEd Minithesis, Department of Education, University of the Western Cape

This investigation into certain elements of critical Latin American literature was prompted by the apparent post-1980s neglect by academics of Anglo-Saxon origin to engage with the state and social class, in the contextual framework of the political economy, as central elements of social analysis. The broad purpose of this research was thus to investigate to what extent critical Latin American literature (written in Spanish) offered analyses of social change that embraced the relationship between state, society and the university system, and to make these perspectives available to South African academics.

As conceptualised by Marxist structuralists in the 1960s and 1970s, the state comprises political, economic and ideological constructs that incorporate conflicting class interests, existing as a site of contestation and the manifestation of the class struggle. However, within the various state apparatuses and structures, tensions and fractures exist that create, in the midst of an essentially class struggle, opportunities for agency that defy the dictates of particular class interests. These are manifested in strategic alliances of a contradictory nature, sometimes inimical to the interests of the class concerned.

This analytical perspective of the state was marginalised by post-modernism and post-structuralism during the 1980s and 1990s, with the state re-defined by contemporary globalisation theorists according to a notion of the 'nation-state'. This constitutes one element of an overarching configuration of power relations and networks comprising a variety of transnational 'players', who assume political and economic roles to pursue their interests. This designation of 'players' detracts from the centrality of class as an analytical tool, preferring to dwell on notions of power and conflict without pursuing the analysis to its fundamental origin in a system of control and ownership of resources by dominant transnational corporations.

An abandoning of the state as a central conceptual tool has coincided with changes in the way the role performed by the university is conceptualised, foregrounding *symptoms* of an ideological intrusion by neoliberal discourse concerning the role of the university, rather than locating the *cause*. Hence the greater struggle for ideological hegemony that occurs within society, waged by the mass media, as mouthpiece of implementation by agents of transnational financial capital, and propagating a neoliberal discourse, seems to be overlooked.

Nonetheless, critical perspectives of Latin American analysts, in this thesis primarily drawn from those compiled by a network of Latin American academics whose research is coordinated and published in Spanish by CLACSO, (*Consejo Latinoamericano de Ciencias Sociales*), continue to recognise the centrality of the state and social classes in conducting social analyses, whilst the university system is considered by academics contributing to CLACSO to have specific responsibility for challenging dominant ideology and proposing social alternatives. Critical perspectives consider the recent marketisation of the higher education sector in terms of the relationship between the weak neoliberal state and dominant sectors of the national and transnational bourgeoisie, concomitant with the intrusion of market ideology (*'pensamiento unico'*) and its insertion into the state, society and the public university system.

These perspectives form the subject of this project, the intention being to facilitate the dissemination of Latin American perspectives in South Africa and to encourage further engagement with the state and social classes as analytical tools.

Date: June 2004

## DECLARATION

I declare that '*An exploration of critical Latin American historical analyses of the capitalist state and the university system in Argentina*' is my own work, that it has not been submitted for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged by complete references.

Full name: Pamela Johnson

Date: June 2004

Signed: .....

## ACKNOWLEDGEMENTS

I would like to acknowledge the following people for their academic and moral support at various stages throughout the development and writing of this thesis:

- Adriana Alvarez - Lecturer in Linguistics and Specialist Didactics at the University of Comahue, Argentina; for her interest, for finding the answer to every question I posed, and for the compilation of Appendix 1.
- Paul Baxter - best friend, for his back-up and motivation all the way
- Prof. Dave Cooper - Supervisor, scholar and academic of courage and integrity, founder of the PALM Masters programme; for his interest, insights, constant and enduring support, meticulous observations and both valued and valuable suggestions.
- Dr. Sofia Dono Rubio - Argentinian academic and researcher of higher education in Argentina; for her friendship and assistance in sourcing critical Latin American literature when I was in Buenos Aires.
- Prof. Marcela Mollis - Argentinian academic and widely acclaimed intellectual; for reviving my interest in the state and encouraging this research.
- Dr. Sharman Wickham - Higher education research consultant, for sacrificing her scarce time to read this thesis, and for her careful and thoughtful observations.
- PALM 2002 class - for making this Masters course so fulfilling.
- UWC Centre for Higher Education Studies staff, Mymoena Adriaanse and Allison Moller - for their friendly and attentive assistance.

I would also like to acknowledge the financial sponsorship of the Ford Foundation, and the material resources in the form of a computer loan provided by the Carnegie Foundation - both of which were made available to the entire MEd (PALM) class of 2002.

## CONTENTS

Title Page	i
Key words	ii
Abstract	iii
Declaration	iv
Acknowledgements	v
<b>Chapter 1 - - Background to reading neo-Marxist Latin American analyses of class, the state, ideology and higher education, with specific reference to Argentina</b>	<b>1</b>
Introduction	1
Personal motivation	1
Part One: Neo-Marxist critical theory in the social sciences in Latin America	4
Part Two: Research aims and methodology	6
Academic aims	7
Scope and chapters of thesis	8
Research methodology	9
Challenges	11
Thesis design and architecture	12
Part Three: Social theory and perspectives	14
Marxist structuralism: the state, apparatuses and power	14
The ‘crowding out’ of Marxist structuralism	16
<b>Chapter 2 - The early capitalist state in Argentina and the Cordoba public university system reforms of 1918</b>	<b>18</b>
Background	18
Prologue: some views on the Argentinian state and the economy	18
Part One: The emergent industrial capitalist state	19
The emergence of a weak national industrial bourgeoisie	20
Part Two: State, ideology and higher education: the struggle for and establishment of fundamental principles in 1918	22
Prologue: the Argentinian public university system	22
The ‘modernising’ Argentinian state (early 20 <sup>th</sup> century) and the university	24
Conflicting ideologies: theology versus industry	25
The Cordoba reforms - hallmark of the 20 <sup>th</sup> century Argentinian public university	27
The main principles: comments with respect to principles and practices	28

<b>Chapter 3 - An overview of developments between 1920 and 1983</b>	<b>31</b>
Part One: Overview of the political economy in Argentina 1920 - early 1980s	31
Import substitution and industrial expansion	31
Peronism and the populist state	32
The influence of foreign capital from the United States	33
Class demands and state borrowing	34
Decline in capital accumulation and increase in public demands	35
The relation between foreign capital and the 1976 authoritarian state	36
The advent of democracy and the neoliberal state	38
Part Two: The state and the public university system until the early 1980s	39
Populism, the Peronist state and the university in the 1950s	39
The authoritarian state and ideological resistance	40
The aftermath of ideological repression	42
<b>Chapter 4 - Globalisation and the neoliberal state in Argentina</b>	<b>43</b>
Background	43
Part One: Globalisation	43
A Latin American critique of globalisation	44
A critical overview of the history of financial globalisation in Argentina	45
Part Two: The neoliberal state and corresponding ideology	47
The neoliberal state in globalisation	47
The legitimising discourse - ‘pensamiento único’	48
Part Three: The triumph of the neoliberal state in Argentina	51
Post-dictatorship economic crises	51
The installation of the neoliberal state	52
Neoliberal democracy and ideology	56
<b>Chapter 5 - The Argentinian university system: intrusion of neoliberal ideology</b>	<b>59</b>
Background	59
Part One: The neoliberal interpretation of society: ‘pensamiento unico’	59
The free market as a social paradigm	59
Neoliberal values and higher education	61
Part Two: The neoliberal state and the public university system in Argentina	63
Post-dictatorship ‘normalisation’	64
Warning signs from the neoliberal state	65
Insertion of World Bank recommendations for a neoliberal framework in the higher education system	66

The ‘transformation’ versus ‘reconversion’ debate	68
Entrenchment of neoliberal values in the university system via the legal apparatus	69
La Ley de Educación Superior No. 24.521 del 7 de agosto 1,995	69
The neoliberal state and the private sector	72
Conclusion: universities at the present moment	73
<b>Chapter 6 - Conclusion</b>	<b>75</b>
Reiteration of the academic aims	75
Summary of thesis strategy across the chapters	76
Theoretical prospects	77
<b>Bibliography</b>	<b>78</b>
<b>Appendices</b>	<b>84</b>
Appendix 1: Public Universities in Argentina	84
Appendix 2: Current Account deficit 1992-1999	85
Appendix 3: Estimate of Gross external debt 1991-1999	86
Appendix 4: Distribution of enterprises by ownership 1993-1988	87



# CHAPTER 1 - BACKGROUND TO READING NEO-MARXIST LATIN AMERICAN ANALYSES OF CLASS, THE STATE, IDEOLOGY AND HIGHER EDUCATION, WITH SPECIFIC REFERENCE TO ARGENTINA

## INTRODUCTION

### Personal motivation

This research was prompted by a curiosity concerning the apparent obscuring of social class and the state in a theoretical space that seems to be currently dominated by post-modern and post-structural interpretive approaches, on the one hand, and positivist studies, on the other.<sup>1</sup> A preliminary investigation of theoretical approaches contained in contemporary journal articles (in English)<sup>2</sup> prior to commencing my reading of certain Latin American literature (in Spanish), indicated a virtual absence of Marxist structuralist and neo-Marxist perspectives that had been prevalent in academic discussions during the 1970s.<sup>3</sup>

However, a critical approach was evident in readings<sup>4</sup> distributed by Professor Marcela Mollis, Deputy Dean of the Faculty of Philosophy and Literature at the University of Buenos Aires in Argentina, and convenor of a module on comparative higher education systems, presented as part of the Masters course of which this minithesis forms a part, during September 2002.<sup>5</sup> Discussions on Argentinian history and higher education, part of the same sub-module, led by Dr Lis Lange, also a native of Argentina, presented a theoretical perspective in which an examination of the changing form of the capitalist state was central to analyses of social change and the transformation of higher education systems. This location of higher education, within the context of the political economy and the changing nature of the capitalist state, seemed to indicate a perspective absent in much current Anglo-Saxon literature on higher education.

This contrast between the absence of critical theory of the state in recent literature proceeding from Europe and the United States<sup>6</sup> and a certain presence in Latin American literature,<sup>7</sup> led to my initial decision to explore perspectives of Marxist structuralist and neo-Marxist approaches within critical theory in *contemporary* Latin American academic

---

<sup>1</sup> My own subscription to basic principles of a Marxist structuralist approach is founded within my undergraduate studies in the 1970s, and my understanding influences the selection and presentation of literature read for this thesis.

<sup>2</sup> Scanning editions in the UCT library of the past five to six years of the *International Journal of Education Development, Comparative Education and Latin American Research Review*, I was able to identify only one cogent argument for social analysis based on class (Knight, 2002: 136-158).

<sup>3</sup> Represented by intellectuals such as Althusser and Poulantzas, whose works on the ideological instance and the relative independence of state apparatuses respectively, contributed to debate and non-deterministic development of Marxist theory in the early 1970s within the Anglo-Saxon 'academe'.

<sup>4</sup> Most notably Torres & Puigros (1997: 1-27), where the role of the state in the public education system is examined; and Arnove, Franz, Mollis & Torres (1999: 305-328), dealing with the relationship between the state and the higher education system in Latin America at the end of the last century.

<sup>5</sup> 'Comparative Higher Education: the Latin American Higher Education system – between the global and the local', presented as a half-module for the Masters in Higher Education programme offered by the Faculty of Education at the University of the Western Cape in September 2002.

<sup>6</sup> In this thesis termed the 'north', designating literature and ideas originating from (mainly Anglo-Saxon) domains in Europe and North America, and derived from its counterpart, the 'south', a term originating in a conference of the same name, 'Views from the south', held in March 2001 in Cape Town, South Africa, organised by the then Education Policy Unit of the university of the Western Cape, where challenges to dominant ideology from the 'north' were presented.

<sup>7</sup> As indicated above, in this thesis termed the 'south', incorporating Africa, Asia and Latin America.

writing in the field of modern social sciences and higher education.<sup>8</sup> Furthermore, my intention was to establish to what extent the literature incorporated analyses of social class and the state in examining recent change in the higher education system, and, parallel to this, how the state was theorised in current critical theory in Latin American literature.

In correspondence with Professor Mollis subsequent to her stay in South Africa, and due to my ability to read academic texts written in Spanish - I had lived and worked in Spain from 1983 to 1991 - she encouraged me to pursue my research interest and referred me to an organisation based in Buenos Aires, CLACSO<sup>9</sup>, which publishes many Latin American authors whose critical approach locates the state at the centre of social analysis. The main obstacle was that this literature is not available in South Africa, as it is published in Spanish in Latin America. Attempts to locate locally recent Latin American academic texts on the subject of the state, published in Spanish or English, proved futile. Information on Internet web sites signalled the availability of a wide range of titles, but, having had little exposure to Latin American academic writing beyond that made available to our Masters class by Professor Mollis, and those titles to which she had referred me, I lacked the in-depth information required to make a selection. The final problem was that of transporting books from Latin America, as I was advised that due to the unreliability of the postal service, the use of courier services would be essential, at a cost of about US\$60 per book.

Due to the unavailability in South Africa of these Latin American texts, written in Spanish, my starting point was a weeklong visit to Buenos Aires from 24-30 April 2003, fortuitously coinciding with the celebration of the 29<sup>th</sup> Annual International Book Fair, held over a period of three weeks every year. The book fair consists of exhibitions by more than two hundred Latin American and Spanish publishers and includes a daily programme of lectures, debates, readings and presentations.<sup>10</sup> This ideal opportunity for buying books was complemented by the extremely helpful companionship of Dr Sofía Dono Rubio, whose research specialisation lies within the field of higher education, and who guided me around the leading bookshops, recommending titles on higher education and society. I was thus able to return to South Africa with a selection of recent critical literature written by intellectuals and academics from various Latin American countries, almost all of which are published by CLACSO.<sup>11</sup> I was also able to attend several debates and discussions that formed part of the book fair programme, allowing me to gain a first-hand impression of popular awareness of and interest in some of the issues concerning the neoliberal state, the changing nature of higher education, its relation to the mass media, and how universities are responding to the challenges presented by the neoliberal state and privatisation.

---

<sup>8</sup> An almost immediate discovery after beginning my reading was that in critical Latin American literature, economics is still firmly located within the social sciences, whereas in the 'north', for example, it has often become part of business and management sciences. Thus a Marxist and neo-Marxist explanation of the economic sub-structure as the primary determinant of social change constituted a large part of the literature I obtained, as reflected in chapters 2 and 4.

<sup>9</sup> *Consejo Latinoamericano de Ciencias Sociales*, or Latin American Council of Social Sciences.

<sup>10</sup> I attended the fair for three consecutive days from Saturday to Monday to try and maximise coverage, and was amazed at the crowds of book-buyers on each occasion, especially the presence of teenagers and young adults. As explained to me by Sofía Dono Rubio, a colleague of Marcela Mollis at the University of Buenos Aires, who accompanied me to several bookshops, this book-buying culture is one of the manifestations of middle-class values inculcated over the years, linking literature and the arts to a certain social status. It is encouraged by the fact that no VAT (23%) is charged on books and that average prices are fairly low, ranging between 20 and 40 pesos (about R50 – R100). I was astonished at the number of bookshops in Buenos Aires, and in one of the main avenues in the centre, Calle Corrientes, I counted more than fifteen in seven blocks. Though I spent every day either at the book fair or visiting bookshops, I was unable to exhaust the possibilities in the city centre.

<sup>11</sup> I returned with 50 titles, 40 of which are contained on two CD ROMs made available by CLACSO, comprising all books compiled and published between 2000 and 2003. Further details on CLACSO will be provided later in this chapter, but most of their titles are the product of multi-institutional research projects conducted by participating academics in various Latin American universities.

Of further interest during my stay was the countdown to the presidential elections, contested by many parties and characterised by demoralization and confusion among citizens, cynical of electioneering promises after nearly two decades of a continual decline in the real standard of living of most people, and a widespread awareness of the failure of the neoliberal state to counter increasing unemployment, poverty and social exclusion.<sup>12</sup>

My most overwhelming impression of the intellectual climate in Buenos Aires and Argentina - and one that is not necessarily a true reflection of thinking among the greater public, due to the type of events I attended and the kind of audience present in discussions and debates, as well as the brevity of my visit - was that there is a coherent and vibrant current of critical thinking and theorizing in Latin America within certain sub-sections of the population, including intellectuals. Despite this possibly distorted impression, it was apparent from audiences attending various lectures and debates, as well as from conversations with people in public spaces, that there was a substantial awareness of the nature of what is widely recognised in Argentina as the 'neoliberal state' and the way in which it functions to benefit a transnational capitalist class, rather than its citizens, and a certain level of public understanding of the exploitative nature of the neoliberal political economy.

The level of public awareness of the neoliberal state and its role in contributing to recurrent financial crises and socio-economic deterioration over the past two decades surprised me. The neoliberal state is the subject of prolific discussion by Argentinian writers (academics, analysts and journalists) describing the corruption of the neoliberal state and its complicity in furthering the interests of global financial capital to the detriment of Argentinian citizens, the manipulation of citizens by means of market discourse, and the deterioration of democracy into a set of electoral procedures (Almonacid & Arroyo: 2002; Boron: 2001a; Bruno: 2003; Mato: 2002; Rapoport: 2002 and numerous others). A deeper theoretical exploration of the tensions between the market discourse of the mass media and the transformation discourse of critical academics would form an interesting subject for further research, but is beyond the scope of this thesis. Likewise, the expanding scope of critical cultural studies, which has formed an overarching and accommodating terrain for fragmented and specific studies to embrace themes such as marginalised societies and social violence, offers interesting possibilities related to the nature of the state, exclusion and manipulation of social groups and dominated classes.

However, in this thesis my intention is to present an overview of specific sections of contemporary Latin American literature located broadly within the framework of critical theory, without offering a comprehensive overview of all those present. The literature consulted presents primarily Marxist and neo-Marxist analyses of historical change, incorporating concepts of the relationship between social classes, capital and the state; or at the very least drawing in the concept of class in explaining historical change. The main objective is to introduce to the South African reader the conceptualisation of the state by certain Latin American intellectuals (mainly those contributing to research conducted under the auspices of CLACSO); to outline some of their analyses of social structures, classes and conflict; and to offer a brief, but broad account of how this array of writers views change over the past century, examining in greater depth two particular historical moments of change in higher education within that broad period. The two key moments examined, 1918 and 1995, encapsulate transformation in the Argentinian higher education system.

To fulfil these objectives, with the primary aim, as noted, being that of sharing primarily critical<sup>13</sup> Latin American perspectives of change in society and the state with a South African audience, this task will be approached in the form of a non-exhaustive and by no means conclusive chronology of various events, consciously identified and selected from within the texts consulted, and synthesised in an attempt to present a reasonably coherent

---

<sup>12</sup> The election results reflected this confusion by producing almost equal votes for the two main contenders, Menem and Kirschner, necessitating a run-off two and a half weeks later.

<sup>13</sup> Throughout this thesis the word 'critical', in the context of a theoretical approach, refers to Marxist and neo-Marxist analyses and interpretations.

overview, whilst providing illustrative examples of certain critical theoretical perspectives and analyses applied to specific contexts, particularly 1918 and 1995.

### *Scope of this chapter*

Part One provides the reader with information about CLACSO, the organisation that published most of the literature consulted for this thesis.

Part Two presents research aims and methodology, disclosing deliberate choices made by the researcher in conducting the literature review.

Finally, Part Three offers an overview of the neo-Marxist structuralist perspective that characterised certain international components of critical theory in the 1970s and early 1980s, and which the researcher intended to explore within certain critical Latin American texts.

## **PART ONE: NEO-MARXIST CRITICAL THEORY IN THE SOCIAL SCIENCES IN LATIN AMERICA**

As stated previously, the majority of the literature obtained for the purpose of this thesis is published by CLACSO, which constitutes a small but strong critical presence in the form of an intellectual approach that is both highly critical of the hegemony of Anglo-Saxon paradigms from the 'north', and highly articulate in terms of providing original and counter-ideological critical perspectives. A significant dimension of coherency is achieved through coordination and publication of the research activities of critical Latin American social scientists by this organisation.<sup>14</sup> Although representing a minority among Latin American academics in terms of its critical perspective, CLACSO nonetheless constitutes a strong and distinct intellectual presence, due to the rigorous and coordinated nature of the research conducted and the coherency of research contributions.

Evidence of the challenges to various hegemonic ideological perspectives - originating from North America and Europe - exists in an intellectual collaboration within the Latin American university system that dates back to the 1960s, a period in which much Latin American theory, particularly in the social sciences, was emerging in the form of revolutionary critical perspectives from academics throughout Central and Latin America. Foreign donor funding, primarily from Sweden, led to the establishment of the *Consejo Latino Americano de Ciencias Sociales* (CLACSO), with the objective of ensuring that critical theoretical research be coordinated and the results disseminated in published form.

Having survived the ideological repression of the military regimes, today CLACSO has affiliates throughout Latin America and the Caribbean. Distinguished by its counter-ideological perspectives that present alternatives to dominant positivist, post-structural and post-modern theories, much of the CLACSO material incorporates Marxist and neo-Marxist perspectives with a distinctly class-based analysis. The central office of CLACSO in Buenos Aires co-ordinates the research activities and publishes the results of various '*grupos de trabajo*', or working groups, promoting intellectual collaboration between academics based in universities in different Latin American and Caribbean countries.<sup>15</sup>

---

<sup>14</sup> CLACSO is not the only coordinating group of research in the social sciences. FLACSO, *Facultad Latinoamericana de Ciencias Sociales*, or Latin American Faculty of Social Sciences, is based at the University of Buenos Aires, for example, and though this organisation also compiles and disseminates research performed by Latin American academics, it contains a wider range of perspectives and has a more moderate approach. Other organisations conduct research in more focused areas: the *Instituto Gino Germani*, for example, named after one of Argentina's most famous and renowned social scientists, who developed marginalisation theory in Argentina, specialises in research into marginalised social groups.

<sup>15</sup> Research groups have been established in areas such as higher education, trade union studies, rural society, social violence, cultural studies, gender studies, and even football! For a complete list of research areas and publications, go to [www.clacso.org](http://www.clacso.org)

Drawing together more than 150 teaching (undergraduate and postgraduate) and research centres at various universities among 21 countries in Latin America and the Caribbean, and with more than 5000 full-time researchers contributing to its publications, CLACSO promotes the advance and diffusion of the production of knowledge in diverse disciplines of social sciences in the region. According to the Executive Secretary, Atilio Boron, 'the humanistic culture of our times has been enriched by contributions of recognised significance such as the theory of dependence, by recuperation of theory of the state, the theology of liberation and the pedagogy of liberty. Recognition of the influence that these have had, has led to CLACSO assuming responsibility for maintaining this intellectual tradition.'<sup>16</sup>

The explicit reason for making texts available electronically is, as expressed by Boron (2002), 'to ensure that this *conocimiento genuino* - genuine knowledge<sup>17</sup> - of social reality does not remain the privilege of minorities, but becomes part of the heritage of all citizens, thereby creating conditions for the integrated development of our societies... (and) the dissemination of ideas originating from intellectuals in Latin America and the Caribbean region to an ever-widening audience' (Boron: 2002 - Introduction to CD ROM).

In addition to coordinating academic research activities from within a critical perspective, various other projects are undertaken. Among others, these are wide-ranging working groups organised on a trans-disciplinary basis to conduct and publish research around various themes; scholarship programmes (junior and senior) permitting full-time research and publication of research results; the CLACSO virtual campus; and finally, the 'South/South' programme, which strives to promote cooperation between social scientists from the 'south', viz. Latin America, the Caribbean and African colleagues.<sup>18</sup>

The CLACSO mission calls for ideological challenges to what it perceives as hegemonic ideology produced by the dominant financial capitalist class, proceeding predominantly from the United States and corresponding with this nation's economic hegemony and imperialist activities. Encouraging regional collaboration amongst Latin American, African and Caribbean societies, CLACSO seeks to resist the imposition of financial, social and political analyses deriving from the 'north' by constructing historical and cultural matrices that originate from Latin America, an ideological position which accommodates various theoretical stances, but within the auspices of which a Marxist and neo-Marxist approach predominates (Boron: 2002).

Despite the explicit resistance of the imposition of hegemonic ideology, there is, however, recognition of the value and validity of theoretical constructs deriving from 'northern' theoreticians such as Marx, Gramsci and Wallerstein (Boron: 2002; Lopez Segrera: 2000; Sader: 2000; Lozano: 2000). Whilst it cannot be stated that CLACSO has an exclusively Marxist or neo-Marxist approach, a range of critical perspectives are evident,<sup>19</sup> as will be outlined in the sub-section '*Critical perspectives*' later in this chapter.

---

<sup>16</sup> Researcher's translation of introduction on the two CD ROM compilations of research published between 2000 and 2003, amounting to more than 40 books comprising contributions from critical studies coordinated by CLACSO.

<sup>17</sup> 'Genuine knowledge' being the opposite of the (false) neoliberal ideology widely criticised within CLACSO, and discussed in Chapter 5.

<sup>18</sup> The utilisation by CLACSO of a similar denotation of the 'south' affirmed my decision to likewise adopt this term for this thesis. CLACSO does not, however, refer to its opposite, the 'north', as I have. As mentioned previously, the choice of the term the 'north' is by way of contrast, and indicates the Anglo-Saxon literature proceeding from (Western) Europe and North America.

<sup>19</sup> For example, Boron subscribes to a directly Marxist approach, focusing mainly on the direct relationship between the economic sub-structure and political super-structure, whilst Sader acknowledges the significance of Gramsci's contribution in terms of political power, hegemony, and the organisation of domination, in which the ideological dimension has the capacity to produce different dominant 'modalities' and convert specific class interests to general populist notions (Sader, 2000: 414-415). Almost all academic texts consulted on the subject of the political economy conceptualise the

Most analyses present the neoliberal state as a focal subject within the broad context of political, economic and social change occurring during the most recent phase of globalisation, financial capitalism.<sup>20</sup> Those academics focusing on the economic aspects insert conspicuously the relation of domination that is present by virtue of the existence of the capitalist class and the process of capital accumulation. Hence their analyses incorporates this relation and the consequences it has on a transnational/global scale, embracing hegemonic and non-hegemonic sectors of the transnational financial capitalist class, thereby subjugating entire non-hegemonic societies.

Some of those analyses I have consulted on education and ideology emphasise the relation between the state and ideology / higher education, without necessarily recognising the inevitability of the exploitative relations between the capitalist state and citizens of popular non-capitalist classes. According to some analyses, to be discussed further in Chapter 5, the neoliberal state assumes a particularly suppressive role relative to the formulation and dissemination of values, performing a regulatory and administrative function that distorts its mission, tending to increasingly serve the interests of global capital, and ceding control over the ideological tools constituted by the university system to the market. Consequently, according to this perspective, whereas the public university had previously assumed the role of producing critical - as well as instrumental - intellectuals, the innovative function has increasingly been delegated to cooperative partnerships with the corporate sector, thereby converting the purpose of innovation from one informed by social needs to one of profit.<sup>21</sup>

In conclusion, there are varying degrees of intensity and theoretical nuances within the critical approach encountered in those works published under the auspices of CLACSO. As I have tried to indicate, these all nonetheless contribute to the presence of an intellectual current that unfortunately is not more widespread in either Argentinian or other societies. However, it is my intention to reveal as much as possible of this *critical, broad intellectual Marxist and neo-Marxist* perspective within the scope of the topic of this thesis.

## **PART TWO: RESEARCH AIMS AND METHODOLOGY** <sup>22</sup>

In the section which follows, the academic aims, scope and chapters of this thesis, and research methodology are presented, accompanied by comments on some of the deliberate choices inherent in this type of research, which comprises a review of *certain areas* of literature, representing primarily Marxist and neo-Marxist perspectives, as outlined above. CLACSO is not the exclusive origin of the texts consulted, as a few additional books dealing with areas not covered by academics commissioned by CLACSO were recommended by a colleague who was aware of the researcher's needs.<sup>23</sup> Finally, observations are offered on some of the perspectives within critical theory in Latin America that became apparent during this research, with comments on some differences in approach and emphases.

---

state in terms of its relationship with dominant capital (Calcagno: 2001; Castellani: 2002; Ruiz Moreno: 2002; and others). Some academics, whose work was not under scrutiny in this thesis, notably those contributing to a critical approach in cultural studies (Mato *et al.*: 2002), hold intellectual stances that defy simple categorisation, yet that originate from the premise of conflict and unequal access to power.

<sup>20</sup> See authors cited later in footnotes 37 - 39, but refer to CLACSO website for comprehensive list of publications.

<sup>21</sup> See Coraggio: 2003; Mollis: 2001, 2002, 2003; Paviglianiti *et al.*: 1996; Rodríguez Gómez: 2002; Russo: 2002. The views of these writers will be presented in Chapter 5.

<sup>22</sup> This section is presented with myself in the third person form, 'the researcher', as I distance myself from a description of the research process. In the footnotes, however, elaboration of points from a personal perspective is in first person form, 'I'.

<sup>23</sup> Two of the primary texts consulted on change in the higher education system in the two moments under consideration, by Weinberg (for 1918) and Paviglianiti *et al.* (for 1995), were recommended by Sofia Dono Rubio. These texts contribute significantly to chapters 2 and 5 respectively.

## Academic aims

The academic aims of this thesis are, firstly, to *examine* the theoretical analyses of *some* of those Latin American academics writing from within a critical perspective, particularly those centred around the CLACSO working groups, who accept the political economy as an integral element of their analyses; secondly, to *investigate* some of their different representations of the state and social classes; thirdly, to *explore* conceptualisations of the relationship between the state and the higher education system by the CLACSO higher education working group and other Latin American academics specializing in this field of investigation; and finally, and of profound significance, to *contribute* to debate in South Africa by offering certain of these Latin American analyses that would otherwise, due to the fact that they are written in Spanish, be unknown to local readers.

As a vehicle for these strands of critical theory, this thesis utilises a broad narrative account of social change within Argentinian society over the past century. Assembled by the researcher, the narrative has thus been deliberately constructed according to her own understanding of the sections of the literature chosen for their critical perspectives. Located within this narrative, is a portrayal of the different interpretations of historical change by various academics, some with a specific focus on the economy, in the first part of Chapter 2 and in the whole of Chapter 4, and others on that of higher education, in the second part of Chapter 2 and in most of Chapter 5.

In compiling this account, which cannot claim to investigate in depth the social changes that occurred in Argentina over a period of a century, and which does no more than highlight certain events and attempt to explain these, the researcher has chosen to dwell on two particular historical moments of transformation in the state and the *public higher education* system, at the beginning and at the end of the previous century, presented in the second part of Chapter 2 and in Chapter 5 respectively. Both periods encapsulate intense social upheaval - yet one, in the early twentieth century, was driven mainly by internal class conflict, though linked to external factors; whilst the other, towards the end of the twentieth century, involved pressure exerted by external forces of transnational financial capital. Each of these periods is examined in terms of its economic and social context, and linked by a more superficial economic narrative of change over the fifty years that separated them, in Chapter 3.

It should be noted that in this thesis, the researcher sought those texts supporting her own particular ideological stance, namely, that it is conflict which drives change and that changes in the balance of power between competing groups and sectors of social classes are rooted in a class struggle which resonates at the level of the state. Hence the design and presentation of the account of social change is informed by a class analysis of society and populated by references which corroborate and support such an analysis. However, it cannot be assumed that all the literary sources within CLACSO or those additional texts consulted derive from an exclusively or rigidly Marxist perspective, though it will be observed that all the texts selected are informed by a critical approach that engages with the notion of social classes and the relationship between the state and society.

By making available various strands of critical approaches to non-Spanish academics in South Africa, the researcher's intention is to share certain Latin American perspectives, mainly those derived from CLACSO, that may be of relevance to local debate, and hopefully to revive interest of theory of the state within South African academic debate. However, a determination of the usefulness of these Latin American analyses and investigative frameworks in examining the *South African* situation does not lie within the scope of this thesis, and thus no comparisons have been made between Argentina and South Africa. However, it is considered by the researcher that several similarities exist, for example, the post-World War II insertion and securing of the interests of dominant foreign financial capital based in the United States and Europe in Argentina and South Africa respectively, the extreme violence of the authoritarian state and its repressive relationship with the working class and dissidents in the 1970s and 1980s, and the influence of the World Bank on neoliberal policy formulation by the newly democratic state in the 1990s.

## Scope and chapters of thesis

Chapter 1 serves to contextualise the literature review, so as present the views of the researcher and the perspectives of the main literary sources consulted, in order to orient the reader to the chapters that follow.

In the first part of Chapter 2 and in Chapter 4, the changing nature of the state in Argentina and shifts in the balance of power are examined in relation to changes in the economic base. The first part of Chapter 2 deals with the period of early industrial capitalism of the first two decades of the twentieth century, whilst Chapter 4, covering the last two decades of the twentieth century, examines the period during which the hegemony of transnational financial capital was entrenched by the neoliberal state. The first part of Chapter 2 sets the scene for the '1918 moment', while Chapter 4 sets the scene for the '1995 moment'. According to the dominant theoretical positions of the CLACSO texts consulted on these topics, the economic sub-structure is presented as the fundamental and underlying determinant of social dynamics, and an explanation is offered as to how the two specific periods of capitalist development under closer examination produced different forms of the capitalist state in Argentina at the beginning and the end of the twentieth century, as presented in Chapters 2 and 4 respectively.

It should be noted that analysts of change in the Argentinian higher education system, particularly the public university system, place great emphasis on the significance of the higher education principles instated during the first moment in 1918, relative to the erosion and displacement of these in the second moment in 1995. Whilst the researcher's original intention was to dwell only on recent change in the public university system, it thus became necessary to offer an overview of the circumstances leading to 1918 in order to highlight the extremity and profoundness of the changes that occurred in 1995. For this reason, analyses of changes in the economy as well as in society and the public university system in the first period, leading to the moment of 1918, are contained within one chapter, Chapter 2. However, analyses of change during the last two decades is examined in greater depth, with two chapters, Chapters 4 and 5, dedicated to analyses of economic change and change in the public university system respectively.

By way of providing a connecting thread between these two historical moments, Chapter 3 offers a very brief overview of the transition of economic control to United States financial capital that had been effected by the end of the 1970s. This chapter sets the stage for the reader for the events analysed in Chapters 4 and 5.

Neither the first part of Chapter 2 nor the entire Chapter 4 include an examination of that part of the ideological super-structure constituted by the public university system, as this is examined separately in the second part of Chapter 2 and in Chapter 5. This separation of the economic from the ideological apparatuses - or that section of the ideological apparatus that the Argentinian university constitutes - is partly a function of the researcher's own theoretical approach, and partly as result of the generally separate treatment of the economic and the ideological structures (in this case, the higher education system) in the literature consulted, primarily from CLACSO.

It is worth establishing at this point that the Argentinian university system includes 'universities of technology'<sup>24</sup> offering degree programmes, whilst their higher education system as a whole includes university as well as non-university institutions, which are small colleges and academies offering shorter vocational courses leading to certificate and diploma qualifications. As it is the *public university system*, involved in both the historical moments of 1918 and 1995, that is pertinent to this minithesis, the investigation excludes the non-university sector, which did not exist in the main in the first half of the century. Nonetheless, numerically this currently accounts for the larger number of post-school

---

<sup>24</sup> Direct translation from the Spanish *Universidad de Tecnología*, as they are known in Argentina.



institutions, whilst the university sector accommodates the majority of students (see Chapter 5 for further details).<sup>25</sup>

As stated above, the second part of Chapter 2 and Chapter 5 deal with the Argentinian public university system in the period immediately prior to and at the two historic moments of the reforms of 1918 and 1995 respectively, tracing changes within the system and locating their origin as a function of social change and a shift of power in existing social configurations, outlined in the preceding sections of Chapter 2 and Chapter 4 respectively. The two moments are of significance not only in terms of which class interests they represented and how these interests were articulated within the public university system, but also due to contrasting educational values contained within the principles articulated.

