ABSTRACT

Fiscal Sovereignty:
Reconfigurations of Value and Citizenship in Post-Financial Crisis Argentina

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This dissertation examines the Argentine state’s efforts to stabilize notions of value and reconstitute citizens as taxpayers and users of national currency after the financial crisis of 2001. Working with material from sixteen months of ethnographic research with federal and provincial tax authorities, neo-liberal and heterodox economists, and members of the Buenos Aires upper classes, I trace charged public debates surrounding tax payment and off-shore banking, examining both the rationalities and affective geographies guiding upper class decisions to invest in, or divest from, the nation. My dissertation foregrounds fiscal and financial relations between states and citizens as a critical nexus in the formation of state sovereignty, civic obligation, and liberal individualism. I propose that insight into the volatility of Argentine public finance requires attention to the analytical frameworks deployed by elites, including technical experts and professionals more broadly, to understand and prevent inflation, a defining question in Argentina since at least the early 1950s. The currency board was an anti-inflationary policy that, by pegging the peso to the dollar, luring foreign capital, and drastically reducing the much-vilified public sector, promised to offer “juridical security,” (seguridad juridica) protecting private property rights from the vagaries of monetary instability. Its collapse, after a decade-long tenure, led Argentine authorities to declare the largest debt default in history.

The dissertation examines a series of paradoxes faced by many Western nation-states that are acutely manifest in Argentina. How is the indebtedness implicit in the payment of tax, a debt that is not subject to cancellation or the reciprocal laws of market exchange, reconciled with the
form of personhood C.B. Macpherson called “possessive individualism” (1962) whose lineage originated in the Lockean rights-bearing citizen? How is this paradox negotiated in light of what many scholars have noted is a reversal characteristic of modernity where the individual rather than the state is seen as the primary sovereign? How is an elusive trust in authority, upon which national currency depends, reconciled with the widely disseminated perception of economy as a set of rational processes? The dissertation argues that monetary stability hinges, in part, on the state’s successful management of these paradoxes. Through multi-sited ethnography, I offer insight into discourses that condition perceptions of the proper directionality of debt between state and citizens, often expressed in views of tax as theft or gift, which critically inform the willingness of elites to store wealth in Argentine currency.

Examining the new discursive links forged between accounting and accountability, I trace President Nestor Kirchner’s re-signification of the debt default from a source of shame and humiliation to a triumphant gesture of sovereign refusal. I argue that this fiery anti-imperialist discourse, which garnered massive popular support and managed to reconstitute an image of the state as protector rather than thief, was critical to imposing an unprecedented ‘haircut’ on foreign creditors in debt default negotiations. In cafés and households, I document conversations with elites angered by the widespread backlash against neo-liberalism, exasperated by the return of “populism,” and persuaded that neo-liberal policies failed only because of a corrupt “political class” (clase política). Firmly identified with a view of themselves as the primary sovereigns, and believing monetary policy should pivot around individual choice, they feel the country is unworthy of their wealth. Several ethnographic chapters document contentious encounters between tax authorities and elite subjects in seaside resort towns and gated communities,
analyzing the strategies mobilized by tax administrations to re-initiate what I call the ‘fiscal politics of recognition.’

The dissertation offers an ethnographic portrait of how elite Argentines grapple with a deep and unresolved tension between the methodological individualism shared by neo-classical economic science and Anglo-American citizenship theory, and the relational and recursive nature of monetary value, which exceeds, and cannot be encompassed by, the languages of market exchange and the social contract. The first chapter is a genealogy of the birth of public finance in relation to theories of liberal individualism in Great Britain, documenting the process through which affectively entangled creditor-debtor relations between state and subjects, while constitutive of civic obligation, nation-building, and trust in modern state economies, were “purified,” (Latour 1993) subjected to disciplinary amnesia. A historical chapter considers how the rarefied sciences of economy traveled to South Atlantic shores to be incorporated into a very distinct historical and geo-political assemblage, one where the fiscal and financial entanglements, disavowed but nonetheless exerting a spectral presence in Western European countries, were absent. The sequence and trajectory of state building in Argentina lead to an accentuated version of the paradox discussed above, making it especially difficult to perceive money, not only as a medium of exchange, but as a pathway of recognition, constitutive of economic obligation.

Despite a resurgence of interest in the question of sovereignty in critical theory, scholarship on taxation -- by all accounts a defining feature of sovereignty -- is surprisingly limited, often treated as an afterthought in work on economic anthropology and globalization. Building on work in political and economic anthropology on market and fiscal subjectivities, this research focuses on citizens in their capacities as debtors and creditors of the state, providing
insight into a fragile fiscal bond that, despite its centrality, has received little attention in anthropologies of modern capitalism. Offering new analytic tools and re-valorizing older ones, this dissertation elucidates the relationships among value, national belonging, and economic insecurity, made newly visible in the wake of financial crisis.
# TABLE OF CONTENTS

LIST OF CHARTS, GRAPHS AND ILLUSTRATIONS ................................................................. ii

ACKNOWLEDGMENTS ........................................................................................................ iii

DEDICATION ......................................................................................................................... viii

INTRODUCTION .................................................................................................................. 1

**Fiscal Sovereignty: Reconfigurations of Value and Citizenship in Post-Financial Crisis Argentina**

- The Secret Power of the Sovereign’s Debt: Reconstituting Citizens as Moral Creditors ................ 13
- Neo-Liberalism and an Economy without Domestic Credit ..................................................... 18
- Shifting Class Alliances and Political Visions ...................................................................... 25
- Argentine Capital’s Divergent Path .................................................................................... 33
- Re-Materializing Class Practices ....................................................................................... 44

CHAPTER 1 ......................................................................................................................... 53

**The Gift in the Market: Liberal Personhood, the Willing Taxpayer and the Fiscal Politics of Recognition**

- The Government of Finance: Sovereign Credibility and the Production of Fiscal and Financial Subjectivities .60
- Tax as (Sovereign) Gift: The Moral Creditor’s Agency and the Fiscal and Financial Constitution of ‘Society’ .69
- The Security of New Origins: Counter-Gift as “First Gift” and the Economics of Forgetting ........84
- After the Market: The Post-Purification Anthropology of Capitalism .................................. 96

CHAPTER 2 ......................................................................................................................... 115

**The Market without the Gift: Fiscal (Mis) recognition and the Volatility of Public Finance in Argentina**

- Money in the Absence of Political Community: Currency Boards and the “De-Nationalization of Money” ....134
- The Return of the Gift and the Challenge to Market Sovereignty ........................................ 142

CHAPTER 3 ......................................................................................................................... 153

**For the Love of Contract: Affective Geographies of Divestment and the Argentine Credit Deficit**

- The Romance of the Contract: Heartbroken “Citizens” and the Ruse of Causality ................. 163
- Credit as “Magical Thinking:” Anti-Nationalism and Quasi-Colonial Nostalgia ....................... 183
- Conclusion: The Civic Price of Disbelief ........................................................................... 196

CHAPTER 4 ......................................................................................................................... 203

**Subversions of Sincerity: The Argentine Debt Default as Gesture of Sovereign Refusal**

- The “Social Debt” (La Deuda Social): The Labors of Memory in Re-initiating the Fiscal Bond ........216
- Arturo Jauretche and the Left’s Belated Embrace of Anti-Imperial Nationalism ..................... 222
- A Radical Tradition of Techno-Political Critique ................................................................ 236

CHAPTER 5 ......................................................................................................................... 255

**“Entrenched in the BMW”: Argentine Elites and the Terror of Fiscal Obligation**

- “What kind of Image will the World have of us?”: The Misfortune of Being Argentine ..........263
- Fiscal Terrorism or Routine State Administration? ................................................................. 267
- The Judicialization of Politics .............................................................................................. 271
- Taxation as the “Non-Modern” core of the Modern: A Revindication of “Political Society” ........279
- Extra-Judicial Politics and the Moral Economy of Taxation ................................................ 284

CHAPTER 6 ......................................................................................................................... 290

**“The Politics of Forgetting,” Re-examined: Monetarism and the Deferral of Democracy**

- “Anti-Fascism”: State Terror and the Fantasy of (Monetary) Immediation ............................. 296
- The Coin as Inanimate Rival: Discursive and Technological Constructions of “El Evasor” (The Evader) from the 1970s to the 1990s ................................................................. 305
- The Problem of “La Factura” (the Receipt): Indirect Taxation as a House of Cards ................. 314
- The Futility of Laws in the Absence of Norms ..................................................................... 320
- The Unbridled Market as Indigenous National Culture ......................................................... 326

CONCLUSION ................................................................................................................. 331

**Striking for Speculation: Horizons of Abundance and the Fragility of the Fiscal Bond**

- The Sovereign’s Exposed Debt and the Challenge to Fiscal Sovereignty .............................. 336
- Towards a Maussian Anthropology of Capitalism .............................................................. 344

BIBLIOGRAPHY ............................................................................................................... 349
LIST OF CHARTS, GRAPHS AND ILLUSTRATIONS

