

POLITICAL CAPITALISM PROJECT – BACKGROUND MATERIAL

Informality and Patronalism in Argentina

A Conceptual Framework for Understanding the Role of Informality and Patronalism in Regime Paradigms

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Abstract

Argentina presents a distinctive puzzle in the comparative study of patronal politics. Throughout the twentieth and twenty-first centuries, Argentina has oscillated repeatedly between liberal-democratic and patronal regimes, unable to stabilize in either direction. This study applies the conceptual framework of „The Anatomy of Post-Communist Regimes” to analyze Argentina's political evolution from colonial patronalism through independence, the exceptional Liberal Republic (1853–1930), and the subsequent cycles of military and civilian patronal rule. Using the Unified Theory Matrix (UTM) to classify regimes across five dimensions of formal political domination and five modes of collusions between the social spheres of politics and economy, I identify Argentina's dominant pattern as "oscillating patronalism"—a structural tendency to alternate between different regime types without achieving stable consolidation. The analysis reveals how weak institutional foundations, combined with recurring economic crises and military intervention, create conditions for this patronal oscillation. Argentina's case contributes to the Political Capitalisms project by demonstrating the Anatomy's framework's applicability to Latin American contexts and by theorizing a distinct form of patronal instability that differs from more linear trajectories.

A Note on Methodology and AI Collaboration

This study employs the analytical framework developed in *The Anatomy of Post-Communist Regimes: A Conceptual Framework* (CEU Press, 2020) and *A Concise Field Guide to Post-Communist Regimes* (CEU Press, 2022), applying it to Argentina's political history from 1580 to 2024. The framework uses the Unified Theory Matrix (UTM) to classify political regimes along two dimensions: types of political domination (from liberal democracy through closed authoritarianism) and types of economic organization (from liberal capitalism through mafia capitalism). This systematic classification enables an innovative comparative analysis across different historical periods and geographical contexts.

The contribution lies not in discovering new empirical facts about Argentina—the country's historiography is rich and sophisticated—but in providing a new analytical grammar that makes Argentinian patterns – within the frame of the Political Capitalisms project - comparable to post-communist, Middle Eastern, and African cases through a unified typology. This comparative integration is the project's distinctive ambition.

The use of AI tools in academic research raises important questions about transparency, replicability, and the evolving nature of scholarly practice. I have chosen to acknowledge this collaboration explicitly for several reasons. First, transparency about research methods is a cornerstone of academic integrity, and the use of AI assistance constitutes a significant methodological choice that readers should understand. Second, as AI tools become more sophisticated and widely adopted in academic work,

establishing norms for their appropriate use and acknowledgment becomes increasingly important. Third, explicit acknowledgment allows for critical evaluation of how AI collaboration might influence research outcomes, enabling the scholarly community to assess both the benefits and limitations of these tools. Finally, this transparency may help other researchers navigate similar methodological choices in their own work. All interpretations, conclusions, and any errors of this piece remain the author's sole responsibility.

Table of Contents

Abstract.....	1
A Note on Methodology and AI Collaboration	1
I. Introduction: The Argentine Puzzle	4
1.1 The Pattern of Oscillation	4
1.2 Existing Explanations and Their Limits	7
1.3. The Anatomy's Framework and the Unified Theory Matrix	8
1.4 Patronal Oscillation: Analytical Framework	15
II. Colonial Origins and Independence (1580-1880)	16
2.1. Colonial Patronalism (1580-1810): Inherited Subordination Under Imperial Rule	17
2.2. Caudillo Patronalism (1810-1853): Dominant Networks in a Fragmented State	20
2.3. National Consolidation and Oligarchic Ascendancy (1853-1880): From Dominant to Co-Constitutive Patronalism	25
III. The Liberal Era and Its Contradictions (1880-1930)	35
3.1. Oligarchic Hegemony (1880-1916): The Stabilization of Bottom-Up State Capture ..	36
3.2. Electoral Democracy and Oligarchic Retreat (1916-1930): Political Displacement, Economic Continuity	46
3.3. Patronal Oscillation Phase: Weakening of Oligarchic Patronalism.....	57
3.4. Conclusion: The Radical Era's Contradictory Legacy	59
IV. Cyclical Deadlocks and Military "Discharges": The Oscillation Pattern (1930-1983).....	60
4.1. The Structural Deadlock: Why Oscillation Persists.....	60
4.2. The Deadlock Triad: Three Incompatible Elements	62
4.3. The "Lightning Discharge" Mechanism: Military Intervention as Systemic Release ..	63
4.4. Six Mechanisms: Why the Military Always Intervened Conservatively.....	65
4.5. Labor Unions as a New, Fourth Actor: Argentina's Distinctive Patronage Terrain	67
4.6. Regime Cycles and Patronal Oscillation: Analytical Distinction	78
4.7. The Evolutionary Character of Patronal Oscillation within the Regime Cycles	81
4.8. The Military and Patronal Structures: Corruption, Cooptation, and Failed Autonomy	85
4.9. Why the Cyclical Process Ended After 1983: Structural Transformation	94
4.10. Theoretical Implications: Why This Framework Represents Offers for a New Insight	96

V. Theoretical Framework: Patronal Pulsation in Democratic Context (1983-2025)	98
5.1. The End of Regime Cycles, the Continuation of Patronal Oscillation	98
5.2. The Dual Dynamics of Patronal Pulsation: Clan Interest versus Corporate Interest	99
5.3. Reality Strikes Back: Economic Crises as Alternative Discharge Mechanisms.....	114
5.4. The Ideological Battle: "National-Popular" versus "Neoliberal-Oligarchic"	137
5.5. Analytical Framework for Post-1983 Governments	138
5.6. Continuity and Change: The Paradox of Democratic Patronal Capitalism	139
Bibliography	140

I. Introduction: The Argentine Puzzle

1.1 The Pattern of Oscillation

At the dawn of the twentieth century, Argentina stood as one of the world's wealthiest nations. Buenos Aires rivaled European capitals in sophistication, the pampas exported grain and beef to global markets, and massive waves of European immigration fueled rapid economic growth. By 1913, Argentina's per capita GDP exceeded that of France, Germany, and Italy, placing it among the top ten economies globally. The nation's liberal constitution, established in 1853, had created a framework for representative government, and its integration into the global economy through agricultural exports seemed to promise continued prosperity. For observers at the time, Argentina appeared destined to join the ranks of advanced liberal democracies.

Yet the trajectory that followed confounded these expectations. Rather than consolidating as a stable liberal democracy with a diversified capitalist economy, Argentina entered a century-long pattern of recurring political and economic crises. Military coups alternated with civilian governments, populist movements rose and fell, economic booms gave way to devastating busts, and periods of democratic opening were interrupted by authoritarian closure. By the early twenty-first century, Argentina had experienced six military coups, multiple episodes of hyperinflation, several sovereign debt defaults, and countless changes in political regime. What had once seemed a path toward stable liberal modernity became instead a bewildering cycle of instability.

This pattern, however, is not simply chaotic or random. Examined through the lens of the Anatomy's conceptual framework, Argentina's twentieth and twenty-first century history reveals a distinct structural tendency: the inability to consolidate in any stable regime type. Argentina has oscillated between electoral democracy, competitive, hegemonic and closed authoritarianism in the sphere of formal political institutions, paired with shifting structures of collusion of the political and economic spheres ranging from crony, oligarchic to patronal capitalisms. Unlike cases where patronalization follows a relatively linear progression, or where liberal democracy achieves stable consolidation, Argentina repeatedly cycles between regime types without achieving stable equilibrium in any direction.

This oscillating pattern manifests across both formal political and collusive political-economic dimensions.

Table 1. Argentina's Regimes in the Unified Theory Matrix (UTM)

Mainstream Regime Typology (formal political institutions)	Political Capitalisms: Nature of the Political and Economic Spheres' Collusion				
	Liberal Capitalism	Crony Capitalism	Oligarchic Capitalism	Patronal Capitalism	Mafia Capitalism
Liberal Democracy					
Electoral Democracy		1916-1930 (Radical Era)		1973-1976 (Third Peronism)	

		1983-1989 (Alfonsín) 2015-2019 (Macri)			
Competitive Authoritarianism			1946-1949 (First Peronism) 1958-1962 (UCRI, Frondizi) 1963-1966 (UCRP, Illia) 1989-1999 (Menem Era)	1949-1955 (First Peronism) 2003-2015 (Kirchner Era) 2019-2023 (Fernández, Kirchner)	
Hegemonic Authoritarianism			1880-1916 (Liberal Era) 1930-1932 (General José Félix Uriburu) 1932-1943 (Infamous Decade)		
Closed Authoritarianism			1943-1946 (Grupo de Oficiales Unidos/ Farrell-Perón) 1955-1958: (Revolución Libertadora) 1962-1963: (Military rule) 1966-1973: (Revolución Argentina)		

			1976-1983 (Military Dictatorship)		
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Crucially, Argentina's early "liberal" period (1853-1930) itself embodied a dual structure that presaged later oscillations. At the national level, a hegemonic authoritarian oligarchy governed through restricted suffrage and elite consensus, creating what appeared to be stable constitutional rule. Yet beneath this surface, localized patron-client networks persisted throughout the provinces, particularly in the interior regions beyond Buenos Aires' reach. The great landowners (estancieros) of the pampas and provincial caudillos maintained traditional forms of domination over rural populations, even as the federal government proclaimed liberal principles. This tension between formal liberal institutions at the center and substantive patronal practices in the periphery remained unresolved. When the Radical Party expanded suffrage after 1912, and especially when Peronism mobilized the urban and rural masses after 1946, these two dimensions began to converge—the masses entered formal politics, but they did so through patronal rather than liberal channels.

The central puzzle this study addresses is straightforward: Why has Argentina been unable to stabilize in any regime type? Why couldn't the liberal republic consolidate after 1853, or after 1983? Why couldn't Peronism establish a durable patronal system after 1946, as occurred in some other cases? Why does every attempt at regime consolidation—whether liberal or patronal—eventually collapse, giving way to yet another oscillation?

Standard explanations prove insufficient. Economic determinism points to Argentina's boom-bust cycles, its dependence on commodity exports, and its chronic inflation as drivers of political instability. Yet economic volatility alone cannot explain why instability takes this particular oscillating form, or why other commodity-dependent nations achieved greater regime stability. Populism literature emphasizes Peronism's enduring influence and the polarization it generated, treating Argentina's instability as a consequence of this "original sin." Yet this perspective cannot explain the instability that preceded Perón (1930-1943), nor can it account for why Peronism itself has taken multiple forms—competitive authoritarianism in its first and third iterations (1946-1955, 2003-2023), electoral democracy in its chaotic return (1973-1976). Institutional accounts highlight weak institutions, fragmented party systems, and the military's tradition of intervention. These factors are undeniably important, yet they describe symptoms rather than causes, and they do not explain the cyclical pattern itself—why weakness persists rather than being overcome or giving way to consolidated authoritarianism.

The framework developed in the *Anatomy* offers a more penetrating analytical approach. By examining Argentina through the dual lens of formal political regime types (from liberal democracy through closed authoritarianism) and the types of the political and economic spheres' collusion (from liberal capitalism through mafia capitalism), we can identify not only what regime types have emerged, but also the mechanisms that drive oscillation: the triggers that strengthen patronalism, the factors that allow temporary stabilization, the dynamics that cause breakdown, and the structural elements that persist across regime changes. This study argues that Argentina's oscillating pattern results from a distinctive combination of conditions: weak institutional foundations inherited from the colonial and early republican periods, persistent economic dependency and volatility, a military establishment with autonomy and interventionist traditions, and—crucially—the inability of any political force to monopolize violence and establish hegemonic control over both the political and economic spheres simultaneously. Every attempt at consolidation has faced structural obstacles that prevent stable equilibrium, whether in the direction of liberal democracy or consolidated authoritarianism.

1.2 Existing Explanations and Their Limits

Argentina's political instability has generated extensive scholarly debate, with three major theoretical traditions dominating the literature. Each offers valuable insights, yet each proves inadequate for explaining both the oscillating pattern and the persistence of informal patronal relations that characterize Argentine politics.

Economic determinism has long been the dominant explanatory framework in Argentine studies. This approach attributes political instability to the country's chronic economic volatility: the boom-bust cycles of commodity dependence, recurring balance-of-payments crises, chronic inflation, and repeated sovereign defaults. From this perspective, political regime changes represent responses to economic shocks—military coups follow economic crises, democratic transitions accompany economic recoveries, and policy shifts reflect changing material constraints. The economic determinist literature correctly identifies Argentina's structural economic vulnerabilities: dependence on agricultural exports, vulnerability to terms-of-trade fluctuations, weak industrial base, and persistent fiscal deficits. Yet this framework cannot explain why economic crises produce the specific oscillating pattern observed in Argentina rather than other trajectories. Chile faced similar commodity dependence and experienced devastating economic crises, yet consolidated liberal democracy after 1990. Uruguay endured comparable economic shocks yet maintained relatively stable democratic institutions. Moreover, economic determinism systematically overlooks the informal patronal relations that structure both political competition and economic organization. These networks persist across economic boom and bust cycles, suggesting that patronal structures constitute an independent causal factor rather than merely a dependent variable of economic conditions. Economic volatility may trigger regime changes, but it cannot explain why these changes take the form of oscillations between specific types of patronalism and attempts at liberal democracy, nor why patronal networks survive across these transitions.

Populism literature offers a second major interpretation, treating Argentina's instability as an enduring consequence of Peronism. This approach emphasizes the polarizing effects of Perón's 1946-1955 government: the mobilization of previously excluded working classes, the creation of powerful labor unions loyal to a personalist leader, the establishment of a political identity that transcended traditional party structures, and the generation of fierce opposition from traditional elites and the military. From this perspective, Argentine politics after 1955 represents a prolonged struggle between Peronist and anti-Peronist forces, with neither side able to achieve hegemony. The literature on populism correctly identifies Peronism as a critical juncture in Argentine history and accurately describes the polarization it generated. However, this framework suffers from three fundamental limitations. First, it cannot explain the instability that preceded Perón—the 1930 coup, the Infamous Decade, the oscillations between civilian and military rule in the 1930s and early 1940s. If Peronism caused Argentina's oscillating pattern, what explains similar dynamics before Peronism existed? Second, the populism framework treats Peronism as a unitary phenomenon, yet Peronism has taken radically different forms: competitive authoritarianism with patronal capitalism (1946-1955), chaotic electoral democracy with patronal elements (1973-1976), competitive authoritarianism with oligarchic capitalism (Menem 1989-1999), and competitive authoritarianism with patronal capitalism again (Kirchnerism 2003-2015). These variations suggest that "Peronism" is better understood as a label applied to diverse patronal structures rather than a stable ideological or organizational phenomenon. Third, and most critically, the populism literature focuses on mass mobilization and polarization while systematically neglecting the informal patronal networks that structure political competition, economic distribution, and state-society relations. The patron-client chains connecting political leaders to provincial bosses to local brokers to individual citizens, the discretionary distribution of state resources through relational rather than rule-

based channels, the interpenetration of political and economic spheres through corrupt networks—these features persist across Peronist and anti-Peronist governments alike, suggesting that patronalism constitutes a deeper structural pattern than populist mobilization.

Institutionalist accounts provide a third major framework, emphasizing the weakness of formal institutions in explaining instability. This literature points to fragmented party systems with weak organizational structures, legislatures unable to constrain executive power, judiciaries lacking independence, federal systems that enable provincial authoritarianism, and above all, a military establishment with autonomous corporate interests and a tradition of political intervention. Institutionalist scholars correctly identify Argentina's chronic institutional weakness and document how this weakness facilitates regime instability. The military's repeated interventions (1930, 1943, 1955, 1962, 1966, 1976) indeed reflect institutional failure—specifically, the inability of civilian institutions to monopolize legitimate violence and constrain armed forces within professional roles. Yet institutionalist explanations face a fundamental problem: they describe symptoms rather than identify causes. Why do institutions remain weak over more than a century? Why hasn't institutional weakness been overcome through constitutional reform, as occurred in Chile after Pinochet, or through gradual strengthening, as occurred in Uruguay? Why hasn't prolonged weakness given way to authoritarian consolidation, as occurred in other cases where weak institutions proved vulnerable to takeover? The institutionalist framework offers no compelling answers to these questions. Moreover, like economic determinism and populism literature, institutionalism systematically neglects the informal dimension of political organization. When institutions are "weak," something else must be "strong"—yet institutionalist accounts rarely specify what informal structures fill the void left by formal institutional weakness. In Argentina's case, what fills this void are patronal networks: the informal relations binding political and economic elites, the discretionary distribution of state resources through clientelistic channels, the personalist control of party organizations, and the colonization of supposedly autonomous state institutions by political families and their clients. These patronal structures are not simply consequences of institutional weakness; they actively reproduce weakness by preventing the consolidation of impersonal, rule-based institutions. Weak institutions and strong patronal networks constitute two sides of the same coin, yet institutionalist literature examines only one side.

Each of these three frameworks captures an important dimension of Argentine politics—economic volatility, polarizing mobilization, institutional weakness—yet each fails to explain both the oscillating pattern and the persistence of informal patronal relations. A more adequate analytical approach must directly theorize patronalism as a form of political and economic organization, specify the mechanisms through which patronal structures emerge and persist, and explain why Argentina oscillates between different regime types rather than consolidating in any single configuration. The Anatomy's conceptual framework provides precisely such an approach.

1.3. The Anatomy's Framework and the Unified Theory Matrix

Patronalism, as theorized in the Anatomy, refers to a specific form of political and economic organization in which informal networks based on personal loyalty and reciprocal exchange structure both governance and resource allocation. Unlike clientelism, which refers to discrete dyadic relationships between patrons and clients, patronalism describes a systemic condition: the comprehensive penetration of formal institutions by informal patronal networks, creating what the framework terms an "**adopted political family**" that exercises discretionary control over both political power and economic resources. Patronal systems differ fundamentally from liberal democracies not merely in degree but in kind. Liberal democracies operate through impersonal rules, competitive markets, separation of powers, and accountability mechanisms that constrain arbitrary power. Patronal systems operate through personal relations, discretionary distribution, fusion of powers, and loyalty

mechanisms that concentrate arbitrary power. The question confronting comparative analysis is not whether patronalism exists—informal networks appear in virtually all political systems—but whether patronal relations constitute the dominant organizing principle or remain subordinate to formal-rational institutions.

The Unified Theory Matrix provides a systematic tool for classifying political regimes according to their degree of patronalization. Unlike conventional typologies that rely on single dimensions or impressionistic judgments, the UTM operates through two independent classificatory axes, each defined by specific institutional criteria that can be empirically assessed. As Table 1 demonstrated, Argentina's historical trajectory spans multiple cells within this matrix, oscillating between regime types without achieving stable consolidation. To understand what these classifications mean and how they are determined, we must examine the definitional logic underlying the matrix.

The Two Axes of the Unified Theory Matrix

The Unified Theory Matrix operates through two independent classificatory dimensions, each defined by specific institutional criteria.

Table 2. The Unified Theory Matrix Definitions

The two interlocking tables showing the formal political institutions axis criteria and the collusion of political and economic spheres axis criteria.

	Multiparty elections	Opposition can win	Free and fair elections	Strong constitutional limits
Liberal democracy	+	+	+	+
Electoral democracy	+	+	+	-
Competitive authoritarianism	+	+	-	-
Hegemonic authoritarianism	+	-	-	-
Closed authoritarianism	-	-	-	-

-	-	-	-	Liberal capitalism
-	-	-	+	Crony capitalism

-	-	+	+	Oligarchic capitalism
-	+	+	+	Patronal capitalism
+	+	+	+	Mafia capitalism
Centralized corrupt networks	Political dominance	Unequal relations	Informal relations	

The Formal Political Institutions Axis distinguishes five regime types based on four features: (1) whether multiparty elections occur, (2) whether opposition can realistically win, (3) whether elections are free and fair, and (4) whether strong constitutional limits constrain executive power.

Liberal democracy requires all four features (++++): competitive multiparty elections where opposition can win through free and fair procedures, combined with robust constitutional constraints (independent judiciary, legislative oversight, federalism, civil liberties protections) that prevent executive abuse of power. Liberal democracy institutionalizes legal-rational legitimacy—authority derives from impersonal rules rather than personal leadership.

Electoral democracy lacks only strong constitutional limits (+++−): competitive elections occur and opposition can win through relatively fair procedures, yet constitutional constraints remain weak or inconsistently enforced. Presidents may pack courts, intimidate media, or manipulate legislatures without violating electoral competition itself. Electoral democracies thus combine procedural openness with vulnerability to executive overreach—a pattern characteristic of Argentina's Radical Era (1912-1930) and Alfonsín government (1983-1989).

Competitive authoritarianism maintains multiparty elections where opposition can theoretically win, but elections are neither free nor fair (++−). The ruling group manipulates state resources, media access, electoral administration, and coercive apparatus to create systematic advantages, yet opposition retains enough institutional space that upset victories remain possible. This differs from mere electoral fraud; competitive authoritarianism involves **structural bias** favoring incumbents while preserving formal competition. First Peronism (1946-1955) and Kirchnerism (2003-2015) exemplify this pattern: Peronists never banned opposition parties or cancelled elections, yet they controlled unions, distributed state resources discretionally, and dominated media to ensure systematic advantages.

Hegemonic authoritarianism allows multiparty elections but opposition cannot realistically win (+−−). The ruling group monopolizes resources so completely that opposition participation becomes largely symbolic—permitted to provide democratic façade without threatening power. Unlike competitive authoritarianism where opposition occasionally wins, hegemonic authoritarianism ensures incumbent invulnerability through total state control. Argentina's oligarchic period (1880-1912) and the Infamous Decade (1930-1943) fit this pattern: elections occurred, opposition parties existed, yet fraudulent practices (*fraude patriótico*) and elite consensus guaranteed predetermined outcomes.

Closed authoritarianism lacks even multiparty elections (−−−): single-party rule, military juntas, or personalist dictatorships ban opposition parties entirely and rule through coercion rather than electoral

legitimation. Argentina's military dictatorships (1955-1958, 1966-1973, 1976-1983) exemplify this type, dissolving congress, proscribing parties, and governing through decree.

The Collusion of Political and Economic Spheres Axis distinguishes five capitalism types based on four features measuring the degree of collusion between political and economic actors: (1) whether centralized corrupt networks exist, (2) whether political dominance over the economy prevails, (3) whether unequal relations characterize political-economic interactions, and (4) whether informal relations pervade these interactions.

Liberal capitalism exhibits none of these features (---): autonomous markets operate under impersonal rules, corruption remains episodic rather than systemic, and neither political nor economic actors dominate the other sphere. Regulatory agencies maintain independence, business competition proceeds without political favor, and legal frameworks constrain both state power and private economic power. Argentina has never achieved this configuration.

Crony capitalism shows only informal relations (---+): close personal relationships between government officials and business leaders result in favoritism in the distribution of legal permits, government grants, special tax breaks, and procurement contracts. Unlike systemic patronalism, crony networks remain **ad-hoc and segmented**—individual politicians cultivate business allies, individual firms seek political protection, yet these exchanges lack centralized coordination through an adopted political family. Corruption exists but operates through **discrete transactions** rather than comprehensive vassal chains. Argentina's Radical Era (1912-1930), Alfonsín government (1983-1989), and Macri administration (2015-2019) exhibited crony capitalism: state resources were distributed through informal connections, yet no single network monopolized access, and economic elites retained significant autonomy from political control.

Oligarchic capitalism adds unequal relations to informal networks (--++): oligarchs—actors possessing **formal economic power** (ownership of capital, control over production) and **informal political power** (ability to influence policy through wealth)—dominate political actors through **bottom-up state capture**. Economic elites determine policy outcomes, colonize regulatory agencies to serve private accumulation, and subordinate elected officials to business imperatives. The state becomes an **instrument of oligarchic class interests** rather than an autonomous authority. Corruption is **regular and organized** through local or segmental vassal chains: oligarchs coordinate among themselves to capture specific ministries, regulatory bodies, or legislative committees, creating stable corrupt networks without unified political leadership. Argentina's oligarchic period (1880-1912) institutionalized this pattern: landed estancieros controlled export policy, credit allocation, and land distribution through fraudulent elections and elite consensus, while the state served primarily to defend property rights and suppress labor. The Infamous Decade (1930-1943) and Menem's neoliberal period (1989-1999) exhibited similar dynamics: business elites shaped privatization, deregulation, and financial policy through captured state institutions.

Patronal capitalism adds political dominance to oligarchic capitalism (-+++): poligarchs—actors possessing **formal political power** (control over state offices, regulatory authority) and **informal economic power** (discretionary allocation of rents; ownership stakes in nominally private firms)—dominate economic actors through **top-down state capture**. Political patrons subordinate business elites to regime imperatives, extracting rents through discretionary control over licenses, contracts, credit, and market access. The economy becomes an **instrument of political power consolidation** rather than autonomous wealth creation. Corruption is **regular and organized** through local or segmental vassal chains: the ruling adopted political family coordinates corrupt transactions across ministries, provinces, and sectors, yet multiple competing networks may coexist (Peronist vs. non-Peronist provincial governors; rival union bosses). First Peronism (1946-1955), Third Peronism (1973-

1976), and Kirchnerism (2003-2015, 2019-2023) exemplified patronal capitalism: political leaders determined investment priorities, allocated state contracts discretionally, controlled union welfare funds, and used regulatory power to reward allies and punish opponents. Business elites could prosper only through political connections to the ruling network.

Mafia capitalism displays all four features (++++): the adopted political family initiates all corrupt transactions, resulting in **regular corrupt exchanges** organized through **monopolized and centralized** vassal chains. The ruling clan eliminates rival networks entirely, achieves total discretionary control over state and economic resources, and enforces compliance through both material incentives and coercive threats—violence becomes a routine governance tool rather than exceptional measure. Corruption becomes a **unified system** rather than competing networks, with the chief patron at the apex directing all resource flows. While Argentina has never fully reached mafia capitalism, the 1976-1983 military dictatorship approached this configuration in certain dimensions: the junta monopolized coercive power, disappeared 30,000 people to eliminate opposition networks, and allocated economic rents (the *patria financiera*) to a narrow financial elite through centralized military command.

Key Actors in Patronal Systems

Understanding Argentina's patronal dynamics requires distinguishing among actor types based on their power resources and positions within informal networks:

Patrons are powerful individuals at the center of patronal networks who distribute resources and favors in exchange for support and loyalty. Patrons exercise discretionary authority over state resources—offices, contracts, licenses, social programs, judicial decisions—and use this control to build and maintain client followings. Their power derives from **relational** rather than **positional** authority: clients remain loyal through anticipated future benefits rather than formal obligation. In Argentina, patrons have included provincial caudillos (1810-1880), oligarchic estancieros (1880-1930), Peronist union leaders (1946-present), and Kirchnerist officials distributing *planes sociales* (2003-2015).

Clients are individuals or groups who provide political support to patrons—votes, mobilization, policy compliance, public endorsement—in exchange for access to resources or opportunities—employment, welfare benefits, business advantages, legal protection. Client dependency creates vertical hierarchies, as clients lack autonomous resources and must cultivate patron favor through demonstrated loyalty. In Argentina, clients have included rural peons dependent on landowner patrons (19th century), unionized workers receiving Peronist welfare (1946-1955), provincial *punteros* distributing goods to neighborhood clients (1990s-present), and business contractors receiving discretionary state contracts (2003-2015).

Oligarchs are actors who possess **formal economic power** (ownership of capital, control over production, market dominance) and **informal political power** (ability to influence policy, capture regulatory agencies, shape legislation). Oligarchs operate primarily within the economic sphere but leverage wealth to constrain or co-opt political actors. Their power is **bottom-up**: they must "purchase" political influence through lobbying, campaign finance, media ownership, or corruption rather than command it directly through state authority. Argentina's landed oligarchy (1880-1930) exemplified this type: estancieros controlled export revenues and used economic dominance to determine who could govern, yet they operated through constitutional forms rather than direct state administration.

Poligarchs are actors who possess **formal political power** (control over state offices, regulatory authority, coercive apparatus) and **informal economic power** (discretionary allocation of contracts, licenses, rents; ownership stakes in nominally private firms through frontmen or family). Poligarchs operate primarily within the political sphere but extract economic rents through state authority. Their power is **top-down**: they subordinate business actors to political imperatives rather than serving

business interests. Perón (1946-1955) and the Kirchners (2003-2015) functioned as poligarchs: they used state power to build economic empires (nationalized industries under Perón; discretionary contracts and subsidies under Kirchnerism) while subordinating independent business to regime control.

The Adopted Political Family is the inner circle of a patronal leader, comprised of close associates and allies bound by **mutual interests and obligations** rather than blood kinship or formal institutional roles. The adopted political family functions as the **coordinating center** of patronal networks, monopolizing key state positions, distributing rents to vassal chains below, and enforcing loyalty through both rewards (incorporation into the family) and punishments (expulsion, prosecution, isolation). Unlike conventional political parties organized around ideological programs, adopted political families prioritize **relational loyalty** and **material redistribution** over policy coherence. Members remain bound through shared complicity in corrupt practices, creating mutual vulnerability that ensures cohesion. In Argentina, Peronism (1946-1955) constructed the paradigmatic adopted political family: Perón integrated union leaders (*descamisados* organizers), industrialists benefiting from import substitution, provincial caudillos receiving federal resources, and Eva Perón's charitable foundation distributed patronage. Kirchnerism (2003-2015) replicated this structure through a coalition of Buenos Aires officials, provincial governors loyal to the Kirchners, union bosses controlling social funds, and businesspeople receiving discretionary contracts.

Legitimation Patterns

Regimes require not only coercive capacity but also legitimation—citizens' acceptance (whether enthusiastic, resigned, or pragmatic) of rulers' authority. The Anatomy distinguishes three ideal-typical legitimation sources:

Legal-Rational Legitimacy: Authority derives from **impersonal rules and procedures** that bind both rulers and ruled. Citizens obey because laws are publicly known, consistently applied, and enforced through independent institutions—compliance reflects acceptance of institutional frameworks rather than personal loyalty to leaders. Liberal democracies institutionalize legal-rational legitimacy through constitutional constraints, judicial independence, bureaucratic neutrality, and procedural fairness. When a court rules against the government and the government complies, legal-rational legitimacy operates.

Substantive-Rational Legitimacy: Authority derives from the **perceived delivery of concrete benefits**—material welfare, social protection, national sovereignty, group status, or public order—regardless of procedural correctness. Citizens obey because the regime "delivers the goods" through discretionary redistribution rather than impersonal rules. Patronal systems typically rely on substantive-rational legitimation: the patron's authority rests on his capacity to distribute resources to clients (jobs, welfare, contracts, protection), and client loyalty persists only as long as benefits flow. When resources dry up, substantive-rational legitimacy collapses, triggering regime crisis.

Argentina's Legitimation Pattern: Throughout modern history, Argentina has relied primarily on **substantive-rational legitimation reinforced by charismatic elements**, with **legal-rational legitimacy remaining chronically weak**. Even formally democratic periods (1912-1930, 1983-1989, 2015-2019) saw leaders justify their rule primarily through claimed performance—economic growth, social peace, national dignity, sovereignty defense—rather than procedural correctness. Peronism institutionalized the **substantive-rational legitimacy** pattern by fusing **charismatic personalism** (Juan Perón as the workers' redeemer, Eva Perón as the spiritual leader of the *descamisados*, the Kirchners as defenders of national sovereignty against neoliberalism) with **substantive redistribution** (wage increases, welfare expansion, industrial protection, subsidies). This legitimation formula survived across regime types: First Peronism (1946-1955) justified competitive authoritarianism through redistributive performance; Kirchnerism (2003-2015) justified competitive authoritarianism

through commodity-rent redistribution and human rights symbolism. Even military dictatorships relied on substantive-rational claims—"saving the nation from chaos," "restoring order," "preventing communist takeover," "defending Western Christian civilization"—rather than constitutional legality. This persistent pattern reveals that Argentina's oscillation between regime types occurs **within** a fundamentally patronal legitimation structure: formal institutions change, yet reliance on the different forms of discretionary redistribution and personal leadership endures.

The Matrix in Practice

Each regime classification results from the intersection of one position on the formal political institutions axis with one position on the collusion axis, creating a 5×5 matrix of 25 possible regime configurations. Argentina's historical trajectory demonstrates movement across multiple cells within this matrix, never stabilizing in any single configuration.

This classificatory system enables precise comparative analysis in several ways. First, it disaggregates "democracy" and "authoritarianism" into finer-grained categories that capture meaningful variation. Electoral democracy differs from liberal democracy not in the presence of elections but in the weakness of constitutional constraints—a distinction crucial for understanding the Radical Era (1912-1930) or Alfonsín government (1983-1989), where competitive elections coexisted with vulnerable checks on executive power. Similarly, competitive authoritarianism differs from hegemonic authoritarianism not in the absence of elections but in whether opposition has realistic chances of victory—a distinction that illuminates the difference between First Peronism (1946-1955), where opposition could theoretically win but faced systematic disadvantages, and the Infamous Decade (1930-1943), where opposition participation was permitted but victory was structurally impossible.

Second, the matrix captures the independent variation between political and economic dimensions. Regimes can combine electoral democracy with oligarchic capitalism (as in 1989-1999 under Menem), competitive authoritarianism with patronal capitalism (as in 1946-1955 under Perón and 2003-2015 under Kirchnerism), or electoral democracy with crony capitalism (as in 1912-1930 under the Radicals and 1983-1989 under Alfonsín). These combinations are not random; they reflect specific configurations of power in which political and economic elites relate to each other in characteristic ways. The persistence of oligarchic or patronal capitalism even under formally democratic institutions reveals that political opening does not automatically transform collusive political-economic structures—a pattern repeatedly evident in Argentine history.

Third, and most important for this study, the matrix makes visible the oscillating pattern that defines Argentina's trajectory. Returning to Table 1, we observe that Argentina moves between multiple cells across the twentieth and twenty-first centuries: from hegemonic authoritarianism with oligarchic capitalism (1880-1912) to electoral democracy with crony capitalism (1912-1930), then back to hegemonic authoritarianism with oligarchic capitalism (1930-1943), then to competitive authoritarianism with patronal capitalism (1946-1955), then through various combinations of closed authoritarianism with oligarchic capitalism during military dictatorships, then back to electoral democracy (1983-1989, 2015-2019) and competitive authoritarianism (1989-1999, 2003-2023). No single cell dominates; no trajectory toward consolidation in any direction emerges. Instead, Argentina oscillates within a limited range of the matrix—primarily between hegemonic authoritarianism, competitive authoritarianism, and electoral democracy on the formal political institutions axis, paired with crony capitalism, oligarchic capitalism, and patronal capitalism on the collusion axis. Liberal democracy with liberal capitalism remains unreached, while closed authoritarianism represents only temporary military interludes rather than consolidated regimes.

This oscillating pattern raises the central analytical questions that structure this study. What triggers strengthen patronalism and push Argentina toward competitive or hegemonic authoritarianism? What factors enable temporary stabilization in any particular cell? What dynamics cause breakdown and generate movement to a different cell? And what structural elements persist across regime changes, ensuring that oscillation continues rather than giving way to consolidation? The remainder of this study addresses these questions through systematic historical analysis of Argentina's regime trajectory from colonial origins through the present.

1.4 Patronal Oscillation: Analytical Framework

This study traces the evolution of **specific types** of patron-client relations throughout Argentine history, examining how each type emerges, expands, dominates, declines, and eventually gives way to new configurations. Unlike regime cycles—repetitive alternations between institutional forms—**patronal oscillation** describes the internal life cycle of distinct patronalism types (e.g., *encomienda* land tenure, *caudillo* military clientelism, oligarchic export networks, Peronist union corporatism, provincial *puntero* systems). Each type follows a five-phase trajectory, though not all types complete every phase.

The Five Phases:

- **Inherited:** A patron-client structure is transmitted from a prior system or context, initially operating in subordinate or residual form while new institutional logics take hold.
- **Strengthening:** The patronal type expands territorially and socially, establishing its mechanisms, recruiting clients, and consolidating patron authority. Informal networks gain autonomy from formal institutional constraints.
- **Stabilizing:** The patron-client type becomes institutionalized or normalized as the **dominant** mode of organizing political and economic relations. It may coexist with formal institutions but determines outcomes more decisively than official rules.
- **Weakening:** The patronal type faces sustained challenges from competing institutional logics (legal-rationalization, market formalization, rival patronal networks) or structural transformations (urbanization, economic crisis, regime change). Its reach and influence contract, though core mechanisms persist.
- **Surviving:** The type continues in residual form—geographically limited, sectorally confined, or subordinated to newer patronal configurations—without disappearing entirely. It may coexist with dominant successors or await conditions for resurgence.

The Formal-Informal Relationship

The critical analytical question in each historical period is **how patronal structures relate to formal political institutions**. Three ideal-typical configurations exist:

- **Subordinate patronalism:** Informal patron-client bonds operate **within and under** formal institutional frameworks. Legal-rational authority, constitutional procedures, or bureaucratic rules constrain discretionary patron power. Patronalism exists but does not determine regime character. Example: clientelistic networks in liberal democracies, where legal accountability limits systemic capture.
- **Co-constitutive patronalism:** Informal patronal structures and formal institutions **mutually constitute** the regime, neither fully subordinating the other. Official rules provide frameworks for patronal competition (elections, legislation), while patronal networks determine who occupies formal positions and how institutions function in practice. Example: competitive

authoritarianism, where electoral procedures coexist with patronal resource distribution determining outcomes.

- **Dominant patronalism:** Informal patronal structures **override or hollow out** formal institutions, reducing official rules to façades. Adopted political families monopolize state resources, discretionary authority supersedes legal procedures, and substantive-rational legitimation (patron delivers benefits) displaces legal-rational legitimacy. Example: patronal autocracy or mafia state, where constitutions exist but patron decisions are final.

Analytical Implications

Subsequent sections apply this framework to Argentina's distinct patronalism types across four centuries. For each type, we identify:

- **Which phase** it occupied during given historical periods
- **What mechanisms** structured patron-client bonds (land tenure, military command, union control, provincial clientelism, state contracts)
- **How it related to formal institutions** (subordinate, co-constitutive, or dominant)
- **Why** it strengthened, stabilized, weakened, or survived under specific structural conditions

This approach distinguishes patronal oscillation from regime classification. A single regime type—e.g., **Competitive Authoritarianism × Patronal Capitalism** (1946-1955, 2003-2015)—can host **different patronal structures** (Peronist union corporatism vs. Kirchnerist provincial clientelism) at different oscillation phases. Conversely, the **same patronal type** (oligarchic land networks) operated across multiple regimes (Hegemonic Authoritarianism 1880-1912, Electoral Democracy 1912-1930) while weakening from stabilizing to surviving phase. Understanding these dynamics requires separating the life cycles of specific patronal forms from the classification of formal regime types.

II. Colonial Origins and Independence (1580-1880)

Argentina's patronal structures possess deep colonial roots extending back to Spanish imperial rule. This chapter traces the evolution of three distinct patronal types across three centuries: **colonial patronalism** (1580-1810), rooted in encomienda land tenure and office sale; **caudillo patronalism** (1810-1853), based on regional military strongmen commanding personal loyalty networks; and **oligarchic patronalism** (1853-1880), institutionalized through export-oriented landed elites capturing constitutional state structures. Each type followed its own oscillation trajectory—inherited, strengthening, stabilizing—while the relationship between informal patronal networks and formal institutions shifted from subordinate (under Crown authority) through dominant (fragmented regional rule) to co-constitutive (oligarchic constitutional capture).

Understanding these colonial and early republican foundations is essential for explaining Argentina's twentieth-century oscillations. The persistence of discretionary resource allocation, the weakness of impersonal legal authority, the fusion of economic and political power in elite families, and the reliance on substantive-rational legitimation through material distribution—all emerged during this formative period and remained structurally embedded despite repeated regime changes. What changed across centuries was not the presence of patronalism but its **specific mechanisms** and its **relationship to formal institutions**.

2.1. Colonial Patronalism (1580-1810): Inherited Subordination Under Imperial Rule

Spanish colonial rule in the Río de la Plata established Argentina's first systematic patronal structures, yet these operated in **subordinate form** under the overarching legal-rational authority of the imperial Crown. Colonial patronalism was **inherited** from broader Spanish imperial practices—the *encomienda* system, the sale of offices (*venta de cargos*), mercantilist trade monopolies—and transplanted to the peripheral viceroyalty of Buenos Aires. Unlike core colonial territories (Mexico, Peru) where Indigenous tribute systems generated massive wealth for both Crown and *encomenderos*, the Río de la Plata remained economically marginal, with sparse Indigenous populations and limited mineral resources. This marginality paradoxically shaped Argentine patronalism's trajectory: weak Crown oversight allowed local elites significant autonomy, yet insufficient wealth prevented the consolidation of a cohesive colonial oligarchy. The result was a **strengthening phase** of patronal structures that remained **subordinate to imperial frameworks** throughout the colonial period.

The Encomienda System: Land, Labor, and Patronal Hierarchy

The **encomienda** constituted colonial Argentina's foundational patronal institution. Formally, the *encomienda* granted Spanish settlers (*encomenderos*) the right to demand tribute and labor from Indigenous populations assigned to their jurisdiction, ostensibly in exchange for Christian instruction and protection. In practice, it established a rigid patron-client hierarchy: *encomenderos* functioned as patrons controlling land access, labor allocation, and protection from violence, while Indigenous communities became dependent clients whose survival required maintaining favor with their assigned patron. This was not wage labor or market exchange but **discretionary relational exchange**—*encomenderos* determined tribute levels, work conditions, and even internal community governance, operating through personal authority rather than impersonal contracts.

Yet colonial patronalism remained **subordinate** to Crown's authority in several critical dimensions. First, *encomiendas* were **legally non-hereditary**: the Crown retained formal ownership of land and could revoke grants, preventing *encomenderos* from establishing autonomous dynastic estates as occurred in feudal Europe. Second, the Crown imposed **bureaucratic oversight** through viceroys, *audiencias* (high courts), and *visitadores* (royal inspectors) who theoretically enforced regulations limiting *encomendero* abuses. Third, **royal taxation** extracted significant portions of colonial surplus, subordinating private accumulation to imperial fiscal needs. The *encomienda* thus represented **co-existence** of patronal and bureaucratic, „legal-rational” logics: informal patron-client bonds structured daily governance and economic production, yet these operated within—and remained formally subordinate to—imperial legal frameworks.

This subordination proved fragile in practice. Geographic distance from Spain, slow communication, and limited Crown resources created enforcement gaps that *encomenderos* exploited. Many *encomiendas* became **de facto hereditary** as sons inherited fathers' grants through bureaucratic manipulation or bribery. *Encomenderos* evaded tribute quotas, imposed illegal labor drafts, and appropriated Indigenous lands, transforming nominal usufruct rights into effective ownership. Royal inspectors were frequently co-opted through gifts, intermarriage with local families, or promises of future favors—early evidence of **corruption as a governance mechanism** rather than mere deviance. By the late colonial period (18th century), many *encomendero* families had consolidated **multi-generational control** over land and labor, approximating feudal estates despite contrary legal frameworks.

The Indigenous population's catastrophic demographic collapse—from epidemic diseases, overwork, and violence—fundamentally altered this patronal structure. As Indigenous labor supplies dwindled, *encomenderos* shifted toward alternative sources: enslaved Africans (particularly in coastal regions), mestizo laborers, and eventually free wage workers. Yet the **patron-client logic persisted** even as specific mechanisms changed. Landowners maintained discretionary control over access to land (through tenancy arrangements), credit (through debt peonage), and physical security (through private militias), recreating dependency relations without formal *encomienda* institutions. This adaptability—patronalism's capacity to survive institutional abolition by shifting mechanisms—would prove characteristic throughout Argentine history.

Venta de Cargos: Patronalism Within State Administration

Colonial state administration itself operated through patronal logic via the **venta de cargos** (sale of offices). The Spanish Crown, chronically cash-starved by European wars and imperial overextension, sold administrative positions—judgeships, treasury offices, municipal council seats, military commissions—to wealthy colonists. Officeholders purchased not merely titles but **discretionary authority** over tax collection, commercial licensing, land grants, and judicial decisions. This transformed public office from bureaucratic role into **private investment**: purchasers expected returns through fees, bribes, and embezzlement sufficient to recoup purchase costs and generate profit.

Venta de cargos institutionalized the fusion of public authority and private enrichment. A treasury official (*oficial real*) purchased his position and then "earned back" the investment by skimming tax revenues, demanding bribes for processing payments, or colluding with merchants to underreport customs duties. Municipal council members (*regidores*) awarded themselves land grants, monopolized local trade licenses, and directed public contracts to family businesses. Judges sold favorable verdicts, particularly in commercial disputes where wealthy litigants could afford substantial payments. These practices were not aberrations but **structural features** of colonial governance—the Crown designed *venta de cargos* precisely to generate revenue, tacitly accepting that purchasers would extract unofficial income.

This created a peculiar dual legitimacy: **burocratic-rational** (offices derived authority from royal appointment, operated through formal procedures, produced written records) coexisting with **patronal-discretionary** (officeholders justified authority through delivering benefits to clients—favorable rulings, overlooked regulations, privileged access—in exchange for loyalty and payments). Colonial subjects navigated this duality by treating formal procedures as necessary façades while cultivating personal relationships with officeholders to secure actual outcomes. A merchant seeking import licenses would formally petition the viceroy but informally negotiate with treasury officials through gifts and promises. A landowner disputing boundaries would formally present legal documents but informally bribe judges or threaten litigation opponents through patron networks.

Critically, *venta de cargos* remained **subordinate to Crown authority** despite enabling widespread corruption. The Crown retained power to dismiss officeholders (though rarely exercised), investigate malfeasance (through *visitadores*), and reallocate jurisdictions. More importantly, **rival patronal networks competed** rather than consolidating under unified leadership. Buenos Aires officials competed with Córdoba officials, treasury officers competed with judicial officials, and all competed with military commanders for resources and jurisdiction. No single **patron-client network** or **clan** emerged to monopolize state institutions—instead, multiple segmented networks coexisted, constrained by royal oversight and mutual rivalry.

Contraband, Informality, and Elite Autonomy

Spanish mercantilist policies—restricting colonial trade to Spain-bound ships, prohibiting inter-colonial commerce, imposing high tariffs—created massive incentives for contraband. Buenos Aires, geographically isolated from official trade routes through Lima-Callao, became a **smuggling entrepôt**. British, Portuguese, and Dutch merchants traded directly with Buenos Aires elites, evading Spanish monopolies. Local officials tolerated or actively participated in contraband: customs officers accepted bribes to "overlook" foreign ships, military commanders protected smugglers in exchange for shares, and even viceroys maintained covert partnerships with contraband networks.

This contraband economy generated a critical consequence: **elite autonomy from formal institutions**. Landed families accumulated wealth through illegal trade independent of Crown-granted privileges, reducing their dependence on royal favor. Merchants built networks based on personal trust and mutual profit rather than legal contracts, as contraband could not rely on official contract enforcement. This fostered a culture of **informality**—economic relations governed by personal reputation, family connections, and threat of violence rather than legal frameworks. When formal trade restrictions occasionally tightened (during wars or reform periods), elites simply intensified contraband rather than accepting state authority, demonstrating that substantive economic interests trumped legal-bureaucratic obedience.

Yet even contraband remained **partially subordinate** to Crown power. When Spain implemented Bourbon Reforms (1770s-1800s)—liberalizing trade, establishing new viceroyalty in Buenos Aires (1776), professionalizing administration—Buenos Aires elites **adapted rather than rebelled**. They lobbied for favorable policies, purchased newly created offices, and integrated into reformed structures while maintaining contraband sidelines. This pragmatic adaptation reflected calculation: Spanish military power remained credible (demonstrated by crushing Túpac Amaru rebellion in Peru 1780-1783), and elite interests required Crown legitimation for land titles and political authority. Colonial patronalism thus operated through **negotiated subordination**—elites exploited enforcement gaps while accepting ultimate imperial sovereignty.

Patronal Oscillation Phase: Inherited Strengthening Under Subordination

Assessing colonial patronalism (1580-1810) within the oscillation framework reveals a **prolonged strengthening phase operating under subordinate conditions**. Patronal structures were **inherited** from broader Spanish imperial practices but **strengthened** territorially and institutionally as Buenos Aires developed from frontier outpost (1580) into viceregal capital (1776). The *encomienda*, initially sparse and loosely organized, consolidated into multi-generational landholding dynasties. *Venta de cargos*, initially occasional, became systematic as the Crown increasingly relied on office sales for revenue. Contraband networks, initially sporadic, evolved into organized systems linking Buenos Aires families with foreign merchants and complicit officials.

Yet these patronal structures never achieved **stabilization** as dominant organizing principles during the colonial period. They remained **subordinate** to Crown legal-rational authority in three senses: (1) **institutional subordination**—patronal practices operated within formal frameworks (*encomienda* grants, office purchases, viceregal oversight) that constrained though did not eliminate discretion; (2) **ideological subordination**—elites justified authority through Crown legitimation rather than autonomous patron-client loyalty; (3) **coercive subordination**—Spanish military power credibly threatened elite interests if pushed too far. The **formal-informal relationship** thus remained

subordinate patronalism: informal networks filled gaps and exploited ambiguities within formal structures but did not override or hollow out those structures entirely.

This subordinate character shaped Argentine patronalism's subsequent trajectory. When Spanish authority collapsed during Napoleonic invasion (1808-1810), colonial patronal structures **did not consolidate into unified national system** but **fragmented** into competing regional networks. The absence of prior stabilization as a dominant, autonomous system meant that independence produced **multiple rival patronalisms** (regional caudillos) rather than a single inherited oligarchy. The next phase—caudillo patronalism—would see these fragments compete violently for territorial control, shifting the formal-informal relationship from subordinate to **dominant patronalism** as informal military networks overwhelmed nascent formal institutions.

2.2. Caudillo Patronalism (1810-1853): Dominant Networks in a Fragmented State

The collapse of Spanish authority (1810) unleashed Argentina's most violent and fragmented period, during which regional military strongmen—**caudillos**—constructed personal loyalty networks that entirely overwhelmed nascent formal institutions. Unlike colonial patronalism, which operated **subordinate** to Crown authority, caudillo patronalism achieved **dominance**: informal military-territorial networks became the primary organizing principle of governance, while constitutional frameworks existed as empty façades or aspirational documents lacking enforcement capacity. This period saw the **strengthening and partial stabilization** of a distinct patronal type—agrarian-military clientelism based on direct coercive control, discretionary land distribution, and charismatic personal authority—that would persist in residual form through the twentieth century as provincial **caudillismo**.

The caudillo era reveals a critical pattern: when formal state institutions collapse or fail to consolidate, patronal structures do not disappear but **intensify and fragment**. Multiple competing patron-client networks emerged across Argentina's vast territory—Rosas in Buenos Aires, Quiroga in La Rioja, Artigas in the Litoral, López in Santa Fe, Bustos in Córdoba—each commanding military forces, controlling regional economies, and claiming political legitimacy. These were not warlords seeking mere plunder but **state-builders** constructing alternative governance systems based on personal loyalty rather than impersonal law. Yet their inability to achieve national consolidation—despite decades of warfare—demonstrated the structural limits of purely coercive patronalism: without institutional frameworks to stabilize elite bargains, territorial monopolization, or economic growth to fund redistribution, caudillo networks remained trapped in violent competition.

From Colonial Fragmentation to Regional Warlordism

Independence did not produce a unified Argentine nation but rather the **disintegration** of colonial administrative structures into competing regional power centers. The May Revolution (1810) expelled Spanish viceregal authority but left no consensus on what would replace it: **unitarios** (centralists) sought to recreate hierarchical authority through a Buenos Aires-centered republic, while **federales** (federalists) demanded provincial autonomy and resistance to porteño domination. This ideological polarization, however, masked deeper structural dynamics: the absence of a consolidated landowning class, the lack of bureaucratic state capacity, and the militarization of politics created conditions where **personal military command** became the primary source of political authority.

