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Argentina: Strengthening Democratic Institutions



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An Intelligence Assessment

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*ALA 86-10038
August 1986*

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Argentina: Strengthening Democratic Institutions



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An Intelligence Assessment

This paper was prepared by  Office of
African and Latin American Analysis, with
contributions by 

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 Office of Leadership Analysis. It was
coordinated with the Directorate of Operations. 

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Comments and queries are welcome and may be
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Argentina: Strengthening Democratic Institutions

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Key Judgments

Information available as of 25 July 1986 was used in this report.

Argentina has made considerable progress toward developing a democratic climate since President Alfonsin took office nearly three years ago. We believe a strong democratic government in Buenos Aires will promote political stability—in part, by reducing the impact of anti-US right- and left-wing extremists on the country's political life—and thus buttress US goals in Argentina and throughout South America. Such a government, in our view, will also probably remain aligned with the West, pursue a peaceful solution to the Falkland Islands dispute, and avoid radical solutions to the foreign debt problem. Moreover, a vibrant democracy in Argentina would reinforce the democratic trend in South America and further isolate Chile and Paraguay, the region's remaining dictatorships.

[Redacted]

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Alfonsin has personally pushed through many of the positive changes now taking place, notably the trials of former military officers for human rights abuses, efforts to reorganize the armed forces and the intelligence services, and discussions on constitutional reform. Alfonsin has also stabilized the economy, thereby giving his administration—through such institutions as the newly created Council for the Consolidation of Democracy—breathing room to formulate long-term plans for strengthening democratic rule.

[Redacted]

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We see other significant indicators that a new ethos is beginning to take root in Argentina. Academic studies and public opinion polls show that the country's political culture is becoming less conflictive and more supportive of democratic values and processes. Leaders in the ruling Radical party and, to a lesser extent, the Peronist opposition parties are increasingly willing to work by democratic rules, accept the verdict of the ballot box, cooperate with political rivals, and, in general, move away from the sterile obstructionism that has afflicted Argentine politics in the past. Finally, the judiciary has gained more independence over the past year and is asserting its role as a defender of individual rights, according to the US Embassy.

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We believe these developments lay some of the groundwork for an era of civilian rule in Argentina. Several key institutions and interest groups, however, remain either too weak to play a positive role in consolidating gains made or are still basically authoritarian in character:

- *Lack of a strong competitive party system.* The Peronists are in disarray, and other parties are too feeble and small to compete effectively. Over the long term, Alfonsin's Radicals could become a hegemonic political force, freezing out smaller parties and alienating significant sectors of the electorate from the political process.
- *The military.* Despite Alfonsin's reforms, this institution still perceives its role as dealing with internal subversion and ousting incompetent civilian governments, rather than protecting Argentina from external threats.
- *Organized labor.* The unions have retained their confrontational practices, refusing to negotiate seriously with Alfonsin and resisting his attempts to democratize labor's internal structure.
- *Congress.* The legislature is disorganized, lacking in public prestige, and overshadowed by the energetic executive branch. [redacted]

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Most indicators suggest that Alfonsin will stay in office over the next two years and persevere with his plans for strengthening Argentina's political institutions. Polls show that Alfonsin and his policies still enjoy a favorable rating of more than 50 percent. We believe he will avoid strict compliance with IMF austerity measures, such as sharply reducing the budget deficit, that would jeopardize his hold on power. The President's adroit political skills should enable him to successfully finesse challenges from the military, the unions, and the opposition parties. [redacted]

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Although Alfonsin has vastly improved the prospects for stable civilian rule in Argentina, changing the fundamental character of the country's political and social system will be a long-term project. Argentina, in our view, will need to experience stable democratic rule for perhaps as long as a decade in order for its political institutions to mature. We believe that many

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developments currently under way—the reduction of the military’s political power, the emergence of a reformist Peronist sector, and plans for constitutional reform—may come to fruition during this period, thereby underwriting democratic continuity. 

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We cannot rule out the possibility, however, that Argentina’s fragile democracy could collapse under duress. If hyperinflation and severe recession returned, the President’s popularity could plummet, bringing on widespread labor agitation, social disorder, and even violence. The ensuing chaos could spur the military to intervene. Military discontent stemming from the human rights trials could also jeopardize Alfonsin. 

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Figure 1



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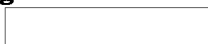
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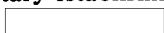
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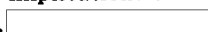
Argentina: Strengthening Democratic Institutions



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Introduction

Raul Alfonsin has enjoyed widespread public support during his first three years as President of Argentina's fledgling democracy. His decisive actions to halt runaway inflation, try former military leaders for human rights abuses, and settle the century-old Beagle Channel dispute with Chile have buoyed the President's popularity and lent him the image of a strong leader. Alfonsin, however, has only begun to implement his wider political agenda, which, in our view, aims to lay the basis for long-term political stability by shoring up democratic institutions in Argentina. This will require profound changes in Argentina's political culture and party system, as well as in the attitudes and behavior of the judiciary, legislature, military establishment, unions, and other interest groups. 