Whilst a reasonable amount of literature dealing with the particular historical moments in higher education of 1918 and 1995 and the periods surrounding them was available, relatively little information was obtained concerning the public university system during the interim period, thus obliging the researcher to thread the two moments together by means of an account of the most significant changes in the Argentinian economy up to 1980, and a more superficial summary of the state of the public university system by 1980, contained in Chapter 3.

Finally, this thesis is concluded in Chapter 6 by a brief recapping of the research aims in relation to the material offered and the theoretical perspectives presented.

### **Research methodology**

This thesis focuses almost entirely on certain elements of Latin American literature written in Spanish obtained during the researcher's trip to Buenos Aires, with the subject being changing forms of the Argentinian capitalist state and two particular historic moments in the public university system. As indicated above, the fortuitous celebration of the 29<sup>th</sup> Annual International Book Fair was an important source of information about authors and titles, and the books themselves. At this event the researcher was able to engage with smaller, more radical publishers to obtain advice concerning sources of information, as well as current publishing trends.

However, the main source of literature - in terms of number of titles obtained - was CLACSO, offering electronic compilations of their titles on CD ROM, thereby enabling readers to purchase twenty titles at a time, in collections arranged chronologically. In this manner, a selection of about fifty titles was obtained - approximately forty on CD ROM, and the rest in hard copy. The former comprised compilations of texts and research articles by various Latin American academics collaborating in the investigation of broad themes, according to the working groups by means of which CLACSO coordinates and assembles research.

After returning in May 2003, preliminary research comprised exploration into the literature available on CD ROM to extract relevant texts and assemble a selection of texts prior to deep reading.<sup>26</sup> Data collection involved extensive scanning of the literature in electronic form to identify the scope and focus of the various texts, which were sorted into those which could

---

<sup>25</sup> In 2000 there were approximately 1,700 higher education institutions, of which 89 were universities and university institutes, and of these, 48 were private. Of the total 1,3 million student enrolments, about 1 million were in the university sector, and of these, 86% in the public sector. In the non-university sector of the higher education system there were 230,000 students enrolled in public institutions - 17% of total HE enrolments - and 150,000 in private institutions, representing 11% of total HE enrolments. (Mollis, 2001: 45, 55)

<sup>26</sup> Literature consulted was not exclusively that available on CD ROM, but obviously I was able to scan the hard copy titles for content prior to purchasing them. I also used a few texts of Anglo-Saxon 'northern' origin for background information, prior to obtaining Latin American literature written in Spanish. (See bibliography for details: asterisks indicate English texts)

and could not be used for the purpose of this thesis, and to which area of investigation they could contribute.

The available literature was scanned for information in two main areas: perspectives on the economy and the state, and insights into the higher education system; with two key aspects informing selection: firstly, whether the text was conceptually relevant, and secondly, whether or not it substantiated the hypothesis that critical theory of the state formed an important element in Latin American theory.<sup>27</sup> Combining a search for specific concepts and a certain theoretical approach, the application of two criteria thus informed the choices made: whether the text contained an analysis of the state and investigation of capitalist development in Argentina, and whether it examined changes in the higher education during the same period, relating these to political and socio-economic changes circa 1918 and 1995, the two moments under consideration.<sup>28</sup>

Having identified contributing texts, for the next three months research was conducted by reading and taking notes, though repeated consultation of the literature continued throughout the period during which the thesis was being written. A difference between Latin American and Anglo-Saxon conventions that became immediately obvious was the depth and rigour of theoretical and conceptual analysis in each text, evident for example in the length of sentences, which unpack themes and concepts without breaking the flow of ideas with punctuation, whilst avoiding becoming excessively complex.<sup>29</sup> During conceptual configuration of information, comprehensive notes were taken to permit comparison of approaches, providing for the emergence of similarities and possible differences in the views of various CLACSO writers.

The next stage was to assemble the information according to a basic conceptual categorisation that had been established by the researcher whilst reading. Assembling information and data collected according to this preliminary categorisation enabled a separation of the narrative from the analysis at an early stage, albeit in rough form. Preliminary categories were modified and rearranged slightly where necessary, according to an emerging pattern incorporating separately the economic, on the one hand, and the ideological, on the other. As there was little possibility of further accumulation of information once the existing literature had been researched,<sup>30</sup> substantial re-configuration of chapters and re-formulation of ideas did not occur once the investigation was complete.

Despite the large volume of literature, information gaps in certain areas emerged, due to the lack of literature in the researcher's possession on particular aspects of certain

---

<sup>27</sup> This research tip on two criteria, viz. conceptual relevance and contribution to a substantiation of the hypothesis was gained from a chapter on historical-comparative research (Neuman, 2000: 381-416)

<sup>28</sup> Though a critical Marxist perspective is certainly not the only - and by no means the dominant - theoretical approach in Latin America, I pre-selected texts according to criteria which displayed a distinctly critical theoretical perspective and deliberately neglected to investigate those texts portraying neoliberal and liberal arguments, as well as post-modern interpretations of recent social history in Argentina. A proliferation of texts with a Marxist or neo-Marxist orientation within the CLACSO compilations meant that these texts were surveyed primarily for contextual relevance; whilst hard copy texts at the book fair and in bookshops were more deeply scrutinised for the existence of both contextual relevance and theoretical perspectives.

<sup>29</sup> This convention is adhered to in this thesis, in which I do not attempt to reduce sentence length simply to insert a break, preferring to pursue an idea to its conclusion. A further difference is the unequivocal use of language and concepts to convey clarity of analyses and opinions, in contrast to the nuanced generalisations and cautious observations that are conspicuous in Anglo-Saxon conventions. A final significant difference is the absence of indexes by means of which to locate topics, a consequence of which is the necessity to read comprehensively and rigorously to obtain a clear idea of the discussion.

<sup>30</sup> My trip to Buenos Aires was self-financed, and I relied entirely on the literature obtained in April. This minithesis should be considered as 'opening up' topics and questions rather than stating 'definitive' conclusions, and the literature can be regarded as presenting various possibilities for further research.

topics.<sup>31</sup> Due to the impossibility of obtaining further literature without undertaking another trip to Buenos Aires,<sup>32</sup> investigation was confined to the two particular periods identified above and a re-reading of the literature available, in an attempt to identify new elements or insights on those periods.<sup>33</sup>

As mentioned above, the framework for this thesis and a separation of information into chapters constituting the economic base and ideological superstructures corresponding to the two main periods under consideration, is a deliberate device by the researcher, following the lead of a distinction by most CLACSO texts consulted. The information itself and theoretical observations have been obtained from the literature, and referenced accordingly alongside the text, in footnotes, or both. It will, however, be observed by the reader that numerous references exclude page numbers, due to the fact that these unfortunately did not appear on CD ROM versions of books published by CLACSO.

The facts and views presented by authors have been selected, synthesized, analysed and subsequently presented according to the researcher's own understanding and interpretation of the texts. Where direct translations have been made from the original Spanish to emphasise a particular point, or to draw attention to the way in which a view has been expressed by the original author, these have been noted.

## Challenges

Though language issues were unproblematic, one of the challenges anticipated did materialise, in that terms and references with a particular significance in Spanish, and specifically the Argentinian context, either did not have an equivalent in Anglo-Saxon society, or required interpretation within a different social and political context. Whilst sometimes an approximation to equivalents could be made, transposition of concepts referring to social groups and classes had to be avoided. For example, the highly fragmented nature of classes in Argentinian society required the unpacking of the Argentinian concept of the 'middle class', the 'national bourgeoisie', the '*agropecuario*' bourgeoisie, and so on. More precise explanations will be provided as these concepts and terms occur within the chapters of this thesis.

A further challenge was that of identifying and separating the various perspectives of the academics whose texts were utilised as references, and distinguishing the nuances within the broad spectrum of critical approaches. This has been tackled within this chapter, in order to avoid repeated interruption of the narrative account that forms the vehicle for presentation of critical theoretical perspectives. However, where relevant, certain nuances and differences among academics are noted where they emerge in later chapters, though it should be borne in mind that the primary aim is to capture the broad spectrum of critical analyses revealed in the various texts consulted, without engaging in detailed analysis at a level that would permit finer theoretical differences to emerge.

---

<sup>31</sup> For example, as noted earlier, although literature exists on the topic, my collection did not include sufficient in-depth information on the university system and changes within it in Argentina from the 1920s to the 1980s. As a result, this long interim period has been excluded from this thesis and the contrast between the 'reformed' universities in the aftermath of the 1918 student revolts, described in Chapter 3, and the 'altered' universities of the neoliberal environment of the 1990s, dealt with in Chapter 5, appears to be more stark than is certainly true.

<sup>32</sup> Whilst in Argentina, I was advised by several people that it would be prudent to use a courier service if ordering books from SA, but this is unfortunately far more expensive than mail-order services between the US and South Africa such as Amazon.com – as mentioned earlier, to courier one book would cost approximately US \$ 60, almost ten times the price of the average academic title.

<sup>33</sup> Nonetheless, I am indebted to Adriana Alvarez, of the University of Comahue, for locating facts I requested during the later stages of my investigation, and for the compilation of Appendix 1.

## Design and architecture

Clearly, the researcher's presence is evident in the entire design and architecture of this thesis: in the choice of research theme and sub-themes, and content and scope thereof; the selection of texts and references; the separation of chapters into 'economic' and 'social and ideological'; the choice of a chronological sequence in recounting specific historical events; and in the 'cementing' of sections according to the researcher's interpretation; the foregrounding of critical perspectives and the neglect of post-modernist, post-structural, positivist and neoliberal voices, and so on.

This partisanship can be considered as the prerogative of the researcher, who has deliberately revealed certain interpretations, whilst ignoring others by excluding them from the scope of this thesis. This deliberate device of inclusion and exclusion is aimed at fulfilling the academic and strategic aims of this thesis and of presenting a broad current of critical interpretations with which South African readers are not familiar - or appear to have come to neglect over the past two decades - and this does not afford a space for familiar explanations such as the 'conventional economic dogma'<sup>34</sup> of neoliberalism.<sup>35</sup>

### *A note on 'critical' perspectives*

Diverse perspectives representing shades of critical theory will become evident to the reader in the following chapters. Many of these articulate Marxist and neo-Marxist approaches, mainly in Chapters 2 and 4; while in Chapters 3 and 5 there is a tone that, without always being identifiable as neo-Marxist, contributes to the critical perspective by virtue of accepting that the fundamental relation within society revolves around a notion of conflict, rather than consensus, and that this conflict is located at the level of the state.

Though the researcher's intention was to identify the existence of a structuralist class analysis, incorporating the existence and functioning of structures of dominance within the state, a purely Marxist approach, in the sense that class conflict is central to analyses and is located at the level of the state, was encountered primarily in the work of Boron,<sup>36</sup> extensively referenced in Chapters 2 and 4. A range of approaches with recognisably neo-Marxist representations of state, capital and class appear in the same chapters.<sup>37</sup>

This broad neo-Marxist approach is evident within the writing of many academics who contribute to research executed in groups commissioned by CLACSO and then published. In the economic field, topics utilised by the researcher covered economic and financial globalisation, the emergence of the neoliberal state and its discourse, and studies of the process and mechanisms by means of which the Argentinian state has been transformed into one subservient to the imperatives of dominant transnational financial capital.<sup>38</sup>

---

<sup>34</sup> I concede that language, the voice of dominant ideology, is never innocent, and portrays a notion of reality by assigning meaning and interpreting (Lo Vuolo, 2001:25 -27), yet to venture into discourse analysis of Spanish texts pertaining to social contexts with which the researcher lacks sufficient knowledge, would too complex to tackle within this thesis and beyond the capabilities of the researcher.

<sup>35</sup> Neoliberal ideology does, however, form a subject of discussion in Chapter 4, where it is regarded in terms of its relationship with the neoliberal state.

<sup>36</sup> Executive Secretary of CLACSO, influential in upholding a critical Marxist stance within CLACSO as an organisation and in facilitating the collection and publication of research by academics not only with similar perspectives, but generally from within the broad area of critical theory, delimited by criteria placing conflict at the centre of social analyses.

<sup>37</sup> For example, Barrios, Bruno, Calcagno, Castellani, Ferrer, Gambina, Hopenhayn, Minsburg, Rapoport, Ruiz Moreno, Sader, Schorr and Valle, many of whom are repeatedly referenced in Chapters 2 and 4.

<sup>38</sup> Barrios and Hopenhayn, Bruno, Calcagno, Castellani, Gambina and Minsburg offer a meticulous collection of data and statistics to corroborate their accounts of the defrauding and disempowering of non-capitalist classes over the past four decades (see Chapter 4).

Rapoport (2002), in particular in Chapter 2, deals with the history of financial capital since the 1880s, and the shift of power from British to United States capital, whilst he and many other academics - cited in footnotes 37 and 38 - focus on the most recent phenomenon of hegemonic financial capitalism and the neoliberal state, tracing its emergence in Argentina through a process of collaboration between sectors of national and transnational financial capital that served to secure the interests of transnational financial capital, whilst progressively eroding residual power of other social classes within society, in a process of ongoing subjugation and exclusion.

Boron (2001b, 2002), Ruiz Moreno (2002) and Sader (2000) add another theoretical dimension by examining the hegemonic political discourse of neoliberalism and the process by means of which this has been inserted at the level of the state (see Chapter 5).

The perspectives offered in Chapters 3 and 5 differ in terms of their analyses, which are more specifically focused on the state, society and the higher education system.<sup>39</sup> Mollis encompasses the relationship between state, social classes and higher education as one in which the existence of capital and the relation between dominant and subjugated classes is explicit, though the capitalist nature of exploitation is not explored to the extent that it is in those chapters dealing with the economy.

Weinberg, on the other hand, implies the significance of social class in his presentation of the development of ideological perspectives within the Argentinian education system over the past two centuries. In his account of changes leading to the 1918 reforms, he provides ample evidence in support of a class-based analysis of social change, but nonetheless concludes by posing a question as to whether this is the only possible explanation. This topic will be revisited and elaborated in the second part of Chapter 2, dealing with 1918.

Whilst Weinberg and Mollis cover the first historical moment under consideration (dealt with on Chapter 2), Paviglianiti, Catalina Nosiglia and Marquina analyse the second (dealt with in Chapter 5), with the latter focusing on the neoliberal state and the process by means of which it 'annexed' the public university system to function in accordance with the criteria and values of the market, whilst attempting to instil neoliberal ideology throughout society. This issue will be explored in greater depth in Chapter 5. Paviglianiti *et al* as well as Mollis, consider the public university system until then to have enjoyed relative autonomy vis-à-vis the state, in terms of their ideological function, apart from periodic intervention by the bureaucratic authoritarian form of state.

Most academics whose texts on the public higher education system were consulted construed the relation between the neoliberal state and the public university system - to the researcher, the ideological tools of the state - as one of conflict. However, the nature of this conflict is based essentially on premises of where decision-making power lies, and, though distinctly critical, these academics do not examine the relation between the state and social class, dwelling instead on the tensions arising from the neoliberal state's interventions in the higher education system, in terms of serving the interests of the market.

Hence, the difference in nuances among the academic voices appearing in Chapters 2 - 5 is essentially one of emphasis: within the former, present in the first part of Chapter 2 and all of Chapter 4, class tensions and fractions that are present within society and the state are essential in understanding the dynamics of the political economy; whilst to the latter, present in the second part of Chapter 2 and all of Chapter 5, the relation between state and the ideological tools constituted by the public university system is the essence of the analyses. Nonetheless, as proposed earlier, fundamental to both is a conception of the nature of class conflict within society and the necessity to analyse the location of this conflict at the level of the state.

---

<sup>39</sup> Notably Corragio, López Segrera, Mollis, Filmus, Paviglianiti *et al*, Rodríguez Gómez and Weinberg.

### PART THREE: SOCIAL THEORY AND PERSPECTIVES<sup>40</sup>

In this section I discuss the principles of the Marxist structuralist approach that inform my own thinking, as is evident in the architecture of this thesis, in the recounting of historical events, and in the selection and presentation of information, interpretations and analyses by Latin American academics adhering to certain ideological perspectives.

The selection of most texts consulted from within the range of books published by CLACSO is testimony to my own theoretical preference, but also substantiates the existence of a considerable volume of material containing Marxist and neo-Marxist perspectives among Latin American academics, in contrast to the absence of such perspectives among academics in South African universities.

#### **Marxist structuralism: the state, apparatuses and power**

In the 1960s and 1970s Marxist structuralist thinking reached its apogee, typified by its conceptualisation of the state. The description that follows is inadequate for purposes of full theoretical debate and is intended merely as a summary of key points, to present the distinguishing features of the Marxist structuralist conception of the state by Althusser and Poulantzas. Drawn from annotations and summaries (Marshall, 1998: 15-17, 162-163, 179-180, 237, 511-516, 635-637, 646-648; Neuman, 39-88;) and my own notes from previous readings, I have attempted to collate various key elements of the Marxist structuralist approach, which will inform and shape how I utilise the texts consulted in the chapters to follow.

#### *The role of the state*

A Marxist structuralist approach conceives of the role of the state as serving the interests of dominant classes by facilitating capital accumulation and mediating conflict and tensions between the interests of powerful social groups, to secure the interests of dominant classes, contain political conflict and to prevent the capitalist system from threats by dominated classes. (Neuman, 2000: 75-85).

Starting with the state's representation of itself as a set of institutions by which society is governed, the state, by virtue of its socially accepted status as a legitimate governing structure, has the authority to make rules that govern. In order to enforce these rules, the state secures the right to exercise power by persuasion (by means of its ideological apparatus, the education system and other civil organisations reproducing its values) or by force (through its repressive apparatus, the police and military), so that it subsequently has the authority to legitimate violence in order to govern, in specific contexts.

However, because it is neither unified nor homogenous, and comprises a conglomerate of conflicting interests represented by agents of social classes and interests, the legal tools of the state must delimit the terrain and parameters for political conflict over policy and resources. With boundaries that are difficult to define and continually changing, there is thus a constant shifting in the loci of the struggle for power, and the ability of a class or sector of a class to pursue its interests through control over the state apparatuses is linked to the strength or weakness of the state and the relative autonomy of its apparatuses at particular conjunctures.

Marxist structuralists contend that the role of the modern state is determined, not by which agents or groups control it, but by the location of the state in capitalist society, because the state apparatus is structured so as to serve the *long-term* interests of capital (Poulantzas: 1975). Irrespective of agency, articulation of the interests of dominant classes through the state's political and ideological apparatuses is designed to fundamentally maintain certain social relations that permit capital accumulation and extraction of profit.

---

<sup>40</sup> In this section I revert to the use of the first person 'I' to align myself with my own theoretical perspective, which informed the design and construction of this thesis, rather than speaking through the voices of Latin American academics, which is done in Chapters 2 - 5.

Negating the rigid economic determinism of Marxism, Althusser likewise considers that whilst the state apparatuses have a varying significance and 'weight' at certain conjunctures in shaping the social whole, there is relatively little agency, and individuals are subjects that are the products of structures and relations among these. Claiming that there is no real distinction between the state and civil society, he maintains that civil organisations such as public schools and the church are part of the state's ideological apparatus, and operate (in capitalist society) to mystify reality (Althusser: 1970).

Althusser considers science as a social practice in which knowledge is produced, whilst reality exists prior to and independently of the way in which it is recognised by socially produced knowledge. Thus ideology merely provides a way for subjects to recognise - or misrecognise - themselves and their relation to society, with dominant ideology reproducing and preserving those values of the dominant classes. This recognition of the nature of ideology and its functionality in producing a 'false consciousness' thus indicates an approach that is more aligned to 'critical realism' than relativism and the interpretivism of post-modernism.

#### *Education as part of the ideological apparatus*

The initial premise of such a Marxist structural approach, with respect to 'state apparatuses', is that the state acts to facilitate the reproduction of classes and social relations between classes through a range of instruments, ideological and material, the effects of which become apparent through their functioning (Carnoy, 1998: 17-20, 23-24).

Education, as a part of the ideological apparatus of the state, performs a critical function in legitimising, articulating and propagating certain values appropriate to the existing social structure and to the dynamics of capital accumulation. Whilst education systems simultaneously reproduce the values of the dominant class and social relations between classes, they nonetheless also reproduce social contradictions, permitting contestation of values in the form of dissident ideology with the aim of the demystification of 'false ideology' that is used to secure domination.

Hence such a 'critical' Marxist structuralist approach locates the role of education within the context of the political economy, analysing the education system in terms of its primary function in performing a role of instrumental functionality, legitimising social structures and reproducing values appropriate to interests of capital whilst reproducing social relations and classes. However, within the ideological apparatus exists the possibility of challenging dominant discourses and contesting existing social values and structures by means of resistance ideology (Carnoy, 1998: 19-20). In Chapter 5 it will be seen that certain Latin American academics perceive this to be a necessary function performed by academics within the Argentinian university system.

In my own view, and corresponding broadly to the primary sources of information on higher education in the 1990s in Argentina for this thesis,<sup>41</sup> an analysis of the state's ideological apparatus and the higher education system within a particular society would thus begin with an examination of the political economy, investigating those interests manifested at the level of the state, as is done in the first part of Chapter 2 and in Chapter 4, dealing with the economic sub-structure and presenting a periodisation of the state that links to corresponding transformation in the ideological apparatuses, as demonstrated in Chapters 3 and 5. I will present the arguments put forward by various writers, primarily of CLACSO, that in the first moment in 1918 the interests of competing social classes within Argentina become evident in strategic class alliances substantiated through policy enactment; and that in the second moment, in 1995, the interests of the dominant transnational financial sector of the capitalist class directly inform policy formulation regarding the area of higher education, as one of the measures devised to reduce state expenditure and relinquish hitherto state responsibilities to the private sector.

---

<sup>41</sup> Paviglianiti *et al* and the coordinator of the CLACSO research group on higher education in Latin America, Mollis.

In summary, within the strands of 'critical theory' presented in this thesis, a considerable number of Latin American Marxist structuralists and neo-Marxists perceive conflicting interests and struggles for power as the central element to any social examination, maintaining the validity of concepts such as class and conflict for an examination of any and all societies. A rigid post-modern position of 'validity' that corresponds exclusively to that context which hosts the research, denies the possibility of formulating hypotheses which permit the application of concepts beyond their original source.<sup>42</sup>

### The 'crowding out' of Marxist structuralism

In retrospect, the 1970's and early 1980's represented a period of intense reflection by intellectuals on the manifestation of social relations of power at the level of the state, with a Marxist structuralist analysis of society, one which focused on the constitution of the state and the means by which social conflict is regulated and contained, prominent in academic debate. Though Althusser and Poulantzas were not the only theorists to engage with an analysis of the state and its apparatuses in this way, their ideas were widely discussed beyond the societies from they originated, gaining a certain following in 'northern' as well as 'southern' intellectual circles. The new dimension on the apparatus of the state offered by these intellectuals presented opportunities for theoretical development which, however, seemed to have, by the end of the 1980s, largely succumbed to the counter-ideological forces presented by post-Marxism and post-modernism.

According to Boron and Ruiz Moreno,<sup>43</sup> both Argentinian Marxist structuralists contributing to CLACSO, the currently insignificant presence of Marxist structuralist or neo-Marxist approaches in the social sciences, relative to that of post-modernism, post-structuralism and positivism, appears to indicate that intellectuals have 'moved on' and no longer perceive the analytical tool of class to be of central value. Hence, the notion of the state as a set of institutions mediating to contain the class struggle, and as a set of structures, one of which is the ideological, acting to formulate 'truth' according to the values of the dominant class, was subsequently displaced by focus on discourse analysis and the analysis of specificities of distinct situations.

To Marxist structuralists such as Boron (2002), the presentation and imposition of hegemonic ideology as the 'truth' is a function of the ideological apparatus, aimed at achieving consensus and preventing the emergence of social conflict. Nonetheless, the apparent marginalisation of critical theory within research is a phenomenon that can be understood within the overarching global context in terms of the need of dominant capital to subjugate dissident ideology, contain conflict, and maintain relations of power.

Ruiz Moreno (2002) suggests that the marginalisation of Marxist structuralist approaches originated in the 1980s, among a group of intellectuals identifying themselves within the socialist tradition, who initiated a polemic around contemporary Marxism to explain the phenomena associated with the crisis of the welfare state. Attributing the definitive rupture in Marxist structuralist thinking to French theorists Laclau & Mouffe in particular, Ruiz Moreno holds them responsible for declaring that the theories that had until then predominated - especially Marxist - were no longer socially relevant, postulating the impossibility of analyses that embraced society as a whole. According to Ruiz Moreno, by declaring that the categories proposed by Marx, Gramsci and other socialist thinkers should be understood as subject to the specificities of their historical context, Laclau and Mouffe proposed that discourse theory was the tool to access the meaning of these phenomena.

---

<sup>42</sup> Lopez Segrera (2000: 397-412)

<sup>43</sup> Ruiz Moreno (2002) offers an account of the erosion of a Marxist structuralist analytical approach, which provides insights into the way in which post-modernism and post-structuralism gained an intellectual following and assumed an increasingly greater theoretical presence. This account will be outlined in paragraphs to follow.



As explained by Ruiz Moreno, these emergent discourse analysts understood discourse in terms of the construction of meaning, with discourse comprising a systematic set of relations through which objects obtain meaning. Events described in a certain way and within a particular framework can be understood as articulation of a discourse that gives meaning to them, yet these same events could nonetheless be explained in another way. Thus discourse theory presents events as *configurations of meaning* by means of which various discourses propose different readings of the same events, subsequently supposing the impossibility of a definitive social discourse or a model of society as a totality.

Ruiz Moreno further suggests that whilst post-Marxist deconstruction and post-modernism assumed responsibility for announcing the ‘end of ideology’, a new theory gained hegemony, one that was in fact the reformulation of classic theory of liberalism, using the fundamental framework that had permitted the hegemony of the bourgeoisie against the theocracy of the feudal system in the 18<sup>th</sup> and 19<sup>th</sup> centuries. However, in its new form, neoliberalism, this ideology emerged without encountering massive opposition from the dominated classes that had confronted its predecessor, industrial capitalism, by claiming a universality of interests and professing a *classless individualism*. Whereas classic liberalism centred attention on the individual, neoliberalism reduces the subject to the figure of the consumer, with neoliberal discourse establishing its network of meaning around the concept of the market to explain social and political phenomena.<sup>44</sup>

The observations outlined above by Boron and Ruiz Moreno resonate within the approach of many Latin American academics contributing to CLACSO. However, as indicated earlier, CLACSO does not represent a majority among Latin American academics, and it has been observed that many of the main trends within Latin American research and social analysis regrettably mirror those of dominant ‘northern’ societies, with a proliferation of post-modern and positivist neoliberal analyses, the former described as the ‘apotheosis of Eurocentrism’ and the latter as the ‘dogmatic reaffirmation of linear conceptions of universal progress and imagined development’ (López Segrera, 2000: 404-405).<sup>45</sup>

Influenced by my reading of texts within the broad current of CLACSO theorists, I perceive the post-structuralist conception of society emerges at a level that bypasses the primary social division into classes and, by presenting particular structures as determining language use, and ‘discursive formations’ as exerting power over social objects, creates an intellectual space that conceals the significance of those ideological tools which inform social values according to those of the dominant class. Hence, the complexity of the discourse analysis of post-structuralism permits an engagement with language and speech - as social signifiers allocating power - that eludes the fundamental and essential cause of social inequality, embodied in control over resources and the means of production. Although I accept the significance of discourse analysis in contributing to the shaping of ideology, and therefore in legitimising and perpetuating social relations - or otherwise - that permit the exercise of power, I do not accept that ideology shapes its subjects independently of the allocation of members of society to classes, or that the possibility of multiple explanations of phenomena thereby produces an impossibility of social action; neither do I believe that certain conceptual tools, such as class and the state, cannot be of universal applicability in conducting social analyses.

In conclusion, and prior to progressing to the main body of this thesis, it is important to reiterate: the main function of this thesis will be seen to offer those neo-Marxist analyses present in contemporary Latin American literature, in the hope that the reading of these will contribute to a revival of neo-Marxism within South Africa.

---

<sup>44</sup> The success of neoliberalism in inserting itself in Latin American societies has also been partially explained by the apparent ideological crisis of the post-dictatorship period of the 1980s, a process which is discussed at greater length in Chapter 5, along with an examination of neoliberal discourse by various CLACSO and other Argentinian academics.

<sup>45</sup> Researcher’s translation.

## CHAPTER 2 - THE EARLY CAPITALIST STATE IN ARGENTINA AND THE CORDOBA PUBLIC UNIVERSITY SYSTEM REFORMS OF 1918

### BACKGROUND

A Marxist structuralist perspective of society recognises that conflict underlies social relations, a conflict related to access to resources, and, subsequently power. Thus, to understand social change, it is necessary to examine the tensions and conflict present within society and the social classes within which this is crystallised. Furthermore, as proposed by Poulantzas (1975), it is necessary to investigate the social structures by means of which relations of power are constituted, legitimised, and consolidated, that is, the form of state. According to this theoretical perspective, the role of the capitalist state has *historically* been one of representing and mediating the different interests of conflicting groups, containing social conflict, protecting the interests of the dominant class and reproducing social relations along with values legitimising these.

In this chapter it will be seen that in some of the analyses presented by Latin American academics, particularly within CLACSO, there is a similar conceptualisation of the capitalist state in Argentina. This chapter presents the analyses of some Argentinian academics, most of whom are within CLACSO research groups:<sup>1</sup> it will be seen that Boron and Castellani, in particular, have a distinctly Marxist structuralist conceptualisation of the state.

Part One of this chapter presents Marxist and neo-Marxist interpretation of economic change in the first quarter of the last century, offering analyses of the form of capitalist state that emerged during this period, and focusing on the nature of social relationships in an initially fluid class configuration. This discussion hinges on the economic base, as a discussion of political and ideological perspectives of the corresponding period will follow in the second part of the chapter.

Part Two focuses the investigation on the emergence of distinctive characteristics of the university system in Argentina that evolved from the situation of intense class conflict in 1918, presented in the main by two academics<sup>2</sup>, both drawing on the contribution of social classes and class struggle in the early 1900s to the 1918 reforms in public universities.

#### **Prologue: some views by 'critical' analysts on the Argentinian state and the economy**

According to Boron, proposing a viewpoint upheld broadly within, but not exclusively by CLACSO, the Argentinian capitalist state has, throughout its progression through stages of capitalist development, always been weak and dependent on the imperatives of hegemonic capital in dominant societies, and therefore 'conditioned' to respond in a way that does not necessarily serve the interests of capitalist development in Argentina (Boron: 2001a).

According to this analysis, an implication of the weak state has been its periodic inability, in times of intense contradiction between class interests, to secure legitimacy among citizens, so that when social tensions have threatened to disrupt social relations among classes and have erupted into conflict, the state has had recourse to military repression to retain control (Boron, Gambina, Minsburg: 2001; Castellani: 2002; Hopenhayn & Barrios: 2002; Rapoport: 2002).

Castellani (2002) especially emphasises the fractured nature of the national bourgeoisie as a major cause of the weak state, which could not contain or deal with constant pressure exerted by various social classes and actors, leading to an incapacitation on the part of the state, overburdened by the conflicting demands placed on it concerning access to and

---

<sup>1</sup> Texts by Rapoport, Hopenhayn and Barrios, and Weinberg on the topics within the scope of this chapter were not published by CLACSO, though Rapoport has contributed to CLACSO research.

<sup>2</sup> Mollis (2001, 2003) and Weinberg (2002). Mollis heads a working group on higher education in CLACSO, whilst Weinberg writes

distribution of social wealth. To Castellani, this excessive pressure relative to state capacity entailed a lack of relative autonomy which was required for it to perform its political functions, and, as a result, it appeared as a 'captured, fractioned and weakened space' which reflected the complexity of social classes and alliances, constituting a 'shared hegemony' by classes with different interests. The resultant fluidity of alliances between classes and sectors of classes, formed around specific and transitory interests, produced an instable state, frequently unable to contain the class struggle or meet demands of dominated classes, thus resorting to violence, and, later, alliances with a stronger force constituted by foreign capital (Castellani: 2002).

Castellani (2002) considers further that the heterogeneous block of dominated classes in the first half of the twentieth century in Argentina periodically achieved a position at the level of the state in which they could form 'pacts of governability' with dominant classes, who, alone, could not consolidate the power required to maintain social order and secure their domination. Though this 'shared hegemony' often incorporated classes whose interests were in opposition to the dominant classes, they nonetheless recognised the value of alliances that strengthened their position, as long as these did not directly oppose or threaten their primary values and interests.

However, it is suggested by Castellani (2002), this particular fluid and volatile composition of classes at the level of the state was substantially modified in the last quarter of the century, as will be seen in Chapter 4. At that stage the state dismantled the industrial economic base of import substitution, bolstered the non-progressive sector of the national bourgeoisie in its alliances with foreign capital, violently subdued the working class and removed ideological opponents to the state, thereby dispensing with the 'differentially shared hegemony' that had previously characterised the Argentinian state.

## **PART ONE: THE EMERGENT INDUSTRIAL CAPITALIST STATE**

Part One provides an analysis of the political economy in Argentina in the first decades of the twentieth century, whilst Part Two focuses on events leading to the transformation of the fundamental principles in the Argentinian public university system that occurred in 1918.

### *An overview of social classes in Argentina at the beginning of the twentieth century*

According to Boron (2001a), transition of the economic base from the *agropecuario*, that is, agriculture and livestock, to manufacturing industry, at the end of the nineteenth and beginning of the twentieth centuries, entailed intense social turbulence and strong contestation by the working class and petty bourgeoisie of existing social relations and dominant ideology. A strong working class had already established itself early in the twentieth century, and expanding industrialisation at the port of Buenos Aires led to rapid growth in the new industrial classes - the working class, the petty bourgeoisie and emergent national industrial bourgeoisie. The power of the latter depended on newly established industry, so that threats to this sector came not only from the working class, but also from the 'landed oligarchy', that long established sector of the national bourgeoisie whose power was rooted within resources and exports of primary products, who had strong links to foreign British capital, and, according to Boron (2001a) and Castellani (2002), who resisted entry to their ranks by the new national industrial bourgeoisie.

Yet due to the swift industrialisation, urban growth and mass immigration, rapid population growth resulted in the size of the new industrial classes outstripping the 'old' classes, and the power wielded by the latter at the level of the state was overturned in the first democratic elections<sup>3</sup> in 1916. Mollis (2001) recounts how power at the level of the state was initially achieved by the small emergent national industrial bourgeoisie strategy of

---

<sup>3</sup> 'Democratic' in the sense that there was a universal suffrage for men, and women only obtained the right to vote several decades later after World War II, with the Peron government resisting the female suffrage that had been instituted in many countries in Europe and the United States.

appealing to the petty bourgeoisie and popular classes through a call for 'modernisation' via industrialisation and innovation, directed against the landed oligarchy.