Caudillos emerged from this power vacuum not as external impositions but as **organic responses** to institutional collapse. They were typically provincial landowners or military officers who commanded personal militias, controlled strategic resources (land, cattle, trade routes), and cultivated reputations for military prowess and distributive generosity. A caudillo's power derived not from legal office but

from his capacity to **mobilize armed followers**: gauchos (rural laborers) who provided military service in exchange for protection, land access, and shares of plunder; provincial notables who allied with caudillos to secure trade privileges and political influence; and Indigenous communities who negotiated alliances to resist encroachment or secure autonomy. These were **patron-client bonds forged through coercion and reciprocity**—followers obeyed because the caudillo delivered material benefits and physical security, while defection risked violent retribution.

The most consequential caudillo, **Juan Manuel de Rosas** (governor of Buenos Aires 1829-1832, 1835-1852), exemplified this patronal logic at maximum intensity. Rosas controlled Buenos Aires province—Argentina's wealthiest region—through a **multi-layered clientelistic pyramid**. At the apex stood Rosas himself, commanding the provincial militia and monopolizing customs revenues from the port. Below him operated **subaltern patrons**: estancieros (landed elites) who provided cavalry regiments in exchange for land grants and tax exemptions; urban bosses who mobilized porteño masses through the **Mazorca** (Rosas's paramilitary organization) in exchange for patronage offices; and rural **comandantes** (local strongmen) who enforced Rosas's authority in the countryside through violence and discretionary justice. At the base were **gaucho clients**: landless laborers, fugitives, Indigenous groups, and smallholders who served in Rosas's cavalry in exchange for protection from legal persecution, access to frontier lands seized from Indigenous peoples, and shares of plunder from military campaigns.

This was **dominant patronalism** in pure form: formal institutions—the legislature, judiciary, municipal governments—existed but functioned only as instruments of Rosas's personal authority. Legislators voted unanimously for Rosas's proposals, judges ruled according to his preferences, and municipal officials implemented his directives without autonomous deliberation. Legal procedures became rituals legitimating predetermined outcomes rather than constraints on arbitrary power. Yet Rosas's dominance remained **geographically limited**: he controlled Buenos Aires and allied provinces through client caudillos (López in Santa Fe, Ibarra in Santiago del Estero), but rival caudillos in the Interior and Litoral retained autonomy. The result was not a unified patronal autocracy but **competing dominant patronalisms** locked in violent stalemate.

Formal Institutions as Façade: Citizenship, Elections, and Suffrage

The persistence of formal constitutional frameworks and electoral rituals during the caudillo era raises critical questions about the relationship between legal citizenship and patronal clientelism. Did Argentina possess citizens or only clients? Did elections constitute genuine political participation or mere performative legitimation? And what meaning did suffrage hold when patron-client networks determined all substantive outcomes?

Citizenship remained profoundly ambiguous in the absence of a consolidated national state. Buenos Aires province established formal legal frameworks defining provincial citizenship: residents born in the territory or naturalized through legal procedures possessed theoretical rights—property protection, access to courts, freedom from arbitrary arrest—enshrined in provincial constitutions. Yet these rights lacked institutional enforcement. When Rosas's Mazorca murdered political opponents, confiscated Unitario properties, or imprisoned dissidents without trial, no independent judiciary intervened, no legislative investigation occurred, and victims had no recourse beyond fleeing or seeking alternative patron protection. Citizenship as **legal status** existed; citizenship as **enforceable rights** did not. The vast majority—gauchos, rural laborers, Indigenous peoples, women, slaves, and the urban propertyless—remained entirely **excluded** from formal citizenship altogether, their legal personhood unrecognized and their relationship to authority mediated exclusively through patron-client dependency rather than rights-bearing autonomy.

Elections occurred regularly throughout the caudillo era, yet these served fundamentally different functions than competitive liberal-democratic elections. Provincial legislatures and municipal councils were periodically elected in Buenos Aires and some Interior provinces, maintaining the façade of representative government. Rosas himself was "elected" governor of Buenos Aires in 1829, 1835, and periodically "reconfirmed" through plebiscites. Yet these elections were **plebiscitary acclamation rituals** rather than competitive choices among alternatives. Opposition candidates either did not exist (eliminated through violence, exile, or intimidation) or stood merely as symbolic gestures. Voting occurred publicly rather than through secret ballot, enabling patron surveillance: caudillo operatives monitored who voted for whom, rewarding loyalists with patronage and punishing defectors with exclusion or violence. Electoral results were predetermined through clientelistic mobilization: caudillos instructed their clients how to vote, delivered these votes in blocs, and ensured outcomes through fraud when necessary. Elections thus functioned to **demonstrate patron strength** (the capacity to mobilize followers), **legitimize predetermined authority** (Rosas "chosen by the people"), and **identify dissenters** (non-voters or opposition supporters marked for exclusion).

Suffrage was narrowly restricted even where elections occurred. Voting rights were limited to adult males who met property or literacy requirements, though these varied across provinces and periods. In Buenos Aires under Rosas, suffrage was nominally extended to all free adult males, yet practical barriers—public voting, clientelistic coercion, exclusion of "disloyal" individuals from voter rolls—rendered this formal universality meaningless. Estimates suggest that **active voters comprised perhaps 5-10% of the adult male population** in Buenos Aires during the 1830s-1840s, and far less in Interior provinces where caudillos made no pretense of broad participation. Most voters were **mobilized clients** rather than autonomous citizens: estancieros delivered their peons' votes, urban bosses marched neighborhood followers to polling stations, and military commanders ensured their troops voted correctly. Women, slaves, Indigenous peoples, and the propertyless lacked suffrage entirely, their political existence reduced to clientelistic dependency or violent exclusion.

This formal-informal duality reveals a critical insight: **formal institutions served as legitimating façades** rather than autonomous sources of authority, yet their persistence mattered. Caudillos maintained constitutional frameworks, held elections, and claimed popular legitimacy precisely because these rituals provided **symbolic resources** unavailable through pure coercion. Rosas justified his dictatorship as temporary necessity to "restore order" and promised eventual constitutional normalization, positioning himself as defender rather than destroyer of republican institutions. This rhetorical commitment to legal-rational forms—however hypocritical in practice—created ideological constraints that would later enable institutional consolidation: when post-1853 elites constructed a functioning constitutional order, they built upon existing formal frameworks and legitimating discourses rather than inventing entirely new institutions.

Military Mobilization and Coercive Clientelism

Caudillo patronalism rested fundamentally on **military capacity**: the ability to mobilize, equip, and command armed forces determined political survival. Unlike European standing armies organized through bureaucratic recruitment and fiscal extraction, caudillo militias operated through **personalistic clientelism**. A caudillo recruited followers not through conscription backed by state coercion but through **material incentives and personal loyalty**: promises of land, cattle, captured goods, protection from enemies, and social recognition. Followers joined militias because the caudillo delivered tangible benefits unavailable through formal institutions, and they remained loyal because desertion risked loss of patron protection and violent punishment.

This military clientelism created distinctive dynamics. First, caudillo power was **inherently unstable**: it required constant military campaigning to generate plunder for redistribution, as militias dissolved when material benefits ceased. Prolonged peace threatened caudillo authority by eliminating the need for military protection, while military defeats caused mass defections as followers sought new patrons. Rosas maintained dominance partly through **permanent low-intensity warfare**: campaigns against Indigenous groups on the southern frontier (the **Conquest of the Desert** initiated in 1833) provided continuous plunder (land, cattle, captives) for redistribution while demonstrating military prowess.

Second, military clientelism **militarized social relations** far beyond combat contexts. Gaucho followers identified as "**Federales**" or "**Unitarios**" not primarily through ideological conviction but through **patron loyalty**: supporting Rosas or his enemies determined access to land, trade licenses, judicial favor, and physical safety. Political identity became inseparable from clientelistic affiliation. Rosas enforced this through symbolic displays: requiring citizens to wear **red ribbons** (the Federal color), publicly displaying Rosas's portrait, and ritually praising "**Death to the Savage Unitarios!**" These were not mere propaganda but **loyalty tests**: non-compliance signaled defection, inviting surveillance, exclusion from patronage, or violent persecution. The Mazorca—Rosas's paramilitary network—enforced conformity through assassinations, property confiscations, and public terror, demonstrating that neutrality was impossible under dominant patronalism.

Third, military clientelism **precluded institutional consolidation**. Because caudillo authority derived from personal military command, formalizing power through impersonal institutions risked undermining that authority. Attempts to establish legal-rational frameworks—constitutions, legislatures, bureaucracies—threatened to create alternative sources of legitimacy beyond patron-client loyalty. Rosas therefore systematically **hollowed out formal institutions** while maintaining their façades: he governed Buenos Aires as elected governor yet refused to convene a national constitutional convention, prevented judicial independence, and subordinated the legislature to personal control. This was not irrational authoritarianism but strategic preservation of patronal dominance.

Land Distribution as Patronal Mechanism

Beyond military mobilization, caudillo patronalism operated through **discretionary land distribution**. Argentina's vast pampas—fertile grasslands ideal for cattle ranching—constituted the primary economic resource, yet land ownership remained fluid and contested throughout the caudillo era. Indigenous groups (particularly Mapuche and Ranquel peoples) controlled much of the southern and western frontiers, preventing Spanish colonial consolidation. Post-independence, caudillos exploited this unsettled status to build patronal networks through **land as gift**.

Rosas exemplified this mechanism. His military campaigns against Indigenous groups seized millions of hectares, which he then distributed discretionally to loyal followers: military officers received large estates (*estancias*), gaucho cavalrymen received smaller plots, and allied caudillos received frontier territories to establish client settlements. This distribution operated **without legal-bureaucratic procedures**: no public auctions, transparent criteria, or property registries governed allocation. Rosas personally decided who received land based on demonstrated loyalty, military service, and political utility. Recipients understood land tenure as **conditional on continued loyalty**—defection risked expropriation, as occurred repeatedly with Unitario opponents whose properties Rosas confiscated and redistributed.

This land patronalism had profound consequences. First, it created a **landed oligarchy directly dependent on patron's favor** rather than market accumulation or inherited wealth. Many of Argentina's great estancieros—families that would dominate the economy through the twentieth century—traced their fortunes to Rosas-era land grants. Yet their wealth originated not from

entrepreneurial accumulation within liberal markets but from **political clientelism**: access to land required patron's favor, and retaining land required continued political alignment. This legacy would shape oligarchic capitalism (1880-1930), as supposedly "liberal" landed elites remained structurally inclined toward personalistic politics and state capture.

Second, discretionary land distribution **prevented indigenous property rights** from consolidating. Unlike Spanish colonial *encomienda*—which at least formally recognized Indigenous communities' land rights and imposed reciprocal obligations—caudillo land seizures involved outright dispossession and violence. Indigenous groups were labeled "savages" outside the polity, justifying expropriation without compensation or legal process. This racialized exclusion from patronal networks (Indigenous people as enemies to be exterminated rather than clients to be incorporated) contrasted with caudillo incorporation of *gauchos*, *mestizos*, and even Afro-Argentines into military *clienteles*. The boundary was not racial per se but **willingness to submit to patron authority**: Indigenous groups resisting subordination faced genocide, while those accepting client status (as occurred with some frontier communities) received patron protection.

Third, land patronalism **subordinated market logic to political imperatives**. Land values depended less on productive capacity or market demand than on political connections: proximity to a powerful patron increased land security and access to credit, infrastructure, and trade routes. Landowners without patron protection faced constant threats—property disputes unsettled by independent courts, cattle rustling without police enforcement, trade restrictions imposed by hostile caudillos. This subordination of economic to political power would persist into the oligarchic era (1880-1930): even when Argentina integrated into global markets, discretionary political favor remained more decisive than market efficiency for elite enrichment.

Substantive-Rational Legitimation and Charismatic Authority

Caudillo patronalism relied not solely on coercion but also on **substantive-rational legitimation** reinforced by charismatic personalism. Followers obeyed caudillos not merely from fear but because caudillos **delivered tangible benefits** unavailable through formal institutions: land access, military protection, material redistribution, and social recognition. In the absence of effective legal-rational authority—courts that enforced contracts, police that protected property, bureaucracies that delivered services—caudillos provided **private governance** through personalistic networks. A *gaucho* who joined Rosas's militia received protection from legal persecution (many were fugitives or criminals), gained access to frontier lands, participated in lucrative cattle raids, and acquired social status as a "Federal" rather than a marginalized laborer. These benefits were **discretionary gifts** from the patron rather than entitlements from impersonal institutions, creating dependency: continued benefits required demonstrating loyalty through military service, public displays of support, and political conformity.

This substantive-rational logic was reinforced by **charismatic features**: caudillos cultivated reputations as exceptional leaders embodying collective aspirations. Rosas presented himself as the **"Restorer of Laws"** and defender of **"Argentine Federalism"** against Unitario tyranny and foreign intervention, positioning his rule as necessary salvation rather than personal ambition. He performed charisma through symbolic displays: wearing *gaucho* attire to identify with rural masses, personally leading military charges, distributing plunder generously, and cultivating a public image of incorruptible strength. Eva Perón would later replicate many of these performative techniques—suggesting deep continuities in Argentine political culture across regime types.

Yet caudillo charisma remained **unstable**: it depended on continuous military success and material redistribution. Prolonged defeats or resource exhaustion undermined charismatic authority, as followers questioned the patron's exceptional capacities. Rosas's fall (1852) exemplified this: military defeat at

Caseros by a coalition of rival caudillos and Brazilian-Uruguayan forces caused mass defections, as followers calculated that Rosas could no longer deliver protection and benefits. Charismatic authority proved **instrumentally conditional** rather than emotionally unconditional—followers' loyalty reflected strategic calculation of material interests more than irrational devotion.

Patronal Oscillation Phase: Strengthening Toward Unstable Stabilization

Caudillo patronalism (1810-1853) occupied the **strengthening phase moving toward partial stabilization** within the oscillation framework. Regional caudillo networks **inherited** colonial patronal practices—discretionary land distribution, personalistic authority, fusion of military and economic power—but fundamentally **transformed** these by eliminating subordination to overarching legal-bureaucratic authority. Caudillos operated as **autonomous patrons** rather than subordinate elites within imperial frameworks, achieving **dominant patronalism**: informal networks entirely overwhelmed formal institutions.

This dominance **strengthened** across four decades as caudillos consolidated territorial control, systematized clientelistic mechanisms (military mobilization, land distribution, symbolic loyalty enforcement), and normalized patronal governance as the expected political form. By the 1840s, caudillismo was not a temporary aberration awaiting constitutional restoration but the **institutionalized reality** of Argentine politics: provincial constitutions included provisions for caudillo-governors with extraordinary powers, legislators rubber-stamped caudillo decrees, and even intellectuals like Sarmiento analyzed caudillismo as a distinctive Argentine political system rather than mere barbarism.

Yet caudillo patronalism never achieved **stable consolidation** at the national level. Rosas dominated Buenos Aires and influenced allied provinces, but rival caudillos (Urquiza in Entre Ríos, Peñaloza in La Rioja, later provincial strongmen) retained autonomy and periodically challenged Buenos Aires hegemony. The **structural obstacle** was economic: Argentina lacked the fiscal resources to fund a unified national patronal network. Customs revenues from Buenos Aires port financed Rosas's clientele, but Interior provinces depended on sparse livestock economies insufficient to sustain large-scale redistribution. Unifying Argentina required either **military conquest** (eliminating rival caudillos through force) or **institutional bargaining** (formalizing elite power-sharing through constitutional frameworks). Rosas attempted the former but failed; his successors would pursue the latter.

The **formal-informal relationship** during this period was **dominant patronalism**: informal caudillo networks determined all political outcomes, while formal institutions served merely as legitimating façades or aspirational projects. Constitutions were written (1819, 1826, 1853) but lacked enforcement; legislatures met but exercised no autonomous authority; courts existed but ruled according to caudillo preferences. This dominance would begin **weakening** after 1853 as a new elite coalition—the Buenos Aires oligarchy allied with Interior landowners—constructed constitutional frameworks capable of subordinating provincial caudillos to national authority, initiating the transition toward **oligarchic patronalism**.

2.3. National Consolidation and Oligarchic Ascendancy (1853-1880): From Dominant to Co-Constitutive Patronalism

The defeat of Rosas at Caseros (1852) and the subsequent adoption of the 1853 Constitution did not eliminate patronalism but **reconfigured** its relationship to formal institutions. A new elite coalition—Buenos Aires estancieros allied with Interior landed families—constructed constitutional frameworks that subordinated provincial caudillos to national authority while institutionalizing oligarchic control over state resources. This period saw the transition from **dominant patronalism** (caudillo networks overwhelming formal institutions) to **co-constitutive patronalism** (oligarchic networks and

constitutional structures mutually constituting the regime). Unlike the caudillo era's violent fragmentation, oligarchic consolidation achieved relative stability through three mechanisms: constitutional bargaining among regional elites, fiscal centralization under Buenos Aires control, and integration into global markets through agricultural exports. Yet this stability rested on **oligarchic capitalism**—bottom-up state capture by landed elites—rather than legal-rational institutionalization, ensuring that patronal structures persisted even as their forms evolved.

The 1853-1880 period thus represents a critical juncture: Argentina could have consolidated either toward liberal democracy (as oligarchic constitutionalism evolved into genuine rule of law) or toward unified patronal autocracy (as a dominant elite monopolized state institutions). Neither occurred. Instead, Argentina stabilized in a hybrid configuration—**Hegemonic Authoritarianism × Oligarchic Capitalism**—where formal constitutional procedures coexisted with systematic oligarchic manipulation, restricted suffrage excluded mass participation, and economic elites captured state institutions to serve private accumulation. This configuration would persist through the "Liberal Era" (1880-1912) and, despite subsequent regime oscillations, its patronal logic would remain embedded in Argentine politics through the twentieth century.

The 1853 Constitution: Institutional Framework and Oligarchic Capture

The 1853 Constitution represented Argentina's most ambitious attempt at legal-rational state-building, establishing a federal republic with separation of powers, individual rights guarantees, and democratic representation. Yet from inception, this constitutional framework was **captured by oligarchic patronal networks** that used formal institutions to consolidate class dominance rather than subordinate themselves to impersonal rules.

The Constitution's framers—primarily Interior provincial elites and liberal intellectuals like Juan Bautista Alberdi—designed institutions explicitly to **prevent caudillo domination** while enabling elite governance. The federal structure granted provinces autonomy over internal affairs, preventing Buenos Aires from imposing centralized control as Rosas had attempted. Yet this same federalism **institutionalized provincial oligarchic patronalism**: each province maintained its own constitution, legislature, judiciary, and governor, creating multiple sites where regional landed elites could capture institutions without national oversight. Governors were elected by provincial legislatures rather than popular vote, ensuring oligarchic control. Property and literacy requirements restricted suffrage to perhaps **1-2% of the adult male population** nationally, excluding gauchos, immigrants, Indigenous peoples, and the urban poor. The Senate was elected by provincial legislatures (two per province regardless of population), giving Interior oligarchies disproportionate influence and enabling them to block Buenos Aires-centered reforms.

This constitutional design reflected pragmatic calculation by Interior elites: they lacked the coercive capacity to resist Buenos Aires militarily (Urquiza's 1852 victory at Caseros had depended on Brazilian-Uruguayan support, demonstrating Buenos Aires's continued economic and military superiority), yet they possessed sufficient autonomy to prevent complete subordination. The Constitution thus formalized a **power-sharing bargain**: Buenos Aires elites accepted formal federalism and Interior representation in exchange for Interior elites accepting Buenos Aires's economic dominance (control over customs revenues, port infrastructure, and trade policy). Both sides agreed to restrict mass political participation, preventing lower classes from exploiting elite divisions.

Yet Buenos Aires initially **rejected** the 1853 Constitution, remaining separate from the Argentine Confederation (1853-1861) in a secessionist standoff. This reflected Buenos Aires oligarchs' calculation that they could maximize autonomy by retaining control over customs revenues without sharing with Interior provinces. Only after military defeat of the Confederation (Battle of Pavón, 1861) did Buenos

Aires rejoin—but on its own terms. The 1860 constitutional amendments **federalized Buenos Aires** while ensuring the province retained significant autonomy, and Buenos Aires became the de facto national capital (formally federalized only in 1880). This outcome demonstrated that constitutional frameworks **formalized power balances** determined by economic and military capacity rather than imposing external constraints: Buenos Aires accepted the Constitution only after confirming its dominant position within the federal structure.

Oligarchic Networks and Institutional Colonization

The constitutional framework provided formal institutions—presidency, congress, courts, provincial governments—yet these were immediately **colonized by oligarchic patronal networks** that used public authority for private accumulation. This was not episodic corruption but **systemic state capture**: oligarchs coordinated among themselves to control key institutions, allocate resources to allied networks, and exclude rival elites from access.

At the national level, the presidency rotated among Buenos Aires and Interior oligarchs through **elite consensus** rather than competitive elections: Bartolomé Mitre (1862-1868, Buenos Aires), Domingo Sarmiento (1868-1874, San Juan), and Nicolás Avellaneda (1874-1880, Tucumán) represented different regional oligarchic factions sharing power through the **Partido Autonomista Nacional (PAN)**, which emerged as the institutional vehicle for oligarchic coordination. Elections occurred regularly, yet these were **hegemonic authoritarian rituals**: opposition parties existed (primarily provincial dissident factions), but the PAN monopolized state resources—patronage appointments, infrastructure spending, military deployment—ensuring predetermined outcomes. The infamous practice of **fraude patriótico** (patriotic fraud) became normalized: PAN operatives manipulated voter rolls, intimidated opposition supporters, stuffed ballot boxes, and fabricated results when necessary. Electoral fraud was justified as necessary to prevent caudillo resurgence or mass mobilization, positioning oligarchic control as defense of "order" and "civilization."

Congress functioned as an **oligarchic coordination forum** rather than an autonomous legislature. Senators represented provincial oligarchies directly, while deputies were elected through restricted suffrage that excluded non-property-owning citizens. Legislative proceedings focused on distributing federal resources among provincial elites: infrastructure subsidies, land grants, military appointments, customs tariff adjustments. National policy debates—immigration promotion, railway concessions, Indigenous extermination campaigns—reflected oligarchic consensus rather than programmatic party competition. When conflicts arose, these involved **inter-oligarchic rivalry** (Buenos Aires vs. Interior; estancieros vs. merchants; competing provincial factions) rather than class or ideological polarization. Legislation was negotiated through informal elite networks—family connections, business partnerships, club memberships—before formal congressional procedures, which served merely to legitimize predetermined agreements.

The judiciary remained weakly institutionalized and **subordinate to executive-oligarchic power**. Supreme Court justices were appointed by the president with Senate confirmation, ensuring alignment with dominant oligarchic factions. Lower courts remained under provincial control, where governors (themselves oligarchic patrons) appointed judges loyal to their networks. Judicial independence was nominal: courts ruled according to oligarchic preferences in politically significant cases, particularly those involving property disputes, labor conflicts, or challenges to fraudulent elections. When judicial rulings threatened elite interests, executives simply ignored them or pressured judges into reversals. This judicial weakness **precluded legal-bureaucratic constraint** on oligarchic discretion—oligarchs could not be held accountable through courts even when violating constitutional provisions, as judges lacked enforcement capacity independent of elite patronage.

At the provincial level, **caudillo-style patronalism persisted** but subordinated to national oligarchic frameworks. Governors continued operating through personalistic clientelistic networks—distributing land, appointing loyalists, mobilizing rural peons—yet these provincial patrons now required national elite recognition to maintain power. Federal intervention—the constitutional provision allowing the president to remove provincial governments—became a tool for disciplining dissident governors: those who challenged national oligarchic consensus faced military intervention and replacement by PAN-aligned substitutes. Successful provincial caudillos thus operated as **subaltern patrons within oligarchic hierarchies** rather than autonomous strongmen: they maintained local clientele through traditional mechanisms (land patronage, coercive loyalty enforcement) while accepting subordination to national elite coordination.

Export Boom, Land Concentration, and Oligarchic Capitalism

Argentina's dramatic economic transformation after 1853—the shift from subsistence livestock economy to global agricultural exporter—provided the material foundation for oligarchic consolidation. The **pampas agricultural boom** generated unprecedented wealth for landed elites, enabling them to fund state institutions, co-opt potential rivals, and legitimize oligarchic rule through economic modernization narratives.

European demand for Argentine beef, wheat, and wool expanded rapidly during the 1860s-1870s, driven by industrialization, urbanization, and the opening of new maritime trade routes. Technological innovations—refrigerated shipping (enabling fresh meat exports), barbed wire (allowing fencing and intensive cultivation), railway construction (connecting interior production zones to Buenos Aires port)—dramatically increased the pampas' productive capacity. British capital flowed into Argentine railways, port facilities, and land development, integrating Argentina into the global liberal economic order as a primary commodity exporter. By 1880, Argentina had become one of the world's leading grain and meat exporters, with per capita income rivaling Southern European levels.

Yet this export boom **reinforced rather than challenged patronal structures** through extreme land concentration. The critical mechanism was **discretionary land distribution** by national and provincial governments, allocating millions of hectares of "public lands" (tierras públicas) to politically connected elites. Three processes drove concentration:

First, **military campaigns against Indigenous peoples**—particularly the "Conquest of the Desert" (1878-1885) led by General Julio Roca—seized vast territories in Patagonia and the southern pampas previously controlled by Mapuche and Ranquel groups. These campaigns involved genocidal violence: military columns systematically destroyed Indigenous settlements, massacred populations, and forcibly relocated survivors to frontier concentration camps or urban slums. The seized lands—estimated at over 15 million hectares—were then distributed through **discretionary grants and below-market auctions** to oligarchic families, military officers, and political allies. A study by historian Ezequiel Gallo found that just 381 individuals received 8.5 million hectares in Buenos Aires province alone, with average estates exceeding 20,000 hectares. This was not market allocation but **political clientelism**: access to land required connections to governors, presidents, or military commanders, and the most valuable territories went to oligarchs who financed military campaigns or provided political support.

Second, **railway concessions and infrastructure subsidies** concentrated wealth in oligarchic networks controlling both land and transport. British companies constructed railways linking interior production zones to Buenos Aires, yet route selection, land grants to railway companies, and government subsidies were determined through **corrupt negotiations** between British investors and Argentine oligarchs. Landowning families acquired advance knowledge of planned railway routes, purchased land along future lines at low prices, then profited enormously when railway access increased land values. Some

oligarchs—like the Anchorena and Pereyra families—sat on both railway company boards and government ministries, directly determining infrastructure investments benefiting their estates. This was **oligarchic capitalism in action**: economic elites captured state policy-making to direct public resources toward private accumulation.

Third, **immigration promotion and labor recruitment** subordinated European immigrants to oligarchic patronage despite formal wage labor. The Argentine state actively promoted European immigration through subsidized passage and land promises, seeking to "civilize" the nation and provide agricultural labor. Yet **land access remained controlled by oligarchs**: rather than distributing homesteads to immigrants (as occurred in the United States or Canada), Argentine authorities allocated public lands to large estancieros, forcing immigrants into tenancy, sharecropping, or wage labor on oligarchic estates. Immigrants who attempted independent farming faced systematic barriers—lack of credit, inadequate infrastructure, legal insecurity—compelling many to accept subordination to estanciero patrons in exchange for land access. This created **hybrid patron-client relations**: formally "free" wage labor coexisting with substantive dependency on landowner discretion.

The result was **extreme oligarchic wealth concentration**: by 1914, less than 2,000 families controlled over 70% of pampas land, with individual estates reaching 100,000+ hectares. These estancieros constituted a **cohesive oligarchic class** connected through intermarriage, shared British education, exclusive social clubs (Jockey Club, Sociedad Rural Argentina), and joint business ventures. Their wealth derived not from entrepreneurial innovation but from **positional rent extraction**: ownership of uniquely productive land (the pampas), control over transport infrastructure (railways, ports), and political capture of the state (tariff policy, land grants, labor regulation). This was oligarchic capitalism rather than liberal capitalism: economic success depended fundamentally on political connections rather than market competition.

Co-Constitutive Patronalism: Oligarchic Structures and Constitutional Forms

The critical analytical question for 1853-1880 is: **what was the relationship between oligarchic patronal networks and formal constitutional institutions?** The answer is neither subordinate (patronalism constrained by law) nor dominant (patronalism overwhelming institutions) but **co-constitutive**: oligarchic networks and constitutional structures mutually constituted the regime, neither fully subordinating the other.

On one hand, **oligarchic networks determined substantive political outcomes**. Elections, legislation, judicial rulings, and executive appointments reflected oligarchic preferences coordinated through informal channels (family ties, business partnerships, club networks) rather than impersonal legal procedures. Oligarchs used constitutional institutions instrumentally—elections legitimized predetermined power rotations, congress allocated resources among allied families, courts enforced property rights benefiting oligarchic accumulation. When formal rules threatened elite interests, oligarchs simply violated them (electoral fraud, executive overreach, judicial manipulation) without consequence. In this sense, patronalism **dominated** outcomes even while operating through constitutional forms.

On the other hand, **constitutional institutions mattered beyond mere façade**. Unlike caudillo-era plebiscitary rituals, post-1853 constitutional procedures **constrained oligarchic discretion** in meaningful ways. Oligarchs could not simply eliminate institutions when convenient—presidential terms were fixed at six years with no immediate reelection, requiring periodic elite renegotiation; provincial autonomy prevented any single oligarchic faction from monopolizing national power; congress had to approve budgets, preventing executive unilateralism. More importantly, constitutional frameworks **institutionalized elite power-sharing**: Interior oligarchs accepted Buenos Aires economic

dominance because the Constitution guaranteed their provincial autonomy and Senate representation. This formalized bargain proved **stable** because constitutional institutions reduced uncertainty about future elite interactions, making cooperation more valuable than renewed violence. In this sense, constitutionalism **enabled** oligarchic coordination rather than merely legitimating predetermined outcomes.

This co-constitutive relationship differed fundamentally from both colonial subordination (where patronal networks operated within Crown authority) and caudillo dominance (where patronal networks overwhelmed formal institutions). It represented a **hybrid equilibrium**: oligarchs needed constitutional institutions to coordinate among themselves, resolve disputes without violence, and legitimize their rule to domestic and international audiences; constitutional institutions required oligarchic patronal networks to actually function, as bureaucratic capacity remained weak and implementation depended on oligarchic cooperation. Neither could operate independently—removing oligarchic networks would leave hollow institutional shells without enforcement capacity, while removing constitutional frameworks would return oligarchs to caudillo-style violent competition.

This co-constitutive pattern established the template for Argentina's subsequent oscillations. Even during periods formally classified as **Electoral Democracy × Crony Capitalism** (1912-1930, 1983-1989) or **Competitive Authoritarianism × Patronal Capitalism** (1946-1955, 2003-2015), the underlying logic remained similar: formal institutions structured elite competition and provided legitimating frameworks, while informal patronal networks determined substantive outcomes. What varied across regimes was the **relative weight** of formal vs. informal dimensions and the **specific mechanisms** of patronal control, not the fundamental co-constitutive relationship.

The Separation of Oligarch and Sword: Military Professionalization and the End of Caudillo Fusion

The transition from caudillo to oligarchic patronalism involved not merely constitutional formalization but a fundamental **structural separation**: the division of military coercion from landowning wealth. During the caudillo era (1810-1853), the **caudillo figure fused** three power sources—land ownership (economic base), personal military command (coercive capacity), and regional political authority (governance function). A provincial caudillo was simultaneously the largest landowner, the commander of armed militias (his private **banderium**), and the de facto or de jure governor. Caudillos recruited followers—gauchos, peons, rural laborers—into personal militias, while provincial elites (landowners, merchants, local officials) allied with or opposed regional strongmen based on calculated interests, creating rival provincial factions that periodically clashed in violent conflicts. This fusion made caudillos **autonomous patrons**: they required no external institutional validation and could resist challenges through personal military force.

Between 1853 and 1880, this fusion **dissolved** through deliberate state-building: the national government and then provincial authorities progressively subordinated military coercion to formal institutional control, **transforming armed caudillos into unarmed oligarchs**. This process was neither automatic nor peaceful—it required military campaigns to crush recalcitrant provincial strongmen, constitutional prohibitions on private militias, and institutional construction of a professionalized national army. The result was a **new patronal configuration**: oligarchs retained economic dominance and political influence but lost direct coercive capacity, while military officers gained professional autonomy but initially remained subordinate to oligarchic political control. This separation created the structural conditions for twentieth-century that the armed forces could achieve corporate autonomy without being beholden to any oligarchic patron.

Constitutional Prohibition and Provincial Militia Abolition

The 1853 Constitution explicitly **prohibited provinces from maintaining military forces** independent of the national government (Article 108, now Article 126). This constitutional provision aimed directly at dismantling caudillo power by eliminating the legal basis for provincial militias—the armed bands that had enabled regional strongmen to resist Buenos Aires authority and wage internecine warfare. Yet constitutional prohibition alone proved insufficient: enforcement required military defeat of caudillos who refused compliance.

The critical turning point came during Bartolomé Mitre's presidency (1862-1868) when the national government, backed by Buenos Aires resources and Brazilian-Uruguayan military support, waged the **War of the Triple Alliance** (1864-1870) against Paraguay. This war necessitated creating a **professional national army** through conscription and centralized command, replacing provincial militia levies with soldiers answerable to the federal government. President Mitre used this nascent national force not only against Paraguay but also to crush remaining provincial caudillos who maintained autonomous militias. Rebellious governors—particularly in the Interior provinces—faced federal military intervention: their private armed bands were defeated, their lands often confiscated, and they were either killed, exiled, or co-opted into the emerging oligarchic constitutional system.

During Domingo Sarmiento's presidency (1868-1874), this process intensified. Sarmiento, who in 1869 established the Colegio Militar to train officers for the Argentine army, looked to the formation of a professional army as the answer to the improvised gaucho militias of provincial caudillos who had spread havoc in Argentina during the long conflict between the port and the province of Buenos Aires. Duke University Press The Colegio Militar represented a fundamental break from caudillo military organization: officers would be trained in formal military science, subject to bureaucratic hierarchies, and loyal to national institutions rather than personal patrons. This was **legal-bureaucratic military professionalization** aimed explicitly at eliminating caudillo-style personalistic command.

By Julio Argentino Roca's presidency (1880-1886), provincial militias had been **effectively abolished**. After the federalization of the city of Buenos Aires in 1880, the national army began to play a new role in Argentine history, becoming the praetorian guard of an all-powerful president representing the landed oligarchy. From 1880 to 1886, President Roca established the *unicato*, the one-man rule of the president, largely through the use of an army now well equipped with the new Remington rifle and capable of swift transport on recently constructed railroads. Provincial governors who once commanded private armies now governed through **institutionally delegated authority**: federal troops were deployed to provinces under presidential orders, not gubernatorial command. When provincial elites resisted national oligarchic consensus, Roca used federal intervention backed by professional military force to remove them—but these interventions operated through constitutional procedures and national military hierarchy, not through caudillo militias.

From Private Banderia to Professionalized Force

The dissolution of private militias did not eliminate all subaltern armed forces—some **loyal landowners' retainers** persisted into the early twentieth century as estate guards or informal rural police. Yet these residual forces operated at dramatically reduced scale and lacked military significance: a provincial estanciero might employ armed overseers to control peons or suppress rural unrest, yet these private guards could not challenge federal military power. The technological gap proved decisive: in the early 1870s the Remington rifle and carbine were introduced and became standard issue for the

Argentine infantry and cavalry, respectively. These weapons were said to have provided the government the decisive advantage required to put down continuing insurrections and to "pacify" the Indian population during the 1880s. Modern repeating rifles, artillery, and railway-transported troops overwhelmed gaucho cavalry armed with lances and sabers. Any landowner attempting to resurrect caudillo-style resistance faced not a rival regional militia but a professional national army with overwhelming firepower.

The **Conquest of the Desert** (1878-1885) demonstrated this new military reality. General Roca commanded a centralized national campaign using coordinated columns, telegraph communications, railway logistics, and modern weaponry to systematically defeat Indigenous resistance and seize Patagonian territories. Provincial landowners participated by financing the campaign and receiving land grants afterward, yet they did so as **economic partners** rather than military commanders—Roca's officers led the troops, not provincial caudillos. This contrasted sharply with earlier frontier campaigns where caudillos like Rosas personally led their militias in exchange for land and plunder. The separation was complete: **military coercion was nationalized** under professional command, while economic rewards (land distribution) remained discretionary but mediated through formal state institutions.

The Oligarch Without a Sword: Institutional Dependence and Patronal Adaptation

By 1880, the **oligarch had been disarmed**: the wealthiest landowner could no longer personally command armed forces to defend his interests or challenge rivals. This represented a fundamental transformation in patronal structure. During the caudillo era, a patron's authority derived substantially from his **capacity for violence**—followers obeyed because the patron could physically coerce them or protect them from others' violence. Post-1880, oligarchic patrons relied on **institutional mediation**: they controlled state institutions (presidency, governorships, congress, courts) that in turn commanded the professional military and police. Oligarchs' patron-client networks persisted, yet these operated through **discretionary resource allocation** (land grants, credit access, legislative favors, judicial rulings) rather than direct coercion.

This institutional dependence introduced new vulnerabilities. Oligarchs now required **sustained coordination** to maintain control over the national government, as losing the presidency or congressional majorities meant losing command over coercive apparatus. The **acuerdo** system—informal elite consensus on presidential succession and policy priorities—emerged precisely to manage this vulnerability: oligarchic families negotiated power-sharing agreements that rotated offices among regional factions while ensuring collective control over state institutions. When consensus broke down (as occurred during factional conflicts in the 1890s), oligarchs faced the risk that rivals might capture the presidency and use federal intervention backed by professional military force to destroy their provincial power bases.

Yet oligarchs also gained critical advantages from disarmament. **Reduced violence** enabled stable economic accumulation: rather than investing in private militias and risking property destruction through civil war, oligarchs could focus wealth on agricultural expansion, infrastructure, and financial accumulation. **Professionalized military subordination** (1880-1930) meant that officers remained **apolitical servants of the oligarchic state**: they executed orders from civilian presidents, suppressed labor unrest and rural uprisings, and refrained from autonomous political intervention. Between 1880 and 1930, the Army sought to become a professional force without active involvement in politics, even though many a political figure—President Julio Argentino Roca, for example—benefitted from a past military career. Military professionalism was specifically designed to ensure that officers did not

become **new caudillos**: extensive training, bureaucratic hierarchies, Prussian-inspired discipline, and European military missions all aimed to subordinate officers to institutional authority rather than personal ambition.

The Seed of Future Military Autonomy

Yet the very professionalization that initially secured oligarchic control **planted the seeds** for twentieth-century military intervention. By creating a **corporately autonomous institution** with monopoly over coercive means, technological expertise, and hierarchical cohesion, the state constructed an actor capable of **independent political action** once conditions shifted. Several structural features proved critical for later military activism:

First, **military professional identity** created collective interests distinct from oligarchic preferences. Officers increasingly viewed themselves as **guardians of national order** and technical experts in governance, particularly as European military training emphasized the army's role in national modernization. When oligarchic politics appeared chaotic or threatening (labor mobilization, electoral fraud scandals, economic crises), officers could claim a **duty to intervene** to restore stability—precisely the logic invoked during the 1930 coup that overthrew Radical President Yrigoyen.

Second, **meritocratic recruitment** (via Colegio Militar admissions open to middle-class males) created an officer corps **socially distinct** from the landed oligarchy. While initial generations of officers often came from oligarchic families (Roca himself was from a provincial elite background), by the early twentieth century, middle-class officers predominated. These officers lacked personal loyalty bonds to oligarchic patrons and resented elite corruption and incompetence, making them potential allies for anti-oligarchic political forces—or autonomous actors claiming to transcend elite factionalism.

Third, **institutional autonomy over internal affairs** (promotions, budgets, training) meant that once the military hierarchy unified behind political intervention, civilian authorities lacked instruments to prevent it. Oligarchic presidents could not easily purge disloyal officers without risking military rebellion, nor could they rely on rival military factions (as caudillos had manipulated competing militias), because professionalization emphasized **hierarchical unity** and corporate loyalty.

The critical pattern for understanding twentieth-century oscillations thus emerged during 1853-1880: the **separation of economic oligarchy from military coercion** created two **potentially autonomous actors**—oligarchic civilian elites controlling economic resources and state institutions, and professional military officers monopolizing coercive capacity. So long as both actors' interests aligned (suppressing labor unrest, maintaining export-oriented economic model, preventing mass mobilization), the military remained subordinate to civilian oligarchic authority.

From Oligarchic Subordination to Military Corporate Autonomy

The professionalization process that initially secured oligarchic control paradoxically created the conditions for military autonomy. Between 1880 and 1910, the armed forces functioned as the **praetorian guard** of oligarchic presidents: from 1880 to 1886, President Julio A. Roca established the *unicato*, the one-man rule of the president. During this period, the president directly appointed senior officers based on political loyalty, and oligarchic elites could purge disloyal commanders to maintain control.

Yet professionalization introduced structural changes that eroded this subordination. First, **recruitment broadened socially**: admission to the Colegio Militar was open to any healthy Argentine male aged 14

to 18 who could pass an entrance examination, severing the automatic connection between oligarchic family background and officer status. By 1912 virtually all of the high ranks in the officer corps were occupied by young men, drawn mainly from the middle class. This middle-class officer corps lacked personal loyalty bonds to oligarchic patrons and developed **corporate professional identity** distinct from civilian elite interests. Second, **promotion control shifted internally**: by 1910, the criterion for promotion had shifted from political or presidential favoritism to mastery of the techniques of modern warfare. Officers of the "Old Army" were being retired in large numbers to enforce the new criterion. A related development was the shift in the control of promotions from the presidency to the professional army, represented by a Tribunal de Clasificación comprised of commanders of army divisions headed by the highest ranking general. This institutional change was decisive: this shift meant that able officers could rise in the profession and acquire military prestige apart from that formerly bestowed by the president. Third, **corporate cohesion** developed through German military doctrine, War Academy training (Escuela Superior de Guerra, established 1900), and obligatory conscription (Law 4031, 1901), which created shared professional socialization distinct from civilian political culture. Officers increasingly viewed themselves as **technical experts** in national defense and guardians of institutional honor, cultivating an ethos that prioritized military corporate interests over subordination to civilian politicians.

By the Radical era (1916-1930), the military had become a **semi-autonomous corporate entity**: Yrigoyen attempted to reestablish presidential domination over a professional army which had striven for more than a decade for a large measure of autonomy in institutional matters. Oligarchic civilian elites could no longer simply purge disloyal officers without risking military rebellion, as promotion and command structures operated through internal hierarchies rather than presidential discretion. Should the presidency falter in a grave crisis and the state cease to operate, as happened in 1930, the army officer corps was prepared to provide not only the force but also the leadership needed to define political change.

This transformation had profound implications for Argentina's subsequent regime oscillations. The separation of oligarchy from military coercion (1853-1880) had subordinated the armed forces to civilian political control; yet professionalization (1880-1930) created a **semi-autonomous actor** capable of intervening independently when corporate interests or officer conceptions of national order clashed with civilian political directions. The 1930 coup that overthrew Radical President Yrigoyen would demonstrate this new reality: a middle-class officer corps, acting on corporate grievances and claiming to restore order amid economic crisis, could seize power despite lacking oligarchic patron backing—inaugurating six decades of military interventionism that no civilian government could fully control.

Patronal Oscillation Phase: Stabilization of Oligarchic Capitalism

Oligarchic patronalism (1853-1880) occupied the **late strengthening phase transitioning into stabilization** within the oscillation framework. This patronal type **inherited** elements from both colonial oligarchy (landed wealth, export orientation, elite coordination) and caudillo networks (discretionary land distribution, personalistic authority, coercive labor control) but **transformed** these by embedding them within constitutional frameworks and global market integration.

The **strengthening** occurred through three mechanisms: (1) land concentration via Conquest of the Desert and discretionary allocation, consolidating oligarchic economic dominance; (2) constitutional institutionalization via the 1853 framework, formalizing elite power-sharing and reducing violent competition; (3) export integration via British capital and European markets, generating wealth sufficient to fund state-building and co-opt potential rivals. By 1880, oligarchic networks controlled

land, state institutions, and export revenues simultaneously, achieving comprehensive dominance over both political and economic spheres.

The **stabilization** phase would begin in earnest during 1880-1912 (the "Liberal Era"), when oligarchic patronalism became the normalized, institutionalized mode of governance. The **Generación del '80**—the cohort of oligarchic politicians, intellectuals, and businessmen consolidating power after 1880—systematized oligarchic control through the **acuerdo** (elite pact system), fraudulent elections, and ideological legitimation through positivist progress narratives. This period saw oligarchic patronalism achieve its apex: hegemonic political control, unprecedented economic prosperity, and international recognition as a "civilized" nation. Yet the seeds of weakening were simultaneously planted: mass European immigration created new urban working classes, universal male suffrage movements challenged restricted democracy, and economic volatility exposed Argentina's dependent position in global markets.

The **formal-informal relationship** shifted decisively during 1853-1880 from **dominant patronalism** (caudillo era) to **co-constitutive patronalism**. Oligarchic networks no longer overwhelmed formal institutions but rather **colonized and instrumentalized** them: constitutions structured elite bargaining, elections legitimized oligarchic power rotations, congress allocated resources among allied families, courts enforced oligarchic property rights. Yet this co-constitutive relationship remained fundamentally **patronal** rather than liberal: institutions served oligarchic private interests rather than constraining oligarchy through impersonal rules. The transition from caudillo to oligarchic patronalism thus involved not the elimination of patronalism but its **institutionalization within constitutional forms**—a pattern that would characterize Argentine politics through multiple subsequent regime changes.

III. The Liberal Era and Its Contradictions (1880-1930)

Argentina's so-called "Liberal Era" represents one of history's great misnomers. Between 1880 and 1930, Argentina achieved unprecedented economic prosperity, integrated into global markets as a leading agricultural exporter, attracted millions of European immigrants, and maintained constitutional republican institutions with regular elections and peaceful presidential transitions. To contemporary observers, Argentina appeared to exemplify liberal capitalist modernity: the *Financial Times* ranked Buenos Aires among the world's ten wealthiest cities by 1914, British investors poured capital into Argentine railways and infrastructure, and European elites sent their children to study in Argentine universities. Yet beneath this liberal façade operated a fundamentally oligarchic patronal system: a narrow landed elite monopolized political power through systematic electoral fraud, captured state institutions to serve private accumulation, and subordinated formal constitutional procedures to informal elite coordination. This contradiction—liberal forms coexisting with oligarchic substance—structured the era's trajectory and ultimately produced its collapse.

The period divides into two distinct phases. **First (1880-1916)** saw the consolidation and stabilization of **Hegemonic Authoritarianism × Oligarchic Capitalism**: oligarchic networks achieved their apex of power, institutionalizing bottom-up state capture through the *acuerdo* system, fraudulent elections (*fraude patriótico*), and discretionary control over land, credit, and infrastructure. This was not liberal democracy but rather oligarchic patronalism operating through constitutional mechanisms—what the framework terms **co-constitutive patronalism**, where informal oligarchic networks and formal institutions mutually constituted the regime. **Second (1916-1930)** witnessed the transition to **Electoral Democracy × Crony Capitalism**: the Sáenz Peña Law (1912) introduced universal male suffrage and secret ballot, enabling the Radical Party's electoral victories (1916, 1922, 1928) and breaking oligarchic monopoly. Yet this democratic opening did not eliminate patronalism but rather **reconfigured** it: crony networks replaced unified oligarchic capture, middle-class clients supplemented landed elite

dominance, and new patronal mechanisms (urban machine politics, union clientelism, provincial *caudillismo*) emerged alongside weakening oligarchic structures.

Understanding this era requires recognizing that Argentina's oscillation pattern was already established: the inability to consolidate either toward liberal democracy (oligarchic networks prevented genuine rule of law) or toward unified patronal autocracy (competing elite factions prevented single-network monopolization) produced chronic instability beneath apparent prosperity. The 1930 military coup that ended the Liberal Era was not an aberration but rather the logical outcome of structural contradictions embedded since 1880—contradictions between formal liberal institutions and substantive oligarchic control, between economic modernization and patronal resource allocation, between mass political mobilization and elite resistance to redistribution.

3.1. Oligarchic Hegemony (1880-1916): The Stabilization of Bottom-Up State Capture

The period 1880-1916 represented the **stabilizing phase** of oligarchic patronalism, during which landed elites achieved comprehensive control over both political institutions and economic structures. This was **Hegemonic Authoritarianism × Oligarchic Capitalism** in paradigmatic form: constitutional republican institutions operated continuously (elections, congress, judiciary, federalism), yet oligarchic networks captured these institutions so completely that opposition could not realistically win power. Unlike the caudillo era's dominant patronalism (informal networks overwhelming formal institutions), oligarchic hegemony operated through **co-constitutive patronalism**: formal institutions provided frameworks for elite coordination and legitimation, while informal oligarchic networks determined substantive outcomes. This configuration proved remarkably stable—surviving economic crises, labor unrest, and political challenges—precisely because it embedded patronal control within constitutional procedures rather than relying on naked coercion.

The *Acuerdo* System: Oligarchic Coordination Through Informal Elite Pacts

The foundation of oligarchic hegemony was the **acuerdo** system: informal agreements among regional oligarchic factions coordinating presidential succession, resource distribution, and policy priorities. The *acuerdo* emerged from pragmatic calculation by Interior and Buenos Aires elites: rather than risk renewed civil war over presidential control (as occurred during the caudillo era), oligarchs negotiated power-sharing arrangements that rotated the presidency among regional factions while ensuring collective oligarchic dominance over state institutions.

The paradigmatic *acuerdo* was the **1880 Roca-Mitre pact** that established the National Autonomist Party (PAN) as the vehicle for oligarchic coordination. Julio Argentino Roca (Interior province elite, military officer, architect of the Conquest of the Desert) and Bartolomé Mitre (Buenos Aires intellectual elite, former president 1862-1868) represented competing regional oligarchic factions whose rivalry had previously fueled instability. Yet both calculated that institutionalized power-sharing offered greater benefits than violent competition: Roca would serve as president (1880-1886, 1898-1904), Interior provinces would receive federal resources and political representation, Buenos Aires elites would retain economic dominance through port control and export revenues, and both factions would collectively monopolize state institutions to exclude rival elites and prevent mass political participation.

The *acuerdo* operated through **informal elite consensus** preceding formal constitutional procedures. Presidential candidates were selected not through competitive primaries or open conventions but through closed-door negotiations among oligarchic faction leaders meeting in Buenos Aires social clubs (Jockey Club, Círculo de Armas), family estates, or congressional back rooms. These negotiations assessed each faction's relative strength (provincial governorships controlled, congressional delegations, military connections, economic resources), identified compromise candidates acceptable to multiple factions, and distributed cabinet positions, governorships, and legislative leadership to

ensure broad oligarchic coalition support. Only after elite consensus was achieved would formal procedures commence: the PAN would officially nominate the agreed candidate, provincial legislatures (controlled by local oligarchies) would instruct their presidential electors, and the electoral college would ratify the predetermined outcome.

This system ensured **predictable elite rotation** without threatening oligarchic collective interests. The presidency alternated among regional factions: Roca (Tucumán/Interior, 1880-1886), Miguel Juárez Celman (Córdoba, 1886-1890), Carlos Pellegrini (Buenos Aires, 1890-1892), Luis Sáenz Peña (Buenos Aires, 1892-1895), José Evaristo Uriburu (Salta, 1895-1898), Roca again (1898-1904), Manuel Quintana (Buenos Aires, 1904-1906), José Figueroa Alcorta (Córdoba, 1906-1910), Roque Sáenz Peña (Buenos Aires, 1910-1914), Victorino de la Plaza (Buenos Aires/Interior, 1914-1916). Each transition involved elite renegotiation: outgoing presidents consulted faction leaders, assessed successor viability, and brokered compromises. When consensus failed—as occurred during the 1890 economic crisis when President Juárez Celman attempted to concentrate power excessively—elite factions coordinated to force resignation and restore *acuerdo* norms.