While Alfonsin can play a key role in promoting these changes, long-term success will depend on the willingness and capability of the institutions themselves to adapt to a democratic parliamentary system. This intelligence assessment outlines the steps Alfonsin is taking to bolster open, competitive politics and the shifts occurring in the country's major power centers that either help or hinder this process. It also examines the extent to which elected government is likely to become the norm rather than the exception in Argentine politics and the implications of such an evolution for US interests. 

Historical Perspective

Argentina's history reveals a country where the democratic ethos has never been deeply rooted, despite the free elections, congressional representation, separation of powers, and other trappings of representative government found in its constitution. Argentina has been ruled since colonial days by a small conservative elite based primarily in the city of Buenos Aires, while regional strongmen have controlled the outlying provinces. During the first decades of the 20th century, however, political parties representing the growing

middle class threatened to seize control of the government and deprive the elite of its privileges. To avoid this fate, the oligarchy turned to the military. Once in control, the conservative-military alliance maintained the facade of democratic rule, but undermined its substance by relying on fraudulent elections to retain power. 


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This pattern was disrupted in 1946, when the newly created Peronist movement—itsself highly authoritarian in nature—dislodged the ruling elite. Peronism mobilized the previously passive working class by means of a populist and nationalist ideology, which, in our view, was as corrosive to the development of a democratic spirit as the conservatives' electoral manipulation. For the next 30 years, Peronists, the military, and the conservative elite vied for power, using military coups, rigged elections, general strikes, and terrorist violence to impose their will. As a result, the already fragile tradition of competitive elections and civilian rule was further weakened: since Juan Peron's reelection in 1951, no democratically elected president has completed a full term in office (see inset). 

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The Alfonsin Factor

Against this historical backdrop, Alfonsin has proved to be an astute politician who has used his wide popularity and firm control over the government and his moderately left-of-center Radical Civic Union (UCR) to tackle successfully several of Argentina's most urgent short-term political and economic problems. The President spent much of his first two years in office dealing with economic crises and the human rights issue, problems that, if not forcefully addressed, might have seriously threatened his rule. We believe that his actions have given the administration a period of relative political and economic stability that it can use to undertake more fundamental long-term measures designed to buttress democratic institutions. 

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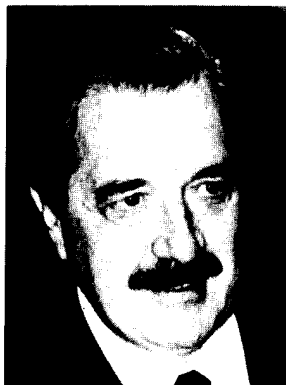
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History of Political Turmoil

Argentina has compiled a record of political instability second to none during the postwar era. The country possesses a constitution that is a near copy of that of the United States, and the major political forces—Peronism, the military, organized labor—have generally paid lipservice to democratic ideals. Nevertheless, only three of 17 Presidents were freely elected, while another two benefited from fraudulent elections in which either the Peronist party was proscribed or severe press restrictions limited public debate. Ten Presidents gained power by military machinations or an outright coup. If Alfonsin remains in office until 1989, he will become the only elected chief executive to complete a full term since Juan Peron's first presidency.

Argentine Presidents Since 1946

President	Term	Means of Gaining Office
J. D. Peron	1946-52	Free elections
J. D. Peron	1952-55	Partially free elections
E. Lonardi	1955-55	Military coup
P. E. Aramburu	1955-58	Internal military coup
A. Frondizi	1958-62	Partially free elections
J. M. Guido	1962-63	Appointed by military
A. Illia	1963-66	Partially free elections
J. C. Ongania	1966-70	Military coup
R. M. Levingston	1970-71	Internal military coup
A. Lanusse	1971-73	Internal military coup
H. Campora	1973-73	Free elections
R. Lastiri	1973-73	Provisional president following Campora resignation
J. D. Peron	1973-73	Free elections
I. Peron	1973-76	Succeeded after death of husband
J. Videla	1976-81	Military coup
R. Viola	1981-81	Internal military coup
L. Galtieri	1981-82	Internal military coup
E. Bignone	1982-83	Internal military coup
R. Alfonsin	1983-	Free elections <input type="text"/>

Raul Alfonsin

59 . . . from a small provincial town in the Pampas . . . trained as lawyer at University of Buenos Aires . . . rose through ranks of Radical Civic Union (UCR) in late 1950s and early 1960s . . . UCR candidate for governor of Buenos Aires 1967 . . . elected president by an unexpected majority in November 1983 . . . strong advocate of social justice . . . founded the Permanent Assembly for Human Rights during last military government . . . governing style is nonconfrontational and tolerant . . . popular and respected leader sincerely committed to democratic ideals . . . bolstered leadership image by making tough political decisions . . . has broadened his governing base by bringing apolitical technocrats, opposition economists, and others outside the UCR into his administration.