Sin respuesta .................................................................................................................. 306
Con las horas contadas ................................................................................................. 307
Sólo para delincuentes ................................................................................................. 308
El padrino ...................................................................................................................... 309
Para contarle a papá; Su marido en peligro ............................................................... 310
Aunque falte el medidor ............................................................................................... 311
Otro impuesto más?; El tiempo es oro ........................................................................ 312
Antihéroes ................................................................................................................... 313
Juego Prohibido ........................................................................................................... 313
Sabotaje ......................................................................................................................... 313
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DEDICATION

For my mother, Graciela
INTRODUCTION

Fiscal Sovereignty:
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I arrived twenty minutes early to my appointment with Oscar Ramos Rivera, supervisor of the department of major national fiscal contributors at the federal tax administration building (AFIP) in Buenos Aires. This was fortunate. Upon entering the building, an imposing modernist structure standing in the Plaza de Mayo, I was ushered to the security desk and given a map to the fifth floor. I would need it, the attendant cautioned, because every floor had a different plan. But alas, the map provided little comfort. I wandered through the labyrinth of yellowing marble hallways, and peered now and again into dusty rooms filled with broken office furniture, cloistered with padlocks. The offices were numbered but they were in no apparent order – at least no order that was familiar to me. Increasingly nervous, and feeling I had stepped into one of Borges’ short stories, I put the map away and followed the sound of voices. I turned a corner and found myself standing in the doorway of a vast, light-filled room where twenty state employees were sipping cortados and typing away under the noise of whirring ceiling fans. There was life in the AFIP after all. Mr. Rivera, a vivacious public accountant of 40 or so years, came to greet me and escorted me into a windowless office. It was December 2003, the middle of the porteño summer.

Since the financial crisis of December 2001, which precipitated the declaration of the largest sovereign debt default in history, the AFIP (Administracion Federal de Ingresos
Publicos) had garnered greater visibility in the national public sphere.\(^1\) While the institution maintained a lower profile during the 1990s, save for brief appearances in the media related to corruption scandals, this had been changing quite radically. A year after the crisis, the head of the AFIP, Alberto Abad, began ritually appearing on television the first day of each month to give a press conference about the massive inflows of capital into the Argentine treasury. Abad’s routine performances, unprecedented in Argentina, were part of a concerted effort to replace the image of the bankrupt state with one of the state as economic guarantor, worthy of citizens’ trust. The flood of money flowing into the state’s coffers through high tariffs on agricultural exports (retenciones) had been helpful in this endeavor. The currency devaluation, decreed as part of the “economic emergency” of January 6th 2002, made agricultural exports internationally competitive again, replacing finance capital as the privileged sector for amassing state revenues. By April 2004, even the New York Times reported on Argentina’s “booming tax revenues,” (9/1/2004) which became part of Nestor Kirchner administration’s triumphant post-default narrative.

Historically, the Argentine state has had great difficulty eliciting and enforcing the collection of direct taxes. These taxes are levied on earnings, income and inheritance. Collecting them requires that citizens consent to yield part of what they conceive as private property to the state. Tax administrations in Argentina have turned instead to tariffs on exports, high consumption taxes (which reached 21% during the 1990s), as well as money-printing (seigniorage tax), all measures referred to by tax experts as indirect taxes, which rely less on voluntary reporting and cooperation. Indirect taxes have an indiscriminate quality, often taxing the wealthy and the poor at the same rate. Direct taxes, which require sophisticated techniques

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\(^1\) When I returned to the AFIP in 2005 for fieldwork, the building’s interior had been completely remodeled along sleek, modern lines.
that enable the state to determine a citizens’s specific tax liability, tend to be more progressive (Lieberman 2003).

In the years following the crisis, there was consensus among economists and tax administrators that Argentina would benefit from comprehensive tax reform to address a highly regressive tax system. But in the midst of a deep and polarizing crisis, this did not occur. Such reform would have implied not only a marked shift from the 1990s, when the state relied on foreign investors as its primary creditors, but also a break from almost two hundred years of Argentine history. At this writing, eight years after the model of “national capitalism” was implemented, comprehensive tax policy reform has still not occurred. Nonetheless, there have been significant improvements in ‘tax capacity,’ a term political scientists use to address the administrative efficacy of collection mechanisms, and most initiatives have distinctly focused on higher income brackets to enhance the system’s progressivity. Any account of the widely-noted decline in rates of poverty and inequality since the crisis of 2001 must also include a mention of the tax on agricultural exports. While an indirect tax, it is a very progressive tax (marking an exception to the categorization earlier described), and has been indispensable to the state’s capacity to undertake redistributive policies (Gaggero 2008).

During the period of my fieldwork, the AFIP proposed many new initiatives, reported on frequently in newspapers and disseminated through state-sponsored television and radio

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2 Nestor Kirchner was president from 2003-2007. His wife Cristina Fernandez de Kirchner, previously a senator, became president from 2007-2011 and has recently been re-elected for another four years.

3 According to a recent report from the Center for Economic and Policy Research (CEPR), “Poverty has fallen by over two-thirds from its peak, from almost half of the population in 2001 to approximately one-seventh of the population in early 2010. Extreme poverty has fallen by about the same rate, from over one-fourth of the population in 2001 to approximately one in fifteen. Income inequality has also fallen dramatically. In 2001, those in the 95th percentile had 32 times the income of those in the 5th percentile. By early 2010, this fell by nearly half, to 17. Unemployment has fallen by over half of its peak, to 8.0 percent. And unemployment, by early 2010, had risen to 55.7 percent, the highest on record” (2001: 1). For commentary on a bias in reporting Argentina’s success on social indicators in the Washington Post and New York Times, see Paul Krugman’s blogpost of Oct 24th, 2011 “Unacceptable Success: How Dare those Argentine Voters Reward a Successful Government?”
commercials, calling for “una nueva cultura tributaria” (a new tax culture). These ads often carried progressive messages, articulating sensitive questions about class inequality and the causal relationship between tax payment and the provision of social rights. One campaign offered an income tax deduction to upper-class professionals who formalized what tend to be under-the-table monetary exchanges with housekeepers (empleadas domésticas). Ads emphasized that workers’ access to social insurance programs depended upon their employers’ willingness to report this labor relationship. As declaring this kind of expense implies disclosing information about earning power that is often partially concealed, the AFIP was asking professionals to weigh economic maximization against their ethical and political obligations to employees, or to face the consequences of not doing so.

As part of a multi-million dollar initiative for “Educación Tributaria” (Tax Education) that funded interactive tax displays in theme parks and children’s spaces in shopping malls, children were encouraged to put virtual coins in artful wall displays and watch the coin tumble towards funds for ambulances, hospitals, and public schools. Sociologists worked to craft messages about the social meaning and purpose of taxation in workbooks and pedagogical materials being integrated into public school curricula at the elementary, junior, and high school levels. One recurring exercise asked students to conceptualize the nation as a family, where the state was tasked with the pastoral objective of budgeting for its children, demonstrating ideological efforts to refashion the nation as a “national household” (Arendt 1958: 28). The AFIP also hired street entertainers to perform skits on beaches and in pedestrian thoroughfares in summer resort-towns, dramatizing the virtues of redistribution.

4 The literal translation of tributaria is ‘relating to tribute.’ Nonetheless, the term tributo (tribute), from which the adjective is derived, rarely appears as a noun. Taxes are referred to as impuestos (something that is imposed) or ingresos públicos (public revenues). When the adjective tributaria is used to refer to modern taxation, as here, I translate the term as tax rather than tribute. The difference between tribute and tax, and the meaning of the distinction in Argentina, is discussed in chapter two and elsewhere.
Given the state’s historical reliance upon indirect taxes, it is perhaps not surprising that evading the *impuesto a las ganancias* (income tax) and *impuesto de bienes personales* (tax on personal wealth) has been considered something of a “national sport” (Santoro 1996). In the 1990s at least, the state nearly abandoned the task of eliciting what political scientist Margaret Levi calls “quasi-voluntary compliance” (1988). This is a term that captures states’ efforts to compel payment from citizens, while underscoring that consent is given in the shadow of coercive legal sanctions. Until 1991, however, when the IMF made foreign loan disbursement to Argentina contingent upon the criminalization of tax evasion and began wielding considerable influence on tax policy, evasion was classified as a misdemeanor. Monetary fines were the most severe punishment. Recent changes notwithstanding, the cyclical and short-lived efforts to get citizens to pay direct taxes through targeted campaigns were often dismissed by professionals as a temporary political maneuver for political gain, mere “espectaculo” (spectacle). Even more vexing for the tax administration, Argentines on the political left, who knew that the AFIP’s actions were tethered to IMF recommendations, often dismissed such efforts as submission to foreign imperialist forces.