However, Boron (2001a) argues that subsequent to this victory in at the polls in 1916, and as a result of the challenges presented by a strong and cohesive working class movement, the industrial bourgeoisie were thereafter forced into strategic and periodic alliances with the landed oligarchy to counter working class demands, whilst still battling to maintain control at the level of the state.

According to a common CLACSO perspective, one of the characteristics particular to the Argentinian industrial bourgeoisie has been its 'non-progressive' nature, resisting expansion of its class base through accommodating entry by members of other classes. With the objective of maintaining the dependence of the Argentinian economy on exports of primary products, and with a preference for a weaker currency relative to their buyers to stimulate trade, the interests of the landed oligarchy based on agriculture and livestock were opposed to those of the industrial bourgeoisie, who pursued import substitution to increase their power, and whose preference was for a stronger currency that made imported commodities relatively more expensive to Argentinians (Boron: 2001a; Castellani:2002).

Boron (2001a) recounts how as industrialisation proceeded, the structural imbalance in the economy between the landed oligarchy and the emergent industrial bourgeoisie intensified into a split between two sectors of the national bourgeoisie, one based on exploitation of primary resources, and the other on industrial development through processing and manufacture. Their interests could seldom be reconciled around a particular issue, and tensions and antagonism between the two sectors persisted, with the outcome that the national bourgeoisie failed to consolidate itself as a dominant class (Boron: 2001a).

Rapoport (2002) traces the weakness of the national bourgeoisie back to the 1800s, where he reveals that within the landed oligarchy, a pattern had been early established of rent collection and spending, rather than investing. According to his data, which documents economic indicators such as saving and investment from the 1880s onwards, this preference was carried over into industrial production, where the lack of national investment and reliance on foreign investment has characterised the Argentinian economy for over a century.<sup>4</sup> Britain was for the first half of the 20<sup>th</sup> century the largest foreign investor,<sup>5</sup> after which the United States assumed dominance,<sup>6</sup> so that the historical development of the Argentinian economy was early characterised by strong ties to dominant foreign capital and strategic alliances between the *agropecuario* sector of the national bourgeoisie and foreign capital, to supply imported goods to the national economy, thereby undermining the ability of the industrial bourgeoisie to establish a powerful base for capitalist production.

### **The emergence of a weak national industrial bourgeoisie**

At the end of the nineteenth century, Argentina was a huge territory, with the only significant urbanisation and industrialisation in Buenos Aires. The rural areas had been largely cleared of indigenous inhabitants through the process of Spanish colonization, by means of which vast estates were established, owned by the despotic landed oligarchy of Spanish origin, whose power was entrenched at the level of the state. Despite political independence, it is widely held, the colonial ties between former colonies and their erstwhile colonisers determined economic development of Latin American nations, whose economies were characterised by a dependency on exports of primary products. In the case of Argentina, argues Boron (2001a), capitalist development was characterised by quasi-

---

<sup>4</sup> Pointing out that Argentina has a long history of financial indebtedness as a nation, Rapoport shows that the most severe periods of indebtedness were between 1880 and 1913, and again from 1976 until the present (Rapoport, 2002: 373).

<sup>5</sup> British capital had inserted itself during the 1800s, replacing Spain as dominant economic power.

<sup>6</sup> In 1914 British investment represented 45,5% of total foreign investment, in 1938 it was 39,8% and by 1960 had dropped to 17,1%, against the US investment share of 52% (Rapoport, 2002: 42).

feudal relations of servitude between the landed oligarchy and the landless class who worked for them, with a strong alliance between the church and landowning oligarchy.

Concentration of wealth in the hands of few and rigid social stratification persisted into the twentieth century, though a proto-industry had emerged in the urban area of Buenos Aires, controlled by a small emergent national industrial bourgeoisie. According to the analysis expounded by Boron (2001a) and Castellani (2002), tensions between the emergent industrial bourgeoisie and the landed oligarchy were partially responsible for the failure of the Argentinian bourgeoisie to establish itself as a powerful and unified capitalist class, thereby failing to drive industrial and economic development to its fullest potential. Irrespective of the nature of the bourgeoisie, there is consensus that the industrialisation that occurred at the end of the nineteenth century led to the establishment of an urban society, with new social classes and new values of social mobility that challenged those of the established landed oligarchy. Mollis (2001) describes how the possibilities of social mobility presented the perception to the working class and petty bourgeoisie in Europe of Argentina as a land of opportunities, and attracted hundreds of thousands of immigrants, with subsequent urbanization concentrated almost entirely within and around Buenos Aires (Mollis, 2001: 13).<sup>7</sup>

According to Boron (2001a), between 1890 and 1915, three quarters of working class men over 20 years of age in the urban area of Buenos Aires were foreigners, many of whom progressed to become members of the petty bourgeoisie, as shop-owners, workshop-owners or small-scale employers. However, as fast as the working class ascended to the ranks of the petty bourgeoisie, their places were filled by new immigrant from Europe, with the same aspirations to upward social mobility (Boron: 2001a).

Thus the dramatic increase in an urban population of largely working class and petty bourgeois immigrants of diverse European nationalities, who had brought ideas of anarchism and social revolution, combined to produce a social configuration comprising radical elements who aspired to ending the existing class and social exclusivity.

Mollis (2001) recounts how when the suffrage was extended to immigrants in 1913, the interests of the working class and petty bourgeoisie combined to gain power at the level of the state through the victory of the Radical Party. The working class had early on organised themselves into trade unions, which became increasingly powerful, and, inspired by the success of the Russian and Mexican revolutions, as well as radical socialist ideas proceeding from Europe, the unions and working class lent their support to the demands of the Radical Party, which, though it consolidated primarily petty bourgeois interests, won the democratic elections in 1916 (Mollis: 2001). The aftermath of this victory was a renewed confidence among the working class and petty bourgeoisie, and a strengthening of the demands made on the state, particularly relating to welfare and upward social mobility.<sup>8</sup>

Boron (2001a) suggests that in the face of political victory by the Radical Party in 1916, the small national industrial bourgeoisie attempted to secure its position through periodic strategic alliances with the *agropecuario* sector, though its class position remained fragile vis-à-vis a militant and highly organised working class. Continued tensions between their interests and those of capital led to direct confrontations and were marked by brutal military intervention to repress working class demands in 1919 and in the 1920s. In this period, class domination was secured by recourse to violent repression inflicted by the state, a pattern which was to be repeated frequently over the ensuing decades at various

---

<sup>7</sup> Mollis recounts the existence of a popular simile in Paris at the beginning of the twentieth century, which conveyed this optimistic sentiment - 'as rich as Argentina' (Mollis, 2001: 13).

<sup>8</sup> The culmination of these demands in widespread and violent public protest concerning access to public universities in 1918 led to the one of the two historical moments to be examined in this thesis, the Cordoba Reforms to the public university system, which will be discussed in Part Two of this chapter.

conjunctures in which capital accumulation and domination of capitalist class interests were challenged to the extent that a threat was posed to social relations (Boron: 2001a).

Extending her previous analysis, Castellani (2002) asserts that during this time, the *agropecuario* sector remained extremely powerful at the level of the state and allied to the capitalist class in Europe by virtue of the export-dependency relationship. This link constituted a continual impediment to the development of a local national bourgeoisie that could develop independently of foreign capital and drive industrialization, thereby creating a strong national capitalist class (Castellani: 2002).

By the late 1920s, deterioration in the Argentinian economy accompanied the drop in demand for exports, as the economies of dominant societies headed towards the depression of the 1930s. Boron (2001a) points to increasing threats to the interests of the national bourgeoisie caused by the economic slowdown, accompanied by demands from the working class, claiming that this threat to capital accumulation led to a coup in 1930, by means of which the military assumed political power as allies of the conservative sector of the national bourgeoisie. This signalled the onset of the decline in the real power of the Argentinian working class, in terms of their ability to secure demands, according to Boron, as although they were to remain united in the sense of a strong identity and their ability to resist capital, the working class never regained the strength it had enjoyed during the first quarter of the century (Boron: 2001a), a strength reflected in the radical nature of the Cordoba Reforms, applying to the public university system, which occurred in 1918.

Part Two deals more closely with the relationship between the emergent industrial capitalist state and the public university system, examining the context and causes of the radical changes that occurred in 1918.

## **PART TWO: STATE, IDEOLOGY AND HIGHER EDUCATION: THE STRUGGLE FOR AND ESTABLISHMENT OF FUNDAMENTAL PRINCIPLES OF THE PUBLIC UNIVERSITY IN 1918**

### *Overview*

Mollis (2000) observes that the university, considered as an historical social subject, contains and reflects many of the tensions encountered in the larger society of which it forms a part, and is subject to many of these contradictions, exhibiting class and group interests as well as private ambitions. It performs multiple roles, in part legitimising and reproducing social relations by producing appropriate knowledge and ideology; in part challenging those values that perpetuate social relations (Mollis: 2001).

Mollis further observes that knowledge is highly contested and value-laden, and the work of intellectuals never neutral or of uniform orientation, so that the university exists firstly, in terms of its internal dynamics, as an instance of tensions and contradictions within itself. In terms of its relationship to society, it is in constant tension between its activities of knowledge production and reproduction, and the unequal expectations of its role exhibited by the state and various classes within the broader society. As a result, the university cannot be considered as an entity of homogenous interests that behaves in a uniform manner at any given moment. However, as the university produces and legitimises 'knowledge', it is locked into a tension between its own agency and that assigned to it by the state (Mollis: 2000).

To the researcher, a consideration of this dual 'agency' possibly explains in part the particular role played by certain sectors within the Argentinian public sector university system in challenging social relations in 1918 (and again in the 1990s, to be discussed in Chapter 5).

### **Prologue: the Argentinian public university system**

Mollis (2001) observes that the Argentinian university has not constructed itself in a uniform manner over this time, shifting from a role of instrumentalism during the colonial period to direct confrontation of the state in the early 20<sup>th</sup> century, and subjugation by the

bureaucratic authoritarian state during the periods of military rule (see chapters 3 and 5). Yet, as conceived in 1918, the university was envisaged as maintaining an autonomous co-existence with its financial patron, characterised by its reflective and critical role in presentation of social alternatives (Mollis: 2001).

A renowned Argentinian historian, Gregorio Weinberg,<sup>9</sup> has classified three stages in the development of culture and education in Argentina: the first, corresponding to colonial rule, of 'imposed' culture, in which European models were replicated in Latin American colonies to benefit dominant classes comprising landowners and the administrative elite. In this colonial period, institutions and practices transplanted by the colonial power, including the university, did not mainly attempt to produce knowledge relevant to the wider society and its function was one of legitimisation of the state and training of administrative staff and professionals to serve the dominant colonial class (Weinberg: 2001).

According to Weinberg (2001), the second, of 'transmitted' or accepted culture, lasted from the post-independence period in the nineteenth century until about 1930, and was characterised by the infiltration of 'modernisation' from Europe, and, in the early 1900s, of revolutionary socialist ideas. These were instrumental to emerging classes at the beginning of the twentieth century, during the transitional phase from an economy based on latifundia to industrial capitalism, and served to shift the centre of power at that time from the landed oligarchy to the new national bourgeoisie.

The third stage, to Weinberg (2001), of 'contested' culture, accompanied the resurgence of nationalist and populist sentiments after the Second World War, when former colonies rebelled against the hegemonic relationship existing with their former colonisers, and sought to establish their independence on economic and ideological levels as well as the political. This ideological resistance was the manifestation of an overt contestation of the power exerted by hegemonic capital located in dominant societies over former colonies, whose economic structures and activities were determined by the needs of hegemonic capital. The 1960s and 1970s produced a surge of critical theory, for which social scientists in Latin America became renowned, as a result of which the attention of scholars in the 'north' was attracted to their contribution to theory.

Not included in his classification is the current period, corresponding to the latest stage of capitalism, financial capitalism, typified by the neoliberal form of state and accompanied by the legitimising discourse of the 'free market' as the only possible solution to society's needs and problems (Lozano: 2000).<sup>10</sup> The neoliberal state and its market discourse, referred to in Latin American literature as '*pensamiento unico*', or the 'only' theory, is discussed in greater detail in Chapter 5.

The remainder of this chapter will present an overview of the period culminating in the particular historical moment in 1918 and the establishment of the principles that identified the relationship between the state and the public Argentinian university. This will provide the background for the later comparison of changes within the higher education system between the two moments of 1918 and 1995.

---

<sup>9</sup> Weinberg traces the history of the public university system in Argentina from the time of the 'Enlightenment' to the Cordoba reforms in 1918 in his 2001 book, *De la "Ilustración" a la reforma universitaria: ideas y protagonistas*, which won an award at the 29th Annual International Book fair I attended in 2003.

<sup>10</sup> In an examination of the process and effects of the 1990s higher education reforms in Argentina, Mollis demonstrates how the neoliberal paradigm, far from leading to 'differentiation' among institutions in terms of programme diversity, has created a stratified system that differentiates students according to social origin. Moreover, the higher education system itself is becoming homogenised, with the focus on operational processes, and the imposition of imperatives of quality assurance: total quality management, the prioritisation of performance indicators and the emphasis on outputs relative to inputs – according to the 'efficiency' paradigm (Mollis: 2003).

## The 'modernising' Argentinian state (early 20<sup>th</sup> century) and the university

### *The early twentieth century social and cultural context*

As we have seen in Part One, Argentinian society at the turn of the last century was characterised by the emergence of new urban classes, which challenged the rigidly guarded political and social privileges of the landed oligarchy. According to Mollis (2001), the small emergent industrial bourgeoisie sought to establish a new economic and political basis on which to establish its power, through fostering a sense of nationalism and citizenship to unify citizens, and define and formally articulate as national interests the notion of modernism and civilization, typified by industrialization, the civilised alternative to 'barbarianism' of the 'old world', based on agriculture and pastoralism (Mollis: 2001).

As noted in Part One of this chapter, Boron (2001a) perceives the state at the end of the 19<sup>th</sup> century as existing in an environment of heightened tension, as the struggle for power between the landed oligarchy and the emergent capitalist 'modernising' bourgeoisie was played out in a volatile social environment characterised by immigration, urban growth and the advent of an industrial environment and new social classes. With industrialization, trade unions appeared as a direct result of the influence of ideas transported by working class and petty bourgeois immigrants from Europe. Bearing new ideas of anarchism and socialism that were inserted into the urban environment to challenge the legitimacy and authority of the social structure, these new classes were the catalyst in the transition of power from the landed oligarchy to the national bourgeoisie and petty bourgeoisie.

According to Boron (2001a), what distinguished Argentina from other Latin American societies for a large part of the twentieth century was one important dimension: an extremely cohesive and militant working class movement, in contrast with most other socially fragmented societies comprising pre-capitalist and capitalist classes that, due to the differential nature of their relations with the means of production and the various forces of production in quasi-feudal pre-capitalist and capitalist societies, lacked a defined class consciousness and were consequently weaker and less organised. In Argentina, however, as argued by Boron (2001a), the indigenous population had been deprived of their land and forced to work for the landed oligarchy, or migrated to the cities to exist side-by-side with the working class. The rural areas were thus relatively denuded of population from an early stage and the population became concentrated in urban areas, constituting an increasingly militant working class, presenting demands for participation, civil rights and access to institutions historically the preserve of the bourgeoisie.

As indicated in the previous section, according to Boron (2001a) and Castellani (2002), state power was based on a fragile alliance of various classes, and the threat of resistance from the *agropecuario* - the sector of the national bourgeoisie based on the agriculture and livestock industry - therefore constant, so that control at the level of the state by the alliance of the modernising bourgeoisie and petty bourgeoisie was flimsy. Thus the consolidation of power implied territorial and administrative unity, and a monopoly of power to ensure the social stability that would be a prerequisite for capital accumulation.

In her analysis of this period, Mollis (2001) considers tensions between newly defined and emerging social classes in a relatively fluid social configuration at the time of transition towards the first democratic elections of 1913, which heralded the victory of the Radical Party. Mollis considers that this party appealed to a spectrum of urban as well as rural classes through a modernisation agenda comprising the notion of social mobility and the provision of services such as education, housing and health challenge. As such, with the professed intention of transforming society, the Radical Party presented a strong challenge to the power of the landed oligarchy. However, Mollis notes that though the Radical Party represented primarily bourgeois and urban petty bourgeois interests, that is, those aspiring to the professional middle class of architects, doctors, lawyers and engineers, and the emergent industrial bourgeoisie, it was aware of the need to both secure the support of and curtail overt resistance from the working class, considered a potentially disruptive force.



Hence, according to Mollis (2001), at this early stage, the value of a unifying higher education system to formulate unifying values and symbols and disseminate a homogenizing nationalist ideology was already apparent to the new president and leader of the Radical Party, Uballe. Mollis indicates that to Uballe it was apparent that the new public authority of the nation state would be legitimised not only by the political and physical tools of the state, in the form of the police and military, but also by a range of other tools, among them the ideological, by means of a discourse of liberal democracy promulgating the notion of rationality and progress towards civilization by means of education.

In terms of the ideological functions of higher education, as recounted by Mollis (2001), to Uballe, the objectives were clear: universities were considered partially as the source of unifying nationalist symbols, values and social discourse, which would create citizens with a strong national identity; partly as providers of professional training to serve the state in administering an expanding urban society; but also as producer of an intellectual elite that would break through conventions and barriers of knowledge to produce original ideas and strategies. Hence, whilst recognising the value of the university as an ideological tool, Uballe nonetheless commented on the need to fund university activities whilst refraining from insisting on their need to serve the needs of the state (Mollis: 2001).<sup>11</sup>

Nonetheless, as observed by writers such as Boron (2001a) and Mollis (2001), tension continued to exist between the two dominant social classes. Boron (2001) considers the modernising agenda a tactic used by the urban bourgeoisie to counter the *agropecuario* sector by rallying support from the ranks of the expanding growing petty bourgeoisie. As the immigrant population grew in the last 10 and first 15 years of the 19<sup>th</sup> and 20<sup>th</sup> centuries respectively, and some members of the working class had succeeded in becoming members of the petty bourgeoisie, they had placed increasing pressure on the bourgeoisie for access to this group, primarily through access of their children to the university system (Boron: 2001a).

Mollis (2001) sees the tension as being particularly intense due to the need to order urban society through 'sufficient' provision of a unifying ideology and the material means of satisfying some of the demands of urban groups, without provoking contestation through excessive 'instruction' towards nationalism, whilst simultaneously preventing rebellion from the Church, supported by rural quasi-feudal elements (Mollis: 2001).<sup>12</sup>

### **Conflicting ideologies: theology versus industry**

Weinberg (2001) agrees that the modernising discourse of the Radical Party was not uniform at the level of the state or echoed throughout universities in Argentina at the time, and was in fact resisted by the oldest university, Cordoba, in the rural heart of the landed oligarchy, the *agropecuario*.<sup>13</sup> Cordoba University, to Weinberg, thus experienced the most intense contradiction between the aspirant middle class and the landed oligarchy. Firmly supportive of church doctrines and quasi-feudal values typifying the ideology of the landed oligarchy, Cordoba refused to give in to the demands made by its students for changes in curriculum and access to the professions, and steadfastly resisted the social changes taking place. Ideological contestation was not expressed purely in the form of petty bourgeois self-interest, but took the form of demands for abolition of the theological curriculum and its substitution with scientific teaching and research, as well as the promotion of intellectual activities that would contribute to the development of all society (Weinberg, 2001: 273-283).

---

<sup>11</sup> Uballe described the university as 'the most powerful tool of modern society to bring about the collective good' (researcher's translation) (Mollis, 2001: 137).

<sup>12</sup> Mollis (2002: 133-139) describes the difficult task of the state under Uballes in addressing the demands of diverse social groups, encouraging limited challenges to the 'old' privileged social order and containing social conflict arising from the working class and petty bourgeoisie demands.

<sup>13</sup> Weinberg comments that Cordoba University represented everything that was 'tradition and rhetoric' (2001: 274)

Meanwhile, the University of Buenos Aires was already admitting as students those members of the petty bourgeoisie who were able, academically and financially, to gain access. Weinberg (2001) considers that the curricula had responded to ideas brought from Europe, and socialist and modernising themes began to establish themselves in the curricula and in academic faculty. However, change was not uniform, and tensions were rife as certain faculties and staff members resisted demands for changes concerning admission criteria, timetables, professors and curricula.

After persistent refusal by university authorities to listen to their demands, recounts Weinberg (2001), students formed the First Congress of Students of the Argentinian University Federation, enlisting in the support of the working class to stage widespread street demonstrations. These broke into violence when students and workers occupied the university and proclaimed the names of those they chose to be professors and to form the governing authorities. With a threat of broader class revolt, the state intervened, and the president, Uballe, conceded to student demands, appointing state authorities to assume control over a process to elect academic staff supported by students to positions in the faculty and governing authorities.

Weinberg (2001) considers that calm was restored with the establishment of significant new principles: those of student participation in university affairs, university autonomy and academic freedom. The principle of free education was also introduced to ensure that students lacking financial means would nonetheless be eligible for a university education - although access did require students to have fulfilled academic entrance requirements. A further principle, that of freedom of association, was established, entailing freedom within the practice of teaching, along with a strict process of rigorous selection of university chairs, to avoid the nepotism and favouritism that had prevailed in many departments.

According to Mollis (2001) and Weinberg (2001), the partial significance of what are now referred to as the 1918 Cordoba Reforms, detailed in the next section, was the end of ideological domination by the church over higher education. To the new industrial social classes, particularly the petty bourgeoisie, the notion of social mobility was materialised in terms of recognition by the state of their right of access to the public university and a professional career. This notion was the basis for the widely accepted and enduring faith among popular classes in Argentina in the flexibility of the social structure and prospects for upward social mobility.<sup>14</sup> Whether or not the material reality of their class position permitted this progression by members of the working class, the principle nonetheless remained central as one of the ideological symbols of equality of opportunity and social mobility (Mollis, 2001: 132-139).<sup>15</sup>

However, as observed by Weinberg (2001), the Argentinian public university system has sometimes incorrectly been regarded as the vanguard of the process of change, due to its 'consciousness of national needs and unique position combining awareness of social reality with an intellectual advantage in formulating and proposing alternative strategies aimed at social justice'.<sup>16</sup> Yet, he claims, the university, as an historical actor, has not led social changes through to a resolution of conflict that has been materialised in substantial material change within society - thus the fundamental conditions remain in society, as well as encapsulated within the university itself. For this reason, Weinberg observes, the Cordoba Reforms, though considered by some to represent a victory of radical academic principles, have also been construed as a failure to resolve fundamental class tensions, with

---

<sup>14</sup> As illustrated in a 1903 novel '*M'hijo el doctor*' ('My son the doctor'), cited in Boron (2001a) and Mollis (2001). Written just after the turn of the century and in the midst of mass immigration, this book represented the optimism and aspirations of the lower social classes.

<sup>15</sup> The end to public violence secured by the Cordoba Reforms seemed to indicate a pact between social classes, yet just a year later in 1919 the state conducted an offensive against the working class in the '*semana trágica*' (tragic week), the first open violence against the working class since the 1918 uprising.

<sup>16</sup> Weinberg, 2001: 294 (researcher's translation)

the petty bourgeoisie abandoning the struggle once their strategic class interests had been secured. Weinberg himself does not back this claim, but merely indicates the presence of the different interpretations (Weinberg, 2001: 283-295).<sup>17</sup>

### **The Cordoba Reforms - hallmark of the 20<sup>th</sup> century Argentinian public university**

This section deals in greater depth with the principles that were instated in the public university system by the Cordoba Reforms. The examination of these principles will be seen to be useful for the later comparison and contrast, in Chapter 5, of the recent changes within the public university system in Argentina since 1995. Academics such as Mollis (2003) and Paviglianiti *et al* (1996), consider the principles of the Cordoba Reforms to have been revoked, in actuality, though not formally, by the neoliberal state, in a process which will be discussed in Chapter 5.

As described above, the Cordoba Reforms established four principles that were to retain their significance in Argentinian public universities: the establishment of the state as sponsor and patron of higher education; university autonomy and academic freedom; democratic governance structures including student and academic staff representation; and free education for all who gained access according to university entrance criteria.<sup>18</sup>

Mollis (2001) considers that to public universities themselves in 1918, the principle of autonomy and academic freedom was of great significance, theoretically permitting the university to enjoy protection from interference by the state and prevent the state from interfering in the activities of the university. In principle, the role of the university was recognised to be of storing and disseminating knowledge through its research and teaching activities, guarding and promoting culture, and actively pursuing scientific research for the benefit of society (Mollis: 2001).<sup>19</sup>

Weinberg (2001) has however suggested that although the outcome of the 'Cordoba Reforms' of 1918 was the recognition by the state of the principles of academic freedom and student participation, institutional autonomy and free education, the Argentinian public university system was never significantly able to ensure respect of these principles by the state. In fact, according to Weinberg, the apparent triumph of Argentinian universities in securing recognition by the state of those principles was never thoroughly consolidated, as these very principles were periodically assaulted by the state at those conjunctures in which the university directly opposed the activities of the state (Weinberg, 2001: 283-286). There thus appear to be different degrees of emphasis on the achievements of the reforms, but it is clear from contemporary critical analyses that within the public university system itself, the underlying principles continue to bear significance, nearly a century later.

---

<sup>17</sup> According to Weinberg, there are two interpretations of the Cordoba reforms – the 'generalist' and the 'class' analyses. The first interprets the violent break with a conservative tradition as a rupture between the old and the new world, signifying a path towards modernisation. Weinberg criticises this approach as being ahistorical, but also considers the other class analysis of the reform - as representing a victory by the petty bourgeoisie - to reduce the significance of this moment within the historical context (Weinberg, 2001: 286).

<sup>18</sup> The Cordoba reforms are of historical significance not only because of the changes effected in Argentinian universities, but also because they spearheaded university reform throughout Latin America, with protests and reforms spreading rapidly throughout Peru, Chile and Mexico, followed by other Latin American nations over the next decade.

<sup>19</sup> However, in practice, this principle of autonomy was subsequently violated by the state in the aftermath of the coups of 1930, 1955, 1966 and 1976, to be discussed briefly in Chapter 3, and, more recently, in the period of globalisation, by means of the neoliberal state's undermining of university autonomy through cuts in funding and pressure on the public university system to align itself with national economic objectives. The latter stage will be discussed in chapter 5.

The next section outlines each of the principles of the Cordoba Reforms in terms of their significance at the time for the public university system, and the way in which subsequent developments have affected or directly obstructed their practical fulfilment.

### **The main principles: comments with respect to principles and practices**

#### *1. Free education to those who qualify*

As theorised by Boron (2001a) and described previously, highly developed working class consciousness at the beginning of the 20<sup>th</sup> century posed a potentially disruptive force, forcing the bourgeoisie to grant concessions in terms of recognition of trade unions, workers' rights, and provision of material benefits, as a result of which the dominant discourse was successful in presenting a semblance of unity of interests in terms of social aspirations. Moreover, as mentioned earlier, the notion of upward mobility was accepted by the working class and petty bourgeoisie alike, who held aspirations for their children to escape their classes and become professionals. Argentina was thus, to Boron, distinguished from other Latin American societies by the success of the state in presenting middle class values as of universal validity and of establishing these so firmly that these ideas surpassed the material conditions that had given rise to protest by the working class (Boron: 2001a).

As noted earlier in this chapter, the last decades of the 19<sup>th</sup> century and first two decades of the 20<sup>th</sup> produced an exceptional situation in which massive immigration and rapid urbanization resulted in a greater class fluidity than in subsequent periods, permitting large numbers of the working class to gain access to the petty bourgeoisie, and from this class to the bourgeoisie, so that the children of the petty bourgeoisie gained access to universities, thereby laying the foundations for a widespread and enduring belief among Argentinian citizens, that their aspirations to becoming members of professional classes could be realised (Boron: 2001a; Mollis: 2001).

It has been seen that at the time when the Cordoba Reforms were enacted by the Radical Party, though the notion of a classless society might have prevailed, the reforms could also have represented a symbolic victory for the petty bourgeoisie (Weinberg: 2001). However, in years to follow, most of the working and lower middle classes continued to remain excluded from access to university by virtue of differential schooling processes before they reach this level, as the following paragraphs illustrate.

Mollis (2001) points out that Argentinian public universities have historically engaged in a process of '*autoreclutamiento*', recruiting primarily from the ranks of those classes they have produced i.e. the middle or professional classes (Mollis: 2001). Thus, though public higher education has since 1918 been 'free' to those who qualify for access, in fact the working class has become largely excluded during the schooling process (Mollis: 2001).<sup>20</sup>

To support the argument of the previous paragraph, the following data is relevant. Statistics released in 1992 from studies conducted of the education system indicated that 94% of Argentinians entered primary school, and of these 73% finished. Of these, 28% proceeded to secondary school, from which 25% exited on completion. And of these, 80% were from a middle and upper class background, and only 3% from the working class. Though compiled from a recent survey, these statistics thus corroborate the claim of '*autoreclutamiento*' i.e. that the poor are materially excluded from higher education at a very early stage (Mollis, 2001: 40-43 & 63-64).

---

<sup>20</sup> Studies show that members of the professional upper middle class have a 60% chance of finishing higher education; members of the self-employed and skilled worker salaried class between 3,9 and 8,8%; and members of the working class a 0,05% chance of finishing higher education. The poverty-stricken and unemployed are excluded altogether from the schooling system before reaching that level (Mollis, 2001: 40).

Thus, as suggested by Mollis (2001), despite professing to offer the prospect of upward social mobility through access to all citizens, the public university system in Argentina is the final stage of an educational streaming process that begins in secondary schools. Since the 1970s, students have been differentiated into academic and technical streams as they reach the ninth year of their studies, with these streams bearing a strong relation to their class origins. Statistics show that the majority of students at the largest public technical institution at higher education level (*Universidad Tecnología Nacional* - UTN) proceed from public technical schools (59%), 80% are first generation students at higher education level, and 50% of the parents are workers or employed in the public and private sector, whilst only 5% of parents belong to the professional class. By contrast, at the largest public university, the University of Buenos Aires, less than half the students proceed from public schools,<sup>21</sup> 40% of the parents attended higher education institutions, and two thirds of the parents are employed. Of these, 37,8% classified themselves as employees, or the salaried class, as distinct from wage earners, or the working class (Mollis, 2001: 64-65, 82-84).

Finally, the higher education system comprises a differentiated model of inclusion that allows social ascension by means of different routes to either technical or professional careers, according to the needs of capital (Mollis: 2001, 2003). Hence, the channelling of citizens along routes that by and large coincide with their social origin, implies that the principle of free university education to those who qualify is significantly obstructed. At the time of the Cordoba Reforms, however, the significance of 'free education' was that it committed the state to a relationship in which it assumed responsibility, as patron of science and culture, for financing the university education of its citizens.

## 2. *Autonomy and academic freedom*

Boron (2001a) recounts that although 1918 saw the recognition by the state of the principle of university autonomy and non-interference by the state, this had already been violated in the years immediately prior to the depression of 1933. At this time, the impetus to economic growth provided by export-induced demand fell, and with the economic crisis came a return to power by traditional groups, bolstered by the military (Boron: 2001a).

The effect of military rule in the aftermath of the 1930 coup and subsequent coups in 1955, 1966 and 1976 was infringement on the principle of academic freedom through state intervention, most markedly under the Videla / Viola / Galtieri dictatorships of 1976-1983. Boron (2001a) considers that this pattern, which has been repeated at intervals, of seizure of state power by the executive power of the state (the military) is due to the precarious nature of the state in Latin America and its fragility vis-à-vis its citizens (Boron: 2001a).

However, one view of intervention via military repression is that it might have produced the effect of provoking reaction from students and causing them to become more combative (López Segrera: 2000). He surmises that repeated periods of state intervention in the activities of Latin American public universities perhaps had a cumulative effect of creating a heightened consciousness, among academics and students alike, of their role in safeguarding the principle of academic freedom, contributing to the strength of Latin American intellectual involvement in critical studies from the 1950s to the 1970s. To López Segrera, the critical tradition of the Latin American public university in general has manifested itself despite and as a consequence of state interference.<sup>22</sup>

---

<sup>21</sup> The majority thus attend private secondary schools to prepare for the university entrance exams, confirming that those financially unable to afford this preparation have less likelihood of gaining entrance to the university system.

<sup>22</sup> It is posited that the decline of critical debate in the social sciences after the 1980s was the result of a combination of factors, including the removal of intellectuals by the military; the 'crisis of paradigms' and the sidelining of critical theory when it could not offer solutions to prevent the economic and social disintegration that followed the reinstating of democracy; the intrusion of global financial capital and its accompanying discursive monologue; and, finally, the accompanying intellectual limbo as academics struggled to regain their place in universities after the dictatorships (López Segrera, 2000: 397-412).

### 3. *Student participation*

At the time of the 1918 reforms, a large proportion of the faculty at the Universities of Buenos Aires and Cordoba enjoyed life tenure, yet, according to Weinberg (2001), fulfilled none of the expectations of the new industrial classes in conducting research or providing instruction required by the new urban society. Weinberg describes how, in the Universities of Cordoba and Buenos Aires, students had intervened with violence to demand that certain academics be removed and that curricula be changed, and prior to intervention by the state, students had actually expelled certain academics and installed academics of their choice. As a consequence, the state ceded to their demands for participation in decision-making at public universities and the selection process for members of faculty.

Subsequent to the implementation of this principle, student participation in governance has been periodically prevented during the periods under military dictatorship, when appointments were strictly controlled by the state. However, the reinstatement and securing of the principle of student participation after the Galtieri dictatorship ended in 1983 was consolidated internally by public universities, according to their constitutions. Students are now permitted to vote for representatives to sit on the University Councils, along with representatives of academic staff and alumni. Students also sit on the juries that preside over the public '*concursos*', the rigorous academic competitions that are held to fill academic posts (Mollis, 2001: 50-53).<sup>23</sup>

### 4. *State funding*

A corollary of the principle of free education for those who qualified was that the state functioned as patron and sponsor of science and culture, with a responsibility for ensuring that the national heritage of knowledge be safeguarded and extended for the benefit of society and all citizens (Mollis: 2001).

This principle, endorsed by the modernising state controlled by the Radical Party that introduced it, was subsequently resisted by sectors of the national bourgeoisie who opposed the redistribution of national wealth through provision of services to citizens at large. In those periods when state control was secured by military intervention, allied to the non-progressive bourgeoisie (Castellani: 2002), public spending was reduced. During the bureaucratic authoritarian regime of 1976-1983, state funding was severely curtailed and the establishment of private institutions encouraged, in line with neoliberal principles of payment by individuals for services received (Paviglianiti *et al*: 1996).

After the reinstatement of democracy in 1983, university funding was increased by a small increment each year until the early 1990s, as we shall see in Chapter 5, with the promulgation of the 1995 Higher Education Act, the neoliberal state modified the principle of state funding for higher education by legally obliging public higher education institutions to secure a certain proportion of funds independently of state financing; by cutting budgets, and by awarding funds based on criteria of cost efficiency, viz. output relative to input (Coraggio: 2003; Guadilla: 2003; Mollis: 2003; Paviglianiti *et al*: 1996).