The *acuerdo* system had profound implications for patronal structure. Unlike caudillo-era personalistic networks (where patron-client bonds centered on individual strongmen), oligarchic patronalism operated through **collective elite coordination**. No single oligarch monopolized state resources; rather, multiple regional networks shared access through negotiated distribution. Federal budgets allocated infrastructure spending across provinces (railways to Interior provinces, port facilities to Buenos Aires), cabinet positions rotated among factions, provincial governorships remained autonomous within federal frameworks, and land grants from Conquest of the Desert distributed among multiple oligarchic families. This **cartelized patronalism**—oligarchs cooperating to exclude outsiders while competing internally for shares—proved more stable than caudillo dominance because it reduced incentives for defection: elite factions received guaranteed resource access through *acuerdo* participation, making violent challenges unnecessarily risky.

Electoral Fraud as Institutionalized Mechanism: *Fraude Patriótico*

Oligarchic hegemony required not merely elite coordination but also **mass exclusion**: preventing non-oligarchic groups (middle classes, immigrants, urban workers, rural laborers) from translating numerical majority into political power. The mechanism was systematic electoral fraud, euphemistically termed *fraude patriótico* (patriotic fraud)—oligarchs justified manipulation as necessary to prevent "demagogic" or "anarchist" threats to national order and progress.

Electoral fraud operated through multiple interlocking techniques, transforming elections from competitive processes into hegemonic rituals. **First, suffrage restrictions** limited voting rights to literate property-owning males, excluding the vast majority. Although the 1853 Constitution formally established universal male suffrage, provincial electoral laws imposed literacy tests, property qualifications, and residency requirements that disenfranchised workers, tenant farmers, and recent immigrants. Estimates suggest that **active voters comprised only 1-3% of the total population** during the 1880s-1900s, rising to perhaps 5-8% by 1910—far below the 20-30% typical in European constitutional monarchies of the same period.

Second, public voting enabled direct oligarchic surveillance and clientelistic coercion. Until the Sáenz Peña Law (1912), voting occurred publicly: citizens announced their choices verbally to electoral officials or deposited marked ballots in open boxes monitored by party operatives. This transparency allowed oligarchic patrons to verify client compliance: estancieros could confirm their peons voted correctly, urban bosses could check neighborhood followers' loyalty, and employers could pressure workers. Non-compliance invited punishment—loss of employment, eviction from tenant farms,

exclusion from patronage, or physical violence. Public voting thus embedded electoral participation within patron-client hierarchies: citizens voted not as autonomous individuals exercising rights but as dependent clients demonstrating loyalty.

Third, electoral administration remained under oligarchic control at every level. Provincial governments (dominated by local oligarchies) appointed electoral judges who compiled voter registries, validated ballots, and certified results. These officials systematically manipulated registries: adding fictitious voters (often deceased persons or invented names), excluding opposition supporters through arbitrary disqualifications, and gerrymandering districts to dilute opposition concentrations. The lack of independent electoral tribunals or judicial oversight meant that fraudulent manipulations faced no institutional constraints—when opposition parties challenged results, oligarchy-controlled courts dismissed complaints.

Fourth, vote-buying and clientelistic mobilization ensured oligarchic electoral majorities. On election days, oligarchic operatives distributed cash payments, alcohol, and food to voters in exchange for supporting PAN candidates. Urban neighborhoods received patronage promises (public employment, infrastructure projects), while rural districts mobilized through *estanciero* commands to dependent peons and tenant farmers. These were not episodic bribes but systematic clientelistic exchanges: oligarchic patrons delivered material benefits, and clients reciprocated with votes. The predictability of these exchanges—reinforced through public voting surveillance—ensured reliable oligarchic victories even in formally competitive elections.

Fifth, when fraud proved insufficient, violence and intimidation suppressed opposition. Oligarchic private militias (*matones, compadritos*) attacked opposition rallies, intimidated voters at polling stations, and destroyed opposition ballots. Provincial police forces—controlled by oligarchic governors—arrested opposition organizers on fabricated charges, closed opposition newspapers, and banned opposition meetings. Federal intervention (the constitutional provision allowing the president to remove provincial governments) became a tool for disciplining dissident oligarchic factions: presidents deployed federal troops to provinces where local elites defected from *acuerdo* consensus, dissolved legislatures, and installed compliant governors.

The term *fraude patriótico* revealed oligarchs' self-justification: electoral manipulation was not corruption but patriotic duty, preventing "ignorant masses" or "foreign radicals" from derailing Argentina's modernization. Oligarchic intellectuals—including prominent liberal thinkers like José Ingenieros—defended restricted democracy as necessary during Argentina's "civilizational" transition, arguing that full democracy required educated citizenry not yet achieved. This ideological legitimation allowed oligarchs to maintain constitutional republican façades while systematically violating democratic principles, creating the peculiar hybrid of **hegemonic authoritarianism**: elections occurred regularly, opposition parties existed legally, yet ruling elites' grip on power remained unbreakable through institutional means.

Land Concentration and Export Oligarchy: The Material Foundation of Oligarchic Capitalism

Oligarchic political hegemony rested fundamentally on **extreme land concentration** and monopolistic control over Argentina's export economy. The pampas—Argentina's vast fertile grasslands ideal for cattle ranching and grain cultivation—constituted the nation's primary wealth source, yet ownership remained concentrated in a tiny elite. By 1914, approximately **1,800 families controlled over 70% of productive pampas land**, with individual estates (*estancias*) frequently exceeding 50,000-100,000 hectares. This concentration was not a market outcome but the result of **discretionary political allocation**: oligarchs used state power to appropriate land, exclude competitors, and structure property rights to perpetuate elite dominance.

The foundational mechanism was **land distribution following the Conquest of the Desert** (1878-1885). As analyzed in section 2.3, General Roca's military campaigns seized approximately 15 million hectares from Indigenous peoples through genocidal violence. These territories were then allocated through **discretionary grants and below-market auctions** favoring politically connected oligarchs. Rather than distributing homesteads to immigrant settlers (as occurred in the United States or Canada), the Argentine state awarded massive estates to military officers, financial backers of campaigns, and oligarchic families allied with the Roca administration. The criteria were explicitly political: loyalty to the national government, financial contributions to military campaigns, and membership in elite social networks determined access, not productive capacity or settlement plans.

The result was instantaneous oligarchic enrichment on an unprecedented scale. Families like the **Anchorena, Pereyra Iraola, Martínez de Hoz, Alzaga Unzué, and Santamarina** dynasties acquired estates measuring hundreds of thousands of hectares, becoming among the world's largest landowners. These were not entrepreneurial capitalists accumulating through market competition but **rentiers extracting positional rents** from uniquely fertile land allocated through political connections. The pampas' extraordinary productivity—requiring minimal labor or capital investment to generate high-value beef and grain exports—meant that land ownership alone guaranteed immense wealth. Oligarchs did not need to innovate, invest heavily, or compete; they simply collected rents from tenant farmers (*arrendatarios*) or employed minimal wage labor (*peones*) to exploit land gifted by the state.

Railway construction reinforced land concentration through corrupt integration of infrastructure and property speculation. British companies financed and constructed Argentina's railway network during the 1880s-1910s, yet route selection, land grants to railway companies, and government subsidies were determined through **corrupt negotiations** between British investors and Argentine oligarchs. Oligarchic families used advance knowledge of planned railway routes to purchase land along future lines at deflated prices, then profited enormously when railway access increased land values. The most egregious cases involved oligarchs sitting simultaneously on railway company boards and government infrastructure ministries, directly determining investments benefiting their estates. For example, the **Anchorena family**—among Argentina's wealthiest—owned both vast pampas estates and shares in British railway companies serving those estates, ensuring infrastructure prioritized their properties while excluding smallholder competitors.

This corrupt railway-land nexus exemplified **oligarchic capitalism's structural logic**: economic elites captured state policy-making to direct public resources toward private accumulation. Railway subsidies, port infrastructure investments, agricultural research stations, and veterinary services—all financed by public revenues—primarily benefited large estancieros while bypassing smallholders and tenant farmers. The state functioned as an **instrument of oligarchic class interests** rather than a neutral regulator or provider of public goods. Regulatory agencies (land registry offices, agricultural ministries, export licensing boards) were colonized by oligarchs or their clients, ensuring that formal rules reinforced rather than constrained elite privileges.

Tenant farming (*arrendamiento*) and sharecropping further subordinated non-oligarchic agricultural producers to oligarchic discretion. Rather than selling land or establishing independent smallholder agriculture, estancieros leased land to immigrant farmers and Argentine laborers through short-term contracts (typically 3-5 years) with onerous conditions. Tenants bore all production risks—crop failures, price fluctuations, pest infestations—while landlords extracted fixed rents regardless of yields. Contracts prohibited tenants from planting perennial crops (which might establish long-term tenure claims), mandated crop rotations benefiting landlord livestock operations, and allowed unilateral rent

increases or evictions. The absence of legal protections for tenants—courts systematically ruled in favor of landowners in disputes—meant that hundreds of thousands of agricultural producers remained in **clientelistic dependency** on oligarchic patrons despite nominally "free" market contracts.

The **1912 Grito de Alcorta**—a massive tenant farmers' strike protesting contract conditions—revealed both the extent of oligarchic exploitation and the limits of resistance. Tenant farmers in Santa Fe province organized collectively to demand rent reductions, longer lease terms, and freedom to plant as they chose. The movement spread across the pampas, involving tens of thousands of farmers and forcing temporary rent concessions. Yet the strike's ultimate impact was limited: oligarchs used state repression (police violence, legal prosecutions), divided tenant organizations through selective concessions, and ensured that structural power—land ownership, credit control, export market access—remained concentrated. By 1916, tenant conditions had largely reverted to pre-strike norms, demonstrating that mobilization without challenging oligarchic land monopoly could not fundamentally alter power relations.

Export market control completed oligarchic economic dominance. British merchant houses (particularly **Bunge & Born**) and Argentine oligarchic firms monopolized grain export logistics: purchasing crops from producers, financing shipments, controlling port facilities, and negotiating with European buyers. This vertical integration allowed oligarchs to extract rents at multiple points—as landowners collecting tenant rents, as exporters capturing margins between producer prices and international markets, and as financiers charging interest on production loans. Small producers faced monopsony power: a handful of oligarchic buyers determined purchase prices, and producers lacking access to alternative markets accepted dictated terms. The state reinforced this structure through export licensing that favored established oligarchic firms and infrastructure investments (port facilities, grain elevators) that primarily served large-scale operators.

By 1914, Argentina's export economy generated enormous aggregate wealth—per capita GDP comparable to France or Germany—yet distribution remained profoundly unequal. The **top 1% of landowners** captured approximately 40-50% of agricultural rents, while tenant farmers, rural laborers, and urban workers received subsistence wages. British investors extracted substantial profits through railway dividends and commercial operations, yet even these foreign capital flows enriched Argentine oligarchs who held partnership stakes and received infrastructure subsidies. The vaunted "prosperity" of the Liberal Era was fundamentally **oligarchic prosperity**: wealth concentration among a landed elite using state power to structure markets, allocate resources, and exclude competitors.

This economic structure was **oligarchic capitalism** in paradigmatic form: bottom-up state capture by economic elites, regular corrupt transactions organized through segmental vassal chains (provincial oligarchs, urban merchants, rural intermediaries), and substantive subordination of political authority to oligarchic economic interests. Unlike patronal capitalism (where political patrons dominate economic actors) or liberal capitalism (where impersonal markets allocate resources), oligarchic capitalism involved **economic elites capturing state institutions** to serve accumulation while maintaining constitutional republican façades. The oligarchy did not need to directly govern—indeed, they preferred delegating administrative functions to professional politicians and bureaucrats—they merely needed to ensure that state policies served their material interests, which the *acuerdo* system and electoral fraud reliably delivered.

Immigration, Urbanization, and Emerging Social Forces: The Seeds of Oligarchic Decline

The very economic dynamism that enriched the oligarchy paradoxically **undermined the social foundations** of oligarchic hegemony. Between 1880 and 1914, Argentina experienced one of history's most dramatic demographic transformations: approximately **6 million European immigrants** arrived, fundamentally altering the nation's social composition, urban structure, and political possibilities. Oligarchs actively promoted immigration—viewing European settlers as necessary labor for agricultural expansion and "civilizational" improvement over Indigenous and mestizo populations—yet failed to anticipate that mass immigration would create **new social forces** resistant to oligarchic subordination: an urban middle class demanding political participation, an industrial working class organizing unions and strikes, and immigrant communities importing radical ideologies (anarchism, socialism, syndicalism) that challenged elite dominance.

Immigration's scale and composition transformed Argentina's demography within a single generation. In 1869, Argentina's population numbered approximately 1.8 million; by 1914, it exceeded 7.9 million, with immigrants comprising **30% of the total population** and nearly **50% in Buenos Aires**. The overwhelming majority came from Southern Europe: Italians (46%), Spaniards (32%), with smaller contingents from France, Germany, Poland, Russia, and the Ottoman Empire (Jews and Arabs). Unlike the United States—where immigrants dispersed geographically and assimilated linguistically—Argentine immigrants **concentrated in cities** (particularly Buenos Aires, Rosario, and Córdoba) and maintained distinct ethnic communities with native-language newspapers, mutual aid societies, and cultural associations. This urban concentration created dense networks capable of collective mobilization independent of oligarchic patronage.

Oligarchs had envisioned immigration producing **subordinate agricultural laborers** and **compliant urban workers** who would accept elite authority and integrate into existing patronal structures. Yet several factors frustrated this expectation. First, **land monopoly** prevented immigrant smallholder agriculture: as analyzed above, oligarchs monopolized pampas land, forcing immigrants into tenant farming or urban wage labor rather than independent farming. Immigrants who arrived expecting homesteads—as United States and Canadian policies provided—discovered that Argentine "public lands" had been allocated to oligarchic estates, leaving only exploitative tenant contracts or urban employment. This **blocked social mobility** through agricultural property accumulation, concentrating immigrants in cities where they formed a potentially radical proletariat rather than a conservative landowning peasantry.

Second, **immigrant political exclusion** prevented assimilation into oligarchic clientelistic networks. Argentina's citizenship laws granted nationality automatically to native-born children but **not to immigrant adults** unless they underwent naturalization—a cumbersome process most immigrants avoided. Non-citizens could not vote, hold office, or receive certain public benefits, excluding immigrants from formal political participation despite comprising 30% of the population. This exclusion had contradictory effects: on one hand, it insulated oligarchic electoral dominance from immigrant influence (fraudulent elections manipulated only citizens, and immigrants lacked voting rights to challenge fraud); on the other hand, it prevented oligarchs from co-opting immigrant communities through patronage, leaving immigrants **outside** traditional patron-client structures and therefore susceptible to radical ideologies that rejected patronal subordination entirely.

Third, **urban economic conditions** fostered class consciousness and collective organization rather than individualistic competition. Buenos Aires's explosive growth—from 180,000 inhabitants (1869) to 1.5 million (1914)—produced severe housing shortages, poor sanitation, long working hours (typically 10-14 hours daily), dangerous factory conditions, and minimal labor protections. Workers lived in

overcrowded tenements (*conventillos*), where multiple families shared single rooms and basic facilities, creating dense social networks that facilitated labor organizing. Immigrants brought **ideological frameworks** from European labor movements—Italian anarcho-syndicalism, Spanish anarchism, Russian socialism, German social democracy—that provided vocabularies for articulating grievances and strategies for collective resistance. Unlike rural peons isolated on estancias and subordinated to landowner paternalism, urban workers could organize strikes, form unions, publish newspapers, and coordinate across workplaces without immediate patron surveillance.

The result was **explosive labor militancy** during the 1890s-1910s. Argentina experienced some of the world's most intense strike activity: the **1902 general strike** paralyzed Buenos Aires for days, the **1907 tenant strike** mobilized 140,000 renters refusing to pay exploitative rents, and the **1910 Centennial protests** coincided with elite celebrations of independence, contrasting oligarchic opulence with worker immiseration. Anarchist unions—particularly the **Federación Obrera Regional Argentina (FORA)**—rejected reformist bargaining and state mediation, advocating revolutionary direct action to overthrow capitalism entirely. Socialist unions organized around electoral participation and legislative reform, yet even moderate socialists challenged oligarchic rule by demanding universal suffrage, labor protections, and wealth redistribution. Strikes frequently turned violent: police and military forces killed striking workers (dozens died during the 1909 May Day repression, hundreds during the 1919 "Tragic Week"), yet repression failed to eliminate labor organizing, which reconstituted after each crackdown.

Oligarchs responded with **flexible strategies** combining repression and selective incorporation. **Repressive legislation**—particularly the **1902 Residence Law** and **1910 Social Defense Law**—authorized summary deportation of "foreign agitators," police surveillance of unions, and imprisonment of strike organizers. These laws targeted immigrants specifically (Argentine citizens could not be deported), aiming to eliminate radical leadership while intimidating rank-and-file workers. Yet repression proved insufficient: deporting individual anarchists did not eliminate anarchist ideology, and police violence often radicalized workers rather than intimidating them. Some oligarchic politicians—particularly within the **Democratic Progressive Party** led by Lisandro de la Torre—advocated **limited reforms**: labor legislation regulating working hours, workplace safety standards, and state mediation of labor disputes. Yet these reforms remained minimal and poorly enforced, reflecting oligarchic unwillingness to fundamentally constrain capital accumulation or empower workers institutionally.

Middle-class formation presented a distinct challenge to oligarchic hegemony. Economic growth generated expanding urban occupations: public bureaucrats, teachers, lawyers, journalists, shopkeepers, clerks, and professionals. By 1914, Argentina's urban middle class comprised approximately **25-30% of the economically active population** in major cities—a social stratum educated, literate, and aspiring to political participation yet excluded from oligarchic power. Unlike workers (who lacked property and education, making them vulnerable to repression and clientelistic coercion), middle-class citizens possessed **resources for autonomous political organization**: literacy to read opposition newspapers and political tracts, economic independence from direct oligarchic patronage (salaried professionals did not depend on landowner employment), and social respectability that insulated them from police violence targeting workers.

The **Radical Civic Union (UCR)**—founded 1891, reorganized under Hipólito Yrigoyen's leadership after 1896—became the primary vehicle for middle-class political mobilization. The UCR's ideology combined republican constitutionalism (demanding honest elections, rule of law, institutional integrity) with populist appeals to "the people" against "the oligarchy." Yet the UCR was **not anti-capitalist** or revolutionary: it accepted private property, market economics, and Argentina's export orientation. The

UCR's radicalism was **political rather than economic**—demanding inclusion within existing structures rather than transformation of those structures. Yrigoyen's leadership cultivated a **charismatic personalistic** style, positioning himself as the embodiment of popular sovereignty against oligarchic usurpation, yet the UCR lacked a coherent programmatic ideology beyond electoral democracy and vague appeals to social justice.

The UCR's strategy combined **electoral abstentionism** with **revolutionary threats**. Between 1890 and 1912, the UCR boycotted fraudulent elections, refusing to legitimize oligarchic manipulation by participating. Simultaneously, the UCR organized or threatened armed uprisings (1893, 1905) to pressure oligarchs toward reform, though these attempts were quickly suppressed by professional military forces. This dual strategy—abstention plus revolutionary posturing—aimed to demonstrate that oligarchic hegemony was unstable and unsustainable, that middle-class exclusion threatened social order, and that granting electoral reform would be less costly than risking revolution. By the late 1900s, reform-minded oligarchs—particularly President Roque Sáenz Peña—calculated that **limited democratic opening** could co-opt middle-class opposition while preserving elite economic interests, leading to the 1912 Sáenz Peña Law.

The 1912 Sáenz Peña Law: Elite Calculation and Unintended Consequences

The Sáenz Peña Law—enacted February 13, 1912—represented a calculated **oligarchic gamble**: introduce electoral reform to defuse middle-class mobilization and labor unrest while preserving elite economic dominance. President Roque Sáenz Peña, himself an aristocratic oligarch from one of Argentina's most powerful families, championed the reform explicitly as a **conservative strategy** to prevent revolution and stabilize oligarchic rule through institutional adaptation. Roque Sáenz Peña wisely responded to popular demand for electoral reform. The law's core provisions transformed Argentine electoral procedures fundamentally. The Sáenz Peña Law established the universal, secret and compulsory male suffrage through the creation of an electoral list (Padrón Electoral). Three provisions proved decisive: **universal male suffrage** extended voting rights to all native-born and naturalized males over 18, eliminating property and literacy requirements that had restricted the franchise to 1-3% of the population; **secret ballot** replaced public voting, preventing direct patron surveillance and clientelistic coercion by allowing citizens to vote without revealing their choices; **compulsory voting** mandated participation with fines for non-compliance, aiming to mobilize previously excluded citizens and increase turnout. Additionally, **military conscription registries** served as electoral rolls, ensuring comprehensive registration and reducing oligarchic manipulation of voter lists.

Sáenz Peña's public justification invoked **republican principle and national unity**. Yet his private calculations—and those of reform-minded oligarchs supporting the law—reflected pragmatic concerns about regime stability. First, **labor militancy** had escalated dramatically during the 1900s-1910s, with general strikes, anarchist violence, and revolutionary rhetoric threatening social order. Oligarchs calculated that granting middle-class political inclusion through elections might **split opposition forces**: integrating reformist middle-class Radicals into the system would isolate revolutionary working-class movements, creating a moderate buffer between oligarchy and radical labor. Second, **Radical abstentionism** and revolutionary attempts (1905 uprising) demonstrated that continued exclusion risked violent challenges requiring costly military repression. Opening electoral competition under controlled conditions—maintaining oligarchic economic power, military loyalty, and institutional advantages—appeared less risky than prolonged authoritarian closure. Third, **international legitimacy** considerations mattered: by 1910, Argentina's restricted suffrage appeared anachronistic compared to European constitutional monarchies and democracies expanding franchise. Electoral reform would

enhance Argentina's "civilized" international reputation while attracting continued British investment and European immigration.

Critically, oligarchs assumed they could **manage electoral opening** to preserve substantive dominance despite formal democratization. Several factors informed this confidence. First, **immigrant exclusion**: the "universal" scope of the law included only native and naturalized men but not women and working class men who were non-citizen immigrants, a very significant portion of the population at the time. Indeed, in Buenos Aires in 1914, 49% of the population was foreign born. In the entire country, 30% of all residents were foreign born according to the 1914 national census. By excluding non-naturalized immigrants—the majority of the urban working class—the law limited franchise expansion to native-born middle classes and assimilated immigrants, reducing radical labor's electoral weight. Second, **provincial oligarchic control**: even if the Radical Party won the presidency through urban middle-class votes, oligarchs retained control over provincial governorships, legislatures, and local governments where traditional clientelistic networks remained intact. Federal structure ensured that national electoral reform did not immediately transform provincial politics, allowing oligarchs to maintain regional power bases. Third, **military loyalty**: professionalized armed forces remained institutionally subordinate to civilian authority (as analyzed in section 2.3), and oligarchs assumed military loyalty would prevent radical governments from threatening property rights or elite interests.

Fourth, and perhaps most importantly, oligarchs calculated that **the Radical Party was not fundamentally threatening**. The UCR's leadership—particularly Yrigoyen—came from middle-class and provincial elite backgrounds, not revolutionary working classes. The UCR's platform emphasized **political reform** (honest elections, rule of law, administrative morality) rather than **economic transformation** (land redistribution, nationalization, wealth taxes). Oligarchs believed that Radical governments would respect property rights, maintain export-oriented economic model, and limit themselves to expanding middle-class access to patronage rather than dismantling oligarchic economic dominance. Electoral opening would merely require oligarchs to **share political power** with middle-class politicians while retaining economic control—a tolerable compromise compared to revolutionary expropriation.

The conservatives, who had stayed in power for decades through dubious and fraudulent elections, could not consolidate a political party without popular support. This institutional weakness—the PAN's dependence on fraud rather than genuine popular constituency—meant that conservatives lacked organizational capacity to compete electorally once fraud was eliminated. Yet oligarchs assumed they could construct new political vehicles or co-opt Radical governments once in power, underestimating how completely the UCR would displace conservative political dominance.

The law's passage faced **sustained conservative opposition** in Congress, revealing oligarchic divisions over reform. Reactionary oligarchs—particularly provincial governors dependent on fraudulent elections—feared that electoral reform would empower opposition forces and undermine their local dominance. Sáenz Peña's personal prestige and reform-minded oligarchs' strategic calculations ultimately prevailed, yet the bitter congressional debates foreshadowed conservative resistance to democratic consolidation.

The law's **immediate effects** exceeded oligarchic expectations. Voter turnout in the elections increased to between 70 and 80 percent of eligible voters, while before its passage, about a third of eligible voters turned out. As a result of the law, the number of eligible voters increased to 1 million in 1912. The dramatic turnout increase demonstrated that Argentina possessed a mobilized citizenry eager to participate once fraud and coercion were eliminated. The 1912 legislative elections were the first free, democratic elections in the nation's history, with a turnout of 70%. The UCR and Socialist Party immediately benefited: the Radicals won significant congressional seats and provincial governorships

(particularly Santa Fe, Argentina's second-most important province), while Socialists captured urban working-class districts in Buenos Aires.

Yet the law's most profound consequence was **unintended**: rather than stabilizing oligarchic rule through controlled inclusion, electoral reform triggered **oligarchic political displacement**. Hipólito Yrigoyen, the candidate of the Radical Civic Union, won the first presidential elections after the new law by a considerable distance in 1916, and the UCR became the most powerful political force. Yrigoyen was the first president in Argentina to be elected democratically through secret and mandatory male suffrage. The 1916 presidential election represented a **regime transition**: from **Hegemonic Authoritarianism × Oligarchic Capitalism** (1880-1916) to **Electoral Democracy × Crony Capitalism** (1916-1930). Oligarchs had anticipated power-sharing; they received instead political subordination to a middle-class party they could not control through traditional clientelistic or fraudulent mechanisms.

This transition was neither inevitable nor complete. Oligarchs retained enormous structural power—land ownership, export control, British capital connections, provincial networks—that constrained Radical governments. Yet the shift from bottom-up oligarchic state capture to competitive electoral democracy fundamentally altered Argentina's patronal structures, as the next section analyzes. The Sáenz Peña Law thus exemplified a recurring pattern in Argentine history: elite attempts to manage political opening through institutional reform, followed by **unintended consequences** that undermined rather than preserved elite control, producing new rounds of instability rather than stable consolidation.

Patronal Oscillation Phase: Stabilization of Capitalism

Oligarchic patronalism (1880-1916) occupied the **stabilizing phase** within the oscillation of oligarchic framework. This patronal type—characterized by bottom-up state capture, landed elite dominance, and discretionary control over land, credit, and export markets—achieved comprehensive institutionalization during this period. The **inherited** colonial and caudillo-era patronal structures (land clientelism, personalistic authority, fusion of economic and political power) were **transformed** through constitutional embedding: oligarchic networks no longer operated as autonomous caudillo militias but rather colonized formal republican institutions (presidency, congress, judiciary, provincial governments) to serve collective elite accumulation.

The **strengthening mechanisms** included: (1) land concentration through Conquest of the Desert and discretionary allocation, consolidating oligarchic economic base; (2) the *acuerdo* system, formalizing elite coordination and power-sharing to reduce violent competition; (3) systematic electoral fraud (*fraude patriótico*), institutionalizing mass exclusion while maintaining constitutional façades; (4) railway-infrastructure corruption, integrating British capital into oligarchic networks; (5) tenant farming and export monopolies, subordinating non-oligarchic producers to elite discretion. By 1900, oligarchic structures dominated both polity and economy simultaneously, representing oligarchic capitalism at its apex.

The **stabilization** was evident in regime durability: unlike the caudillo era's violent oscillations between regional strongmen, oligarchic hegemony persisted for 36 years (1880-1916) without military coups, civil wars, or regime breakdowns. Presidential transitions occurred peacefully through elite consensus, economic crises (1890 Baring Crisis) were managed without regime collapse, and labor unrest was suppressed without threatening oligarchic control. This stability reflected the **co-constitutive relationship** between formal institutions and informal oligarchic networks: constitutional procedures

provided predictable frameworks for elite coordination, while oligarchic capture ensured institutions served collective class interests rather than constraining elite discretion.

Yet even at stabilization's apex, **weakening forces** were emerging. Mass European immigration created urban middle classes and working-class movements demanding inclusion, labor militancy escalated despite repression, and the Radical Party constructed an alternative political organization capable of mobilizing excluded citizens. The 1912 Sáenz Peña Law—oligarchs' calculated attempt to manage these pressures—inadvertently initiated the **weakening phase**: electoral democracy empowered forces oligarchs could not control through traditional fraud and clientelism, beginning the transition from oligarchic capitalism toward fragmented crony capitalism.

The **formal-informal relationship** during 1880-1916 exemplified **co-constitutive patronalism**: oligarchic networks and constitutional institutions mutually constituted the regime. Formal procedures (elections, legislation, judicial rulings) operated continuously yet were thoroughly penetrated by informal oligarchic coordination (*acuerdo* negotiations, fraudulent manipulation, corrupt resource allocation). Neither dimension could function independently—removing formal institutions would eliminate frameworks for elite coordination and legitimation; removing informal networks would leave institutional shells without enforcement capacity or substantive outcomes. This co-constitutive equilibrium proved remarkably stable under oligarchic hegemony yet would fracture once electoral democracy introduced competitive pressures oligarchs could not manage, setting the stage for Argentina's twentieth-century oscillations.

3.2. Electoral Democracy and Oligarchic Retreat (1916-1930): Political Displacement, Economic Continuity

The period 1916-1930 marked Argentina's first sustained experience with competitive electoral democracy—yet paradoxically, this political opening did not fundamentally transform the country's economic structures. The Radical Civic Union's electoral victories displaced the oligarchy from direct control of the presidency and central state apparatus, but left intact the material foundations of oligarchic power: land concentration, export monopolies, and British capital connections. This disjunction between political and economic spheres produced a distinctive regime configuration: **Electoral Democracy × Crony Capitalism**, in which middle-class politicians governed through patronage distribution and episodic deals with economic elites, while oligarchs retained veto power through provincial networks, the federal Senate, and structural economic leverage.

This period represents the **weakening phase** of oligarchic patronalism within the oscillation framework. The 1912 Sáenz Peña Law's unintended consequences—Yrigoyen's 1916 victory and Radical electoral dominance—disrupted the bottom-up state capture mechanisms that had characterized 1880-1916. Yet weakening did not equal collapse. Oligarchic networks adapted to democratic conditions by transforming from co-constitutive patronalism (where elite coordination and state institutions mutually constituted the regime) to a hybrid arrangement: formal democratic procedures operated at the national executive level, while informal oligarchic influence persisted through congressional obstruction, provincial machines, and economic blackmail.

The crucial transformation concerned the **structure of political-economic relations**. During 1880-1916, political and economic elite positions naturally overlapped—the same individuals and families occupied both spheres through inherited status and landed wealth. After 1916, these roles increasingly separated: a new political class emerged from urban middle sectors, provincial notable families, and military professionals, while economic dominance remained concentrated in the traditional landed dynasties (Anchorena, Martínez de Hoz, Pereyra Iraola, etc.) and British merchant houses. This

separation, however, was neither complete nor stable. Personal ties persisted (Yrigoyen himself belonged to the Sociedad Rural; Alvear came from the aristocracy), but the **mode of interaction shifted from organic incorporation to transactional arrangements**—from permanent patron-client bonds to renewable, episodic deals negotiated between distinct political and economic actors.

This structural reconfiguration produced **crony capitalism** rather than oligarchic capitalism. Instead of regularized corrupt transactions organized through stable vassal chains and collective oligarchic coordination (the *acuerdo* system), business-government relations became more ad hoc: tariff protections granted to specific industries through congressional bargaining, federal interventions in provinces serving factional interests, patronage appointments rewarding political loyalty rather than economic elite membership. Yet compared to Western European or North American democracies, these arrangements remained "archaic"—oligarchic families retained disproportionate political incorporation, particularly through the federal Senate's provincial representation structure, which gave sparsely-populated interior provinces (dominated by traditional landed elites) equal weight with the urbanized littoral.

The Radical era thus embodied a fundamental contradiction: **democratic procedures without democratic social transformation**. Fair elections occurred, opposition could win, press freedom expanded, and new social groups gained political voice—yet Argentina's agrarian export model, extreme land inequality, and oligarchic economic dominance persisted essentially unchanged. This contradiction proved unsustainable: unable to either consolidate democratic deepening or restore oligarchic hegemony, the regime oscillated between Yrigoyenista populism and Alvearista accommodation, until the 1930 coup terminated the experiment and initiated Argentina's century-long pattern of regime instability.

3.2.1. The 1916 Transition: Oligarchic Political Displacement Without Economic Expropriation

Hipólito Yrigoyen's October 1916 assumption of the presidency marked a watershed in Argentine political history—the first peaceful transfer of power to an opposition party through genuinely competitive elections. Yet the transition's significance lay less in Yrigoyen's personal victory (he received only 45% of the vote, lacking a popular majority) than in what it symbolized: the definitive breakdown of oligarchic political hegemony, the replacement of fraudulent electoral rituals with competitive democratic procedures, and the incorporation of middle-class and popular sectors into formal political processes previously reserved for elite factions.

The oligarchy's political displacement, however, remained incomplete and ambiguous. Several factors constrained Radical power and preserved oligarchic influence. First, **institutional legacies** from the oligarchic era structured the new regime's operation. Congress remained in opposition hands throughout Yrigoyen's first term: conservatives controlled both chambers until 1920, and the Senate—where provinces regardless of population received equal representation—never came under Radical control during the entire 1916-1930 period. The Senate's composition, favoring sparsely-populated interior provinces where traditional oligarchic families dominated local politics, created an institutional veto point through which landed elites could block executive initiatives even after losing the presidency. Of eighty draft laws proposed by Yrigoyen's administration during his first term, only twenty-six passed the conservative Congress majority. Key Radical proposals—moderate agrarian reform, tax on interest income, creation of a central bank—died in congressional opposition.

Second, **economic structures** remained untouched by political change. The 1916 transition involved no expropriation, no land redistribution, no nationalization of British-controlled railways or merchant houses, no challenge to export monopolies. The agrarian model based on latifundia cattle ranching and

grain cultivation for European markets continued unchanged. British capital's dominance in railways, ports, and finance persisted. The Sociedad Rural—Argentina's most powerful interest group, representing large landowners and dominated by cattle fatteners—retained its capacity to shape economic policy through lobbying, media influence, and direct political representation. Yrigoyen himself held membership in the Sociedad Rural, as did five of his eight first-term cabinet ministers, and Sociedad members occupied thirteen of the Radical Party's forty-four Chamber of Deputies seats in 1918.

This economic continuity reflected both ideological and strategic considerations. The UCR's ideology combined republican rhetoric and ethical nationalism with vague populism—Yrigoyen spoke of the "cause" against the oligarchic "regime" in mystical, messianic terms, but proposed no concrete program for economic transformation. The party's social base—middle-class urbanites, provincial notables, small businessmen, public employees—had grievances against oligarchic political exclusion but not necessarily against the agrarian export model from which many indirectly benefited. Moreover, Yrigoyen's political strategy prioritized expanding the Radical electoral coalition through patronage distribution rather than risking confrontation with entrenched economic interests.

Third, **provincial power structures** remained largely in oligarchic hands. While the Radicals controlled the national executive and eventually the Chamber of Deputies, many provincial governments continued under conservative rule or operated through Radical-conservative accommodation. Interior provinces—Tucumán, Salta, Jujuy, Mendoza—where sugar or wine producers dominated local economies, maintained traditional patron-client networks linking landowners, political bosses, and dependent laborers. Yrigoyen repeatedly employed federal intervention (*intervención federal*) to displace hostile provincial governments and install Radical interventors, but this tactic proved double-edged: it extended UCR influence while demonstrating the party's dependence on executive discretion rather than autonomous organizational strength.

The military's role further complicated the transition. As analyzed in section 2.3, army professionalization during 1900-1916 had created an officer corps drawn primarily from middle-class origins, increasingly sympathetic to Radical political demands. Most officers welcomed the 1916 transition from oligarchic to middle-class rule. Yet this support came with expectations: the military viewed itself as guardian of national order and technical expertise in violence management, not as subordinate instrument of civilian politicians. Yrigoyen's attempts to reassert presidential domination over the professionalized army—particularly through politically-motivated promotions and the appointment of General Agustín P. Justo as War Minister despite senior generals' opposition—generated deep resentment within the officer corps. These tensions foreshadowed the military's 1930 intervention, though in 1916-1922 the armed forces remained largely apolitical.

The transition's most profound consequence concerned the **transformation of informal political-economic relations**. During 1880-1916, oligarchic capitalism had operated through co-constitutive patronalism: elite coordination through the *acuerdo* system and state institutions mutually constituted each other, with formal procedures (elections, legislation) thoroughly penetrated by informal networks (fraudulent manipulation, corrupt resource allocation). Political and economic elite positions naturally overlapped—the same families controlled land, export commerce, provincial governorships, congressional seats, and national ministries.

After 1916, this organic fusion fractured. A new political class emerged—middle-class lawyers, provincial politicians without landed wealth, military officers from non-elite backgrounds, urban professionals—who controlled executive power but lacked direct ownership of the economy's commanding heights. Conversely, economic elites retained their material base (land, capital, trade networks) but lost automatic access to political office. This separation remained incomplete: personal

ties persisted, intermarriage continued, and some Radicals (like Alvear) came from aristocratic families. Yet the fundamental pattern shifted from **permanent incorporation to transactional arrangements**—from patron-client bonds embedded in kinship and property to episodic deals negotiated between distinct political and economic actors.

This structural transformation produced crony capitalism rather than oligarchic capitalism: close personal relationships between government officials and business leaders resulting in favoritism in the distribution of legal permits, government contracts, and preferential access to state resources, but without the systematic bottom-up state capture and stable vassal networks characteristic of the previous era. Business-government relations became more ad hoc, more contested, more dependent on political bargaining than automatic elite consensus.

3.2.2. Yrigoyen's First Presidency (1916-1922): Populist Rhetoric, Pragmatic Accommodation

Hipólito Yrigoyen dominated Argentine politics from 1916 until his 1930 overthrow, whether occupying the presidential palace or not. He developed a unique political style combining personal mysticism, popular appeal, and ruthless organizational control—a style that generated widespread mass support while alienating both traditional elites and many middle-class reformers. Understanding Yrigoyen's leadership is essential to grasping why electoral democracy during 1916-1930 failed to consolidate or deepen democratic institutions.

Yrigoyen cultivated an image as a secular savior who embodied the nation and cared deeply about the common man. He lived frugally despite inherited wealth, avoided public speeches and ceremonies, and conducted government through personal audiences in his modest house on Avenida Brasil. This ascetic lifestyle contrasted sharply with the ostentatious consumption of the oligarchic elite, reinforcing Yrigoyen's populist credentials. His political discourse employed quasi-religious language—the Radical "cause" against the oligarchic "regime," Yrigoyen as the "apostle" leading Argentina to ethical righteousness—that resonated with voters seeking moral regeneration after decades of electoral fraud and corruption.

Yet Yrigoyen's mystical populism coexisted with hard-nosed political pragmatism. He built the UCR into an effective electoral machine through painstaking local organization, personal loyalty networks, and systematic patronage distribution. Public employment expanded dramatically under Radical rule as government jobs rewarded party activists and constructed clientelistic ties. This patronage strategy served multiple functions: it provided material benefits to middle-class supporters (public sector salaries, contracts, appointments), extended UCR influence into provincial politics, and created dependence on continued Radical electoral success.

Yrigoyen's governance strategy involved "fixing" the system rather than transforming it—enacting reforms that would enable the agrarian export model to preserve itself while incorporating new social groups. This approach combined moderate social reforms with repression of radical labor movements, neutrality in World War I despite U.S. pressure, and careful accommodation of business interests.

Labor Policy: Between Reform and Repression

Yrigoyen's labor policy exemplified his administration's contradictions. On one hand, the government enacted progressive legislation: the 1921 Labor Code establishing the right to strike, minimum wage laws, collective bargaining procedures, and factory condition improvements. These measures marked significant advances compared to the oligarchic era's pure repression (the 1902 Residence Law, 1910 Social Defense Law permitting summary deportation of labor organizers). Yrigoyen's government also

mediated in some labor disputes on workers' behalf, intervening to pressure employers toward settlements.

On the other hand, the administration responded brutally to major strikes and working-class mobilization that threatened public order or elite interests. Three episodes reveal this repressive dimension:

The Tragic Week (Semana Trágica, January 1919): A metalworkers' strike at the Vasena factory in Buenos Aires escalated into general insurrection after police killed several strikers. The Argentine Regional Workers' Federation (FORA) called a general strike. The government deployed military forces to suppress the uprising; right-wing paramilitary groups (particularly the Argentine Patriotic League, Liga Patriótica Argentina) organized pogroms against Jewish neighborhoods suspected of harboring "Bolshevik" radicals. The week-long violence resulted in approximately 700 deaths and 4,000 injured, with working-class districts bearing the brunt of repression.

La Forestal Massacre (1919-1921): The British-owned La Forestal company, which held monopolistic control over quebracho tannin extraction in Santa Fe and Chaco provinces, suppressed worker strikes through private armed forces operating with government acquiescence. La Forestal's company towns functioned as feudal domains where workers received payment in scrip redeemable only at company stores, lived in company housing, and faced arbitrary violence from company gendarmes. When workers organized strikes demanding basic labor rights, La Forestal's forces, supplemented by provincial police and army units, conducted massacres that killed hundreds.

Patagonia Rebelde (1920-1922): Rural laborers and sheepshearers in Santa Cruz province (southern Patagonia) organized strikes demanding higher wages and better working conditions. The movement combined labor militancy with anarchist political demands. Yrigoyen initially sent a military officer, Lieutenant Colonel Héctor Benigno Varela, to mediate the conflict peacefully. But when strikes continued and estancieros (large landowners) pressured the government, Varela received orders to suppress the rebellion by force. The army conducted systematic repression, executing approximately 1,500 workers without trial—one of Argentina's worst state-sponsored massacres.

These episodes reveal the Radical government's subordination to elite economic interests despite populist rhetoric. When labor mobilization directly threatened property rights or production in key sectors (urban industry, agricultural exports, ranching), the state deployed lethal force. The Tragic Week particularly marked a turning point: domestic and foreign capital united against Yrigoyen, the Argentine Patriotic League mobilized an effective counter-movement, and veiled military coup threats forced the president to abandon any obrerista (pro-worker) positioning. After 1919, whatever reforming impulse the Radicals possessed dissipated, and patronage distribution increasingly supplanted policy innovation.

Economic Policy: Neutrality, Nationalism, and Limited Industrialization

Yrigoyen's economic strategy centered on preserving the agrarian export model while pursuing selective nationalism in key sectors, particularly petroleum. This approach reflected the UCR's heterogeneous coalition: export-oriented cattle and grain producers in the littoral provinces, protectionist manufacturers and commercial interests in the interior, middle-class consumers opposed to high prices, and working-class urban sectors demanding employment.

World War I Neutrality: Argentina maintained neutrality throughout World War I despite intense U.S. pressure to declare war on the Central Powers. This policy had multiple rationales: ideological commitment to neutrality and Pan-American solidarity independent of U.S. leadership, economic calculation that neutral status enabled exports to all belligerents (particularly Britain), and domestic political advantage (avoiding divisive war participation that would split the UCR's immigrant-heavy

electorate). Germany's sinking of two Argentine civilian ships—the Monte Protegido (April 1917) and the Toro—produced diplomatic incidents but resulted only in the German ambassador's expulsion rather than war declaration.

Neutrality proved economically beneficial. Argentina exported meat, grain, leather, and wool to European belligerents at premium prices, while also extending credit to warring powers. The war disrupted European manufactured imports, creating temporary protection for Argentine industry: textiles, footwear, metalworking, and food processing expanded rapidly during 1914-1918. Yet this wartime industrialization remained limited and vulnerable. Most "industrial" enterprises were small workshops rather than modern factories; they depended on imported machinery and intermediate inputs; and they faced intense import competition once European production recovered after 1919.

Oil Nationalism and YPF Creation: Yrigoyen's most significant economic nationalist initiative was establishing Yacimientos Petrolíferos Fiscales (YPF) in June 1922—Latin America's first state oil company. The policy responded to Argentina's growing petroleum consumption, foreign (particularly Standard Oil) domination of the sector, and nationalist sentiment favoring resource sovereignty. YPF's creation represented a pragmatic middle course: state entry into oil production and refining to compete with private companies and ensure domestic supply, without expropriating foreign firms or establishing a state monopoly. The initiative encountered fierce opposition from foreign oil companies, conservative politicians, and orthodox liberal economists, but survived due to military support (the armed forces viewed petroleum as strategically essential) and popular nationalism.

Tariff Politics and Industrial Protection: The tariff question became intensely contested during 1916-1930 as wartime and post-war conditions created demand for industrial protection. Manufacturer groups, interior province politicians, and some Radical factions supported higher tariffs to shield nascent industries from foreign competition. Conversely, export-oriented landowners, urban consumers concerned about prices, Socialist deputies defending working-class interests, and orthodox liberals opposed protection.

Yrigoyen attempted to navigate these conflicts by avoiding clear programmatic commitments and allowing Congress to negotiate compromises. His strategy combined rhetorical appeals to both coastal export regions and protectionist interior provinces while delegating actual policy-making to legislative horse-trading. The result was selective, ad hoc protection: significant tariff increases for sugar (benefiting Tucumán province producers, crucial for UCR's regional strength), footwear, and some textile products, but rejection of systematic industrial policy or across-the-board protectionism.

Notably, the cattle-raising oligarchy itself supported selective industrial protection for sectors using livestock by-products—shoes, leather goods, meat packing. The Sociedad Rural president Pedro Pagés explicitly advocated in 1917 for protecting Argentina's "natural industries" based on cattle, reflecting landed elites' pragmatic adaptation to industrial development that complemented rather than threatened their core export activities.

3.2.3. The Alvear Interregnum (1922-1928): Aristocratic Moderation and Party Fracture

Marcelo Torcuato de Alvear's presidency (1922-1928) represented a dramatic contrast to Yrigoyen's populist mysticism. Alvear came from Argentina's highest aristocracy—his family belonged to the oligarchic inner circle. He won the 1922 election decisively over Conservative candidate Norberto Piñero (458,457 votes to 200,080), demonstrating continued Radical electoral strength. Yet his cabinet appointments signaled accommodation with traditional elites rather than middle-class mobilization. He sought to govern through elite consensus and institutional normality rather than Yrigoyenista personalism and popular mobilization.

Alvear's administration retroceded many of Yrigoyen's social reforms and labor laws adopted more orthodox economic policies, and reduced federal interventions in provinces. The president's supporters—primarily anti-Yrigoyenista Radicals uncomfortable with personalistic leadership, conservatives opportunistically allying with moderate Radicals, and some pragmatic politicians seeking patronage access—formed the Unión Cívica Radical Antipersonalista (Anti-Personalist Radical Civic Union) in opposition to Yrigoyen's faction.

This party split had profound consequences. It revealed that the UCR was not a programmatically coherent party but rather a heterogeneous coalition held together primarily by Yrigoyen's personal authority and patronage distribution. The division into Personalistas (Yrigoyenistas) and Antipersonalistas fragmented the middle-class political base, created openings for conservative manipulation, and undermined institutional consolidation of democratic rule. The Antipersonalistas' willingness to ally with Conservatives and even eventually support the 1930 coup demonstrated that significant UCR sectors prioritized elite accommodation and institutional stability over democratic deepening or social reform.

Alvear's relationship with organized labor differed markedly from Yrigoyen's ambivalent approach. Rather than attempting to coopt workers through populist rhetoric while repressing radical mobilization, Alvear constructed more stable institutional ties with moderate unions. His administration negotiated with railway workers' and port workers' unions, granting benefits and recognition in exchange for industrial peace. These arrangements created durable linkages between state agencies and labor organizations that would later facilitate Perón's corporatist strategies.

Yet Alvear failed to establish widespread personal popularity or articulate clear policies. His aristocratic style alienated many middle-class and popular sectors attracted to Yrigoyen's ascetic nationalism. His attempts to break free from Yrigoyen's influence proved ineffective—the latter dominated the UCR organization, controlled patronage networks, and maintained fanatical loyalty among Personalista activists. By 1928, Yrigoyen remained Argentina's most popular politician, easily winning re-election despite being elderly and increasingly out of touch with changing conditions.

3.2.4. The Transformation of Informal Political-Economic Relations: From Organic Incorporation to Episodic Deals

The Radical era's most significant structural transformation concerned the reconfiguration of informal relationships between political and economic power. This shift occurred gradually and incompletely across 1916-1930, producing a hybrid system that combined democratic procedures with oligarchic veto capacities, crony capitalism with residual patronal networks.

The Separation of Political and Economic Elites

During 1880-1916, oligarchic hegemony rested on the natural fusion of political and economic elite positions. The same individuals and families simultaneously controlled landed wealth, export commerce, provincial governance, congressional representation, and national ministries. Political office flowed from economic status: being a large landowner automatically conferred political authority, both formal (elected positions, ministerial appointments) and informal (acuerdo negotiations, policy influence). This organic incorporation meant that political decisions directly reflected oligarchic collective interests without requiring explicit bargaining or formal lobbying—the rulers were themselves the economic elite.

The 1916 transition fractured this fusion. A new political stratum emerged from social sectors previously excluded from power: urban middle-class professionals (lawyers, journalists, teachers), provincial notable families without great landed wealth, military officers from middle-class

backgrounds, small businessmen and shopkeepers. These groups controlled executive authority and, after 1920, the Chamber of Deputies, but lacked direct ownership of the economy's commanding heights—the vast pampas estates, the British railway companies, the export merchant houses, the major commercial banks.

Conversely, traditional economic elites (the Anchorena, Martínez de Hoz, Pereyra Iraola, Alzaga Unzué, Santamarina dynasties) retained their material base but lost automatic access to political office. They could no longer rely on the *acuerdo* system to coordinate presidential succession, manipulate elections to ensure favorable outcomes, or directly control policy-making through ministerial appointments drawn from their own ranks. Instead, they had to negotiate with politicians who did not share their class background, navigate democratic electoral competition where popular preferences mattered, and accept that formal institutional procedures might produce outcomes contrary to oligarchic interests.

This separation remained incomplete and regionally variable. Personal ties between political and economic elites persisted through several mechanisms:

Intermarriage and kinship networks: Many Radical politicians married into oligarchic families or came from provincial notable families with distant connections to the great landed dynasties. Alvear himself belonged to the highest aristocracy; numerous UCR deputies and senators had relatives in the oligarchic inner circle.

Membership in elite institutions: Yrigoyen belonged to the Sociedad Rural, the oligarchy's primary organizational vehicle. Five of his eight first-term cabinet ministers held Sociedad Rural membership. Sociedad members occupied thirteen Radical Chamber of Deputies seats. These overlapping memberships facilitated informal communication and alliance-building between supposedly antagonistic political and economic elites.

Provincial power structures: In interior provinces—Tucumán (sugar), Mendoza (wine), Salta (tobacco, cattle)—local oligarchies maintained tight control over politics regardless of national-level Radical dominance. Traditional patron-client networks linking landowners, local party bosses (*caudillos*), and dependent laborers operated much as they had during the oligarchic era. Provincial conservative politicians often negotiated pragmatic arrangements with Radical national governments, exchanging local autonomy for Congressional cooperation.

British capital mediation: British merchant houses, railway companies, and banks served as intermediaries between Argentine political and economic elites. British firms employed both oligarchic family members (as directors, lawyers, managers) and maintained close relationships with Radical politicians seeking foreign investment, railway rate adjustments, or credit access. The Anglo-Argentine nexus provided a transnational network that softened domestic political-economic tensions.

Yet despite these continuities, the fundamental pattern shifted. Political and economic elite positions no longer automatically overlapped through inherited status and landed wealth. Instead, they became distinct roles occupied by different groups, requiring **transactional arrangements** rather than organic incorporation.