Over the course of my fieldwork, Argentine economists and upper-middle class professionals frequently expressed their frustration, if not exasperation, at the lack of a relevant distinction between the state (*Estado*) and the government (*Gobierno*). Often conjuring the United States or France as ‘ideal-types’ immune to this peculiarly Argentine pathology, they lamented the absence of a transcendent image of the state as a semi-objectified sovereign entity that asserts its continuity through time, and whose existence is often presumed in the study of capitalist societies (Guyer 1995, Lee and Lipuma 2002, Mitchell 1999). In upper-middle class milieus, the Argentine state tends to be seen as a mere concatenation of ephemeral regimes, each
attempting to make off with the spoils. Such a view of the state as little more than a shifting network of self-interested thieves has created a high degree of skepticism among citizens about the authenticity of the state’s redistributive claims and has helped to normalize the perception of property and income tax evasion as a matter of out-witting the state. An oft-heard saying is that if you pay taxes, you are an idiot, and if you don’t, you are a clever scoundrel (vivo). Most people will willingly admit, with little remorse or regret, that they’d rather be taken for clever than foolish. The state is not seen as a worthy distributor of surplus wealth. As the sociologist of money Geoffrey Ingham writes, “For at least half a century, no more than half of those Argentines legally required to pay income tax have done so (Manzetti 1993: 135; Lewis 1990: 362). The widespread non-payment does not involve surreptitious evasion so much as a widespread, blatant denial of the state’s authority to collect taxes. It is a further indication of the state’s weakness in relation to the Argentine capitalist classes that even if made, tax payment is the result of ad hoc bargaining (Lewis 1990: 270)” (quoted in Ingham 2004).

In Argentina, theories abound to explain the high rates of tax non-payment. It is the favored example to illustrate what is spoken of as the specifically Argentine version of the problem of “anomie,” a term used to describe a disregard for the law among large sectors of the Argentine polity (Nino 1992 [2005]). A perennial topic of newspaper editorials, sociological commentary and everyday conversation, hypotheses on the origins of “anomie” regularly devolve into essentialist clichés, suggesting that Argentines are by nature “corrupt,” often anchored in the versatile notion of “viveza criolla” (creole cunning), described time and again as the distinctly Argentine pleasure of dodging the law. This is often spoken about as a tradition dating to colonial times and, on account of its seeming permanence, regarded as an undying part of the “national character” (Aguinis 2002). In the years since the crisis, a proliferation of best-
selling books appeared about the “national character,” responding to the widespread self-reflexivity about why Argentina seems to fall time and again into political and economic crises (Semán, Lewgoy, and Merenson 2007). While it is true that contraband by Argentine merchants dodging Spanish colonial regulation helped to prompt the Revolution (Adelman 2005), the idea that, as one post-crisis bestseller put it, corruption is part of the Argentine DNA (Lanata 2004), is, to put it mildly, less persuasive.

When I asked Mr. Rivera, the tax administrator at the AFIP, about rates of tax evasion, he steered clear of theories of Argentine exceptionalism. Trained in Spain and having recently completed a regional master’s in a program funded by the World Bank, he responded with the following piece of wisdom, bestowed upon him by a professor of tax administration: “There are two civic duties that citizens universally dread: paying taxes and going to war. But there is a significant difference between how citizens feel while performing these social obligations to the state. When citizens go to war, they go singing the nation’s praises and are duly recognized for their sacrifice. With tax payment, there is no such reward. Citizens will only pay if they are frightened of the consequences.” With a wry smile, he added, “You are the anthropologist…If you find there is anything particular about the Argentine case, please let us know.”

5 Theories of Argentine exceptionalism are very common in academic scholarship, especially in the economic sciences, where Argentina’s failure to live up to turn of the century expectations of economic grandeur is referred to as the “Argentine puzzle.” Characterizing Latin American exceptionalism more broadly, Joshua Lund writes that “Latin America is perceived to be a space where so-called universal theories of culture or society ‘don’t fit’ (Lund 2001:55),” a point re-iterated by sociologists and historians in a volume whose essays offer Latin America as “another mirror” through which to test and expand “grand theory” (Centeno and Lopez-Alves 2001). For my purposes, this abiding sense of Argentine exceptionality is critical not only for grasping upper-class sensibility, sense of belonging, and political orientation but because it offers an opportunity to shed light on aspects of political and social life that classic social theory – which takes the European case as normative – cannot adequately explain. Citing Cuban essayist Fernando Ortiz, Lund writes “Exceptionalism, then, shows itself as a positive force, through which original and potentially improved hermeneutic tools arise” (2001: 56).

6 Unless otherwise specified, all translations are mine. I have not changed the names of public figures and people who told me they wanted to be identified by their actual names. Otherwise, I use pseudonyms to protect the privacy of those interviewed.
Insofar as Mr. Rivera’s anecdote portrays tax payment as an act of sacrifice rather than an exchange, it is worthy of sustained reflection. The obligation to pay, it suggests, depends not upon satisfaction with services received in exchange for payment – the justification for non-payment heard from many porteño professionals I spoke to – but rather upon recognition from a sovereign entity. To draw on Hubert and Mauss’ definition, which applies, they say to “many beliefs and social practices not strictly religious,” sacrifice is the surrender of property to a sovereign entity whose recognition is believed to improve one’s moral condition (1964 [1898]: 103). In part, the sacrifier’s moral condition is improved because the sacred entity nourished by it is responsible for the regeneration of community. As Hubert and Mauss write, “The act of abnegation implicit in every sacrifice, by recalling frequently to the consciousness of the individual the presence of collective forces, in fact sustains their ideal existence. These expiations and general purifications, communions and sacralizations of groups, these creations of the spirits of the cities give – or renew periodically for the community, represented by its gods – that character, good, strong, grave, and terrible, which is one of the essential traits of any social entity” (1964 [1898]: 102). Insofar as tax payment is more than a contract, it does not respond to the market logic of fairness as equilibrium or the cancellation of debts. It is what Janet Roitman has called a “founding economic transfer” (2005: 27), an unrequited surrender of property by which private income is transformed into public wealth.7

7 As cited by Lieberman (2003), the World Bank defines taxes as “unrequited compulsory payments collected primarily by the central government.” Lieberman comments that taxes “are levied on a particular base and paid to the government to provide certain public goods or services or to redistribute income or purchasing power within society – but without provision or promise of any specific good or service in return for payment. Indeed, tax revenues represent only one of several forms of financing the national budget, including debt, entrepreneurial (parastatal) income, or user fees. Yet, it is the unique qualities of taxation that provide such great insights into the state-society relations” (2003: 43). While he sees duties and tariffs as forms of taxation, he argues that the state’s ability to collect taxes on foreign revenues “does not provide relevant insights into the quality of the relationship between the state and upper groups within society” (2003: 45).
In positing military service and taxation as comparable acts of sacrifice not recognized as such, Mr. Rivera’s anecdote points to a deep and rarely acknowledged insight about liberalism and its pre-history. Though historians and sociologists have, at different points, described taxation as an “economic sacrifice” (Simmel 1990 [1907], Mann 1947, Ardant 1975, Braun 1975, Tilly 1990), given the disciplinary divide of liberalism, work on this theme has largely fallen through the cracks. Questions of taxation have tended to be studied by political scientists and, less frequently, by economists, rather than treated by social scientists as integral aspects of nation-formation or sovereignty (see Roitman 2005 and Lieberman 2003 for notable exceptions). Scholarship on nationalism, in turn, has largely ignored the role of currency and/or taxation in its constitution, as noted by Helleiner (1998, 2002) and Brantlinger (1996). And yet, tax collection, which Bodin and Hobbes understood to lie at the heart of modern state sovereignty (Hansen and Stepputat 2005), was unsuccessful without a sense of the ‘public’ or political collective, as many historians and political scientists have shown (Levi 1988, Kwass 2000). Taxation also played a critical role in ensuring the flow of currency (Ingham 2004, Aglietta and Orleans 1998, 2002), which, in turn, was crucial to the consolidation of the nation-state (Polanyi 1957, Helleiner 1999). The circulation of money within the nation state helped to generate an ideology of equality that could offer legitimacy in spite of the inherently hierarchical relationship of subjects to the state (Servet, Theret and Yildirim 2008).  

Scholarly neglect of what Chatterjee calls the relationship between “community and capital” (1993) can be attributed, I will suggest, to the way that in the liberal constellation,

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8 Much of this literature refers to Europe rather than its colonies. While taxation is by its very nature an imposition, its payment has been compelled with varying degrees of coercion and persuasion in different locations. For fascinating studies of tax collection in colonial settings, see Mitchell on Egypt (2002) as well as Roitman on Cameroon (2005). In her groundbreaking work on fiscal subjectivity, Roitman explicates how the need to pay tax was critical in coercing Cameroonians to work for French colonial currency, embodying “the materialization of colonial power” (2005).
taxation has been relegated to the realm of the “economic,” still often seen as a ‘ground’ or realm beyond representation, to the exclusion of “social” or “political” phenomena. Sacrifice, by contrast, is often conceived of as a religious phenomenon, or, in the wake of Benedict Anderson’s work on “imagined communities” (1983), a characteristic of nationalism that shares little with that realm populated by the affect-less *homo economicus*: the rational, maximizing figure of neo-classical economics. Tim Mitchell, who has written incisively about the mid-twentieth century formation of “the economy” as an artifact, argues that cultural studies and humanities scholarship of and on the economic has been slow to develop, given that it is still seen as “a material ground out of which the cultural is shaped, or in relation to which it acquires significance” (2002:3). In his work on nationalism, Chatterjee notes the dearth of research on the intersection of “capital and community,” and, underscoring the re-appearance of community despite its supposed banishment from the kingdom of capital, notes: “It is not so much the state/civil society opposition but rather the capital/community opposition that seem to me to be the great unsurpassed contradiction in Western social philosophy. Both state and civil-social institutions have assigned places within the narrative of capital. Community, which ideally should have been banished from the kingdom of capital, continues to lead a subterranean, potentially subversive, life within it because it refuses to go away” (1993: 236).