By contrasting the Cordoba Reforms with the educational reforms of the democratic neoliberal state in the 1990s, academics such as Mollis, Coraggio and Paviglianiti *et al* demonstrate how recent modifications have further eroded, rather than fortified, all the principles of the reforms. According to Mollis, Coraggio and others (2003), and contributors to López Segre & Filmus (eds) (2000), what distinguishes the recent neoliberal phase from others, in terms of the functioning of the higher education system, is the transformation of the *formally recognised* role of the state from provider of funds and guarantor of university autonomy, to that of regulator and evaluator, without a full concomitant financial obligation. The actual reforms of the 1990s will be discussed in Chapter 5, where the reader will be referred back to the main principles of the Cordoba Reforms.

---

<sup>23</sup> My research has not produced information concerning the extent to which this principle has been suppressed, though certainly during the Videla / Viola / Galtieri dictatorships there were serious restrictions on all student activities and participation (Weinberg, 2002: 291-295).

## CHAPTER 3 - AN OVERVIEW OF DEVELOPMENTS BETWEEN 1920 AND 1983

This chapter serves to link the two historical moments of the public university system under consideration, those of 1918 and 1995, highlighting certain instances and elements of analyses of those academics whose views contribute to other chapters in this thesis.

Part One deals with the economic base, illustrating how, according to the analyses of certain academics contributing to CLACSO, the roots of the neoliberal state in Argentina can be traced back as early as the 1950s, with transnational financial capital gradually securing its hold on the Argentinian economy and eventually fully inserting itself in the fractured post-dictatorship society of the early 1980s.

Part Two of this chapter deals very briefly with the public university system between 1950 and the early 1980s, largely omitting the period between 1918 and the mid-1940s, due to the researcher's inability to source literature within CLACSO publications or procure sufficient literature dealing with these decades from other sources, as explained in Chapter 1.

### PART ONE: OVERVIEW OF THE POLITICAL ECONOMY IN ARGENTINA 1920 - EARLY 1980s

#### Import substitution and industrial expansion

Various texts consulted for this thesis (Boron: 2001a; Hopenhayn & Barrios: 2002; Rapoport: 2002; Valle: 2001 and others) refer to the deterioration of the global economy during the 1920s, and the adverse repercussions on the Argentinian economy as the leading economic powers in Europe and the United States headed towards the 1930s depression. Yet, after the depression, and led by a revival in demand for commodities, industrial production was stimulated and import substitution triggered a further expansion of the industrial base.

According to Boron in particular, the next decades saw a strengthening of the trade union movement and further increases in the size of the working class, as migration from rural to urban areas occurred, accompanied by an increase in demands made on the state. Concessions by the state took the form of a social distribution of capital and provision of welfare services, which led to resistance from the national bourgeoisie (Boron: 2001a).

Castellani (2002) sees the period from the 1930s to the 1940s as marked by attempts by a sector of the national bourgeoisie to establish a national industrial base geared towards expanding internal consumption and the industrial base of the economy. Yet in the second phase of import substitution during the 1940s, competition within the national bourgeoisie intensified, as the import-substitution sector of the industrial bourgeoisie strengthened relative to the export-oriented oligopolist sector. The import-substitution sector, using less capital-intensive production methods, required an expansion of domestic markets through increased national consumption power to accumulate capital; the export-oriented sector, allied to foreign capital and using capital-intensive production, sought primarily the devaluation of labour to achieve a higher return on capital (Castellani: 2002).

Boron (2001a) suggests that the industrial growth of the 1940s was accompanied by rapidly increasing urbanisation and expansion of the working class, leading to heightening class-consciousness and greater demands being placed on the state concerning distribution of wealth. According to Boron (2001a), militant working class demands of a political nature were diffused by granting concessions - especially to skilled workers - and channelling their activities into structures and processes set up by the state during the 1940s to contain class conflict and prevent socialist movements from gaining power.

The political alliances formed between different sectors of classes in this period were to recur at intervals until the advent of the neoliberal state and the final forging of alliances between dominant sectors of classes. At an early stage, the *agropecuario* sector of the national bourgeoisie had resisted entry to its ranks by the new industrial bourgeoisie (Boron: 2001a) and tended to seek external alliances with industrial oligopolists and foreign capital, proceeding mainly from Britain in the first half of the twentieth century, and from

the United States from the 1950s onwards (Ferrer: 2001) On the other hand, the petty bourgeoisie aligned itself with that sector of the industrial bourgeoisie comprising smaller national industry and factory-owners. These alliances were to produce political results that depended on the relative strength of the social forces constituting the alliance at a particular historical moment, but the overarching effect was a weak state that could not act independently of the multiple demands made on it (Castellani: 2002)

The phenomenon of the weak state has been attributed by a number of these Marxist and neo-Marxist theorists to a combination of factors deriving from the nature of the economy. One explanation is that low internal consumption as well as relatively low investment by the national bourgeoisie characterised the development of capitalism and capitalist relations in Argentina and the rest of Latin America. The ensuing internal weakness of the national bourgeoisie created a dependency on foreign financial capital and produced a particular form of state, which will be seen to have become reliant on a variety of strategies and tactics relying especially on force and coercion to secure capital accumulation, rather than through expansion of the industrial base and penetration of capitalist relations throughout society (Rapoport: 2002; Hopenhayn & Barrios: 2002).

Without challenging the above premise, another argument is that the split between the sectors of the national bourgeoisie was the underlying cause of the failure by the Argentinian state to construct a lasting and legitimate political dominance. This argument claims that the existence of factions within the national bourgeoisie was the primary factor leading to the periodical crises of legitimacy of the state between the 1950s and the 1970s, which were resolved through the installation of military regimes supporting specific sectors of the national bourgeoisie (Castellani: 2002).

According to Castellani (2002), constant pressure on the state by various social classes and actors produced an 'incapacity' on the part of the Argentinian state, so that, overburdened by demands concerning access to and distribution of social wealth, it lacked the relative autonomy required for it to perform its political functions. As a result, it appeared as a 'captured, fractioned and weakened space' reflecting the complexity and alliances of various social classes and sectors of classes, constituting a shared hegemony at any stage. The fluidity of alliances between classes and sectors of classes formed around specific and transitory interests entailed an inherent instability and volatility of the state, weakening it in its function of containing the class struggle.

According to both analyses, because of a fractured state and factions within the national bourgeoisie, and the failure of the bourgeoisie to extend capitalist relations of production throughout society, the situation in the 1940s was one of increasing complexity, with violent confrontations between a militant working class and an unstable state. These, it is argued, culminated in the military coup which led to the emergence of a phenomenon peculiar to the state in Argentina in the 1940s, that of Peronism, discussed briefly below.

### **Peronism and the populist state**

According to Boron (2001a), Peronism sought to diffuse and depoliticise working class demands by institutionalising the struggle against capital within a hierarchical and bureaucratic structure, and contain class demands within a system of processes, whilst deflecting the thrust of class against capital and transforming it into a nationalist and patriotic movement. The notion of *justicialismo*, or the existence of justice and harmony between classes, was presented as an overarching populist nationalist discourse to counter the ideology of socialism, which, after the depression and oppression of the 1930s, had experienced a revival among the working class in the industrial expansion that occurred after the Second World War (Boron: 2001a).

Concessions were made during the 1940s to the working class in the form of minimum wages and labour legislation to secure certain rights, whilst institutions were established to advance members of the working class, such as the *Universidad Obrera Nacional*, or



University of the Workers, in 1948.<sup>1</sup> The bureaucratisation of the trade union movement, and the subsequent conversion of the struggle into a system of institutions and processes, is still regarded today as one of the primary causes of the reigning political confusion and the inability of Argentinian citizens to distinguish class and national interests.<sup>2</sup>

Boron (2001a) points out that the Peronist ideology was the expression of a concrete social reality, one that extended welfare services to include the popular classes, imbuing them with a sense of inclusion and the notion that they could, through education, become members of the middle class. Boron considers that at this moment, with an ideological capitulation by the working class to bourgeois values and abandonment of socialist ideals, the Argentinian working class lost its hitherto heightened class consciousness and ceased to be protagonists in the class struggle in Argentina, relinquishing class identity to nationalism.

To Boron, the populist Peronist state was successful in achieving cooperation and complicity from the popular classes, to the extent that production levels and return on capital were able to incorporate their demands. Despite its diffusion of the class struggle, Peronism did have the effect of achieving a solidarity amongst members of the working class which was to play a role in future conflicts between workers and the state during the dictatorships of 1966 and 1976. However, Boron points out that these conflicts lacked the intense class-consciousness, driven by clearly socialist objectives against capital that had united the working class during the early part of the century (Boron: 2001a).

The downfall of the Peronist state, it has been proposed by academics like Boron, lay in its inability to contain increasing social tensions after the introduction of US capital and changes to more capital-intensive methods of production. These had been met by intense working class resistance that could not be contained within the Peronist structures, hence, as argued by Boron and Castellani, leading to a crisis that was resolved through intervention by the *agropecuario* sector of the bourgeoisie allied to foreign capital. This sector, it is held, inserted its power after recourse to a military coup which ousted Peron in 1955, terminating his office, though not the phenomenon, of which vestiges still exist in terms of organisation at the political level (Castellani: 2002; Boron: 2001a).

Thus, it is suggested, this alliance in the mid-1950s between foreign capital and the military regime sowed the seeds of the neoliberalism that was to become entrenched during the late 1980s. The next section traces this argument, which provides the historical background to the political economy of the 1980s, as analysed by academics contributing to CLACSO, and described in Chapter 4.

### **The influence of foreign capital from the United States**

As noted above, during the phase of import-substitution lasting until the 1950s, the national industrial bourgeoisie had failed, once again, to expand the industrial base sufficiently to generate that amount of growth in employment that would lead to a significant expansion in internal consumption. As already indicated, one school of economic thought attributes this to the failure of the national bourgeoisie to invest sufficiently to reproduce capitalist relations throughout society, thereby achieving a relatively stable support base (Rapoport: 2002).

---

<sup>1</sup> This institution was in fact established for technical training purposes, to meet the needs of capital for skilled labour during the post-World War II industrial expansion. The name was later changed in 1959 to one that more accurately described its functioning, that of the *Universidad Tecnológica Nacional*, or National Technical University. As observed in Chapter 2, this institution still performs a function of accommodating working and lower class students in technical professions and careers, and statistics show that the parents of nearly 50% of the students there today have not completed their secondary education, whilst only 9% of the parents have a tertiary qualification (Mollis, 2001: 74-84).

<sup>2</sup> Rapoport, Mario. 26 April 2003. Television programme '*La universidad critica*'. Interviewed on national television on the day of the 2003 Argentinian presidential elections, in which the main contenders were Peronists, Rapoport expressed regret at the reigning confusion due to media disguising of the real issues, and called on intellectuals to offer clarity in the form of an 'ideological map' which would enable citizens to understand the history and present reality of neoliberalism.

Rapoport alleges that the bourgeoisie was not a progressive force in terms of stimulating industrialization, economic growth and capital accumulation, doing little to increase consumption levels among working and middle classes. Preferring to restrict entry to its class, the oligopolist sector of the national bourgeoisie tended to enter alliances with those groups that would strategically favour capital accumulation at a particular conjuncture, rather than act to strengthen its power in a more consistent method through expansion of the economy (Rapoport, 2002: 250-252). Tensions between the interests of the *agropecuario* and oligopolist industrial sector of the bourgeoisie and the smaller import-substitution sector of the industrial bourgeoisie led to opposing strategies to secure power that were effected by alliances with different classes and sectors (Boron: 2001a; Castellani: 2002; Gambina: 2001; Hopenhayn & Barrios: 2002).

Castellani's analysis (2002) incorporates the notion of fractures to explain the insertion of United States capital in the period after the Second World War, through alliances between US-based trans-national corporations and the export-oriented sector of the national bourgeoisie. The inroads by foreign capital entailed the introduction of new systems of production, characterised by more capital-intensive methods and, along with this, resistance by workers as real wages declined and jobs were lost.

It is argued by Gambina (2001) that as foreign capital reduced the ratio of labour to capital, productivity appeared to increase, but this was simply because capital was initially relatively more productive than labour. However, during the 1960s, a decline in the realisation of value set in, and the diminishing rate of profit resulted in less investment in productive capital. It was at this point, claim Gambina (2001) and Castellani (2002), that capital ceased to reinvest itself within Argentinian industry, and speculative investment by foreign financial capital became an established element of the economy. Castellani argues that internal production and consumption failed to increase exponentially among the population due to the failure of the economy to deepen its productive base and extend into the production of capital goods. Instead, the national bourgeoisie tended to spend the return on capital on imports, increasing dependency on foreign capital. From this point onwards, foreign capital investment increasingly assumed the form of short-term investments aimed at extracting profit and repatriating it to the society of origin, rather than reinvesting.<sup>3</sup>

According to the analyses of the academics cited above, without any restrictions by the Argentinian state on US foreign investment, profit extraction and repatriation, and with an increasing number of alliances being established between the Argentinian oligopolist sector and US capital, as well as the conclusion of successive dollar loans from the US by the military state during and after the 1950s, the foundations had been laid for the succession of financial crises which were to follow, to be described in Chapter 4 and with reference to the analyses of these and other academics.

### **Class demands and state borrowing**

Demands made on the state by its citizens cannot be met without adequate revenue collection. One observation on fiscal policy by critical economists relates to the inability of the state, throughout the history of capitalist development in Argentina, to impose and collect taxes from the bourgeoisie, national and foreign; taxes that would proportionately equal the amount of taxes relative to income, paid by lower and working class citizens.<sup>4</sup>

---

<sup>3</sup> See for example Ferrer (2000) and Rapoport (2002). Though not exclusively within the references cited, they have elaborated alternatives to the neoliberal model for Argentina's economic growth, arguing for transformation from a current society of social disintegration and exclusion to one of equity and participation, coordinated by a strong state that upholds citizens' rights and allocates social services required for a fairer distribution of social wealth.

<sup>4</sup> Boron (2001a) attributes the fiscal indebtedness of Argentina to a weak state that cannot confront the bourgeoisie, which, due to its own relative fragility, had to have recourse to the military against citizens when their interests challenged capital hegemony.

The populist state of the Peronist regime had accepted a certain responsibility for provision of certain services to its citizens, which had, due to the failure of the state to collect taxes from the wealthy, been heavily funded by borrowing. The state became increasingly indebted to foreign financial capital sources and by the late 1950s Argentina was already in a position where the World Bank was making recommendations to the state concerning public expenditure (Boron: 2001a; Castellani: 2002).

Thus the World Bank makes its entrance as an actor within the political economy of non-hegemonic countries like Argentina much earlier than often assumed by analysts of globalisation. Ferrer (2000) and Rapoport (2002) recount how these recommendations by the World Bank coincided with the insertion of United States financial capital into the economy, through alliances with oligopolists described previously, and sanctioned at the level of the state by the post-Peron government, amicable to the interests of foreign financial capital. In this first instance in 1957, the Minister of Internal Revenue of the post-Peron 'Liberating Junta' was instructed to implement certain 'stabilising' measures, aimed at reduction of the fiscal deficit caused by state spending on welfare and public employment, without matching tax revenue through enforcement of collection from the national bourgeoisie. The recommendations comprised a series of cuts in spending, to be achieved through reduction of finance to the public service sector, including the number of people employed at state and provincial levels. These recommendations were to be repeated over subsequent decades, each time with the World Bank enjoying greater power over the Argentinian state, in terms of indebtedness and the volume of the external debt, as we shall see in Chapter 4.<sup>5</sup>

Other recommendations, later recognisable as constituting the *standard package* of neoliberal reforms, comprised the devaluation of the currency and removal of exchange controls; removal of price control, protective tariffs and production subsidies; restrictions in wage and salary increases; elimination of bilateral agreements (effectively those with other Latin American and socialist countries); and, significantly, the encouragement of foreign borrowing and investment (Rapoport: 2002).

In retrospect, these recommendations, first formulated during the 1950s (as indicated by the texts cited above), although only implemented comprehensively by the Argentinian after the 1970s, enabled foreign financial capital to consolidate its influence in various ways, by engaging the recipient society in a relationship involving increasing foreign borrowing and less financial independence; exposing the weaker economy to competition that it could not match from foreign goods, thereby closing down and weakening national industries; and installing a particular trade model based on comparative advantage, in which the weaker economy had no, or very little, advantage.

### **Decline in capital accumulation and increase in public demands**

As already observed, after the 1950s the oligopolist sector allied to foreign capital increasingly sought to extract profit through speculation rather than to invest in production, using a strategy of extraction of profit through increasing the ratio of capital to labour and decreasing real wage levels (Castellani: 2002). Nonetheless, notwithstanding the undermining of the strength of trade unions, demands continued to be made through the democratic system for increased provision of services by the state to all citizens. It is argued thus that, from the 1950s onwards, due to the increasing influence of foreign capital in the economy, and, by implication, at the political level, the state juggled external and internal demands and attempted to balance these. Internal demands for health, education and housing services competed with external demands - imposed by the IMF and World Bank - for stringent state expenditure.<sup>6</sup> The influence of financial capital

---

<sup>5</sup> Boron comments that Argentina was the 'most loyal disciple' of the World Bank in carrying out its recommendations of 1989 to the letter (Boron: 2003).

<sup>6</sup> Rapoport offers an account of relations at the political level between heads of state and ambassadors of the United States during the 1950s and 1960s, leading up to the coup of 1966 (2002:157-214).

manifested itself as the more powerful, in terms of the agreement concluded by the Argentinian state to implement economic reforms in accordance with the directives of the IMF, using the argument that Argentina needed to become internationally competitive.

To become more competitive, it was argued, protective tariffs were to be removed. The faltering small-scale industrial production sector engaged in import-substitution, battling to compete against competition from cheap mass-produced imports, and was dealt a blow by the removal of protective tariffs and subsidies in the 1960s. Between 1968 and 1970 the tariffs for 7,500 items were reduced, the effect being to prejudice the prospects of small-scale national production and give an advantage to joint ventures with foreign capital, as well as privileging cheaper imported goods. Between 1966 and 1971, exports increased by only 9%, whilst imports over the same period increased by 66%.<sup>7</sup>

Concomitant with the removal of protective tariffs was the formation of speculative financial partnerships between transnational corporates and national oligopolies, according to Hopenhayn and Barrios (2002), thereby further eroding the national productive investment base and causing a further setback to local industry, whilst consolidating the power of the oligopolist sector of the national bourgeoisie.<sup>8</sup> From this period on, it is claimed, and due to the volatility of speculative capital and its tendency to disinvest, combined with the need to repay foreign loans, the national debt spiralled.<sup>9</sup>

Castellani (2002) proposes that the already floundering national manufacturing industry thus experienced a rapid deterioration, caused by a combination of factors: the virtual elimination of the small-scale industrial sector, the shift to capital-intensive industry and a return to an economy based on the export of primary and semi-processed products. Castellani traces the development of a crisis due to the decline in capital accumulation accompanying more capital-intensive production, concomitant with decreasing real wages, increasing unemployment and increasing demands on the state for social services.

According to Castellani (2002), the political alliance between sectors of the bourgeoisie had been destabilised, and widespread social dissatisfaction expressed in public demonstrations could not be contained. Finally, the oligopolist and resources-based sector of the national bourgeoisie allied to foreign financial capital secured the support of the military once again to seize power, installing a bureaucratic authoritarian form of state under Videla in 1976.

### **The relation between foreign capital and the 1976 authoritarian state**

According to O'Donnell (1988), a leading theorist of the bureaucratic authoritarian state, this type of state assumes its form as a consequence of a crisis of legitimacy due to the failure of the state to maintain power through its political and ideological functioning, instead resorting to violence and repressive means to secure the interests of dominant classes. Economic and political control, it is argued, are achieved and maintained by the military, and intensified through centralised administrative structures and the expansion of the bureaucracy and its functions. In Argentina, accompanying these bureaucratic transformations was the insertion of a particular ideological discourse comprising conservative values and anti-communist discourse, and the rigorous removal of dissident organizations and individuals from society.

In line with the above conceptualisation of the authoritarian state, several academics linked to CLACSO (Castellani: 2002; Gambina, Garcia, Borzel, & Casparrino: 2002; Minsburg:

---

<sup>7</sup> The argument is thus that the foundations of the neoliberal state were laid by the 1970s, with restructuring of production and the large-scale insertion of foreign capital investment in the national economy (Gambina: 2001).

<sup>8</sup> Productive capacity declined 34,3% and direct investment by 37% (Hopenhayn & Barrios, 2002: 31-34).

<sup>9</sup> In 1976 the national debt was 7,500 thousand dollars, but had multiplied by eight times seven years later in 1983 (Hopenhayn & Barrios, 2002: 17).

2001; Sevares: 2001; Valle: 2001 and others) consider the most significant element of the bureaucratic authoritarian state on the economic level to be its introduction of alliances with transnational finance through the establishment of economic structures such as the market in capital assets and the introduction of a currency exchange system that placed pressure on the Argentinian currency to devalue. Initiated by the Minister of the Economy of the military dictatorship, Martínez de Hoz, the structural adjustments entailed in the 'opening up' of the economy succeeded in dismantling the import substitution sector of industry, to replace it with a system based on financial transactions and speculation. Castellani recounts that the liberalisation of markets opened up a period of competition from imports that led to extensive de-industrialisation and speculative investment, culminating in foreign debt by both the private and public sector, which had increased from US\$ 11,7 thousand million at the end of 1977 to US\$ 45 thousand million by the end of the dictatorship in 1983 (Castellani: 2002).

Several academics contributing to CLACSO have commented on the process by means of which investment in industry, previously the driving force of the economy, was replaced by speculative investment, so that the number of people employed in the primary and secondary sector decreased,<sup>10</sup> though increasing in the services sector and construction. The latter have traditionally been sectors of less remuneration and less bargaining power, so that, along with measures prohibiting trade union activities and the right to strike, and the removal by the regime of trade union leaders, the solidarity and strength of the working class was eroded through widespread job-losses in core sectors. A new relation of subordination between labour and capital came into being, and was to remain in place after the dictatorship, with Argentina occupying a dominated ranking in the international division of labour (Gambina, Garcia, Borzel & Casparrino: 2002).

It is further argued that throughout the 1980s the state was responsible for serving the interests of the most powerful economic players - national and transnational - by means of transferring wealth to these classes from the working and salaried middle classes.<sup>11</sup> This was effected through the tax system that favoured the corporate sector, privatisation and increasing capital concentration, job losses through joint ventures between oligopolies and transnational companies, and inflation.<sup>12</sup>

Castellani (2002) claims that this process of enrichment of particular class sectors produced a new power block composed of oligopolies allied to transnational enterprises and financial capital, rather than to strategic alliances with sectors of Argentinian society, rendering it less vulnerable to internal class demands. Thus by means of channels of representation, groups such as the 'Unión Industrial Argentina', 'Grupo María', and 'Grupo de los 15' were able to exert a constant and severe pressure on the state to maintain their privileges.

In addition, argues Armiñana (2001), a rigid bureaucratisation of social service structure was installed, effectively differentiating the access to and provision of health, housing and education services to citizens on the basis of class. The quality of services varied among different classes, with the lower classes in urban and rural areas receiving services that were greatly inferior to the privileges accorded to the wealthier classes. At this stage, the private sector was encouraged to intervene by providing services to paying 'clients' in the

---

<sup>10</sup> During the period of military rule from 1976-1983, a total of 427,000 jobs were lost in industry and the average real wage fell by 36,5% (Hopenhayn & Barrios, 2002: 46-47).

<sup>11</sup> Between 1970 and 1975, the average income of these classes represented 42,8% of the GDP, but declined to 30,2% during the 1980s (Hopenhayn & Barrios, 2002: 48; Gambina, Garcia, Borzel & Casparrino: 2002).

<sup>12</sup> From 1976-1983 the retail price level increased 30,000 times (Hopenhayn & Barrios, 2002: 41). In 1983 the inflation rate was 343%, in 1984 it was 688%, and between February and August 1989 the cost of living increased 2576,9%. In those 6 months, real salaries declined by 30% (Rapoport, 2002: 316-319).

wealthier classes, who could afford to attend private institutions in the health and education sectors, so that by the 1990s the private higher education sector included both private universities and a vast sector of 'demand-absorbing' institutions, which will be discussed more fully in Chapter 5.

According to Boron (2001), a critical stage was reached when the structural disequilibrium due to deterioration in the industrial base and declining national production and consumption, on the one side, and increasing foreign debt on the other, created an organic crisis that threatened foreign and national capital. It was at this stage that the state encountered what he terms a crisis of legitimisation, or 'rationality crisis', involving a disjuncture between the economic base and the political and ideological structures, rendering this form of state untenable.

As suggested by numerous CLACSO academics in texts consulted, the threat to the security of foreign financial capital in Argentina led to intervention by agents of US financial capital to stabilize the Argentinian economy through intervention at the political level. This culminated in the removal of Galtieri and the reinstatement of democracy in 1983, with the main proviso being that financial advice and assistance would be provided by agents of hegemonic capital and that the new democracy would administer the economy according to guidelines of the International Monetary Fund and World Bank.

### **The advent of democracy and the neoliberal state**

Many analysts throughout the world, such as Castells (1996) and Held (1999), claim that the 1970s were marked by a growing 'internationalisation', not only of capital and production, but also of a trans-national capitalist class based in hegemonic societies, whose interests were served by a host of agents, such as the World Trade Organisation, the IMF and the World Bank, which were instrumental in securing, through persuasion and consultancies, the regulation of the international environment.

According to some perspectives within Argentinian critical analysis, this regulation was aimed primarily at the economic level, necessitating political intervention to secure the economic conditions required to facilitate capital movements, and were accompanied by the insertion of the neoliberal discourse of the free market. The mobility of capital was to be accelerated by advances in information technology in the 1980s that disadvantaged the working class in terms of the struggle for a greater share of returns, as IT developments permitted the instantaneous transfer of capital from economies with high labour costs to those with low wage structures. Boron and Levy point out the transnational capitalist class justified the transient nature of financial capital with the notion of 'international competitiveness', striving incessantly for real decreases in wages and benefits allocated to the working class. To these and other academics, the working class has never been subjected to such a wide-scale and relentless attack, with the result that the real purchasing power of the working class has either stagnated or declined over the past two decades (Levy: 2001; Boron: 2001a).<sup>13</sup>

Though the intention of global financial capital is economic, the corollary of the increasing power of this international capitalist class has been the displacement of the sovereignty of the national state. The transfer of economic power to global financial capital in Argentina in the 1980s was effected, according to numerous CLACSO and non-CLACSO affiliated analysts, through the acceptance by the Argentinian state of the conditions of the Washington Consensus, empowering the World Bank to provide directives to state technocrats.

This acceptance constituted what has been termed among some critical theorists a 'pact of domination' (Mollis and others) between the by now explicitly neoliberal state and global financial capital, privileging the interests of financial capital and a reduced and concentrated national bourgeoisie, and prioritising the 'free' market and economic stability over the rights of citizens. The process by means of which this occurred will be discussed in Chapter 4.

---

<sup>13</sup> This point by Meiksins Wood (2000) appeared in the Boron reference cited above.

## PART TWO: THE STATE AND THE PUBLIC UNIVERSITY SYSTEM UNTIL THE EARLY 1980s

### Populism, the Peronist state and the university in the 1950s

As indicated previously, little literature was obtained by the researcher concerning the public university system in the period between 1920 and 1980, with virtually nothing relating to the period between the two World Wars. Part Two thus commences in the late 1940s, and trace developments until the demise of the Galtieri dictatorship in 1983.

The aftermath of the Second World War produced structural and ideological upheavals, with nationalist and populist voices appearing in existing currents of Marxism or liberalism in intellectual centres and universities. Former colonies in Africa gained independence and Latin American societies contested the economic, cultural and ideological ties that bound them to their former colonisers.

Massive economic growth occurred as a world-wide revival triggered more demand for exports and strengthened the internal economies of Latin American countries; there was an increase in urbanisation and consequently in the demand by citizens for higher education. Increasing demands were placed on universities by society as 'massification' began to occur, and the number of students enrolling increased without a matching increase in university facilities and teaching staff.<sup>14</sup>

According to Paviglianiti *et al* (1996), despite the greater demands by citizens for university education and the increase in university enrolments, the Peronist state in the 1940s resisted the establishment of more universities or the expansion of facilities. Dissatisfaction amongst the professional and administrative elite was accompanied by a heightened political awareness among popular classes, who also demanded access to education, but the populist regime was unable to offer feasible solutions in terms of higher educational offerings.<sup>15</sup>

One prominent element of the responsiveness of the Peron government was to the national bourgeoisie, with the establishment of the *Universidad Nacional Obrera* in 1948, as noted previously, ostensibly to satisfy demands by the working class for access to university education, in reality serving the demand for skilled labour (Mollis: 2001). This, according to Paviglianiti *et al* (1996) constituted an attempt to reinforce the division between the professions and administrative elite, on the one hand, and the working class, on the other, to de-politicise their ideological preparation and prevent the resurgence of socialism among the working class and direct confrontation with the state.

If the state was unresponsive to demands by citizens for access to university education, these writers argue, neither did the university system itself immediately adapt to changes in the social environment by altering curriculum to meet the new demands of an increasingly urban and industrial society. Until the 1960s there was little change in the substance of higher education, creating a disjuncture between the production of members of the middle class equipped to perform as state functionaries, and an expanding urban society requiring various services to be provided by the professional class of engineers, architects, doctors and so on. The same programmes, content and career preparation continued to exist, failing to deal with changed circumstances, in which a different form of knowledge was needed to accommodate a rapidly changing social configuration (Paviglianiti *et al*, 1996: 27).

Their argument is that the knowledge of graduates was inappropriate to these needs, so vast numbers of graduates in liberal professions became dependants of state as dysfunctional bureaucrats, not independent citizens. Professionalisation, they claim, was seen by the state as an alternative to politicisation, which was nonetheless unavoidable, as

---

<sup>14</sup> In Argentina in 1950 there were 98,000 enrolments (Paviglianiti *et al*, 1996: 27) and by 1970 this figure had risen to 274,634 (Barsky, Domínguez & Pousadela, 2001: 34)

<sup>15</sup> In 1940, there were six public universities, and no others were founded during the Peronist regime.

the compromise of accommodating professionals as bureaucrats already contained a contradiction between their knowledge and its application (Paviglianiti *et al*, 1996: 21).

### The authoritarian state and ideological resistance<sup>16</sup>

After the military coup in 1955 that ousted Peron, a new authoritarian state permitted the establishment of private universities. Between 1958 and 1964, and corresponding to the recommendations of the World Bank in 1957 (cited in Part One of this chapter) to reduce public spending, only two more public universities were established, whilst the private sector was encouraged to participate in provision of higher education. The outcome was twenty private universities being established in the same period, and another three by 1968, though these were nonetheless far smaller than the public universities (Paviglianiti *et al*, 1996:26). Yet, according to their analysis, reduction in spending was not the only motive of the state, as the conservative ideological perspective of private universities was intended to counter the increasing ideological resistance within public universities.

Torres and Puiggrós (1997) argue that the economic and legitimacy crises encountered by the bureaucratic-authoritarian 'surrogate' state in the 1970s were a result of the fragility of the state and its inability to mobilize sufficient resources to make public education, or state-defined knowledge, generally available.

Counter-ideology thus appears to have flourished: López Segrera (2000) suggests that by the beginning of the 1960s, three paradigms had been firmly established in the social sciences in Latin America: the structuralism of traditional Marxism, the developmental school and the school of dependency. The first promulgated the model of capitalist development in Latin America along the same lines as in Europe - though this was modified by the Cuban revolution; the second assumed a neo-Keynesian stance requiring import substitution and state intervention to secure economic and social development; and the last, dependency theory, argued that relations between centre and periphery precluded development in the periphery, due to capital accumulation in the centre. These were to provide a substantial basis for further theoretical development of specifically Latin American theoretical contributions over the next 20 years, after which their failure to propose an exit from the socio-economic crises of the 1980s led to the so-called 'crisis of the paradigms' (López Segrera, 2000: 397-412).

To Lopez Segrera, the 1960s and the first half of the 1970s represented a period during which a robust intellectual force in universities throughout Latin America contested authoritarian rule by military dictatorships in Latin America and hegemonic ideology particularly the United States, after the attempted invasion of Cuba. Theories such as the theology of liberation,<sup>17</sup> dependency,<sup>18</sup> marginality,<sup>19</sup> colonial power and cultural reorganisation,<sup>20</sup> the pedagogy of the oppressed,<sup>21</sup> and the thesis of transition, democracy and state,<sup>22</sup> were among those that gained prominence during this time.<sup>23</sup>

---

<sup>16</sup> This section comprises a synthesis of information that was available to the researcher, yet due to lack of literature dealing with this period, it cannot be considered exhaustive or definitive.

<sup>17</sup>Theorised by Gustavo Gutierrez

<sup>18</sup> Theorised by Fernando Enrique Cardoso, Enzo Faletti, Marini, Dos Santos, Bambirra & Gunder Frank

<sup>19</sup> Theorised by Gino Germani

<sup>20</sup> Theorised by A. Quijano

<sup>21</sup> Theorised by Paulo Freire

<sup>22</sup> Theorised by Fransisco Delich, Norbert Lechner, Emir Sader, Wilfredo Lozano, Guillermo O'Donnel, Manuela Antonio Garretón

<sup>23</sup> For a more complete acknowledgement of some of the most important theoretical contributions by Latin American social scientists, including contemporary critical theory, see the article by López Segrera (2000) cited in the main text above.



During the periods of military dictatorship in the 1950s, 1960s and also the 1970s, the state attempted to undermine the autonomy of the universities by appointing *interventores*, or supervisors/ inspectors, whose authority superseded collegial bodies, thereby enabling them to modify university statutes, with the result, according to Paviglianiti *et al*, that the public sector universities were unable to enjoy significant political participation. Yet despite intrusion by the state, these writers claim, the contribution by critical Latin American intellectuals, particularly in the social sciences, produced a dynamic that contributed to increasing enrolments in this area in the 1960s and 1970s (Paviglianiti *et al*, 1996: 3).

Lozano (2000) concurs that, despite the interruptions of various military regimes, and possibly as a response to this ideological repression, the Latin American university profile had become less professional and more critical, with direct opposition to capitalist ideology prevalent in public universities and also predominating within the trade union movement and revolutionary social groups throughout Latin America. López Segrera (2000), too, suggests that ideological repression might even have produced the effect of provoking greater contestation and combativeness.

From the 1960s increasing numbers of enrolments occurred in the social sciences, in contrast to the more popular choices of previous decades, those being professional careers of law, medicine, engineering and architecture. Statistics compiled by the *Ministerio de Educación y Cultura* for 1977 (the year immediately after the coup in 1976 and before the military government effected changes in the public universities) indicate that enrolments in the social sciences in that year constituted 30,2% of the total; humanities contributed 17,6%; and basic sciences and health amounted to 35,4% and 14,1% respectively (Levy, 1986:262).<sup>24</sup>

It was in the period between military regimes in the early 1970s that the main increase in the number of public sector universities took place, with 12 new universities established between 1971 and 1974, bringing the total number of public universities at the time to 24 (see Appendix 1). Significantly, according to Paviglianiti *et al* (1996), new institutions were established according to the models and patterns that had existed since before the 1950s, without breaking from the tradition of separate disciplines and a fairly rigid distinction between faculties.