One of Alfonsin's most daring steps was his decision to permit civilian trials of former military presidents and junta members accused of human rights abuses. The trials, in our view, were a severe blow to military morale and dispelled any lingering illusions within the officer corps that the armed forces would quickly return to power. The move was also a powerful symbol of the new civilian government's commitment to human rights and justice, and of its determination to face up to the long-dominant military. Polls reveal

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that the trials were popular with the electorate and helped confirm Alfonsin's image as a strong, decisive leader. [redacted]

Alfonsin's other signal achievement, in our view, was his successful inflation control program, known as the Austral Plan, launched in June 1985. It reduced inflation from an average monthly rate of 25 percent during the first half of the year—near the level that had triggered past military coups—to an average of 3 percent during the second half of the year, according to the US Embassy. Initial public support for the plan was strong, and polls show that, over a year later, it is still approved by over 60 percent of the populace. Although inflation once again is inching up, it is far from the potentially destabilizing levels of last year. The Austral Plan, in our judgment, has not presaged wholesale reform of the inefficient Argentine economy, but it has reduced inflationary pressures sufficiently to grant Alfonsin time to focus on his longer-term political initiatives. [redacted]

Foremost among these initiatives is the government's proposed National Defense Law, which goes beyond the punitive approach of the human rights trials and tries to lay the groundwork for a modern, Western-style military establishment responsive to civilian authority. According to US Embassy reporting, the law would reorganize and redeploy the armed forces, enhance their combat effectiveness, and focus the officer corps' attention on external threats to Argentine sovereignty, rather than on internal subversion. It would also place the military and civilian intelligence services—past redoubts of coup plotting and right-wing terrorism—under the direct control of the President. Finally, the law would enhance the executive's role as commander in chief of the armed forces. [redacted]

Even more ambitious are the proposed governmental reforms that Alfonsin unveiled in his "second republic" speech in April. The centerpiece of the initiative is a plan to move the country's capital to Viedma, a small provincial city 600 miles south of Buenos Aires on the edge of the sparsely populated Patagonia region. Alfonsin, according to Embassy and press reports, intends the move to kindle a pioneer spirit that would spur development in the economically underexploited south, disperse some of the wealth and

power now concentrated in Buenos Aires, and serve as a symbol of the new Argentina. The President has also created a "Council for the Consolidation of Democracy" (see inset) that is considering, among other matters, constitutional reforms designed to limit some of the executive's authority and allow Congress to participate more directly in policy formulation and implementation. Such reforms, in our view, would introduce some checks and balances into a governmental system that has been frequently characterized by abuse of executive power and legislative lethargy. We believe that the President views these measures as a way of clearly distinguishing his new, democratic Argentina from the "old republic" that was vitiated by fraudulent elections and military coups. [redacted]

Additional Support to Democracy

Even the unmitigated success of all Alfonsin's policy initiatives would not, in our view, firmly anchor democracy in Argentina. Significant changes in attitude and behavior will also have to take place within

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The Austral Plan

President Alfonsin initially adopted a populist economic policy of printing-press financing that generated real wage increases at the cost of large budget deficits. Skyrocketing inflation—averaging over 25 percent per month during the first half of last year—caused him to change course in mid-1985 and implement the Austral Plan. The government froze prices and wages, created a new currency, and pledged not to print money to finance deficits. [redacted]

The new program won Alfonsin wide popular support and rapidly stabilized the Argentine economy. It reduced inflation to a monthly average of 3 percent during the second half of 1985, and shrank the government deficit as a percent of GDP, largely because of a "forced savings plan" that required businesses and individuals to loan money to the government. Buenos Aires signed agreements with the IMF and commercial bank creditors to roll over portions of its \$50.2 billion foreign debt and obtain \$5.6 billion in new lending. [redacted]

The passage of time has revealed that the Austral Plan was largely an emergency measure to overcome hyperinflation and maintain political stability, rather than a well-conceived project to reform Argentina's economy. We believe that Alfonsin frittered away his political honeymoon following the plan's implementation, missing what the US Embassy has dubbed "an historic opportunity" to introduce structural reforms that could have reduced the role of government in the economy and created a more favorable climate for private investment. The policy supplements that Buenos Aires has added to the Austral Plan this year confirm our view that Alfonsin is resigned to incremental changes tailored to the statist mind-set that prevails in Argentina. [redacted]

Alfonsin may further refine the Austral Plan over the next year, but we judge that he is unlikely to initiate far-reaching fiscal and structural reforms. We therefore expect the economic gains from the program to dissipate over time, and that Argentina's persistent payments problems and strained relations with international creditors will reemerge. [redacted]