The problem of disciplinary divisions was something Marcel Mauss noted long ago, leading him to call for a general sociology of the ‘total social fact’ to discover new facts which, he claimed, had the “advantage of reality” ([1925]: 80). “The historians feel and rightly object to

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9 It should perhaps be noted that Marcel Mauss’ work is an obvious attempt to suture this division but, as I argue in chapter one, anthropologists have been slow to bring a Maussian analysis to the study of capitalism. Economic historians have also pushed for such a view but their work has not had particular influence in humanistic social sciences. Schumpeter famously wrote “The spirit of a people, its cultural level, its social structure, the deeds its policy may prepare – all this and more is written in its fiscal history…The public finances are one of the best starting points for an investigation of society, especially though not exclusively of its political life” (1954:7). Von Stein, a student of Hegel’s and early theorist of public finance “Taxes can be said to represent the nation’s entire civic sense on the economic plane…” (1958 [1885]: 28).
the fact that the sociologists are too ready with abstractions and unduly separate the various elements of societies from one another. We must do as they do: observe what is given” (1925: 80). In this capacity, Mauss foreshadowed the attention to disciplinary divisions which is often attributed to Michel Foucault. Latour might be said to follow in this tradition when he observes: “None of our studies can re-utilize what the sociologists, the psychologists or the economists tell us about the social context or about the subject…this is why I will use the word ‘collective’ to describe the association of humans and nonhumans and ‘society’ to designate one part only of our collectives, the divide invented by the social sciences” (1993: 4).

Indeed, while the concept of “economic sacrifice” may be difficult to fathom within Western scholarship, categories of religion and economy were never as obviously separate in the first place, a point that has not escaped the view of certain anthropologists who have explored these themes together (Morris 2000, Lomnitz 2002). Rather, they came to seem mutually opposed, or as separate spheres that – as per Max Weber (1930) – could impinge upon each other, through a complex effort to stabilize power relations in the tumultuous period leading up to and following the ‘Financial revolution’ of 1694, also the period of the formation of modern nation-states. Bruno Latour argues that the divisions between science and politics, or in this case, religion and economy, are the residue of a process of “purification” (1993) that occurs when proliferating hybrids cause a de-stabilizing uncertainty.10

While Mr. Rivera may be correct that, in Western industrialized states, citizens only pay taxes grudgingly, in part because they are insufficiently recognized for their “economic sacrifice,” my research has led me to believe that there is a specificity to the Argentine case that

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10 In a recent volume called “The New Fiscal Sociology: Taxation in Comparative Perspective,” the editors emphasize an interest in those aspects of taxation that cannot be explained by coercion alone. “All of these chapters illustrate that consent is rarely secured with coercion alone. Where elite theory treated tax compliance as evidence that taxpayers were duped or coerced, the work of all of these contributors echoes Levi’s argument that there is a voluntary element in the payment of taxes” (Martin, Mehortra and Prasad 2009: 21).
is worthy of investigation. Argentina, along with other nations at the periphery of the capitalist system, faced unique challenges in eliciting payment from citizens, owing to what Jane Guyer has called “institutional sequence,” an analytical problem which she argues has received inadequate attention (1992). The disciplinary divisions of which these various theorists speak, how they traveled, and were re-assembled in the South Atlantic of the mid-nineteenth century, and how these affected political rationalities and governing techniques has profoundly affected the political history of capital in Argentina.

Indeed, while “economic sacrifice” may be written out of the European liberal historiography, what I will call the political technology of the gift to refer to an under-studied element of Mauss’ legacy, silently responsible for ensuring “economic sacrifice,” was nevertheless already there, and played a critical role in ensuring monetary stability. In the Argentine context, the political technology of the gift was absent. One could also refer to this missing element as Adam Smith’s ‘Invisible hand,’ which as Elyachar points out (2005) had a distinctly cosmo-theological undertone. I will suggest that a more appropriate term for this quality of being able to elicit an unrequited transfer in the form of tax payment is ‘fiscal sovereignty,’ a term whose contours I elaborate further in chapter one. In some ways, this constitutes a radical departure from most ways of thinking about sovereignty insofar as it highlights the fiscal or economic dimension of what tends to be regarded as a “political” principle. I contend that sovereign power depends, at least in part, upon a state's ability to persuade creditors to store wealth in its unit of account, investing in its future – a social logics of indebtedness between state, subjects, and potential “adversaries,” whose volatility becomes newly visible in times of crisis. Given the history of financial instability in Argentina, I argue
that the Argentine case throws into sharp relief aspects of European liberalism that, precisely in the interest of financial security, were disavowed.

While the study is framed around the dynamic interplay of national belonging, economic practices, and political obligation, terms easily intelligible across disciplinary divides, it is necessary – in light of an inquiry on the way they have sedimented as governmental effects – to revise, expand, and reconsider the meanings of these terms. While they have continuing importance insofar as they are frequently deployed and also have performative effects, as analytical tools they are inadequate. Inspired by the work of Marcel Mauss, Michel Foucault, and Bruno Latour, I suggest that gaining insight into this intersection will require throwing many of our analytic categories and constructs into the mix again.

The Secret Power of the Sovereign’s Debt: Reconstituting Citizens as Moral Creditors

In the wake of a rupture of the fiscal bond as dramatic as that suffered in Argentina in 2001, where tens of thousands of citizens from different class backgrounds took to the streets shouting “Que se vayan todos!” (Out with all politicians!), tremendous work was required to construct the fiscal bond anew. After a crisis, where the framing and formatting mechanisms characteristic of major industrial economies collapse (Mitchell 2002, Callon 1998), interrelated themes of national belonging, security, and citizenship may be more clearly revealed. While we have analytics for understanding the misrecognition spawned by relations of production, the money-mediated link between state and citizen remains opaque. Turning attention to Argentina provides a rare opportunity to shed light on relations of credit and debt between state and citizen, which is central to the study of power and social life.
Echoing Mr. Rivera, I argue that – especially in a situation where the fiscal bond is fragile – a persuasive political narrative that builds trust in government as a sovereign entity is indispensable for successful efforts to collect taxes and persuade citizens to use national currency. Rather than viewing citizens’ use of national currency as an obvious privilege of any sovereign state, I argue that the fiscal bond, a money-mediated link between state and citizen, must be actively cultivated. As elaborated in the pages to come, I contend that monetary circulation within a nation-state context is contingent upon a state’s capacity to project an image of transcendent authority and credibility. This image, in turn, depends upon a state’s ability to offer moral recognition for citizens’ generosity towards a collective (Aglietta and Orléans 2001, Mauss 1950 [1925]) with which they feel identified and to which – through payment – they seek membership. This is a fragile and continuous process that both conditions and is conditioned by dynamics of inter-subjective recognition among citizens in a polity. The dissertation considers the efforts made by the Argentine government to reconstitute Argentine middle and upper-class citizens as moral creditors, forging what I call a ‘fiscal politics of recognition,’ which I argue is an under-studied but important element of monetary circulation in capitalist states.11

While credit and debt are an indissoluble pair (Peebles 2010), debt tends to be thought of as a liability. This normative view has made it difficult to perceive what Janet Roitman has called “the productivity of debt,” situations where indebtedness operates as a relation of positive sociability (2005). With regards to the dynamics enabling the founding of nation-states, however, Brantlinger captures this ‘productivity’ when he writes that modern nation-state’s “founding moments are identical to the funding of their debts” (1996: 29). Indeed, for Brantlinger, public credit “refers to the faith a society or ‘public’ has in itself to prosper in the future…In other words, public credit amounts to ‘capitalist religiosity’ again, whose leading tenet is that financial

11 The term “moral creditor” is drawn from a personal communication with Rosalind Morris.
investment in the public sector, including taxes to pay the interest on the national debt, will be secure and profitable” (1996: 29). While central to political debates about the nascent public sphere in the seventeenth century (Pocock 1985), the term “public credit” has all but vanished from scholarly and public discourse. This dissertation explores the contemporary valence of the term. It examines a set of circumstances where the National debt was re-interpreted – not solely as a category of economic liability – but as a symbol of the sovereign’s indebtedness to citizens as its primary fiscal and moral creditors. In this capacity, the sovereign’s debt became a platform from which to repudiate neo-liberal policies and, in the eyes of many, a force for political accountability and democracy. To grasp this transformation, the resuscitation of the term “public credit” may be worthwhile.