From Patronal Coordination to Crony Deals

This structural separation transformed the mode of business-government interaction. During 1880-1916, oligarchic capitalism operated through stable patronal mechanisms: the *acuerdo* system (elite consensus preceding formal procedures), regularized corrupt transactions organized through segmental vassal chains (provincial oligarchs controlling local patronage), and collective oligarchic coordination

ensuring policy predictability. Business interests did not need to lobby the government because business leaders were the government.

After 1916, this system gave way to **crony capitalism**: close personal relationships between individual government officials and business leaders resulting in favoritism in the distribution of legal permits, government contracts, regulatory decisions, and preferential access to state resources—but without the systematic bottom-up state capture characteristic of oligarchic hegemony. Several features distinguished this new pattern:

Episodic rather than permanent arrangements: Instead of stable patron-client bonds embedded in kinship, property, and social status, business-government relations became more contingent and renewable. A company seeking tariff protection, a landowner wanting favorable railway rates, or a foreign firm pursuing government contracts negotiated case-by-case deals with relevant politicians and bureaucrats. These arrangements might be renewed repeatedly, creating ongoing relationships, but they lacked the organic permanence of oligarchic-era networks. Success depended on maintaining personal connections, providing political contributions or other considerations, and navigating shifting political coalitions.

Political bargaining replacing elite consensus: Policy outcomes emerged from competitive lobbying, Congressional negotiations, and factional struggles rather than pre-arranged *acuerdo* settlements. The tariff debates exemplified this dynamic: manufacturers lobbied for protection, export-oriented landowners opposed high tariffs, urban consumers (represented by Socialist deputies) demanded cheap imports, interior province politicians defended regional industries, and the Radical government attempted to balance these competing pressures. The resulting policies reflected messy compromises rather than coherent oligarchic strategy.

Patronage distribution without patronal structure: The Radicals massively expanded public employment, distributing government jobs to party activists, supporters' relatives, and allied businessmen. This patronage served multiple functions: rewarding political loyalty, building electoral machines, and creating clientelistic dependencies. Yet it did not constitute a patronal political-economic system in the technical sense. Patronage recipients were individual clients receiving discrete benefits (jobs, contracts, permits) rather than vassals embedded in hierarchical networks with reciprocal obligations. The relationship remained transactional—contingent on continued political support—rather than structural.

Fragmented rather than collective oligarchic action: Economic elites no longer acted through coordinated mechanisms like the *acuerdo* system. Instead, different oligarchic factions pursued particularistic interests: cattle breeders versus fatteners, grain producers versus cattle ranchers, interior industrialists versus littoral exporters, British firms versus domestic businesses. The Sociedad Rural retained significant influence as an interest group, but it could not impose collective oligarchic discipline the way the PAN had during the hegemonic era. This fragmentation both weakened oligarchic political power and made business-government relations more unpredictable and competitive.

Ad hoc federal interventions: Yrigoyen employed federal intervention (*intervención federal*)—the constitutional provision allowing the president to dissolve provincial governments and appoint temporary executives (*interventors*)—as a political weapon to displace hostile provincial regimes and install Radical allies. This discretionary power created opportunities for crony arrangements: provincial businessmen curried favor with *interventors* to secure contracts, concessions, or favorable regulatory treatment. Yet these interventions also produced instability, provoking conservative resistance and military unease about constitutional violations.

The result was a hybrid system: neither the stable oligarchic capitalism of 1880-1916 (with its co-constitutive patronalism) nor the liberal democratic capitalism of Western Europe or North America (with its impersonal rule of law, competitive markets, and ideological party competition). Instead, Argentina developed **crony capitalism with oligarchic residues**—a regime where business-government relations operated through personal connections and episodic deals, but where traditional economic elites retained structural veto power through their control of material resources and key institutions.

The Federal Senate as Oligarchic Veto Institution

The most important institutional mechanism preserving oligarchic influence after 1916 was the federal Senate's constitutional structure. The 1853 Constitution established that each province (regardless of population) and the Federal Capital received two senators, creating a chamber where sparsely-populated interior provinces dominated by traditional landed elites could block legislation supported by the urbanized, democratically-mobilized littoral provinces.

This arrangement had profound political consequences:

Geographic bias favoring oligarchic strongholds: Ten interior provinces (Catamarca, Jujuy, La Rioja, Salta, San Juan, San Luis, Santiago del Estero, Tucumán, Corrientes, Entre Ríos) with small, rural, politically-controlled populations held twenty Senate seats. Buenos Aires province, containing the vast majority of Argentina's urban middle class and working class, held only two seats. This malapportionment systematically over-represented regions where oligarchic families maintained tight social control and under-represented areas where competitive democratic politics had emerged.

Conservative Senate majority despite Radical electoral dominance: The slow constitutional turnover of the Senate (senators served nine-year terms, with one-third elected every three years) meant that Conservative and Antipersonalist opposition controlled the upper chamber throughout 1916-1930. This conservative majority could block, delay, or modify any legislation passed by the Radical-controlled Chamber of Deputies. Yrigoyen never controlled the Senate; even at the peak of Personalista strength in 1928-1930, the opposition retained upper chamber dominance.

Systematic obstruction of Radical reform: The Senate rejected or gutted virtually every significant Radical reform initiative. Agricultural reforms that might have redistributed land or improved tenant farmer conditions died in the Senate. Tax increases on oligarchic income or property wealth never passed. Banking reforms to establish a central bank and reduce British financial influence failed. Labor protections beyond minimal concessions encountered Senate hostility. The 1916-1930 period witnessed constant executive-legislative conflict, with the democratically-elected president and Chamber unable to overcome Senate obstruction.

Tariff politics and regional interests: Senate control allowed interior province representatives to extract protective tariffs for regional industries (sugar, wine, textiles) despite opposition from export-oriented littoral interests and urban consumers. This created a perverse dynamic: the same conservative senators who blocked progressive reforms championed government intervention to benefit their provincial economic clients. The Senate's protectionism was not ideological commitment to industrial development but particularistic defense of regional oligarchic interests.

Legitimization of oligarchic veto power: The Senate's constitutional authority provided a democratic facade for oligarchic obstruction. Conservatives could claim they were defending federalism, provincial autonomy, and constitutional balance against executive overreach—not simply protecting economic privilege. This constitutional legitimation made Senate obstruction more defensible than the fraudulent

elections and acuerdo manipulations of the oligarchic era, yet it served similar functions: ensuring that democratic mobilization did not threaten fundamental oligarchic interests.

The Senate thus embodied the Radical era's core contradiction: formal democratic procedures operating within institutional structures designed to preserve oligarchic power. Elections were fair, opposition could win, and new social groups gained representation—yet the regime's architecture ensured that these democratic gains could not translate into economic transformation or social redistribution. This constitutional gridlock contributed decisively to the regime's ultimate failure: unable to deepen democracy or restore oligarchic hegemony, the system oscillated toward military intervention.

3.2.5. Yrigoyen's Second Term (1928-1930): Senility, Stagnation, and Regime Collapse

Hipólito Yrigoyen returned to the presidency in April 1928 with a sweeping electoral victory, winning approximately 838,000 votes against 410,000 for the conservative opposition—the largest popular mandate in Argentine history to that point. Yet this triumph masked the regime's deteriorating foundations. Yrigoyen, now 76 years old and visibly declining physically and mentally, presided over an increasingly dysfunctional government characterized by administrative paralysis, personalistic arbitrariness, economic downturn, and mounting opposition from multiple quarters.

Administrative Chaos and Personal Rule

Yrigoyen's second administration exhibited extreme personalistic governance that paralyzed normal institutional functioning. The president refused to delegate authority, requiring all significant decisions to await his personal approval. Ministers became figureheads; cabinet meetings rarely occurred; administrative routines broke down. Yrigoyen conducted government through private audiences at his house on Avenida Brasil, where supplicants—office-seekers, provincial politicians, businessmen, military officers—waited hours or days for brief encounters. This informal, personalistic system might have functioned when Yrigoyen possessed energy and political acumen, but the elderly president increasingly proved incapable of managing the accumulated demands.

Federal interventions proliferated as Yrigoyen deployed the tactic to punish political enemies and reward Personalista factions. Between 1928-1930, the government intervened in Buenos Aires, Mendoza, San Juan, Corrientes, and Santa Fe provinces—often multiple times. These interventions generated accusations of constitutional dictatorship, alienated provincial conservative elites, and created administrative chaos as interventors replaced elected governors. The interventions also demonstrated the UCR's organizational weakness: rather than building autonomous party structures capable of winning provincial elections fairly, the Radicals depended on presidential discretion to maintain influence.

Patronage distribution reached grotesque levels. Public employment expanded dramatically as Yrigoyen rewarded supporters, relatives, and hangers-on with government posts. By 1930, the national bureaucracy had swollen to unprecedented size, draining public finances while creating corruption and inefficiency. Merit-based recruitment disappeared; competence mattered less than political loyalty; administrative functions deteriorated as unqualified appointees occupied key positions.

Economic Deterioration and the Great Depression

The October 1929 Wall Street crash and subsequent Great Depression devastated Argentina's agrarian export economy. International commodity prices collapsed; European demand for meat and grain contracted sharply; capital inflows ceased; unemployment rose; fiscal revenues plummeted. The government proved utterly unprepared for the crisis. Yrigoyen's administration had no coherent economic policy beyond maintaining the gold standard and hoping for recovery. Orthodox liberals criticized government spending and patronage expansion; nationalists demanded industrial protection

and state intervention; labor movements called for employment programs; exporters demanded currency devaluation.

The crisis exposed the Radical regime's fundamental weakness: its legitimacy rested on distributing the benefits of export-led growth through patronage and moderate reforms, but it lacked the capacity or ideological vision to respond to economic collapse. The agrarian model that had enriched Argentina during 1880-1914 no longer functioned in the new international environment of protectionism, cartelization, and Depression. Yet neither the Radicals nor the opposition possessed alternative development strategies. This economic-structural crisis intersected with political-institutional crisis to create conditions for military intervention.

Military Conspiracy and the September 1930 Coup

The military's relationship with Radical governments had always been tense. Yrigoyen's attempts during 1916-1922 to reassert presidential control over the professionalized army through politically-motivated promotions and appointments generated deep resentment among senior officers who viewed themselves as autonomous defenders of national order. The appointment of General Agustín P. Justo as War Minister despite the opposition of more senior generals (particularly José Félix Uriburu) created lasting grievances. During Alvear's administration, the military became increasingly divided between officers loyal to democratic institutions and nationalist-authoritarian factions influenced by European fascism.

By 1929-1930, multiple military conspiracies operated simultaneously. General José Félix Uriburu—the army's most distinguished officer, connected to every major development in the institution since 1900—led a nationalist-authoritarian faction inspired by Italian fascism and Spanish monarchism. Uriburu sought not merely to remove Yrigoyen but to establish a corporatist authoritarian regime that would permanently displace democratic "chaos" with hierarchical order. His ideology combined military nationalism, Catholic social thought, anti-liberalism, and contempt for parliamentary democracy.

Parallel to Uriburu's conspiracy, other officers plotted more moderate interventions aimed at removing Yrigoyen while preserving constitutional structures. Some hoped to install Alvear or another moderate Radical; others favored a brief military government followed by fair elections. The conspirators' heterogeneity reflected the military's own divisions, but all factions agreed that Yrigoyen's senility, administrative chaos, and personalistic arbitrariness justified military action.

Critically, civilian opposition actively encouraged military intervention. Conservative politicians, Antipersonalist Radicals, newspapers (particularly *La Prensa* and *La Nación*), the *Sociedad Rural*, British business interests, and much of the urban middle class openly or tacitly supported coup plotting. The September 1930 intervention occurred with widespread civilian complicity—not just military conspiracy but a broad coalition of anti-Yrigoyenista forces.

On September 6, 1930, General Uriburu led military units from Campo de Mayo to Buenos Aires, encountering no resistance. Yrigoyen, isolated and powerless, resigned and went into exile. The coup terminated fourteen years of electoral democracy, initiated the "**Infamous Decade**" (1930-1943) of fraudulent elections and conservative restoration, and established patterns of military intervention that would plague Argentina for generations.

3.3. Patronal Oscillation Phase: Weakening of Oligarchic Patronalism

The 1916-1930 period represents the **weakening phase** of oligarchic patronalism within the oscillation framework. This phase exhibits several characteristic features:

Disruption of Patronal Mechanisms Without Alternative Consolidation

The 1916 transition disrupted the core mechanisms that had stabilized oligarchic hegemony during 1880-1916: the *acuerdo* system (elite coordination preceding formal procedures), fraudulent electoral control (*fraude patriótico*), and organic incorporation of political-economic elites. Fair elections after 1912 meant that oligarchs could no longer ensure favorable outcomes through manipulation; Radical victories displaced conservative governments; new social groups gained political representation and voice.

Yet this disruption did not produce an alternative stable configuration. The Radicals lacked both ideological coherence and organizational capacity to construct a consolidated democratic order. The UCR remained an heterogeneous coalition held together by Yrigoyen's personal authority and patronage distribution rather than programmatic commitments or institutional structures. The party split (Personalistas vs. Antipersonalistas) revealed this weakness. Neither faction articulated a clear vision for Argentina's political-economic future; both operated primarily through clientelistic mobilization and factional maneuvering.

Persistence of Oligarchic Structural Power

Political displacement did not equal economic expropriation. The landed oligarchy retained its material base—*latifundia* estates, export monopolies, British capital connections—throughout 1916-1930. This structural economic power constrained Radical governments in multiple ways:

Investment strike threats: Oligarchic families and British firms could threaten to reduce investment, curtail production, or move capital abroad if policies proved too threatening. These implicit threats limited reformist ambitions.

Control of economic resources: Land, capital, and trade networks remained in oligarchic hands. Any government policies required oligarchic cooperation to implement effectively. Governments could not, for example, dramatically increase agricultural taxes without risking production declines and export revenue losses.

Provincial power bases: Interior province oligarchies maintained local hegemony despite national Radical dominance. These provincial strongholds provided bases for conservative political resistance and eventually for support of the 1930 coup.

Institutional veto points: Senate control gave oligarchic representatives formal authority to block legislation, protecting core interests through constitutional procedures rather than extra-legal resistance.

Transformation of Informal Relations: From Organic Networks to Episodic Deals

The most significant transformation concerned informal political-economic relations. The organic fusion of elite positions (where the same individuals controlled both political office and economic resources) gave way to a separation of roles, producing crony capitalism rather than oligarchic capitalism. Business-government relations became more competitive, unpredictable, and transactional—dependent on personal connections and episodic deals rather than stable patronal networks.

This shift had ambiguous effects. On one hand, it represented a democratic opening: economic elite status no longer automatically conferred political authority; new groups gained access to state power; policy became contestable through lobbying and bargaining rather than predetermined by elite consensus. On the other hand, crony arrangements produced their own pathologies: corruption, favoritism, policy incoherence, and particularistic privilege-seeking that undermined both economic efficiency and democratic legitimacy.

Constitutional Gridlock and Institutional Decay

The Radical era's persistent executive-legislative conflict—democratically-elected presidents unable to pass legislation through a conservative Senate—paralyzed institutional development and policy innovation. This constitutional gridlock meant that neither democratic deepening (land reform, progressive taxation, labor rights expansion) nor oligarchic restoration (return to controlled elections, union suppression, British capital appeasement) could be achieved. The regime oscillated between Yrigoyenista populism and conservative obstruction without resolving fundamental tensions.

This institutional paralysis generated multiple pathologies: federal interventions replacing provincial elections, patronage expansion substituting for policy reform, personalistic leadership compensating for weak party organization, extra-legal arrangements circumventing constitutional procedures. These pathologies accumulated across 1916-1930, corroding democratic institutions and preparing conditions for military intervention.

Military Autonomy and Intervention Capacity

The professionalization of the military during 1900-1916 created an officer corps that viewed itself as guardian of national order rather than subordinate instrument of civilian politicians. This corporate autonomy initially supported democratic transition (officers sympathized with Radical middle-class demands), but it also established the military's capacity and disposition to intervene when civilian institutions failed to maintain stability or respond to crises.

The 1930 coup demonstrated that Argentina's democratic experiment operated on military sufferance. When economic depression, administrative chaos, and political polarization created conditions the armed forces deemed intolerable, military intervention terminated the regime. This established a pattern that would recur throughout Argentina's twentieth century: democratic periods interrupted by military coups justified as restoring order.

3.4. Conclusion: The Radical Era's Contradictory Legacy

The 1916-1930 period occupies a unique position in Argentina's political development: the country's first sustained experience with competitive electoral democracy, yet a regime that failed to consolidate democratic institutions or transform oligarchic economic structures. This contradiction—democratic procedures without democratic social transformation—proved unsustainable.

The regime combined several distinct elements: Electoral Democracy (competitive elections, opposition victories, political pluralism) at the national level with Crony Capitalism (episodic business-government deals, patronage distribution, particularistic privilege) in the economic sphere, while oligarchic networks retained structural power through Senate control, provincial machines, and material resource concentration. This hybrid configuration represented the **weakening phase** of oligarchic patronalism—disruption of hegemonic mechanisms without consolidation of an alternative order.

The Radical era's ultimate failure shaped Argentina's subsequent trajectory in multiple ways. It demonstrated that electoral democracy alone, without economic transformation or institutional consolidation, could not sustain itself against economic crisis and elite resistance. It revealed the military's capacity and willingness to intervene when civilian politicians failed to maintain stability. It showed that middle-class political mobilization, while capable of displacing oligarchic governments, lacked the organizational coherence and ideological vision to construct a stable alternative regime.

Yet the period also had progressive legacies. Fair elections became an established expectation; working-class and middle-class political participation expanded irreversibly; labor rights made incremental advances; economic nationalism (particularly YPF's creation) established precedents for state intervention. These achievements, though limited, prevented simple restoration of oligarchic hegemony after 1930. The "Infamous Decade" required fraudulent elections ("patriotic fraud") rather than organic

oligarchic rule, demonstrating that the 1916-1930 democratic opening had permanently altered Argentine political consciousness.

Most importantly, the Radical era's contradictions—electoral democracy without economic transformation, political displacement without social revolution, competitive politics constrained by oligarchic veto power—established patterns that would recur throughout Argentina's twentieth-century oscillations. The failure to resolve the fundamental tension between democratic procedures and oligarchic economic structures would drive subsequent regime instability, from the Infamous Decade through Peronism to the military dictatorships of 1966-1983. Understanding why Argentina's first democracy failed is essential to understanding the country's subsequent troubled political history.

IV. Cyclical Deadlocks and Military "Discharges": The Oscillation Pattern (1930-1983)

Traditional treatments of Argentine political history present six separate military coups: 1930, 1943, 1955, 1962, 1966, 1976. The positivist event-history approach explains each with unique causal processes: Yrigoyen's senility and the 1929 crash (1930), the Infamous Decade's corruption and wartime context (1943), Perón's authoritarian excesses (1955), Frondizi's weakness (1962), Illia's ineffectiveness (1966), guerrilla movements and economic chaos (1976). Each coup receives individual treatment, analyzed through its particular circumstances, personalities, and proximate triggers. Historians recount how General Uriburu's nationalist-authoritarian conspiracy differed from the 1943 GOU (United Officers' Group) lodges, how the 1955 *Revolución Libertadora* responded to Peronist mobilization, how the 1966 coup reflected bureaucratic-authoritarian ideology. The narrative proceeds chronologically, accumulating six discrete episodes with six distinct explanations.

This approach, however, misses the essential point. These are not six discrete events but recurring manifestations of a single structural pattern. The period 1930-1983 constitutes recurring regime cycles—political system cycles in which Argentine society proves incapable of consolidating either its democratic or authoritarian pole, perpetually oscillating between the two. This is not a chaotic interlude of random disturbances, but a reproducing structure with its own regularities, mechanisms, and evolutionary logic. Understanding Argentina's mid-twentieth-century instability requires recognizing that the same fundamental contradiction repeatedly generated crises, that the same resolution mechanism (military intervention) repeatedly failed to solve the underlying problem, and that each cycle reproduced rather than eliminated the conditions for the next breakdown.

In the language of patronal oscillation theory, this is not simply an alternation of regime types, but rather chronic instability arising from an unresolvable structural contradiction, where the "solutions" (military interventions) are in fact only temporary discharges that do not eliminate but rather reproduce the sources of tension. Argentina's pattern is an example for incompatible social forces that could neither eliminate each other nor construct stable compromises, producing regime-level cycles between electoral democracy and military authoritarianism.

4.1. The Structural Deadlock: Why Oscillation Persists

One central insight of the Anatomy's patronal politics theory is that stable operation of patronal systems requires either formal institutional consolidation or social legitimacy. A patronal autocracy can endure without democratic procedures if the ruling network possesses sufficient social acceptance or coercive capacity. A liberal democracy can function despite residual patronal practices if formal institutions command widespread allegiance and enforce rule of law. Argentina between 1930-1983 possessed neither condition—not in a technical sense, but because a fundamental legitimation gap divided society

in two. This was not merely political polarization (which exists in several democracies) or „class conflicts” (which characterize all capitalist societies), but rather a legitimation antagonism so profound that no institutional framework could mediate it. Neither democratic nor authoritarian regimes could consolidate because neither could claim legitimacy in the eyes of both major social forces.

Understanding this legitimation gap requires comparative perspective. The more precise formulation of the question is not "why are there military coups in Argentina?" but rather "why are there none in the United States, when both countries have agrarian-urban tensions, political polarization, and overrepresented rural interests?" Both nations experienced dramatic industrialization and urbanization in the late nineteenth and early twentieth centuries. Both developed constitutional structures giving disproportionate representation to sparsely-populated rural areas (the U.S. Senate, with two senators per state regardless of population, mirrors Argentina's federal Senate structure). Both witnessed conflicts between export-oriented agricultural interests and protectionist industrial constituencies, between conservative rural populations and mobilized urban workers, between established elites and immigrant communities demanding inclusion. Yet the United States never experienced military coups, while Argentina endured six between 1930 and 1976.

The answer lies in the structure of legitimacy. In the United States, the farmer/cowboy status constituted an organic part of national mythology. The frontier myth, the self-made man, the Jeffersonian yeoman farmer—these images pervade American identity regardless of their historical accuracy or contemporary relevance. The urban middle class, even if it does not share this identity, recognizes it as legitimate. Hollywood westerns celebrate the cowboy; political rhetoric invokes the family farm; cultural narratives valorize rural self-reliance. The senatorial overrepresentation of agrarian interests appears as a constitutional compromise that both sides accept, reflecting the founders' wisdom in balancing urban and rural interests. Conflicts certainly exist—abolitionism divided North and South, populism pitted farmers against railroads and banks, the New Deal sparked fierce opposition from business interests—but both sides recognize the other's right to participate in the political sphere. There is no fundamental doubt that the farmer represents a "real American" (indeed, often more authentically American than coastal urban elites).

Argentina presents the opposite pattern. The landed oligarchy is not part of national mythology—on the contrary, it appears as a foreign body, an obstacle to national development. The oligarchs are not "working farmers" but latifundista rentiers who acquired vast estates through political connections during the Conquest of the Desert, who live extravagant European lifestyles in Paris townhouses and Mar del Plata mansions, who speak French as readily as Spanish, who view their own country as a primitive backwater. Their wealth derives not from entrepreneurial innovation or productive labor but from extracting rents from uniquely fertile land distributed through corrupt political allocation. They embody not national virtue but parasitic privilege.

Urban immigrant-origin strata emerged despite the oligarchy, not from within it. As analyzed in section 3.1, the oligarchy's land monopoly prevented immigrants from becoming independent farmers, forcing them into exploitative tenant contracts or urban wage labor. The millions of Italians, Spaniards, and other Europeans who arrived seeking opportunity found not Jeffersonian yeoman agriculture but feudal-style latifundia. They built Argentina's cities, staffed its factories, constructed its infrastructure—yet the oligarchy that controlled the countryside treated them with contempt. Political restrictions denied non-naturalized immigrants voting rights; cultural disdain dismissed them as inassimilable foreigners threatening criollo (native-born) identity; economic exploitation subordinated them to oligarchic discretion.

This mutual delegitimation proved fatal to regime stability. Neither side recognized the other's legitimacy to govern. When democratic procedures produced Radical or Peronist electoral victories,

oligarchic forces viewed the outcome not as legitimate popular sovereignty but as dangerous demagoguery—the "ignorant masses" manipulated by unscrupulous politicians threatening civilized order and property rights. Conversely, when military interventions or conservative governments displaced democratic regimes, popular forces viewed this not as necessary restoration of order but as illegitimate usurpation—antidemocratic privilege defending parasitic oligarchic interests against the national majority. Parliamentary majorities appeared inherently suspect to conservative elites (representing immigrant invasion rather than genuine Argentine interests), while senatorial/military vetoes appeared inherently suspect to democratic forces (representing oligarchic obstruction rather than constitutional balance).

This legitimation antagonism meant that no institutional framework could mediate conflicts through accepted procedures. In functional democracies, losing parties accept electoral defeat as legitimate because they recognize winners' right to govern within constitutional limits, knowing they can compete again in future elections. In stable autocracies, subordinate groups accept or must accept elite rule as either traditionally legitimate (monarchy, theocracy) or inevitably coercive (totalitarian repression). Argentina possessed neither legitimation structure. Democrats would not accept oligarchic/military rule as anything other than illegitimate usurpation requiring resistance. Oligarchs would not accept democratic majorities as anything other than dangerous mob rule requiring suppression. The result was permanent contestation: neither pole could consolidate power sufficiently to impose its preferred regime type, yet neither could accept the other's rule as legitimate. Cyclical oscillation became inevitable.

4.2. The Deadlock Triad: Three Incompatible Elements

From 1930 onward, three structural elements existed that proved mutually exclusive, yet none could eliminate the others. First, democratic political institutions established by the 1853 Constitution and expanded through the 1912 Sáenz Peña Law created frameworks for competitive politics. Universal male suffrage extended voting rights to the vast majority of native-born citizens. Secret ballot prevented direct patron surveillance and clientelistic coercion. Competitive elections at presidential and Chamber of Deputies levels allowed opposition parties to win power. The republican constitutional framework provided formal protections for civil liberties, press freedom, and political organization. Mass political mobilization by urban middle and working classes generated genuine popular participation unprecedented in Argentine history. These democratic procedures were not merely façades—the 1916, 1922, 1928, 1946, 1958, 1963, and 1973 elections involved real competition with uncertain outcomes determined by voter preferences rather than oligarchic manipulation.

Second, historical oligarchic economic structures persisted despite political democratization. Extreme land concentration on the pampas meant that approximately 1,800 families controlled over 70% of productive agricultural land by 1930, with this concentration increasing rather than decreasing through subsequent decades. Export monopolies linking grain and beef production to British and multinational merchant houses concentrated economic power. The federal Senate's constitutional structure, giving equal representation to sparsely-populated interior provinces dominated by traditional landed elites, created an institutional veto point through which oligarchic interests could block reformist legislation even when democratic forces controlled the presidency and Chamber of Deputies. Provincial political machines in the interior maintained traditional patron-client networks linking landowners, local bosses, and dependent laborers, operating much as they had during the oligarchic era regardless of national-level regime changes.

Third, military corporate autonomy transformed the armed forces into a political actor claiming authority independent of civilian control. The professionalization process analyzed in section 2.3 created an officer corps that viewed itself as guardian of national order, custodian of constitutional

integrity, and technical expert in violence management—not as subordinate instrument of elected politicians. This self-perception as institutional arbiter above partisan politics granted the military ideological justification for intervention whenever civilian governments appeared to threaten order, property rights, or national interests as the officer corps defined them. The hierarchical, anti-populist institutional culture fostered during German-model professionalization created structural affinity for conservative order over democratic chaos, making the military cooptable by oligarchic elite interests despite officers' middle-class social origins.

The logic of this triadic deadlock operated as follows. Democratic governments elected through fair procedures could not fundamentally transform oligarchic economic structures. Senate veto power blocked land reform, progressive taxation, or nationalization of British capital. Economic blackmail through investment strikes, capital flight threats, and production cutbacks punished governments that challenged oligarchic interests too directly. Provincial strongholds where oligarchic families maintained traditional control provided bases for conservative political resistance even when the national executive came under democratic control. The military's structural conservatism meant that elected governments faced implicit or explicit threats of intervention if they pursued policies the officer corps deemed threatening to order or property.

Conversely, oligarchic forces could not restore hegemonic authoritarianism through elections once the 1912 Sáenz Peña Law eliminated fraudulent manipulation as a viable mechanism. Urban masses, having experienced genuine electoral competition and won democratic victories, would not accept return to fraudulent rituals passing as elections. The middle classes mobilized by the Radical Party, the working classes organized by Peronism—these social forces possessed organizational capacity, ideological consciousness, and numerical weight that made restoration of the pre-1916 oligarchic system impossible through constitutional means. Conservatives consistently lost fair elections during 1916-1930 and again during 1946-1951, demonstrating that oligarchic interests could not construct popular legitimacy necessary for democratic rule.

Military interventions could not build legitimate new orders because the armed forces lacked political vision, programmatic ideology, or social base beyond narrow corporate interests and alliances with discredited oligarchic elites. Every military dictatorship during 1930-1983 depended on repressing rather than incorporating popular sectors, on serving oligarchic/conservative interests rather than constructing autonomous legitimacy, and on coercion rather than consent. This made military regimes inherently unstable—capable of seizing power through force but incapable of consolidating hegemonic authority. Economic crises, international isolation, internal military divisions, and popular resistance repeatedly forced armed forces to retreat to barracks and allow democratic restoration, which then regenerated the conditions for renewed deadlock and subsequent intervention.

The result was cyclical instability in which no force could eliminate the others, yet none could construct stable equilibrium. Democrats could win elections but could not govern effectively due to oligarchic obstruction and military threats. Oligarchs could block democratic reforms but could not win elections or restore hegemonic control. The military could seize power but could not consolidate legitimate rule or solve the underlying contradictions that generated crises. Each pole possessed sufficient strength to prevent consolidation by rivals but insufficient strength to impose its preferred solution. Oscillation between electoral democracy and military dictatorship became the only possible pattern—not because Argentines were culturally predisposed to instability or because leaders failed to learn from experience, but because structural conditions made oscillation the equilibrium outcome.

4.3. The "Lightning Discharge" Mechanism: Military Intervention as Systemic Release

Military coups should be understood not as "solutions" to Argentina's political crises but as "discharges"—employing the physical analogy of atmospheric lightning to capture their precise function within the oscillating system. This metaphor, rigorously applied, illuminates both why interventions occurred and why they invariably failed to achieve their stated objectives.

Atmospheric lightning results from electric potential difference between clouds and earth. Atmospheric processes separate electric charges—positive in upper cloud regions, negative in lower regions and on the ground. As this charge separation intensifies, the voltage differential increases until the air's insulating capacity breaks down. Lightning represents the sudden discharge equalizing these potentials—a violent, spectacular energy release via the path of least electrical resistance. Critically, lightning does not solve the problem of charge separation. The atmospheric processes generating charge difference continue operating; lightning merely dissipates accumulated energy temporarily before new charges accumulate. The discharge is destructive and wasteful—most energy converts to heat, light, and explosive shock rather than productive work. The fundamental meteorological dynamics remain unchanged; the system returns to generating new charge separation that will eventually produce another lightning strike.

Argentine military coups functioned identically within the political system. Structural conditions generated "charge separation"—accumulating tensions between democratic mobilization and oligarchic economic power, between popular demands and elite resistance, between constitutional procedures and material power relations. These tensions manifested as political gridlock, governmental paralysis, economic crisis, and escalating social conflict. As pressures intensified beyond what existing institutional frameworks could contain, the system sought discharge through military intervention—the path of least political resistance. The armed forces, possessing monopoly on legitimate coercion and claiming authority as institutional arbiters above partisan politics, provided the mechanism through which accumulated tensions could be violently released.

Yet military coups did not solve the structural contradiction generating tensions. They merely provided temporary relief by short-circuiting democratic procedures, repressing popular mobilization, and restoring oligarchic privilege—but without eliminating the social forces, democratic consciousness, or economic grievances that would regenerate conflict once repression relaxed. The discharge was profoundly destructive and wasteful: constitutional violations, human rights abuses, economic disruption, international isolation, and regime delegitimization. The fundamental structural dynamics—land concentration, democratic aspirations, legitimation antagonism—remained unchanged. After each military regime's inevitable failure and retreat, the system returned to generating new tensions that would eventually produce another coup.

This analogy provides analytical precision absent in conventional explanations. It clarifies why coups recurred despite apparent "learning" by political actors. The problem was not that individuals failed to learn lessons or that leaders repeated mistakes, but that the structure reproduced conditions making discharge inevitable regardless of participants' intentions or knowledge. It explains why military regimes could not consolidate even when they possessed overwhelming coercive capacity and initially broad civilian support—they addressed symptoms (governmental paralysis, economic crisis) rather than causes (legitimation gap, structural power imbalances). It reveals why each coup cycle followed similar patterns despite different immediate circumstances—because all operated through the same discharge mechanism responding to the same underlying contradiction.

Most importantly, the lightning metaphor captures the mechanism's conservative function. Lightning always flows from cloud to ground, equalizing potentials by removing accumulated charges. It never reverses atmospheric processes or fundamentally restructures meteorological dynamics. Similarly, military coups always intervened to restore oligarchic/conservative order against democratic/popular

challenges. They never flowed in the opposite direction—there were no military coups installing radical governments, redistributing oligarchic wealth, or deepening democratic institutions. The discharge path was structurally conservative because, as the next section analyzes, the armed forces themselves constituted a conservative institution systematically aligned with oligarchic interests despite middle-class officer origins.

4.4. Six Mechanisms: Why the Military Always Intervened Conservatively

The fundamental puzzle of Argentina's military coups is not that they occurred—political scientists expect military interventions in developing countries with weak institutions and economic crises. The puzzle is their consistent directionality. The Argentine officer corps originated primarily from middle-class backgrounds, not oligarchic families. In 1916, many officers sympathized with Radical reformist demands and welcomed Yrigoyen's victory as middle-class political inclusion. Yet by 1930, these same middle-class officers became the oligarchy's defenders, overthrowing a democratically-elected middle-class government. This pattern persisted through 1983: every military intervention favored oligarchic/conservative interests against democratic/popular forces. Why did the military always discharge accumulated tensions in one direction—toward restoration of elite privilege rather than democratic deepening or social transformation?

Six mechanisms explain this systematic conservative orientation. **Professional hierarchy** created cultural affinity for order over chaos. The German-model military professionalization adopted during 1900-1916 established hierarchical, disciplined, technocratic institutional norms. Officers absorbed Prussian military culture emphasizing discipline, hierarchy, technical expertise, and subordination of individual to institutional authority. This cultural formation created deep affinity for similar values in civilian society: stable hierarchies, predictable order, respect for authority, technical rationality. The oligarchic economic system, despite its corruption and inequality, appeared to embody these values—it produced stable export revenues, maintained social hierarchies, integrated Argentina into global markets, and connected the nation to Western civilization through British capital and European cultural orientation.

Conversely, democratic mass mobilization appeared as chaos and disorder. Popular politics involved strikes, demonstrations, inflammatory rhetoric, class conflict, and challenges to established authority. The Radical Party's personalistic leadership under Yrigoyen, the anarchist union movements' revolutionary rhetoric, and later Peronism's massive working-class mobilizations all struck professional military officers as dangerous disorder threatening civilized stability. The armed forces' institutional self-conception as guardians of national order naturally aligned them with conservative forces defending hierarchy against populist disruption, regardless of the substantive justice of competing claims.

Oligarchic cooptation created personal interest ties beyond ideological orientation. The traditional landed elite systematically cultivated military officers through social and economic integration. Officers received invitations to oligarchic social clubs—particularly the Jockey Club, Buenos Aires's most exclusive institution where oligarchs, British businessmen, and senior military officers mingled. Marriage connections linked middle-class officers to oligarchic families; daughters of great landowners married rising colonels and generals, creating kinship bonds across class lines. Most significantly, oligarchs provided economic rewards: land grants to retiring generals, directorships in state enterprises and private companies for former ministers of war, lucrative legal and business opportunities for well-connected officers. These rewards came not through formal institutionalized corruption but through informal elite networks—a general who protected oligarchic interests during his service could expect comfortable post-retirement positions on corporate boards or as estancia manager.

This cooptation operated subtly but powerfully. Officers who began careers as middle-class reformers gradually absorbed oligarchic perspectives through social integration, economic incentives, and cultural assimilation. By the time they reached senior ranks where coup conspiracies formed, they had spent decades cultivating relationships with oligarchic families, accepting their social hospitality, intermarrying with their daughters, and anticipating post-military careers dependent on oligarchic connections. These personal ties created stakes in preserving oligarchic power beyond abstract ideological commitments.

Anti-populist ideology transformed political conflicts into existential threats. Military institutional culture interpreted populism—whether Radicalism, Peronism, or socialism—not as legitimate political expression requiring accommodation but as totalitarian danger requiring elimination. The ideological framework varied by period: during the 1930s-1940s, officers absorbed fascist and nationalist thought emphasizing corporatist order against liberal chaos; during the Cold War era (1945-1983), national security doctrines defined internal enemies as extensions of international communist conspiracy. Yet across ideological variations, the consistent theme portrayed popular mobilization as civilizational threat rather than democratic politics.

This framing made compromise impossible. If Peronism represented totalitarianism comparable to Soviet communism, then negotiating with Peronists meant betraying Western civilization. If working-class strikes reflected Marxist subversion rather than economic grievances, then military repression constituted patriotic defense rather than authoritarian violence. The military's ideological self-understanding as civilization's defender against barbarism precluded recognizing popular forces as legitimate political actors deserving inclusion. Every democratic challenge to oligarchic power appeared through this lens as existential threat justifying extreme measures.

International influences reinforced conservative orientation across three distinct periods. During 1900-1930, German military missions inculcated Prussian values: hierarchy, nationalism, discipline, and contempt for parliamentary disorder. These German advisors explicitly dismissed democratic politics as chaotic inefficiency compared to authoritarian decisiveness. During 1930-1945, fascist and nationalist currents from Italy, Spain, and Germany attracted Argentine officers seeking alternatives to liberal democracy—corporatism promised order without either democratic chaos or communist revolution. During 1945-1983, United States Cold War doctrines dominated through military aid programs, training at U.S. institutions, and national security ideology. The U.S. taught Latin American militaries to view internal leftist movements as Soviet proxy threats requiring counterinsurgency warfare. Each international influence, despite different specific content, consistently promoted anti-democratic, anti-popular orientations that aligned Argentine officers with conservative domestic forces.

Economic interests tied military institutional welfare to oligarchic prosperity. The armed forces' budget derived overwhelmingly from customs revenues generated by agricultural exports—the oligarchy's economic base. When export agriculture thrived, government revenues increased and military budgets expanded; when agricultural exports declined, fiscal crises forced military budget cuts. This created structural interest alignment: military institutional growth depended on the oligarchic export model's success. Import-substitution industrialization or populist redistribution threatened this revenue base by potentially reducing export competitiveness or triggering capital flight. Additionally, arms purchases came predominantly from British, German, and French firms connected to the same international networks through which oligarchs sold agricultural exports and obtained credit. Military procurement thus intertwined with oligarchic commercial relationships.

Class identity proved ambiguous but ultimately conservative. The officer corps was middle-class, not oligarchic—sons of shopkeepers, provincial professionals, minor landowners, and urban civil servants. This created potential solidarity with Radical or Peronist middle-class politics. Yet officers also

distinguished themselves sharply from working classes and urban poor. Military culture emphasized discipline, hierarchy, technical education, and professional achievement—values that aligned officers more closely with middle-class aspirations for order and respectability than with working-class radicalism. Officers feared proletarian revolution—*anarchism* during the 1900s-1920s, *Peronist mobilization* during the 1940s-1950s, *guerrilla movements* during the 1960s-1970s—far more than they resented oligarchic privilege.

When forced to choose between oligarchy and popular forces, officers consistently chose the former. They might resent specific oligarchs' corruption or oppose particular economic policies, but they never identified with working-class revolutionary movements threatening the entire social hierarchy. The military's middle-class origins created initial reform sympathies (evident in 1916 support for Yrigoyen), but as populist movements escalated demands beyond moderate inclusion toward fundamental redistribution, officers recoiled toward conservative positions defending order against chaos.

Together, these six mechanisms explain why the military's discharge function operated consistently in one direction. Professional culture, oligarchic cooptation, anti-populist ideology, international influences, economic interests, and class identity all systematically aligned the armed forces with conservative restoration against democratic deepening. Individual officers might hold diverse personal views, particular factions might advocate specific policy variations, and immediate coup triggers varied across episodes. Yet the structural mechanisms ensured that when military intervention occurred, it served oligarchic/conservative interests against popular/democratic forces. The armed forces could not function as neutral arbiters above political conflicts because they were embedded in social structures that made neutrality impossible.

This analysis reveals that **Argentina's regime cyclical pattern** was not contingent on particular leaders' choices or military faction struggles but **structurally determined by institutional relationships**. As long as the military possessed intervention capacity, professional autonomy, and these six mechanisms aligning it with oligarchic interests, coups would recurrently restore conservative order against democratic challenges. The lightning discharge could only flow in one direction because the conductor itself was permanently wired into conservative circuits.

4.5. Labor Unions as a New, Fourth Actor: Argentina's Distinctive Patronage Terrain

The analysis thus far has identified three structural elements generating Argentina's cyclical deadlock: democratic political institutions, oligarchic economic structures, and military corporate autonomy. Understanding why this deadlock produced the specific oscillation pattern observed between 1930-1983, however, requires introducing a fourth dimension that distinguishes Argentina from other Latin American cases and indeed from most developing countries: organized labor as an autonomous patronal terrain. Labor unions—particularly the General Confederation of Labor (CGT) established in 1930 and thoroughly reorganized under Peronism after 1946—constituted neither simple extensions of democratic political mobilization nor mere clients of political parties or state agencies. Instead, they developed into autonomous institutional actors with their own patronal logic, independent resource bases, and distinctive survival mechanisms that operated across regime types, persisting through both democratic and authoritarian periods.

This union autonomy represents Argentina's most distinctive political-institutional feature in comparative Latin American perspective. To situate Argentina's exceptionalism requires systematic comparison with cases exhibiting different configurations of state expansion, patronage, and organized labor incorporation. The following analysis employs two comparative frameworks: first, a cross-national assessment of the motors driving public sector expansion; second, a typology of state-patronage

configurations. These frameworks, when applied to Argentine history, reveal why unions became such powerful and autonomous patronal actors in Argentina while remaining more subordinated or fragmented in comparable cases.

Comparative Framework I: Motors of Public Sector Expansion

Public sectors in all capitalist democracies expand over time, but the mechanisms driving that expansion vary substantially across cases. Three principal motors can be analytically distinguished, though they typically operate simultaneously in any given country. Administrative self-interest (motor a) reflects bureaucratic agencies' tendency toward organic growth: officials create new programs, hire additional staff, expand jurisdictional scope, and resist budget cuts to enhance institutional prestige, career opportunities, and policy influence. This motor operates relatively autonomously from external political pressures, driven by internal bureaucratic logic emphasizing technical expertise, professional standards, and administrative capacity. Union status-group positions (motor b) reflect organized labor's capacity to establish protected employment categories, secure tenure guarantees, extract wage premiums, and resist productivity reforms through collective bargaining or political pressure. This motor creates "feudal order type" (status-group) positions characterized by job security, seniority-based advancement, and resistance to performance evaluation—employment relations more similar to medieval guilds or Weberian status groups than to market-based labor contracts. Political patronage type patron-client systems (motor c) constitute the third form, reflecting political leaders' use of public employment for building electoral coalitions, rewarding supporters, and constructing clientelistic networks. This motor generates cyclical employment expansion and contraction corresponding to political cycles, with victorious parties hiring loyalists and purging opponents.

The relative weight of these three motors varies dramatically across countries, producing distinct state configurations and political dynamics. Table 3. presents a schematic comparison of four representative cases, employing a 0-4 scale where 0 indicates negligible influence and 4 indicates dominant influence. These assessments reflect qualitative judgments synthesizing historical and institutional analyses rather than precise quantitative measurements, but they capture meaningful cross-national variations in state-building patterns.

Table 3. Motors of Public Sector Personnel Expansion by Country (Scale 0-4)

Country	Administrative Self-Interest (a)	Union Status-Group Positions (b)	Political Patronage Patron-Client System (c)	Notes
Argentina	2	3-4	4	Strong and persistent clientelism; Peronist unions; provincial patronage
Chile	2-3	1-2	1	Meritocratic state; minimal patronage
Uruguay	2-3	3	1-2	Strong social pacts; low clientelism

USA	3-4	1-2	1-2	Bureaucratic autonomy; limited patronage
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This comparative framework immediately reveals Argentina's distinctiveness: alone among these cases, the patron-client system (motor c) dominates overwhelmingly, with a rating of 4 indicating that political patronage constitutes the primary mechanism driving state expansion. Simultaneously, union status-group positions (motor b) also score exceptionally high at 3-4, reflecting organized labor's extraordinary capacity to establish protected employment positions within both public and private sectors. The combination of dominant political patronage and powerful union entrenchment produces Argentina's distinctive dual patronage system, analyzed in detail below.

Chile provides the starkest contrast. Despite comparable economic development levels and similar nineteenth-century oligarchic political structures, Chile developed a substantially more meritocratic civil service with minimal political patronage (rating 1 on motor c). Chilean unions possessed significant mobilizational capacity and periodically achieved policy influence, but they never established the institutionalized status-group positions characteristic of Argentine unions (rating 1-2 on motor b). This difference reflects distinct political trajectories: Chile's earlier and more comprehensive administrative reforms, weaker populist mobilization compared to Peronism, and the Pinochet dictatorship's systematic dismantling of union institutional positions during 1973-1990.

Uruguay occupies an intermediate position closer to social-democratic European models than to either Argentine clientelism or Chilean meritocracy. Uruguayan unions achieved substantial entrenchment (rating 3 on motor b) through social pacts negotiated during democratic periods, securing collective bargaining rights, employment protections, and welfare state expansion. Yet Uruguay never developed the pervasive political patronage characterizing Argentina (rating only 1-2 on motor c), maintaining instead a more professional bureaucracy despite periodic clientelistic practices. This configuration reflected Uruguay's distinctive political culture emphasizing negotiated consensus, its smaller scale facilitating social cooperation, and the Batllista reform tradition establishing professional administrative norms early in the twentieth century.

The United States exhibits yet another pattern: bureaucratic autonomy (motor a) dominates at 3-4, reflecting the progressive-era civil service reforms that substantially insulated federal and many state/local bureaucracies from patronage. Public sector unions possess significant strength (rating 1-2 on motor b), particularly at state and municipal levels, but they have not established the comprehensive status-group protections characteristic of European social democracies or Argentine Peronism. Political patronage persists (rating 1-2 on motor c), especially in certain states and municipalities and through presidential appointments, but operates within constraints imposed by civil service protections and transparency requirements.

Argentina's position—dominant political patronage combined with powerful union entrenchment—creates a configuration found in few other cases. The closest parallels appear in certain Southern European countries (Greece, Southern Italy) and select Eastern European cases, but even these typically exhibit either stronger bureaucratic autonomy (Italy) or weaker union institutionalization (Greece) than Argentina. This exceptional combination produces what the second comparative framework terms a "hybrid/multiple-distortion state": public sectors simultaneously bloated through political hiring, protected through union resistance to reform, and incapacitated through fragmented authority and competing patronage networks.

Comparative Framework II: Four Archetypical State Configurations

The three motors of state expansion (administrative self-interest, union status positions, political patronage) can combine in various ways, producing distinct state configurations with characteristic strengths, pathologies, and reform resistances. Table 4. presents four ideal-typical configurations, acknowledging that actual cases exhibit hybrid features but tend toward one dominant pattern.

Table 4. Four Archetypical State Types and Main Characteristics

Type	Dominant Motor of Public Sector Personal Expansion	Characteristics	Examples
Administrative-Incrementalist State	(a) Administrative Self-Interest	Stable professional bureaucracy; slow organic expansion; low clientelism	USA, Canada, Chile
Corporatist-Status State	(b) Union Status-Group Positions	Strong union embeddedness; high sectoral capacity; reform resistance	Uruguay, Scandinavia
Political-Patronage State	(c) Patron-Client System	Cyclical personnel growth; low professional capacity; high political control	Argentina, Greece (pre-crisis)
Hybrid/Multiple-Distortion State	a + b + c	Bloated, incapacitated apparatus; high political control and union protection together	Balkans, parts of Southern Europe

The political-patronage state, where motor c dominates, exhibits several characteristic features. Public employment expands dramatically when new parties or factions win elections, as victors hire loyalists into positions ranging from ministerial cabinets to provincial agencies to municipal services. Conversely, employment contracts or contracts are terminated, transfers imposed, or employees marginalized when opposing parties take power, creating cyclical personnel fluctuations reflecting electoral cycles. Professional capacity remains chronically low because hiring prioritizes political loyalty over technical competence, promotion follows patronage connections rather than performance, and institutional knowledge is lost through each political transition. Administrative policies suffer discontinuity as incoming governments reverse predecessors' initiatives, regardless of effectiveness, to demonstrate political differentiation and reward different client networks. Yet precisely this weakness creates dependency: without professional bureaucracies capable of implementing complex policies, governments rely increasingly on personalistic networks to accomplish administrative tasks, reinforcing patronage's dominance.

The administrative-incrementalist state, where motor a dominates, presents contrasting characteristics. Civil service protections insulate most positions from political turnover, enabling bureaucrats to develop long-term expertise and maintain institutional continuity across political transitions. Recruitment emphasizes educational credentials, technical expertise, and competitive examinations

rather than political connections. Agency expansion occurs incrementally through gradual program elaboration and slow personnel growth rather than dramatic electoral-cycle surges. Professional norms emphasizing neutral competence, policy expertise, and administrative rationality constrain both political interference and clientelistic manipulation. Yet this configuration creates its own pathologies: bureaucratic insularity from democratic accountability, agency resistance to policy innovation threatening established routines, and capture by narrow professional communities rather than broader public interests.

The corporatist-status state, where motor b dominates, exhibits yet different dynamics. Strong unions negotiate comprehensive collective agreements establishing employment protections, seniority-based advancement, and substantial voice in agency management. Sectors with powerful unions develop high technical capacity as stable employment enables skill accumulation and professional development. Reform efforts require negotiated agreements with union representatives rather than top-down imposition, creating both stability (through social partnership) and rigidity (through union veto capacity). Public services in unionized sectors often achieve high quality through professional norms and adequate resources, yet attempts at productivity improvements or organizational restructuring encounter powerful resistance from unions defending members' positions and privileges.

Argentina, as Table 4. indicates, primarily exhibits political-patronage state characteristics but with powerful elements of union status-group positions overlaying that foundation—moving it toward the hybrid/multiple-distortion category. This hybrid character proves particularly consequential. The political patronage dimension means that public employment expands and contracts with political cycles, that hiring prioritizes loyalty over competence, and that administrative continuity suffers from each regime change. Yet overlaying this patronage structure is a powerful union dimension: organized labor, particularly in certain state agencies and public enterprises, has established status-group protections that survive political transitions, resist personnel reductions, and defend acquired positions even when governments change. The result is not patronage constrained by union organization (as in corporatist states) or unions integrated into meritocratic bureaucracy (as in Scandinavia), but rather **competing patronage networks—political appointees versus union-protected positions—operating simultaneously within the same state apparatus.**

This hybrid configuration produces distinctive pathologies. Public sectors become simultaneously bloated (through political hiring) and sclerotic (through union protections), incapable of either rational administration or responsive innovation. Reform efforts fail because they encounter resistance from multiple directions: political patronage networks resist meritocratic reforms threatening clientelistic hiring; union organizations resist productivity improvements or personnel reductions threatening protected positions; and administrative leadership lacks authority to impose changes against either resistance. Accountability mechanisms fail because neither political principals (unable to control union-protected employees) nor union representatives (lacking authority over political appointees) can enforce coherent policies. The state apparatus fragments into competing fiefdoms—ministries controlled by political factions, agencies dominated by union bureaucracies, enterprises operating as patronage distribution centers—without effective coordination or unified strategy.