Nonetheless, as argued by academics like López Segrera, intellectual contestation by certain critical intellectuals within the Argentinian public university, along with trade union activists and civilian movements, continued to constitute a challenge to dominant capitalist ideology, until the military coup of 1976 installed the Videla regime, signifying the beginning of the most repressive authoritarian form of state of the twentieth century in Argentina, perpetuated by his successors Viola and Galtieri until 1983.

The Videla / Viola / Galtieri regimes made concerted attempts to abolish dissident ideology within social movements - groups such as civic organizations and trade unions - and public universities, where programmes of study and literature were subject to scrutiny and radical student movements prohibited. State intervention to suppress university autonomy and exterminate ideological opposition was effected by spending cuts on certain programmes, changing university plans and modifying or removing programmes, prohibiting courses and course material, modifying university statutes and interfering with normative bodies. Though these measures had a serious effect on the entire public university system, the areas most damaged were those constituting most opposition to the state - the humanities, social and basic sciences (Paviglianiti *et al*, 1996: 3).

Violence against dissident citizens took the form of the permanent 'removal' of thousands of students, intellectuals, trade unionists and civic leaders, whilst thousands of others fled

---

<sup>24</sup> This trend has carried through to the 1990s, with a continuing increase in enrolments in the social sciences, as will be seen in Chapter 5.

the country to seek refuge in Europe. It is estimated that during the so-called 'dirty war' of 1976 - 1983, thirty thousand citizens were killed, or disappeared from society.<sup>25</sup>

Total student enrolments dropped from 596,736 in 1975 to 491,473 in 1980 (Barsky *et al*, 2001:34), and the growth in the number of universities that had characterised the first half of the 1970s came to a complete standstill. There was no further change in the institutional constitution of the public university system, apart from a merger of two institutions in 1980, until 1988, five years after democracy had been reinstated. (Details of the founding dates of Argentinian public universities are provided in Appendix 1.)

### The aftermath of ideological repression

Due to interference by the state during the 1976-1983 dictatorships, it is argued, by the time a democratic form of government was reinstated after the termination of the military regime in 1983, the public university sector had been significantly disempowered, divided and deprived of their substance in terms of the 1918 Cordoba Reforms (Paviglianiti *et al*, 1996: 3-4).

According to their analysis, the principles and ideals of the 1918 reforms concerning the responsibility of the university towards society had been suppressed, with disciplines reinforced as rigidly separated fields of study to ensure focus and prevent the social orientation of a broader-based curriculum. The social function of the university had been virtually eliminated, as the university had been forced to assume a role in which its political independence had been abolished by *interventores*, and it had been excluded from contributing towards the formulation of public policy (Paviglianiti *et al*, 1996: *op cit*).

Lozano (2000) observes that the radical element of the 1960s and the national ideals of the early 1970s had been significantly dismantled, and the academic agenda of previous years - comprising reflection, debate and a quest for social alternatives - had been severely suppressed. This, according to analysts like Lozano, was one of the causes of the 'crisis of the paradigms' in the 1980s,<sup>26</sup> when, as Argentina and other Latin American nations emerged from the dictatorships, there was an apparent theoretical void, as none of the previous paradigms served as a guide towards a reconstruction of society and exit from the situation of economic stagnation and financial indebtedness (Lozano, 2000: 368).

Moreover, according to Paviglianiti *et al*, the reduction of funding during the period of the authoritarian state had foregrounded the weakness of universities as being dependent on the state for finance. This realisation prompted them to attempt to strengthen their capacity individually, but fragmentation of the public university sector was to prove a major obstacle in the post-dictatorship period. Universities were expected to reconstitute themselves and present solutions to the many pressing problems of the 1980s, as well as to 'normalise' and resume functions of teaching and research after the removal of thousands of academic staff and the abolition of entire programmes. During this period, as the Argentinian universities attempted to re-establish themselves, they were unable to generate theoretical proposals as social solutions and, it will be seen in Chapter 5, much of the 1980s were dedicated to internal consolidation (Paviglianiti *et al*, 1996: 73-85).

The subsequent undermining of the ideological role of the public university by market structures and the neoliberal discourse, or '*pensamiento unico*', which dismisses the role of the state in social intervention and installs the market as the rightful decision-maker, will also be discussed more fully 5.

Prior to this, however, it is necessary to examine, in Chapter 4, the economic base that set the framework for this transformation.

---

<sup>25</sup> The effects of these removals are still evident, as many relatives are still seeking members of their families who disappeared during this period, and the '*Madres de la Plaza de Mayo*' (mothers of 'May Square', the central square in Buenos Aires and the historical centre of public demonstrations) still gather periodically to hold vigilance to commemorate their missing children.

<sup>26</sup> Other contributing factors will be discussed in chapter 5.

## CHAPTER 4 - GLOBALISATION & THE NEOLIBERAL STATE IN ARGENTINA

### BACKGROUND

This chapter covers the most recent period of capitalist development in Argentina, characterised by the hegemony of transnational financial capital operating in a global environment in its quest for maximum return on investment. Involving instantaneous transfers of information through information communication technology (ICT) systems, and of capital through electronic transactions on global stock markets, financial capital insists on an absence of impediments to these flows. Due to the new mobility and velocity of transnational financial capital, new and unequal relationships of power have been formed, as societies compete as recipients of financial capital. These relationships within and among different societies as a whole, in terms of which they are connected by their relationship to transnational financial capital, constituting subordination to the demands of dominant capital that are formally encapsulated at the level of the state, have been widely theorised as 'globalisation'.<sup>1</sup>

Part One of this chapter discusses the theme of globalisation, with respect to the analyses of CLACSO and other critical Latin American academics, followed by an overview of how Argentina has been historically implicated within the process of financial globalisation.

The second part of this chapter investigates how the neoliberal form of state corresponding to financial globalisation is viewed by these writers, with a discussion of the accompanying discourse, termed '*pensamiento unico*' by many Latin American critical theorists.<sup>2</sup>

This is followed by a narrative with respect to contributing CLACSO academics of the entrenchment of the neoliberal state in Argentina, and an analysis of the structures and forces by means of which power is exercised by the dominant sector of the capitalist class, the financial bourgeoisie.

A discussion of neoliberal discourse and the tensions between neoliberalism and the Argentinian university system will follow in Chapter 5.

### PART ONE: GLOBALISATION

#### *Overview*

As shown in Chapter 3, and according to the analyses of various CLACSO and other Argentinian academics, foreign financial capital secured a foothold in the financial sector of the economy through loans to and pacts with the military regimes allied to a sector of the national bourgeoisie in the 1950s. This constituted, according to Rapoport (2002), the first stage of financial globalisation, and was followed by foreign capital securing control over national financial capital, and consequently over the economic and productive base, also outlined in Chapter 3.

This chapter explores how these academics consider the progression of Argentina towards a fully-fledged neoliberal form of state in the late 1980s, as indicated in Chapter 3, a process that occurred within the framework of a steady intrusion of the state's ideological and political apparatus by agents of global financial capital such as the World Bank, the International Monetary Fund and the World Trade Organisation, representing the interests of hegemonic financial capital.

---

<sup>1</sup> The seminal work by Castells (1996) on the role of ICT (information communication technology) and the existence of the so-called 'network' society' has given rise to widespread discussion and debate.

<sup>2</sup> Encountered frequently in critical academic texts read for this thesis - not exclusively those published by CLACSO - some proponents are Boron (2001); Bosoer & Leiras (2001); Castellani (2002); Coraggio (2003); Gambina, Garcia, Borzel & Casparrino (2002); Levy (2001); Mollis (2003); Rapoport (2002).

The culmination of this process was the insertion of a genre of political system, the neoliberal state, that, to Boron (2001a) professes democracy by virtue of procedural criteria, and serves to establish, maintain and protect a set of structures that enable the free flow of financial capital and the extraction of profit from dominated societies.

Boron (2001a) construes financial capitalism as a form of capitalism that secures the interests of capital expansion while constraining social development; empowers the global capitalist class whilst disempowering national societies; and enriches the capitalist class whilst impoverishing dominated classes. To Boron, global financial capital is thus the first form of capitalism that has achieved its objectives whilst increasingly excluding subjugated classes. This aspect of progressive exclusion features prominently in critical Latin American analyses, and Argentinian academic, Lo Vuolo (2001), focuses on the effects of consolidation of dominance and accumulation of capital by a progressively smaller and more powerful transnational capitalist class. To Lo Vuolo, the social, economic and political exclusion and impoverishment of progressively larger sectors of society constitutes one of the main characteristics of this particular phase of capitalism (Lo Vuolo, 2001: 37-38).

### **A Latin American critique of globalisation**

To many Latin American academics both within and outside CLACSO,<sup>3</sup> the state has presented itself not as a mediator between conflicting interests in the global context, forced to compromise national interests by virtue of its subordination to dominant transnational financial capital, but rather as a facilitator, whose agents - the World Bank and International Monetary Fund - have brokered a 'pact of domination', in terms of which the state detaches itself from its citizens and makes decisions on their behalf.

Contrary to claims by neoliberals and some globalisation analysts respectively,<sup>4</sup> that the state will largely disappear as an actor in the face of the forces of the free market, or that the state has been forced by globalisation into a position in which it is a victim of hegemonic capital, Boron (2001a; 2001b; 2002) considers the state as the site of social conflict and thus irremovable, though subject to transformation according to the state of the class struggle. Hence, to Boron and others cited in footnote 3, the neoliberal state is simply another capitalist form of state - one that is not destined to vanish in the face of market forces, but that will continue to privilege the interests of capital.

For example, to Boron (2001b), power over the state is thus the object of the class struggle, and the state itself should be forced by its citizens to act for the benefit of all its citizens, including the working and popular classes. Thus Boron's critique of Castells' analysis<sup>5</sup> is that his ideological position allocates the determining power in all social relations to the economic, against and alongside which all other forces operate, failing to acknowledge the possibility of agency on the part of the state and its actors, and proposing instead networks of power constituted by global financial capital that divest the nation-state of its power and political autonomy (Boron: 2001b).

Despite its continued legitimacy and political sovereignty, real power, for Castells (1996), is reconstituted in alliances representing a multitude of transnational forces - economic, political, social and military - that intervene to effect political outcomes enhancing the interests of global capital. Yet, according to Boron's critique, Castells does not view these alliances as the result of deliberately constituted alliances between capitalist classes, both

---

<sup>3</sup> Boron, Gambina & Minsburg (eds): 2000; Boron: 2001; Bruno (ed.): 2003; Ferrer: 2001; Gambina (ed.): 2001; Gentili & Frigotto (eds): 2001; Hopenhayn & Barrios (eds): 2002; Levy, Betina (ed): 2001; López Segre & Filmus (eds): 2000; Mollis: 2000, 2001, 2002, 2003; Rapoport: 2002; Ruiz Moreno: 2002; Sader: 2000; Schorr, Castellani, Duarte & Debrott (eds): 2002; Taddei & Seoane (eds): 2001; and others.

<sup>4</sup> Represented by the Chicago school, and academics such as Castells and Held respectively.

<sup>5</sup> Castells, M. 1996. *The Information Age: Economy, Society and Culture*

nationally and internationally, forged at the level of the state on behalf of 'mega-corporations' by the most powerful capitalist societies, colluding with 'special agents' of those societies within which they operate, the ministries of economy, finance and internal revenue, aided and abetted by 'technocratic despots', the International Monetary Fund and World Bank (Boron: 2001b).<sup>6</sup>

### **A critical overview of the history of financial globalisation in Argentina**

To Rapoport (2002), globalisation extends far back into the past and has existed in various forms of capitalism since colonialism (mercantile) and imperialism (manufacturing), but the 'new' form of globalisation is characterised by the hegemony of transnational financial capital that, due to new technology, has produced conformity among global financial markets. Thereby financial capital is able to flow almost instantaneously to different locations on the planet, facilitated by information made instantaneously available throughout the planet by means of a global network of IT systems (Rapoport, 2002: 44-45).

In the same way, indebtedness has always manifested itself in relationships of exchange, since unequal bargaining power in trade between parties advantages one and disadvantages the other. In Argentina, foreign indebtedness has since the late nineteenth century been a permanent element of the economy, although it was only after the insertion of neoliberal structures during the late 1970s and early 1980s that the extent of indebtedness generated an organic crisis (Rapoport, 2002: 39-44).

Rapoport (2002) documents the accumulation of debt during the dictatorships of the 1970s and early 1980s, when, due to heavy foreign borrowing and speculative ventures by the oligopolist sector of the national bourgeoisie, linked to foreign capital, the state incurred large debts. At this stage, foreign financial capital reinforced the foothold already established via transnational conglomerates, 'crowding out' national industry, severely curtailing national production and shifting the focus to speculative investment, pushing Argentina into debt. The outcome of this was that in the post-dictatorship period in the 1980s, the economy could not recover ground fast enough to prevent hyper-inflation that led to a crisis situation, a collapse of the national currency and a massive exodus of speculative financial capital.

Various Argentinian academics - within and outside CLACSO - consider the bureaucratic authoritarian state as having initially entered into a relationship with global financial capital on behalf of a certain sector of the national bourgeoisie, the industrial oligopolist and the resources-based export sector, to serve its interests, irrespective of the outcome for citizens and members of dominated classes. According to Boron (2001a) and Hopenhayn & Barrios (2002), despite the option of raising revenue from the ranks of the national bourgeoisie through the imposition of taxes that proportionately share the tax burden between rich and poor, and effective tax collection from the wealthy, the industrial capitalist state has never acted to redistribute the tax burden in favour of the popular classes.

There has been widespread consensus among these and other Argentinian critical analysts that the presence of World Bank consultants within the new democratic Argentinian state of 1983 was responsible for the insertion of policies that led to subsequent financial crises over the next two decades.<sup>7</sup> Many Argentinian analysts, including conventional economists, point to the consolidation of power by transnational financial capital by means of the threat of withholding loans until the state agreed to certain measures, thus securing structural changes that entailed cuts in public spending. Boron (2001a) attributes the return of a Peronist government under Menem in 1989 to the fact that the new democratic state of Alfonsín was prevented from spending sufficient funds to make meaningful social changes between 1983

---

<sup>6</sup> Boron accuses Castells of failing to deal with the structures of domination and exploitation of hegemonic capitalist societies in his 'meandering discourse' of networks.

<sup>7</sup> However, the World Bank exempts itself from responsibility by arguing that the resultant financial collapse was an unintended outcome that a different orientation of policies relating to financial capital could have prevented.

and 1989, thereby disappointing citizens' expectations of the new democratic state. Under Menem, the state was guided in what Boron considers a Peronist mode of loyalty by the interests of the national bourgeoisie, immediately forming an alliance with global capital, through the agency of the World Bank. This set the scene for transnational financial capital to further entrench its interests by taking over state assets and reducing public sector involvement, crowding out what remained of national production initiatives and proceeding to siphon off massive outflows of financial capital during the 1990s, paralysing the Argentinian economy (Boron: 2001a; Hopenhayn & Barrios: 2002).

Another perspective is revealed by the analysis of Castellani (2002), who considers the neoliberal state as the product of a complex history of capitalist development characterised by the instability of the state due to the multiple demands by classes and sectors of classes for the state to serve different and conflicting interests. This instability culminated in the bureaucratic authoritarian state of 1976 - 1983, which introduced the structures, interests and values of global financial capital, so that, on the transition to democracy in 1983, these represented by far the single most coherent and powerful economic and political force. By 1989, hyperinflation and economic deterioration produced multiple fractures throughout the economic sub-structure and the political and ideological super-structures, so that at this critical juncture neoliberalism was able to insert and establish itself at various levels through alliances between agents of global financial capital (International Monetary Fund, World Bank, World Trade Organisation) with sectors of national classes that had previously sought alliances with one another (Castellani: 2002).

Rapoport (2002) is one of the many academics accusing the democratically elected government that succeeded the military regime of intensifying the dependency on foreign financial capital that the military regime had established, by intensifying the role of speculative foreign financial capital. He considers that the indebtedness that the post-dictatorship government was to inherit, was not tackled in terms of considering alternative economic strategies, and that the capitulation to demands by the World Bank was evidence of collusion by the neoliberal state, rather than an inevitable outcome, and that the resultant increase in unemployment, poverty and social disintegration can be attributed directly to the neoliberal state.<sup>8</sup>

Calcagno (2001) points to the state's deliberate entry into the investment funds market with its use of pension and provident funds from 1994 onwards to 'strengthen' the capital market, and the issue of short-term high-risk treasury bonds that the state hoped would generate funds. However, as was the case with many 'emerging markets' during the Asian crisis, the fall in value left the state with a bigger debt than before, and interest and dividends it could not repay. Coupled with privatisation of state assets and the need to remit payment in dollars to foreign partners and buyers, Argentina became increasingly financially indebted, mainly to the United States (Gambina *et al*: 2002).

Having considered the arguments of the above analysts of the Argentinian economy during the period in which transnational financial capital assumed control, we will now look at the neoliberal ideology that accompanies the manoeuvres of transnational financial capital.

---

<sup>8</sup> Along with critical economists such as José Luis Coraggio and Benjamin Hopenhayn, Rapoport contributed to formulating 'Plan Fenix' in 2001, aimed at resuscitating the national economy through various measures that challenged the interests of hegemonic capital, such as regional collaboration, insistence on reinvestment of profits in Argentina and use of local components in production, widening of the export base to processed goods, imposition of tax on capital transactions and higher income and corporate taxation, reduction of VAT and provision of unemployment grants, and renewed and efficient state intervention in ensuring the welfare of citizens.

## PART TWO: THE NEOLIBERAL STATE AND CORRESPONDING IDEOLOGY

### The neoliberal state in globalisation

As observed previously, a prominent element of conventional globalisation theory (e.g. Held: 1999) is the steady erosion of the decision-making capacity of the nation-state and the undermining of its national authority and capacity to make independent decisions. Acting as a nominal political entity, the governing activities of the nation-state are directed, not towards the attainment of endogenously-oriented goals benefiting its citizens, but in line with strategies that homogenise societies in preparation for their role of competing for and accommodating transnational financial capital. The activities of the state are directed toward a regulation of the economy and of society in order to secure an appropriate environment, in terms of social conditions and the legal, educational and communication infrastructure that will accommodate and facilitate the functioning of the 'market'.<sup>9</sup>

It is agreed among a wide spectrum of academics, including writers such as Castells (1996) and Held (1999), that globalisation is characterised by highly volatile transnational financial capital that roves the world in pursuit of the maximum return, resulting in a predominance of speculative activities over productive investment in societies lacking their own strong reserves of financial capital. This particular aspect of profit extraction through speculation, rather than productive investment, is what distinguishes this stage of capitalism from those preceding it. Rapoport (2002), for example, points out that it is the failure of financial capital to transform itself into real productive capital that produces a situation of declining production and consumption levels, in turn creating the critical conditions in which realization of value cannot be effected.<sup>10</sup>

Boron (2001b) pursues this argument to include current crises of this nature in the United States and Japan, where economies are unable to 'lift themselves' out of recession, despite intervention of the state on behalf of the capitalist class to secure protective and expansionary measures (Boron: 2001b).<sup>11</sup>

As the characteristics of global financial capital are its speed and volatility, the absence of obstacles to its free flow among societies is a prerequisite for investment, enhancing its ability to insert and extricate itself. The resultant volatility and velocity of financial capital thus renders dominated societies vulnerable to competition amongst one another as recipients of funds, as well as instability in the face of market rumours and speculative currency operations. Boron (2001a) remarks that if previously the welfare state was seen to regulate society and its markets, now, as the state is forced to 'deregulate' by removing protective trade barriers, legislation, tariffs, and so forth, it is in fact establishing the ideal conditions for dominant societies to operate and realise profit (Boron: 2001a).

Rapoport (2002) observes that as financial capital has no statement of values surpassing the profit motive, or commitments to the societies in which it invests, borrowers are subject to manoeuvres by a few, powerful global financial groups seeking to obtain particular objectives (in terms of financial capital transactions) through manipulation. This can take the form of

---

<sup>9</sup> This analysis is in accordance with conventional economic theory, which urges governments to make their societies 'more competitive' relative to others, in order to attract transnational capital.

<sup>10</sup> Rapoport elaborates in the first part of his book how financial capital accumulation has been enhanced by developments in ICT that enable instantaneous transfer of information and, accordingly, flows of financial capital to those locations throughout the globe that potentially yield the maximum return on investment. Such flows have been recorded by academics as well as by market analysts and investment managers, indicating how ICT systems have led to the increasing precariousness of capital investments, tending more towards the short-term, and reinforcing the nomadic tendencies of financial capital.

<sup>11</sup> Boron recognises that whilst Japan is undergoing a severe crisis of capital accumulation itself, it nonetheless remains the central point for financial capital transactions relating to Asia - proceeding from, within and destined for various societies in the 'east'.

disseminating destabilising information that creates a particular impression of the stability or instability of a society as a host for foreign capital, by manipulating the values of currencies through mass transactions on financial markets, and by engaging directly at the level of the state with political technocrats to ensure that objectives are achieved through formulation of policy (as consultants), conclusion of transactions (as financiers), and the insistence on certain path of 'democratic development' (as politicians in the hegemonic society).

Whereas previously, industrial capital was tied to a national space and was thereby forced to create long-term strategies that correspond to the maturing of the investment, financial capital resides *temporarily* wherever the greatest perceived return at a particular moment exists, unfettered by such material restrictions. Its horizons are thus extremely short-term, its form unstable and volatile, so that it aims to secure a hold on societies, procuring its objectives with the threat of withdrawal, with investments in state options encouraging short-term speculation. Though he does not exonerate the Argentinian national bourgeoisie from their complicity in specific instances of collaboration with global financial capital, it is for this reason that Boron (2001a) refers to the relation between global financial capital and the state *in general* - and not specifically the Argentinian state - as one of 'interminable blackmail'.

The net outcome of this privileged position is that financial capital seeks a permanent haven in 'safe' host societies of dominant capital, conducting speculative forays to identify short-term investment prospects in dominated societies, switching location through stock-market transactions, with the intention of obtaining maximum returns. As a result, to Boron (2001a), dominated societies compete to attract finance, exposing their economies to powerful trade threats, striving to cheapen labour and force down prices of commodities relative to other societies, and allowing financial capital to enter and exit as it pleases.

In sum, according to the above analysts, global financial capital acquires power by locking dominated societies into an economic relationship which is formalised at the political level through procuring conditions favourable to transnational financial capital by means of policy formulation and implementation.

### The legitimising discourse - 'pensamiento único'

To post-modernists, alleges Sader (2001), the current era signifies the end of ideologies, a period in which differences are too significant to admit comparison or subject to theory; whilst to post-structuralists, diverse constructions of meaning permit an examination of society through its many discursive practices.

To numerous Latin American scholars, not only the neo-Marxists cited thus far, there is indeed one dominant discourse that has been inserted as 'truth', accompanying the progress of transnational financial capital in penetrating and securing control at the level of the state over societies around the globe. This discourse, that of neoliberalism, advances an argument of self-proclaimed logic and rationality, and according to Sader (2001), through this 'instrumental reason', separates social values from reality. Values of justice, morality, ethics and citizenship are relegated to the realms of abstract discussion, and economic growth takes the foreground as the focus of discussions at the level of the state.

To several critical Argentinian analysts (e.g. Boron: 2001a; Rapoport: 2002; Calcagno: 2002), in a global environment in which financial capital dominates and has engineered the replacement of forms of state previously existing throughout the world, the accompanying neoliberal discourse purports to eliminate ideological debate from the public agenda. Without alternative political models to the liberal democracy - existing in reality as the neoliberal state - there are few societies in which the capitalist model is not considered as a given factor, if not a natural economic phenomenon.

To Rapoport (2002), the major ideological triumph of financial capitalism is that, in contrast to previous stages during which capital was identifiable as the *primera facie* exploitative force, the neoliberal discourse presents the 'free market' as a natural phenomenon, removing capital from the scenario and presenting an explanation of society



as the sum of individuals, engaging in economic activities, driven purely by motives of self-interest. Assigning innate acquisitive and possessive tendencies to these individuals, they are allowed to pursue their interests and conduct activities of production and consumption in an ahistorical market environment devoid of context or constraints. This explanation, based as it is on a series of impossible 'ceteris parabus' assumptions that equalise every individual in terms of opportunities, information and motivation, negates the historic creation of social classes and agents driven by particular and fundamental class interests. Yet, by simply removing capital and claiming the 'market' as the only social reality, there can be no debate except within the parameters of the market discourse, hence the notion of '*pensamiento único*', or the '*only thinking*', as all other theories or conceptualisations are marginalised or removed altogether (Boron: 2001a; Rapoport: 2002).

Thus, according to Boron (2001a), far from the ideology of globalisation representing the end of ideology, there is at this stage of capitalism one dominant ideology that excludes and subjugates all others - the neoliberal mythology that disguises itself as neutral and rational wisdom acting through the natural functioning of the 'free market'.<sup>12</sup>

To the many academics cited in this chapter, neoliberal market discourse proposes the pursuit of private interests as the only viable means of attaining an optimum social outcome, with the public sector discredited amidst accusations that it cannot provide solutions and merely increases inefficiency and wastage. Within neoliberal discourse, the state is considered necessary in one area only - as regulator of those conditions necessary for the effective functioning of the market. Despite concealment of its intentions in securing those conditions required for accumulation and extraction of profit, neoliberal discourse foregrounds the role of the state in establishing a suitable infrastructure (transport and communication systems, financial markets, etc), regulating trade and investment to the advantage of hegemonic capital, and actively championing the 'free market' though state structures and institutions.

Rapoport (2002) analyses the multitudinous 'myths' that have been produced by capitalist discourse to portray reality in a way that is designed to conceal the relations of exploitation and deny the reality of internal crises produced by its unplanned and haphazard course towards capital accumulation (Rapoport, 2002: 21-96).

The first neoliberal myth is that of natural economic cycles, which attempts to persuade citizens that the economic chaos of capitalism is a natural phenomenon, and that short economic growth and contraction phases of a few years each are inevitable. That these cycles comprise short phases is contradicted by figures showing that the rate of growth in developing countries has descended over the past 30 years.<sup>13</sup>

Another 'myth' derided by Rapoport, as well as anti-globalisation writers throughout the world,<sup>14</sup> is that of the 'free market' and the 'invisible hand' that purports to achieve optimum production and employment levels by allowing individuals to pursue their interests

---

<sup>12</sup> Boron points out that the choice of terminology such as 'free' and '*laissez-faire*' denies the reality of a highly regulated socio-economic system within which ownership of capital is entrenched by law, and in which, on a global level, dominated societies are compelled to accept the decisions and requirements of hegemonic capitalist societies, and in which rules and regulations that favour the powerful are passed by governments to benefit a transnational capitalist class, whilst the welfare of citizens is disregarded in favour of 'economic growth', 'equilibrium' and 'stability' (Boron: 2001a).

<sup>13</sup> Rapoport's periodisation sets the commencement of a 'long' twentieth century at the end of the 19<sup>th</sup> century, at which stage a process of economic globalisation saw the decline of Britain as a colonial power and the ascendancy of the United States as an economic power, assuming a new form of industrial hegemony with mass production. Recent cycles within Europe and the USA show 25-30 years of growth followed by economic decline, as from 1960-1996 the economic growth of OECD countries has declined from an average of 5.4% to 2% per annum (Rapoport, 2002: 28).

<sup>14</sup> Widespread opposition exists among anti-globalisation movements, including in South Africa. See for example the South African New Economics Network views on [www.sane.org](http://www.sane.org)

without interference from the state. Yet, if geo-political dimensions are considered, it is evident that trade agreements brokered by the World Trade Organisation, professing to stimulate free trade, have exposed developing nations to the overwhelming economic strength of the world's most powerful nations. Whilst developing economies are forced to remove protective measures, they are subsequently faced with fierce competition from developed nations, which persist with numerous protectionist policies, including subsidies and quotas, giving them an advantage on the world market concerning exports, and protecting their own producers with regards to restrictions on imports.

As observed by many of these Argentinian academics and anti-globalisation economists, ultimately, the objective of neoliberal discourse is for the state to be sidelined as a political, social and economic actor, hence the relentless representation of the state as inefficient and incapable of meeting social needs. At the economic level, the state is accused of 'obstructing' natural market forces; at the social level, of inefficiency; and at the political level, of excessive intervention, when it attempts to regulate the activities of financial capital and impose parameters that restrict the outflow of financial capital. The state's involvement in the public sector is regarded within the efficiency and effectiveness paradigm and called to answer by the market against its criteria of outputs relative to inputs, disregarding social justice and the quality of life.

Thus the viable alternative to the alleged incapacity of the state is presented by the market as itself, a system of supposedly free and equal contracts between individuals, which no longer operates by means of the 'invisible hand' accorded by classical economic theory. As Boron (2001a) remarks: 'the market appears via numerous agents in public, giving lectures to corporate audiences and senior civil servants, alternating between persuasion and threats to achieve its ends, which are the inclusion of neoliberal principles in every area of society and the implementation of neoliberal policy reforms that increasingly relativise the state. Now, at last, the state is accorded an essential presence, fulfilling a role it has been assigned by the market: of overseeing and regulating the infrastructure to secure the smooth functioning of capitalist activities'.

Apart from the effect of the insertion of neoliberal ideology at the political and economic levels, various academics such as Mollis (2000) have observed the inculcation of neoliberal values among citizens themselves, proclaiming the desirability of individual responsibility for acquisition of essential services such as health, education and housing, and the superiority of the private sector as an alternative to the state as provider of these services.

Mollis (2000) identifies all aspects that are economic as assuming paramount importance, as the preparation of citizens to function within a neoliberal capitalist economic environment supersedes other objectives. The significance of education is construed in economic terms as education is designated 'investment in human capital', and considered, like real capital, as preparation for serving a productive purpose. Simultaneously, the benefits of education are articulated, not as serving the needs of capital, but as a return on human capital investment to the individual, that is, through securing a better salary. Hence, responsibility for obtaining an education is delegated to the individual, who should finance this as a private investment for the purpose of future gain (Mollis: 2000).

The way in which neoliberal ideology has intruded on and undermined the ideological functions of the public university system in Argentina will be examined in Chapter 5, but prior to this, it is necessary to examine the arguments about the form of state that has evolved in Argentina since democracy was reinstated in 1983.

## PART THREE: THE TRIUMPH OF THE NEOLIBERAL STATE IN ARGENTINA

### Post-dictatorship economic crises

In Argentina, the first post-dictatorship democracy in 1983 emerged into an environment already primed by the interests of global financial capital, as noted in Chapter 3, with collaboration between national and transnational capital dating back to 1957, and with increasing material insertion of foreign financial interests into the Argentinian economy during the 1970s. The new 1983 democracy was thus overshadowed by economic dependency on financial capital and massive foreign debt, so that subsequent political endeavours were focused on attempting to balance the demands of transnational capital, expressed via its agents, the International Monetary Fund and World Bank, and those of its citizens.<sup>15</sup>

Boron (2001a) observes that therefore, with reduced decision-making and administrative capacity, the state was transformed to a 'so-called' democracy under the guidance of consultants from transnational institutions - the IMF and World Bank - and reinserted into a complex international environment in which financial capital was paramount, with massive external debt requiring obeisance to the imperatives of those institutions, which secured survival of the new democracy by permitting or withholding loans (Boron: 2001a).

Boron (2001a) refers to the process through which global financial capital secured its grip on the Argentinian state as one of 'state enfeeblement', as the Argentinian state was weakened by complying with the demands on global financial capital that forced it to dismantle state structures and reduce its involvement in the public arena. By forcing the sale of assets and transferring profitable state monopolies to private capital, the state withdrew from involvement in previous responsibilities such as health, nutrition, education and housing, shifting the 'opportunity' for provision to the market, and becoming increasingly unimportant as an actor (Boron: 2001a).

At the same time, demands on the state by the national bourgeoisie for cheaper credit and continued subsidies and minimum price levels conflicted with demands by foreign debtors for repayment. Castellani (2002) observes that as the state was unable to meet all the many internal and external demands on its resources, the neoliberal discourse accusing the state of inefficiency and indifference began to be circulated in the media and gather a following among citizens.

The first six years of democracy under Alfonsín from 1983 - 1989 were plagued by spiralling debt<sup>16</sup> and a steady erosion of capital, with increasing demoralization and confusion among citizens. After the frustrated attempt to reactivate the economy with the nationalist-developmental 'Grinspun Plan' of 1984, Alfonsín's government modified the strategy to a heterodox package of agreements with the corporate sector, supported by transnational credit organisations, the IMF and World Bank.

---

<sup>15</sup> Hopenhayn and Barrios, in an extensive narrative of the series of financial disasters in Argentina in the last decades of the twentieth century, recount how the first post-dictatorship state in Argentina was unable to make sufficient headway with its reforms to either demonstrate its intentions to its citizens or take a stance against global financial capital. Privileges for the wealthy entrenched during military rule could not be undone, due to the absence of basic policy-making instruments in a state stripped of its administrative and governing capacity by years of authoritarian rule (Hopenhayn & Barrios: 2002).

<sup>16</sup> The Alfonsín government had inherited a debt of US\$45,000 million from the dictatorship, which had reached US\$60,000 million by the time the Menem government assumed power in 1989. In turn, this debt had soared to US\$ 90,000 million by 1995, then spiralled to US\$153,000 million in 1999. At the same time, while the state cut spending and job losses increased, by 1999 there were 13 million out of a population of approximately 40 million Argentinians living below the poverty line (Armiñana: 2001). Foreign debt climbed in 1982 to 60,5% of GDP, was 5,7 times value of exports and interest due was responsible for 70% of the fiscal deficit (Rapoport, 2002: 271).

The Austral Plan that succeeded the unsuccessful 'Grinspun plan' was aimed at stabilising prices and resuscitating national production, but a combination of factors, including falling world commodity prices, the persistence of structural disequilibrium and confrontations between the working class and capital, thwarted this attempt, and in 1988 Argentina defaulted on its debt repayment.

The deterioration and collapse of Latin American economies during the 1980s, characterised by declining production, hyperinflation and successive financial crises,<sup>17</sup> has led to this period being named '*la década perdida*,' (the lost decade), but the political and social implications of this period were that Latin American nations were subsumed to the dictates of hegemonic financial capital, as it formed a 'pact of domination' with the neoliberal state to ensure the legal functioning and regulation of the markets to the advantage of global capital.

Economic deterioration was accompanied by a steady disintegration of the welfare state and an ensuing decline in standards of living, creating widespread uncertainty among citizens, and paving the way for the return of a Peronist government under Menem in 1989.

### **The installation of the neoliberal state**

Although prior to the Peronist party's victory at the polls, Menem had resisted calls for privatisation and deregulation of the economy, once in power, the Menem government proved to be a firm adherent to neoliberal principles, and almost immediately began negotiations with the World Bank. Continued hyperinflation had provoked desperation among citizens, who in 1989 accepted the 'Law of economic emergency', and shortly thereafter, the proposed solutions of the Washington Consensus, implemented in terms of conditions applied to loans granted by the World Bank. To Rapoport (2002), the hyperinflation of 1989 had inflicted a profound 'disciplining' effect on citizens, and certain sectors of the population accepted as inevitable the reforms that followed, in the face of evidence provided by the neoliberal argument that the state could not fulfil its obligations towards its citizens and that its role should be minimised.

