Argentina towards the Year 2000:
A Comment

Argentina matters far beyond its own vast territorial reach (some eight times the size of Poland). The CFR and CARI are comparable institutions. Oscar Camilion's paper is enjoyable and unusually stimulating. Three factors that come together in this meeting, in which I am honored to participate.

I will comment as a (North)American who has felt himself a friend of Argentina since first setting foot on Argentine soil in the fateful month of September 1955, as a man with two cousins who emigrated to Argentina from Italy during the 1960s, and as a student of U.S.-Latin American cooperation who believes that Argentina is a critical litmus test of the potential for cooperation in the Americas.

I will comment only incidentally as the U.S. Ambassador at the Organization of American States. And that comment I will make immediately. In September 1989, Argentina made its presence at the OAS felt in two unusual ways: First, it paid $7,791,000 in quota arrearages, thereby helping to avert bankruptcy threatened by U.S. arrearages of almost $50 million. Then, speaking before the OAS Permanent Council, President Menem recounted how his father's move to Argentina from Syria overcame both economic and political adversity, and how he hoped that the OAS could serve as a sounding board for the hemisphere as a whole. Both acts, and the relationship that I am gradually developing with my Argentine colleague at the OAS, conform to the relatively optimistic scenarios that one might infer from Ambassador Camilion's assertions that Argentina has achieved both the interest and the maturity to engage the United States more effectively and constructively than in the past.

Of course, by the year 2000 and even before, the promise of renewal could prove froth, one more beginning unsubstantiated by subsequent events. Moreover, Ambassador Camilion is almost certainly correct when he writes that "The international image and, consequently, the international politics of Argentina, will mirror what the country will do domestically." The domestic arena is what is likely to count, for both Argentina and the United States. And it is in the domestic arena that the biggest problems begin and that I start commenting in a personal capacity.

Forty years ago, French intellectuals were so critical of their government and society that the Swiss journalist Herbert Luethy was moved to entitle a book France Against Herself. The United States and Argentina seem to have moved to the head of the self-doubt class. Jeane Kirkpatrick captured and fustigated the U.S. mood in its partisan dimension with her "blame America" speech at the 1984 Republican convention. Now Oscar Camilion qualifies Argentina with adjectives like "misery," "corruption," "blindness" and "failure." He writes:

> It is a fact that elections have usually been won in a quite enlightened country by those parties which offered more consumption, less efforts and a denial of a long-term approach to the growing national ills. It is a fact that widespread public support has prompted different governments to repeat policies proven wrong in the very recent past because those policies provided short-term responses either to an acute bout of inflation or to a brutal recession. This blind "short-termism" was epitomized by the military government during the Malvinas war. The Argentine public was deliberately cheated as a rule because the government wanted "to gain" one week-end or one day before the bitter truth was discovered. A short-term approach explains the support of powerful groups to policies whose obvious result is to shrink the market, because they believe they can get by ridding themselves of the competition while controlling the same amount of business in a divided marker. "Short-termism" is the plague of governments which believe that a long disease, like the Argentine inflation, can be healed without a long-term policy. A short-term approach has kept the dollar cheap, the interest rates confiscatory, the price of public utilities subsidized, the agriculture depressed and the salaries low.

Substitute Vietnam for the Malvinas and throw in urban decay, the environment and the deficit -- and I suspect this Argentine self-indictment shows an extraordinary family resemblance to comments made by many a U.S. citizen about the United States.

But here I have a question. Camilion's critique leads to an explicit and dramatic conclusion. He writes that: "Nowadays Argentina has completed her process of turning into a typical Latin American country with the sore of corruption rising to endemic proportions."

Completed the process of turning Argentina into a typical Latin American country! How many Argentines would agree? The

resistance of special interests to the reform efforts of President Menem implies some skepticism. Again, the parallel to the United States may be instructive: my guess is that most U.S. citizens, even those sectors wracked by doubts of self or of their leaders and government, retain high expectations for their country. Is this the case in Argentina? Enough to generate political support for the changes in the economic dominance of the state that most specialists including Camilion agree must come?

What are the remedies? The ills identified are largely economic. There can be no doubt that Argentina's economic shortcomings have reached nightmarish proportions. Camilion asserts flatly that "it is economic failure which explains the weakness of the Argentine political system." I am not an economist, so I am continually tyrannized by technical assertions of economic precision. But I wonder. That economic policies are critical is clear. But is that not true also of their political context? It is often argued, for example, that President Alfonsin would have done better to introduce reforms hard and early in his administration. Is President Menem's gradualism (at least relative to a Sachsian "cold shower") destined to be more effective? Or might it be that the reverse hypothesis holds, namely that political failure may explain the weakness of the Argentine economy?

One systemic issue that was apparently settled during the Alfonsin period but about which considerable uncertainty remains is the role of the military. And this is a question that bears on both politics and economics. Oscar Camilion is a civilian leader who has worked effectively and well with military elites. I would be delighted to hear more from him on how he sees the present integration (or lack of it) of the military into Argentina's political system, and on the extent of military commitment to state direction of the economy, both in practise and, importantly, in theory. The answers may determine a good deal about Argentina's potential, both for successful economic reform and for the survival and deepening of its democracy.

Finally, I see important international dimensions to domestic evolution. Argentina does indeed enjoy some important comparative advantages as the world enters the 1990s. Camilion articulates many of them well in his paragraphs numbered 10 to 12. But several problems could nonetheless inhibit Argentina's ability to generate international cooperation and support. Perhaps the most worrisome is that Argentina, already isolated by geography and by the informational lags created by past dictatorships, might suffer a fate similar to that of Peru in recent years. Peru's problems (erosion of the state,

inconsistency of public policy, absence of public order, economic chaos, middle class emigration, etc., etc.) reached such a volume and weight that outsiders despaired. In contemporary computer-induced jargon, "Peru fell off the screen." Moreover, these days even specialists in Latin America from Wiarda to Ronfeldt are predicting gloomily that Latin America will "fall off the global strategic map."

If Argentina has truly become a "typical Latin American country," then it, too, risks falling off the screen like Peru. Such an outcome, I believe, would harm the best interests of both Argentina and the United States. To avoid it will require domestic successes, mutual engagement and realism. Argentina is no more just another Latin American country, than the United States is just another industrialized country. The United States cannot make up for Argentina's failings any more than Argentina can make up for the failings of the United States. The task is to define how both countries can engage more effectively to each other's benefit. Ambassador Camilion has started us very much in the right direction.

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