Although these dynamics primarily characterized the public-service sphere, their effects also extended—albeit in a different configuration—into the private sector during the 1930–1983 period. In many core industries shaped by early Peronist labor relations (transport, basic industry, energy, and certain manufacturing branches), union conservatism constituted a more stable and potent constraint than political patronage itself. Unlike the public sector, where political cycles produced dramatic swings in staffing and administrative continuity, private firms operated in an environment where strong sectoral unions, entrenched seniority regimes, and rigid job classifications limited managerial discretion

regardless of which political faction held national power. Political patronage influenced the regulatory and distributive environment, but it rarely penetrated firm-level personnel structures as directly as union gatekeeping and collective bargaining rules did. Thus, even as the state apparatus oscillated between civilian governments, military interventions, and Peronist restorations, the private sector in key industries remained anchored by union-based status-group protections that proved more durable than the political cycles surrounding them—creating a parallel, structurally conservative distortion that shaped organizational behavior and constrained reform.

The Emergence of Union Patronalism in Argentina: From Mobilization to Institution

Understanding how Argentine unions developed into autonomous patronal actors requires tracing their historical trajectory from the anarchist and socialist movements of the early twentieth century through Peronist consolidation to post-1955 survival mechanisms. This transformation was neither linear nor inevitable; it resulted from specific conjunctures where strategic choices by union leaders, political opportunities created by regime crises, and institutional innovations combined to build unprecedented organizational capacity.

The anarchist and socialist unions of the 1900s-1920s, analyzed in section 3.1, operated primarily as mobilizational organizations pursuing revolutionary or reformist objectives through strikes, demonstrations, and political pressure. These early unions possessed limited material resources beyond member dues, no legal recognition or collective bargaining rights, and negligible access to state resources. Their strength derived from ideological commitment, shop-floor militancy, and capacity to disrupt production—not from institutionalized positions within state or economic structures. Oligarchic governments and employers systematically repressed these movements through violence, deportation of foreign activists, and legal prohibitions, preventing them from establishing the institutional foundations necessary for autonomous patronal capacity.

Perón's innovations during 1943-1946, when he served as Labor Secretary and then Vice President in the military government, fundamentally transformed union organizational capacity and political orientation. Perón used state power to grant unions legal recognition, establish compulsory collective bargaining, create union-administered social insurance funds (*obras sociales*), and channel substantial state resources to cooperative union leadership. These innovations were not simply cynical manipulation—they responded to genuine working-class demands for economic security and workplace dignity while simultaneously constructing a political base for Perón's electoral ambitions. Yet the specific institutional forms Perón chose—particularly the *obras sociales* (social works) system giving unions direct control over health insurance and social service administration—created material resource bases that would enable unions to survive subsequent repression.

The *obras sociales* (social works) system deserves particular attention because it **became the foundation of union patronal autonomy**. Rather than establishing a unified national health insurance system administered by state agencies (as Uruguay would do) or relying on private insurance markets (as Chile largely did), Perón's model assigned health insurance administration to sectoral unions. Each major union—metallurgical workers, railway workers, commercial employees, textile workers—established its own **obra social** funded through mandatory employer and employee contributions. These funds accumulated substantial resources (eventually managing billions of pesos annually) that unions controlled with minimal state oversight. *Obra social* resources financed not only medical care but also clinics, vacation facilities, legal services, burial insurance, and various social programs that unions distributed to members, creating dense networks of material exchange independent of government budgets or employer discretion.

This institutional innovation had profound consequences. First, it gave **unions material autonomy**: even when governments were hostile, unions controlled resources enabling them to maintain services to members and therefore organizational loyalty. Second, it created **employment positions for union bureaucrats**: obras sociales employed thousands of administrators, doctors, clerks, and service providers who were union members and whose employment depended on union control of the funds. Third, it established **legal and administrative positions** that were difficult to eliminate even under authoritarian regimes: dismantling obras sociales would require comprehensive social insurance reform, provoke massive resistance from unions and beneficiaries, and create administrative chaos in health service delivery. Military governments might intervene in union leadership, but they rarely dismantled the obras sociales system itself, leaving intact the institutional infrastructure through which unions could reconstitute organization.

Beyond obras sociales, unions accumulated other resource bases and institutional positions during Peronism's first period (1946-1955). Collective bargaining agreements established **shop steward election systems** giving unions workplace representation rights that employers could not easily eliminate. In many workplaces during this period, shop-floor representation operated as much through informal mechanisms as through formal election procedures. Union delegates were often selected not by open, competitive elections but through internal arrangements within the dominant union faction, long-standing personal networks, or tacit agreements between union leaders and influential shop-floor groups. These informal practices allowed unions to maintain tight control over workplace representation, ensuring loyalty to the central leadership and continuity of established power structures. As a result, shop stewards frequently acted less as independent worker representatives and more as intermediaries embedded within a dense web of factional alliances, patronage relations, and workplace hierarchies. These informal channels also linked union delegates to political parties—especially Peronist organizations—facilitating workplace-based electoral mobilization and providing valuable on-the-ground networks during campaign periods.

Union-owned real estate—headquarters buildings, vacation facilities, sports clubs, meeting halls—provided physical infrastructure surviving political transitions. **Strike funds** accumulated during prosperous periods enabled unions to sustain mobilizations during repressive periods. Most importantly, unions developed dense territorial organization penetrating factories and neighborhoods through networks of delegates, shop stewards, local branch offices, and affiliated social organizations, creating face-to-face ties that formal political parties could not replicate.

When the 1955 Revolución Libertadora overthrew Perón and banned the Peronist Party, unions demonstrated their distinctive survival capacity. The military government intervened in CGT leadership, imprisoned militant union activists, and attempted to subordinate organized labor to military control. Yet these repressive measures failed to destroy union organizational capacity. The obras sociales continued operating (though under intervened management); shop steward elections continued occurring (though with restrictions on political activity); and union members maintained loyalty to organizations even when particular leaders were removed. Most importantly, workers increasingly viewed unions not as mere transmission belts for a political party but as their own institutions defending collective interests against hostile governments. This identification proved crucial: it meant that repressing Peronism as a political movement did not eliminate union organization, which survived as an autonomous institutional actor with its own legitimacy among working-class constituencies.

The 1955-1966 period, analyzed in detail in the second cycle below, demonstrated unions' capacity to operate as autonomous patronal actors even when formally excluded from political power. Union bureaucrats built clandestine networks coordinating resistance, organized workplace actions without formal union authorization, and maintained communication with exiled Perón while also pursuing

independent strategies when Perón's directives conflicted with union institutional interests. When civilian governments attempted to co-opt moderate union leaders or construct alternative union organizations, these efforts largely failed because workers' primary loyalty remained with the established unions controlling *obras sociales* and workplace representation. Unions thus survived as submerged patronal networks during hostile regimes, ready to remobilize rapidly when political openings emerged.

The Dual Patronage System: Political Appointees versus Union Bureaucracy

The interaction between political appointees (representing traditional patronage controlled by whoever held government power) and union bureaucrats (representing the autonomous patronal terrain controlled by labor organizations) created Argentina's distinctive dual patronage system. This duality operated differently across regime types, producing complex dynamics that conventional analyses focusing solely on state-society relations or political party competition failed to capture adequately.

Under military regimes, political patronage concentrated in regime loyalists while union patronage went underground yet survived. Military governments purged state agencies of opposition activists, installed military officers or conservative civilians in ministerial positions, and attempted to subordinate unions through intervention (federal takeover of union leadership). The military's patronage network consisted of officers appointed to state enterprises, conservative professionals staffing ministries, and provincial elites receiving federal resources in exchange for supporting the regime. This network operated through hierarchical military command structures and personalistic loyalties to coup leaders rather than through programmatic political parties or stable clientelistic organizations.

Yet military repression never fully eliminated union patronal networks. Shop-floor organization continued through informal channels: workers elected delegates despite official prohibitions, coordinated workplace actions through clandestine communications, and maintained solidarity with imprisoned union leaders. *Obras sociales* administered by military interventors still provided services to members, preserving the material exchange relationships that constituted union patronalism's foundation. Most importantly, workers maintained loyalty to unions as institutions even when particular leaders were removed or exiled, viewing unions as "theirs" in ways they never viewed military-appointed administrators as legitimate. Union patronage operated as submerged networks—invisible to formal political observation yet constituting powerful organizational infrastructure that could rapidly remobilize once repression relaxed.

The **military's inability to destroy union networks** reflected several factors. First, dismantling union institutional positions (collective bargaining systems, shop steward elections, *obras sociales*) would require comprehensive labor law reform provoking massive resistance and potentially paralyzing production. Military governments needed economic production to continue—they could not afford extended general strikes or industrial sabotage. Second, repressing individual union leaders did not eliminate the social networks, shared identities, and organizational practices constituting union culture. As long as workers gathered in factories and confronted common problems (wages, working conditions, supervisor abuses), the social basis for collective organization persisted. Third, military ideologies varied: some officers viewed unions as necessary intermediaries for managing labor relations and preferred controlled cooperation over total destruction; others attempted thorough repression but lacked political commitment to sustain it when economic costs mounted.

Under Peronist civilian governments, political and union patronage intersected in complex, often conflictual relationships. The relationship was neither simple cooperation nor pure antagonism but rather what the **framework terms "landlord-tenant" dynamics**: political appointees controlled state resources and policy-making authority (the landlord position), while union bureaucrats controlled

workplace organization and delivered votes/mobilization (the tenant position). Each needed the other yet resented the asymmetry. Political leaders required union mobilization to win elections, pressure opposition, and implement policies—but they also feared union power to paralyze government through strikes or refuse policy demands. Union leaders needed government resources, favorable legislation, and political protection—but they also resented subordination to politicians who might abandon unions when politically convenient.

This ambivalent relationship structured Peronism's internal dynamics from 1946 onward. During Perón's first presidency (1946-1955), analyzed in detail in the second cycle below, he initially built his political base through union patronage: using his position as Labor Secretary and Vice President (1943-1945) to distribute benefits, recognize unions, and cultivate personal loyalty among union leaders. Once president, however, Perón sought to subordinate unions to his political project, creating the Peronist Party as an organizational vehicle that would encompass but control labor organizations. Union leaders accepted this arrangement when Perón's government delivered material benefits—real wage increases, social insurance expansion, legal protections, political incorporation—and protected union institutional interests against employer and military opposition.

Yet unions also developed autonomous capacity to pressure, resist, or even oppose political leadership when their institutional interests were threatened. The post-1955 period demonstrated this autonomy starkly: despite Perón's exile and Peronism's proscription as a political party, unions maintained Peronist identity and organizational coherence, often acting independently of (or in opposition to) Perón's directives issued from Madrid. Union leaders developed their own assessment of political opportunities, negotiated with military and civilian governments according to sectoral interests, and sometimes pursued strategies contradicting Perón's instructions when he demanded actions threatening union institutional survival. This **tension between union autonomy and political subordination** would persist throughout Peronism's history, generating periodic internal conflicts that no Peronist government could permanently resolve.

Under non-Peronist civilian governments (Radical administrations after 1983, the Infamous Decade's conservative regimes during 1930-1943, the 1958-1962 Frondizi government, the 1963-1966 Illia government), political appointees and union bureaucrats operated **as rivals competing for popular sector loyalty and state resource allocation**. These governments attempted to build alternative patronage networks bypassing or weakening union power: distributing benefits directly through ministerial social programs, recognizing rival unions (particularly non-Peronist labor organizations), coopting individual union leaders through material incentives, or using labor law reforms to reduce union institutional autonomy. Conservative governments during the 1930s, for instance, attempted to sponsor Catholic unions as alternatives to socialist or anarchist organizations; Frondizi during 1958-1962 negotiated with moderate union factions while repressing militants; Radical governments after 1983 attempted to reduce union political influence by promoting internal union democracy and limiting compulsory union membership.

Yet these efforts to build alternative patronage networks or weaken union power largely failed throughout the 1930-1983 period. **Political patronage could not replicate the dense workplace networks**, daily material exchanges, and collective identities that union patronalism provided. Government ministries might distribute emergency food aid, housing subsidies, or public employment to individuals, but these episodic transactions could not compete with unions' ongoing provision of health insurance, legal representation, workplace protection, and collective dignity. Workers might accept benefits from government programs while maintaining primary loyalty to unions representing them in daily struggles. Rival unions promoted by governments rarely gained substantial followings because workers recognized them as political instruments rather than authentic representatives. Even

successful cooptation of individual union leaders often backfired: coopted leaders lost credibility among rank-and-file members, who then supported militant challengers, producing more radical rather than more cooperative union leadership.

The dual patronage system's most consequential feature was unions' capacity to survive across regime changes, analyzed in the next section. **Unlike political patronage networks that collapsed when governments changed** (political appointees lost positions, clientelistic networks fragmented, patronage resources disappeared), **union patronal structures persisted across both democratic and authoritarian regimes.** This differential survival capacity meant that the balance between political and union patronage shifted dramatically across regime cycles, yet union patronalism never disappeared entirely—it went underground during repressive periods only to reemerge, often strengthened, when political openings appeared.

Unions as Surviving Elements: Institutional Continuity Across Regime Cycles

The most consequential aspect of union patronalism for Argentina's oscillation pattern was its capacity to survive regime changes that destroyed other political organizations and patronage networks. Unlike oligarchic networks (which weakened irreversibly across the 1930-1983 period as the traditional landed elite lost political power and social prestige) or political party organizations (which fragmented during military regimes and rebuilt with varying success during democratic periods), union patronal structures persisted across all three regime cycles. The CGT was banned multiple times—in 1955, 1966, 1976—its leaders imprisoned, exiled, or disappeared, its assets confiscated, and its legal recognition withdrawn. Yet it reconstituted itself after each repression, often emerging stronger rather than weaker because repression radicalized members and demonstrated unions' indispensability for working-class defense.

This survival capacity derived from unions' embeddedness in production relations and workplace social structures that transcended political regimes. As long as factories operated, ports shipped goods, railways transported cargo, and construction sites built buildings, the social relations organizing that labor provided terrain for union organization that could not be eliminated without halting production itself. Military governments might intervene in formal union leadership and appoint regime loyalists as union administrators, but they could not eliminate the underlying shop-floor networks without paralyzing economic activity. Conservative civilian governments might legally ban union political activity and prohibit strikes, but they could not prevent workers from selecting informal shop stewards, negotiating unofficially with supervisors, or coordinating workplace resistance through clandestine communications. Even when formal union structures were dismantled and union property confiscated, the social networks, shared identities, and organizational practices survived as cultural repertoires that could rapidly reconstitute formal organization once repression eased.

Several mechanisms enabled this survival across regime cycles. **First, the obras sociales system** created institutional positions that were sticky—difficult to eliminate even under hostile governments. Dismantling obras sociales would require comprehensive social insurance reform affecting millions of beneficiaries, provoking massive resistance not only from unions but also from workers and their families dependent on health services. Military regimes intervened in obras sociales management, appointing military officers or civilian administrators to replace elected union leaders, but they rarely dismantled the system entirely. The institutional infrastructure therefore persisted: clinics continued operating, insurance contributions continued being collected, and administrative positions continued existing even when union control was temporarily suspended. When political openings emerged, unions could mobilize to reclaim control over obras sociales, rebuilding organizational capacity through institutions that had survived repression.

Second, collective bargaining systems and workplace representation rights established under Peronism created legal and administrative frameworks that proved difficult to entirely eliminate. Military governments suspended collective bargaining, prohibited shop steward elections, and banned workplace assemblies. Yet employers still needed mechanisms for managing labor relations, communicating with workers, and resolving workplace disputes. **Informal delegation systems emerged:** workers selected representatives even without legal authorization, employers negotiated with these representatives to maintain production, and workplace organization continued functioning through underground channels. When governments attempted to impose entirely authoritarian labor relations—treating workers purely as individual employees without collective representation—productivity declined, workplace conflicts escalated, and sabotage increased, forcing partial restoration of representation mechanisms even in repressive contexts.

Third, union territorial organization penetrated working-class neighborhoods through networks of social clubs, mutual aid societies, sports associations, and informal community organizations that provided camouflage for political organization during repressive periods. A union's social club might lose its legal recognition and have its property confiscated, but the personal networks connecting members persisted. Workers who had participated in union activities for years knew each other through daily workplace interactions, neighborhood ties, family connections, and shared experiences of collective struggle. These dense social networks could not be destroyed through legal prohibitions or physical repression—they constituted the social fabric of working-class life itself. When repression intensified, organization went underground; when repression relaxed, organization surfaced rapidly because the underlying social networks had persisted.

Fourth, and perhaps most importantly, unions possessed ideological legitimacy among working-class constituencies that transcended particular regime configurations and survived leadership failures or betrayals. Workers viewed unions as "theirs"—institutions representing their collective interests against employers and the state—in ways they never viewed political parties (seen as dominated by middle-class politicians), state agencies (seen as bureaucratic and unresponsive), or employers (seen as exploitative and hostile). This ideological identification proved remarkably resilient: it survived union leadership corruption, bureaucratic ossification, collaboration with authoritarian regimes, and internal factional conflicts. Even workers who criticized their union's leadership or disagreed with specific policies typically maintained loyalty to the union as an institution and participated in union activities when mobilization was necessary.

This differential in ideological legitimacy between unions and other organizations had profound consequences. When military regimes banned the Peronist Party, party organization largely collapsed—party militants went underground or into exile, party structures fragmented, and party identity became contested among competing factions. **When military regimes banned unions, union organization survived—formal structures were dismantled, but informal organization persisted, and union identity remained cohesive** because it was embedded in daily workplace relations rather than episodic political campaigns. This asymmetry meant that Peronism as a political movement increasingly became identified with union organization during periods of repression, reinforcing the centrality of organized labor within the Peronist coalition and reducing the political party's autonomy from union influence.

The **surviving capacity of union patronalism across regime cycles** distinguished Argentina from cases where labor movements were successfully destroyed or thoroughly subordinated. Chile under Pinochet (1973-1990) provides the starkest contrast. Pinochet's dictatorship implemented systematic destruction of union organizational capacity through comprehensive neoliberal labor reforms eliminating collective bargaining rights, targeted repression disappearing or exiling union leaders, privatization dismantling public sector unions, and sustained ideological campaign delegitimizing

collective action. When Chile returned to democracy in 1990, unions emerged dramatically weakened—membership had declined from approximately 35% of the workforce (1973) to under 15% (1990), legal protections were minimal, and organizational capacity was fragmented. Argentine unions, by contrast, survived the 1976-1983 dictatorship with organizational capacity substantially intact despite unprecedented repression including disappearance of thousands of union activists. When Argentina returned to democracy in 1983, unions immediately remobilized, union density remained around 35-40%, and unions retained control over obras sociales and collective bargaining systems.

This survival capacity meant that each regime cycle inherited powerful union patronal structures from its predecessor, regardless of intervening repression. The first cycle (1930-1946) inherited nascent union organization from the anarchist and socialist movements of the 1916-1930 Radical era, then witnessed union consolidation under early Peronism's institutional innovations. The second cycle (1946-1966) inherited comprehensive union organization from Peronism's stabilizing phase (1946-1955), which survived and indeed strengthened through resistance to the *Revolución Libertadora's* repression (1955-1958). The third cycle (1966-1983) inherited even more resilient union structures that had learned survival tactics during two previous cycles of repression. By the 1970s, unions had become such embedded institutional actors that even the 1976-1983 dictatorship's unprecedented repression—including systematic disappearance of union activists, comprehensive labor law reforms, and neoliberal economic policies designed to weaken union economic power—could not eliminate union patronal networks. When redemocratization occurred in 1983, unions remobilized powerfully, immediately reestablishing political influence and organizational capacity.

This patronal continuity across regime cycles represents Argentina's most distinctive political feature in comparative Latin American perspective and distinguishes Argentine unions from labor movements elsewhere that either were destroyed (Chile), thoroughly subordinated (Mexico's unions remaining controlled by PRI apparatus even after democratization), or never achieved comparable autonomous organizational capacity (Brazil, where unions faced more state regulation and developed less autonomous resource bases). Argentine unions' autonomous patronal capacity made them permanent features of the political landscape—actors that every government, whether democratic or authoritarian, Peronist or anti-Peronist, civilian or military, had to accommodate, repress, or negotiate with, but could never ignore or eliminate.

The subsequent analysis of the three regime cycles integrates this fourth dimension systematically. Each cycle examines how union patronalism interacted with oligarchic economic power, military institutional interests, and democratic political mobilization—sometimes reinforcing democratic forces against oligarchic-military alliances, sometimes pursuing autonomous institutional interests that conflicted with all other actors, sometimes fragmenting internally over strategy and leadership. Understanding Argentina's oscillation pattern requires recognizing that unions were not simply part of "popular" or "democratic" forces but autonomous institutional actors with their own patronal logic, survival mechanisms, and capacity to shape political outcomes independent of regime type. The lightning discharge mechanism operated not through a simple dyadic conflict between oligarchy and democracy, but through a complex four-way interaction among oligarchic interests, military corporate autonomy, democratic political mobilization, and union patronal networks—with unions constituting the wild card that could align with any other force or pursue independent strategies depending on conjunctural assessments of institutional interests.

4.6. Regime Cycles and Patronal Oscillation: Analytical Distinction

Before analyzing the three regime cycles (1930-1946, 1946-1966, 1966-1983), a critical conceptual clarification is necessary. **Regime cycles and patronal oscillation are distinct yet related phenomena that must not be conflated.**

Patronal oscillation constitutes the fundamental, continuous process spanning Argentina's entire political history from 1580 to the present. This oscillation describes the evolution of specific patron-client structures through five phases (inherited → strengthening → stabilizing → weakening → surviving), tracking how different patronal types—colonial *encomienda* networks, caudillo military clientelism, oligarchic land patronage, Peronist union corporatism, provincial machine politics—emerge, consolidate, decline, and persist in residual forms across centuries. Patronal oscillation operates beneath and across formal regime changes, constituting the deep structural continuity that shapes Argentine politics regardless of whether the country experiences monarchy, oligarchic republic, electoral democracy, or military dictatorship.

Regime cycles, by contrast, represent a specific phenomenon limited to the 1930-1983 period: the repetitive alternation between civilian democratic governments and military authoritarian interventions, driven by an unresolvable structural deadlock between oligarchic-conservative forces and democratic-popular mobilization. These cycles involve formal institutional oscillation—changes in regime type as classified in the Unified Theory Matrix—rather than the underlying evolution of patronal structures themselves. The regime cycle pattern had a definite beginning (1930 coup ending the Liberal Era), exhibited evolutionary transformation across three iterations, and reached a definite end (1983 democratic transition closing the cycle definitively).

The analytical relationship between these phenomena is hierarchical rather than synonymous. Patronal oscillation provides the **foundational layer** of analysis: throughout 1580-2025, patron-client structures continuously evolve through their internal life cycles regardless of formal regime configurations. Regime cycles constitute a **superimposed layer** visible only during 1930-1983: a specific pattern of formal institutional instability generated by the particular conjuncture of oligarchic decline, democratic mobilization, and military corporate autonomy characteristic of mid-twentieth-century Argentina.

The regime cycles themselves operated through patronal mechanisms—oligarchic restoration attempts mobilized oligarchic patronal networks, Peronist governments constructed new patronal structures, military dictatorships imposed authoritarian patronal hierarchies—yet the cyclical alternation between democracy and dictatorship was analytically distinct from the ongoing evolution of patronal types. The critical insight is that **both processes operated simultaneously but at different analytical levels**: patronal structures evolved continuously (with oligarchic patronalism weakening, Peronist patronalism strengthening and surviving, military corporate networks consolidating then delegitimizing), while regime types oscillated cyclically (democracy → coup → dictatorship → transition → democracy → coup...).

Understanding Argentina's 1930-1983 instability requires analyzing how these two processes intersected. Each regime cycle inherited specific patronal configurations from its predecessor, witnessed strengthening or weakening of particular patronal types, achieved temporary stabilization of certain patronal-institutional arrangements, experienced breakdown through specific weakening mechanisms, and bequeathed surviving patronal structures to successor regimes. The following analysis tracks this intersection systematically, examining how patronal evolution shaped regime cycle dynamics while regime changes transformed patronal structures.

Structure of Analysis: Three Regime Cycles, Five Patronal Oscillation Phases Each

The subsequent sections analyze each cycle separately while employing a consistent analytical framework ensuring comparability and revealing evolution. Each regime cycle receives treatment through five phases corresponding to patronal oscillation stages:

Inherited elements identify what each cycle received from its predecessor. This includes both structural features (land concentration, military institutional culture, constitutional frameworks) and conjunctural legacies (traumatic memories of previous regime failures, delegitimized political forces, surviving patronal networks). Inherited elements constrain possibilities for the new cycle—they are given conditions that actors must navigate rather than blank slates permitting unlimited choice. Yet inheritance is not determinative; the same inherited elements can be deployed differently depending on how actors respond and how other phases unfold.

Strengthening elements examine what social forces, institutions, or practices gained power during the cycle. This might involve oligarchic restoration (first cycle), Peronist mobilization (second cycle), or military corporate consolidation (third cycle). Strengthening does not necessarily mean ultimate triumph—elements can strengthen yet ultimately fail to consolidate. The analytical task is identifying which factors accumulated power, resources, or legitimacy during the cycle regardless of final outcomes.

Stabilizing elements constitute each cycle's *differentia specifica*—the distinctive configuration that characterized its apex. This is not necessarily chronological midpoint but rather the period when the cycle's dominant pattern was most clearly manifest. For the first cycle, stabilizing elements included the Infamous Decade's fraudulent conservative restoration. For the second cycle, Peronist proscription and bureaucratic-authoritarian ideology stabilized the anti-Peronist but non-oligarchic military project. For the third cycle, closed authoritarianism and comprehensive repression represented the final military regime's stabilizing (or more accurately, persisting) phase.

Weakening elements trace what undermined each cycle's stability and prepared transition to the next phase. Economic crises, political contradictions, social resistance, international pressures—various factors contributed to weakening, but the analytical focus is on how stabilizing elements contained seeds of their own dissolution. Oligarchic restoration failed because the social forces it excluded (urban workers, middle classes) had organizational capacity preventing permanent subordination. Peronist proscription failed because the excluded movement survived and radicalized rather than disappearing. The 1976-1983 dictatorship's repression failed because it lacked any legitimation beyond naked force.

Surviving elements identify what persisted into the next cycle despite regime breakdown. These are residues, legacies, or structures that outlasted particular regime configurations. Oligarchic economic power survived democratic transitions, Peronist loyalty survived military persecution, military institutional autonomy survived civilian rule. Surviving elements explain why cycles did not simply reset to initial conditions but rather accumulated historical weight making each iteration different from predecessors.

This five-phase framework ensures systematic coverage while revealing how cycles differed from each other. The analysis avoids both simple repetition (treating each cycle identically) and narrative particularism (treating each cycle as entirely unique). Instead, it tracks evolution within persistent structure—the same oscillation mechanism operating through changing manifestations as patronal forms, social forces, and political conditions transformed.

Each cycle receives approximately equal length treatment (roughly 15-20 pages), maintaining analytical balance while providing sufficient detail for historical specificity. The goal is not comprehensive event history but rather theoretically-informed analysis demonstrating how the framework illuminates Argentine political dynamics. Empirical evidence supports theoretical claims rather than accumulating

for its own sake. Where sources conflict or evidence is ambiguous, the analysis acknowledges uncertainty rather than asserting unwarranted confidence.

The next section begins this systematic analysis with the first cycle: 1930-1946, from Uriburu's coup through the Infamous Decade to Perón's emergence. This cycle represented attempted oligarchic restoration—an effort to reverse the Radical era's democratic opening and restore the pre-1916 hegemonic order. Its failure demonstrated that structural transformations accomplished during 1916-1930 were irreversible, that the social forces excluded by oligarchic rule possessed organizational capacity preventing permanent subordination, and that military intervention could not solve fundamental legitimation contradictions even when backed by substantial elite and international support.

4.7. The Evolutionary Character of Patronal Oscillation within the Regime Cycles

Although the cyclical pattern persisted from 1930 through 1983, the same configuration did not simply repeat mechanically. Each cycle exhibited distinct characteristics reflecting the evolution of patronal structures, the transformation of social forces, and the changing international context. The patronal oscillation framework's five-phase analytical scheme (inherited → strengthening → stabilizing → weakening → surviving) provides tools for tracking how patronalism itself changed across regime cycles, not merely how regimes alternated between democracy and authoritarianism.

The first cycle (1930-1946) represented an attempted oligarchic restoration following the Radical era's disruption of hegemonic control. Oligarchic patronalism, which had reached its stabilizing apex during 1880-1916, entered the weakening phase after the 1916 transition to electoral democracy. The 1930 coup sought to reverse this weakening by restoring oligarchic political dominance alongside the economic power that had never been seriously challenged. The military government under General José Félix Uriburu (1930-1932) operated as hegemonic authoritarianism—elections occurred in 1931 but were annulled when results proved unfavorable to conservative interests, establishing that opposition could not realistically win despite formal electoral competition. The subsequent "Infamous Decade" (1932-1943) maintained this configuration through hegemonic authoritarianism with systematic fraud (*fraude patriótico*), allowing conservative governments to rule through manipulated elections while preserving constitutional façades. When the military intervened again in 1943, the GOU (*Grupo de Oficiales Unidos*) established closed authoritarianism—no elections occurred until 1946, when Perón's democratic victory ended the cycle.

Yet this restoration attempt ultimately failed. The social forces that had challenged oligarchic hegemony during 1916-1930—urban middle classes, organized labor, immigrant communities—had not disappeared during the conservative restoration. Import-substitution industrialization accelerated during the 1930s Depression and World War II, expanding the urban working class and creating new industrial bourgeoisie with interests distinct from the traditional landed oligarchy. When the military intervened again in 1943, it did so not to preserve the failing conservative restoration but to impose a new modernizing project. Perón's emergence from the 1943 military government and his subsequent electoral victory in 1946 demonstrated that oligarchic patronalism could not be restored to its pre-1916 stabilizing phase. The landed oligarchy remained economically powerful, but it was politically displaced by new patronal forms centered on industrial workers, urban middle classes, and nationalist military factions.

The key characteristic of this first cycle was that the military interventions still explicitly served oligarchic interests, even as they inadvertently created conditions for oligarchic political displacement. General Uriburu's coup manifesto denounced Yrigoyen's "demagoguery" and promised to restore order

and property rights. The conservative governments of the Infamous Decade represented traditional landed elite interests through parties like the National Democratic Party (conservatives) and Radical Antipersonalists allied with them. Even when this restoration project failed and Perón emerged, the initial 1943 intervention aimed to prevent Radical return to power and protect conservative interests, though it ultimately produced unintended consequences when Perón built an autonomous political base through labor mobilization.

The second cycle (1946-1966) confronted Peronism as the "unsolvable problem" that would dominate Argentine politics for the next four decades. This cycle involved a new patronal form—Peronist mobilization patronalism—emerging in the strengthening phase, achieving temporary consolidation during Perón's presidency (1946-1955), then being violently repressed but surviving in weakened form despite systematic persecution. Perón's first presidency (1946-1955) operated as competitive authoritarianism: elections occurred and opposition parties could organize, but the playing field was systematically tilted through media control, judicial pressure, and resource advantages favoring the ruling party. Within this period, the economic configuration transformed: during 1946-1949, oligarchic capitalism persisted as the landed elite retained substantial economic power despite political marginalization; after 1949, patronal capitalism emerged as Perón's state institutions—particularly through nationalization of British railways (1948), IAPI's monopoly over agricultural exports, and CGT's consolidation—displaced oligarchic economic control with state-centered patronal networks.

The 1955 *Revolución Libertadora* overthrew Perón's increasingly authoritarian regime, establishing closed authoritarianism (1955-1958) that banned not only the Peronist Party but suspended all elections until 1958. This represented the military's most comprehensive attempt to eliminate Peronism as a political force. Yet when elections resumed, subsequent civilian governments (1958-1962 under Frondizi of UCRI, 1963-1966 under Illia of UCRP) operated as competitive authoritarianism rather than electoral democracy—elections were competitive among permitted parties, with different victors (UCRI in 1958, UCRP in 1963), but Peronism remained proscribed or heavily restricted. This created the paradox of genuinely uncertain electoral competition within an anti-Peronist framework that excluded the movement commanding plurality support. The military intervened briefly in 1962-1963, establishing another short period of closed authoritarianism, before allowing Illia's competitive authoritarian government until the 1966 coup.

The military's role transformed during this cycle. The armed forces no longer simply defended oligarchic interests but pursued an autonomous modernization project. The "bureaucratic-authoritarian" ideology emerging in the 1960s envisioned the military as technocratic guardian imposing economic rationalization and political order against both oligarchic backwardness and populist irrationality. General Juan Carlos Onganía's 1966 coup explicitly rejected the previous pattern of brief military interventions followed by managed transitions to civilian rule. Instead, Onganía announced indefinite military governance to fundamentally transform Argentine society through authoritarian modernization, industrial development, and corporatist social organization. The 1966-1973 military regime operated as closed authoritarianism—no elections occurred until 1973, all political parties were dissolved, and Congress was closed. This represented the military claiming political authority independent of oligarchic mandate—though in practice, military economic policies continued serving business elite interests while attempting to discipline both labor and capital according to technocratic criteria.

The critical characteristic of this second cycle was Peronism's survival despite relentless persecution across multiple regime types. The movement was banned under closed authoritarianism (1955-1958, 1962-1963, 1966-1973), restricted under competitive authoritarianism (1958-1962, 1963-1966), its leaders jailed or exiled, its unions intervened, its symbols prohibited—yet it retained mass working-class loyalty and organizational capacity. Every attempt to construct stable anti-Peronist regimes failed

because Peronism could not be destroyed and would not be integrated. The proscription strategy created permanent instability: governments elected without Peronist participation lacked popular legitimacy and faced constant pressure from the excluded plurality. Military attempts to eliminate Peronism through comprehensive repression during closed authoritarian periods generated resistance and radicalization. The unsolvable problem was that Peronism represented too large a social force to exclude permanently, but its inclusion threatened interests the military and conservative elites considered non-negotiable.

Meanwhile, oligarchic patronalism continued weakening throughout this cycle, definitively transitioning to patronal capitalism by the mid-1950s. The traditional landed oligarchy lost political power and social prestige, though it retained substantial economic resources in land ownership and agricultural production. Import-substitution industrialization created new economic elites—industrial manufacturers, construction magnates, commercial bourgeoisie—whose interests often conflicted with the export-oriented oligarchy. The military's technocratic orientation and Peronist industrialization policies both worked against traditional oligarchic privilege, even when they opposed Peronist political mobilization. By 1966, the landed oligarchy survived as one elite faction among several, but it no longer dominated either political or economic spheres as it had during 1880-1916. Economic power had fragmented among multiple elite sectors, none capable of exercising hegemonic control comparable to the pre-1930 oligarchy.

The third cycle (1973-1983) exhibited total breakdown—all patronal forms in surviving phase, all political forces delegitimized, and the system's final violent collapse. Perón's return from exile and electoral victory in 1973 briefly promised resolution through Peronism's democratic inclusion. The 1973-1976 period operated as electoral democracy—the first genuinely fair elections including all major political forces since 1951—with Peronists winning decisively in March 1973 (Cámpora) and September 1973 (Perón himself). Yet the elderly leader proved incapable of controlling his movement's warring factions, and his death in 1974 left Isabel Perón presiding over governmental collapse. Economic crisis, guerrilla insurgency, right-wing death squads (particularly the Triple A operating with state complicity), and administrative chaos created conditions the military defined as requiring drastic intervention. The 1976 coup established closed authoritarianism that persisted until 1983—no elections whatsoever occurred, all political activity was banned, Congress remained closed, and military juntas ruled through comprehensive repression.

The military junta under Generals Jorge Rafael Videla, Roberto Eduardo Viola, Leopoldo Galtieri, and Reynaldo Bignone governed through systematic state terrorism including disappearance, torture, and murder of approximately 30,000 citizens. This final military regime's distinguishing characteristic was its complete divorce from any social base or political project beyond institutional survival and ideological anti-communism. The oligarchy was in its death agony—the landed elite's economic and social weight had declined to marginal status, no longer constituting a coherent political force requiring or capable of mandating military intervention. Import-substitution industrialization had collapsed under its own contradictions without being replaced by a viable development model. The military's technocratic pretensions had failed spectacularly during the 1966-1973 period, discrediting bureaucratic-authoritarian ideology. But Peronism became discredited as well through Isabel Perón's disastrous government, yet remained the largest political movement with no alternative capable of replacing it. The entire political system had exhausted its legitimacy.

The 1976-1983 dictatorship represented the military's final attempt to govern, yet it lacked any broader social mandate or coherent political vision beyond anti-communist national security ideology and protection of institutional prerogatives. The regime's economic policy under Economy Minister José Alfredo Martínez de Hoz pursued neoliberal transformation through financial liberalization, trade

opening, and deliberate deindustrialization—policies benefiting international finance and speculative capital but contrary to both traditional oligarchic interests (which still depended on agricultural export competitiveness) and Peronist industrial development. This economic project destroyed the material bases of import-substitution industrialization while failing to construct a viable alternative, producing economic catastrophe alongside political repression.

The unprecedented scale of repression during this period—the desaparecidos (disappeared), the clandestine detention and torture centers, the systematic state terrorism—reflected not strength but rather the military's escalating incapacity to govern an increasingly complex society. Across the three regime cycles, a clear pattern emerges: as the tasks confronting military governments grew more complex, repression intensified to compensate for governance incompetence. The first cycle's military interventions (1930-1932, 1943-1946) pursued relatively straightforward objectives—oligarchic restoration or preventing Radical return—requiring modest repression to accomplish limited goals. The second cycle's interventions (1955-1958, 1962-1963, 1966-1973) confronted more complex challenges—eliminating Peronism as a political force, modernizing economic structures—generating increased but still targeted repression. The third cycle's 1976-1983 dictatorship faced the most complex challenge: fundamentally transforming Argentine society's economic model, political culture, and social organization simultaneously. Yet the military possessed no capacity for such comprehensive governance. Repression escalated to totalizing levels precisely because it substituted for the administrative competence, political legitimacy, and social support necessary to govern a modern, urbanized, organizationally dense society.

This incompetence manifested across all domains. Economic policy produced catastrophic deindustrialization and debt accumulation without constructing viable alternatives. Administrative capacity collapsed as technocratic pretensions confronted practical incapacity. International isolation intensified as human rights violations generated unprecedented global condemnation. Most tellingly, the regime's 1982 Malvinas/Falklands War—launched as desperate attempt to generate nationalist legitimation when all other justifications had failed—resulted in humiliating military defeat that symbolically nullified even the armed forces' core claim to professional competence in warfare. The military had failed not only as governors but as soldiers, definitively exhausting any remaining basis for intervention in civilian politics.

The 1983 transition to democracy occurred not because the military chose to liberalize but because the armed forces had completely exhausted any capacity to govern. Unlike previous cycles where military regimes managed transitions to civilian governments they expected to influence, the 1983 transition represented total military defeat and withdrawal under conditions of comprehensive delegitimization. After 1983, the military would retreat to an "armed trade union" role—an institution representing only its own narrow corporate interests (budgets, promotions, immunity from prosecution) without any pretension to governing capacity or national political vision. The escalating violence across the three cycles had demonstrated conclusively that military intervention could not solve Argentina's structural contradictions; it could only destroy, repress, and ultimately delegitimize the armed forces themselves.

Across these three cycles, patronal structures evolved from attempts at oligarchic restoration (first cycle), through conflicts over incorporating new patronal forms while oligarchic power weakened and finally disappeared as a hegemonic force (second cycle), to comprehensive delegitimization and collapse of all patronal forms including military corporate networks (third cycle). Each cycle operated through the same oscillation mechanism—deadlock between incompatible social forces, followed by military discharge through intervention, followed by regime failure and renewed deadlock—yet the specific regime types, the balance of social forces, the economic configurations, and the ultimate outcomes differed substantially.

The regime types themselves evolved across cycles, revealing the system's progressive deterioration. The first cycle oscillated between hegemonic authoritarianism (1930-1943) and closed authoritarianism (1943-1946), never achieving even competitive authoritarianism let alone electoral democracy. The second cycle exhibited greater variety—competitive authoritarianism during Perón's rule (1946-1955), closed authoritarianism during military interventions (1955-1958, 1962-1963, 1966-1973), and competitive authoritarianism again during civilian interludes (1958-1962, 1963-1966)—demonstrating both the impossibility of democratic consolidation and the military's increasing difficulty in constructing even hegemonic authoritarian stability. The third cycle's brief democratic opening (1973-1976) represented the system's last attempt at resolution through inclusion, but its rapid collapse into the most repressive closed authoritarianism in Argentine history (1976-1983) demonstrated that the structural contradictions had become unmanageable within existing frameworks.

This evolutionary dimension distinguishes Argentina's oscillation from simple mechanical repetition. The cycles were not identical iterations but rather a spiral of transformation in which the fundamental contradiction persisted while its concrete manifestations changed. Oligarchic power weakened irreversibly; new patronal forms (Peronist unions, military corporate networks, fragmented business elites) emerged and survived; democratic consciousness expanded among popular sectors despite repeated repressions; and the military's capacity to govern or even maintain authoritarian stability progressively deteriorated. By 1983, the structural conditions sustaining oscillation had transformed sufficiently that the pattern definitively ended—not through resolution of the underlying contradictions, but through exhaustion of the forces that had perpetuated the cycle.

4.8. The Military and Patronal Structures: Corruption, Cooptation, and Failed Autonomy

A critical dimension of Argentina's regime cycles involves the military's relationship to patronal structures and corruption patterns. Unlike civilian governments that oscillated between different corruption levels, the armed forces exhibited a distinctive and remarkably consistent pattern: they served oligarchic or business elite interests without constructing autonomous patron-client networks or transforming military officers into poligarchs. This structural limitation helps explain both why the military repeatedly intervened in politics and why every intervention ultimately failed to consolidate stable governance.

This analysis employs a six-level corruption typology (detailed comprehensively in Section 5.2.3.) that ranges from Level 1 (individual ad hoc bribery) through Level 2 (cronyism among business-government equals), Level 3 (state organization collusion), Level 4 (oligarchic state capture with emerging poligarchs), Level 5 (multi-pyramid patron-client networks), to Level 6 (single-pyramid criminal state). As the following sections demonstrate, Argentine military regimes consistently operated at Corruption Levels 2-3, never constructing the adopted political families or systematic patron-client networks characteristic of Corruption Level 4 and above.

4.8.1. Military Corruption: Primarily Corruption Levels 2-3, Never Level 4+

Military regimes during 1930-1983 operated primarily at Corruption Levels 2-3, exhibiting cronyism and state organization collusion but never developing the adopted political families or single-pyramid patron-client networks characteristic of Level 4+ corruption. This pattern held consistently across all military interventions despite varying ideological orientations, time periods, and economic contexts.

During the Infamous Decade (1930-1943), conservative civilian governments backed by military power operated through Corruption Level 2 cronyism and Corruption Level 3 state organization collusion. The

period was characterized by 'generalized government corruption' as contemporary observers noted, involving systematic electoral fraud (*fraude patriótico*), selective distribution of state benefits to conservative business allies, and routine bribery in government contracting. Yet this corruption remained fragmented across multiple conservative factions and business groups rather than consolidating into unified patron-client pyramids. Military officers received economic rewards—land grants for retiring generals, corporate directorships, social integration into oligarchic clubs like the Jockey Club—but these rewards functioned as deferred compensation for service to oligarchic interests rather than as bases for constructing autonomous military business empires.

The 1943-1946 military regime exhibited similar patterns initially, though with a critical exception that would prove transformative. The Grupo de Oficiales Unidos (GOU)—the secret military lodge that engineered the June 1943 coup and comprised approximately 60 percent of Argentina's 3,600 officers—initially operated without clear internal patron-client structures. Military factions competed for influence through ideological affinities (nationalist, fascist-influenced, pro-Axis versus pro-Allied orientations) rather than through personalistic loyalty chains. Internal conflicts produced three successive military presidents within the regime (Rawson, Ramírez, Farrell) as different factions maneuvered for dominance, yet none constructed adopted political families or systematic patronal networks within the officer corps.

Colonel Juan Perón's trajectory represents the exceptional case that proves the rule. Perón built his power base not through traditional military patronage but by escaping the military institutional framework entirely. Appointed to the initially insignificant Secretariat of Labor and Social Welfare in October 1943, Perón systematically cultivated labor unions as an autonomous political constituency independent of military control. Between 1943 and 1946, he enacted labor decrees providing wage increases, paid vacations, pensions, health benefits, rent controls, and protections against unjust dismissal—creating personal loyalties among workers that transcended institutional military hierarchies. When rival military factions arrested Perón in October 1945, the mass mobilization of *descamisados* (shirtless workers) on October 17 forced his release and demonstrated that he had constructed a political base fundamentally outside military patronal structures. His subsequent electoral victory in 1946 marked the transformation from military officer to civilian politician—not the militarization of patronal capitalism but rather Perón's exit from military institutional confines to build what would become Argentina's most powerful twentieth-century populist movement.

The 1955-1973 period saw military interventions that maintained the Level 2-3 corruption pattern. The *Revolución Libertadora* (1955-1958) operated through cronyism favoring anti-Peronist business interests and traditional oligarchic families, with officers receiving post-retirement positions and social integration rewards but not constructing autonomous economic bases. The brief 1962-1963 intervention followed identical patterns. The Onganía dictatorship (1966-1973) claimed technocratic modernization ideology and bureaucratic-authoritarian governance, yet its corruption patterns remained conventional: selective favoritism toward specific business groups, state organization collusion in procurement, and deferred rewards for compliant officers. Onganía himself exemplified military institutional culture: he sought to govern indefinitely through military authority but never attempted to construct a civilian political vehicle, family business empire, or patron-client network extending beyond the armed forces.

4.8.2. The 1976-1983 Dictatorship: Business Elite Capture of Military Coercive Power

The 1976-1983 *Proceso de Reorganización Nacional* represents the paradigmatic case of business elite utilization of military force without military officers transforming into autonomous economic actors. Critically, the economic policy apparatus was staffed not by military officers but by civilian business

elites, and the regime's corruption patterns primarily benefited these business interests rather than creating military-based patronal networks.

José Alfredo Martínez de Hoz, appointed Minister of Economy under President Jorge Rafael Videla (1976-1981) and shaping economic policy throughout the dictatorship's duration, embodied this dynamic. Martínez de Hoz came from one of Argentina's oldest oligarchic cattle-ranching families, studied at Cambridge University, and served as CEO of Acindar, one of Argentina's largest steel manufacturers. Significantly, he had 'long-standing ties to the armed forces' not as a military officer but as a business leader who utilized military services: in 1975, approximately 300 workers at his Acindar steel plants were abducted and most murdered by military forces for allegedly electing a socialist shop steward. This established the transactional relationship: business elites provided economic policy expertise and international financial connections; the military provided coercive force to suppress opposition.

The coordination between business elite and military began before the coup itself. Starting in mid-1975, a delegation of businessmen led by Martínez de Hoz as president of the Argentine Business Council secretly met with General Videla to request that the Armed Forces ensure 'the rule of order over all things' because 'the freedom of work, production and productivity was being prevented.' After the March 24, 1976 coup, business organizations that had supported the intervention became integrated into the economic policy apparatus, with Martínez de Hoz's Argentine Business Council directly assuming control of the Ministry of Economy.

The regime's economic policies systematically benefited business elite interests through mechanisms involving widespread corruption, yet the primary beneficiaries were civilian businessmen rather than military officers. Martínez de Hoz himself engaged in insider trading, participating in short-selling of the Argentine peso based on advance knowledge of exchange rate policies his ministry would implement. The deregulation of financial markets in 1977 allowed speculators to write off debts while 'a small group of large companies grew strong on the benefits of state subsidies.' Federal Judge Jorge Ballesteros's ruling in the case 'Alejandro Olmos c/ Martínez de Hoz et al. s/ Fraudation' determined that the increase in foreign debt from \$7 billion in 1976 to \$43 billion by 1983 'essentially constituted a criminal operation carried out by national and foreign companies, the military and economic agents'—notably listing companies before military actors.

Yet despite supervising an economic system involving massive corruption and wealth transfers, military officers did not themselves transform into poligarchs or construct adopted political families. The armed forces provided coercive capacity—repression, disappearances, torture, intimidation—while civilian business elites captured the economic benefits. Ford Motor Company executives Pedro Muller and Hector Sibilla, convicted in 2018 for involvement in abducting and torturing 24 workers during the dictatorship, exemplify how multinational corporations utilized military repression to eliminate labor opposition. The military served business interests through violence but did not displace business leaders or construct competing economic empires.

4.8.3. Structural Obstacles to Military Patronal Autonomy

Four interconnected mechanisms explain why the Argentine military, despite possessing monopoly on legitimate coercion and repeatedly seizing state power, never constructed autonomous patronal networks or transformed officers into poligarchs:

First, professional military ideology emphasized institutional hierarchy and anti-personalistic values that conflicted with patronal network construction. The Prussian-German model of professionalization adopted during 1900-1916 inculcated norms of discipline, hierarchy, technical expertise, and subordination of individual ambition to institutional authority. Officers who sought personal enrichment or attempted to build clientelistic networks around themselves faced sanctions from peers committed to corporate military identity. Internal military factional conflicts during the 1943-1946 period, when competing groups struggled for dominance within the GOU, demonstrate that ideological and institutional loyalties dominated over personalistic patron-client structures. Perón succeeded precisely because he escaped these institutional constraints by building a civilian political base through labor rather than attempting to patronalize the officer corps itself.

Second, temporary nature of military rule prevented long-term patronal consolidation. Every military intervention during 1930-1983 was conceived as provisional—even the 1966 and 1976 regimes that claimed indefinite duration ultimately lacked social mandates for permanent governance. Constructing adopted political families and multi-pyramid patron-client networks requires time: cultivating loyalists, accumulating hidden wealth, establishing complex corporate structures, building judicial protections, and securing succession mechanisms. Military regimes' awareness of their own temporariness—reinforced by recurring failures and forced retreats—created incentives to extract resources quickly through conventional corruption (bribery, kickbacks, post-retirement sinecures) rather than investing in long-term patronal infrastructure.

Third, dependence on civilian economic expertise prevented military displacement of business elites. The armed forces possessed coercive capacity and claimed political authority as institutional arbiters, but they lacked the technical knowledge, international connections, and administrative capacity required to manage a modern economy. This created structural necessity to ally with civilian business elites who possessed these capabilities. The pattern recurred across all military regimes: the 1930s conservatives represented traditional oligarchic interests; the 1955 *Revolución Libertadora* served anti-Peronist business factions; the 1966 Onganía government relied on technocrats representing specific industrial groups; the 1976-1983 *Proceso* depended on Martínez de Hoz and international finance connections. Military officers could not simply expropriate or displace these economic actors without destroying the technical capacity to govern the economy they sought to control.

Fourth, lack of civilian political vehicles prevented sustainable governance. Unlike Perón, who built the Peronist movement as an autonomous political organization capable of winning elections and mobilizing mass support, military institutions never constructed comparable civilian political vehicles. The armed forces conceived themselves as institutional arbiters above partisan politics rather than as political parties competing for popular legitimacy. This self-conception prevented the kinds of mass mobilization, electoral organization, and civilian party-building necessary to construct sustainable patronal regimes. When military governments inevitably confronted economic crises or political opposition requiring popular support, they lacked the organizational mechanisms to mobilize constituencies beyond narrow elite allies. The contrast with Perón is stark: his movement survived his 1955 overthrow and eighteen years of proscription precisely because it possessed organizational infrastructure and mass loyalties independent of state control. No military regime constructed comparable foundations because doing so would have contradicted their fundamental institutional self-understanding.

4.8.4. Consequences: Serving Oligarchy Without Becoming Oligarchs

These structural limitations explain the paradox of Argentine military interventions: the armed forces repeatedly seized state power yet always ended up serving oligarchic or business elite interests rather than constructing autonomous military governance or transforming officers into independent economic actors. The six mechanisms analyzed in section 4.4—professional hierarchy, oligarchic cooptation, anti-populist ideology, international influences, economic interests, and class identity—operated not merely as ideological orientations but as structural constraints preventing military autonomy.