Insofar as this project looks at how a cycle of investment is re-initiated, it examines the reconfiguration of value, formed at this junction of hierarchical and inter-subjective recognition. I take cues from Latour, who suggests that neither the contours of the public, nor what came to be known as “society,” can be assumed. “Whereas, for the sociologists of the social, the great virtue of appeals to society is that they offer this long lasting stability on a plate and for free, our school views stability as exactly what has to be explained by appealing to costly and demanding means” (2005: 35). Those qualities that tend to characterize ‘society’ such as, “durability, range, solidity, commitment, loyalty, adhesion, etc. have to be accounted for” and, Latour writes, “this cannot be done without looking for vehicles, tools, instruments, and materials able to provide such a stability” (2005: 35). In the Argentine case, this process has involved not only technical or governmental programs but the development of redemptive narratives for suturing past political wounds, which have compromised the possibilities for political community.
My ethnographic research explores the cultivation of “public credit” through multiple intersecting points of access. I tracked the Argentine state’s efforts, in the years after the crisis of 2001, to stabilize notions of value and reconstitute citizens as taxpayers and users of national currency. At a historical juncture where foreign debt and monetary emission are discredited as sources of state revenue, I examine both the state’s production of citizens as new targets of what Janet Roitman calls “fiscal regulation” and citizens’ responses to new administrative procedures and publicity campaigns. Drawing on ethnographic fieldwork conducted with tax administrations at the national (AFIP), provincial (Rentas de Buenos Aires), and municipal (Rentas de la Ciudad de Buenos Aires) levels, I examine initiatives to foment “una nueva cultura tributaria” (a new tax culture), which have become highly visible in the public sphere.

Attention to state practices was complemented by careful attention to different print and audio-visual media as well as participant observation with middle and upper-middle class citizens. In addition to structured interviews about off-shore banking and tax payment, over the course of my fieldwork with tax administrations, which often involved following inspectors on street-level campaigns and tax operations, I witnessed many vivid and contentious state-citizen interactions. Given citizen complaints that spontaneously arose regarding fears of crime (inseguridad) and past political episodes, such participant observation provided invaluable insight into the affectively and historically constituted debts that citizens feel the state has accrued towards them. Throughout, I paid close attention to whether citizens perceived there to be a relationship, if any, between their own decisions about tax payment and off-shore banking and macro-level crises.

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12 In late 2007, the tax administration of the Province received expanded administrative powers for tax collection and changed its name to ARBA (Agencia de Recaudación de la Provincia Buenos Aires).
This dissertation sees monetary stability as the effect of a recursive process. While stable money is contingent upon sound monetary and fiscal policies, other factors such as memory, trust, and perceptions of corruption affect citizens’ willingness to extend credit to the state. In Brazil and Argentina, negative expectations by middle-class citizens have been shown to undermine the efforts of economists to “perform” the economy (Neiburg 2001), challenging the view of the “economy as embedded in economics” (Callon 1998). Monetary stability therefore relies upon what Simmel called, though he left its contours vague, the “economic community” (1908: 178). Citizens’ belief that the government will secure the value of their money, and the related decision to use and store value in state-currency, is a form of investment in the state. Capital flight is symptomatic of the failure of national money to serve as an inter-temporal bridge between past and future. If money is the embodiment of value (Kockelman 2007), capital flight, insofar as it signals the abandonment of the nation-state’s unit of account, signals the rupture of the fiscal bond.

As the historian Gabriel Ardant wrote, expressing a view shared by Karl Marx, “the more advanced states are, the more deeply they are in debt without being insolvent” (Ardant 1975). Sovereign debt is productive insofar as the prospect of insolvency remains concealed. What, then, determines whether a state is perceived as insolvent? While there is no question that certain policies heighten the risk of insolvency, this is not solely a mathematical question. The diagnosis of insolvency is deeply political and rests considerably in the eye of the beholder. How well insolvency can be hidden depends in part upon who the state’s creditors are, and whether the state can reciprocate investments with valued non-in-kind rewards – the prospect of stability, representation, membership, hope. This question is especially relevant at a time of globalized neo-liberalism when creditors are dispersed across borders. It is with this picture in mind that it
will become easier to understand the specificity of monetarist prescriptions, and the road to neo-
liberal crisis in Argentina.

*Neo-Liberalism and an Economy without Domestic Credit*

On January 6th 2002, the Argentine monetary policy called “convertibility,” a currency board which pegged the peso to the U.S. dollar for the duration of the 1990s, collapsed. Overnight, U.S. dollar-denominated accounts were changed into pesos worth four times less. Amidst the rush of capital fleeing the country, the state’s insolvency was laid bare. The months before the crisis of 2001 are remembered as a harrowing time. In workplaces and homes, the spiraling country-risk index, announced on radio stations as often as the weather, was an inescapable topic of conversation. People rightly felt that this number, which registered the whims of financial speculators, could foretell their fate. The convertibility policy, which had pegged the dollar to the peso throughout the 1990s, constituted a complete surrender to financial creditors and, by that token, a displacement of citizens as the moral creditors of the nation. By pegging the peso to the dollar, the convertibility policy annihilated the specificity of Argentina’s money as a unit of account. It replaced the Central Bank’s sovereignty with an automated conversion box, ridding the Central Bank of decision-making capability. The very quality that once accounted for its popularity – wrestling power from the Argentine Central Bank after hyper-inflation of the late 1989 and 1990 – was now the cause of its downfall.

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13 I was conducting research for a project on HIV-related stigma in a Buenos Aires public hospital during the summer of 2001.
The notion of Central Bank autonomy, a de rigueur aspect of monetarist and neo-liberal policy, developed to ensure that the entity responsible for printing money not fall prey to political struggles. It is a policy geared towards reducing the traffic between the spheres of politics and economy, believed within this political rationality to contaminate each other. In the United States, where such a policy holds, the Federal Reserve can, of course, adjust the interest rates, either fomenting or slowing borrowing, which serves as a powerful way to regulate the money in circulation. A currency board, by contrast, is far more rigid, restricting a Central Bank’s functions, and severing politics from what is considered the pure realm of economy, destined to operate according to ‘natural laws.’ Even its most ardent supporters proudly describe it as an effective way to “tie the hands of the government” (Della Paolera and Taylor 2001). With a currency board, each peso in circulation must be backed up, not by government fiat money, but by a U.S. dollar.

The currency board operates with a substantialist notion of money rather than of money as credit. Money is no longer a promise by government, as a sovereign entity, to back up credit that circulates among citizens. Rather, this promise must be backed up by U.S. currency, which the government must acquire in sufficient quantities, leaving inter-subjective promises among citizens dependent upon the state’s successful courtship of foreign investment. In the case of Argentina, this courtship included zero capital gains tax for investors, who, at least before the Mexican financial crisis of 1994, came in droves to profit from short-term bonds and bank deposits accruing interest at an annual rate of 21%. It also included an emphasis on a regressive sales tax rather than a progressive income tax, shaping citizens as consumer-speculators insofar as revenues were dependent upon the business cycle. Needless to say, a currency board also leaves the government unable to buffer external shocks. During this period, where it was
believed that inviting finance capital could offer a viable basis for economic growth and redistribution, many key state industries were privatized, and previously Argentine industries were sold to multinationals (Basualdo 2006).

As many commentators noted, Argentina’s financial crisis of 2001 was also a political crisis. On December 1st 2001, amidst a tremendous wave of capital flight in the wake of the upward spiraling country-risk index, President De la Rua government’s implemented the “corralito” (little playpen). This was a restriction on how much residents could retrieve from their bank accounts in a desperate attempt to stem capital flight. It was the “corralito,” which later became the “corralón” (big playpen), which precipitated looting and rioting. In response to this drastic reduction of money in circulation, looting began, first in the poorer areas of Buenos Aires, where fragile, informal economies were quickly affected. The fury spread across classes as was vividly captured by the widely circulating photos of well-dressed middle-class Argentines smashing ATM machines and scrawling graffiti on sheet metal that banks had installed to protect their branches from vandalism. The chaos precipitated the act that sealed De la Rua’s fate – imposing the state of emergency on December 20th, 2001.

This televised declaration, which for many was reminiscent of the coup of 1976, an act that ushered in the most brutal dictatorship in Argentina’s history, sowed anger and disbelief in urban centers throughout the country. In a spontaneous expression of public outrage that has become mythical for anti-globalization activists and Argentine citizens alike, tens of thousands of people in the nation’s capital and throughout the provinces took to the streets, clanging on pots and pans. That night, twenty-one people were killed by police. De la Rua fled into exile from the presidential palace the next day. In the three weeks that followed, the banking and
financial system shut down, five interim presidents rotated in and out of office, and Argentina declared the largest sovereign debt default in history.