Minsburg (2001) recounts how the so-called 'market fundamentalists', the World Bank and IMF consultants, thus named due to their diligence in pursuing policy directives of the Washington Consensus, facilitated the installation of neoliberal structures at the economic level and formed a political pact with global financial capital, ensuring that market ideology was presented and propagated as the solution to economic and social problems.<sup>18</sup> In sum, therefore, at this stage anti-state neoliberal discourse was strongly present at the level of the state, inserted via IMF and World Bank consultants, whose advice to political technocrats was so rigorously implemented in economic policy that Boron has referred to Argentina as the World Bank's 'best disciple' (Boron: 2003).

The imperatives of the World Bank comprised fiscal and monetary discipline, implying a matching of public revenue and public spending (including the national debt), and control over the money supply respectively. To balance national accounts whilst still repaying its national debt, the state was therefore required to increase revenue and decrease spending, with recommendations from the World Bank on how to achieve this. The recommendations amounted to the following, summarised from Castellani (2002):

- 1) fiscal discipline, i.e. the public deficit should not exceed 2% of the GDP
- 2) cuts in public sector spending so that expenditure, particularly 'indiscriminate' subsidies and excessive public employment

---

<sup>17</sup> 1989 was the worst year, from an economic perspective, of the 'lost decade', with average real income less than it had been 15 years before in 1974 (Hopenhayn & Barrios, 2002: 60).

<sup>18</sup> Minsburg (2001) points to the irony in that those societies where the so-called 'free market' dominates and where the individual is supposedly in an environment of perfect competition, there is a greater concentration of capital and predominance of oligopolies.

- 3) tax reforms oriented towards reducing tax evasion
- 4) deregulation of the capital market to permit the free movement of funds
- 5) a stable and homogenous exchange rate
- 6) deregulation of foreign trade, with tariffs fixed at 10% and no protective barriers, import quotas, or withholding of exports to manipulate world prices
- 7) policies designed to attract foreign investment, in support of direct investment
- 8) far-reaching privatisation projects, permitting participation by foreign capital
- 9) deregulation of various markets (goods, services and factors of production)
- 10) property rights to legally guarantee the impossibility of reversing privatisation

'More market and less state' was the thrust of the Washington Consensus, upheld by the notion that to achieve economic growth, the first step should be to stabilise the economy through severe cuts in public spending, inviting private capital to compensate for 'inefficient' provision of services and organisation of resources by the state (Gambina: 2001).

Castellani (2002) recounts how, on behalf of the national bourgeoisie, the Washington Consensus forged with the World Bank locked Argentina into a process entailing relentless pruning of the public sector, privatisation of state enterprises to repay debts of the military era, a further subsequent outflow of capital that allowed global financial capital to secure its grip on the economy, intensification of the strength of the oligopolist sector allied to transnational financial capital, an increase in capital-intensive investment production and concomitant loss of jobs, de-industrialisation, and increasing indebtedness.<sup>19</sup>

#### *Financial strategies of the neoliberal state and increasing indebtedness*

Gambina *et al* (2002) illustrate how, through agreements signed with the World Bank to secure further loans, the neoliberal state entered into alliances that consolidated the power of capital by reducing state involvement and expenditure, and disciplining the economic structures required for the smooth functioning of financial transactions. Not only did the Argentinian neoliberal state reduce state expenditure, but, during the 1990s, as already observed, it threw itself into the financial markets, issuing public stocks and bonds by means of which it hoped to secure an advantage through gains on currency speculation. In fact, the exact opposite occurred, as by the end of the century 40% of the external debt comprised public stocks and bonds, and the state was further indebted, having destroyed its pension funds in the process (see Appendix 2 for the current account deficit from 1992-1999).

According to data provided by Valle (2001), the total external debt repayments in 1990 totalled US\$ 54, 671, and by the end of 1998 had reached US\$112,357.<sup>20</sup> Part of this debt comprised existing obligations, and the debt had been partly offset by revenue received due to privatisation and inflow of capital. Nonetheless, Boron (2003) maintains that the doubling of the national debt in eight years can be attributed to the fact that there was a net outflow of capital under the Menem government, with the Minister of Economy, Cavallo, executing the terms and conditions of the Washington Consensus.<sup>21</sup>

Various critical economists and analysts already cited have pointed to the significance of finances being released to repay foreign debt, as a result of the privatisation and sale of public sector industry and interests, thus providing the dual benefit to the neoliberal state of privatisation plus interest reparation. However, due to the introduction of measures aimed at curbing public spending and as a result of the decline in national production and increased dependency on loans to restructure the economy according to the requirements

---

<sup>19</sup> The effect on the university system will be discussed in Chapter 5.

<sup>20</sup> *Banco Interamericano de Desarrollo Informe 1998-99* (Inter-American Development Bank Report 1998-99) (Valle: 2001).

<sup>21</sup> During the 1990s, repatriation of interest and dividends and the lifting of exchange regulations led to a net outflow of US \$ 150 billion, more than Argentina's total debt (Boron: 2003).

of the Washington Consensus, together with the flight of foreign capital after the financial crises in the Latin American region during the period of 'the lost decade' of the 1980s, the national debt doubled between 1990 and 1998.<sup>22</sup>

Gambina *et al* (2002) consider the exodus of capital during the 1990s to have been the chief cause of the ongoing disequilibrium, due to both transfer of assets to dominant capitalist societies and the repayment of debt and dividends on capital investment (see Appendix 3). Payments on interest, utilities and dividends represented 53% of the current account deficit between 1992 and 1999, and of this figure 63% (US\$ 25,3 thousand million) represented interest payments, whilst the rest (US\$ 14,8 thousand million) comprised remission of dividends and utilities (Gambina *et al*: 2002).

### *Concentration of capital*

The reproduction and enforcement of the structural conditions initiated 'with vigour' (Gambina *et al*: 2002) by the military dictatorship of 1976-1983, comprising operations with transnational enterprises and global financial capital, had over subsequent decades produced a powerful concentration of capital among transnational oligopolies (as indicated in Appendix 4), whilst the counterpart of this concentration was progressive economic and social exclusion (Castellani: 2002; Gambina *et al*: 2002). The concentration of capital occurred within the new power block of the oligopolist bourgeoisie, whose objective was to extend and intensify the neoliberal reforms that have produced 'extraordinary' profits to a shrinking sector of the national bourgeoisie.<sup>23</sup>

Castellani (2002) considers that the ongoing deregulation of markets created opportunities for concentration of capital among powerful oligopolies, who were thus able to secure extraordinary profit rates, whilst other sectors of industry struggled and were forced to close, and the increase in foreign debt caused by net capital outflows permitted by the deregulation exacerbated the economic situation. The net result of these reforms benefited financial capital and the oligopolist sector, whilst severely prejudicing the working class, who suffered enormous job losses and a substantial drop in real wages, and the small and medium enterprises, who could not compete with transnational oligopolies and imports of cheap mass-produced commodities, whilst redistributing income to the capitalist class through privatisation (Castellani: 2002).

In addition to the loss of hundreds of thousands of jobs, as public sector services were cut back, further jobs were lost as smaller-scale national industry closed down in the face of competition from oligopolies arising through joint ventures between large transnational conglomerates and powerful national enterprises. As capital-intensive production encroached on all areas of industry, pressure was placed on the working class to accept a steady deterioration in real wages, with job losses among middle and lower classes weakening their

---

<sup>22</sup> From 1990 to 1998 the national debt grew from 54.671 million dollars to 112.357 million dollars. However, whilst throughout the 'lost decade' of the 1980s in Latin America real economic growth stagnated and declined, this decade marked the heyday of hegemonic societies benefiting from the conditions imposed on dominated societies and the ability to withdraw financial capital from particular areas and move it to others at will in search of the highest return.

The debt crisis of the 1980s was the direct result of the neoliberal politics of deregulation and the removal of financial controls, stimulating speculation and encouraging repatriation of capital, thereby paralysing and causing the collapse of the Argentinian economy (Sevares: 2000). Sevares acknowledges the contribution of Schvarzer in recognising the stage at which the Argentinian state entered into a pact with global financial capital (Schvarzer: 1983)

<sup>23</sup> In 1993, of the top 500 enterprises in Argentina, 280 were national, that is, owned by the national capitalist class, and 220 were foreign, that is, owned by the transnational capitalist class located outside Argentina. By 1999, 304 of the top 500 were foreign and produced 75% of the total gross value. Significantly, in the same period, among the top 500 companies, employment declined by 10,5% (Hopenhagen & Barrios, 2002: 96).

class positions vis-à-vis capital. The net result was a shift in patterns of employment from the formal to the informal sector, with formal sector employment decreasing from 52,4% to 46,2% of the total employed between 1990 and 1997, and public sector employment declining from 19,3% to 12,7% in the same period.

Filmus (2000: 46) points to an intensification in the segmentation of the working class, with flexible, contract and part-time labour replacing the full-time, permanent labour force, contributing to a drastic decline in the bargaining power on unions. As the state withdrew from provision of goods and services to popular classes, the imbalance in the national distribution of wealth was further skewed with increasing concentration of wealth within the smallest percentile. Calcagno (2001) shows that whilst in 1980, the poorest 25% of the population had 9,3% of the national income and the richest 10% had 29,8%; by 1997 the poorest quarter had 7,5% and the richest 10% received 35,8% of the total national income. Figures produced by Boron (2000) indicate that during almost the same time, between 1980 and 1995, the ratio between the incomes of the richest and the poorest extremes of Argentinian society had increased from 237 to 417 (Boron, 2000: 391).

Castellani (2002) compiles statistics to show that between 1993 and 1999 the sales of the 200 most powerful national oligopolies grew, almost uninterruptedly, by 64%, except in 1999, when there was a drop in 2% in sales in the motor industry, consolidating wealth and power among these firms. During the same time, whilst the concentration of capital and revenue of these oligopolies increased, the average real salary fell 10% (Castellani: 2002).<sup>24</sup>

According to Boron (2001), one of the most severe consequences of the neoliberal hegemony was the sustained and accelerated de-industrialisation that occurred as a result of the national bourgeoisie's reluctance to invest in productive capital. The manufacturing industry, which peaked in 1960, was responsible for employment of 26,1% of the economically active population, but this had dropped to 19,9% by 1980 and declined even further to 15,5% in 1990. He points out that this economic deterioration had occurred *before* the explicit implementation of neoliberal policy 'without anaesthetics', so that by the 1990s the manufacturing sector had effectively been crippled and could not withstand competition from imports (Boron: 2001).

The following quote sums up several of the arguments provided above:  
"The strategic decisions that originated in external debt, the consequent substantial modification of the economic model and its consequences, and the process of social regression, were political decisions taken by the state, designed by international organisms, executed by specialised functionaries (civil servants) but underwritten by a great entente that in very little time grew to include the majority parties, main leaders and political representatives who had been democratically elected. This same *entente* is what has redefined political activity as an administration of provisions that guarantee the permanence of 'great macroeconomic equilibriums' (Pucciarelli, 2000: 7).<sup>25</sup>

#### *World Bank re-defining of the role of the Argentinian state in the late 1990s*

As a result of the implementation of the principles of the Washington Consensus, the Argentinian economy had by the late 1990s reached unprecedented levels of indebtedness, unemployment and financial instability. In contrast to the previous marginalisation of the state, defining the role of the state in order to facilitate economic recovery became one of the main themes in academic circles,<sup>26</sup> as well as providing a source of ongoing concern for

---

<sup>24</sup> Quoting Martín Schorr, 2001 "El papel de (la caída de) los salarios en las disputas en torno de la Convertibilidad", in *Diario Página/12* (Buenos Aires) Suplemento *Cash*, 6 de Mayo, 2001.

<sup>25</sup> Researcher's translation of a quote by Alfredo Pucciarelli, cited in Castellani (2002).

<sup>26</sup> Among many critical academics and analysts cited previously, there seems to be consensus that the Argentinian state – in a different, non-capitalist form – should stand up to the dictates of financial

the World Bank, when repayments on debt became increasingly contested. The World Bank dedicated its annual report in 1997 to precisely the issue of the 'new' role of the state, outlining the key aspects of the so-called 'post-Washington Consensus'.

The original conceptualisation by the World Bank had considered economic growth and development to be obtainable without state intervention, and purely on the strength of market forces, but, according to Boron (2003), the modification of the World Bank position is explained by recognition of the severe economic and social crisis that resulted from the Argentinian state following the previous World Bank recommendations (Boron: 2003).

The new proposals, summarised by Castellani (2002), did not acknowledge the failure of neoliberal policy, but simply assigned the state the role of partner in private sector activities. The proposals envisaged an 'efficient' state as a fundamental condition for economic and social development, and direct intervention was considered undesirable, with the state instead complementing the functioning of the markets, as an 'associate and promoter of private activities'.<sup>27</sup> The strategies proposed encompassed several steps and entailed accommodation of the role of the state, but in a more efficient form.

The main recommendations were that the state should respect and encourage competitive markets; develop capacity in those areas where the market failed to do so; ensure that state institutions acted responsibly with regard to fiscal resources; and to apply certain norms and guidelines within society and the state institutions, viz. promote increased competition in public and private initiatives, promote joint ventures with foreign agents such as enterprises and civic organisations, and also to establish domestic joint ventures with national enterprises to intensify the loyalty of public employees; and finally, to ensure an independent judiciary system (Castellani: 2002; Gambina *et al*: 2002).

The continued commitment to neoliberal policy lay behind the state's January 2002 decision to abandon the dollar-convertible currency, whereafter devaluation of the currency produced yet another substantial transfer of income from the working and salaried middle classes, small and medium savers, to oligopolists, exporters and powerful transnational corporates and financiers, concentrating wealth within an ever shrinking class.

In summary, the investment activities of the 1990s, far from comprising investment in productive capital, consisted primarily of transactions with short-term financial instruments, where the public sector was positioned as the chief actor; financial exchange operations through privatisation; joint ventures with transnational enterprises; and increasing positioning of assets in foreign countries.

### **Neoliberal democracy and ideology**

At the ideological level, once the authoritarian state had been removed, an ideological void became evident, with an ensuing 'crisis of paradigms' (Lozano: 2000; Paviglianiti *et al*: 1996), as the theories and models of the previous decades failed to explain or deal with the new form of capitalism and new social problems. Various discourses were evident, including radical socialism and Peronism, but none, according to these writers, were located within a sound theoretical framework or contained a clearly defined strategy of how the state should govern. Lozano (2000) maintains that it was at this juncture that the neoliberal discourse inserted itself, attacking the state and public sector on the one hand, and espousing the values of the 'free market', the individual and the private sector on the other.

---

capital and perform a proactive role by regulating the interests of capital and instigating social development through redistribution of resources.

<sup>27</sup> World Bank Report 1997:20 (Castellani: 2002).



It has been widely observed, including by the World Bank itself, how neoliberal ideology and policies were inserted at the level of the state through the direct presence of consultants from the IMF and World Bank. In their analyses, Hopenhayn and Barrios (2002), as well as Rapoport (2002), consider that subsequent advice to state technocrats served to consolidate the influence of neoliberal discourse in shaping future policy by presenting an anti-state, pro-market explanation as to how economic stability could be regained, and growth and development secured. Accusing the welfare state of creating indebtedness through wastefulness and inefficiency, this analysis ignored the actions of bureaucratic authoritarian state in initiating structures facilitating patterns of capital outflow as far back as the 1950s (Hopenhayn & Barrios: 2002; Rapoport: 2002).

According to Paviglianiti *et al* (1996), the intensity with which the neoliberal argument was propagated by agents of financial capital and, later, state technocrats, together with the theoretical limbo of the 'crisis of paradigms', exposed the weakness of public universities and social science discourses in being unable to counter the neoliberal argument with a coherent and similarly cogent explanation for the economic chaos and social disintegration prevalent in Argentina during the post-dictatorship period, or to offer solutions.

With reference to education in general, the notion of human beings as human capital was introduced, and began to assume prominence (Zaragoza: 2000). Education became linked to productivity rather than as a preparation for good citizenship, and pressure was exerted by the market through penetration of the higher education system on the functionality of higher education in terms of the needs of the market. The outcome of this tension between the state and the market, on the one hand, and the public university system, on the other, will be further investigated in Chapter 5.

#### *The neoliberal objectives of economic stability and growth - and the myth of development*

To the neoliberal state, macro-economic goals are a political priority, the justification being that economic stability is a pre-requisite for economic growth, in turn a precondition for and natural precursor of development, a concept which is posited as an endpoint and neither specified nor unpacked. Thus, explains Dos Santos (2000), the focus of all political activity by the state becomes a quest for stability, with the objective of maintaining market confidence, protecting the balance of payments, exchange rate and attracting further financial capital, considered as pre-requisite for the increase in Gross Domestic Product (GDP), eclipsing democratic objectives of social justice, full employment, education and health services for all.<sup>28</sup>

However, maintains Calcagno (2001), the neoliberal state does not critically analyse the constituents of GDP in terms of the significance of increasing dependence on exports. Calcagno shows that in fact GDP increased by 5,5% from 1992-1997 and productivity increased by 3,6%, but this was due to greater productivity of capital, whilst after 1997 world commodity prices tumbled, with severe socio-economic effects of plant closures, job losses and a decline in wage levels.<sup>29</sup>

#### *The denying of citizens' rights*

Boron (2001) argues that as privatisation and cuts in spending transferred state functions to the market, citizens' rights to health, education and housing that had previously existed in the welfare state became commodified. Concomitant with the market gaining control over provision has been the removal of the notion of 'rights', so that social issues such as unemployment, declining participation in education, and increasing levels of poverty and

---

<sup>28</sup> Dos Santos criticises modern technocrats for refusing to engage in self-criticism and, instead of acknowledging the failure of the market to achieve its objectives, of hiding mistakes and professing 'market rectification', denying the need for planning or collective thinking directed toward social ends. (Dos Santos, 2000: 337-350).

<sup>29</sup> Calcagno: 2001

marginalisation, or total exclusion from the social system, have become sidelined from discussions on development.

Boron (2000) claims that rupturing the 'net' cast by the welfare state over dominated classes to ensure their continued participation has led to 'profoundly anti-social results' and a culture of 'every man for himself', of violence, 'loafers and predators', over which an irresponsible and indifferent state presides, relinquishing politics to the mass media, produced and directed by the powerful oligopolist media giants (Boron, 2000: 381-396).

Castellani (2002) considers that the progressive withdrawal of the state from the provision of social services has crystallised class differentiation according to the ability of citizens to pay for private sector services. Confronted with the recessive trends of the 1980s and increasing external debt, the state introduced fiscal policy that reduced the spending power of a large part of the population, depressed middle class incomes and provided tax incentives to the national bourgeoisie.<sup>30</sup> Although cuts in public spending caused further economic implosion during the 1990s, the net result of these fiscal measures was that the state had left the wealthy relatively intact.<sup>31</sup> The outcome of these fiscal reforms was thus, according to Castellani (2002) a transfer of national wealth - and by implication, the ability to procure services - to the oligopolist sector of the national bourgeoisie.

According to Castellani (2002), the combination of neoliberal measures applied during the 1990s have produced a set of structural consequences of indebtedness and a concentration of wealth that permits little leeway for political decision-making. She considers that these structural outcomes and constraints reveal the real dimension of neoliberal discourse and the way in which neoliberal prescriptions function to serve the interests of those class sectors in which capital is concentrated, excluding other sectors and classes.

Thus, implementation of neoliberal reforms has produced an intense contradiction between the ideals of democracy and the reality of the neoliberal state, creating a society in which inequality has been intensified, leading to increasing marginalisation, exclusion and social violence of citizens against one another. Castellani (2002) concludes that the effectiveness of the neoliberal discourse propagated by the state and media oligopolies has been to disunite citizens so that they do not turn against dominant capital and the state.

The discussion of neoliberal discourse, or '*pensamiento unico*', will continue in Chapter 5.

---

<sup>30</sup> Indirect taxes such as VAT were increased (in 1998 VAT contributed 40,6% to total revenue); and corporate taxes maintained at low levels to encourage foreign financial capital to participate in joint ventures (Gambina: 2002).

<sup>31</sup> Argentina represents extremes in terms of poverty and accumulation: 70% of total tax revenue derives from indirect taxes, VAT currently runs at 23% and has increased from 13% in the early 1990s, whilst corporate tax increased only 2% in the same period from 33-35%, and there is no tax on interest earned on finance (Hopenhayn& Barrios, 2002: 119).

## CHAPTER 5 - THE ARGENTINIAN PUBLIC UNIVERSITY SYSTEM: INTRUSION OF NEOLIBERAL IDEOLOGY

### BACKGROUND

As indicated in the previous chapter, neoliberalism is a dimension of economic thinking that accompanies and rationalises global financial capitalism. Neoliberal discourse derives its premises from the fundamental tenets of classical economic theory, in terms of which human beings exist as self-interested individuals, yet locates human activities within an environment characterised almost exclusively by the existence of markets. By shifting the focus of attention onto the market, the primary role of capital itself is hidden, as it is assigned neutrality as an element that merely seeks ideal market conditions. Hence, in the era of globalisation, the objective of collective human activities organised by the state becomes ultimately that of attracting financial capital by securing ideal market conditions.

Part One of this chapter presents Marxist-structuralist and other critiques of the origins of neoliberal discourse and the process through which this has been inserted at the level of the state, as well as a critical overview of the neoliberal conception of the role and functions of higher education with relation to the market.

Part Two offers analyses of some critical contemporary Latin American academics of the process whereby the role of the public university has been redefined by the neoliberal state, crystallised in terms of the 1995 Higher Education Act, which has distorted and subdued the principles of the Cordoba Reforms discussed in Chapter 3. As we shall see, the argument of some of the main texts consulted<sup>1</sup> is that through the processes of globalisation in Argentina, pressure from external forces on the public university system to comply with educational imperatives of a neoliberal agenda, has undermined the former relative autonomy of the Argentinian public university system and transformed the role of the state from patron to evaluator.

### PART ONE: THE NEOLIBERAL INTERPRETATION OF SOCIETY: 'PENSAMIENTO UNICO'

#### The free market as a social paradigm

As discussed in Chapter 4, to neo-Marxist and other critical Latin American academics such as Boron (2001b), Castellani (2002), Calcagno (2001), Rapoport (2002), and many others, neoliberal discourse is preoccupied with macroeconomic instruments which, by displacing social objectives, prioritise the 'free' functioning of markets and seek to remove obstacles to the movement of transnational financial capital. Thus regulation of the movements of financial capital is considered as undesirable state intervention, which will adversely affect the functioning of the 'free market', yet the state is expected to intervene to provide legal, financial and telecommunication structures that enhance its flow.

However, the transformation goes beyond the infrastructural requirements required of a neoliberal state in terms of the way that society is constructed by neoliberal ideology. Paviglianiti *et al* (1996) observe that economic freedom substitutes political freedom, with neoliberal discourse intent on depoliticising society by removing the political element and presenting citizens as consumers. In this way, the market becomes a means of *political* control, and fundamental class difference is disguised by separating political issues and fragmenting classes into individuals, emphasising the need and ability of individuals to acquire a certain status as consumers (Paviglianiti *et al*, 1996: 15).

Do Santos (2000) points out that by creating an identity of consumer rather than class, and assigning responsibility for well-being to individuals as self-interested consumers seeking satisfaction of their needs, the functioning of the market becomes a type of optimal situation and the belief in the ability of the illusory mechanism of the 'invisible hand' implies denial of the need for planning towards social ends, subsequently ignoring the

---

<sup>1</sup> Notably the work of Mollis (2001, 2002, 2003) and Paviglianiti *et al* (1996).

social consequences of this neglect. He comments, “So we arrive at a humanity without objectives or tasks, without values that transcend the achievement of happiness through equilibrium of the forces and means required to achieve it. Instruments become of primary importance in all aspects of life” (Dos Santos, 2000: 346).

López Segrera (2000) adds that neoliberalism derives its justification from the so-called logic and rationality of the free market, creating a tendency towards complacency, as middle class values emanate from structures and practices that laud the individual and profess to reward risk and opportunities seized with profit, endorsing inequality and the concentration of wealth among the few. Rampant consumerism has both permitted and indulged self-interest and detracted from the sharpness of criticism that existed previously, so that citizens are generally less critical, more concerned with their own welfare, and engage more with themselves, thereby encouraging the post-modern tendencies that prevail among Latin American academics (López Segrera, 2000: 403-405).

Though post-modernists lay claim to a post-capitalist society that is too diverse to conceptualise theoretically, thereby professing the ‘end of ideology’, one of the effects of globalisation has been to effectively install a single dominant discourse, neoliberalism. Widely termed ‘*pensamiento único*’ among critical academics in Latin America (see Chapter 4, footnote 2), due to its insistence on a single uniformly and universally valid ‘market logic’ in place of social theory, one of its favoured themes is that of the end of ideology. Though this parallels the post-modern premise, it is from a different perspective, claiming that the allegedly neutral and rational forces of the market substitute values with logic, thereby providing a superior explanation of the functioning of society through economics.

Refuting the proposition that dismantling the economic order can be liberating, neoliberal discourse presents economic ‘disorder’ as a situation to be avoided at all costs, so ideas become paralysed, along with possibilities for transformation and progress. To counter this, according to Ruiz Moreno (2002), it is necessary to ‘de-authorise’ it by thinking beyond the logic of the market and constructing an alternative discourse. Following Gramsci’s reasoning, the ‘common sense’ of dominated classes signals a reality different to that proposed by neoliberal discourse. This common sense reveals the markets as social constructs that interact within a set of historical power relations that are neither eternal nor unalterable, with the task of intellectuals being that of ‘dismantling the irremediable character of the hegemonic political discourse of the neo-classic economy’ (Ruiz Moreno: 2002).

In a similar vein, Boron (2001b) argues that the distortion of the real ‘free market’ situation, in which only a restricted sector of dominant classes in societies throughout the world is able to perform activities to serve its interests, denies the reality of structural domination and exclusion, creating false explanations and proposing illusory solutions that reinforce the hegemony of dominant capitalist societies (Boron: 2001b).

It is thus worth quoting at some length from the analysis of neoliberalism, education, work and social exclusion conducted by the aforementioned authors.

“The neoliberal offensive can be considered as realising a process of social reconstruction in the field of curriculum. Neoliberalism contains in itself fundamental elements; not only of the capitalist economic order, but principally the way social relations are redefined, focusing on individualism and competition. But the difference between neoliberalism and ‘savage’ capitalism is that the former makes its subjects believe they can participate in the benefits of change by acceding to the benefits of modernisation. So we find ourselves not only in a particular model of production and distribution of wealth, but also a process of resocialisation, a reordering of the way we live. Neoliberalism is based on a Darwinist conception in which competition ensures the survival of the fittest entrepreneur, who knows not only how to adjust to new demands of the market, but also, without the security of a monthly salary, and only by fulfilling concrete projects, risking failure and leading work teams, for infinite hours, reducing costs wherever and however possible. This figure knows his or her strengths and weaknesses, has a high self-esteem, knows that the future can only be achieved by individual effort, and by self-conviction, and although

the system is closing off opportunities to large corporations, knows how to use his or her talents to create business opportunities.

My hypothesis is that the (neoliberal) school generates these dispositions in its subjects, and the message is inculcated by inclusion and exclusion - both have the definitive notion that contributing to a capitalist culture whose ethic is one of individualism and competition, leads to growth, and that only by individual effort is social mobility attainable. So the value of education is lost in the following neoliberal message: it's a bad deal to attend public sector education. You'll get credits, but they have little real value." (Almonacid & Arroyo: 2002)<sup>2</sup>

Rapoport<sup>3</sup> (2002) laments the predominance of market values and the 'crowding out' of theory by consumer values, thereby confusing and demoralizing citizens who fail to obtain jobs or improve their standard of living. Attributing the 'ideological shut-down' (*apagón*) within society to a combination of uncertainty, fear and disillusionment after nearly two decades of governance by a non-military government in which the economic and social conditions in Argentina have steadily deteriorated, he calls on intellectuals to provide an 'ideological map' that shows the trajectory of global economic systems and neoliberal ideology over recent history. By revealing the real course of the development of global financial capitalism, he considers citizens will be able to understand the politics of exclusion resulting from globalisation, and the subjugation of national interests to global financial capital.<sup>4</sup>

### Neoliberal values and higher education

In terms of neoliberal discourse, education, as a means of socialising citizens according to a new significance in the social order in which the self and consumption are prioritised, construes liberty in the economic sense as freedom to own, produce, consume and trade. This conception, for Dos Santos (2002), subjugates political rights and renders human rights dispensable, assigning them the mere value of optional choices that are the result of individual preferences. Dos Santos considers that the primary distinction of the neoliberal discourse is that it regards education not as a social good, but as a private investment in human capital, and considers the choice of education as being the result of a desire to earn future rewards, not as a means by which classes are reproduced and the needs of capital satisfied (Dos Santos: 2002).

Almonacid and Arroyo (2002) argue that education is considered thus firstly as a capital good - but also as a commodity. As a means of self-improvement and opportunity for social mobility, its value to the citizen is perceived as investment in self for future gain, but once offered for sale, it assumes the character of a commodity and is of value to the citizen as a commodity. Secondly, it is functional and self-interested, aimed at contributing to economic productivity, not social development. Thirdly, it becomes the private responsibility of individual citizens to educate themselves and subsequently participate in a socio-economic system, so that exclusion is considered not as a consequence of a social process, but as a conscious individual choice (Almonacid & Arroyo: 2002).

The neoliberal discourse disseminates several notions concerning the role and functions of the higher education system, purporting to extract it from a political context and professing to insert it instead in a supposedly neutral economic context, devoid of political connotations. Nonetheless, the underlying notions are themselves highly political, based on

---

<sup>2</sup> Researcher's translation.

<sup>3</sup> One of the many intellectuals who was forced to seek exile during the years of the dictatorship because of his outspoken and critical views,, Rapoport now challenges the politics of the neoliberal state, particularly concerning the economy and the duty of academics to offer analyses and solutions.

<sup>4</sup> Stated during a television interview on a discussion programme, '*La Universidad Crítica*', hosted by one of the state channels, on the day of the Argentinian national presidential elections on 27 April 2003. Rapoport was speaking on behalf of the University of Argentina that invites response via the e-mail address [universidadcritica@ub.edu.ar](mailto:universidadcritica@ub.edu.ar)

the following propositions, which have been synthesised by the researcher from reading of Coraggio (2003), Filmus (2000), López Segrera (2003), and Mollis (2003) as follows:

- the function of higher education is to produce outputs in the form of instrumental units of productive labour, which will contribute to increasing the level of productivity and the competitiveness of the society under consideration in a global economy;
- education is a part of the 'knowledge economy' and constitutes a business activity in which there are providers and clients;
- as a business enterprise offering services to the client, higher education institutions should be subject to standard business criteria of efficiency and effectiveness;
- these criteria entail the usefulness and appropriateness of programmes offered to the market's needs for labour (effectiveness), and a cost-efficient ratio between resource inputs and product outputs (efficiency);
- higher education institutions should function economically and balance expenditure with income, and declining state subsidies should provide the incentive to do so;
- human capital is a form of investment which entails a temporary sacrifice - in this case, made by the individual - with the prospect of rendering greater future returns;
- students are motivated by self-interest and the overarching priority of the individual is to seek to maximise his or her potential to earn an income or produce a profit; and
- education is therefore the responsibility of the individual, who should pay for it as an investment, on the one hand, and a service consumed, on the other.

The outcome of such assumptions is that the neoliberal state begins to withdraw resources from the university in form of reducing financial support. At the same time, however, asserts Mollis (2003), it assumes the role of regulator and evaluator of higher education providers according to criteria of efficiency and effectiveness.

Thus neoliberal discourse challenges the traditional role and values of the public universities in Latin America and changes the priority of the university from production and reproduction of knowledge to one of process administration, as systems of quality assurance and accreditation assume predominance in the face of assessment agencies (López Segrera, 2003: 39-58).

More succinctly, the neoliberal state deflects attention away from the challenge to the university in terms of its social role and function, by offering an alternative locus of contestation that does not deal with the fundamental challenge of the neoliberal state to the university.<sup>5</sup>

Summarising the arguments of various academics (Mollis, 2003: 203-215; Coraggio, 2003: 109-122; Filmus, 2000: 227-256), the 'altered' public university is subjected to an assault by the market, applied by the neoliberal state by means of 'structural adjustment policy' measures, which

- undermine their traditional historic significance as repositories of learning and of wisdom, and their function of accumulating, reproducing and producing knowledge for the betterment of all society;
- introduce the phenomenon of managerialism through the insertion of a layer of non-academic management whose decisions override those of academics;
- encourage private sector participation in the provision of higher education and promoting the notion of competition among institutions through diversification, identification of niche markets and competing for 'clients';
- commodify higher education as a marketable service and business opportunity for corporate activities
- at the meso-level, assign the public university the significance of any other business offering goods and services 'in the market-place';

---

<sup>5</sup> The domination of the efficiency paradigm and the underscoring of performance indicators is a form of state regulation that serves the dual purpose of insisting on economic efficiency rather than social effectiveness, whilst changing the identity of the university (Mollis, 2002: 14)

- present the role of higher education as functional to the needs of the market, rather than to society;
- insist on accountability as performance measured by means of quantitative indicators, displacing the importance of teaching and learning;
- subjugate academic activities to requirements of quality assurance, evaluation and accreditation structures and processes;
- at the micro-level, define education as a service directed at the individual consumer, thereby denying the social function of education;
- reinforce the theory of human capital and marginalising the notion of social responsibility;
- increasingly exclude members of the popular classes, low income groups and the unemployed, due to their inability to pay; and
- deny those excluded the possibility of participation in a social system in which higher education is presented as a prerequisite for participation in a global society.

Mato (2002) asserts that whilst these aspects relate to the socio-economic implications of neoliberal values embedded in higher education, in terms of culture and education, the state relinquishes its role as guardian of values to the mass media. The result is an 'unleashing' of neoliberal values that clash with and crowd out local values, aided by state technocrats rejecting the existing as 'out-dated' and professing modernisation by means of identification with the global village (Mato: 2002).

Originating in explicitly market-controlled domains of the media, Mato points out that these market tools form values that, due to intense and continual reinforcement in a larger society perpetually exposed to various forms of the media, such as advertising on radio and television, are stronger than those propagated from within education systems, and have an overwhelmingly consumerist orientation. The insistence of the mass media on self-reliance, competition and individual aspiration thus ousts previously cherished social values of common national interest and co-operation (Mato: 2002).

## **PART TWO: THE NEOLIBERAL STATE AND THE PUBLIC UNIVERSITY SYSTEM IN ARGENTINA**

A leading academic on the higher education system, Mollis (2001, 2003), claims that the 1990s witnessed the definitive insertion of neoliberal ideology in the higher education system, the outcome of which was the rupture of the 1918 pact between the state and public university in terms of which the former had acted as patron, and the latter as guardian of science and culture and agent of social change. She argues that the role of the state has been transformed from that of sponsor to that of evaluator, and the status of the public university was relegated to that of a business organisation, expected to behave economically according to norms and standards of efficiency and effectiveness, offer marketable services and earn revenue, rather than offer a broad education, encourage critical and independent thinking, and cultivate values of citizenship (Mollis, 2001: 133-139; Mollis, 2003: 203-212).<sup>6</sup>

According to Mollis, the long accepted significance within Argentinian society of education as the mandate of the state and the right of citizens, established in the 1918 Cordoba Reforms, was fundamentally challenged by the 1995 Higher Education Act. The public sector universities were exposed to the encroachment of the higher education environment by private sector institutions, which entered the terrain of education on terms defined by neoliberal discourse of business opportunity, competitive advantage, effectiveness in producing functional graduates, and performance indicators relating to efficiency of costs and inputs relative to outputs.