Oligarchic cooptation functioned through deferred rewards rather than immediate wealth accumulation. Retiring generals received land grants, corporate directorships in enterprises owned by oligarchic families or business elites, and social integration into exclusive clubs—benefits that came after military service ended and depended on having protected oligarchic interests while in uniform. This created incentives for individual officers to serve elite interests but prevented collective military transformation into an autonomous economic class. A general who protected oligarchic property during his service could expect comfortable post-retirement sinecures; but the military institution itself never displaced oligarchs to become the new economic elite.

Arms procurement represented potential corruption opportunity, yet available evidence suggests it followed Corruption Level 2-3 patterns rather than generating Corruption Level 4+ patron-client networks. Military purchases came 'predominantly from British, German, and French firms connected to the same international networks through which oligarchs sold agricultural exports and obtained credit' (section 4.4), creating potential for kickbacks and commissions. Yet these transactions enriched foreign suppliers and perhaps individual procurement officers rather than building systematic military business empires or adopted political families within the armed forces.

The post-1983 transformation completed this pattern. The military's total delegitimization after the Dirty War and Malvinas defeat forced retreat to what observers termed an 'armed trade union' role—an institution representing only its own narrow corporate interests regarding budgets, promotions, and immunity from prosecution, without any pretension to governing capacity or economic activity. The carapintada rebellions (1987-1990) demonstrated this: rebellious officers sought amnesty from human rights prosecutions and improved institutional conditions, but they explicitly rejected seizing governmental power. The military had learned through catastrophic failure that it could neither govern effectively nor construct autonomous patronal bases—it could only serve civilian elite interests or retreat to barracks.

This analysis reveals that Argentina's military interventions operated consistently at Corruption Levels 2-3 not because of ethical restraint or institutional virtue but because structural mechanisms prevented escalation to Corruption Level 4+ patterns. The armed forces lacked the time horizons, civilian political vehicles, economic expertise, and ideological frameworks necessary to construct adopted political families or multi-pyramid patron-client networks. They could provide coercive services to oligarchic or business elite patrons, receiving deferred rewards and social integration in exchange, but they could not themselves become the patronal authorities. This structural limitation helps explain why every military regime ultimately failed: they possessed coercive capacity without economic autonomy, political legitimacy without popular organization, and temporary power without sustainable governance mechanisms. The military could discharge accumulated tensions through violent intervention, but it could not resolve the contradictions generating those tensions—because resolution would have required either accommodating popular forces the military ideologically rejected or displacing elite interests on which the military structurally depended.

4.8.5. Comparative Perspective: Military-Patronal Relationships in Chile, Venezuela, and Nicaragua

Argentina's distinctive pattern—military forces serving oligarchic or business elite interests without constructing autonomous patronal networks—gains analytic clarity through systematic comparison with three contrasting Latin American cases. Chile under Pinochet (1973-1990) exhibited remarkable structural parallels to Argentina despite ideological differences, while Venezuela under Maduro (2013-present) and Nicaragua under Ortega (2007-present) demonstrate fundamentally different trajectories in which military institutions became integral components of patronal regimes rather than remaining external service providers.

Chile: Parallel Business Elite Capture Without Military Autonomy

The Pinochet dictatorship (1973-1990) represents the closest structural analogue to Argentina's military-elite relationship pattern. Like Argentina's 1976-1983 Proceso, the Chilean military junta seized power ostensibly to restore order and combat Marxism, yet the regime's economic beneficiaries were overwhelmingly civilian business elites rather than military officers transforming into autonomous economic actors.

The fundamental similarity lay in economic policy control. Just as Argentina's Martínez de Hoz—oligarchic cattle rancher, Cambridge-educated, CEO of Acindar steel—captured the Ministry of Economy and implemented policies benefiting business interests, Chile's economic transformation was directed by the "Chicago Boys," civilian economists educated at the University of Chicago who advocated neoliberal reforms. Sergio de Castro, Hernán Büchi, and other technocrats implemented privatization of state enterprises, deregulation of financial markets, and elimination of trade protections—policies that systematically enriched specific business conglomerates while military officers provided coercive backing without displacing civilian economic expertise.

The Chilean privatization process, like Argentina's, concentrated wealth among politically connected business groups rather than military actors. Congressional investigations after democratization revealed that privatized firms were underpriced and sold through opaque processes to favored buyers. The Cruzat-Larraín and BHC conglomerates, linked to the Chicago Boys, benefited from abrupt liberalization. Most emblematically, Julio Ponce Lerou—Pinochet's son-in-law but fundamentally a civilian businessman—acquired control of the Sociedad Química y Minera (SQM), Chile's lithium producer, through privatization. SQM survived democratization by maintaining ties with post-Pinochet governments through political campaign financing, demonstrating that business elite networks rather than military institutional power sustained patronal relationships.

Pinochet himself engaged in personal corruption—accumulating at least \$28 million in hidden accounts—and favored specific business allies. Yet these patterns remained at Corruption Levels 2-3: cronyism, kickbacks, and post-retirement sinecures for compliant officers, but not the construction of adopted political families or multi-pyramid patron-client networks characteristic of Corruption Level 4+ systems. The military institution provided repression—torture, disappearances, intimidation—while civilian Chicago Boys captured economic benefits and international financial connections. Like Argentina, Chilean officers could not displace business elites without destroying the technical capacity to manage the economy they sought to control.

The critical parallel extends to structural mechanisms preventing military patronal autonomy. Both Chilean and Argentine militaries embraced professional hierarchies emphasizing institutional discipline

over personalistic loyalty; conceived interventions as temporary restorations of order rather than permanent governance projects; depended on civilian economic expertise they could not replicate; and lacked civilian political vehicles capable of mobilizing mass support. Pinochet's 1988 plebiscite defeat demonstrated this fundamental limitation: when required to win popular legitimacy through democratic mechanisms, **the military regime**—unlike Perón's movement—**possessed no organizational infrastructure independent of state coercion.**

Venezuela: Military Transformation into Patronal Network Operators

Venezuela under Maduro represents the structural inverse of the Argentine-Chilean pattern: military officers do not merely serve civilian patrons but operate comprehensive corrupt business networks integral to regime survival. This transformation reflects the Bolivarian revolution's distinctive trajectory, wherein Hugo Chávez's military background (career army officer, leader of failed 1992 coup) enabled fusion of military institutional power with populist political organization from the regime's inception.

The Cartel de los Soles (Cartel of the Suns)—named for sun insignias on Venezuelan generals' uniforms—epitomizes military evolution into autonomous economic actors. Rather than a hierarchical criminal organization, it functions as what InSight Crime characterizes as "a system of corruption wherein military and political officials profit by working with drug traffickers." The regime rewards loyalty through assignment to regions offering enrichment opportunities: border commands controlling drug trafficking routes, mining zones with illegal gold extraction, petroleum infrastructure enabling smuggling. Senior military figures—Hugo Carvajal Barrios (former intelligence chief), Henry Rangel Silva (former defense minister), Néstor Reverol (former anti-narcotics chief appointed interior minister the day after U.S. drug trafficking indictment)—transformed military positions into bases for systematic criminal enterprise.

Critically, this pattern involves military-civilian fusion rather than military displacement of civilians. Maduro's regime operates through what analysts describe as "regional military-political-criminal nodes" wherein military officers, civilian officials, and regime loyalists collaborate in managing corruption portfolios. Diosdado Cabello—National Assembly president, alleged Cartel de los Soles leader—exemplifies this fusion: military background (Chávez's fellow conspirator in 1992 coup), political position, and criminal enterprise coordination. Tareck El Aissami, sanctioned for facilitating drug shipments, moved between military-adjacent positions (interior minister) and economic roles (vice president for economy), demonstrating fluid boundaries between security, political, and economic functions.

The regime also "delegates" regime loyalists into military positions to manage specific corruption mechanisms. Maduro's stepsons (Walter, Yosser, and Yoswal Flores) profited from inflated food import contracts despite lacking military backgrounds, while Venezuelan cooperation funds were channeled through networks of frontmen purchasing properties and businesses. This represents Corruption Level 4+ corruption: adopted political families (Maduro-Flores clan), multi-pyramid patron-client networks extending through military ranks, and systematic cooptation of institutions to facilitate criminal enterprise.

The contrast with Argentina is stark. Argentine military officers could profit from conventional corruption—kickbacks, post-retirement sinecures, social integration into oligarchic clubs—but they could not construct autonomous business empires because structural constraints (professional ideology,

temporary rule, civilian economic expertise dependence, lack of political vehicles) prevented transformation. Venezuelan officers face no comparable constraints: Chávez's populist movement provided the political vehicle; oil revenues (later replaced by criminal income) financed patronal distribution; and prolonged authoritarian consolidation allowed time to build complex networks. **The military does not serve business elites; it is the business elite, fused with civilian regime loyalists in managing Venezuela's predatory economy.**

Nicaragua: Revolutionary Army as Foundation for Civilian Patronal Clan

Nicaragua under Daniel Ortega (2007-present, following earlier presidency 1985-1990) represents a third distinctive pattern: a revolutionary military force transforming into the institutional foundation from which a civilian patronal family emerges to dominate the state. Unlike Venezuela, where military and civilian structures fused, Nicaragua exhibits military origins evolving into predominantly civilian family rule—yet with military institutional capture fundamentally different from Argentine or Chilean patterns where militaries served external elites.

The Sandinista revolution's (1979) origins as guerrilla insurgency created military institutions intrinsically linked to political power from inception. The Sandinista Popular Army (EPS), built by Humberto Ortega (Daniel's brother) as defense minister and four-star general, was explicitly conceived as the "armed branch of the FSLN" (Sandinista National Liberation Front) rather than as an institutional arbiter above politics. The revolution's ideology emphasized creation of a "Sandinista State" wherein all institutions—army, police, judiciary, ministries—operated under FSLN control and objectives. This contrasted fundamentally with Argentine or Chilean military self-conceptions as institutional arbiters defending national interests against partisan politics.

When the FSLN lost the 1990 election, the military's relationship to patronal politics transformed but did not dissolve. Humberto Ortega remained defense minister under the opposition Chamorro government (1990-1995), transforming the EPS into the ostensibly non-political Nicaraguan National Army—yet maintaining networks of Sandinista loyalists throughout the institution. When Daniel Ortega returned to power in 2007, these networks enabled systematic reconstruction of patronal control through nepotistic appointments and corruption coordination.

Contemporary Nicaragua exhibits what analysts term "nepotism as state policy", according to our terminology: „mafia state.” The Ortega-Murillo family (Daniel and his wife/co-president Rosario Murillo) controls state institutions through trusted clans occupying key positions. Critically, many of these clans have military origins or connections that evolved into civilian-military hybrid networks. Julio César Avilés Castillo—Commander-in-Chief of the Army—represents an adopted political family: his sister serves in the Military Hospital as ob-gyn department chief; his son works in telecommunications while allegedly operating troll farms. Néstor Moncada Lau—National Security Advisor, former State Security officer from the 1980s—coordinates between police, army intelligence, and political operations; his brother Oscar controlled Customs, operating extortion schemes against businesspeople while protecting "friends."

The regime finances its patronal networks through Venezuelan cooperation funds (oil subsidies channeled through Albanisa and Bancorp financial structures), which are then privatized into Ortega-Murillo family businesses and allied clans. Retired General Álvaro Baltodano Cantarero—once a key Sandinista political and investment operator—illustrates the pattern: operating the Momotombo geothermal power plant through networks of shell companies for money laundering until arrested in

2025 as part of an internal purge. The regime explicitly punishes "unauthorized corruption"—as former FSLN comandante Dora María Téllez explained, they want "high officials to owe everything to them" rather than constructing independent economic bases.

Nicaragua thus represents military revolutionary origins evolving into civilian family patronal rule, but with military institutional capture fundamentally enabling this structure. Unlike Argentina or Chile, where militaries served external business elites, Nicaragua's military was never external—it was the revolutionary vanguard that created the new state. Unlike Venezuela, where military officers themselves operate criminal networks, Nicaragua's military provides institutional infrastructure through which the Ortega-Murillo civilian clan exercises dominance. **The pattern is adopted political families emerging from revolutionary military foundations, transforming over decades into dynastic rule backed by captured security institutions.**

Comparative Analysis: Three Dimensions of Military-Patronal Variation

These four cases—Argentina, Chile, Venezuela, Nicaragua—demonstrate that military relationships to patronal politics vary systematically along three dimensions:

First, military economic autonomy: Argentine and Chilean militaries remained dependent service providers to business elites, receiving deferred rewards but never constructing autonomous business empires. Venezuelan military officers transformed into autonomous economic actors operating criminal enterprises. Nicaraguan military institutions enabled but did not dominate civilian family patronal networks.

Second, military-civilian boundaries: Argentina and Chile maintained sharp boundaries—civilian technocrats managed economy, military provided coercion, with limited fusion. Venezuela exhibits complete fusion: military officers occupy political positions, manage economic portfolios, coordinate criminal activities with civilian regime loyalists. Nicaragua demonstrates evolutionary transformation: revolutionary military foundations evolved into civilian family rule with captured but institutionally distinct security forces.

Third, regime time horizons and political vehicles: Argentine and Chilean militaries conceived interventions as temporary, lacked civilian political vehicles for mass mobilization, and therefore could not invest in long-term patronal infrastructure. Venezuela inherited Chávez's Bolivarian movement as political vehicle enabling prolonged authoritarian consolidation. Nicaragua's Sandinista movement provided revolutionary credentials and organizational infrastructure spanning decades, enabling transformation from guerrilla vanguard to family dynasty.

The Argentine pattern—military coercive capacity without economic autonomy, political legitimacy without popular organization, temporary power without sustainable governance—explains why every military regime ultimately failed. They could serve oligarchic interests but not displace oligarchs; provide repression but not construct legitimacy; discharge accumulated tensions through violent intervention but not resolve contradictions generating those tensions. Chile replicated this pattern despite ideological differences, confirming that structural mechanisms rather than military ideology determined outcomes.

Venezuela and Nicaragua, conversely, demonstrate that when military institutions either possess autonomous economic capacity (Venezuela) or revolutionary political vehicles enabling long-term

consolidation (Nicaragua), they can construct Corruption Level 4+ patronal systems. Yet even these cases differ fundamentally: Venezuela's military-civilian fusion creates distributed corruption networks resembling "warlord" fragmentation more than unified single-pyramid patronal hierarchy, while Nicaragua's civilian family dominance backed by captured military exhibits clearer single-pyramidal structure characteristic of consolidated patronal autocracy.

These comparative patterns illuminate Argentina's distinctive trajectory: military interventions that repeatedly seized power yet systematically failed to transform that power into sustainable governance precisely because structural constraints prevented evolution from temporary coercive actors into autonomous patronal authorities.

4.9. Why the Cyclical Process Ended After 1983: Structural Transformation

The paradigmatic change after 1983 resulted not just from moral development ("Argentines learned their lesson from dictatorship's horrors") or institutional reform (though democratic institutions were strengthened) but from structural transformation eliminating the conditions that had sustained oscillation. Four interrelated changes explain why military intervention became less possible after 1983 despite periodic political crises that might have triggered coups during previous decades.

First, final disappearance of oligarchic patronalism's structural-institutional foundations removed one pole of the fundamental contradiction. The landed oligarchy that had dominated Argentina during 1880-1930, attempted restoration during the 1930s, fought against Peronism during 1955-1973, and survived in attenuated form through the mid-1970s had become economically, socially, and politically marginal by 1983. The great estanciero families retained some wealth, but they no longer controlled commanding heights of the economy, shaped national political discourse, or provided coherent conservative ideology. The economic elite had diversified beyond recognition—industrial manufacturers, service sector entrepreneurs, financial speculators, agribusiness corporations, and multinational subsidiaries represented the new business leadership. These diverse elite factions had competing interests, no unified political vehicle, and no capacity to coordinate the kind of collective action that had characterized oligarchic hegemony or even the 1930s conservative restoration.

This fragmentation meant there was no longer a coherent conservative bloc "requiring" military intervention. During previous cycles, military coups served oligarchic/conservative forces that maintained institutional presence, political organization, and ideological coherence. The armed forces intervened to protect identifiable elite interests against popular challenges. After the oligarchy's demise, no such unified elite existed to mandate or coordinate with military action. Different business factions had divergent preferences on economic policy, some elements of the economic elite had profited under Peronist governments, and there was no consensus on what political order the military should impose even if intervention occurred.

Second, the military lost its social mandate and institutional capacity for governance. The 1976-1983 dictatorship's catastrophic failures—the desaparecidos creating permanent human rights trauma, the Malvinas War's humiliating military defeat, economic collapse under military economic management—definitively discredited the armed forces' claim to be competent guardians of national order. The "defender of Western Christian civilization" narrative that had legitimized previous interventions became impossible to sustain after systematic state terrorism against Argentine citizens. The military's self-image as technically superior to corrupt civilian politicians collapsed after military incompetence was demonstrated in both war and economic administration.

Additionally, the human rights movement's emergence created powerful constituencies demanding military subordination to civilian authority and prosecution for dictatorship crimes. Mothers of the Plaza de Mayo, human rights organizations, and broad civil society mobilization established that military intervention would face sustained resistance rather than passive acceptance or tacit support from middle-class sectors that had previously tolerated coups. The 1983 election of Raúl Alfonsín on a platform explicitly promising trials for junta members demonstrated democratic commitment to military accountability unprecedented in Argentine history.

Most importantly, the military's corporate interests could no longer justify intervention. During previous periods, officer corps grievances about budgets, promotions, or presidential appointments had contributed to coup motivations. But after 1983, military institutional interests were better served by accepting civilian authority and rebuilding professional credibility than by launching interventions that would face popular opposition and international isolation. The 1987 and 1990 *carapintada* (painted faces) military rebellions demonstrated this changed calculation—rebellious officers sought amnesty from prosecutions and improved institutional conditions, but they explicitly did not attempt to seize government power, acted more like „armed trade unions”. Even disgruntled military factions recognized that governing capacity and social mandate for intervention no longer existed.

Third, the legitimation gap closed with oligarchic disappearance. The fundamental antagonism between oligarchic and democratic forces, where neither side recognized the other's right to govern, had sustained oscillation by making stable consolidation in either direction impossible. With the oligarchy's marginalization, this legitimation antagonism dissolved. Political conflicts certainly persisted—Peronists versus Radicals, Kirchnerism versus opposition coalitions, populism versus neoliberalism—but these were conflicts between forces that mutually recognized each other as legitimate political actors. Peronists and anti-Peronists might view each other's policies as disastrous, corrupt, or harmful, but they did not view each other's very existence as illegitimate threats to national survival requiring elimination.

This legitimation structure enabled democratic conflict resolution. Losing parties accepted electoral defeats as temporary setbacks rather than civilizational catastrophes. Winners governed within constitutional constraints rather than attempting to permanently exclude losers. The system could oscillate between different political orientations through elections rather than requiring military intervention to resolve deadlocks. When the 2001-2002 economic crisis produced governmental collapse—with President Fernando de la Rúa resigning amid riots, multiple interim presidents serving briefly, and Argentina defaulting on international debt—the military did not intervene despite conditions comparable to previous coup triggers. Instead, the system resolved the crisis through constitutional succession and eventually new elections, demonstrating that political conflicts could be managed without military discharge.

Fourth, the lightning discharge mechanism ceased functioning because the conditions generating it had dissolved. The atmospheric analogy clarifies this point: lightning only occurs when charge separation creates voltage differential exceeding air's insulating capacity. If charge separation does not occur, no discharge becomes necessary regardless of atmospheric conditions. Similarly, military intervention only occurred when the structural contradiction between oligarchic power and democratic mobilization generated political tensions, **unresolvable stalemate situations** exceeding institutional capacity to mediate them. With oligarchic marginalization, this fundamental contradiction no longer existed. Conflicts remained, but they occurred within rather than between social forces, making them amenable to institutional management rather than requiring violent discharge.

The military as "conductor" (discharge path) could not function without the "voltage differential" (oligarchic-democratic antagonism) to discharge. An armed force can seize power in any country with

sufficient organization and will, but sustaining military governance requires either social support or at minimum passive acquiescence from significant elite and middle-class sectors. After 1983, the armed forces lacked both. Intervention would produce immediate popular resistance, international condemnation, elite ambivalence or opposition, and no plausible governmental program beyond naked repression. The discharge mechanism failed not because the conductor (military) was removed but because the charge separation (structural contradiction) had dissipated.

These four transformations were mutually reinforcing. Oligarchic disappearance eliminated the social force requiring military intervention while simultaneously closing the legitimation gap that had made democratic consolidation impossible. Military delegitimization removed the institution capable of discharging accumulated tensions while also reducing incentives for intervention. The result was structural reconfiguration in which regime cycles ceased being the equilibrium outcome. Argentina after 1983 certainly experienced regime instability—constitutional crises, impeachments, economic emergencies—but these crises were resolved through constitutional mechanisms rather than military coups. The cyclical pattern that had dominated 1930-1983 definitively ended because the structural conditions sustaining it had fundamentally transformed.

4.10. Theoretical Implications: Why This Framework Represents Offers for a New Insight

This analysis provides a new insight in interpreting Argentine political history from multiple perspectives. **First**, it provides structural rather than causal explanation. Conventional approaches ask "What caused the 1930 coup?" and answer with immediate triggers—Yrigoyen's senility, the Depression's economic impact, Uriburu's conspiracy. This framework instead asks "What structure made recurrence of coups inevitable?" and answers with mechanisms—legitimation gap, oligarchic-democratic deadlock, military conservative orientation. The distinction is not merely semantic. Causal explanations trace event chains linking specific antecedents to particular outcomes, producing unique narratives for each coup. Structural explanations identify patterns recurring across variations in circumstances, personalities, and proximate triggers, producing generalizable insights about regime dynamics.

This **structural approach** is analytical-explanatory rather than descriptive-positivist. It does not simply recount what happened (description) but explains why it happened and why it happened repeatedly (analysis). It identifies mechanisms operating beneath surface events, clarifying how structural relationships generated observable outcomes. Most importantly, it is model-worthy rather than idiographic—the framework can potentially apply beyond Argentina's particular history to other cases exhibiting similar structural features (legitimation gaps, regime cycles, military intervention patterns).

Second, the framework employs **systematic comparative perspective**. It does not treat Argentina in isolation but explicitly compares with cases where similar conditions produced different outcomes. Why did the United States not experience military coups despite agrarian-urban tensions and malapportioned representation? The comparative analysis reveals that legitimation structures, not just political institutions or economic interests, determine regime stability. This comparison is not ornamental but constitutive—Argentina's exceptionalism becomes explicable only by contrast with cases where potential instability was contained through legitimation integration.

Similarly, the framework can distinguish Argentina's vertical conflict (class-based antagonism between oligarchy and popular forces) from e.g. the regime cycles of Ukraine's horizontal conflict (competition among patronal networks for state capture). Both patterns produce reoccurring instability and regime cycles, but through different mechanisms generating different dynamics. Ukraine's regim cycles

involves color revolutions alternating patronal networks in competitive elections or attempts for extra-constitutional seizures, while Argentina's regime cycles involved military intervention restoring conservative order against democratic challenges. Recognizing these differences prevents overgeneralization while identifying specific structural features that explain particular cycle patterns.

Third, the analysis integrates patronal oscillation theory systematically. The framework does not employ a simple "democratic versus authoritarian" dichotomy but rather tracks how patronal structures evolved through inherited → strengthening → stabilizing → weakening → surviving phases across regime cycles. This integration demonstrates that Argentina's instability was not merely regime-type alternation but transformation of underlying patronal political-economic relationships. Oligarchic patronalism weakened across the entire 1930-1983 period despite temporary restorations; new patronal forms (Peronist mobilization patronalism) emerged and survived despite systematic repression; the military itself operated through patronal corporate networks serving institutional rather than national interests.

This patronal dimension clarifies why regime changes did not produce cumulative democratic consolidation or authoritarian stabilization. Each cycle did not start from zero but rather from the surviving elements of previous cycles—inherited patronal structures, delegitimized institutions, traumatic collective memories. The cycles were not identical because patronal evolution meant that the same structural contradiction manifested differently as social forces, economic structures, and political organizations transformed. Yet the fundamental pattern persisted because patronalism itself persisted, preventing either liberal democratic consolidation (which requires impersonal rule of law and market allocation) or stable authoritarian consolidation (which requires either traditional legitimacy or totalitarian control).

Fourth, the framework possesses predictive power demonstrated through empirical validation. If the theory correctly identifies structural conditions sustaining oscillation, then it should explain not only past patterns but also why oscillation ceased after 1983. The framework predicted—or more precisely, explained after the fact—that military intervention would not occur during the 2001-2002 crisis despite conditions exceeding previous coup triggers. The explanatory logic was structural: oligarchic disappearance removed the social force mandating intervention, military delegitimization removed institutional capacity for governance, and legitimation gap closure removed the fundamental antagonism making democratic consolidation impossible. These predictions proved empirically accurate—Argentina experienced severe political and economic crises after 1983 without military coups.

This predictive capacity **distinguishes structural explanation from post-hoc rationalization.** A framework that merely described past events could not anticipate future divergences from historical patterns. A framework identifying structural mechanisms generating outcomes can specify which changes in structural conditions would produce different outcomes—and can be tested against subsequent developments. The fact that Argentina's democracy survived crises that would have triggered coups during 1930-1983 validates the framework's claim that structural transformation rather than institutional design or political learning explains regime stabilization.

Fifth, the analysis demonstrates applicability beyond its original regional focus. The Anatomy's patronal politics theory was developed primarily for post-communist Eastern European cases. This study shows that the categorical framework is applicable to Latin American historical cases with distinct trajectories and different initial conditions. Argentina never experienced communism, never underwent post-communist transition, and developed patronal structures through completely different historical processes. Yet the analytical categories—regime types in the Unified Theory Matrix, patronal

oscillation phases, informal-formal institutional relationships—illuminate Argentine dynamics as effectively as they do post-communist cases.

This cross-regional applicability suggests the framework identifies genuinely general patterns in patronal politics rather than region-specific particularities. Moreover, the legitimation gap concept potentially generalizes beyond both regions. Cases in the Middle East, Africa, or Asia where ethnic, religious, or class divisions create fundamental antagonisms preventing regime consolidation might exhibit similar oscillation patterns driven by legitimation structures rather than institutional design or economic development levels. The theoretical innovation lies precisely in this generalizability—moving from descriptive historical narrative to analytical framework capable of explaining patterns across diverse contexts.

V. Theoretical Framework: Patronal Pulsation in Democratic Context (1983-2025)

5.1. The End of Regime Cycles, the Continuation of Patronal Oscillation

The year 1983 marks a fundamental watershed in Argentine political history. With the transition to democracy and the inauguration of President Raul Alfonsín on December 10, 1983, the pattern of cyclical military interventions that had dominated Argentina since 1930 came to an end. For the first time in over half a century, Argentine democracy would prove durable enough to survive economic crises, social conflicts, and political polarization without succumbing to military coup. The regime cycles (1930-1983) had definitively ended.

However, this democratic consolidation did not signify the end of Argentina's deeper structural dynamics. While the military withdrew to the barracks and stayed there, the fundamental pattern of patronal oscillation—which had characterized Argentine political economy since colonial times (1580 onwards)—continued to operate, albeit in transformed manifestations. Understanding this distinction is critical to analyzing post-1983 Argentina: regime cycles represented a specific phenomenon of institutional oscillation between democracy and military dictatorship, limited to 1930-1983 and driven by the unresolvable structural deadlock between oligarchic-conservative forces and democratic-popular mobilization. Patronal oscillation, by contrast, constitutes the fundamental, continuous process spanning Argentina's entire political history, describing the evolution of specific patron-client structures through phases of strengthening, stabilizing, weakening, and surviving—a process that operates beneath and across formal regime changes.

What changed after 1983 was the elimination of military intervention as a discharge mechanism for accumulated political and economic tensions. The armed forces ceased to function as the ultimate arbiters of political conflict. Electoral democracy consolidated as the only legitimate mechanism for power transfer. Civilian control over the military was achieved and maintained. The Dirty War's legacy created powerful normative and institutional constraints against military intervention that would prove durable across subsequent decades.

What continued, however, was the deeper substrate of patronal dynamics. The fundamental patterns of strengthening and weakening patronal networks persisted within the democratic framework. Corruption continued to pulse in cyclical patterns of intensification and temporary reduction. Economic crises—hyperinflations, debt defaults, currency collapses—began to function as alternative mechanisms for 'discharging' accumulated tensions in the absence of military coups. The structural weakness of economic institutions remained: property rights continued to be discretionary rather than rule-based,

regulatory frameworks remained vulnerable to political manipulation, and economic policy remained subject to short-term political calculations rather than long-term developmental logic.

The analytical challenge post-1983, therefore, is to understand how patronal oscillation operates within a more or less consolidated democratic framework—a regime context fundamentally different from the military-civilian alternation of 1930-1983. The question becomes: how do patronal networks strengthen and weaken when military 'lightning discharges' are no longer available? What alternative mechanisms emerge to resolve the contradictions between particularistic rent-seeking and economic sustainability? How do democratic institutions interact with patronal capitalism—do they constrain it, accommodate it, or become captured by it?

5.2. The Dual Dynamics of Patronal Pulsation: Clan Interest versus Corporate Interest

The continuation of patronal oscillation after 1983 can be understood through the interaction of two distinct but complementary dynamics: a clan-type interest of the political class and a corporate-type interest represented by organized labor, particularly the Confederacion General del Trabajo (CGT). These two forces—operating according to different logics yet reinforcing each other's behaviors resulting in significantly overloading the economy—constitute the dual engines of patronal pulsation in democratic Argentina.

5.2.1. Patron-client Clan Interest: The Evolution from Cronyism to Poligarchy

Patronal capitalism manifests in different structural forms across the six levels of corruption intensity. At lower levels (1-3), corruption remains relatively fragmented or involves voluntary exchanges between autonomous actors. At higher corruption levels (4-6), a qualitatively different structure emerges: the adopted political family—a centralized patron-client network where political leaders, their relatives, business partners, and loyalists treat state resources as instruments for coordinated wealth accumulation and power consolidation.


The emergence of poligarchs—politicians having an open political status but a hidden economic one—represents the critical transition from lower to higher levels of patronal capitalism. Unlike traditional oligarchs who possess autonomous economic bases independent of state power, poligarchs face a fundamental vulnerability: their wealth depends on maintaining political power. This temporal limitation, characteristic of Corruption Level 4 and above, creates an intense urgency to extract maximum wealth while in office, establish 'insurance mechanisms' through hidden assets and foreign investments, and secure political continuity either through electoral victories or designated successors.

At Corruption Level 4 and above, the logic of clan interest operates through systematically coordinated mechanisms. The adopted political family manipulates state procurement to favor the patron-client network, awards licenses and concessions based on political loyalty rather than competitive merit, creates elaborate mechanisms for kickbacks and illicit commissions, establishes offshore accounts and complex corporate structures to hide wealth accumulation, and builds family business empires using state contracts and regulatory advantages that function as monopolies or oligopolies in their respective sectors.

5.2.2. Six Main Types of Corruption Patterns

To understand the variable intensity of patronal extraction across different administrations, we employ a six-level analytical framework that distinguishes corruption not merely by its presence or absence but by its structural characteristics, the relationships between actors, the voluntariness or coercion involved, who initiates transactions, and the frequency of corrupt exchanges:

Table 5. Main characteristics of the six corruption patterns
(mainstream definition of corruption: use of public authority for private gain)

Corruption type	Nature of corruption	Entry of corrupt parties	Distribution of corrupt transactions	Direction of corrupt action	Economic nature of corruption	Regularity and scope of corrupt actions	Medium of corrupt exchange
Free-market corruption (Level 1)	 Petty corruption	Voluntary	Non-centralized	Horizontal	Competitive	Occasional and partial	Kickback money
Cronyism (Level 2)		Voluntary	Non-centralized	Horizontal	Competitive	Occasional/permanent and partial	Kickback money
State organization collusion (Level 3)		Voluntary	Non-centralized	Vertical (top-down)	Oligopolistic/locally monopolistic	Occasional and partial	Kickback money
Bottom-up state capture (Level 4)		Coercive	Moderately centralized	Vertical (bottom-up)	Oligopolistic/locally monopolistic	Occasional/permanent and partial	Kickback money
Top-down state capture (Level 5)		Coercive	Partially centralized	Vertical (top-down)	Oligopolistic/locally monopolistic	Permanent and partial (vassal chains)	Protection money
Criminal state pattern (Level 6)		Grand corruption	Coercive	Centralized	Vertical (top-down)	Monopolistic	Permanent and general (vassal chains)

Source: Magyar, Bálint–Madlovics, Bálint: The Anatomy of Post-Communist Regimes – A Conceptual Framework (2020, CEU Press)

Level 1 (Free-market corruption): Individual officials engage in ad hoc corrupt acts without systematic organization. Bribes are negotiated case-by-case, there is no coordinated extraction network, and corruption can be widespread, but relatively small-scale and fragmented.

Level 2 (Cronyism): Practice of mutual favoritism developed among business elites and government officials as equal partners. The state provides selective advantages (favorable regulations, contracts, tax treatment) to cronies, but officials themselves do not become entrepreneurs and entrepreneurs do not become politicians. Voluntary exchange of favors without the creation of permanent patron-client relation. While the collusion may be initiated by either party, the corrupt transaction is initiated (demanded) by the private actor, and it is supplied by the governmental actor.

Level 3 (State organization collusion): A type of corruption where elite administrative actors (leaders of state organizations) collude with private actors, and they carry out corrupt transactions voluntarily and regularly (using non-elite public administrators as servers). Both the collusion and the corrupt transaction are initiated (demanded) by the administrative actor, and he is also the supplier.

Level 4 (Bottom-Up State Capture by Oligarchic Groups): A form of corruption where elite private actors collude with elite public administrators or governmental actors, and they carry out corrupt transactions coercively and occasionally or permanently (sometimes involving public administrators and non-elite private actors as servers). The collusion and the corrupt transaction are both initiated (demanded) by the private actor, and supplied by the governmental actor. At this level, we can witness the appearance of the poligarch phenomenon where politicians develop hidden economic roles and interests dependent on maintaining power.

Level 5 (Top-Down State Capture by Multi-Pyramid Patron-Client Networks): The major patron-client networks achieve near-complete control over major economic sectors through a combination of formal ownership (often hidden through complex corporate structures), regulatory capture, and coercive capacity. Opposition business elites face systematic discrimination or expropriation. The judicial system becomes thoroughly subordinated to protecting the networks' interests. At the national level, multiple patron-client networks (adopted political families) coexist in a multi-pyramid structure. Argentina approached this level during the second Kirchner presidency (2007-2015), particularly in sectors like public works, energy, and media, though as governor of Santa Cruz province, Nestor Kirchner had achieved single-pyramid control (Corruption Level 6) at the provincial level before becoming president.

Level 6 (Top-Down State Capture by a Single-Pyramid Patron-Client Network): The criminal state pattern, where the distinction between state and clan wealth effectively disappears. All major economic activity requires clan permission and extraction. Independent business activity becomes impossible. The single pyramid patron-client network subordinates all other potential networks, achieving monopolistic control. This level, exemplified by Equatorial Guinea, Turkmenistan, or Russia and Hungary has not been reached at the national level in Argentina, where even during periods of intense patronalism, autonomous economic spaces and multiple competing networks persisted. Argentina's federal structure makes Corruption Level 6 less possible at the national level, as provincial political elites maintain autonomous patron-client networks and corruption potentials that the central government cannot monopolize. This federal constraint operates bidirectionally: just as it prevents monopolization by a single central clan, it also may obstruct anti-corruption efforts, as the central government cannot discipline provincial elites who control their own corruption machineries. The federal Senate structure further constrains the center, as presidential initiatives require support from provincial representatives whose own interests may conflict with transparency reforms.

Post-1983 Argentine administrations have oscillated primarily between Corruption Levels 1-5, with the intensity and structural patterns varying systematically. The Alfonsín administration (1983-1989) operated primarily at Corruption Levels 1-2, with episodic petty corruption (Level 1) and voluntary cronyism among elites (Corruption Level 2), but no systematic state capture or clan formation. The Menem era (1989-1999) exhibited a hybrid pattern combining Corruption Level 3 (state organization collusion in privatization management) and Corruption Level 4 (bottom-up state capture by coercive oligarchic groups), marking Argentina's transition toward higher-intensity patronalism. The Kirchner era (2003-2015) represented intensification to Corruption Level 5 nationally, with top-down state capture dynamics creating multi-pyramid patron-client networks, while at the provincial level in Santa Cruz, Kirchner had previously achieved Corruption Level 6 single-pyramid control. The Macri interlude (2015-2019) witnessed de-intensification back toward Corruption Levels 2-3, though without dismantling underlying patronal structures. The Fernández-Fernández administration (2019-2023) saw re-intensification toward Corruption Levels 4-5, while the Milei presidency (2023-present) remains analytically ambiguous concerning its capacity to demolish extracting patronal networks and will be examined in a subsequent chapter.

5.2.3. The Menem and Kirchner era

The Menem era (1989-1999) provides an earlier example exhibiting a hybrid pattern combining Corruption Level 3 and Level 4 dynamics. The massive privatization program—selling some 300 state enterprises for \$24 billion—created unprecedented opportunities across multiple corruption patterns. Maria Julia Alsogaray, daughter of prominent conservative politician Alvaro Alsogaray, exemplifies Corruption Level 3 state organization collusion. Appointed to oversee numerous privatizations as an elite administrative actor, she initiated and supplied corrupt transactions, resulting in the sale of state firms for fractions of their stated book value. The state telephone company ENTel, valued at \$5 billion, was sold for \$214 million cash plus \$4 billion in foreign debt bonds worth only \$255 million. Upon leaving office in 1999, financial transactions in Alsogaray's name totaling over \$200 million came under scrutiny; she was ultimately convicted of misappropriation of public funds in 2004 and served 21 months in prison, becoming the only Menem administration official to serve time.

The Alfredo Yabran case, by contrast, reveals Corruption Level 4 bottom-up state capture dynamics. Yabran, a reclusive businessman of Syrian descent like President Menem, exemplifies the coercive oligarchic actor who initiates and demands corrupt transactions. He amassed a fortune estimated at \$500 million largely through government contracts and sweetheart deals on state privatizations, with his firms allegedly controlling half of Argentina's private mail delivery, substantial portions of customs warehouses, airport cargo facilities, and other logistics infrastructure. Economy Minister Domingo Cavallo publicly accused Yabran in 1995 of being a 'sort of mafia boss' enjoying political and judicial protection, with firms involved in drugs and weapons trafficking and money laundering. The coercive element became brutally evident when photojournalist Jose Luis Cabezas was murdered in January 1997 while investigating Yabran. It was revealed that Yabran had purchased Menem a mansion and made dozens of phone calls to Justice Minister Elias Jassan immediately after the killing, leading to Jassan's resignation. Yabran was found dead in 1998, officially ruled a suicide, though substantial doubts persisted. This combination of economic power, violence, and coercive gifts to officials exemplifies how private actors can capture state functions through bottom-up pressure.

These cases illustrate the structural logic of clan interest at higher corruption levels: political power converts into wealth extraction opportunities through control over state procurement, regulatory approvals, and judicial protection. The adopted political family extends through concentric circles of loyalty—family members and childhood friends receiving the most lucrative opportunities, vassal oligarchs pledging loyalty in exchange for monopolistic advantages, administrative enforcers implementing discretionary decisions, and electoral mobilizers delivering votes. The urgency of extraction derives from temporal vulnerability: unlike traditional oligarchs whose wealth survives regime changes, poligarchs face potential loss of everything if they lose power without having secured sufficient hidden assets.

Table 6. Menem family – wealth by asset type, de jure vs de facto (estimates)

Period / reference point	Approx. total wealth (USD, very rough)	De jure assets by type (in Menem / close family names)	De facto / alleged assets & structures (offshore, proxies, front companies)	Example sources
1990s – Carlos Menem's presidency (1989–1999)	No reliable full net-worth figure; evidence points to multi-million USD holdings , but the ceiling is unknown.	Real estate: properties in Argentina (e.g. Buenos Aires and La Rioja) in Menem's or relatives' names. Vehicles & aircraft: ultra-light planes and	Swiss & Liechtenstein accounts: Swiss prosecutors reported around US\$10m in two accounts linked to Menem; Argentine and Swiss cases also mention a US\$6m Liechtenstein account opened while he was president.	Swissinfo on Swiss accounts; AP piece on undeclared bank accounts and assets.

Period / reference point	Approx. total wealth (USD, very rough)	De jure assets by type (in Menem / close family names)	De facto / alleged assets & structures (offshore, proxies, front companies)	Example sources
		cars later scrutinised in wealth cases.		
2000 – falsified wealth declaration case	The case does not state a single net-worth figure, but lists several million USD in undeclared assets.	De jure declared: a modest official wealth statement for 2000 which prosecutors later say is incomplete.	Undeclared de facto assets (per indictment): four bank accounts (incl. Liechtenstein, approx. US\$6m), two properties, two ultra-light planes, telecoms stock and vehicles, all allegedly omitted from the official declaration.	AP/Yahoo coverage of the 2013 trial over the 2000 declaration; Swiss prosecutor reports.
Early 2000s – arms-trafficking & corruption cases	No audited net worth; investigations imply multi-million USD flows linked to illegal arms contracts and kickbacks.	De jure: Menem’s visible assets as long-time senator (salary, pension, some property).	De facto: alleged proceeds from illegal arms sales to Ecuador and Croatia, and associated offshore structures; these cases focus more on <i>flows</i> of money than on a consolidated personal balance sheet.	Reuters / CityNews / Freedom House reporting on the arms cases and convictions.
2000s–2020s – “Los Menem S.A.” family business network	No trustworthy total, but the network of firms with state contracts suggests continuing multi-million-peso turnover.	De jure family companies: security firm Tech Security SRL , real-estate and service firms like Libertador Uno, PGC SRL and others held by Menem relatives (e.g. nephews, siblings). These sign contracts with national and provincial governments.	De facto pattern: investigative reporting describes the Menem clan as a “family firm” whose income partly comes from public contracts awarded to companies legally owned by relatives – a classic <i>de facto</i> enrichment structure where political capital is monetised via businesses that are technically separate but clearly family-controlled.	Buenos Aires Times investigation “Los Menem SA” (2025) on Tech Security SRL, Libertador Uno, PGC SRL and their state contracts.

Short note: For Menem, the clearest *hard* numbers are specific pockets of money (e.g. **US\$10m in Swiss accounts** plus a **US\$6m Liechtenstein account**) and the list of undeclared assets. Much of what we know comes from **criminal investigations into undeclared accounts and assets**. They point to a **multi-million-dollar fortune**, but not to the kind of consolidated, billionaire-level wealth you see in Argentina’s top private tycoons.

The Kirchner era (2003-2015) provides the paradigmatic example of Corruption Level 5 top-down state capture dynamics in democratic Argentina. The relationship between Presidents Nestor Kirchner (2003-2007) and Cristina Fernandez de Kirchner (2007-2015) and businessman Lazaro Baez exemplifies how governmental actors initiate and supply corrupt transactions, choosing loyalists and systematically channeling state resources to them. Baez, a former bank employee in Santa Cruz province with no construction experience, formed Austral Construcciones in 2003. Within months, the firm's capital rose from 12,000 to 500,000 Argentine pesos. During the Kirchner presidencies, Baez's companies received 51 public works contracts in Santa Cruz worth approximately \$1.2 billion—capturing roughly 80 percent of public works bids in the province despite many projects remaining unfinished or substantially overpriced.

The mechanisms of extraction were sophisticated and multi-layered. Journalist Jorge Lanata's investigative program 'Periodismo para todos' documented how Baez's companies appeared to funnel taxpayer money back to the Kirchners through false hotel room reservations at Kirchner-owned hotels—the official books showing millions spent to reserve rooms whether used or not. Baez purchased extensive estates in Santa Cruz for \$28 million in 2007, allegedly having received advance information that the province intended to build hydroelectric dams on precisely that land. Hidden camera footage captured Baez associate Leonardo Farina admitting involvement in money-laundering networks handling proceeds from government corruption, with 55 million euros of Baez's funds deposited in Switzerland.

The judicial aftermath revealed the depth of top-down state capture. In December 2022, Cristina Fernandez de Kirchner was convicted of 'fraudulent administration to the detriment of the state' and sentenced to six years in prison with a lifetime ban from public office—the first time a sitting vice president had been convicted in Argentina. The court found that the Kirchners had 'protected' and been 'complicit' in dealings by using state institutions to 'guarantee the unlimited business activity controlled by Lazaro Baez,' forming a 'criminal organization' to extract funds through manipulated public works contracts. Baez himself received a 12-year sentence for money laundering involving \$55 million transferred to tax havens between 2010 and 2013. In March 2025, the U.S. State Department banned Cristina Kirchner, her children Maximo and Florencia, and former minister Julio Miguel De Vido from entering the United States based on evidence of 'significant corruption,' citing the Vialidad case and other investigations.

Nationally, the Kirchner era operated at Corruption Level 5, with multiple patron-client networks coexisting across different provinces and sectors, though the Kirchner network dominated key strategic areas. However, as governor of Santa Cruz province before the presidency, Nestor Kirchner had achieved Corruption Level 6 single-pyramid control, monopolizing provincial corruption opportunities and subordinating all competing networks. This provincial experience shaped his national strategy, though Argentina's federal structure prevented replication at the national level—other provinces maintained autonomous patron-client networks that the center could neither monopolize nor fully discipline.

Table 7. Kirchner family – wealth by asset type, de jure vs de facto (estimates)

Period / reference point	Approx. total wealth (USD, very rough)	De jure assets by type (in their own names / sworn statements)	De facto / alleged assets & structures (via associates, front companies etc.)	Example sources
2003 – Néstor Kirchner becomes president	≈ US\$2.3m in declared assets for Néstor + Cristina.	Real estate: residential property and plots in Santa Cruz (Patagonia). Financial assets: bank deposits and term deposits in pesos and dollars.	Alleged early ties to local businesspeople in Santa Cruz (e.g. Lázaro Báez), but at this stage the structure is still relatively small and not fully mapped.	Heritage Foundation report on Kirchner wealth growth; later press summaries.
2008 – mid-Kirchnerismo	> US\$12m declared (assets more than quintuple vs 2003).	Real estate & hotels (de jure): growing portfolio of properties in Patagonia; purchase and development of hotels in El Calafate (e.g. Alto Calafate, Las Dunas, Los Sauces) through family-owned firms. Financial assets: enlarged term deposits; higher cash and bank balances.	Public-works nexus: start of the pattern where companies linked to Lázaro Báez (e.g. <i>Austral Construcciones S.A.</i>) receive large public-works contracts in Santa Cruz, while also doing business with Kirchner-owned hotels (alleged over-invoiced rentals, block bookings, etc.).	Heritage (2009) on jump from US\$2.3m to >US\$12m; later reporting on Báez / Austral network and hotel contracts.

Period / reference point	Approx. total wealth (USD, very rough)	De jure assets by type (in their own names / sworn statements)	De facto / alleged assets & structures (via associates, front companies etc.)	Example sources
2010 – at Néstor Kirchner’s death	≈ US\$12–14m combined, often quoted as “over US\$12m” based on ~60m pesos at the then exchange rate.	Real estate & hotels: multiple properties and hotels in Santa Cruz under <i>de jure</i> family control, notably via Hotesur S.A. and Los Sauces S.A. (Cristina + children as shareholders/heirs). Financial assets: significant term deposits and bank accounts in pesos and USD in their sworn statements.	Alleged laundering & overpricing: prosecutors and later indictments argue that Báez’s firms and other contractors funneled money through inflated public-works contracts and hotel rentals (<i>Hotesur/Los Sauces</i> cases), turning public-works profits into private wealth. These flows are treated as <i>de facto</i> Kirchner income even when booked in third-party companies.	Press and court-related reporting on the “K money trail”, Hotesur/Los Sauces proceedings and Báez link.
2021 – Cristina’s formal wealth declaration (as VP)	ARS16.46m pesos, i.e. only a low-hundreds-of-thousands USD at the then official rate – much smaller than earlier peaks.	De jure declared mix: mostly inheritance from Néstor (real estate, stakes in family companies, bank deposits). Net figure appears reduced vs 2010 because many properties had already been donated to children and because of valuation methods under inflation and official FX.	De facto control via children: major assets (shares in Hotesur , Los Sauces , other companies and properties) held by Máximo and Florencia Kirchner; prosecutors argue Cristina effectively retains control and benefit, so some assets moved off her personal declaration but remain within the <i>de facto</i> family sphere.	Buenos Aires Times summary of 2021 declaration; reporting on Máximo’s much larger later declaration; corruption-case files.
2022–25 – corruption convictions & damages (Vialidad case)	Courts estimate public loss at ≈ US\$500+ m, but this is <i>damage to the state</i> , not a measured family net worth.	Seized / embargoed assets (de jure): dozens of properties, corporate shares and bank accounts in Cristina’s and her children’s names subject to seizure or appraisal; recent orders cover around 20 properties.	De facto valuation of the network: the courts treat profits from irregular road-works contracts to Báez (2007–15) as a corruption scheme where the Kirchners were key beneficiaries; the huge restitution figure (ARS684,990m ≈ US\$540m) is based on <i>alleged</i> diverted funds and may exceed the family’s actual present-day wealth.	Guardian / BA Herald / El País / Reuters coverage of Vialidad conviction, asset seizure and damages.

Short note: Rough order of magnitude: from a few **million USD in 2003** to **low-tens of millions USD by 2010**, according to their own declarations and later reporting. On *paper*, the Kirchners peak in the **low-tens of millions USD** in declared wealth; courts, however, now treat the extended K-business network as having helped to divert and recycle **hundreds of millions of dollars** in public funds, blurring the line between de jure declarations and de facto enrichment.

If you compare these political families to the **top Argentine wealthy today**, the gap is big. Recent rankings put **Marcos Galperin** (MercadoLibre) at around **US\$8–10 billion**, with several other tycoons (Paolo Rocca, Alejandro Bulgheroni, Eduardo Eurnekian, Pérez Companc, etc.) each in the **US\$3–6 billion** range. So in absolute wealth they sit **far below** Argentina’s biggest private billionaires – but because their fortunes are intertwined with state power, patronage networks and public-works flows, their political influence has been disproportionately high relative to their raw net-worth numbers.

In any case, the methods of illicit wealth accumulation were more in the realm of corporate bribery, than in the practice of corporate raiding, i.e. the plundering of private companies by bloodless means of

state violence. This latter method was practically not present in Argentina contrary to some Latin-American autocracies or dictatorships.

Yet the Kirchner era's systematic corruption and top-down state capture dynamics should not be conflated with authoritarian transformation. Despite operating at Corruption Level 5 nationally and achieving near-Level 6 control in Santa Cruz province, the Kirchner administrations never could cross the threshold into hegemonic authoritarianism. This restraint reflected not virtue but institutional constraint: Argentina's constitutional rigidity, federal structure, and pluralistic media environment created insurmountable obstacles to the concentration of power necessary for authoritarian consolidation. The contrast with Venezuela's Chavista trajectory illuminates precisely which institutional mechanisms prevent democratic backsliding even under governments pursuing aggressive power concentration. In conceptual terms, Argentina under **the Kirchners exemplifies an autocratic attempt that failed to achieve autocratic breakthrough due to institutional resilience.**

The institutional comparison reveals a fundamental asymmetry in democratic erosion: while corruption levels can escalate rapidly through executive initiative (patron-client networks, state capture, discretionary resource allocation), regime transformation toward authoritarianism requires dismantling or capturing multiple institutional safeguards simultaneously—constitutional amendment procedures, judicial independence, legislative oversight, media plurality, federal autonomy, electoral administration. Argentina's Kirchner governments achieved the former but confronted insuperable barriers to the latter, while Venezuela's Chavista regime methodically eliminated each institutional constraint through constitutional reform (1999), legislative supermajority (enabling court-packing and institutional subordination), centralization of federal resources, and systematic media closure. The comparative analysis demonstrates that democratic institutions' resilience depends less on leaders' democratic commitments than on the difficulty of coordinating simultaneous capture across multiple autonomous institutional spheres.