The Argentine financial crisis of 2001 constituted a veritable crisis of credibility. In an article on the Mexican financial crisis of 1983, Claudio Lomnitz captures the effects of credit loss upon individual’s affective position vis-à-vis the collective, and vis-à-vis questions of temporality more broadly: “As sacrifice for the collective through credit in the state become impossible, difficulties in constructing positive images of the future emerge. The obstacles to construing personal hardship in a credible idiom of sacrifice for the collective thus compromise the possibility of socializing projects, of building a future in the present” (2003: 135).

For months following the crisis, Argentina was often referred to by citizens as a “sinking ship.” It was not only capital that was fleeing. Near many European embassies, citizens lined up for hours, even days, desperate to obtain a passport based on heritage from another nationality. It is estimated that 300,000 people left the country, searching for more stable futures. Given this exodus, accompanied by many citizens’ need for cash in the wake of losses, the Buenos Aires real estate market was flooded well into 2006. It seemed that every other apartment was for sale, as indicated by the realtor signs dotting the facades of residential buildings. People who had salvaged their savings, either putting their money off-shore or under the mattress (“debajo del colchón”), recounted the disbelief they encountered when looking to purchase an apartment. In each apartment they visited, suitcases were lined up and packed. Friends attempting to leave scolded them with words like “You are young, you still have your future ahead of you, don’t squander it!” With the future uncertain, many found the idea of investing in the country unfathomable. Still today, when crime or misfortune befalls upper or middle class Argentines, regret is often expressed about the decision to stay. A handwritten sign posted by a shopkeeper
whose store had recently been robbed suggests the sense of betrayal at having “taken a gamble” on the country, and having been spurned (La Nación 2/16/08).

Argentina’s was the last of a series of financial crises linked to currency speculation in the late 1990s. At the height of the so-called Washington Consensus, Thailand, Russia, and Indonesia, each with IMF guidance, implemented monetary policies that increased their vulnerability to the neo-liberal financial logics of risk and speculation. In every case, when investors retreated, governments failed to function as economic guarantors, at great expense to their citizens. While it is undeniably important to attend to “time-space compression” (Harvey 1989) and financial globalization (Lee and LiPuma 2004), recent scholarship that sees finance capital as eroding the sovereignty of nation-states (Kurtzman in Comaroff 2001), casting destabilizing forces as external, further reinforces a vision that, were it not for these forces, there would ‘naturally’ be economic equilibrium within nation-states. Narrow portrayals of credit as the exclusive property of rarefied financial sectors of global cities (Sassen 2001) or in the “space of flows” (Castells 1997) distracts from the social logics of indebtedness between states and citizens that, as evidenced by the history of European nation-states, play a significant role in the stability of fiduciary money within a national space.14 Downplaying the specificity of a state’s role in sustaining the recursive nature of monetary value both privileges the position of Western industrialized states and is part of the reason there continues to be a dearth of scholarship on what Roitman calls “economic citizenship” or “the economic relationships instituted between individuals or communities and the state” (2007: 189, see also 2005).

14 Arrighi cites Weber on capital formation in “modern western capitalism.” Weber wrote: “…states had to compete for mobile capital, which dictated to them the conditions under which it would assist them to power…Hence it is the closed national state which afforded to capitalism its chance for development…(2007 [1927]: 337).
A focus on money rather than finance captures some dimensions that are lost in focusing solely on financial flows. Such a reorientation – from private finance to public finance – may offer insight into connections and relationships that are less well understood. The crisis of 2001 – while specifically linked to neo-liberal policies – signaled the continuing vulnerability of the Argentine state in the production and regulation of money. Argentine governments have persistently struggled with fiscal crises, inflation and devaluations. In the nineteenth century, a British observer noted that the country had no shortage of experiments with money (Diaz Alejandro 1970). In this dissertation, I read monetary instability as evidence of a state’s difficulty in managing the social logics of indebtedness, a fundamentally political problem rather than one easily solved by “money doctors” (Drake 1993) or technicians, with a long and largely failed tradition in Latin America. Monetary instability is symptomatic of the continuing problems that the Argentine state has had governing the debtor-creditor relations that, far before academics began to speak of global flows and globalization, were ongoing problems. I see persistent monetary instability in Argentina as symptomatic of deep fissures of recognition in political community.

Geoffrey Ingham sees money itself as produced through an active and dynamic struggle to elicit trust. In his words, “money is not merely socially produced – by mints, central banks, etc. – it is also constituted by the social relation of credit – debt. All money is debt in so far as issuers promise to accept their own money for any debt payment by any bearer of the money” (2004: 198). He reads Argentina’s financial crisis of 2001 as the most recent manifestation of a recurrent pattern of difficulty the Argentine state has had maintaining the social logics of indebtedness. Invoking this longer history, Ingham writes:

But I shall argue that the actual crisis and the character of the ensuing disintegration can be traced to the endemic frailty of the monetary system
itself…Argentina’s long-term economic under-performance is, to a large degree, a result of the monetary system’s institutional weakness. In essence, the monetary incapacity is the result of the Argentine state’s long-term ability to create and maintain stable relations between itself and its debtors (taxpayers) and creditors (rentiers/bond-holders)…The enigmatic nature of Argentine economic development is widely recognized (2004: 167).

Even in contemporary capitalism, Ingham observes, where many states are funded by foreign bondholders, these two circuits continue to be critical to efforts to develop affordable credit. With the increasing number of sovereign debt crises, this insight appears in scarce supply, and Ingham’s articulation is worth quoting:

Successful money in modern capitalism consists in the institutionalization of two reciprocal relations between a state and its citizens: taxation and the national debt, denominated in the state’s money of account. The two relations are linked in a settlement whose legitimacy is framed in terms of accepted norms of good fiscal practice and credibility that will be sustained. The willingness of the state’s creditors (investors) to fund further national debt is to a large degree dependent on the state’s capacity to secure revenue (via taxpayers), at a level that creates confidence in the ability to pay interest on, and principal of, the debt (2004: 169).

In a country like Argentina, where the state has historically had great difficulty cultivating confidence in the National Debt and concealing the possibility of its insolvency, gaining insight into the nature of monetary payments and exchanges between states and citizens is urgent. Until the mid-1970s, Argentina had the most prosperous middle-class in Latin America but citizens’ financial flows into and out of banks and/or national borders complicated – and compromised – every administration’s ability to govern (Mahon 1996). As Nicolas Gadano, an economist who worked in the Ministry of Economy for five years during convertibility, told me:

Well, there is a saying here: ‘in Argentina, its best to have cash outside and debts inside’, because ultimately, debts in Argentina are cancelled, dollar debts are transformed into peso debts, nobody pays, and so people have their money protected outside. Capital flight is generalized; perhaps not among very poor people who don’t have a peso, but the Argentine middle class has dollars outside, in secure safes. The middle class likes to say that the problem is the big corporations…but big corporations aren’t the only ones who have fled.
While the ‘public debt’ tends to be thought of as government spending or foreign debt, it is a much broader category, referring to money taken out of circulation. As Smith writes (1989), in 1983 63.3% of public debt consisted of money that Argentine citizens had either sent offshore, traded in for dollars, or stuffed under mattresses. In their study of macroeconomic instability in Argentina, Della Paolera and Taylor (2001) address the general public’s role in the economy:

The public plays a key role through their willingness to hold money, both currency (“outside money”) and bank deposits (“inside money”). Too much bad credit from banks would lead the public to substitute cash for banking deposits and, in an extreme case, would set off a run on banks. Too much inflation would encourage currency substitution – the public would substitute gold or other “hard” assets for paper money and, in an extreme case, set off a run on the currency” (2001: 19).

The Argentine state’s apparent dependence upon citizens’ cooperation and willingness to use state currency and pay taxes, and its vulnerability to “inflationary coups,” has made the state’s vulnerability – and the specter of its possible insolvency – a constant concern. This distrust manifests in the fact that, in Argentina, national currency operates as a means of exchange, but rarely as a unit of account or a store of value.

*Shifting Class Alliances and Political Visions*

The Argentine government’s decision to default on its sovereign debt in 2002, which has received renewed attention in light of debate about Greece’s 2011 sovereign debt crisis, raises a variety of questions about ‘the political.’ While decisions regarding debt-servicing and the securing of liquidity are often made under significant duress, national governments nonetheless have considerable decision-making authority over their insertion in the global economy (Ong
2006, Kirshner 2003). In the post-Bretton woods era, capital flows circulate more freely not because of capitalism’s inner logic but because of neo-liberal governmental rationalities that, sanctioned by the IMF and by mainstream experts, celebrate de-regulation and privatization. In this capacity, when democratically elected governments adopt a certain set of policies, they must seek the approval and support of certain sectors or groups. And it is these governments, with the cooperation of citizens or their representatives, which decide which global flows are accelerated and how and when they may be slowed down through taxation or other regulatory policies like capital controls. In the Argentine case, the need to look at the specific historical context in which decisions to implement a currency board were made could not be more pressing.