---

<sup>6</sup> In a discussion of the changing role of universities, Mollis considers that universities have been forced by the neoliberal state into a situation in which they are required to conform with the market paradigm comprising discourses of efficiency, effectiveness, total quality assurance and competitiveness, aimed at their serving an instrumental function, rather than a purpose that would benefit broad society by proposing innovative and alternative solutions to social problems (Mollis, 2001: 137-139).

Thus, whereas according to the principles of the Cordoba Reforms, the state acted as patron and sponsor of the university, whilst refraining from intervention, the neoliberal state reversed the role, increasing intervention and making inroads on autonomy by subjecting the university to similar forms of quality assurance that exist in industry, and moreover requiring compliance according to structural and technical criteria lacking values and ethical considerations concerning the purpose and desirability of a particular form of education (Mollis: 2003).

### Post-dictatorship 'normalisation'<sup>7</sup>

Paviglianiti *et al* (1996) recount how in 1984, after the restoration of democracy, the Argentinian public universities existed in a different form to the flourishing, articulate force for social change that they had constituted during the 1960 and 1970s, prior to military rule. After the repression of the public university system by the military state, they emerged subdued, their political role having been removed, to find themselves presented with the challenge of providing solutions to pressing economic, social and political problems (Paviglianiti *et al*, 1996: 3-5, 73).

They maintain that, recognising the lack of capacity among universities, the state enacted legislation to allow for a period of 'recovery' and 'normalisation' - a period of just one year, in which academic conditions were to be restored and university autonomy reinstated. During this time, the primary efforts were focused internally: each university successfully established its own constitution, drew up policy and instituted procedures relating to recruitment and appointment of academic staff, admission of students, norms for study and various academic systems and procedures (Paviglianiti *et al*, 1996: 4, 29).

However, according to Paviglianiti *et al* (1996), the overarching need, one which was not dealt with, due to the exigencies of individual normalisation, was for the university to formulate its relationship with the newly democratised society and determine its role in a transformation process. During the period universities had been given to 'normalise' and thereafter, and despite the realization by universities themselves that they should assume the role of transforming the higher education environment, they were too absorbed by their own problematic to form an organic system, and by the end of the 1980s were still acting as individual institutions, asserting their newly reclaimed autonomy.

Paviglianiti *et al* (1996) consider that between 1984 and 1993, universities immersed themselves in their internal affairs in terms of formulating constitutions, missions, systems and processes, attempting to recover a sense of identity. Despite sporadic attempts by the *Comité Interuniversitaria Nacional* (CIN) - the association of university rectors which served to offer an inter-institutional platform for articulation of the university voice and formulation of university policy - to consolidate the higher education sector, they failed to reach consensus on the specifics of how they intended to function.

As a result, maintain Paviglianiti *et al* (1996), although the principles of the Cordoba Reforms (noted in Chapter 2) of autonomy, freedom of discussion, freedom of political views and the right to teach according to democratic principles and personal viewpoints, were reinstated individually in institutions, and although each university regained its institutional autonomy via its own constitution, public universities and technical institutions neglected to consolidate themselves as a sector. Thus the failure by universities to establish themselves as an organic presence meant that they were unprepared to deal with the new form of the capitalist state, soon defined by its neoliberal policy and adherence to a market discourse of efficiency.<sup>8</sup>

---

<sup>7</sup> The term 'normalisation' is derived from the analysis of Paviglianiti *et al* (1996).

<sup>8</sup> According to this analysis of the intrusion by the neoliberal state in the university environment, the setback suffered during the period of military rule weakened university autonomy and inter-institutional cooperation to the extent that when the dictatorship ended, there was a subsequent gap which neoliberal forces headed by the IMF and World Bank did not hesitate to seize, inserting policy directives



With the restoration of democracy, the decline in enrolments that had occurred under the dictatorship of 1976-1983 was reversed, with enrolments doubling from 491,473 in 1980 to 965,000 in 1989, increasing to just under a million the following year.<sup>9</sup> Due to this renewed wave of expansion as well as by the incremental increase in the higher education budget, after an interval of 24 years during which time no new public universities had been founded, between 1988 and 1996 nine new universities were established, whilst two provincial universities were converted to national universities.<sup>10</sup> The state continued to recognise its responsibility as financial patron by increasing budgets by small increments until the mid-1990s, and did not interfere with the internal affairs of public universities.

However, suggest Paviglianiti *et al* (1996), whilst this expansion was taking place, the intrusion by neoliberal discourse appears to have occurred without significant contestation by Argentinian intellectuals during the 1980s, the period of the so-called 'crisis of paradigms' referred to previously, and the primary orientation of the university system was inward. It was during this period, they argue, precisely when the hitherto robust Latin American intellectual tradition had emerged weakened from seven years of ideological repression and the dismantling of oppositional ideological structures by the authoritarian state, that neoliberal discourse seized the opportunity of the ideological void caused by the fracture between the transition from the dictatorship to democracy.

### Warning signs from the neoliberal state

If the 1980s were in economic terms the 'Lost Decade', as far as the Argentinian university was concerned, it can be considered as the decade of 'lost opportunity', as it was during this time that transnational financial capital inserted neoliberal values at the level of ideology and the state through World Bank consultants.

University budgets had initially been increased to allow for material changes required by 'normalisation' to take place, and the universities did not heed the warning signals as hyperinflation and economic crises threatened to reverse this situation. However, the period after 1995 witnessed the 'dismantling' of the public higher education system through an operation directed and overseen by the World Bank, conducted by the state, and produced by the state in conjunction with the market, as spending cuts were imposed and all universities were forced to seek alternative funding.<sup>11</sup>

In 1989 the seizure of power by Menem's party and the subsequent agreement with the World Bank led to the announcement of a policy of 'fiscal discipline' and 'adjustments' aimed at restricting funding to the public sector, reducing the scope of state participation in provision of services, including higher education - until then almost a monopoly of the public sector - and bringing in the private sector in as alternative 'providers'.

In 1990 the *Poder Ejecutivo Nacional*, or National Executive (Power), the dominant state authority in terms of directing implementation of change, authorised the expansion of the private sector, thereby sharpening the alternative options for universities between the

---

that were crystallised by the terms of the Higher Education Act in 1995, as will be discussed later in this chapter (Paviglianiti *et al*: 1996).

<sup>9</sup> Enrolments in higher education had dropped during the period of dictatorship from 1976-1983 from 596,736 in 1975. However, with the restoration of democracy, these continued to increase, reaching 1,303,000 in 1995 and 1,524,085 by 1998 (Barsky *et al*, 2001: 34). University enrolments currently stand at 1.4 million (Sánchez Martínez, 2003: 8)

<sup>10</sup> See appendix 4 for dates and institutions founded.

<sup>11</sup> Argentinian universities receive a quarter of the subsidy of their Brazilian counterparts, and one fortieth of the subsidy that their Mexican public universities receive. These figures were provided by the rector of the University of Buenos Aires during a panel discussion organised by CLACSO at the Book Fair, 26 April 2003 entitled "The Latin American university: the cosmetics of financial power".

preferred route of transformation and 'reconversion' according to new imperatives, entailing a choice for universities between diversification and inter-institutional cooperation, or 'differentiation and competition', a model that had become prevalent in the United States during the 1980s.<sup>12</sup>

As noted earlier, Mollis (2001) argues that whilst previously higher education remained within the domain of the state and was considered both a responsibility and a strategic tool, the opening up of higher education to the private sector involved a transformation of the provision of education from a social service to an 'opportunity' for profit, and of education itself from a social good to a commodity. Concomitantly, the purpose of higher education shifted from a broad preparation for performing professional and civic duties within a framework of values that includes notions of responsibility to one's fellow-citizens, to that of ensuring that the 'human resource' needs of a capitalist society are secured (Mollis, 2001: 14-18).<sup>13</sup>

### **Insertion of World Bank recommendations for a neoliberal framework in the higher education system**

Paviglianiti *et al* (1996) claim that the proposals for a reorientation of the higher education system according to differentiation and competition proceeded from the World Bank and amounted to an implementation of measures aimed at efficiency and effectiveness, comprising restricting access, introducing an hierarchical education system with segmentation between levels and fields, reducing the research function of the universities as well as the number of programmes and courses, according to demand.

The exact diagnosis of the World Bank according to the Report of 1994, summarised by Paviglianiti *et al* (1996), was as follows:

- Argentinian universities were in crisis due to massification and lack of capacity;
- Massification had caused a deterioration of facilities and a fall in standards;
- Ineffectiveness was evident in terms of the absence of a return on investment, due to the high level of unemployment among graduates;
- Insufficient resources existed to provide for irrecoverable costs such as materials and student services;
- Inefficiency was manifest in the low ratio of staff to students, the substantial number of dropouts and repeats, and the high level of costs per students, which was 7 times greater than the private sector.

(Paviglianiti *et al*, 1996: 118).

It was at this stage that the 'efficiency and effectiveness' discourse, the hallmark of neoliberal ideals, was first made explicit with relation to higher education in Argentina.

Consequently, the World Bank recommended that

- public institutions confront their deficiencies and take more initiative through a 'differentiated offering' by focusing on core areas and establishing niches;
- the higher education sector be expanded by including the private sector;
- the role of the state be redefined relative to the public universities;

---

<sup>12</sup> The 'differentiated and competitive' model was presented as a rationale for cutbacks in federal funding, and institutions were encouraged to find 'unique' features in order to raise funds and become self-financing. This neoliberal model was filtered down by means of the World Bank and IMF imperatives to Latin America, where it was introduced in 1985 and later enforced via the neoliberal state.

<sup>13</sup> According to Mollis, 'the promotion of individualism and a self-absorbed hedonism is the antithesis of those ideals that public Argentinian universities of the 'middle decades' of the twentieth century cultivated – of forming independent professionals and active citizens, encouraging epistemological debate, enriching cultural heritage and taking on the challenges of society' (Mollis, 2001: 14).

- universities be incentivised to diversify through having recourse to various sources of finance, including the forming partnerships with the corporate sector as well as state departments and by charging fees;<sup>14</sup> and
- policies be introduced to prioritise quality as an issue.

(Paviglianiti *et al*, 1996: 120).

All of these recommendations were subsequently implemented in terms of the 1995 Higher Education Act, to be discussed in the next section, one of the results of which was that the World Bank immediately granted a loan of US \$ 165 million to 'improve the quality of Higher Education' (Paviglianiti *et al*, 1996: 108).

Significantly, notes Mollis (2001), the 1997 recommendations of the *Banco Interamericano de Desarrollo*, the Inter-American Development Bank - which were not heeded - recommended the opposite, that 'research and formation of an intellectual elite requires autonomy, as it is supposed that it (research) will be compromised unless intellectual activity is distanced from the market, therefore substantial public funding is required, balanced by protection from direct action by the government (Mollis, 2001:73-74).'<sup>15</sup>

The way in which change was envisaged by the World Bank to occur, observe Paviglianiti *et al* (1996), was by encouraging private sector participation and competition among institutions, so that a greater number and more varied type of public and private sector institutions would force institutions to focus on areas of core competency, resulting in a wider range of programme and short course offerings that would be more appropriate to the diverse needs of the market. The World Bank encouragement of the private sector to share provision was partly due to the notion of the alleged inefficiency of public universities, but was also justified by the argument that massification had caused the standards of tuition to decline, so that numbers should be spread over more institutions.

The accusation of a decline in the quality of teaching has often been attributed to massification, usually cited as the reason for opening up university education to the private sector. However, argue Paviglianiti *et al* (1996), the 'massification' of higher education in Argentina in the 1980s does not represent a statistical volume that can be considered to justify this concept, as real massification occurred much earlier when demand for higher university education increased along with post-World War II intensification in urbanisation, industrialization and the appearance of new social groups. Student enrolments increased over the three post-war decades more than seven-fold, whilst faculty increased almost eight-fold within a shorter period.<sup>16</sup>

However, argue Paviglianiti *et al* (1996), there had indeed been a deterioration in quality as well as in the teaching and research facilities during the dictatorship period, due to a reduction in spending as well as by rigid control over programmes offered during military rule. With the reinstatement of democracy, a renewed upsurge in enrolments led to pressure with respect to the reduced capacity of the institutions.

They point out that in 'redefining' the relationship between the state and the university, the objective was supposedly not to impose direct control, but to provide an environment for 'public and private institutions to exist and flourish', through the formulation of policy and the provision of budgeting guidelines, and the introduction of a system of institutional evaluation and accreditation of programmes, the results of which would be published.

---

<sup>14</sup> The aim to cut operating costs by 30% was to be achieved by introducing fees and eliminating non-instrumental costs such as student accommodation and food. Revenue would be by offering short courses, consultancies and customised programmes, and conducting research for the corporate sector.

<sup>15</sup> Researcher's translation.

<sup>16</sup> Enrolments rose from 98000 in 1950 to 707,000 in 1986; whilst academic staff increased from 7800 to 56000 in 1983 (Paviglianiti *et al*, 1996: 27-28).

Implementation of the reforms proposed, claimed the World Bank Report, would lead to an improvement in quality, greater responsibility in terms of the relevance and appropriateness of the programme to the market, and equity due to expansion of the system through private sector provision (Paviglianiti *et al*, 1996: 121).

### The 'transformation' versus 'reconversion' debate

Paviglianiti *et al* (1996) argue that the primary conflict in the debate, throughout the period prior to the promulgation of the 1995 Higher Education Act, was between transformation and reconversion, with the former advocated by the public higher education sector and the latter supported by neoliberal agents present in the form of consultants and advisors from the World Bank, influential in achieving their objective through collaboration with the *Poder Ejecutivo Nacional* (the National Executive power of the state, noted above).<sup>17</sup>

It has been observed by analysts such as Filmus (2000) that wherever transnational agents are found, adjustment logic prevails.<sup>18</sup> The objective of the Higher Education Act was to re-design the higher education environment, and public sector institutions had been given a year to present their proposals to the National Executive. In 1994 the CIN (*Comité Interuniversitaria Nacional*) proposed a national strategy of diversification and cooperation, but in the first draft of the Act, the CIN were not even included, and though later incorporated, their proposals were rejected in favour of the World Bank recommendation of differentiation and competition.

As stated earlier, Paviglianiti *et al* (1996) regard the lack of cohesiveness among the higher education sector to have resulted in their failure to approve or oppose the conditions proposed in the draft bills presented by the National Executive, acting in conjunction with and according to World Bank recommendations. This meant that the National Executive proceeded to draft numerous measures curtailing the activities of the public university system and imposing financial parameters, whilst encouraging private sector involvement, contrary to the interests of the public university, prior to the final crystallisation of neoliberal values in the Higher Education Act of 1995 (Paviglianiti *et al*: 1996).

In fact, according to Rodriguez Gomez (2002), the primary collaboration of the CIN, in the year prior to the formulation of the 1995 *Ley de Educación Superior* (Higher Education Act), had been to undertake, together with the *Secretaría de Políticas Universitarias del Ministerio de Educación*, or Secretariat for University Policy within the Ministry of Education, a university census, which revealed that 42% of students at public universities dropped out in their first year, and that 19% of students actually graduated (Rodriguez Gomez: 2002). Such statistics served the neoliberal discourse, by now embedded at the level of the state, in declaring public universities inefficient and ineffective, concluding that the private sector performed a better service by achieving throughput in less time than the average graduate at the public universities, which was one and a half times the theoretical duration of the undergraduate courses (Mollis, 2001: 53-55, 95-97).<sup>19</sup>

---

<sup>17</sup> The 'transformation' versus 'reformation' debate and those processes leading to the preliminary drafts and the final Higher Education Act of 1995, which crystallised neoliberal principles and confirmed the 'reconversion' of the higher education environment according to market values, are discussed in depth by Paviglianiti *et al* (1996).

<sup>18</sup> One of the leading intellectuals involved in discussions leading to the new educational model of the 1990s, he points out that the influence on official state discourse of transnational agents representing the interests of global financial capital, viz. the World Bank, was linked to their capacity to influence political leaders and high-ranking technocrats. This capacity was further enhanced by the indebtedness of Argentina and its inability to defy the imperatives of the World Bank, who linked the granting of further loans to the fulfilment of certain conditions involving decreased state spending on higher education and increased private participation (Filmus, 2000: 242).

<sup>19</sup> Mollis points out that in fact this can be partially attributed to the fact that 60% of students work whilst studying, and half of these more than 35 hours per week. The private sector, by contrast,

Almost immediately after the universities had presented their proposals, cuts were implemented, which to Mollis (2003) signified the rupture of the 'pact' that had since 1918 hitherto existed between the state and university in terms of recognition of state responsibility to finance higher education. Mollis considers that the educational reforms of the last years of the twentieth century coincided entirely with structural adjustments within the economy and privatisation, privileging 'rational' neoliberal financial logic over broader purposes of education. Hereafter, universities were forced to face up to a further challenge in an already complex environment, of sourcing additional finances to fund their activities.<sup>20</sup>

### Entrenchment of neoliberal values in the university system via the legal apparatus

*La Ley de Educación Superior No. 24.521 del 7 de agosto 1,995*

To many critical analysts of higher education in Argentina, the Higher Education of 1995 Act represented the triumph of financial capital, the market and the neoliberal state over the university sector, and once again resulted in a severe curtailment of university autonomy - not through overtly violent repression, but by means of 'symbolic' repression of the imposition of a paradigm that the university was forced to conform to, in order to continue its activities. As already noted, higher education then ceased belonging almost exclusively to the public sphere, and became driven by values that emphasised education as both a commodity and an investment in human capital, and the student as a protagonist of his or her own education, directed towards private needs and in defiance of social responsibility, prompted by motives arising from behaviour as '*homo economus*' (economic man), rather than a citizen (Russo: 2002).

To analysts such as Coraggio (2003), Russo (2002), Dos Santos (2000), Mollis (2003), Paviglianiti *et al* and others, the Higher Education Act generally performed the function of introducing a global framework for a new orientation of higher education towards a perspective functional to the market, entrenching the private sector as a competitor against public universities, endorsing the values and principles of the market, and, through financial constraints and rewards of funding incentives applied to public universities, setting the parameters within which public sector institutions would be forced to operate. The main provisions of the Act were that the private sector would be encouraged to participate as providers, that state funds were to be allocated according to criteria based on cost efficiency and educational quality, that a quality assurance system be established with evaluation and accreditation mechanisms, and that power over the higher education sector be devolved to the Ministry of Culture and Education.

To Torres (2002), the outcome of the 1995 Higher Education was thus a transfer of substantial responsibility for funding from the state to the university and a legal charter for public universities to charge fees; the subjugation of the higher education environment to the demands of the market in terms of links between courses and requirements set by the market for graduate competencies; a differentiation in levels and types of institutions;<sup>21</sup> a shift of emphasis to programmes and courses that serve a purpose of narrow functionality as opposed to broad knowledge; and the establishment of the *Comisión Nacional de Evaluación y Acreditación* (National Commission of Evaluation and Accreditation, or CONEAU),<sup>22</sup> responsible for establishing and managing structures and procedures related to quality assurance, efficiency and effectiveness (Torres: 2002).<sup>23</sup>

---

accommodates wealthy students who study full-time. Nonetheless, 24 of every 100 students enrolled in public universities complete their studies and graduate (Mollis, 2002: 54, 64).

<sup>20</sup> Currently Argentina invests proportionately less in higher education than any other Latin American country - just 0,95% of GDP, and on research a mere 0,24% of GDP (Mollis, 2003: 13)

<sup>21</sup> The Act distinguishes between 3 types of institution: universities, university institutes that specialize in one core area, and university colleges, which are linked to universities and offer short courses.

<sup>22</sup> This body has the legal mandate to carry out external evaluations, accredit programmes of study and evaluate applications for creation of new higher education institutions.

Other elements of the quality assurance mechanism comprised the determination of national standards, control over programmes offered, and institutional evaluation and accreditation processes, all aimed at ensuring minimum standards, as well as establishing where state funds would be channelled to reward 'quality', 'effectiveness' and 'efficiency'. The *Fondo para Mejoramiento de la Calidad Universitaria* (Foundation for the Improvement of Quality in Universities, or FOMECA) was established for the specific purpose of awarding funds to those universities qualifying on the grounds of academic output.

To Paviglianiti *et al* (1996), it was the introduction of fees and a quality assurance and accreditation mechanism that signified the definitive change in the role of the state from non-interfering patron to partial sponsor and regulator, by attaching conditions relating to cost efficiency to funding, thus implying a greater control over university activities. In effect, university autonomy was reduced, in terms of the Act, to internal affairs limited to issues of governance such as administrative and teaching structures, control over admissions, staff salaries, internal constitutions and policies and finances (Paviglianiti *et al*, 1996: 110). The right of universities to determine their teaching, research and extension activities (community participation) is subject to broad control by CONEAU.

Whilst one of the provisos of the Higher Education Act, according to Mollis (2003) was to allow for private sector participation that would invariably channel the focus of higher education away from a social function to one instrumental to the needs of transnational capital, general debate has been centred not around the changing role of the university, but in contestation of the imposition of quality assurance mechanisms and the state control implicit in the establishment of accreditation and evaluation structures and processes.<sup>24</sup> More succinctly, to Mollis (2003) and other contributors to the same title, the neoliberal state has deflected university attention away from the challenge to its social role and function, by offering an alternative locus of contestation that does not deal with the fundamental challenge of the neoliberal state to the university.<sup>25</sup>

Furthermore, to Paviglianiti *et al* (1996), rather than challenging social differentiation, the higher education system has, by widening access through a diversification in institutional types and roles and internal transformation to a 'conglomeration of post-school' institutions ranging from colleges to universities that are differentiated according to ability to pay, further reinforced social differentiation. The role of the university itself has changed accordingly from one of producing professionals and critical intellectuals who could serve society and drive change respectively, to that of the formation of 'aseptic' professionals imbued with values of order, hierarchy and self-interest (Paviglianiti *et al*, 1996: 21).

Mollis (2003) observes how this new perspective on education, as a commodity produced and offered by universities and higher education institutions, includes other elements formerly specific to the industrial production process, such as the ratio of outputs relative

---

<sup>23</sup> Recent course enrolments per discipline (1997) show that business sciences have swelled the statistics of the social and administrative sciences of which they form a part, increasing the total to 40,2%; humanities and education follow at 14,8%; then health 14,6%; with engineering and technology trailing behind at 8,5% (Barsky *et al*, 2001: 39).

<sup>24</sup> Though initially there was apprehension concerning the possible effect of this evaluation process on the public university system, it has apparently not significantly influenced the functioning of institutions: six years after its establishment, CONEAU had conducted 24 evaluations, of which 19 had been finalised and 12 published. These included the 'auto-institutional' evaluation conducted by the university itself, thereby allaying fears that the process would be used to discredit institutions. The main effect has been, maintains Mollis, simply to ensure compliance with a system that represents and embodies market values, absorbing the attention and energies of the universities with internal processes and performance indicators, replacing traditional values with 'market-tech' (Mollis, 2001: 24-27).

<sup>25</sup> The domination of the efficiency paradigm and the underscoring of performance indicators is a form of state regulation that serves the dual purpose of insisting on economic efficiency rather than social effectiveness, whilst changing the identity of the university (Mollis, M. 2002: 14).

to inputs and the measuring of efficiency as primary indicator of satisfactory performance. Neoliberal discourse moreover assigned university activities a particular place in the economy, that of the 'knowledge economy', responsible for production of instrumental knowledge that could be sold as a commodity on the market in the same way as any other product.

Mollis (2000, 2001, 2003) considers that through the imposition of processes and cuts in expenditure after 1995, the neoliberal state pressurised universities to behave increasingly like businesses, and, in doing so, prevail on the academe to abandon those values previously nurtured relating to the university role in politics and culture, and its functions as a repository of knowledge and social critic.

Mollis (2001) further maintains that higher education is no longer considered as part of society's cultural and historical heritage, the guardian and promoter of knowledge and investigation, but has yielded to a new pact with the neoliberal state, new actors and new agendas, in terms of which it has been relegated to a status of subordination to demands of the market. Apart from the introduction of quality assurance processes, universities have been subjected to increasing pressure to perform an instrumental role of producing graduates with functional competencies rather than the ability to reflect, criticise and construct alternatives (Mollis, 2001: 11-13).

Paviglianiti *et al* (1996) point out how prior to the promulgation of the Act, and during the various stages of the draft bills, the public universities had been represented by the CIN, which still functions today as the mouthpiece of the public university sector. However, the CIN had been excluded from the draft bills as an organisation representative of public universities, and it was only in the final Act, as a result of protest by the public university sector, that they were included. The Act limits the organised political activities of public universities by investing authority previously held by the CIN in the *Secretaria de Educación Superior*, a body comprising representatives from various sectors within higher education, and including a small representation from both the public and private university sector.

Thus, it is argued by Rodríguez Gómez (2003), the means by which the public university system was supposed to contribute to policy formulation as a sector and propose social alternatives has been diluted and subdued, with the present relationship between state and higher education construed as one of 'autonomy' and 'co-governance', though in fact, he asserts, the public university is being forced towards the 'entrepreneurial university' model that has been promoted by neoliberalism (Rodríguez Gómez, 2003: 87-107).

Hence, according to all the analyses of CLACSO-affiliated academics cited above, at the beginning of the twenty-first century, university teaching and research activities are increasingly guided by the demands of the market and the funding strategies of the neoliberal state, and academics encounter themselves in a situation where their primary concern is increasingly defined as economic rather than educational performance. It is precisely against this prioritisation of neoliberal imperatives that critical Latin American academics position themselves, as exemplified in a collection of essays published in 2000 under the auspices of FLACSO,<sup>26</sup> comprising articles by 25 academics on alternative strategies to achieve more democratic and just societies in Latin America in the future.<sup>27</sup>

---

<sup>26</sup> Lopez Segrera & Filmus. 2000. 'América Latina 2020', published by the *Facultad Latinoamericana de Ciencias Sociales*, or Latin American Faculty of Social Sciences, mentioned in Chapter 1, which is an affiliation of social scientists from many Latin American universities.

<sup>27</sup> Among those assuming a specific stance on the role of higher education and the way in which it should contribute towards social justice were Dos Santos, Filmus and Lozano. (See bibliography for details)

## The neoliberal state and the private sector

As seen in Chapter 3, the seven public universities existing in 1956 had been inadequate to meet the demand for education due to the post-War massification. At the same time, the state, after 1955 under control of the military, recognised the dual advantage in permitting the conservative private sector to augment the supply of university education and exert a particular ideological influence on the education process itself. In 1958 permission was granted to the first private university to admit students and offer tuition, after which there was a steady increase in private sector provision, so that by 1968 there were 23 private universities.

After this initial period of expansion, private sector growth petered out until the 1990s, at which stage there was a resurgence in demand for higher education. At this stage, further pressure was placed on the higher education sector, with a decline in state funding of public institutions relative to student enrolments, and the ability to accommodate students obstructed by fewer facilities and resources relative to student numbers. At this stage, the private sector responded opportunistically, serving a demand-absorbing function in the form of non-university post-secondary vocational education and training. In general, according to Mollis (2001), with the exception of the elite private sector universities, the main activities of the private sector continue to consist of provision of vocational training in the form of short certificate and diploma courses, to meet the needs of capital for specific skills (Mollis, 2001: 45-47).

The number of university and non-university institutions at post-secondary school level amounted to 1,700 in 2000 (Mollis, 2001: 46), of which only 91 formed part of the university system. Enrolments in the non-university sector of higher education constitute 22% of the total, about 400,000 students in all. However, the rate of growth in this sector has been increasing more rapidly than that of the university sector in the past few years, due to the relatively uncontrolled growth in the number of courses and study options offered (Sánchez Martínez, 2003: 8).

With reference to university education, as opposed to post-secondary vocational education and training, Mollis (2001) considers that the private sector had not established itself as a significant presence due to the lack of real incentives for private sector participation prior to the 1995 Higher Education Act. Students were almost certainly likely to choose a public university if they qualified for access, so private universities accommodated students of wealthier families who did not qualify academically for public sector universities, or those with more conservative and religious values.

However, the 1995 Higher Education Act removed what had constituted a virtual state monopoly over provision of university education, providing impetus through offers of subsidies to private institutions, which led to growth in the number of private sector universities. The terms of the Act allowed for funding to qualifying public and private sector institutions complying with the evaluation criteria stipulated and satisfactorily completing the evaluation process conducted by CONEAU. In the face of constantly increasing demand for university education, the rationale of the state was that by granting licences to qualifying institutions and allocating subsidies to the private sector, increased provision would meet the increased demand.

The outcome has been a proliferation in the number of private universities established. Whilst since 1983 only another 10 public sector universities have been established, the private sector has, by contrast, expanded rapidly, so that there are currently 36 public universities, 45 private universities, 5 national university institutes and 5 private university institutes (Sánchez Martínez, 2003:8).



In terms of enrolment, however, the public sector has nonetheless until the present retained the majority share of enrolments.<sup>28</sup> For example, the University of Buenos Aires, one of the 'mega-universities of Latin America, has a quarter of the total student enrolment of Argentina (Mollis, 2001:63). The obvious explanation is that students prefer to gain entry to the public sector universities, because if a university entrance is obtained, tuition is free, whilst private sector institutions cost about 7,000 dollars per year. However, Mollis (2001) maintains that the quality of tuition and facilities available are generally considered superior in the public sector, which has at its disposition well-stocked libraries and equipment that the private sector does not provide.

To Paviglianiti *et al* (1996), the primary effect of privatisation has been to differentiate and segment the higher education system according to social class and ability to pay for education, thereby crystallising, rather than challenging, class differences. Previously, considered as an ideological tool, education had in principle provided a channel of upward mobility to dominated classes, despite simultaneously serving the role - as demonstrated by Mollis (2001) in Chapter 2 - of reproducing classes. Nonetheless, the fundamental value of education for social transformation has long been held as a mission of the public university, oriented towards values of citizenship and with the objective of removing barriers to privilege. However, privatisation and marketisation of education, though they do not contradict overtly the values of education for social transformation, simply invert the values, differentiating classes according to ability to pay fees, and thereby entrenching privilege, rather than removing it (Mollis: 2003; Paviglianiti *et al*: 1996).

Whereas in other Latin American countries such as Brazil and Mexico, the private sector forms the main component of the higher education system, the public university in Argentina continues to absorb most students who proceed to universities.<sup>29</sup> The quest for the public university, to Garcia Guadilla (2003), is thus not so much one of retaining enrolments as one of retaining its traditional mission of 'opening gaps that lead to solid and sustainable options for social change, serving as a political conscience and striving to counter-balance the worldliness of society'. Furthermore, confronted with the threats to its identity constituted by globalisation, it must accept its 'historic role of guaranteeing spaces that contribute to consolidating society in the face of globalisation and countering exclusion', as well as its 'responsibility as a strategic institution that reflects and provides answers to new risks and excesses' (Garcia Guadilla, 2003: 28).

### **Conclusion: universities at the present moment**

Mollis considers that an historical analysis of universities and their relationship with society and the state reveals that they have never been autonomous, and have always formed part of interactions across society, the state and the market. The situation of the public university system in Argentina is thus implicated in the current form of social domination of a global system of values and ethics derived from financial capital (Mollis: 2001).

In the view of Dos Santos (2000) and others, in this current form of globalisation, a powerful neoliberal discourse, formulated and disseminated by transnational conglomerates, attempts to persuade citizens of the validity of market criteria as indicators of progress, development and social well-being, allocating decision-making about the purpose of education to the market. This ideology accords the neoliberal state the function of regulating market conditions to the advantage of dominant global financial capital, whilst articulating an appropriate discourse corresponding to the interests of dominant capital, namely, the neoliberal ideology of '*pensamiento unico*'.

---

<sup>28</sup> 85% of university enrolments, totalling 1,115,727 students in 1999, are in public sector universities (Mollis, 2001: 47, 63).

<sup>29</sup> There has been a slight decline in the number of students attending public universities, from 88% in 1985 to 85% in 1998, with 15% attending private universities. This is a far smaller proportion than in other Latin American countries such as Mexico and Brazil, where the percentage of the total student population attending private sector institutions is between 27% and 58% respectively (Barsky *et al*, 2001: 35).

The critique of the transformation of the role of the university system is not unique to Latin American literature, and concerns about the effect of globalisation and the marketisation of higher education are expressed by academics throughout the world. Welch (2002), for example, pointing to a declining faith in democracy and increasing preoccupation with models and forms of education provided by the market, poses the question whether, in the face of performance indicators, total quality management and systems of control related to budgets, '(do) we retreat into a commodified private world, as indicated by globalisation, or work towards redemption of a modernity capable of renewing democracy, including through education. The task is at once to insist and resist...insist that certain universal traditions are worth preserving, notably that universities are about teaching and learning...in a democratic, cross-cultural community based on mutual respect...to insist upon maintaining the distinction between accountability and accounting' (Welch, 2000: 482).

Thus the critical perspectives such as those presented in this chapter are not exclusive to Latin America, yet what has been identified in the Latin American literature read for this thesis is the existence of a rigorous and coherent critique located within the CLACSO working group, as well as strong contestation of the marketisation of higher education expressed by a large number of Argentinian and other Latin American academics, mainly in the public university sector. This chapter has presented some of those Latin American views that seek to contest and to demystify dominant neoliberal ideology from a critical perspective, offering analyses that reveal the relationship between the economic, the political and the ideological, in the specific form of the higher education system. It is hoped that they will serve a dual function in providing samples of certain critical Latin American analyses as well as a forum for further discussion.

## CHAPTER 6 - CONCLUSION

This thesis has taken the form of an exposition of some of the elements of critical theoretical approaches that are evident in current Latin American academic literature, primarily derived from research commissioned and published by CLACSO. Whilst the majority of the literature consulted originates from CLACSO, it would not be true to assume that a critical approach, including neo-Marxist, Marxist structural and other strands of critical theory in Latin American literature reside exclusively within one relatively small core organisation. Nonetheless, the fact that CLACSO explicitly assumes the task of offering critical analyses to a wider audience is indicative of their mission as one of challenging hegemonic ideology by offering alternative analyses of society, and, moreover, CLACSO embodies, in one organisation, these critical theoretical approaches as clear evidence of this mode of analysis.

However, it is also evident from other texts by Argentinian academics that are not published by CLACSO, yet which were read for this thesis, that a critical approach, as defined in Chapter 1, has a more strongly defined presence in Argentinian academic writing relative to the situation in South Africa, and that there is indeed a significantly large number of academics whose intellectual contribution is informed by a recognition and acceptance of the fundamental tenets of neo-Marxist and Marxist structuralist analyses.

### Reiteration of the academic aims

As stated in Chapter 1, my exploration and examination, mainly via CLACSO publications, of those critical theoretical approaches in Latin American literature not currently published in English and not readily available in South Africa, is intended to present to a local audience a sample of the highly coherent and rigorous perspectives of Latin American academics. The texts consulted focus on the topics of the historical trajectory of capitalism towards financial globalisation, the formation of the neoliberal state and the implications of financial globalisation and neoliberalism for higher education.