Table 8. Institutional Comparison - Argentina vs. Venezuela
Why One Remained a Democracy and the Other Became an Autocracy

Institutional Area	Argentina (Kirchners)	Venezuela (Chávez–Maduro)	Why It Matters
Ease of Constitutional Change	No two-thirds majority → impossible to amend constitution	New Constitution in 1999 + term limits abolished in 2009	Constitutional rigidity prevents power entrenchment
Two-Thirds Legislative Majority	Kirchners never held a supermajority	Chávez obtained a legislative supermajority	Supermajority allows systemic institutional transformation
Control Over the Judiciary	Appointments made, but courts blocked key government initiatives	2004 Supreme Court overhaul → loyalist judges appointed	Judicial independence is a primary check on executive power
Parliamentary Oversight	Congress frequently blocked presidential initiatives	Oversight collapsed → legislature became subordinate	Legislative pluralism ensures shared power
Checks and Balances	Checks remained functional: provinces, courts, media	Centralization; new institutions under executive control	Balanced systems resist authoritarian consolidation

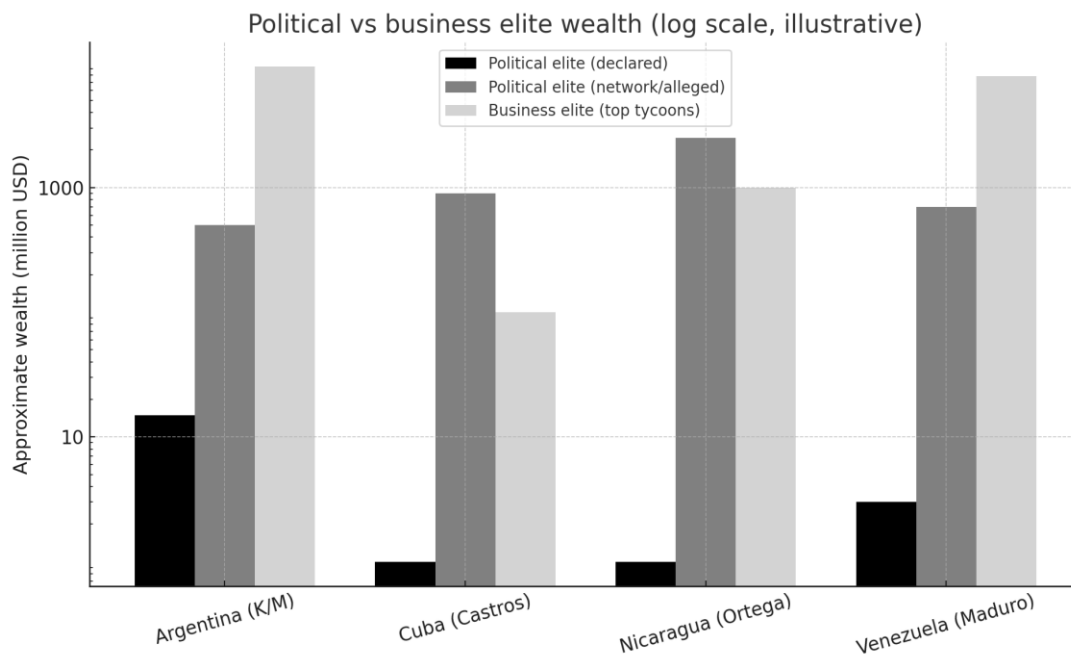
Institutional Area	Argentina (Kirchners)	Venezuela (Chávez–Maduro)	Why It Matters
Manipulation of the Electoral System	PASO introduced, but not for manipulation; electoral authority independent	Gerrymandering + partisan electoral authority	Tilted electoral field entrenches ruling power
Media Control	Ley de Medios caused conflict but no major censorship; plural media survived	Opposition TV/radio shut down, licenses revoked	Free media limits authoritarian expansion
Role of Provinces / Federal Structure	Strong, autonomous provinces act as counterweights	Weak regional autonomy; power centralized in Caracas	Federal decentralization prevents single-center domination
State Control Over the Economy	State intervention increased but not tied to political loyalty	Widespread nationalizations used to enforce loyalty	Economic control becomes political control
Role of the Military	Military is depoliticized and institutionally constrained	Military politicized and given economic/political roles	Militarization is a key engine of autocratization
Strength of Civil Society	Strong unions, social movements, protest culture	Civil society suppressed or criminalized	Active civil society resists authoritarian drift
Presidential Re-election	Third term impossible without constitutional change	Unlimited re-election permitted	Term limits prevent personalist rule

Note: The table from the 'Institutional_Comparison.docx' file should be inserted at the location marked above. These two paragraphs provide the analytical context that emphasizes how institutional constraints prevented the Kirchner administrations from transitioning to hegemonic authoritarianism despite their corruption and power concentration efforts.

5.2.4. Political vs. Business Elite Wealth in Some Latin-American Regimes

The following illustrative chart compares three dimensions of wealth in four political settings: Argentina (Kirchner/Menem), Cuba (the Castro system), Nicaragua (Ortega), and Venezuela (Maduro). For each case we plot (in millions of USD) the peak **declared wealth of the political leadership**, the **estimated size of their political-business network** related to and dependent on them, and the **approximate wealth of the top domestic business elite**. Although the numbers are highly approximate, the pattern is revealing.

Table 9. Political vs. business elite wealth in Argentina, Cuba, Nicaragua and Venezuela (log scale, illustrative)



In **Argentina**, the declared wealth of the Kirchner/Menem families is on the order of a few tens of millions of dollars. Even after including alleged corruption networks (road-works overpricing, hotel schemes, offshore flows), the “political network” column stays in the hundreds of millions. By contrast, the wealth of the main Argentine tycoons runs into the billions: individuals like Marcos Galperin or Paolo Rocca sit far above the political families in absolute terms. In other words, Argentina still has a sizeable, relatively autonomous **private business elite** whose accumulated capital exceeds that of any single ruling family. Political power can channel rents and enrich leaders, but it does not fully absorb or monopolise the country’s big capital holdings.

Cuba lies at the opposite end of this spectrum. Here, Fidel and Raúl Castro’s personal declared wealth is essentially meaningless; what matters is their control over the state–party–military conglomerate that dominates the island’s economy. Formally they were not the owners of state assets, but they had unlimited control over them. Assigning a dollar value to this control (as Forbes once did with a ~900 million USD estimate for Fidel) is speculative, but the key point is that the **political network and the economic “commanding heights” practically coincide**. The independent domestic business class is small and heavily constrained; the main pools of capital are either state-owned or controlled by military and party entities. On the chart, this shows up as a very large political-network bar and a very small business-elite bar: the political elite is the business elite.

Nicaragua under Ortega looks like a transitional case between Argentina and Cuba. Official declarations show almost no wealth, yet investigative work on the Ortega–Murillo family points to a network controlling banks, media, energy and concessions, sometimes valued in the low billions. At the same time, Nicaragua still has a “gran capital” – big business families and groups – but many of them have been drawn into alliances with the regime or pushed into accommodation. The ratio of political-network wealth to business-elite wealth is already greater than one in our stylised data, signalling that the ruling family’s economic reach **matches or surpasses** that of the traditional oligarchy.

Venezuela under Maduro is more complex. The regime’s network, as reflected in foreign seizures and investigations, clearly controls hundreds of millions of dollars, largely through oil-related schemes,

import/export monopolies and corruption. Yet Venezuela also still produces very large private fortunes (for example, banking magnate Juan Carlos Escotet in the multi-billion range). The business-elite bar therefore remains very tall, and the political-network bar, while large, does not fully dominate it. However, this masks the fact that many Venezuelan fortunes have either gone into exile, become closely tied to state contracts, or both. The domestic market space for a politically independent business elite has been sharply reduced compared to pre-Chávez times.

Taken together, the log-scale chart underlines the correlation: **the more authoritarian and durable the regime, the more the wealth structure tilts toward the political centre.** In a relatively pluralist setting like Argentina, private business wealth overshadows the personal fortunes of rulers; political elites must negotiate with a distinct capitalist class. As regimes harden (Nicaragua, Venezuela) and especially where a revolutionary party-state controls the economy (Cuba), the distinction between political and economic elites erodes. Ruling families and their networks not only accumulate private wealth, but also sit atop the key corporate and financial nodes of the system, turning political power itself into the primary form of capital.

5.2.5. Corporate Interest: The Unions' Organized Economic Irrationality

Standing in complex relationship to clan interest is corporate interest, represented most powerfully by Argentina's organized labor movement. The CGT, founded in 1930 and intimately linked to Peronism since the 1940s, operates according to a distinct logic that is neither clientalist vassalage to political patrons nor autonomous pursuit of rational economic policy. Union leaders and their organizations are not members of adopted political families in the sense of personal loyalty oaths or integration into clan wealth accumulation schemes. They do not swear fealty to political chiefs, do not become part of poligarch family business empires, and do not hold their positions purely at patron pleasure. Individual corruption certainly exists—union leaders receive high salaries, extensive benefits, and control substantial organizational resources—but they do not typically transform into wealthy entrepreneurs accumulating family fortunes comparable to poligarchs.

Instead, unions represent corporate interest in the original sense: the organized, collective interest of specific sectors of workers, possessing institutionalized bargaining power independent of particular political leaders. The CGT's organizational structure provides substantial autonomy: different unions represent different industries (metallurgical workers, transport, state employees, teachers, oil workers), each with its own leadership, resources, and sectoral priorities. Union control over substantial material assets—pension funds (*obras sociales*), health insurance organizations, recreational facilities, training centers, even hotels—provides independent financial bases. Electoral capacity to mobilize voters, organize demonstrations, and paralyze economic sectors through strikes gives unions bargaining power that no government can simply ignore.

The critical dynamic is what might be called '**rational irrationality**' or '**welfare voluntarism**': union leaders observe and understand poligarch behavior at Corruption Level 4+ corruption intensities, recognize that clan wealth extraction is economically unsustainable, yet respond by pursuing maximum benefits for their own constituencies in ways that systematically exceed economic rationality. Union leaders are sophisticated political actors who see political leaders enriching themselves and their circles through corruption. They recognize that state tender manipulation, kickbacks, offshore accounts, and family empire-building drain resources that could otherwise fund social programs or economic development. They perceive the moral hypocrisy of political leaders who demand 'shared sacrifice' from workers while accumulating personal fortunes. Yet rather than restrain their own demands in service of

economic sustainability, unions reason: 'If they're stealing billions, at least we can improve living standards for working people.'

This logic manifests in systematic patterns of collective bargaining beyond economic rationality. Wage demands routinely exceed productivity growth, with union negotiators ignoring inflation projections, fiscal constraints, or international competitiveness concerns. Automatic indexation mechanisms build inflation expectations directly into wage structures, creating self-fulfilling prophecies. Job protection rules go far beyond preventing arbitrary dismissals to paralyze labor market adjustment entirely—mandatory severance payments discourage hiring, work rules preserve obsolete positions, resistance to technological innovation protects employment in dying sectors. Pension and benefit systems systematically ignore demographic and fiscal reality through early retirement ages, generous benefit formulas, special regimes for particular sectors, and fierce resistance to any parametric reforms.

The Alfonsín era (1983-1989) dramatically illustrated this dynamic. President Raul Alfonsín, representing the Radical Civic Union (UCR), faced immediate and relentless opposition from the CGT led by Saul Ubaldini. Between 1984 and 1989, the CGT called thirteen general strikes—an extraordinary level of labor militancy against a democratically elected government attempting to manage an economic crisis inherited from the military dictatorship. Why this intense opposition when the Alfonsín administration operated only at Corruption Levels 1-2, without the egregious poligarch corruption that would characterize later periods? Several factors drove union militancy: the CGT was structurally aligned with Peronism and viewed a Radical government as illegitimate occupation of 'their' state; Alfonsín's economic team attempted wage freezes and austerity measures to combat hyperinflation; unions saw no reason to accept sacrifices when they were excluded from power and its accompanying wealth distribution opportunities.

The consequences were predictable yet tragic. Wage demands fueled inflation despite (or because of) constant union pressure. Real wages fell approximately 20 percent during 1985-1986 even as strikes disrupted production and made coherent economic policy implementation impossible. Repeated wage freezes ordered by Economy Minister Juan Sourrouille triggered seven general strikes during the Austral Plan's first year alone. By 1989, monthly inflation reached 27 percent, then spiraled into hyperinflation of 3,079 percent annually, forcing Alfonsín's early resignation and transfer of power to Peronist Carlos Menem five months before the constitutional end of his term.

Union leaders justify their economically irrational demands through a moral framework emphasizing distributive justice: 'If corrupt politicians are stealing, workers deserve their share.' They invoke class solidarity: 'We're fighting for the many against the corrupt few.' They claim ideological identity as the 'left,' defending workers against exploitative capital. This self-presentation as defenders of ordinary people creates powerful legitimation for demands that, analyzed economically, ultimately harm the very workers they claim to represent through inflation eroding real wages, unemployment as businesses cannot afford wage bills, investment flight to countries with more flexible labor markets, and fiscal crises reducing social spending.

The contrast with Menem's presidency (1989-1999) reveals the transactional nature of union-government relationships. Despite Menem implementing neoliberal policies antithetical to traditional Peronism—extensive privatizations, labor market flexibilization, opening to foreign investment—the CGT initially supported him as a Peronist president. Only nine general strikes occurred during Menem's entire decade compared to thirteen in six years under Alfonsín. Menem's famous threat to striking railway workers—'a railway branch that strikes, a railway branch that will be closed down' (*ramal que para, ramal que cierra*)—signaled that even a Peronist government would not infinitely accommodate union demands. The CGT's split in response, with some factions supporting Menem's policies in exchange for maintaining control over pension funds and health insurance organizations, demonstrated

unions' pragmatic calculation of when confrontation served their interests versus when accommodation delivered better results.

5.2.6. The Stratified Terrain of Inflation Protection

The interaction between union power and inflation creates Argentina's most distinctive structural feature in comparative Latin American perspective: a stratified system of inflation protection that determines which groups can defend their purchasing power during inflationary episodes and which cannot. Understanding this stratification is essential to grasping both why inflation persists and why its social consequences are so unevenly distributed.

When Argentina experiences periodic surges in inflation—whether 40%, 100%, or 200% annually—the critical question becomes: which social groups possess mechanisms to protect their purchasing power through wage indexation, and which groups are forced to absorb the inflation shock through real income decline? The answer reveals fundamental power asymmetries in Argentine political economy.

Table 10: Inflation Protection Mechanisms in Argentina (Historical Pattern)

Group	Protection Mechanism	Coverage	Automaticity	Effectiveness
Formal Private Sector (Strong Unions)	Paritarias with trigger clauses	~25-30% of workforce	Not automatic—requires negotiation & reopening	High for strategic sectors (oil, trucking: 70%+ increases); Moderate for others
Formal Private Sector (Weak Unions)	Paritarias (sector-wide)	~10-15% of workforce	Not automatic—periodic negotiations	Low—typically lags inflation
Public Sector	Government-determined adjustments	~15-20% of workforce	Not automatic—discretionary	Poor—subject to fiscal constraints
Pensioners	Quarterly formula + ad hoc bonuses	7.8 million (all retirees)	Semi-automatic with delays	Poor—bonuses only partially compensate
Minimum Wage Workers	Wage Council negotiations	All formal workers at minimum	Not automatic—tripartite negotiations	Poor—typically lags inflation
Informal Workers	No protection	40-48% of workforce	N/A	None—severe real losses
Self-Employed	No protection	Variable	N/A	None—most severely affected
Social Assistance Recipients	Government adjustments	Millions	Ad hoc	Poor—subject to budget constraints

The paritarias system—Argentina's distinctive collective bargaining mechanism established in the 1950s—creates the central divide between protected and unprotected workers. Unlike decentralized systems (United States, Brazil, Chile) where individual companies negotiate with their workers, Argentina employs centralized sector-wide negotiations between unions, employer federations, and the Labor Ministry. These negotiations establish wages and working conditions that apply to all workers in a sector, regardless of union membership.

The system's effectiveness varies dramatically by union strength. Strategic sectors controlling economic chokepoints—oil workers (whose strikes paralyze energy supply), truck drivers (who can halt food distribution), port workers (who control grain exports)—possess exceptional bargaining leverage. Their unions can negotiate wage increases exceeding inflation and secure 'trigger clauses' (cláusulas gatillo) that automatically reopen negotiations if inflation surpasses projections. During 2022's inflationary acceleration, the oil workers' union secured a minimum sectoral wage of AR\$1.2 million monthly (approximately 5 times the general minimum wage) with 76% increases in just four months, while the Luz y Fuerza (electrical workers) union achieved 70% annual increases.

However, most workers lack such leverage. Unions in less strategic sectors—retail, hospitality, many manufacturing branches—negotiate increases that systematically lag inflation. Public sector workers face particularly severe constraints: their wage adjustments depend on government fiscal capacity rather than private-sector productivity or bargaining strength. When governments pursue fiscal adjustment, public workers become the first adjustment variable—their real wages can be cut through nominal freezes while inflation continues.

The bottom half of the labor force—informal workers (40-48% of the workforce), self-employed individuals, and those dependent on social assistance—possesses no inflation protection whatsoever. They cannot participate in paritarias, have no union representation, and lack contracts specifying wage adjustments. During inflationary surges, their real incomes collapse catastrophically. In December 2023, informal workers' wages fell 96.1% in real terms year-over-year—not a gradual erosion but an economic wipeout.

Table 11: Size of Inflation-Protected vs. Unprotected Population

Protection Status	Estimated Size	Characteristics
Well-Protected (Strong strategic unions)	~5-10% of workforce	Oil, trucking, ports, key utilities—can exceed inflation
Moderately Protected (Formal with union representation)	~25-30% of workforce	Most unionized formal workers—struggle to match inflation, typically lag
Poorly Protected (Public sector, weak unions)	~15-20% of workforce	Government employees, teachers—subject to fiscal constraints and freezes
Formally Semi-Protected (Pensioners)	7.8 million people	Formula-based adjustments with delays; bonuses insufficient; minimum ~\$300/month

Unprotected (Informal, self-employed)	~50-60% of population	No bargaining power, no indexation—catastrophic real income losses
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This stratification creates a perverse political economy dynamic. Inflation functions as a regressive taxation mechanism: those with the least economic and political power—informal workers, pensioners, the rural poor—bear the heaviest burden through purchasing power destruction, while those with institutional leverage can partially or fully defend their incomes. The result is that inflation systematically transfers resources from the unorganized poor to organized sectors, exacerbating inequality while appearing to be a purely monetary phenomenon.

Moreover, the system creates incentives for 'rational irrationality' among unions. Observing that political elites extract wealth through corruption and that fiscal sustainability is routinely sacrificed for political expediency, union leaders reason: 'If they're stealing, at least we can defend our members.' This produces wage demands exceeding economic sustainability not from miscalculation but from accurate recognition that without aggressive demands, workers will be the sole bearers of adjustment costs. The tragedy is that this individually rational behavior collectively perpetuates the inflationary cycle, harming precisely those workers—in the informal sector, among the self-employed—who cannot participate in the defensive scramble.

Understanding this stratified inflation protection terrain is essential for analyzing Argentina's political economy. It explains why inflation persists despite broad consensus on its harmfulness: those with power to change policy are partially insulated from its worst effects, while those suffering most catastrophically lack political voice. It illuminates why fiscal adjustment consistently targets the weakest rather than the strongest: pensioners can be frozen, public workers' salaries can lag, but oil workers must be accommodated. And it reveals why breaking the inflationary cycle would require not merely technical monetary policy but fundamental restructuring of power relations—a political challenge no Argentine government since 1983 has successfully met.

5.2.7. The Political Clan's Accommodating Response: Buying Social Peace to Enable Extraction

Given union power and mobilization capacity, political clans—particularly at Corruption Level 4+ where poligarchs operate—face a straightforward calculation: accommodate union demands sufficiently to prevent destabilizing strikes and protests, thereby maintaining the social peace and popular support necessary for continued clan wealth extraction. This transactional logic operates consistently across administrations regardless of their formal ideological orientation. Union-mobilized voters are crucial for winning elections in Argentina's system. Constant general strikes make governance functionally impossible, paralyzing economic activity and destroying legitimacy. A 'social pact' with unions allows clans to pursue their own wealth accumulation relatively undisturbed, with union acquiescence serving as insurance against popular mobilization that might threaten the regime.

An implicit deal emerges with remarkable consistency: unions agree not to paralyze the country or mobilize against the government; the political clan agrees to meet wage and benefit demands even when economically irrational; both parties understand that this dual overspending—clan corruption plus union demands—is unsustainable, yet both prioritize short-term gains over long-term sustainability. The accommodation manifests through various mechanisms: automatic wage adjustments indexed to past inflation, preservation of early retirement privileges and special pension regimes, maintenance of job protection rules that prevent labor market adjustment, continued union control over pension funds

and health insurance despite inefficiency and corruption allegations, and tolerance of union influence over public sector hiring and procurement.

Ideologically, this accommodation finds expression in a **superficial convergence between clan 'national-popular' discourse and union 'leftist' rhetoric**. Both attack 'neoliberalism' as serving foreign interests. **Both denounce 'multinationals' and 'financial capital'** as exploiting Argentina. Both claim to defend 'the people' and 'national sovereignty' against external imposition. Both frame fiscal discipline or economic rationality as 'anti-popular' and 'pro-oligarchic.' This ideological packaging obscures the fundamental reality: both clans and unions pursue particularistic interests—private wealth accumulation versus sectoral wage gains—at the expense of long-term economic sustainability, productive investment, and the majority of Argentines outside the patronal networks.

The clan presents itself as representing 'national interest' against foreign exploitation, 'popular sovereignty' against privileged elites, and 'economic autonomy' against neoliberal subordination. This ideological framework allows clans to position critics—particularly those advocating economic rationality, fiscal discipline, or regulatory transparency—as 'anti-national,' 'servants of multinationals,' or representatives of 'pro-foreign interests.' The irony is profound: clan members typically hold substantial foreign assets themselves while denouncing others for 'extranjerismo' (foreignism). Corruption enriches individuals and small networks while impoverishing the nation, yet gets justified as defending national interests. Discretionary property rights and regulatory favoritism benefit loyalists while harming economic development, yet get presented as resisting neoliberal orthodoxy.

Unions, meanwhile, present their demands as 'leftist' defense of workers against capital. They claim to represent broader social layers rather than narrow clan interests. Their demands ostensibly improve living standards for ordinary people. They resist 'neoliberalism' and defend 'national development' against foreign imposition. Yet economically irrational wage demands ultimately harm workers through inflation. Job protection rules prevent adjustment that could create more employment. Pension system unsustainability threatens future retirees. The corporate interests of organized public and formal private sector workers—a minority in Argentina's increasingly informal economy—get presented as universal working-class interests, though unorganized informal workers bear the costs of inflation and economic crisis without enjoying the benefits of union-negotiated wages and protections.

5.3. Reality Strikes Back: Economic Crises as Alternative Discharge Mechanisms

In the regime cycle era (1930-1983), accumulated economic tensions and political deadlocks were resolved through military intervention—the 'lightning discharge' mechanism that ended civilian governments when their contradictions became unmanageable. Post-1983, this mechanism is definitively unavailable, justifiably illegitimate. The military withdrew to an 'armed trade union' role, representing only its own narrow corporate interests without any pretension to governing capacity or national political vision. The Dirty War's legacy created normative constraints making military intervention politically impossible. Democratic institutions, however imperfect, commanded sufficient legitimacy that no actor could successfully justify overthrowing them.

In the absence of military coups, economic reality itself becomes the discharge mechanism. The dual dynamic of clan corruption (particularly intense at Corruption Levels 4-5) and union demands creates unsustainable fiscal and macroeconomic imbalances that eventually erupt into economic crises forcing adjustment. This pattern has repeated with remarkable regularity across post-1983 administrations, each cycle following a predictable trajectory.

The pulsation strengthens as a government takes power, whether through clan networks or populist coalition. Corruption intensifies through clan wealth extraction— procurement manipulation, kickbacks, regulatory capture. Union demands escalate through wage increases exceeding productivity, benefits expansion, job protection reinforcement. Both dynamics are accommodated through fiscal expansion: increased public spending, subsidies, transfers, employment in state enterprises and provincial governments. The government finances this through various means: money creation driving inflation, external borrowing accumulating debt, deferred payments to suppliers and contractors, implicit subsidies through controlled prices for utilities and transport.

An additional mechanism that can trigger or accompany crisis dynamics is the weaponization of anti-corruption discourse. Anti-corruption campaigns sometimes can paradoxically serve as mechanisms for 'corruption market capture'—using state coercion to eliminate rival patron-client networks and clear territory for one's own or loyalist clans. What appears as 'fighting corruption' may actually represent inter-clan warfare, where prosecutorial and judicial power selectively targets opposition networks while protecting allied ones. The Kirchner era likely exhibited this dynamic, where corruption investigations concentrated on political opponents while government-aligned networks operated with impunity. This transforms 'transparency' from a public good into a weapon in patronal competition, where accusations of corruption become tools for consolidating control rather than genuinely reducing extraction. The federal structure paradoxically enables this dynamic: while preventing any single clan from achieving Corruption Level 6, namely the monopolization of corruption market nationally, it also creates multiple arenas where 'anti-corruption' rhetoric can mask efforts to capture provincial corruption markets from rival networks.

Tensions accumulate as this model's contradictions intensify. Inflation accelerates as aggregate demand systematically exceeds productive capacity. Budget deficits widen exponentially as spending growth outpaces any plausible revenue increase. Current account deficits expand as imports surge while exports stagnate or decline. Foreign debt accumulates to finance deficits, with each refinancing occurring at higher interest rates reflecting increased risk. Investment falls as uncertainty rises and profitability outside patronal networks declines. Capital flight accelerates as those with resources seek to preserve wealth outside the country.

Crisis eventually erupts when these dynamics reach breaking points. Currency collapse occurs as Central Bank reserves deplete and exchange rate pegs or managed floats become unsustainable. Hyperinflation or severe recession devastates living standards as the peso loses value or economic activity contracts sharply. Banking crisis emerges as deposits flee to dollars or foreign banks. Social unrest intensifies as unemployment surges, poverty increases, and the middle class sees savings evaporate. Political legitimacy crisis develops as the government loses capacity to deliver on promises or maintain basic governance.

Emergency adjustment follows, whether imposed by the same government under crisis pressure or by a successor government elected to manage the catastrophe. Typical measures include: wage freezes or real wage compression through inflation, public spending cuts concentrated on subsidies and transfers, devaluation or currency float, interest rate increases to control inflation and attract capital, tariff reductions or trade liberalization to increase competition, privatizations or concessions to generate fiscal revenue. Union power temporarily weakens during the crisis severity—strikes become less effective when businesses are closing and unemployment is high. Corruption temporarily reduces or becomes less visible due to fiscal constraints and political pressure for transparency, though patron-client networks typically survive in weakened form rather than being eliminated.

Economic stabilization eventually creates space for renewed pulsation. Growth resumes as the crisis bottoms out. Political actors mobilize for new elections with promises to reverse austerity. Patronal

networks begin rebuilding their structures and influence. The cycle begins again, though rarely returning precisely to initial conditions—each crisis leaves cumulative effects on debt levels, institutional degradation, and social fracture.

This pattern has manifested repeatedly in post-1983 Argentina. The 1989 hyperinflation destroyed the Alfonsín government and forced early power transfer to Menem. The 2001-2002 collapse ended Fernando de la Rúa's presidency, led to sovereign debt default and massive devaluation, and produced five presidents in two weeks. The 2018-2019 crisis undermined Mauricio Macri's government, forcing him to seek an IMF bailout of \$57 billion (the largest in IMF history), and enabled the Peronist return under Alberto Fernández. The Milei period (2023-present) represents yet another attempt at emergency stabilization following the 2023 crisis that saw inflation reach 211 percent annually.

These crises serve functionally similar purposes to the military coups of 1930-1983: they discharge accumulated tensions, force adjustment that governments would not voluntarily implement, weaken patronal networks (at least temporarily), and create conditions for regime reconfiguration. Yet they differ critically in mechanism: military coups were planned interventions by organized actors with political projects (however flawed); economic crises are unplanned impersonal processes that emerge from accumulated contradictions. Military regimes could at least temporarily impose order through repression; economic crises simply reveal the impossibility of continuing current patterns, without necessarily providing clear alternatives.

5.3.1. The Fiscal-Political Cycle: Systematizing the Pulsation Pattern

The pattern of patronal pulsation in democratic Argentina can be systematized through analyzing the fiscal orientation of successive governments and their relationship to macroeconomic cycles. Table 12 presents a comprehensive overview of Argentine governments from 1983 to 2025, categorizing their dominant fiscal orientation and tracking the corresponding macroeconomic outcomes.

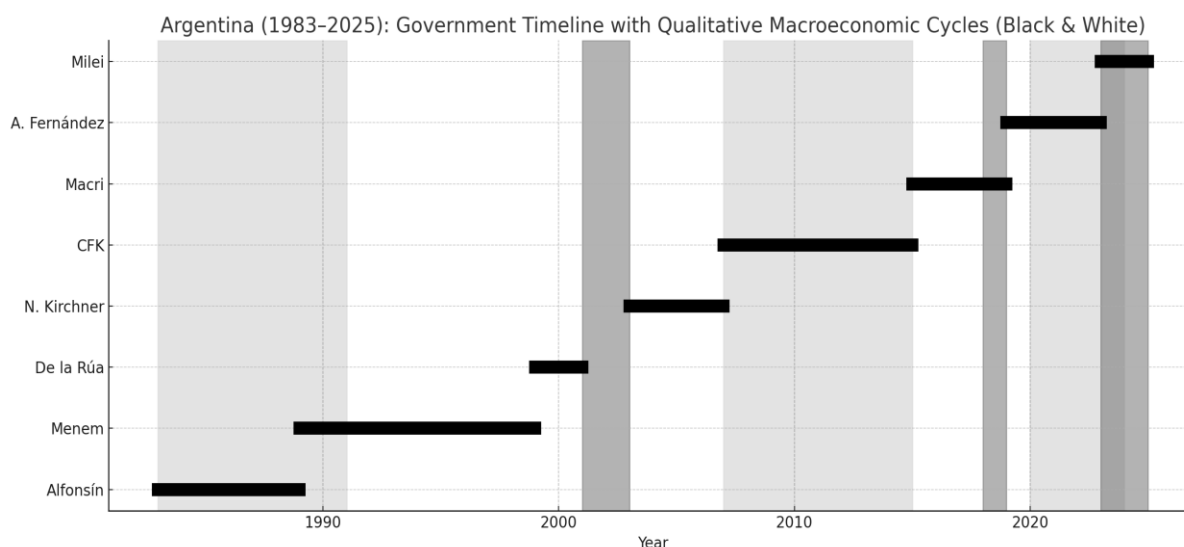
Table 12. Fiscal Orientation of Argentine Governments (1983-2024)

("Expansionary" = redistributive, spending-increasing, anti-austerity; "Austerity" = spending cuts, stabilization, IMF-aligned adjustment.)

Government (Years)	Dominant Fiscal Orientation	Secondary Phase / Shift	Macroeconomic Context	Political Outcome
Raul Alfonsín (1983-1989)	Expansionary (1983-86)	Forced austerity (1987-89)	Accelerating inflation → hyperinflation; GDP instability; rising debt	Early collapse & early handover
Carlos Menem (1989-1999)	Hard austerity (1989-94)	Hidden expansion via debt (1995-99)	Disinflation → strong GDP growth → later recession; rising unemployment	Completed both terms; late-cycle legitimacy erosion
Fernando de la Rúa (1999-2001)	Orthodox austerity	(None—continuous tightening)	Low inflation, falling GDP, debt crisis, unemployment surge	Collapse of government in 2001
Nestor Kirchner (2003-2007)	Expansionary, redistributive	(None; consistent)	High growth, falling unemployment, debt ratio drop,	Rising legitimacy; stable mandate

			creeping inflation	
Cristina Fernandez de Kirchner (2007-2015)	Expansionary (2007-11)	Hidden austerity + inflationary expansion (2011-15)	GDP slowdown, rising inflation, FX stress, re-leveraging	Stable re-election, rising polarization
Mauricio Macri (2015-2019)	Austerity, structural adjustment	IMF-driven austerity (2018-19)	Stubborn inflation, recession, debt spike	Electoral defeat
Alberto Fernandez (2019-2023)	Expansionary / anti-cyclical	Inflationary expansion + failed consolidation attempts	High inflation → very high inflation; low growth; rising poverty	Political exhaustion; defeat of coalition
Javier Milei (2023-)	Ultra-austerity ("chainsaw economics")	Potential stabilization phase (pending)	Initial hyperinflation spike; deep GDP contraction; falling fiscal deficit	Political legitimacy holds despite shock

Table 13. Argentina: Government Timeline with Qualitative Macroeconomic Cycles (1983-2025)



Explanation of Macroeconomic Timeline Shading:

- **White Background — "Relative Normality":** White background marks periods when macroeconomic stress was not extreme. It does not imply genuine stability; it only indicates that inflation, recession intensity, or labor market shocks did not reach historically severe levels.
- **Light Gray — High Inflation Cycles:** Light gray bands represent periods of high or very high inflation, typically characterized by accelerating price spirals, real wage erosion, emergence of parallel exchange rates, fiscal disorganization, and rising social and political tensions. During these phases, governments usually pursued redistributive-expansionary economic policies that later became unsustainable.
- **Dark Gray — Deep Recession Periods:** Dark gray shading marks phases of deep GDP contraction and broader macroeconomic collapse: sharply rising unemployment, collapse of investment, exchange-rate panic, debt crisis or imminent default, and political instability and erosion of legitimacy. These periods are typically associated with government crises or system-level austerity episodes (e.g., 2001-2002, 2018-2019, 2023-2024).

This tabular systematization reveals several critical patterns in democratic Argentina's patronal oscillation. First, most governments begin with clear fiscal orientations that reflect their political

constituencies and ideological commitments—Peronist administrations typically start with expansionary policies emphasizing redistribution and employment, while non-Peronist governments often attempt orthodox stabilization through austerity. Second, nearly all governments experience secondary phases or forced shifts when their initial orientation proves unsustainable—expansionary governments encounter inflation crises that compel emergency adjustment (Alfonsín, Cristina Kirchner, Alberto Fernández), while austerity governments face political exhaustion and electoral defeat when recession and unemployment become intolerable (de la Rúa, Macri). Third, the macroeconomic context systematically deteriorates during expansionary phases, with rising inflation, external imbalances, and debt accumulation, while austerity phases produce recession, unemployment, and social crisis. Fourth, political outcomes correlate strongly with economic outcomes—governments that complete their mandates (Menem, Néstor Kirchner) do so either by achieving temporary stabilization or by presiding over growth periods, while governments that collapse prematurely (Alfonsín, de la Rúa) or suffer electoral defeat (Macri, Alberto Fernández) do so amid acute economic crisis.

The fiscal-political cycle thus operates as follows: expansionary governments initially enjoy popularity through wage increases, subsidies, public employment expansion, and infrastructure spending. Clan corruption intensifies as state resources flow through procurement, concessions, and regulatory discretion. Union demands escalate as workers seek to capture their share of the expansion. Fiscal deficits widen exponentially, financed through money creation (driving inflation), external borrowing (accumulating debt), or deferred payments (creating arrears). Eventually, inflation accelerates or debt becomes unsustainable, forcing crisis adjustment. Austerity governments then attempt stabilization through spending cuts, wage compression, currency devaluation, and debt restructuring. Clan corruption temporarily declines or becomes less visible due to fiscal constraints and political pressure. Union power weakens as unemployment rises and strikes become less effective. However, the social cost of adjustment—real wage declines, rising poverty, business failures—erodes political legitimacy. Eventually, popular mobilization or electoral defeat brings a new expansionary government to power, and the cycle begins again.

5.3.2. The Long View: Government Debt Cycles and Patronal Overspending (1870-2025)

The cyclical pattern of patronal overspending and crisis adjustment becomes even more evident when examined across Argentina's full modern history. Table 14. presents government debt as a percentage of GDP from 1870 to 2025, revealing dramatic oscillations that correspond to periods of patronal expansion and crisis-driven contraction.

Table 14. Argentina Government Debt Cycles (1870-2025)

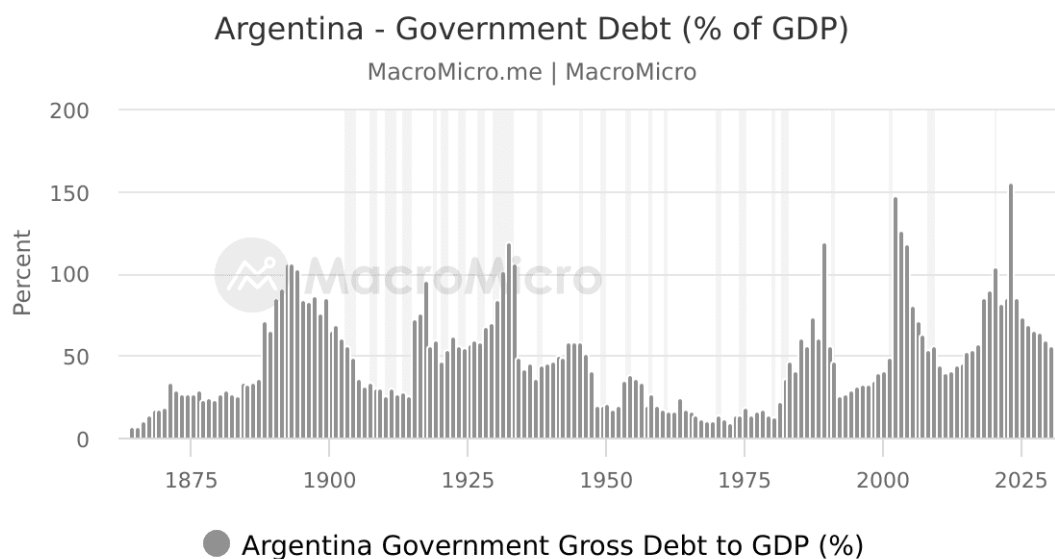


Figure notes: Chart shows government gross debt as percentage of GDP. Major spikes correspond to periods of fiscal expansion and economic crisis: 1890s (Baring Crisis), 1930s (Great Depression and early regime cycles), 1980s (debt crisis and hyperinflation), 2001-2002 (default and collapse), 2018-2023 (Macri's debt accumulation and subsequent crisis). Each spike is followed by default, restructuring, or emergency adjustment that temporarily reduces the debt ratio before the cycle resumes.

Source: MacroMicro.me;

The debt trajectory reveals several critical insights into Argentina's patronal dynamics. **First, the pattern has been remarkably consistent for over 150 years**—periods of rapid debt accumulation alternate with crises that force adjustment, default, or restructuring. The Baring Crisis of 1890, the Great Depression of the 1930s, the debt crisis of the 1980s, the collapse of 2001-2002, and the recent crisis of 2018-2023 all follow similar trajectories: fiscal expansion drives debt accumulation, foreign creditors eventually lose confidence, capital flows reverse, currency collapses, and the debt burden becomes impossible to service.

Second, each crisis temporarily disciplines fiscal behavior—debt ratios fall dramatically after defaults or restructurings as Argentina is effectively shut out of international capital markets and must live within its current revenues. The post-2003 Kirchner period, for example, initially saw falling debt ratios not because of fiscal discipline but because Argentina had defaulted in 2001 and could not borrow, forcing a temporary primary surplus. Similarly, the early Menem stabilization of 1991-1994 occurred partly because the hyperinflation of 1989-1991 had eliminated peso-denominated debt and the Convertibility Plan's credibility initially limited borrowing capacity.

Third, the discipline never lasts—within a few years of each crisis resolution, debt accumulation resumes. The pattern suggests that Argentina's political economy contains structural drivers of overspending that persist regardless of formal regime type, governing party, or recent crisis experience. These drivers are precisely the dual dynamics identified earlier: clan corruption extracting rents through discretionary state spending, and union demands for wages and benefits exceeding economic rationality, with both accommodated by governments seeking to maintain political support and social peace.

Fourth, federal debt understates the true magnitude of fiscal stress because it excludes provincial debt, implicit pension liabilities, arrears to suppliers and contractors, and other forms of deferred obligations. During expansion phases, governments create spending commitments (indexed pensions, automatic wage adjustments, subsidies) that become embedded in political expectations but lack sustainable revenue sources. When crisis forces adjustment, these commitments cannot simply be eliminated without triggering social explosion—hence the typical pattern of partial defaults, forced renegotiations, and emergency measures that spread the adjustment pain across multiple constituencies while satisfying none completely.

Fifth, the long historical view demonstrates that the problem predates both Peronism (founded 1946) and the military regime cycles (1930-1983), suggesting **that Argentina's fiscal pathology has deeper roots in its political economy structure.** The pattern was already evident in the late 19th century when Argentina cycled between oligarchic export booms and debt crises. What changed after 1930 was the addition of import-substitution industrialization, expanded state intervention, and mass political mobilization—factors that intensified the underlying dynamics without fundamentally altering the cyclical pattern.

5.3.3. Economic Crises as Functional Equivalents to Military Coups

The comparison between pre-1983 and post-1983 Argentina illuminates how economic crises have become the functional substitute for military intervention as the mechanism for discharging accumulated tensions and forcing adjustment. During the regime cycle era (1930-1983), military coups typically occurred when civilian governments faced some combination of: accelerating inflation eroding middle-class living standards and creating political instability; union mobilization and strike activity paralyzing economic activity and challenging state authority; fiscal deficits spiraling beyond control as governments attempted to satisfy incompatible demands; capital flight and balance of payments crises as economic actors lost confidence; and political polarization creating fears of social revolution or communist infiltration.

Military interventions promised to restore order through: wage freezes and union repression eliminating labor militancy; fiscal discipline imposed through spending cuts and revenue enhancement; privatization or rationalization of state enterprises; opening to foreign investment and orthodox economic policies; and repression of political mobilization and "subversive" elements. The reality rarely matched the promise—military governments often increased repression while proving unable or unwilling to implement coherent economic policies, leading to their own crises and eventual return to civilian rule. But the interventions did serve a discharge function: they broke union power, at least temporarily; they provided breathing space for debt renegotiation; they allowed real wage compression that would have been politically impossible under democracy; and they reset political expectations about what was economically feasible.

Post-1983, military coups are off the table—normatively delegitimized, institutionally prevented by civilian control, and practically unnecessary given alternative mechanisms. Instead, economic crises themselves perform the discharge function: they break union power through unemployment rather than repression—when businesses are closing and workers are being laid off, strikes become ineffective and wage demands moderate; they impose fiscal discipline through market pressure rather than military fiat—when the government cannot borrow and inflation is destroying the currency, spending cuts become unavoidable; they compress real wages through inflation rather than decree—hyperinflation achieves in months what military wage freezes took years to accomplish; they force privatization and liberalization through fiscal necessity rather than ideological imposition—when the state literally cannot pay its bills, asset sales and subsidy cuts become expedient; and they create political opening for adjustment that would otherwise face insurmountable opposition—crisis provides political cover for "emergency measures" that would normally trigger social explosion.

The 2001-2002 collapse exemplifies this mechanism most dramatically. The de la Rúa government, attempting orthodox austerity to maintain the dollar peg and service debt, faced escalating social protest culminating in the December 2001 riots that left 39 dead and forced the president's resignation by helicopter from the Casa Rosada. Five presidents cycled through in two weeks. The banking system collapsed as depositors rushed to withdraw funds, leading to the corralito (deposit freeze) that trapped middle-class savings. The currency regime collapsed as the peso devalued from 1:1 to nearly 4:1 against the dollar within months. Formal default on \$95 billion in foreign debt—the largest sovereign default in history at that time—effectively shut Argentina out of international capital markets. Unemployment reached 21.5 percent by mid-2002. Poverty rates exceeded 50 percent of the population.

Yet this catastrophic crisis accomplished what no democratic government could have voluntarily implemented: real wages fell by approximately 30 percent through devaluation and inflation, achieving labor cost compression that made Argentine exports competitive again; public spending fell dramatically in dollar terms, creating a primary fiscal surplus without requiring legislative approval for

specific cuts; the banking system underwent forced consolidation as weak institutions failed and depositors lost claims on dollar-denominated deposits that were converted to devalued pesos; foreign creditors absorbed massive losses through default and eventual restructuring at roughly 30 cents on the dollar, effectively writing off Argentina's unpayable obligations; and middle-class wealth was partially expropriated through the corralito and forced pesification, spreading the adjustment burden beyond just wage workers and the poor.

The subsequent Kirchner recovery (2003-2007) built on these crisis-induced adjustments—GDP growth averaged 8 percent annually not because of brilliant policies but because the crisis had created an undervalued currency, compressed labor costs, reduced debt service obligations, and eliminated inefficient businesses. The growth was genuine but its foundation was crisis-driven adjustment that no government could have achieved through deliberate policy. Once the easy recovery phase exhausted itself around 2011-2012, the underlying fiscal and structural problems reasserted themselves, inflation accelerated, growth stalled, and the debt accumulation cycle resumed.

5.3.4. The Milei Experiment: Can Democratic Shock Therapy Break the Cycle?

The Milei presidency (December 2023-present) represents the most radical attempt in post-1983 Argentine history to break the patronal oscillation cycle through democratically mandated shock therapy rather than crisis-induced adjustment. Unlike previous reformers who promised gradual change (Menem, Macri), Milei campaigned explicitly on "**chainsaw economics**"—dramatic immediate spending cuts, wholesale privatization, dollarization proposals, and frontal assault on what he terms "la casta" (the caste): the established political class, union bureaucracies, and crony capitalist networks. His electoral victory with 55.7 percent in November 2023 runoff, despite or because of these radical promises, suggested profound middle-class exhaustion with the traditional political economy. Yet assessing whether Milei can achieve lasting transformation versus merely executing another phase of the recurring cycle requires careful analysis across four dimensions: patron-client clan dynamics, corporate union interest, economic policy results, and political legitimacy. Critically, only 22 months have elapsed since inauguration (as of November 2025), making definitive judgments premature—the analysis must acknowledge uncertainty while identifying early patterns that suggest possible trajectories.

Dimension 1: Patron-Client Clan Dynamics—From Anti-Corruption Crusader to Corruption Allegations

Milei's electoral appeal centrally featured anti-corruption rhetoric, positioning himself as an outsider against "la casta"—the entrenched political elite accused of looting the state through patronal networks at Corruption Levels 4-5. His campaign promise to "burn down" the Central Bank, eliminate ministries, and end discretionary state spending directly targeted the mechanisms through which clan corruption operates. The initial months appeared consistent with this stance: Milei reduced the number of ministries from 18 to 8, dismissed thousands of public employees, and imposed unprecedented fiscal discipline that achieved Argentina's first primary surplus in 14 years. These actions suggested potential movement toward lower corruption levels—perhaps reverting from Corruption Level 4-5 dynamics toward Level 2-3 patterns where clan networks weaken due to reduced state resources and enhanced scrutiny.

However, three corruption scandals have emerged that fundamentally challenge this narrative, revealing dynamics troublingly reminiscent of traditional patronal politics:

The **\$LIBRA cryptocurrency scandal** (February 2025) involved President Milei using his official social media accounts to promote a newly launched cryptocurrency, \$LIBRA, which surged following his endorsement before collapsing 90 percent within hours—a classic "rug pull" scam. Investigations revealed that the cryptocurrency's developers cashed out immediately after the price spike, suggesting coordination or at minimum reckless promotion without due diligence. A Congressional investigative commission concluded that Milei violated Public Ethics Law 25.188 by using presidential authority to promote private business ventures without consulting technical or legal bodies. More disturbingly, similar patterns emerged with another cryptocurrency, KIP, suggesting systematic rather than isolated misconduct. Milei's sister Karina, serving as presidential secretary and widely acknowledged as "The Boss" of his administration, was implicated as facilitating use of official government facilities for these schemes. The government initially created an investigations unit but disbanded it by presidential decree in May 2025—a move critics characterized as obstruction.

The **ANDIS (National Disability Agency) kickback scandal** (August 2025) struck more directly at classic patronal corruption. Audio recordings purporting to feature Diego Spagnuolo—Milei's personal lawyer, close friend, and then-director of ANDIS—described an alleged scheme where pharmaceutical supplier Suizo Argentina inflated prices on government contracts, paying the difference as kickbacks to administration officials including Karina Milei. Spagnuolo's voice in the recordings reportedly complained that he had informed President Milei about the scheme without receiving instructions to stop it, though asserting the president was not directly involved. The scandal's timing—just before critical provincial elections and immediately after Milei vetoed increased disability benefits while claiming fiscal constraints—maximized political damage. Federal police raided 15 locations, seizing \$266,000 in cash from Suizo Argentina executives' homes plus extensive documentation. Suizo Argentina's government contracts had expanded from approximately 4 million to over 100 million pesos during Milei's tenure—growth critics attribute to favoritism. Spagnuolo was fired and arrested; his phones were seized though investigators believe he deleted compromising conversations.

The **Ariel Lijo Supreme Court nomination** (June 2024) revealed potential continuity with traditional political bargaining. Milei nominated Judge Ariel Lijo to Argentina's Supreme Court despite Lijo facing accusations of conspiracy, money laundering, illicit enrichment, and more ethics violations than almost any other federal judge. A 2018 criminal case accused Lijo and his millionaire brother of exchanging judicial favors for money and shell companies, amassing unexplained wealth—though the case was dropped in 2021 at the request of Mariano Cúneo Libarona, who subsequently became Milei's Justice Minister. Critics noted that cases against Cristina Kirchner had languished under Lijo's jurisdiction for years, raising suspicions of a political deal: Lijo's appointment in exchange for favorable treatment of Kirchner's appeals, which will eventually reach the Supreme Court. The silence of both Kirchner and former center-right President Macri regarding the controversial nomination fueled speculation about behind-the-scenes arrangements. Though the Senate initially rejected Lijo, Milei appointed him by executive decree during Congressional recess—a constitutionally dubious maneuver suggesting willingness to circumvent institutional constraints.

These scandals reveal several critical dynamics regarding patron-client structures under Milei. First, **family concentration of power** replicates traditional clan patterns: Karina Milei's role as presidential secretary, chief advisor, and gatekeeper creates precisely the kind of centralized access point through which patron-client networks form. Spagnuolo's recordings describe her as the decisive figure, consistent with the adopted political family model where inner circle members control resource allocation. Second, **rapid contractor enrichment** through government procurement—Suizo Argentina's 25-fold contract expansion—follows the classic Corruption Level 4-5 pattern of chosen

businesses receiving disproportionate state resources. Third, **investigation obstruction**—disbanding the cryptocurrency unit, appointing a compromised judge, firing accusers—demonstrates how clans protect themselves through control of judicial and regulatory mechanisms. Fourth, **the crypto schemes** suggest that even an ostensibly libertarian, market-oriented administration can engage in rent-extraction, just through different instruments (cryptocurrency manipulation rather than traditional procurement).

Yet important caveats temper any definitive assessment. The scandals remain under investigation without conclusive judicial findings; audio recordings could be edited or taken out of context; Milei's defenders argue opposition forces are weaponizing isolated incidents to undermine legitimate reform. Crucially, the **scale** appears far smaller than Kirchner-era corruption—hundreds of thousands rather than hundreds of millions, isolated scandals rather than systematic looting. Milei has not constructed a nationwide patronal network comparable to the Kirchner clan; most provincial political elites maintain autonomous machines that Milei lacks capacity to either monopolize or subordinate. The federal structure continues preventing Corruption Level 6 monopolization nationally while enabling Corruption Level 3-5 dynamics at provincial levels. Whether these scandals represent aberrations correctable through accountability mechanisms, or early indicators that a new clan is forming following familiar patterns, remains uncertain at 22 months into the presidency.