In the wake of crisis, many Argentines directed moral indignation at the IMF, a posture fostered by Kirchner’s administration. Contrary to popular opinion, however, after the hyper-inflation crisis of 1989-1990, the IMF was patently opposed to the “currency board” (Blustein 2005). While acknowledged as a quick fix to the hyper-inflation, it was known that this policy would be predicated upon the accrual of foreign debt – denominated in dollars – and that the government would have difficulty repaying. But governments and, in certain cases, citizens themselves, play an active role in supporting or contesting monetary and fiscal policies. And, as the Argentine case suggests, the desire for monetary stability can be a historical and political force in its own right. Unsustainable as it may have been, the candidate who promised to sustain this policy was voted in by the middle and upper classes for a second term in 1995 (for which it is nicknamed the voto cuota or credit installment vote).

How to grasp the appeal of the currency board? I will argue that understanding this question requires examining the political rationalities and affective geographies guiding economic decisions among the middle and upper-classes. One reason for my focus on the middle
and upper-classes is the prominent role these sectors play in controlling flows of money and, in turn, the redistributive capacities of any state. Decisions guiding tax payment and off-shore banking also offer a prism into political questions—themes relating to democracy, obligation, citizenship, inclusion and exclusion. I contend that fiscal and monetary policies resonate with, and are informed by, certain “cosmologies of value,” a term I use to discuss different articulations of the relationship between personhood, society, and state. The degree of trust that citizens place in the state has as much to do with conceptions of the proper relationship between states and citizens—whether defined by a necessary and timeless antagonism or imagined as potentially beneficial—as it does with the virtues of a particular government. Ways of thinking about private property, value, markets and the role of the state—while frequently discussed in a politically neutral language of either the technical or common-sense variety—have implications for political inclusion and equitable distribution. Apart from reading the political into aspects of social life deemed economic, there is a question of how normative assumptions about political organization translate into policies that people support through their vote.

Clues into the broader political questions hidden in monetary policy were evident in the debates re-animated when the currency board collapsed. If a sudden loss of credit in the state impedes future-oriented socializing projects, it can also re-awaken ghosts, or more specifically, unsettled debts. Political cleavages that seemed to have been transcended during the 1990s, specifically the deep rift between liberalism and Peronism—itself intimately related to the social trauma caused by the 30,000 disappeared during the dictatorship—resurfaced in a powerful way in the aftermath of the 2001 financial crisis. What to make of claims by the Kirchner administration and progressive social commentators that the financial crisis signaled the true end of the dictatorship, when by all conventional measures it had ended in 1983? What were the
ghosts contained in this monetary policy that were released upon its collapse? What was the political vision underwriting Nestor Kirchner’s prioritization of the “social debt” over the “foreign debt,” accompanied by a resuscitated language of “national bourgeoisie”? 

To understand the resurrection of these political cleavages, it is necessary to situate the currency board within a longer history. While this technology embodies a neo-liberal political rationality, when first implemented in 1991 it was neither a foreign imposition nor a novel one. In 1891, after the Barings crisis, Argentina became the first independent country to implement a currency board (Della Paolera and Taylor 2001), a technology that, as previously noted, does not rely upon a citizenry’s trust or willingness to extend credit. Jane Guyer has recently suggested that “institutions, practices, cultural constructions must be historicized because they represent not (or not only) ancient fundamental principles but the long-term sedimentation of experience” (2004:173). Heeding this methodological advice, the currency board might be said to be associated with the Argentine tradition of liberal authoritarianism, closely allied to the conservative oligarchy, which repeatedly prioritized market growth over political inclusion. This path to growth and monetary stability, and the fiscal and financial technologies that enabled it, were predicated on the idea that the country’s inhabitants were unfit as moral or political creditors.

After the 2001 financial crisis, both the UIA (Argentine Industrial Union) and the government began to urge a more prominent role in the economy for the “national bourgeoisie,” a term that harkens back to the 1940s when the reigning distribution of fiscal and financial power was challenged. As Brennan and Rougier write: “After falling into oblivion during the 1976-1983 military dictatorship and the subsequent decades of neoliberal hegemony, the subject of the “burgesia nacional” has returned to occupy an important place in public and academic debate in
Argentina” (2010: xii). Then, as now, industrialists and businesspeople, as well as members of the salaried and autonoma (autonomous) professional middle and upper-classes, were called upon to play an important role – through consumption, tax payment, and investment – in the national economy, the prosperity of which was cast as contingent upon the formation of new class alliances. Just as an alliance between the state and landowning elite gave way in the 1940s to Perón’s active courtship of the industrial sector (via the agricultural sector’s profits), after the crisis of 2001 the state’s links with multi-national finance gave way to a rapprochement with domestic agricultural and industrial sectors (Basualdo 2006).

The challenge facing the Kirchner government at this moment was how to deploy terms associated with earlier Peronist regimes – “national capitalism” and sovereignty – as well as a personalist political style, without antagonizing a major constituency: relatively high-income residents of Argentina’s capital. The city of Buenos Aires, where I conducted the majority of my fieldwork, is both where most of Argentina’s wealth is concentrated (Benzecry 2011), and where “the bulk of the anti-Peronist vote is concentrated” (Szusterman 2010). With the exception of Carlos Menem, a Peronist who, once in office, switched gears and implemented a neo-liberal platform – for which he “picked up middle-class adherents” (Lupu and Stokes 2009: 81) – since the restoration of democracy in 1983, the middle and upper-classes have tended to vote against the Peronist party, which has long been associated with the working and lower classes. Anti-

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15 There are two relevant distinctions among white-collar workers. Clase media autonoma (autonomous middle class) refers to members of the middle-class who are self-employed and generally include lawyers, doctors, psychologists, and architects in private practice. The term clase media asalariada (salaried middle class) encompasses all those workers employed by larger private sector companies or the state, engineers, bankers, technocrats. Maristella Svampa has an excellent discussion (2001) of developmentalists’ mid-century expectations that the upper and middle classes would be the engine of economic development. See her chapter entitled (my translation), “The ‘Sins’ of the Argentine Middle Classes: Between Cultural Mimetism and Political Betrayal.”

16 Claudio Benzecry writes that “According to the National Marketing Association and city government, 51% of the city population can be considered upper-class (21 percent), upper-middle class (13 percent), or traditional middle-class (17 percent). The remaining 49 percent is divided among upper-working-class, lower-class, and those outside the labor market” (2011:42). These numbers are in stark contrast to the surrounding area where, as he writes, only 23% of the population is considered upper-class.
Peronist sentiment, often linked to liberal anti-nationalist sentiment, cuts across left and right upper-classes.17

While allegiance to left Peronism must also be cultivated among less affluent Argentines, there is a longstanding association between the working-classes, the poor and Peronism that has been the subject of much scholarship (Auyero 2001, Balbi 2007, Elena 2005, Karush and Chamosa 2010, Lupu and Stokes 2009). What required more deliberate care – and considerable persuasion – was engaging the urban professional and middle-classes. If, as appeared to be the case, Nestor Kirchner was attempting to unite a broad cross-class political coalition around a critique of neo-liberalism, how could this be accomplished in a country where Anglo-American theories of citizenship (Somers 2008) and the technocratic language of neo-liberalism had become deeply embedded in the 1990s? The porteño middle and upper classes, deeply identified with procedural liberalism, tend to see appeals to affect in politics as signs of populist demagoguery. If Kirchner was re-introducing the idea that successful modern economies rely upon an ethical or affective bond, would this necessarily alienate these sectors?

The political conjuncture after the crisis seemed an appropriate opportunity not only to return to questions of hegemony and the political – terms that had come to seem outmoded in an age of globalized neo-liberalism – but also to do so with a specific inflection on the fiscal. If tax, price, and off-shore banking – practices often deemed narrowly ‘economic’ – were being read by a variety of scholars for their political content, might changing political orientations take on a fiscal expression? This question was shaped by a literature in the anthropology of capitalism

17 Pierre Ostiguy offers a persuasive analytic framework for understanding the anti-peronist/peronist cleavage as a politicization of a high-culture vs. low-culture split. He argues that “Peronism and anti-Peronism as political identities are not only about economic policies and electoral platforms, but, beneath a rationalist discourse about economics that far from always correspond to class interests, have a marked social-cultural component, which is unmistakable not only to the live observer but to which more than one Peronist and anti-Peronist apparently feels and reacts at a visceral level” (1997:37).
challenging the universalism of *homo economicus* as an affect-less maximizing agent (Gibson-Graham 2006). While the maximizing impulses of elites may once have seemed self-evident and undeserving of further scrutiny, recent work on the way calculative abilities are framed and formatted by particular technologies of governance (Callon 1998, Miller and Rose 1990) have historicized and de-naturalized this assumption. Apart from opening new avenues of inquiry on elites, these insights might be placed in productive conversation with an older literature on class that challenged reductionist analyses of taste or political ideology as determined by a person’s position in the relations of production.