Alfonsin's Council for the Consolidation of Democracy

Alfonsin created the Council for the Consolidation of Democracy in December 1985 to recommend ways to strengthen and improve Argentine democracy. The multipartisan council includes two members each from the Radical, Peronist, and Socialist parties, along with a Christian Democrat, a human rights activist, and a retired general. Although the group's diverse makeup has in some cases slowed it from reaching a consensus on many topics, US Embassy and press reports indicate the council is nevertheless playing an increasingly important role in influencing Alfonsin's decisions. [redacted]

The council is divided into six commissions, studying questions as diverse as modernization of political institutions and regional development. In our view, one of the most important topics on the council's agenda is constitutional reform; the US Embassy reports the council has created five subcommissions to study the issue. Reforms under discussion include direct popular elections of federal senators (they are currently elected by the provincial legislatures), reducing the presidential term from six to four years, implementing a parliamentary-like system, and giving Congress the right to convene its own sessions. The group is also studying the initiatives suggested by the President in his so-called Second Republic speech last April, the foremost of which is his proposal to move the federal capital from Buenos Aires to Viedma. [redacted]

The council is the most concrete manifestation of Alfonsin's far-reaching agenda for Argentine democracy. The President has put his prestige and authority on the line in support of the council, according to the US Embassy, and press reports indicate that the electorate supports fundamental change in the country's political institutions. In our judgment, even if many of the council's reforms fall by the wayside or take years to implement, the fact that Argentines are publicly discussing issues basic to the health of democracy is in itself a positive development. [redacted]

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at least some of Argentina's many political parties and interest groups. Such a shift may be under way. Recent transformations in Argentina's political culture, its two main parties, and the judicial system all appear to complement Alfonsin's efforts to strengthen democratic institutions. [redacted]

Public Political Perceptions. Polls, academic studies, and election results suggest that Argentina's public political culture—characterized by many observers as a free-for-all between the military, political parties, and organized labor in which elections, coups, and terrorism are considered to be equally legitimate ways to achieve power—is slowly changing. On the basis of a review of opinion polls and the press, it appears that the general public and important interest groups are coming to appreciate the benefits of representative government and civil liberties. This shift began under the last military government, whose debacle in the Falklands and mismanagement of the economy sapped the legitimacy of authoritarian solutions to Argentina's ills. Most important, the massive human rights violations committed by that regime—unparalleled in Argentine history—drove home to the populace the dangers inherent in disrespect for civil rights. Moreover, academic studies reveal that the Peronists lost the 1983 election, in part, because they had become identified with the military and antidemocratic traditions in Argentine politics, while Alfonsin profited from his reputation for genuinely valuing democracy as an end in itself, not just as a means of gaining office. [redacted]

Recent polls show that this new attitude did not dissipate along with the postelection euphoria. In a poll taken in late 1985 (after two years of civilian rule), 94 percent of the respondents believed that only a democratically elected government could solve Argentina's problems, and 70 percent believed that Argentine democracy would be consolidated over the next few years. Other polls show Alfonsin enjoying popularity ratings of between 64 and 72 percent, while well over half of the electorate approves of his specific policies. Moreover, the military and labor—two groups that historically have received substantial public support but whose commitment to democracy is questionable—rate extremely low levels of public confidence. [redacted]

This change in view is further illustrated by the Radicals' success in the congressional election of November 1985. Despite a hard-hitting campaign in which the opposition attacked the administration's economic, labor, and foreign policies, the Peronists were outpolled by the UCR by 10 percentage points. The US Embassy reports that Peronism was hurt by the lingering public perception—reinforced by violent intraparty squabbling before the election—that it retained substantial authoritarian tendencies. Furthermore, Peronist candidates identified with political openness and reform roundly defeated their more traditionalist colleagues. For the first time in modern Argentine political history, devotion to democratic institutions and the rule of law—rather than populist promises and nationalist diatribes—has become good politics. [redacted]

Party Attitudes. Argentina's two major parties, the Peronists and the Radicals, are, in our view, also showing signs of a serious commitment to pluralist redirection of the country's politics, with the UCR far in the lead. Alfonsin, for example, emphasized the need to work with moderate opposition leaders at a highly publicized meeting of the UCR governing board last November, and he has brought members of the Peronist party into the government, predominantly as part of his economic team. [redacted]

The US Embassy reports that Alfonsin has also taken care to promote a collegial spirit within the Radical party. Press accounts reveal that his control over the UCR stems primarily from his personal charisma and popularity and that he does not keep a tight grip on the party apparatus. [redacted]

[redacted] We believe that the UCR's willingness to tolerate internal dissent and Alfonsin's eagerness to cooperate with other parties and interest groups provide the Argentine political system an element it has long lacked—a major party that both runs itself and governs the nation according to democratic rules. [redacted]

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Argentine Public Opinion and Democracy^a

The following responses by a cross-section of the Argentine public to questions about the value of democracy and the Alfonsin government are evidence, in our view, of incipient changes in Argentina's political culture. We believe the respondents' overwhelmingly positive support for democracy and the high level of expectations from it are signs that Argentines are growing tired of revolving-door governments and the authoritarian politics of the country's past. Nevertheless, some responses—such as the continuing subjugation of individual liberty to the protection of public order—indicate that the public could still countenance authoritarian rule during a period of economic or political crisis, or even, in our view, if the Alfonsin government failed to fulfill the high hopes most Argentines have for it.