Dimension 2: Corporate Union Interest—Confrontation, Weakening, but Not Elimination

Milei's approach to unions represents the most direct frontal assault on organized labor since the military dictatorship. His December 2023 "mega-decree" (DNU 70/2023) attempted to alter over 300 existing laws through executive authority, including fundamental labor reforms: reducing mandatory severance pay, allowing workers to choose healthcare providers outside union-controlled obras sociales, limiting permanent traffic obstruction during protests, and facilitating contract flexibilization. A massive "Bases Law" package sought to further deregulate labor markets, privatize state enterprises where unions held significant employment, and eliminate various job protections unions had secured over decades. The ideological framing was explicitly libertarian: unions represent coercive monopolies distorting labor markets, their leaders form part of "la casta" extracting rents through control of pension funds and health insurance, and their wage demands beyond productivity contribute to inflation and economic stagnation.

Systematic Dismantling of Inflation Protection: Milei's Core Strategy

Milei's approach to inflation reduction represents not merely fiscal tightening but a deliberate, systematic assault on the inflation protection mechanisms that had developed over seven decades. Unlike previous stabilization attempts that sought union cooperation or negotiated gradual adjustment, Milei explicitly targeted the paritarias system and wage indexation as primary obstacles to disinflation. The strategy rested on a stark calculation: inflation could only be conquered by forcing workers—particularly organized workers with bargaining power—to absorb the adjustment shock through real wage decline rather than perpetuating price increases through defensive wage demands.

The implementation was rapid and comprehensive. Within weeks of taking office in December 2023, the administration froze public sector wages and pensions, liquidated wage increases already negotiated through collective bargaining (except for a few sectors with pre-existing indexation clauses), and imposed a 1% monthly cap on all paritarias negotiations—far below the monthly inflation rate, which peaked at 25.5% in December 2023. This was not gradual adjustment but immediate rupture: a unilateral government decision to break the wage-price spiral by preventing wages from catching up to past inflation.

Table 15: Milei's Systematic Reduction of Inflation-Protected Groups

Policy Instrument	Target Group	Mechanism	Measured Impact
Wage/Pension Freeze	Public sector & pensioners	Direct freeze on nominal increases while inflation continued	Public sector: -20.2% real wages (2023) Pensioners: -22% purchasing power (first year)
1% Monthly Cap on Paritarias	All unionized workers	Administrative limit on collective bargaining outcomes	Even strongest unions constrained to below-inflation increases
Liquidation of Existing Agreements	Workers with negotiated increases	Canceled pre-negotiated wage increases (except few with indexation clauses)	Variable losses across sectors
Abolition of National Paritarias	Teachers, national-level sectors	End federal participation in tripartite minimum salary negotiations	Eliminated uniform national wage floors
"Bases Law" Labor Reforms	All formal workers	Extended probation, reduced severance, "independent collaborators"	Weakened union membership and leverage
End of "Ultra-Activity"	All unionized workers	Expired contracts no longer automatically continue	Eliminated protection during negotiation gaps
Company- over Sector-Level Bargaining	All formal workers	Prioritize individual company agreements over industry-wide deals	Fragmented collective bargaining power
Public Sector Job Cuts	Government employees	30,000 of planned 70,000 layoffs	Direct unemployment + intimidation effect
Minimum Wage Suppression	Lowest-paid formal workers	Keep minimum at ~30% of living costs	Minimum \$320/month vs. \$847 poverty line (family of 4)
Pension Veto	Retirees	Vetoed Congress-approved 8.1% compensation + indexation	5 million minimum pensioners below poverty line

Table 16: Results—Real Wage Losses by Sector (2023-2024)

Worker Category	2023 Loss	Cumulative Impact Through Mid-2024

Informal Sector	-30.9%	-22% additional (Q1 2024)
Public Sector	-20.2%	-14.8% below Dec 2023 baseline (Sep 2024)
Formal Private Sector	-14.7%	Variable by union strength
Pensioners	-22% (first year)	-23% total since Milei took office
Overall Real Wages	-18.9%	Continued decline until mid-2024

The comprehensiveness of the assault is striking. Milei did not merely freeze public wages or limit union demands; he systematically dismantled the institutional architecture that had enabled workers to defend purchasing power. The end of 'ultra-activity'—the legal principle that collective agreements continue in force until replaced—meant that when contracts expired, workers lost all protections rather than maintaining previous terms during negotiations. The shift from sector-wide to company-level bargaining fragmented union power: instead of oil workers negotiating as a unified national force, individual companies could now impose separate agreements, playing workers off against each other. The introduction of 'independent collaborators'—a euphemism for workers stripped of employment protections and union coverage—created a parallel labor force outside collective bargaining entirely.

The results were swift and severe. Within one year, Milei effectively transformed Argentina from a society where approximately 35-40% of workers possessed some form of inflation protection to one where only 5-10% retained meaningful defense mechanisms. Public sector workers, previously poorly protected, became entirely unprotected through nominal freezes. Pensioners, whose quarterly formula-based adjustments had provided partial compensation, saw even this inadequate protection eliminated through presidential veto of congressional attempts at relief. Formal private sector workers with union representation found their bargaining power constrained by the 1% monthly cap and structural reforms weakening collective action.

Most dramatically, the bottom half of society—informal workers, self-employed, social assistance recipients—saw their already catastrophic situation worsen. With 25.3% of fiscal adjustment coming from reduced pensioner purchasing power and real wages falling 18.9% overall in 2023, poverty rates surged to 53% in the first half of 2024 (up from 40% in 2023). Informal workers experienced a 96.1% real wage collapse in December 2023 alone. Food insecurity reached 28% of the population—the highest level in decades.

The Sustainability Question: Can Forced Adjustment Endure?

The orthodox stabilization logic is clear: by preventing wages from chasing prices, Milei broke the wage-price spiral, achieving monthly inflation reduction from 25.5% (December 2023) to below 2% by mid-2025. The fiscal surplus—first achieved in January 2024 and maintained subsequently—demonstrates that forcing adjustment onto workers and pensioners can indeed balance budgets when political will exists. By September 2024, wage growth began outpacing inflation for the first time, suggesting the worst adjustment phase had passed.

However, three critical sustainability questions remain unresolved:

- **Political Sustainability:** Can a democratic government maintain such extreme austerity when 53% of the population lives in poverty and pensioners protest weekly outside Congress? Milei's October 2025 midterm electoral success suggests surprising popular tolerance for short-term

pain in exchange for inflation reduction. Yet tolerance is not infinite. Every Wednesday, pensioners—some in their 80s and 90s—gather in Buenos Aires demanding pension increases, only to face police repression. Teachers, healthcare workers, and transport unions have staged repeated strikes. The CGT called Argentina's first general strike within 45 days of Milei taking office—the fastest such mobilization against any Argentine government. Whether Milei can sustain these policies for the 3-5 years required to consolidate stabilization remains uncertain.

- **Economic Sustainability:** Forced wage suppression achieves fiscal balance by transferring adjustment costs onto workers and pensioners, but it also devastates domestic demand. Consumption fell 5.5% in 2024; retail sales collapsed 28.5% in early 2024. Argentina became the most expensive country in Latin America while having some of the region's lowest salaries. Can an economy function when minimum wage covers only 30% of basic living expenses? When 91% of households carry debt and 58% borrowed to buy food? The 5% economic expansion projected for 2025 suggests recovery may be beginning, but whether this represents genuine productive growth or temporary rebound from depression-level lows remains unclear.
- **Social Sustainability:** The destruction of inflation protection mechanisms has created an unprecedented concentration of economic pain among the least powerful. Informal workers losing 96% of real income in a single year, pensioners receiving \$300 monthly when living costs require \$847 for a family of four, public sector workers seeing 20% real wage declines—these are not gradual adjustments but economic catastrophes for individuals. When 66% of children under 14 live in poverty, when pensioners must choose between food and medicine, when protests meet police repression, social fabric begins fraying. Whether Argentine society can absorb such extreme inequality and suffering without fracturing the democratic consensus is perhaps the gravest question.

Historical precedent offers limited guidance. Carlos Menem's 1990s Convertibility Plan also imposed shock therapy, achieving inflation reduction from 3,000% to under 20% by 1992. Menem won reelection in 1995 riding this success. But the structural costs accumulated: unemployment, informal labor, social exclusion. When the system collapsed in 2001, Argentina experienced its worst crisis since the 1930s. Milei's strategy differs—no currency board, no pegged exchange rate, more flexible monetary policy—yet the fundamental question persists: Can stabilization built on extreme wage compression and social exclusion prove durable, or does it merely postpone crisis while deepening the conditions that make eventual collapse catastrophic?

What remains clear is that Milei has achieved something unprecedented in post-1983 Argentine democracy: the systematic dismantling of inflation protection mechanisms that decades of union struggle had established. Whether this represents the long-awaited break from patronal pulsation—the permanent end to cyclical inflation and crisis—or merely the most extreme phase of the cycle before inevitable reversion depends on questions that cannot yet be answered. The experiment continues, with Argentina's working class and elderly as the involuntary subjects.

The CGT (Confederación General del Trabajo)—Argentina's largest labor federation with approximately 7 million members, historically aligned with Peronism—responded with unprecedented speed, calling a general strike only 45 days after Milei took office (January 24, 2024). This marked the fastest general strike against a new Argentine government and the first CGT national strike since 2019. The mobilization demonstrated initial union strength: transportation systems shut down, banks and schools closed, grain shipments from Rosario port ceased, and an estimated 500,000-1.5 million marched in Buenos Aires alone. The strike disrupted key economic activity with estimated losses of \$880 million according to government figures. Symbolically powerful, the demonstration brought

together not just traditional labor but also Madres de Plaza de Mayo (mothers of disappeared persons from the dictatorship), feminist organizations, human rights groups, and opposition political parties—creating a broad anti-austerity coalition.

A second general strike followed on May 9, 2024, maintaining pressure on the government's reform agenda. The CGT framed these actions as defending "civil, social, and labor rights" against policies seeking to "subjugate the rights and achievements of the Argentine people." Union leaders characterized Milei's program as the most "frontal attack on the labor sector in 40 years of democracy." Key demands included: reopening collective wage bargaining (*paritarias*) as real wages fell behind inflation, bonus payments for retirees, resumption of public works projects and associated employment, and end to police repression of social protests. The mobilizations gained additional urgency when federal courts temporarily suspended several labor reforms from the mega-decree, declaring them unconstitutional due to enactment without Congressional approval—a significant victory suggesting unions' capacity to leverage judicial channels.

However, union power has demonstrably weakened as Milei's first year unfolded. By November 2024, the CGT leadership declared a "truce" with the administration, postponing strikes until at least 2025 and abandoning talk of "strategy of struggle" (*plan de lucha*). Pablo Moyano—head of the powerful Truckers union (*Camioneros*) and traditionally militant faction leader—resigned from the CGT triumvirate in protest over this accommodation, characterizing it as surrender. His isolated position revealed the pragmatic calculation by majority CGT leadership: with unemployment rising (though precise figures debated), businesses closing, and public sentiment initially supportive of Milei's shock therapy, sustained confrontation risked irrelevance. The April 10, 2025 general strike—the third under Milei—proceeded but with markedly less impact than earlier mobilizations, suggesting declining mobilization capacity or public receptivity.

Several factors explain **unions' relative weakening** compared to historical patterns. **First, unemployment and crisis context** made strikes less effective—when businesses are failing and workers fear job loss, strike threats carry less weight. The poverty rate surge to 52.9 percent in first-half 2024 created a reserve army of desperate workers willing to accept worse conditions. **Second, public opinion shifted:** polls consistently showed majority support for Milei's reforms despite their social cost, with widespread recognition that the inherited crisis required drastic measures. The unions' close historical association with the discredited Peronist governments of Cristina and Alberto Fernández eroded their credibility—public viewed strikes as defending union privileges rather than worker interests. As one analyst noted, "many Argentiniens will not interpret the strike favorably as it is too soon and the union leaders are extremely unpopular with the wider public." **Third, legal and institutional pressure** mounted through court cases against union leaders, limitations on protest rights, and administrative harassment that raised costs of mobilization. **Fourth, economic stabilization begun by second-half 2024** paradoxically undermined union militancy—as inflation fell and real wages began recovering (after devastating initial collapse), the immediate crisis rationale for confrontation weakened.

Yet unions have not been eliminated, nor have their structural bases disappeared. The CGT remains Latin America's most powerful labor federation; unions still control substantial pension funds (*obras sociales*), health insurance organizations, and organizational resources. Public sector unions particularly retain leverage in provinces where governors maintain traditional patronal relationships with organized labor. The three general strikes, even if decreasingly effective, demonstrate residual capacity to disrupt economic activity. Union leaders correctly calculate that Milei's political strength peaks in crisis; should

his reforms fail to deliver recovery before patience exhausts, space for renewed mobilization will emerge. The October 2025 midterm elections represent the critical test—if Milei's party fails to gain Congressional representation, emboldened unions could resume more aggressive confrontation knowing the government lacks legislative capacity to impose reforms.

The key analytical question is whether Milei has achieved **permanent weakening** through structural reform, or merely **cyclical weakening** typical of crisis phases that will reverse during recovery. Historical precedent suggests the latter: Menem also confronted unions initially, privatizing enterprises and flexibilizing labor markets, yet union power rebuilt once growth resumed. The Argentine labor market structure—high informality, segmented formal sector, regulatory complexity—creates ongoing demand for intermediation that unions provide. Unless Milei fundamentally transforms labor law, employment patterns, and the political economy of wage determination, unions will likely recover organizational capacity once immediate crisis pressure eases. However, the depth of current crisis, generational shift in workforce composition, and potential trajectory toward sustained growth could make this episode different from previous cycles—a possibility that remains speculative given limited elapsed time.

Dimension 3: Economic Policy and Fiscal Results—Short-Term Success, Medium-Term Uncertainty

Milei's economic program represents the most orthodox stabilization in post-1983 Argentina, combining extreme fiscal austerity, monetary restraint, deregulation, and trade liberalization. The initial results—assessed over 22 months from December 2023 to November 2025—show dramatic improvements in key macroeconomic indicators alongside severe social costs, with medium-term sustainability remaining uncertain:

Inflation control: The signature achievement. Monthly inflation collapsed from 25.5 percent (December 2023) to 2.4 percent (November 2024) to 1.5 percent (May 2025)—the lowest monthly rate since 2020. Annual inflation fell from 211 percent (2023) to 118 percent (2024) to projected 28-35 percent (2025). This disinflation occurred primarily through fiscal consolidation rather than price controls: Milei eliminated the fiscal deficit that had driven monetary emission, achieving the first primary surplus in 14 years. The government froze Central Bank money creation, prohibited using monetary emission to finance deficits, and implemented the most austere fiscal policy in Argentine history—cutting public spending approximately 30 percent in real terms. Wholesale prices even declined 0.3 percent in May 2025, the best figure in 17 years. This inflation reduction represents genuine stabilization success, fundamentally altering inflationary expectations that had become embedded in Argentine economic behavior.

Fiscal consolidation: Milei achieved a primary fiscal surplus of approximately 2.3 percent of GDP in 2024—unprecedented for a democratic Argentine government implementing voluntary adjustment. Spending cuts concentrated in subsidies (energy, transport), public sector wages, transfers to provinces, discretionary spending, and social programs. Some emblematic measures: ministry count reduced from 18 to 8, public employment slashed by tens of thousands, utility subsidies eliminated forcing energy/transport prices toward cost-recovery, infrastructure projects halted, and social assistance programs cut dramatically. Revenue enhancement occurred primarily through eliminating exemptions, improving tax collection during crisis, and allowing inflation to raise nominal receipts. The government declares "fiscal balance non-negotiable"—Milei repeatedly states "there is no money" and promises to veto any legislation threatening surplus. This represents ideological commitment rather than crisis-

forced adjustment, distinguishing Milei from previous reformers who implemented austerity reluctantly under IMF pressure.

Economic contraction and recovery: GDP fell 1.6 percent in 2023 (reflecting inherited recession) and further contracted approximately 3.5 percent in 2024 as spending cuts took effect, with non-agricultural GDP declining over 5 percent. This deep recession eliminated inefficient businesses, compressed wages, and created the undervalued currency that makes exports competitive—classic crisis-driven adjustment. However, recovery began second-half 2024, with third quarter 2024 showing first sequential growth after three straight contractions. April 2025 recorded 7.7 percent year-on-year growth, the fastest since 2022. Consensus forecasts for 2025 project 4.6-5 percent expansion, outperforming Latin American averages, while 2026 projections suggest 4 percent continued growth. This V-shaped recovery pattern follows the 2001-2002 crisis model: brutal adjustment creates conditions for rapid rebound from depressed base. Manufacturing and consumer spending show gains; real wages have outpaced inflation for six consecutive months (as of September 2024); investment remains constrained by capital controls and exchange rate uncertainty.

Poverty and social costs: The adjustment's burden fell heavily on working-class and middle-class populations. Poverty spiked from 41.7 percent (December 2023) to 52.9 percent (first-half 2024)—the highest jump in two decades—before declining to 38.1 percent (second-half 2024) and 31.6 percent (first-half 2025) as inflation moderated and wages adjusted. Extreme poverty followed similar trajectory: 11.9 percent (second-half 2023) → 18.1 percent (first-half 2024) → 8.2 percent (second-half 2024) → 6.9 percent (first-half 2025). While these reductions are substantial, over 14 million Argentines (approximately one-third of population) remain poor. Unemployment rose though exact figures are disputed given methodological debates about how to count informal workers. Real wage compression in 2024 was severe—public sector wages fell 20-30 percent in purchasing power—though recovery began late 2024. Food insecurity increased; social assistance programs (comedores, food banks) operated by churches and community organizations saw demand surge even as government support was withdrawn.

Exchange rate and reserves: Milei devalued the peso approximately 54 percent immediately upon taking office (December 2023), moving the official rate from 400 to 800 per dollar. Subsequently, he implemented a "crawling peg" where the peso depreciates 2 percent monthly—recently halved to 1 percent to accelerate disinflation. This policy created significant peso overvaluation: inflation of 117 percent in 2024 versus peso depreciation of less than 30 percent left the currency at one of its strongest real levels in decades. The overvaluation serves disinflation by making imports cheap, but creates balance of payments pressure and competitiveness concerns. Foreign reserves remain critically low and negative in net terms (gross reserves minus obligations), though the government seeks an IMF agreement providing \$20 billion to bolster buffer. Capital controls remain in place to prevent reserve hemorrhaging, limiting investment and growth but maintaining exchange rate stability. The exchange rate issue represents Milei's most significant medium-term vulnerability—how to exit the crawling peg, liberalize capital controls, and float the currency without triggering inflation reacceleration or reserves crisis.

Country risk and investment climate: Financial markets have responded positively. Argentina's country-risk index (JP Morgan EMBI spread) fell from approximately 2,000 basis points when Milei took office to roughly 750 by late 2024—the lowest level in five years. This reflects investor confidence in fiscal consolidation, debt service resumption, and reform momentum. Milei successfully renegotiated terms with the IMF, avoided default scenarios, and restored Argentina's international market access.

Foreign direct investment remains constrained by capital controls, currency uncertainty, and infrastructure deficits, though interest has increased particularly in energy and mining sectors. The business climate improved through massive deregulation: Milei eliminated restrictions on industries from electric vehicle charging to ridesharing, simplified bureaucratic procedures, and signaled commitment to property rights protection and regulatory stability. However, sustained investment requires resolving the exchange rate dilemma and demonstrating political durability through midterm elections.

The critical question is whether these results represent **sustainable transformation** or **temporary crisis-driven adjustment** that will reverse once easy gains exhaust. Optimistic scenario: inflation stays controlled, growth continues, poverty declines further, fiscal discipline becomes institutionalized through political support, structural reforms attract investment, and Argentina achieves what Chile accomplished after 1980s reforms—a decade of sustained growth creating middle-class consolidation and poverty reduction. Pessimistic scenario: the overvalued exchange rate becomes unsustainable, reserves crisis forces disorderly depreciation, inflation reaccelerates, growth stalls, poverty rebounds, political support erodes, and Argentina enters another crisis phase. The distinguishing factor will be whether Milei can escape the **exchange rate trap**: maintaining disinflation through crawling pegged exchange rate risks accumulating imbalances; abandoning the peg risks inflation reacceleration. Previous reformers (Menem with Convertibility, Macri with gradualism) eventually faced versions of this dilemma and failed to resolve it—whether Milei's more radical approach and improved international context enable different outcome remains to be seen.

Dimension 4: Political Legitimacy and Social Coalition—Sustained Support amid Suffering

Perhaps most remarkable about the Milei experiment is the **sustainability of political support** despite severe economic contraction and rising poverty. Milei's approval ratings have remained stable around 50 percent throughout his presidency—extraordinary given that GDP fell 3.5 percent, poverty spiked above 50 percent, and real wages compressed 20-30 percent in 2024. This stability reflects several interconnected dynamics that distinguish the current episode from previous adjustment attempts:

Crisis recognition and legitimacy: Milei benefits from widespread middle-class acknowledgment that inherited crisis was so severe that radical measures were necessary. Annual inflation of 211 percent, poverty at 41.7 percent, and fiscal deficit spiraling out of control created sense that "something had to be done." Milei's campaign was explicit about the pain ahead—he repeatedly stated "there is no money," promised hardship, and demanded patience—giving him a mandate for shock therapy that previous leaders lacked. When Menem or Macri implemented austerity, they did so contradicting campaign promises of gradual reform; **Milei's consistency between rhetoric and action paradoxically strengthens legitimacy even as policies hurt constituents.** The "chainsaw" prop from campaign became governing symbol—transparency about destructive intent inoculates against charges of betrayal.

Anti-caste narrative persistence: Milei despite governing, maintains successfully positioning himself as outsider fighting "la casta" even from inside the presidency. His combative style—denouncing journalists, academics, opposition politicians, union leaders, and even international organizations—sustains the outsider persona that attracted voters. The fact that established elites (CGT, Peronist politicians, traditional media) oppose him reinforces rather than undermines this narrative—to supporters, opposition confirms he's threatening the right people. Scandals involving his administration get explained as opposition fabrications or isolated incidents relative to previous governments'

systematic corruption. The federal structure helps here: Milei can blame provincial governors for obstructing reform, position himself against entrenched local machines, and frame any difficulties as "la casta" sabotage.

Generational and class divides: Milei's coalition includes two distinct segments with different motivations. **First, younger voters** (18-35) who have experienced nothing but stagnation, crisis, and inflation—for whom "the old model" (Kirchnerism, traditional Peronism, gradual reform) represents only failure. They embrace Milei's libertarian rhetoric, social media savvy, and anti-establishment provocation as representing generational change. These voters may tolerate short-term pain if they believe it creates opportunity denied by previous systems. **Second, upper-middle class and aspiring middle class** voters who voted for Milei despite ideological reservations because they saw no alternative—the liberal-conservative center-right (Juntos por el Cambio coalition) had failed under Macri, leaving Milei as the only non-Peronist option. These voters care primarily about inflation control and economic stability; if those deliver, they'll support Milei despite discomfort with his style or specific policies.

Weak opposition and fragmentation: Peronism remains fractured between Kirchnerist and anti-Kirchnerist factions, unable to articulate coherent alternative or capitalize on Milei's vulnerabilities. Cristina Kirchner's corruption convictions and house arrest delegitimize her as opposition leader despite residual base. Center-right Juntos por el Cambio coalition, associated with Macri's failed presidency, lacks compelling leadership or differentiated program. The left (FIT-U alliance of Trotskyist parties) mobilizes protests but remains electorally marginal. This fragmentation means Milei faces no credible alternative government—voters might be dissatisfied, but "compared to what?" becomes the decisive question. Unless opposition unifies around attractive alternative vision and leadership, Milei's support floor remains higher than raw approval numbers might suggest.

Early results and hope: Critically, by late 2024 and early 2025, tangible improvements began appearing: inflation fell dramatically, real wages recovered after collapse, poverty rates declined, GDP growth resumed, food prices stabilized, and government achieved promised fiscal surplus. These outcomes—even if fragile—vindicate Milei's promises that short-term pain would yield medium-term gain, encouraging supporters to maintain faith that recovery is underway. The contrast with previous crises (1989 hyperinflation never controlled, 2001 collapse never producing recovery under same government) gives hope that this attempt might succeed. Media coverage shifted from unrelenting negativity to cautiously acknowledging progress, while international institutions (IMF, World Bank, JP Morgan) issued positive assessments that further legitimize the program.

The October 26, 2025 midterm elections delivered a decisive victory for Milei's political coalition, exceeding expectations and fundamentally altering his governing capacity. These elections renewed half the Chamber of Deputies seats and one-third of Senate seats. Milei's La Libertad Avanza party, running under a unified ballot with Republican Proposal and smaller allied parties, won 40.84 percent of the national vote—far exceeding pre-election projections of 30-35 percent—while the Peronist opposition Homeland Force managed only 31.63 percent. La Libertad Avanza gained 64 seats in the Chamber of Deputies (bringing its total to 111 of 257) and 14 seats in the Senate (total 20 of 72), more than doubling its Congressional representation. Most surprisingly, Milei's coalition narrowly won Buenos Aires province (41.5% to 40.8%), a historic Peronist stronghold where just six weeks earlier, in September provincial elections, the opposition had achieved a landslide victory. This dramatic reversal demonstrated both the volatility of Argentine politics and the effectiveness of Milei's crisis narrative.

The victory provides Milei sufficient Congressional strength to uphold presidential vetoes (requiring one-third plus one in each chamber), preventing opposition from overturning his fiscal discipline measures—a capability he lacked in preceding months when Congress repeatedly overrode his vetoes of spending bills. While still short of an absolute majority, the expanded representation enables more effective coalition-building with center-right allies and provincial governors, potentially facilitating structural reforms requiring legislation (particularly labor law changes, tax reform, and privatization frameworks). The result consolidates expectations that Milei's economic model will continue through his term and positions La Libertad Avanza as the dominant political force ahead of 2027 presidential elections.

Several contextual factors shaped the outcome. **First, the Trump administration's extraordinary financial intervention**—a \$20 billion currency swap finalized October 20 plus a proposed \$20 billion debt facility—which Trump explicitly conditioned on Milei's electoral success, stating "If he doesn't win, we're gone." This unprecedented foreign involvement in domestic elections generated controversy but provided crucial economic stabilization. **Second, voter turnout hit a historic low** at 67.9 percent despite compulsory voting, suggesting widespread disillusionment with the political class generally, which disproportionately harmed the Peronist opposition associated with previous crises. **Third, improved economic indicators** by election day—inflation falling to 2.1 percent monthly, poverty declining to 38 percent (from 52.9 percent peak), and nascent GDP recovery—vindicated Milei's promises that short-term pain would yield medium-term gain. **Fourth, the Peronist movement's internal fragmentation and Cristina Kirchner's house arrest** for corruption weakened opposition credibility, making "anyone but them" voting patterns dominant even among Milei skeptics.

The election outcome significantly increases probability of Scenario 1 (Successful Transformation) relative to pre-election assessments, though Scenario 2 (Cyclical Reversion) remains most probable given structural constraints. The mandate provides political capital for accelerating reforms, but the fundamental challenges—exchange rate overvaluation, low reserves, federal structure constraints, and potential corruption scandals—persist unchanged. Whether Milei can leverage this victory to achieve lasting institutional transformation, or whether it merely extends the current phase before inevitable reversion, will depend on his administration's performance over the next 12-18 months as the "easy" stabilization gains exhaust and deeper structural reforms encounter resistance.

The social coalition's sustainability depends on maintaining the **balance between pain and hope**—as long as trajectory appears positive and alternatives remain weak, Milei retains support. But this equilibrium is fragile: if inflation reaccelerates, poverty stops declining, growth disappoints, or scandals proliferate, patience could exhaust rapidly. Argentine voters have repeatedly shown capacity for dramatic shifts when governments lose credibility (Alfonsín, de la Rúa, Macri, Alberto Fernández all experienced approval collapses). Milei's personalistic, confrontational style creates volatility—he has no institutional party structure, relies heavily on direct social media communication, and lacks traditional organizational bases. This makes his support both intense among core followers yet potentially brittle if expectations are disappointed. The generational divide matters here: younger voters who embrace libertarian ideology may prove more tolerant of setbacks than older voters who supported Milei pragmatically as least-bad option.

Possible Trajectories: Three Scenarios for the Milei Experiment

Given limited elapsed time (22 months) and inherent uncertainty in complex political-economic systems, definitive predictions are impossible. However, the analytical framework developed in this chapter suggests three stylized scenarios that capture the range of plausible outcomes:

Scenario 1: Successful Transformation (Probability: 25-30%)

In this optimistic trajectory, Milei achieves what no post-1983 government has accomplished: permanently breaking the patronal oscillation cycle through sustained structural reform. The sequence unfolds as follows: The October 2025 midterms deliver strong results for La Libertad Avanza, providing Congressional majority or near-majority to legislate structural reforms previously implemented by decree. Emboldened, Milei pushes through comprehensive labor market reform, provincial fiscal responsibility laws, judicial system restructuring, and educational modernization. The exchange rate transition succeeds—an orderly float with IMF support prevents disorderly devaluation, capital controls are lifted gradually, and foreign investment flows accelerate particularly in energy and mining. Sustained GDP growth of 4-5 percent continues 2026-2028, creating employment and reducing poverty further to below 25 percent. Inflation stabilizes at 10-15 percent annually—higher than developed countries but manageable and declining gradually.

Structurally, patronal networks face permanent weakening: Federal investigations prosecute corruption cases (including any confirmed scandals in Milei's own administration), creating credible threat that discourages future extraction. Provincial autonomy declines as fiscal transfers become conditioned on transparency, limiting governors' corruption capacities. Unions remain organizationally intact but accept productivity-linked wage bargaining as unemployment fears and public hostility constrain militancy. Business investment increases as regulatory predictability improves, property rights strengthen, and infrastructure gaps fill. Milei wins reelection in 2027 or designates successor maintaining continuity; La Libertad Avanza consolidates as a durable political party institutionalizing libertarian principles.

By 2030, Argentina resembles Chile circa 1990s: moderate inequality with growing middle class, stable macroeconomic framework, diversified export base, and democratic institutions functioning with reduced patronal capture. The transformation proves durable because: (1) fiscal rules become embedded in law and political culture, (2) productive sector gains sufficient power to resist redistributive pressures, (3) new generation reaches voting age having only experienced growth and stability, normalizing the reformed system, (4) infrastructure investment and educational improvement raise potential growth, making fiscal discipline easier to maintain.

This scenario requires numerous conditions aligning favorably: no external shocks (commodity price crashes, global recession), successful navigation of exchange rate transition without crisis, Milei avoiding serious corruption scandals or authoritarian overreach, opposition remaining fragmented, social patience lasting through difficult 2026 adjustment phase, and institutional reforms actually constraining future governments rather than being reversed. Given Argentine history and the structural drivers of patronal politics identified in this analysis, this optimistic scenario appears plausible but not probable—perhaps 25-30 percent likelihood.

Scenario 2: Cyclical Reversion (Probability: 40-50%)

In this middle trajectory, Milei achieves temporary stabilization and partial reforms, but underlying patronal dynamics reassert themselves within 5-7 years, continuing the historical oscillation pattern. The sequence: The October 2025 midterms deliver mixed results—La Libertad Avanza gains seats but

remains short of governing majority, requiring continued coalition management. Economic growth continues 2026-2027 but decelerates due to infrastructure bottlenecks, investment constraints from capital controls uncertainty, and commodity price softness. Inflation stabilizes around 20-30 percent—much improved but still problematic. Poverty declines to 30-35 percent but stagnates, creating persistent underclass generating political pressure.

The exchange rate trap ultimately springs: by 2026-2027, accumulated overvaluation becomes unsustainable, reserves depletion forces devaluation, inflation reaccelerates to 40-50 percent, and growth pauses. Milei's popularity erodes from 50 percent to 35-40 percent as patience exhausts. The 2027 presidential election becomes competitive—Milei or his designated successor wins narrowly, or opposition candidate from reformed Peronism or center-right coalition takes power promising to preserve fiscal discipline while adding "social conscience." Critically, the new government inherits improved fiscal situation (lower debt ratio, reduced deficit) and more flexible economy, enabling 2-3 years of renewed growth. This growth phase allows partial reversal of Milei reforms: unions negotiate wage increases exceeding productivity, public employment expands moderately, social programs restore benefits, provincial transfers increase, and subsidies partially return.

Structurally, patronal networks prove adaptive rather than eliminated: some high-level prosecutions occur but provincial machines survive in weakened form; during the recovery growth phase (2028-2030), they rebuild capacity through new mechanisms. The next government, whether nominally continuing Milei's program or representing opposition, faces political pressure to "share" growth benefits. Fiscal discipline weakens gradually—deficits return to 2-3 percent of GDP, financing through modest money creation resumes, and debt accumulation restarts. Unions regain organizational strength during recovery, positioning for renewed militancy when next crisis emerges.

By 2032-2035, another crisis erupts—inflation accelerates to 80-100 percent, fiscal sustainability questioned, currency pressure builds, and political polarization intensifies. The cycle resumes at somewhat lower corruption levels than 2003-2015 (having moved from Corruption Level 5 to Level 3-4 during Milei period) but without fundamental transformation. Argentina proves capable of 5-7 year cycles of stabilization and growth followed by renewed crisis—improvement over previous patterns but continued oscillation rather than linear progress.

This scenario reflects the structural thesis of this chapter: patronal oscillation results from fundamental incompatibilities in democratic capitalist systems with weak property rights enforcement, powerful corporate interests, and federal structures enabling multiple autonomous patron-client networks. Unless Milei achieves comprehensive institutional transformation in short window (2025-2027), established actors adapt and reassert influence. Argentine history suggests strong path dependency—each crisis leaves residual effects but rarely achieves total system transformation. This scenario appears most probable given balance of structural constraints and reformer ambitions—perhaps 40-50 percent likelihood.

Scenario 3: Crisis and Authoritarian Drift (Probability: 20-25%)

In this pessimistic trajectory, Milei's experiment fails to achieve sustained transformation and instead triggers political-institutional crisis potentially threatening democratic stability. The sequence: The October 2025 midterms disappoint—La Libertad Avanza loses seats or fails to gain, opposition strengthens, and Congressional hostility increases. Economic performance deteriorates 2026: the exchange rate transition fails spectacularly (reserves crisis forces devaluation, inflation surges back to 60-80 percent, recession resumes), or alternatively commodity prices collapse undermining fiscal

arithmetic, or domestic/international scandals (corruption investigations, crypto schemes) snowball destroying credibility.

Milei's approval plummets below 30 percent by mid-2026. Faced with growing opposition, inability to legislate reforms, and economic deterioration, Milei escalates authoritarian tendencies already visible: expanded use of executive decrees (DNU) to bypass Congress, attacks on media and journalists reporting scandals, police repression of protests intensifies, judicial manipulation through questionable appointments (Lijo precedent), selective prosecution of opposition leaders while protecting allies. The corruption scandals involving his administration prove substantive—Karina Milei and inner circle are implicated in systematic extraction resembling Kirchner-era dynamics, belying anti-corruption rhetoric. This hypocrisy delegitimizes the entire libertarian project as merely another variant of patronal politics wearing different ideological costume.

Social unrest escalates 2026-2027: massive general strikes (CGT regains militancy as unemployment falls and political opportunity opens), middle-class cacerolazo protests (reminiscent of 2001), provincial rebellions against fiscal transfers cuts, and potential violence as government employs increasingly repressive tactics. Opposition coalesces around anti-Milei front spanning Peronism to center-right. The 2027 presidential election becomes existentially contested—if Milei runs for reelection (legally allowed), opposition demands transparency in vote counting amid fraud allegations; if opposition candidate wins, Milei's supporters refuse to accept results, claiming institutional manipulation. Political polarization reaches fever pitch with society divided between libertarians and anti-libertarians, each viewing the other as existential threat to Argentina's future.

In extreme version, institutional crisis emerges: Congress attempts to remove Milei via impeachment proceedings, Milei refuses to accept legitimacy and calls for popular mobilization, Supreme Court faces contradictory pressures from government and opposition, provincial governors threaten non-cooperation or secession rhetoric. While military coup remains unlikely given normative constraints and institutional weakness of armed forces, the possibility of significant democratic erosion increases—governments ruling by decree with minimal legislative oversight, systematic persecution of opposition, media censorship, and manipulation of electoral processes. Argentina does not return to 1976-1983 dictatorship but resembles competitive authoritarian regimes where electoral democracy persists in form but substance is hollowed through executive aggrandizement and institutional capture.

This scenario requires multiple negative developments compounding: economic failure, scandal confirmation, opposition unity, and Milei choosing authoritarian escalation over democratic accommodation. It represents the danger inherent in personalistic, anti-institutional movements led by charismatic figures lacking democratic political culture—when setbacks occur, the temptation to blame sabotage and circumvent constraints can override commitment to democratic norms. Milei's rhetoric already shows concerning elements: demonization of critics as "socialists" or "corrupt caste," praise for dictatorships (his positive comments on 1976-1983 regime raised alarms), and contempt for intermediate institutions (Congress, judiciary, press, universities). Whether these rhetorical excesses translate into systematic authoritarian governance if political conditions deteriorate remains uncertain. Given Argentina's strong civil society, opposition's organizational capacity, and normative constraints from Dirty War memory, full authoritarian reversion seems unlikely—but partial democratic erosion creating "illiberal democracy" appears plausible if crisis trajectory unfolds. This scenario probability estimate: 20-25 percent.

Analytical Conclusions: The Milei Experiment's Significance Beyond Outcomes

Regardless of which scenario ultimately materializes, the Milei presidency represents analytically significant testing of whether democratic shock therapy can break patronal oscillation cycles. Several conclusions emerge even at this early stage:

First, crisis severity matters for reform viability: Milei's electoral mandate for radical change resulted from crisis reaching 211 percent inflation—creating middle-class desperation enabling acceptance of painful measures. Previous reformers (Menem after hyperinflation, but attempting gradual change; Macri without deep crisis, attempting gradual change) lacked either crisis severity or radical mandate. This suggests successful transformation requires both: crisis delegitimizing status quo, and explicit electoral authorization for disruption rather than incremental adjustment.

Second, ideological clarity and consistency strengthen reformer legitimacy even when policies hurt: Milei's libertarian framing, consistent with campaign rhetoric, makes adjustment less politically costly than if promised gradual change then implemented austerity (Macri's error). Transparency about pain paradoxically generates patience if voters feel betrayal-free.

Third, family-centered power concentration replicates patronal patterns even in ostensibly anti-corruption administrations: Karina Milei's role, Spagnuolo scandal, and rapid contractor enrichment suggest clan-forming dynamics can operate within any ideological framework. The temptation to use state power for inner-circle benefit proves extremely difficult to resist regardless of leader's stated principles—structural incentives overwhelm individual virtue. This validates the core argument that patronal capitalism reflects systemic dynamics rather than particular leaders' moral failings.

Fourth, union power proves more resilient than reformers expect: despite frontal assault, CGT retains organizational capacity, can mobilize general strikes (albeit with declining effectiveness), and maintains institutional bases (pension funds, health insurance) that survive austerity. Historical pattern suggests unions rebuild during recovery phases—permanently eliminating organized labor requires sustained repression incompatible with democracy, or comprehensive labor market transformation creating individualized rather than collective employment relationships. Whether Milei achieves the latter remains uncertain.

Fifth, exchange rate management constitutes the binding constraint on sustained stabilization: regardless of fiscal consolidation success, the dilemma of maintaining disinflation through currency appreciation versus restoring competitiveness through depreciation creates unavoidable trade-offs. Previous stabilizations failed at this point (Convertibility ultimately collapsed, Macri's gradualism triggered crisis); whether Milei navigates the transition successfully will largely determine long-term outcomes. This suggests technical economic management matters as much as political will—ideology and determination are insufficient without solving the exchange rate trap.

Sixth, federal structure remains the ultimate constraint on both monopolization and transformation: provincial governments' autonomy prevents Milei from eliminating corruption nationally (governors maintain their machines) but also prevented Kirchners from achieving Level 6 control. Any national reform must either co-opt or coerce provincial elites—Milei attempts the latter through fiscal pressure (reducing transfers), but governors resist through Senate representation and local political machines. Federal systems create multiple veto points that simultaneously constrain both authoritarians and reformers.

The question posed in this section's title—"Can democratic shock therapy break the cycle?"—remains empirically unresolved at 22 months into Milei's presidency. The analysis suggests cautious pessimism

regarding complete transformation (Scenario 1) while acknowledging significant probability of partial reform with eventual reversion (Scenario 2) or even crisis and authoritarian drift (Scenario 3). The structural drivers of patronal oscillation identified throughout this chapter—weak property rights enforcement, discretionary state power, federal multiplication of corruption opportunities, union corporate interest, and democratic competition requiring material distribution to win elections—prove remarkably persistent across regime types and policy orientations. Milei's libertarian shock therapy represents the most radical challenge to these dynamics in democratic Argentina's history, but whether radicalism suffices to overcome structural determinants remains to be seen. The October 2025 midterms and subsequent 2026-2027 economic performance will provide stronger empirical basis for updating probability assessments across these scenarios.

5.4. The Ideological Battle: "National-Popular" versus "Neoliberal-Oligarchic"

The post-1983 period has been dominated by an ideological conflict that simultaneously expresses and obscures the underlying patronal dynamics. This binary framework structures political discourse, electoral competition, and policy debates, yet systematically misidentifies the fundamental stakes.

The 'national-popular' discourse, articulated by the clan-union alliance particularly at Corruption Level 4+ corruption intensities, claims to represent the people, the nation, and sovereignty against external exploitation and internal oligarchy. Its enemies are identified as neoliberals, multinationals, the International Monetary Fund, financial capital, and domestic oligarchs. Its policy prescriptions emphasize state intervention in the economy, industrial protection through tariffs and subsidies, wage increases and social spending, capital controls and managed exchange rates, and resistance to trade agreements that might compromise sovereignty. Its legitimation appeals to **redistributive justice, anti-imperialism, popular empowerment, and defense of national industries**.

The 'reform-modernization' discourse, articulated by opponents of the clan-union alliance, claims to represent economic rationality, long-term sustainability, and integration into global markets. Its enemies are identified as corruption, populism, fiscal irresponsibility, crony capitalism, and inefficient state intervention. Its policy prescriptions emphasize market-oriented reforms, fiscal discipline and reduced deficits, trade openness and tariff reduction, regulatory transparency and property rights protection, and integration into international institutions. Its legitimation appeals to **economic growth potential, institutional quality, attracting foreign investment, and learning from successful developing countries**.

This binary distorts reality in several crucial ways. 'National-popular' governments operating at high corruption levels (4-5) are often extraordinarily corrupt: the rhetoric of defending national interest masks clan enrichment through corruption that actually transfers wealth abroad via offshore accounts. The Kirchner era's nationalist rhetoric coexisted with billions hidden in Swiss banks and tax havens. The claim to represent popular interests obscures how inflation and economic crisis disproportionately harm the poor and unorganized workers while benefiting those with access to dollars or hard assets. 'Reform' governments, meanwhile, may simply represent different clans: privatization during the Menem era became a mechanism for Corruption Level 3-4 corruption patterns rather than genuine market competition. Trade liberalization can strengthen certain business groups while harming others, without necessarily reducing corruption or improving governance.

Neither discourse addresses the patronal substrate that persists across regime changes and operates at different corruption levels. Formal policy changes—whether toward more state intervention or more market orientation—do not necessarily transform informal power networks. Privatization can transfer monopolies from state to private hands without introducing competition. Trade liberalization can

benefit import sectors with political connections while harming unconnected producers. Fiscal discipline can protect bondholders while crushing public investment. Labor market flexibility can weaken organized workers without creating productive employment. The patronal dynamics of discretionary property rights, selective enforcement, and political favoritism can be continued regardless of whether the state owns enterprises or provides subsidies, or whether markets are open or closed.

Union 'leftism' coexists comfortably with patronal capitalism at all levels: organized labor defends sectoral privileges (wages above market rates, job protection preventing adjustment, control over pension and health funds) that have nothing to do with systematic transformation toward equality or „socialism.” The vast majority of Argentine workers labor in the informal economy without union protection, yet union demands drive inflation and economic instability that disproportionately harm these unorganized workers. Public sector unions defend positions and privileges that consume fiscal resources otherwise available for education, health, or infrastructure serving the broader population. This is corporate interest defending existing inequalities, presented through leftist rhetoric of worker solidarity.

The real conflict underlying the ideological battle is not between national-popular and neoliberal models, but between particularistic rent-seeking—pursued by clans at Corruption Level 4+, unions, protected business sectors, provincial political machines—and economic rationality grounded in rule-following, fiscal sustainability, and impersonal market competition. Those who advocate fiscal discipline, regulatory transparency, and market-based allocation get labeled 'anti-national' and 'pro-foreign' precisely because such policies threaten the discretionary mechanisms enabling both clan corruption and union rent extraction. The greatest obstacle to Argentine development is not foreign intervention or neoliberal ideology, but the internal logic of patronal capitalism that enriches connected networks while impoverishing the broader society.

5.5. Analytical Framework for Post-1983 Governments

To analyze each administration from 1983 onwards, we employ a **consistent framework examining four dimensions** that reveal both cyclical patterns and evolutionary changes:

The first dimension tracks the level of patronalism and corruption, employing the six-level framework detailed earlier to assess intensity and systematization. Key indicators include: major corruption scandals and their scale; formation and consolidation of adopted political family structures (Corruption Level 4+); transparency and accountability mechanisms' effectiveness; judicial independence or subordination; international rankings on corruption perception, governance quality, and rule of law; and comparison with regional peers.

The second dimension examines union behavior and corporate interest dynamics. This involves tracking: strike frequency and intensity, including general strikes versus sectoral conflicts; wage bargaining outcomes relative to productivity growth and inflation rates; labor market rigidity indicators such as hiring/firing regulations and severance requirements; social spending trajectory particularly in pension systems and public employment; and union control over obras sociales (health insurance) and pension funds.

The third dimension analyzes economic indicators that reveal the accumulation of tensions and eventual discharge mechanisms. Essential data includes: GDP per capita growth or decline trends with comparison to Latin American peers; inflation rates tracking acceleration or stabilization; public debt trajectory examining debt-to-GDP ratios and foreign versus domestic composition; employment and

poverty trends distinguishing formal versus informal employment; fiscal balance evolution of deficits and their financing; and exchange rate dynamics including crises, reserves, and capital flight.

The fourth dimension identifies how reality strikes back through crisis mechanisms. This requires examining: economic crisis triggers identifying what caused breaking points—fiscal unsustainability, currency collapse, external shocks, or political scandals; political consequences assessing how crises affected government survival, legitimacy, and power transfer mechanisms; adjustment measures analyzing what policies crises forced and who bore the costs—wage earners, middle class, business sectors, or foreign creditors; and reset dynamics evaluating how crises created space for new political configurations or reinforced existing patronal structures.

This framework enables systematic comparison across administrations while remaining sensitive to each period's specificities. It avoids the trap of simply classifying governments as 'good' or 'bad,' 'corrupt' or 'clean,' 'populist' or 'neoliberal'—categories that obscure more than they reveal. Instead, it tracks the continuous oscillation between strengthening and weakening patronal dynamics across the six corruption levels, the variable intensity of corruption and union pressure, the accumulation and discharge of economic tensions, and the persistence of underlying structural features across apparent regime changes.

5.6. Continuity and Change: The Paradox of Democratic Patronal Capitalism

The post-1983 period represents both fundamental change and deep continuity in Argentine political economy. The change is undeniable and significant: democratic institutions consolidated to the point where no serious actor contemplates military intervention; elections occur regularly with genuine uncertainty about outcomes; civil liberties are generally respected; the press operates with substantial freedom despite occasional harassment. The catastrophic state terrorism of 1976-1983 has not returned. Civilian control over the military is secure. Human rights discourse constrains repressive impulses.

Yet the continuity is equally profound. Patronal oscillation—the fundamental pattern of strengthening and weakening clan networks across the six corruption levels, corruption pulsation, and accommodation of organized corporate interests—continues unabated within the democratic framework. Property rights remain substantially discretionary, dependent on political connections rather than impersonal legal enforcement. Regulatory frameworks remain vulnerable to manipulation by those with access to political power. Economic policy remains subject to short-term political calculations rather than long-term developmental logic. Fiscal sustainability is repeatedly sacrificed for political survival or enrichment. The interaction between clan extraction at Corruption Level 4-5 intensities and union demands continues producing recurring cycles of expansion, crisis, adjustment, and renewal.

This combination challenges simplistic narratives about democracy inevitably producing good governance, economic rationality, or development. Democratic institutions have proven compatible with patronal capitalism at high corruption levels—indeed, in some respects electoral competition may intensify patronal dynamics by creating pressure to deliver particularistic benefits to mobilizable constituencies. The need to win elections incentivizes accommodation of union demands, distribution of state resources to political machines, and tolerance of corruption that generates campaign financing. The fragmentation of power across provinces, sectors, and factions creates multiple veto points that organized interests can exploit to preserve privileges.

Argentina's federal structure plays a paradoxical role in this dynamic. On one hand, federalism prevents the emergence of Coprruption Level 6 criminal state monopolization at the national level. Provincial political elites maintain autonomous patron-client networks and corruption potentials that no central

government can fully monopolize or subordinate. This structural feature provides resilience against complete state capture—even during the Kirchner era's Corruption Level 5 intensity nationally, other provinces maintained independent networks. The federal Senate structure ensures provincial representation that can block central initiatives, creating institutional constraints on any single clan's power consolidation.

On the other hand, this same federal structure paradoxically multiplies corruption opportunities and obstructs genuine reform. Each province maintains its own patronal system operating at varying corruption levels, creating twenty-three separate arenas (plus Buenos Aires city) for clan formation and wealth extraction. The central government cannot discipline provincial elites who control their own corruption apparatuses, judicial systems, and security forces. Anti-corruption initiatives from the center face resistance from provincial networks whose interests conflict with transparency. The federal structure thus simultaneously prevents worst-case monopolization while perpetuating endemic corruption across multiple semi-autonomous political spaces.

The recurring pattern post-1983 involves: patronal expansion and corruption intensification as new governments consolidate power, often moving from lower to higher corruption levels; economic accommodation of both clan extraction and union demands through fiscal expansion; accumulation of fiscal and macroeconomic imbalances creating unsustainable trajectories; crisis eruption as economic reality overwhelms political management; emergency adjustment and temporary weakening of patronal networks under crisis pressure, sometimes involving reversion to lower corruption levels; and recovery creating space for renewed patronal dynamics as political entrepreneurs mobilize constituencies with promises to reverse austerity.

This cycle has repeated across administrations of different partisan identities—Radical, Peronist, center-right coalition—and different policy orientations—statist, neoliberal, heterodox. The persistence suggests that the structural substrate of patronal politics proves more durable than formal regime characteristics or stated ideological commitments. Democratic institutions constrain certain behaviors—mass repression becomes impossible, some forms of blatant corruption face exposure and prosecution—but they have not fundamentally transformed the underlying logic of particularistic rent-seeking, discretionary state power, and short-term political calculation.

The key questions going forward involve whether this pattern is sustainable indefinitely or whether accumulated degradation eventually threatens even democratic stability. Each cycle leaves residues: higher debt levels constraining future policy space; institutional erosion as rule-following loses legitimacy; social fracture as inequality persists despite democratic forms; economic stagnation as productive investment remains depressed; human capital flight as skilled workers emigrate to more stable environments. The resilience of Argentine democracy since 1983 has been remarkable given these pressures.

The Milei period (examined in detail in 5.3.4) represents the most recent and perhaps most radical attempt to break this cycle, whose outcome will determine whether democratic institutions can overcome patronal dynamics or whether the oscillation will continue indefinitely.

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Note on Organization

This bibliography is organized by chapter to indicate the primary sources consulted for each historical period. Works listed under 'General and Theoretical Framework' are used throughout multiple chapters and appear only once. Chapter-specific sources are listed under their respective headings. When a work is centrally relevant to multiple chapters, it may appear more than once for reader convenience.

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