It is hoped that a reading of this minithesis has achieved the objectives intended, as outlined in Chapter 1, namely:

- firstly, on a general theoretical level, demonstrated that a significant volume of critical analyses is conducted within a Marxist structuralist and neo-Marxist framework, and that there is a coordinated, coherent and articulate critical intellectual movement among Latin American academics and intellectuals, reflected in the literature they produce;
- secondly, shown that prominent among these critical perspectives are those locating the concept of class and the existence of class relations and the capitalist state at the centre of the analyses;
- thirdly, that insofar as critical perspectives consider the state and social classes, indicated that a spectrum of critical perspectives exists, yielding different nuances in interpretation and emphases, whilst adhering to an overarching framework incorporating a class-based analysis that is extrapolated to the level of the state;
- fourthly, offered examples showing that some writers use these critical perspectives to analyse the higher education system in Latin American higher education, by utilising Argentina in this mini-thesis as a case study to illustrate analyses of two historical moments of 1918 and 1995;
- fifthly, demonstrated that those academics writing from within the higher education system as researchers and lecturers envisage their role as challenging dominant ideology, with the aim of clarifying real underlying causes of contemporary social problems and issues such as poverty, domination and exclusion; and
- finally, as a corollary, reinforced the notion that the public university can and should be a site of engagement with and contestation of dominant ideology and discourses, encouraging demystification of domination and the formulation of counter-ideology and alternative proposals to social problems.

It must be emphasised that the primary intention of this minithesis has not been to provide a definitive historical interpretation, either of events in Argentina as a case study, or of the higher education system and its relationships to the wider political economy and the state during the twentieth century. Rather, the aim has been to offer a range of theoretical perspectives, which, in explaining events around moments in higher education of 1918 and 1995, assume theoretical positions that are relatively unknown to local South African audiences. Thus the primary focus has been on theoretical perspectives of various Latin American academics: the narrative is of lesser importance.

Moreover, excluded from the aims of this thesis are any attempts at engaging in a direct comparison on theoretical or empirical grounds, with South African or other cases, though it is hoped that this might be the subject of future research. Similarly absent was any engagement with hypotheses relating to possible future outcomes, as the subject was restricted to an examination of the recent past, leading as far as the present moment in Argentina.

In summary, therefore, the overarching aims can be considered as firstly, of having provided a synthesis of various Latin American analyses of the topics under consideration; secondly, of having presented these in a suitably coherent manner, in order to do justice to those Latin American academic texts consulted; and thirdly, to rekindle interest among South Africans on a Marxist structuralist approach. By synthesising from a range of texts drawn from a selection of literature offering critical theoretical perspectives on economic, political and ideological structures and practices occurring within recent Argentinian history, I have attempted to compile and present the information according to a broad, non-comprehensive narrative of transformation at certain specific moments of Argentinian society over the past century, which serves the more important function of providing a means of illustration of various elements of critical Latin American theory.

### **Summary of thesis strategy across the chapters**

Due to my intention of investigating the extent to which a critical, or more specifically, neo-Marxist and Marxist structuralist approach was evident in the literature, the way in which this thesis has been presented reflects the key element of that approach, viz. a distinction between the economic and the ideological. Hence the separation of chapters represents both a historical and a conceptual separation: the historical separation was applied first, to divide the period under consideration into two parts in relation to the higher education moments, with Chapter 2 representing the first period around 1918; and Chapters 4 and 5 the second period around 1995, with the two periods linked by an overview of the interim period in Chapter 3.

Within this periodisation, a conceptual separation was performed, so that the economic sub-structure or base was analysed first; that is, in the first part of Chapter 2 for the first moment, and in Chapter 4 for the second moment. Thereafter, the ideological super-structure was examined relative to the economic base; in the second part of Chapter 2 for the first moment, and in Chapter 5 for the second. Chapter 3 focused primarily on the political economy between the two moments, to enable the development of conceptual links between these moments by the reader.

The objective was to facilitate an understanding of the historical transformation of the state and society according to the analyses of the academic texts consulted, and to highlight areas of agreement in interpretations, as well as pointing out different nuances that existed.

Each chapter therefore includes a narrative which has been synthesised by means of drawing on a range of certain contributing academics to CLACSO and other critical Latin American analyses of and explanations for the events described. Each moment comprises two main elements: one that delivers information offered by various writers, intended to provide particular interpretations of historical events concerning the political economy of the state; and the other that reveals particular critical Latin American theoretical approaches and perspectives on the underlying causes and historical significance of the events described in relation to the higher education system.

As stated above, in the second part of chapter 2 and in chapter 4, the focus is on the economic sub-structure, or base, and the narrative is concerned with CLACSO-affiliated academics' interpretations of the development of different forms of the capitalist state, characterised by elements that are particular to the Argentinians case, such as what is viewed as the fragmented, 'non-progressive' and predatory nature of the national bourgeoisie. Their argument in Chapter 2 was seen to be that the counterforce of an initially cohesive and militant working class produced a need for varied and precarious class alliances to secure political power at the level of the state. These volatile and unstable alliances entailed, until the latter part of the century, they maintain, the need for recourse to state violence where state ideology and the exercise of political functions was inadequate to secure legitimacy for the state.

Chapter 4 revealed essentially the CLACSO-affiliated academics' argument that by the 1980s, the insertion of foreign financial capital in the national economy through alliances forged with the oligopolist sector of the national bourgeoisie, had bolstered the power of this class and initiated a process of economic deterioration, favouring financial speculation and profiteering rather than an expansion of the industrial base. This led, they assert, to the subjection of the domestic economy to the priorities of global financial capital, effected through alliances between sectors of the national bourgeoisie, elements of the state and agents of transnational financial.

While the chapters cited above dealt with mainly CLACSO views of the economic base, the second part of Chapter 2 and Chapter 5 investigated the way in other CLACSO and other Argentinian academics viewed the relationship between the public university system and the state at two specific historical moments, corresponding primarily to the 'modernising' state (1913 -1918) and the neoliberal state, from the 1980s onwards. The response by the public university system to society and the state is viewed as it is perceived by certain critical academics within the public university system itself, mainly the CLACSO working group on higher education, who endorse the notion that the historical role of the public university system is to resist the imposition of dominant value systems and strive to maintain a critical perspective on society and culture.

Thus, drawing on the analyses of primarily CLACSO-affiliated academics, I have attempted to demonstrate that their analyses of the capitalist state and its relation to the ongoing struggle between classes provides a clear and compelling explanation for changes in Argentinian society, the state and the public university system. By implication, I myself consider that positivist neoliberal analyses has failed to account for the crises in Argentina over the past two decades, and that, contrary to neoliberal myths of economic growth and modernisation, adherence to the neoliberal agenda has precipitated socio-economic deterioration.

### **Theoretical prospects**

It is the persistence of this conceptualisation by so many critical Latin American academics of the social role and responsibility of the public university system, due to its capacity to critique and challenge existing situations and propose democratic alternatives, that has emerged in my reading over the past six months. It has moreover been my privilege to consult and select texts presenting critical perspectives I have not encountered in South Africa over the past decade, and to synthesise these into an account of certain elements of Argentinian society at certain moments over the past century. This thesis thus represents a consolidation of certain critical Latin American interpretations of social change that I wish to share with non-Spanish speakers.

Apart from the aim of sharing Latin American theoretical insights and perspectives with non-Spanish speakers, it is hoped that reading of this thesis will provoke a renewed interest in Marxist structuralist theory of the state in South Africa, and rekindle discussions that situate analyses of society and higher education change within the context of the political economy, class struggle and various forms of the state. Hopefully this minithesis will encourage the investigation of topics, especially questions around higher education, through a particular and more critical Marxist theoretical approach, and present various possibilities for further research.

## BIBLIOGRAPHY

- Almonacid, Claudio & Arroyo, Miguel. 2002. "Educación, trabajo y exclusión social: tendencias y conclusiones provisionales" in Gentili, Pablo & Frigotto (eds). 2001. *La ciudadanía negada, Políticas de exclusión en la educación y el trabajo*. Buenos Aires: CLACSO
- \*Althusser, Louis. 1970. *Reading Capital*. London: New Left Books
- Armiñana, Eliana S. Meclé. 2001. "Los derechos sociales en la Constitución Argentina y su vinculación con la política y las políticas sociales" in Gentili, Pablo & Frigotto (eds). 2001. *La ciudadanía negada, Políticas de exclusión en la educación y el trabajo*. Buenos Aires: CLACSO
- \*Arnove, Robert & Torres, Carlos (eds). 1999. *Comparative education: the dialectic of global and local*. New York, Oxford: Rowman & Littlefield
- \*Arnove, Robert; Franz, Stephen; Mollis, Marcela & Torres, Carlos Alberto. 1999. "Education in Latin America at the end of the 1990s" in Arnove, Robert & Torres, Carlos (eds). 1999. *Comparative education: the dialectic of global and local*. New York, Oxford: Rowman & Littlefield
- Barsky, Osvaldo; Dominguez, Ricardo; Pousadela, Inés. 2001. "La educación superior en América Latina: entre el aislamiento insostenible y la apertura obligada" in *Documentos de trabajo: Área de Estudios de la Educación Superior* No. 71  
Buenos Aires: Universidad de Belgrano
- Boron, Atilio. 2000. "América Latina: ¿crisis sin fin o fin de crisis?" in López Segrera, Francisco & Filmus, Daniel (eds). *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO
- Boron, Atilio; Gambina, Julio; Minsburg, Naum (eds). 2001. *Tiempos Violentos. Neoliberalismo, globalización y desigualdad en América Latina*. Buenos Aires: CLACSO
- Boron, Atilio. 2001a. *Tras el búho de Minerva: mercado contra democracia en el capitalismo de fin de siglo*. Buenos Aires: CLACSO
- Boron, Atilio. 2001b. "Mundialización capitalista, poder y alternativas. El Nuevo orden imperial y como desmontarlo" in Taddei, Emilio & Seoane, José (eds). 2001. *Resistencias mundiales: de Seattle a Porto Alegre*. Buenos Aires: CLACSO.
- Boron, A. 2002. "El estado-nación y la cuestión de la soberanía" in Boron, A. *Imperio y imperialismo*. Buenos Aires: CLACSO
- \*Boron, Atilio. 04 April 2003. "The crisis in Argentina" report on address to UCLA audience by Leslie Evans, posted on *UCLA Latin American Center* website.  
<http://www.isop.ucla.edu/lac/article?parentid+3566>
- Bosoer Fabián y Leiras, Santiago. 2001. "Posguerra fría, 'neodecisionismo' y una nueva fase del capitalismo: el alegato del Príncipe-gobernante en el escenario global de los 90" in Boron, Gambina and Minsburg (eds). 2001. *Tiempos Violentos. Neoliberalismo, globalización y la desigualdad en América Latina*. Buenos Aires: CLACSO

- Bruno, Carlos (ed.). 2003. *Argentina ® Un lugar en el mundo*. Buenos Aires: Fondo de Cultura Económica
- Calcagno, Alfredo F. 2001 “Ajuste estructural, costo social y modalidades de desarrollo en América Latina” in Sader, Emir (ed.). 2001. *El ajuste estructural en América Latina: costos sociales y alternativas*. Buenos Aires: CLACSO
- \*Carnoy, Martin. 1998. “The political economy of education” in Kempner, Ken & Mollis, Marcela & Tierney, William (eds) *Comparative Education - Ashe Reader Series*. Massachusetts, U.S.A.: Simon & Schuster Custom Publishing
- Castellani, Ana Gabriela. 2002. “Implementación del modelo neoliberal y restricciones al desarrollo en la Argentina contemporánea” in Schorr, Martin; Castellani, Ana Gabriela; Duarte, Marisa & Debrott, David (eds). 2002. *Mas allá del pensamiento unico. Hacia una renovación de las ideas económicas en América Latina y el Caribe*. Buenos Aires: CLACSO
- \*Castells, Manuel. 1996. *The Information Age: Economy, Society and Culture. Volume 1: the Rise of the Network Society*. Oxford: Blackwell
- \*Castells, Manuel. 2001. “The new global economy” in Muller, J., Cloete, N. & Badat, S. (eds) *Challenges of globalisation: South African debates with Manuel Castells*. Cape Town: Maskew Miller Longman.
- \*Cooper, Dave. 1991. “Locating South Africa in the Third World: comparative perspectives on patterns of industrialization and political trade unionism in South América”. *Social Dynamics* Vol. 17 No. 2 pp 1-40
- Coraggio, José Luis. 2003. “La crisis en las universidades públicas en Argentina” in Mollis, Marcela (ed.). 2003. *Las universidades en América Latina: ¿reformadas o alteradas? La cosmética del poder financiero*. Buenos Aires: CLACSO
- Didriksson, Axel. 2000. “Tendencias de la educación superior al fin de siglo: escenarios de cambio” in López Segrera, Francisco & Filmus, Daniel (eds). 2000. *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO
- Dos Santos, Theodorio. 2000. “Construir el futuro: el papel de las ciencias sociales” in López Segrera, Francisco & Filmus, Daniel (eds). 2000. *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO
- Ferrer, Aldo. 2000. “La globalización y el futuro de América latina: ¿qué nos enseña la historia?” in López Segrera, Francisco & Filmus, Daniel (eds). 2000. *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO
- Ferrer, Aldo. 2001. “La globalización, la crisis financiera y América Latina’ in Boron, Atilio; Gambina, Julio; Minsburg, Naum (eds). 2001. *Tiempos Violentos. Neoliberalismo, globalización y desigualdad en América Latina*. Buenos Aires: CLACSO
- Filmus, Daniel. 2000. “ Educación y desigualdad en Latina América en los noventa: ¿una nueva década perdida?” in López Segrera, Francisco & Filmus, Daniel (eds). 2000. *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO

- \*Fitzsimons, Patrick, 2002. "Neoliberalism and education: the autonomous chooser" in *Radical Pedagogy* (2002) ISSN: 1524-6345
- Gambina, Julio. 2001. "Estabilización y reforma estructural en la Argentina (1989/99)" in Sader, Emir (ed.). 2001. *El ajuste estructural en América Latina: costos sociales y alternativas*. Buenos Aires: CLACSO
- Gambina, Julio (ed.). 2002. *La globalización económico-financiera. Su impacto en América Latina*. Buenos Aires: CLACSO
- Gambina, Julio; Garcia, Alfredo; Borzel, Mariano & Casparrino, Claudio. 2002. "Argentina: vulnerabilidad externa y dependencia de la economía argentina" in Gambina, Julio (ed.). 2002. *La globalización económico-financiera. Su impacto en América Latina*. Buenos Aires: CLACSO
- García Guadilla, Carmen. 2003. "Balance de la década de los '90 y reflexiones sobre las nuevas fuerzas de cambio en la educación superior" in Mollis, Marcela (ed.) 2003. *Las universidades en América Latina: ¿reformadas o alteradas? La cosmética del poder financiero*. Buenos Aires: CLACSO
- Gentili, Pablo & Frigotto (eds). 2001. *La ciudadanía negada, Políticas de exclusión en la educación y el trabajo*. Buenos Aires: CLACSO
- \*Held, D., McGrew, A.G., Goldblatt, D. & Perraton, J. 1999. *Global transformation*. London: Blackwell
- Hopenhayn, Benjamin & Barrios, Alejandro (eds). 2002. *Las malas herencias: ¿Qué dejan los gobiernos que se van?* Buenos Aires: Fondo de Cultura Económica
- \*Jones, P.W. 1999. "Globalisation and the UNESCO mandate: multilateral prospects for educational development". *International Journal of Education Development* Vol. 19 No. 1: pp17-25
- \*Knight, A. 2002. "Subalterns, signifiers and state: perspectives in Mexican historiography". *Latin American Research Review* Vol. 37 No. 2: pp 136-158
- \*Kwong, J. 2000. "Introduction: - marketisation and privatization in education". *International Journal of Education Development* Vol. 20 No. 2: pp 87-92
- Levy, Betina (ed.). 2001. *Crisis y conflicto en el capitalismo latinoamericano. Lecturas políticas*. Buenos Aires: CLACSO
- Levy, Betina. 2001. "Una introducción a los estudios actuales sobre la política, el conflicto y el estado en América Latina y el Caribe" in Levy, Betina (ed.). 2001. *Crisis y conflicto en el capitalismo latinoamericano. Lecturas políticas*. Buenos Aires: CLACSO
- \*Levy, Daniel. 1986. *Higher education and the state in Latin America*. Chicago: University of Chicago Press
- López Segrera, Francisco & Filmus, Daniel (eds). 2000. *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO
- López Segrera, Francisco. 2000. "Herencia y perspectivas de las ciencias sociales en Latina América y el Caribe" in López Segrera, Francisco & Filmus, Daniel (eds). 2000. *América*



*Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO

- López Segrera, Francisco. 2003. "El impacto de la globalización y de las políticas educativas en los sistemas de educación superior de América Latina y el Caribe" in Mollis, Marcela (ed.). 2003. *Las universidades en América Latina: ¿reformadas o alteradas? La cosmética del poder financiero*. Buenos Aires: CLACSO
- Lo Vuolo, Rubén M. 2001. *Alternativas: la economía como cuestión social*. Buenos Aires: Grupo Editorial Altamira
- Lozano, Wilfredo. 2000. "Cooperación internacional, redes globales y ciencia social en América Latina" in López Segrera, Francisco & Filmus, Daniel (eds). 2000. *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO
- \*Marginson, S. & Mollis, M. 2001. "The door opens and the tiger leaps: theories and reflexivities of comparative education for a global millennium". *Comparative Education Review* Vol. 45 No. 4 pp 581-615
- \*Marshall, Gordon. 1998. *Oxford Dictionary of Sociology*. Oxford: Oxford University Press
- Mato, Daniel. (ed.) 2002. *Estudios y otras prácticas intelectuales latinoamericanas en cultura y poder*. Buenos Aires: CLACSO
- Meiksins Wood, Ellen. 2000. "Trabajo, clase y estado en el capitalismo global" in *Revista del Observatorio Social de América Latina-OSAL* año I, N° 1, June.
- Minsburg, Naúm. 2001. "Transnacionalización, crisis y el papel del Fundación Monetaria Internacional y el Banco Mundial" in Boron, Atilio; Gambina, Julio; Minsburg, Naum (eds). 2001. *Tiempos Violentos. Neoliberalismo, globalización y desigualdad en América Latina*. Buenos Aires: CLACSO
- \*Mollis, Marcela. 2000. "The Americanisation of the reformed university in Argentina". *Australian University Review* 2/1999 - 1/2000: pp 45-51
- Mollis, Marcela. 2001. *La universidad argentina en tránsito. Ensayo para jóvenes y no tan jóvenes*. Buenos Aires: Fondo de Cultura Económica.
- Mollis, Marcela (ed.). 2003. *Las universidades en América Latina: ¿reformadas o alteradas? La cosmética del poder financiero*. Buenos Aires: CLACSO
- Mollis, Marcela. 2003. "Un breve diagnóstico de las universidades latinoamericanas: identidades alteradas" in Mollis, Marcela (ed.). 2003. *Las universidades en América Latina: ¿reformadas o alteradas? La cosmética del poder financiero*. Buenos Aires: CLACSO
- \*Mollis, M. & Marginson, S. 2002. "The assessment of universities in Argentina and Australia: between autonomy and heteronymy". *Higher Education* 43: pp311-330
- \*Muller, J., Cloete, N. & Badat, S. (eds). 2001. *Challenges of globalisation: South African debates with Manuel Castells*. Cape Town: Maskew Miller Longman.
- \*Neuman, W.L. 2000. *Social research methods: qualitative and quantitative approaches, 4<sup>th</sup> edition*. USA: Allyn & Bacon

- O'Donnell, Guillermo. 1973. *Modernisation and Bureaucratic Authoritarianism. Studies in South American Politics*. Berkeley: University of California Press
- O'Donnell, Guillermo y Philippe S. Schmitter. 1988. *Conclusiones tentativas sobre las democracias inciertas*. Buenos Aires: Paidós
- Paviglianiti, Norma; Catalina Nosiglia, Maria; Marquina, Monica. 1996. *Recomposición neoconservadora. Lugar afectado: la universidad*. Buenos Aires: Miño y Dávila editoriales
- \*Poulantzas, Nicos. 1975. *Classes in contemporary capitalism*. London:Verso
- Pucciarelli, Alfredo. 2000. "El régimen político argentino a fines de la década. ¿Democracia impotente o cómplice?", in *Sociedad* N° 18 (Buenos Aires)
- Rapoport, Mario. 2002. *Tiempos de crisis, vientos de cambio*. Buenos Aires: Editorial Norma.
- Rodríguez Gómez, Roberto. 2002. "La educación superior Latino Americano y la transición 1980-2000" in Torres, Carlos Alberto (ed.). 2002. *Paolo Freire y la agenda de la educación latinoamericana en el siglo XXI*. Buenos Aires: CLACSO
- Rodríguez Gómez, Roberto. 2003. "La educación superior en el mercado. Configuración emergentes y nuevos proveedores" in Mollis, Marcela (ed.). 2003. *Las universidades en América Latina: ¿reformadas o alteradas? La cosmética del poder financiero*. Buenos Aires: CLACSO
- Ruiz Moreno, Sylvia. 2002. "Globalización ajuste en Latino América: la tiranía de los mercados" in Gambina, Julio (ed.). 2002. *La globalización económico-financiera. Su impacto en América Latina*. Buenos Aires: CLACSO
- Russo, Hugo. 2002. "La educación ¿sigue siendo estratégica para la sociedad?" in Torres, Carlos Alberto (ed.). 2002. *Paolo Freire y la agenda de la educación latinoamericana en el siglo XXI*. Buenos Aires: CLACSO
- Sader, Emir. 2000. "Modelos de acumulación y crisis hegemónica" in López Segrera, Francisco & Filmus, Daniel (eds). 2000. *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO
- Sader, Emir (ed.). 2001. *El ajuste estructural en América Latina: costos sociales y alternativas*. Buenos Aires: CLACSO
- Sader, Emir. 2001. "Una democracia sin alma social" in Sader, Emir (ed.). 2001. *El ajuste estructural en América Latina: costos sociales y alternativas*. Buenos Aires: CLACSO
- Sánchez, Florencio. 1903. *M'hijo el doctor*. Buenos Aires: Ediciones de la Flor
- Sánchez Martínez, Eduardo. 2003. "La legislación sobre Educación Superior en Argentina. Entre rupturas, continuidades y transformaciones" in *Documentos de trabajo: Area de Estudios de la Educación Superior* No. 102. Buenos Aires: Universidad de Belgrano
- Sazbón, José. 2002. "El legado teórico de la escuela de Frankfurt" in Singer, André (ed.). 2002. *Izquierda y derecha en el electorado brasilero*. Buenos Aires: CLACSO

- Schorr, Martin; Castellani, Ana Gabriela; Duarte, Marisa & Debrott, David (eds). 2002. *Mas allá del pensamiento unico. Hacia una renovación de las ideas económicas en América Latina y el Caribe*. Buenos Aires: CLACSO
- Schorr, Martín. 2001. "El papel de (la caída de) los salarios en las disputas en torno de la Convertibilidad", in *Diario Página/12* (Buenos Aires) Suplemento *Cash*, 6 de Mayo, 2001.
- Schorr, Martín. 2002. "Mitos y realidades del pensamiento neoliberal: la evolución de la industria manufacturera argentina durante la década de los noventa" in Schorr *et al* (eds). 2002. *Mas allá del pensamiento unico. Hacia una renovación de las ideas económicas en América Latina y el Caribe*. Buenos Aires: CLACSO
- Schvarzer, Jorge. 1983. *Argentina 1976-1981: El endeudamiento externo como pivote de la especulación financiera*. Buenos Aires: Cuadernos del Bimestre
- Sevares, J. 2000. "Globalización, neoliberalismo y desigualdad: La experiencia Argentina" in Boron, A., Gambina, J., Minsburg, N. (eds). 2001. *Tiempos Violentos. Neoliberalismo, globalización y desigualdad en América Latina*. Buenos Aires: CLACSO
- Singer, André (ed.). 2002. *Izquierda y derecha en el electorado brasilero*. Buenos Aires: CLACSO
- Taddei, Emilio & Seoane, José (eds). 2001. *Resistencias mundiales: de Seattle a Porto Alegre*. Buenos Aires: CLACSO.
- Torres, Carlos Alberto (ed.). 2002. *Paolo Freire y la agenda de la educación latinoamericana en el siglo XXI*. Buenos Aires: CLACSO
- Torres, Carlos Alberto. 2002. "El siglo de la educación: consideraciones preliminares" in Torres, Carlos Alberto (ed.). 2002. *Paolo Freire y la agenda de la educación latinoamericana en el siglo XXI*. Buenos Aires: CLACSO
- \*Torres, Carlos Alberto & Puiggrós, Adriana (eds). 1997. "Introduction: the state and public education in Latin America" in Torres & Puiggrós (eds). 1997. *Latin American Education: comparative perspectives*. Boulder, Colorado: Westview Press
- \*Torres, Carlos Alberto & Puiggrós, Adriana (eds). 1997. *Latin American Education: comparative perspectives*. Boulder, Colorado: Westview Press
- Valle, Hector. 2001. "El rol de la deuda externa en el proceso de convertibilidad en la Argentina" in Gambina, J.(ed.).2002 *La globalización económico-financiera en Latinoamérica: Su impacto en América Latina*. Buenos Aires: CLACSO
- \*Welch, A.R. 2000. "Globalisation, post-modernity and the state: comparative education facing the third millennium". *Comparative Education* Vol. 37, No. 4: pp 475-492
- Weinberg, Gregorio. 2001. *De la "Ilustración" a la reforma universitaria: ideas y protagonistas*. Buenos Aires: Santillana
- Zaragoza, Federico Mayor. 2000. "Introducción. Mensaje al 111 encuentro Latinoamericano de Estudios Prospectivos" in López Segre, Francisco & Filmus, Daniel (eds). 2000. *América Latina 2020: escenarios, alternativas, estrategias*. Buenos Aires: Temas Grupo Editorial/FLACSO

\* indicates original text in English

## Appendix 1 - Public universities in Argentina

UNIVERSITY	YEAR FOUNDED	WEB PAGE
1. Nacional de Tres de Febrero	N/a	www.untref.edu.ar
2. Nacional de Córdoba (UNC)	1613	www.unc.edu.ar
3. Universidad de Buenos Aires (UBA)*	1821	www.uba.edu.ar
4. Nacional de La Plata	1905	www.unlp.edu.ar
5. Nacional de Tucumán	1914	www.unt.edu.ar
6. Nacional del Litoral	1919	www.unl.edu.ar
7. Nacional de Cuyo	1939	www.uncu.edu.ar
8. Nacional del Sur (UNS)	1956	www.uns.edu.ar
9. Nacional de La Pampa	1958	www.unlpam.edu.ar
10. Universidad Tecnológica Nacional (UTN)**	1959	www.utn.edu.ar
11. Nacional de Rosario	1968	www.unr.edu.ar
12. Nacional de Río Cuarto	1971	www.unrc.edu.ar
13. Nacional de Catamarca	1972	www.unca.edu.ar
14. Nacional de Jujuy	1972	www.unju.edu.ar
15. Nacional de Lomas de Zamora	1972	www.unlz.edu.ar
16. Nacional de Luján	1972	www.unlu.edu.ar
17. Nacional del Comahue (UNCo)	1972	www.uncoma.edu.ar
18. Universidad Nacional de Morón +	1972	www.unimoron.edu.ar
19. Nacional de Entre Ríos	1973	www.uner.edu.ar
20. Nacional de Misiones	1973	www.unam.edu.ar
21. Nacional de San Juan	1973	www.unsj.edu.ar
22. Nacional de San Luis	1973	www.unsl.edu.ar
23. Nacional de Santiago del estero	1973	www.unse.edu.ar
24. Nacional de Mar del Plata***	1974	www.mdp.edu.ar
25. Del Centro de la Provincia de Buenos Aires	1974	www.unicen.edu.ar
26. Nacional de la Patagonia "San Juan Bosco" ****	1980	www.unp.edu.ar
27. Nacional de Formosa	1988	www-unf.edu.ar
28. Nacional de La Matanza	1989	www.unlm.edu.ar
29. Nacional de Quilmes	1989	www.unq.edu.ar
30. Nacional del Nordeste	1992	www.unne.edu.ar
31. Nacional de General San Martín	1992	www.unsam.edu.ar
32. Nacional de La Rioja*****	1993	www.unlar.edu.ar
33. Universidad del Congreso (Mendoza)	1994	www.ucongres.edu.ar
34. Nacional de General Sarmiento	1995	www.ungs.edu.ar
35. Nacional de Lanús	1995	www.unla.edu.ar
36. Nacional de la Patagonia Austral *****	1996	www.unpa.edu.ar
37. Nacional de Salta	1996	www.unsa.edu.ar
38. Nacional de Villa María	1996	webs.satlink.com/usuarios/i/ii unvm

Source: Adriana Alvarez (Secretaria de Investigación y Extensión de la Escuela Superior de Idiomas de la Universidad Nacional de Comahue)

\* From 1771 onwards 'casas de estudio' were established, later uniting to form the University of Buenos Aires, today the largest university in Argentina, with over 300,000 students.

\*\* Founded in 1948 as the *Universidad Nacional Obrera*.

\*\*\* Provincial university founded in 1961, national from university in 1974.

\*\*\*\* Created by the merger of two universities, one established in 1963 and the other in 1974.

\*\*\*\*\* Provincial university founded in 1971, national from 1993

\*\*\*\*\* Provincial university founded in 1991, national from 1996

+ Public university managed by private sector

Comahue was also founded as a provincial university and became a national university in 1972

## Appendix 2 - Current account deficit 1992 - 1999

Source: Gambina, Garcia, Borzel & Casparrino: 2002

En mill. de U\$S	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL
<b>Cuenta corriente</b>	<b>-5521</b>	<b>-8030</b>	<b>-10992</b>	<b>-4985</b>	<b>-6521</b>	<b>-11954</b>	<b>-14270</b>	<b>-12155</b>	<b>-74428</b>
Mercancías	-1396	-2364	-4139	2357	1760	-2123	-3117	-829	-9851
Servicios reales	-2463	-3221	-3692	-3326	-3366	-4178	-4328	-3970	-28544
Intereses	-1476	-1504	-1770	-2467	-3311	-4095	-4918	-5727	-25268
Utilidades y Div.	-928	-1438	-1808	-2072	-2028	-1989	-2410	-2117	-14790
Otros*	742	497	417	523	424	431	503	488	4025

Source: MEyOSP.

Key:

Mill. De U\$S	- millions US\$
Cuenta corriente	- current account
Mercancías	- goods
Servicios	- services
Intereses	- interest
Utilidades y Div.	- profits and dividends
Otros	- other

### Appendix 3 - Estimate of gross external debt 1991-1999

Source: Gambina, Garcia, Borzel & Casparrino: 2002

	Dic-1991		Dic-1999	
	Mill. U\$S	%	Mill. U\$S	%
<b>Total deuda externa</b>	<b>61335</b>	<b>100,0</b>	<b>144657</b>	<b>100,0</b>
<b>Sector Público no Financiero y Banco Central</b>	<b>52739</b>	<b>86,0</b>	<b>84805</b>	<b>58,6</b>
Bonos y Títulos Públicos (2)	5771	9,4	58152	40,2
Deuda refinanciada en el Plan Financiero 1992	26670	43,5	0	-
Organismos Internacionales	7962	13,0	19834	13,7
Acreeedores Oficiales	9042	14,7	5754	4,0
Bancos Comerciales	1549	2,5	939	0,6
Proveedores y Otros	1745	2,8	126	0,1
<b>Sector Privado no Financiero (3)</b>	<b>3522</b>	<b>5,7</b>	<b>36224</b>	<b>25,0</b>
Bonos y Títulos privados	434	0,7	16649	11,5
Organismos Internacionales	223	0,4	1168	0,8
Acreeedores Oficiales	455	0,7	2184	1,5
Bancos Participantes	118	0,2	1314	0,9
Deuda Bancaria Directa	1691	2,7	12483	8,6
Proveedores y Otros	601	1,0	2426	1,7
<b>Sector Financiero (sin Banco Central) (4)</b>	<b>5074</b>	<b>8,3</b>	<b>23628</b>	<b>16,3</b>
Bonos y Títulos (5)	108	0,2	6349	4,4
Líneas de Credito	3038	5,0	9781	6,8
Organismos Internacionales	300	0,5	499	0,3
Depósitos	184	0,3	2630	1,8
Obligaciones Diversas (6)	1444	2,3	4369	3,0

Key:

- Total deuda externa - total external debt
- Sector público no financiero - non-financial public sector
- Bonos y títulos - bonds and securities
- Deuda refinanciada - refinanced debt
- Organismos internacionales - international organisations/agencies
- Acreeedores oficiales - official creditors
- Proveedores y otros - brokers and others
- Deuda bancaria directa - direct bank debt
- Depósitos - deposits
- Obligaciones diversas - sundry bonds

## Appendix 4 - Distribution of enterprises by ownership 1993-1998

Source - Castellani:2002

The opportunities created by privatisation in the 1990s were in the form of joint ventures between national and foreign enterprises

### Distribution of enterprises by ownership (1993 -1998)

Type of ownership	1993	1998
Local group	30	19,5
National enterprise	20	13,5
State	4	0,5
Trans-national enterprise	13,5	28,5
Foreign conglomerate	14	16
Joint venture	18,5	22
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Author's own, based on data from the magazine 'Mercado', Special edition, July 1994, and 'Fuera de Serie' N° 4, July 1999.

### Largest sales of national assets (1994 - 1998)

Enterprise	Date of operation	Seller	Buyer	Amount (in millions US\$)
------------	-------------------	--------	-------	---------------------------

Empresa	Fecha de operación	Vendedor	Comprador	Monto (en mill. de US\$)
Terrabusi	1994	Montagna y Reyes	Nabisco (EE.UU)	270
Supermercados Norte	1996	Guil, Jacobo, Tinto, y otros	Exxel Group (Fondo de Inversión)	440
Bagley	1994	Nuñez y Picasso	Danone (Francia)	240
Cablevisión	1995 y 1997	E. Eurnekián	TCI (EE.UU.)	600
Astra	1996	Grüneisen, Aguirre y Sánchez Caballero	Repsol (España)	360
Banco Francés	1996	Otero Monsegur	Banco Bilbao Vizcaya (España)	370
Banco Crédito Argentino	1997	Gorodisch y Kulish	Banco Bilbao Vizcaya (España)	466

<b>Empresa</b>	<b>Fecha de operación</b>	<b>Vendedor</b>	<b>Comprador</b>	<b>Monto (en mill. de U\$S)</b>
Banco Río	1997	Pérez Companc	Banco Santander (España)	694
Banco Roberts	1997	Roberts	HSBC (China)	650
Jabones Llauro	1994	Llauro	Procter & Gamble (EE.UU.)	30
Stani	1994	Stanislavsky	Cadbury (EE.UU)	93
Petroquímica Bahía Blanca y Polisor	1996	Zorraquín	Dow Chemical (EE:UU)	197
CIADDA	1997	Antelo	Renault (Francia)	S/d
TIM	1996	Biquard	Exxel Group (Fondo de Inversión)	40
Pluspetrol	1997	Luis Rey	Repsol (España)	340
EG3	1997	Grupo Soldati	Repsol (España)	150
American Plast	1995	Passerotti	Dixie Toga (España)	22.7