The Value of Democracy

Only democratically elected governments can solve social problems.

Agree: 94 percent Disagree: 3 percent

Democratic governments can solve serious economic problems better than authoritarian governments.

Agree: 88 percent Disagree: 6 percent

Maintaining order is more important than protecting the rights of individuals.

Agree: 83 percent Disagree: 12 percent

Democracy is only suitable for countries that are well developed economically.

Agree: 38 percent Disagree: 55 percent

People should participate in important decisions even if it delays economic recovery for a few years.

Agree: 82 percent Disagree: 11 percent

^a Source: Preliminary findings of a USIA-sponsored public opinion survey, taken in March 1986.

Expectations Under Democratic Rule

Protection of human rights.

Will increase: 88 percent

Will decrease or remain the same: 7 percent

Freedom for political activities.

Will increase: 87 percent

Will decrease or remain the same: 7 percent

Getting the government to pay attention to the average citizen.

Will be easier: 66 percent

Same or harder: 19 percent

Amount of corruption in public life.

Will decrease: 50 percent

Will increase or remain the same: 35 percent

Support for the Alfonsin Government

How do you evaluate the job done up to now by the present government?

Very good or good: 51 percent

Fair: 39 percent

Bad or very bad: 9 percent

Don't know: 2 percent

How much confidence do you have that the Alfonsin government can solve the country's problems?

A great deal or some: 72 percent

Little or no: 25 percent

Don't know: 3 percent

Do you approve or disapprove of the present government's management of the country's economy?

Approve: 50 percent

Disapprove: 36 percent

Don't know: 14 percent

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The rival Peronist Justicialist Party (PJ) has made much less progress in this area, but the trend is nevertheless positive. Some PJ leaders—primarily in the so-called Reformist faction—are as effusive in their public endorsement of the new politics as the Radicals, have avoided destructive criticism of the Alfonsin regime, and have even attempted to introduce democratic procedures within the PJ. Nevertheless, old-style bosses still run the party in dictatorial fashion, resist any serious effort to reform Peronism's basically authoritarian ideology, and some, according to Embassy reports, maintain close ties to disgruntled military officers. We believe, however, that, while the Reformist Peronists are not presently in command of the party, they represent a younger, up-and-coming generation that has a good chance of eventually molding the movement in their image. In our view, Reformist domination of the PJ would moderate the party's often obstructionist behavior and alter its historical tendency to conspire with the military or labor against elected governments, thus further aiding the development of a mature, competitive political system in Argentina. [redacted]

We believe that the absence of strong, radical right- or left-wing groups capable of pressuring Alfonsin or committing destabilizing acts of violence also promotes the country's democratic evolution. The radical leftist Intransigent Party—[redacted] describe as infiltrated by former People's Revolutionary Army terrorists and whose leaders have ties to Havana—polled 6 percent in the 1985 congressional race, placing it a distant third behind the UCR and the PJ. The numerous other far left parties are tiny, disorganized, and uninfluential [redacted]. Moreover, Argentina's last military government decimated the once powerful leftist guerrilla groups—the Montoneros and the People's Revolutionary Army. Most of their few surviving leaders are in prison or exile, and press reports reveal that their violent campaigns in the 1970s discredited them with the Argentine public. [redacted]

The extreme right is also weak at present, according to the US Embassy. The press and Argentine Government officials have implicated far right civilian and military sectors in several terrorist bombing incidents over the past year. These actions, however, have failed

to destabilize the Alfonsin regime and, in our view, may have enhanced its prestige as a contrasting bulwark of political decorum. Polls show that the radical right has even less popular support than the extreme left. We believe that in the current political climate the far right's fortunes are unlikely to improve and that even a small-scale resurgence will be difficult, since many rightwing extremist leaders are in exile to avoid arrest. [redacted]

The Judiciary. The trials of military officers for human rights violations have given the judicial branch a highly visible role over the past three years, but its most important contribution to democracy, in our view, is its growing independence. The court system in Argentina, as elsewhere in Latin America, has been subservient to other branches of government, especially the executive. Since the return to democracy, however, US Embassy and press reports indicate that the administration has implemented measures to protect the courts' autonomy and improve the speed and quality of justice. Congress, for example, increased the judicial budget by 12 percent in 1985, according to the US Embassy, and also authorized the Supreme Court, for a one-year trial period, to set salaries for its judges and other officers that had been previously mandated by the executive. Moreover, Congress is presently considering legislation to create a judiciary treasury, funded through fines and court fees, that would be independent of the national budget. [redacted]

Judicial reform has also become a priority project of Alfonsin's Council for the Consolidation of Democracy. The council has recommended key changes in the courts, according to press reports, including trial by jury—not a normal practice in Argentina—and a sharp streamlining of the cumbersome legal bureaucracy. In our view, these changes would help to mold a strong, independent judiciary that can buttress Argentine political health by helping to implement the system of checks and balances provided for in the constitution. [redacted]

Key Challenges to Democracy

Despite the many changes taking place that support the development of a democratic governmental system in Argentina, we see many strains in the country's

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political fabric. We believe that several key institutions and interest groups remain too weak to play a positive role in consolidating democracy, while others are still rooted in the authoritarian ethos that has thwarted political stability in Argentina over the past half-century. [redacted]

Lack of a Competitive Party System. One of the primary shortcomings of Argentina's current political landscape, in our view, is the relative weakness of all parties except the UCR. Peronism remains a mass movement, but the party is riven by factional infighting and shows no signs of reuniting in the near term, according to the press. The US Embassy reports that efforts at reconciliation through a national party congress have failed repeatedly over the past two years. Incessant squabbling, combined with a leadership vacuum, has virtually paralyzed the party and prevented it from developing into a viable alternative to the Radicals. Moreover, although Peronism still retains the loyalty of about a third of the electorate, its popular support has been steadily eroding, as reflected in the defeats the movement received at the polls in 1983 and 1985. [redacted]

Peronism's disarray, combined with the fact that other parties are too weak to compete on the national level, allows the UCR to govern largely unfettered. So far, Alfonsin has assiduously avoided the temptations to autocratic rule inherent in such a situation, preferring to nurture what democratic potential exists in Peronism rather than try to eliminate it as a political force. Some sectors of the Radical party, however, have publicly expressed interest in converting the UCR into a "historical movement" that would expand its control over Argentine society and politics in a basically authoritarian fashion.¹ Such a project, in our view, could produce a Mexican-style, single-party system, rather than a truly open one. [redacted]

¹ One element of this approach is a constitutional amendment being pushed by some UCR activists to permit Alfonsin to succeed himself when his term expires in 1989. These militants believe Alfonsin would be easily reelected, thus giving the UCR another four or six years to cement its dominance of Argentine politics. Alfonsin, however, has not committed himself to supporting this move and has even made some public statements indicating he intends to step down from the presidency in 1989. [redacted]

Another roadblock to broad political participation is the absence of a strong conservative party. The Argentine business community and upper middle classes have generally shunned engagement in electoral politics, preferring to depend on the military to defend their social and economic interests. This pattern shows few signs of change: the country's leading rightwing party polled only 3.5 percent of the vote in last November's congressional election, and petty personal and ideological disputes among conservative groups continue to impede the formation of a united front on the right. As a result, an important sector of Argentine society feels alienated from the democratic process, and, in our view, this could dispose them to support a military coup during a time of economic or political crisis. [redacted]

The Military. We believe that altering the military's perception of its role in society is key to the success of democracy in Argentina.² Civilian rule in Buenos Aires has in no way lessened the armed forces' penchant for politics: [redacted]

[redacted] the press [redacted] report a widespread perception among some members of the armed forces that Alfonsin's actions—including the human rights trials and the National Defense Law—are intended ultimately to destroy the military. The President's efforts to reorganize the security forces—[redacted]—are meeting with little or no cooperation within the ranks [redacted]

The persistent hostility of the armed forces toward Alfonsin, in our view, will keep civil-military relations tense and hold open the prospect of military intervention in politics. We concur [redacted] that the military continues to see its prime function as eradicating [redacted]

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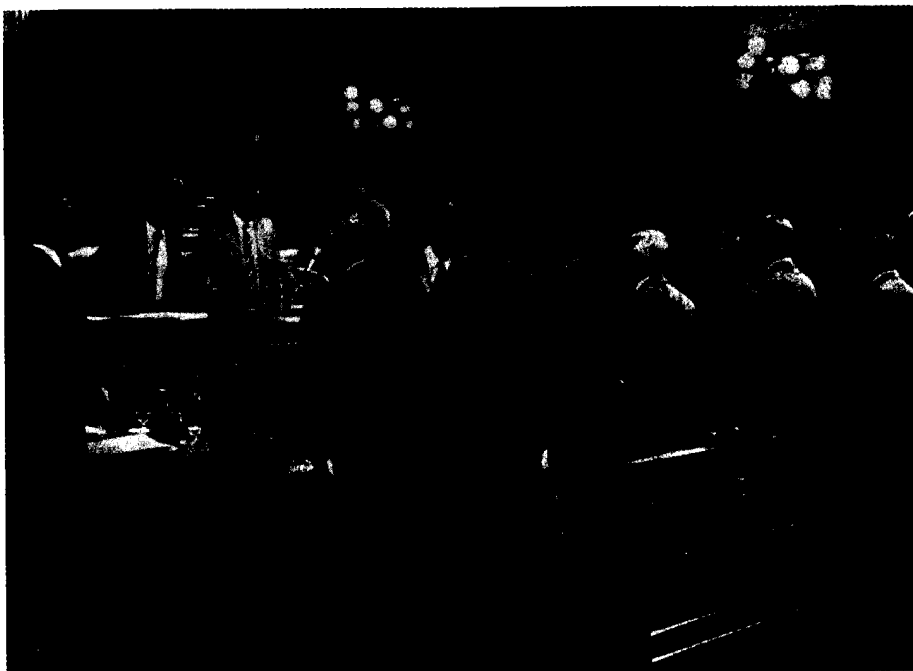
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Trials of former junta members for human rights abuses earned the government widespread popular support but have angered the military. [redacted]



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leftist subversion and repairing the damage wrought by inept civilian governments, rather than defending the country from outside aggression. Until this propensity to go beyond professional military duties is curbed, issues as varied as the prosecution of officers for human rights abuses, a resurgence of hyperinflation, or a spate of leftist terrorist attacks could spark serious coup plotting. [redacted]

unions to hold free internal elections—a process that almost surely will curb the power of the more autocratic union chiefs. [redacted]

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Organized Labor. According to press and US Embassy reports, Argentina's Peronist-dominated labor movement remains ambivalent toward democratic processes. Within the unions' umbrella organization, the General Confederation of Labor (CGT), old-guard leaders rely on strong-arm methods of control [redacted]

[redacted] labor's opposition to Alfonsin has generally been ineffective, mainly because of the unions' disorganization and strong public support for the President's economic policies. Since the beginning of this year, however, labor's frustration has grown: the CGT has sponsored three general strikes and its leaders' public attacks on the government have become more frequent and vitriolic. The CGT has repeatedly backed out of negotiations with the government on wage and social issues, preferring to resort to confrontation when it could not achieve all of its goals at the bargaining table. [redacted]

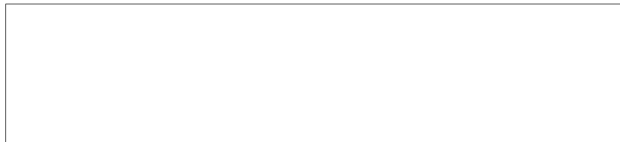
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[redacted] Moreover, although union leaders verbally support democracy, in our view, they prefer traditional practices that gave labor much more clout than it enjoys today. They are more attuned to the past, when deals cut between institutions such as labor, the military, and Peronism—rather than elections or parliamentary maneuvering—determined the course of the nation. CGT leaders have been especially critical of the government's move to democratize labor by forcing the

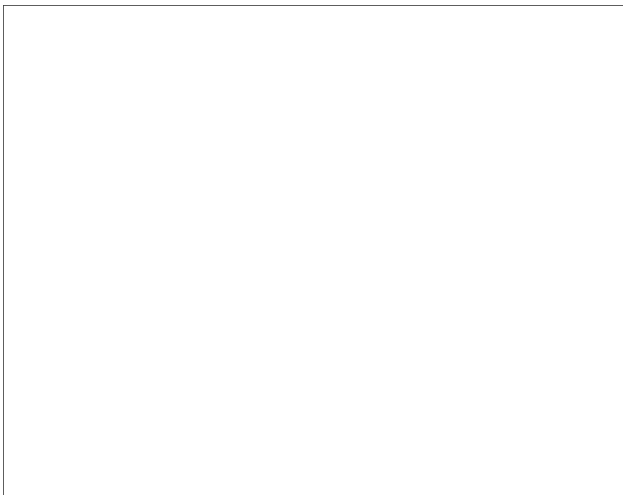


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Congress. US Embassy and press reports indicate that Argentina's legislature has not yet played an important role in the country's new democracy. Congress, overshadowed by the President's personality and political adroitness, suffers further from the inexperience of most legislators and the tendency of opposition members to take knee-jerk adversary positions vis-a-vis government policy. The Embassy reports that Congress has failed to seize the initiative on most important issues, leaving itself sidelined while both the executive and judiciary have played activist roles. Moreover, the Embassy adds that Congress has been plagued by procedural difficulties, such as the inability to raise a quorum, poor relations with the Presidential liaison office, and intense inter- and intra-party rivalries. [redacted]

There are some signs, however, that change may be in the offing. President Alfonsin's Council for the Consolidation of Democracy is focusing on measures to strengthen the legislature and make it a fuller partner in government. The US Embassy reports that Congress earned some public respect in a series of televised debates on the foreign debt aired last March. In addition, the legislative agenda for this year includes several important issues, such as divorce, the National Defense Law, and constitutional reform, which may give Congress the opportunity to improve both its performance and image, and contribute to accustoming Argentines to the give-and-take of a competitive system. [redacted]

Outlook

We believe that Argentina will need some time—probably as much as a decade of elective civilian rule—for its social and political institutions to mature and shed long-held authoritarian habits. Developments such as constitutional reform and the revitalization of Peronism are key to this long-term process. In our view, however, Alfonsin will be doing well in the short term if—as we expect—he preserves economic and social stability sufficiently to keep his political prestige—which for most Argentine citizens has come to personify democracy—relatively unscathed. [redacted]

In our judgment, at least some of the basic requirements for Alfonsin's success are already in place. The President's own commitment to democracy will be buttressed by a public increasingly disposed to favor the style and values he promotes. The military, weakened as a political force, will, in our opinion, remain unable to effectively assert its will during Alfonsin's tenure. Finally, the vital judiciary that has emerged seems almost certain to continue its vigorous guardianship of individual liberties. [redacted]

Alfonsin will remain in power over the next two years and will meet considerable success in consolidating these gains. The President, in our view, will take the steps needed to check pressures—such as hyperinflation or a sharp recession—that could set the stage for political instability. He will also continue his skillful management of labor, Peronist and military opposition through negotiation, public pressure, or forceful use of his broad executive powers. [redacted]

Changing the fundamental nature of Argentine politics will be a much more difficult and longer-term project. Although Alfonsin has been instrumental in fostering democracy in Argentina, we believe that his personal role in this regard will have to diminish in coming years in favor of other leaders and institutions who can provide continuity if the new Argentine politics are to achieve permanence. Alfonsin's proposed "Second Republic" reforms, to be implemented toward the end of his six-year term, may lay the groundwork for such continuity by boosting the legislature's contribution and decentralizing the power of

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BARRIONUEVO

Por Dacot



Labor has adopted a confrontational attitude under democracy. This cartoon reads "Mr. Minister, I have a list of all the unions on strike" to which the Minister replies "Let's be brief—just tell me who's not on strike."

internal elections recently mandated by the government. The elections also will probably compel old-guard union bosses to either abandon their confrontational style or risk being replaced by a new generation of more progressive leaders open to compromise and negotiation.

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Downside Scenarios. Argentina, however, remains politically volatile, and we believe that its fragile democratic institutions could still buckle easily under duress. A key catalyst for such a scenario would, in our view, be an unraveling of Alfonsin's economic program, characterized by the return of hyperinflation and a severe recession. Such economic reverses could set the stage for widespread labor agitation, social disorder, growing right- and left-wing violence, and a plummeting of Alfonsin's popularity, especially among the middle class. We judge that the political chaos engendered by an economic collapse might alone suffice to discredit Alfonsin completely and spur sectors of Peronism and the labor movement to knock on the barracks doors. The military could then intervene, returning Argentina to its traditional pattern of praetorian politics and revolving-door governments.

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Buenos Aires. We believe that enforcement of the National Defense Law, by restructuring the armed forces, will lessen the military's ability—if not desire—to intervene in politics.

Sustained progress, moreover, will result, in our view, only when other key institutions—which to date have shown only lukewarm support for the changes of recent years—begin to alter their attitudes and actions. Although the evidence is mixed, we think on balance such changes have a good chance of occurring. Continued public preference for centrist politics, for example, probably will result in the eventual dominance within the Peronist party of its pragmatic Reformist faction. The 1987 gubernatorial elections and 1989 presidential elections will be milestones by which to measure how successfully Peronism adapts to the increasingly democratic tastes of the electorate.

The most serious threat to civilian rule stems, in our view, from military discontent over human rights trials. Nearly 300 such cases involving junior, mid-level, and senior officers are now pending in civilian courts.

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We believe that influential sectors of the armed forces would consider moving to topple Alfonsin rather than accept such "humiliation" from civilian courts, even though public antagonism and international opinion would make military rule difficult if not untenable.

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Dissatisfaction among the rank and file with current labor leadership is another healthy sign, in our view, that may lead to more responsible union behavior. Democratic practices within the labor movement may be strengthened if the unions carry out the free

Implications for the United States

The development of strong democratic institutions, in our judgment, will buttress US goals in Argentina and elsewhere in the region. Although US-Argentine relations will almost certainly suffer from occasional

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disputes over economic issues and Argentina's need to pay occasional lipservice to Third World initiatives, a democratic government in Buenos Aires will most likely remain aligned with the West. Such a government would be reluctant to make radical moves on the foreign debt front and would probably pursue a peaceful resolution of the Falkland Islands dispute with the United Kingdom. [redacted]

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A democracy with widespread public support will, in our view, also discourage extremist, anti-US groups such as the Montoneros from operating outside of the legitimate political arena. The demise of the terrorist left would remove one of the main pretexts used by the civilian radical right and antidemocratic elements in the military—who are often equally anti-US—from intervening in politics. [redacted]

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Finally, a successful prolongation of Argentina's democratic experiment would further isolate Chile and Paraguay—the major nondemocratic governments left in South America. [redacted]

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[redacted] We also believe that a democratic regime in Buenos Aires will likewise encourage and support civilian governments in other countries such as Uruguay, Bolivia, and Brazil.

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