Far from a clear correlation between socio-economic status and political views, political dispositions among the Argentine middle and upper middle-classes have shifted considerably over the course of the twentieth century (Svampa 2008, Terán 1991). While during the 1940s and 1950s the middle-classes were anti-Peronist, in the 1960s large segments of the middle-class were radicalized, becoming fiercely imbued with anti-imperialist sentiment. It was this radicalization of the new middle classes, whose livelihoods had improved significantly with expanded access to educational and work opportunities during the Peronist era, that ultimately triggered the neo-liberal backlash of the dictatorship. In the political field, this has produced often violent clashes between liberal political rationalities associated with free-markets and welfare-oriented rationalities linked with developmentalist policies.

This history, in conjunction with theoretical developments, has led me to take the view that, while class is a useful marker of socio-economic status (income, inherited wealth, educational opportunities), it is not determinative of political orientation. I take the political dispositions within a socio-economic group as shifting and amenable to persuasion. Laclau and Mouffé’s most important contribution to Gramsci’s theory of hegemony was to reformulate it in
non-essentialist terms (1985). They argued that the success of a political movement could not be attributed to its tapping into pre-constituted ‘historical interests’ of particular class groups, but rather its ability to respond to identifications, based on changing socio-political conjunctures and configurations of desire.\textsuperscript{18}

Latin American dependency theory of the 1950s and 1960s, which was influenced by the Gramscian turn in Latin America, emphasized the cultural and political importance of upper income groups. Surprisingly, however, this did not translate into more nuanced or textured ethnography or sociology of the middle-class and of elites.\textsuperscript{19} Dependency theories crafted a critical response to evolutionist modernization theory that attributed Latin American development to “culturalist” explanations of backwardness and/or laziness. The North’s economic success, they argued, rescuscitating one of Karl Marx’s critical insights, was inextricably linked to primitive accumulation in the South. Too often, however, as many cultural theorists pointed out (Escobar 1995, Grosfuguel 2008, Salvatore 2008, Mazzotti 2008), dependency theory did not undertake nuanced analyses of local class or racial/ethnic dynamics, dichotomized the foreign vs. the local, and downplayed the agency of local actors. The most common critique was that of economism. As Joseph notes:

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this one-dimensional perspective of “comprador elites” had the effect of redefining locals as foreigners, and preempted the examination of other relations, shared assumptions, and emotional and other affinities between local agents and foreign elites… Finally, the 
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\textsuperscript{18} According to Laclau and Mouffe, subjects are constituted in and through participation in particular hegemonic practices, regardless of whether these practices coincide with what is perceived as an essential or preconstituted class position. “First, the very identity of classes is transformed by the hegemonic tasks they take on themselves: the rigid line of demarcation between the internal and the external has fallen…since hegemony supposes the construction of the very identity of social agents, and not just a rationalist coincidence of ‘interests’ among preconstituted agents” (1985: 58).

\textsuperscript{19} As a focus of anthropological/sociological analysis, the Argentine middle and upper-classes have been under-represented (personal communication with Alejandro Grimson). As of the late 1990s this has begun to change with excellent work by Svampa 2001, Guano 2002, 2004, Semán, Lewgoy and Merenson 2007, Lakoff 2006, Benzecry 2011. Describing a trend in Latin American studies more broadly, Centeno and Lopez-Alves note that “the pendulum has perhaps swung too far in the direction of nonelites…we join others in wondering if more attention should not be paid to those who, for better or worse, make decisions, to organization that define policies, and those who implement them”(2001: 16).
economism of dissident paradigms relegated culture to a subsidiary role. Since the comprador bourgeoisie lacked a true consciousness, their interests and tastes were essentially those of metropolitan capital, not their own (1998: 12-13).²⁰

Not only did such representations – of elites as either resisting/accommodating foreign power – conceived vis-à-vis an axis of capitalism/socialism, fail to capture variations and shifts among the middle and upper classes, they also failed to capture the complexity and political paradigms of the Peronist era. The central debate, in the Argentine case, was less that of capitalism vs. socialism and more centered on liberalism, its interpretation, and the limits it might represent to democracy within a capitalist polity. Especially after the events of 1989, a more nuanced and textured approach that can take account of different forms of oppositional politics within capitalism seems worthwhile.

To shed light on the questions I’ve chosen to develop, a brief political history of capital, one that elucidates the distinctly liberal direction taken by the post-colonial state and ruling classes, may be revealing. Indeed, it was extreme inequality and the exclusion of large sectors of the population – in tandem with, in the 1940s, a persuasive political narrative that clearly articulated the way that liberalism was an obstruction to democracy – that gave rise, in the mid-century, to cross-class alliances and a popular nationalism.

Argentine Capital’s Divergent Path

²⁰ For another such critique, see Mazzotti: “It makes no sense to extract some monolithic Creole identity, for doing so runs the risk of erasing the dialogic and interactive nature of Creoles’ engagement with their social environment…it is important to keep in mind that the dimensions of Creole ambivalence were not always static and predictable, but alternated at different times between loyalty and rejection” (2008: 99).
The territory that is now modern-day Argentina was – from 1516 to independence in 1810 – an integral part of the sprawling Spanish Empire. For more than two centuries, Lima was the hub from which merchants and viceroyalty orchestrated the operations of extracting silver – through the forced labor of indigenous communities – from the mines of Potosí (Tandeter 1981). Buenos Aires was a small port town with little administrative authority that served as an entrepot for funneling precious specie from the areas that now comprise Bolivia and Peru through the Andes back across the Atlantic to the Spanish peninsula. It was not until 1776, as part of the Bourbon reforms implemented to shore up a crumbling Spanish Empire, that the Viceroyalty of the River Plate (current day Paraguay, Uruguay, parts of Argentina) was created. Buenos Aires grew in importance at that point.

The forced labor conscripted for mining in the Andean highlands was extracted primarily under the *mita* system, which entailed a combination of tribute and labor paid to colonial authorities. In the northern regions of present-day Argentina, mainly in the provinces of Corrientes and Misiones, forced labor was organized by missionaries in *encomiendas* (Rock 1985). The number of indigenous people in *encomiendas* peaked at 50,000 in 1596 but on account of the rapid decline of indigenous communities from exploitation and the spread of disease, by 1620 the institution was moribund. The *mitas* survived longer as the Spanish crown increasingly bought African slaves through the port of Buenos Aires to work in the mines. As Gordillo and Hirsch point out, at least until the war of independence, “over half of the territory that today constitutes Argentina was in the hands of politically

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21 Most systems of forced labor were concentrated in the Andean highlands, which were far more densely populated than the Gran Chaco, the Pampas or Patagonia (Lange, Mahoney, and Vom Hau 2006). With the Argentine war of independence in 1810, these systems of forced labor – along with slavery – were formally abolished. The *encomiendas*, which were the most common form of forced labor in Argentina entailed “converting the Indians under his charge to Christianity; in return he had the right to labor services in the form of forced labor or tribute payments in cash or in kind, levied upon individuals or communities” (Rock 1987: 18).
autonomous *indios infieles* (“infidel Indians”)…which subjected frontier Spanish settlements to permanent raids” (2003: 8).

The plunder of silver, which funded colonial enterprises and “entered the sinews of European finance and commerce” (Adelman 1999: 20), was one of the classic iterations of what Karl Marx called “primitive accumulation.” This was the context that gave rise to the merchant families of the porteño *criollo* elite, and to the fortunes they accumulated. 22 But if silver mining helped fuel industrialization in Europe, in Argentina, this original “primitive accumulation” did not become the occasion for a state-led cycle of industrialization. Marx used the term “primitive accumulation” to refer to the separation of the direct producer from the means of production, a process associated with two other developments. On the one hand, the riches plundered provided the initial and original capital to begin a cycle of investment and industrialization. On the other, both in Latin America and in Europe, land was appropriated and its inhabitants were conscripted – often through the duty to pay taxes – into forced or wage-labor relations.

The question of why industrial capital did not develop in Argentina as it did in Europe has stirred many inquiries. While hypotheses accounting for landed capital’s “reticence” as López Alves writes, range from a weak post-Independence state and the absence of a centralized tax system (2001) to the absence of monetary authority to safeguard investment (Adelman 2001) to the “rentier mentality” of the landowning elite (Johns 1992), all interrupt a teleological idea of capital, and lead to further inquiry into the relationships of economic elites to the nascent state or to Great Britain. The merchant class, deeply influenced by Enlightenment writers such as Locke and Smith, believed that agricultural production should be the font of wealth. But even with

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22 Criollos are Spaniards born in the colony. According to Milanesio, the term *criollo* refers to “both people of Spanish descent and mestizos born from one white and one indigenous parent” (2010:56).
industrialization as a relegated question, by the early nineteenth century labor shortages thwarted aspirations to agricultural expansion.

Commenting on the way the state’s demographic realities conspired against ensnaring labor through fiscal coercion between 1820 and 1865, Ricardo Salvatore writes that “low population density, chronic shortages of labor, and intense occupational and geographical labor mobility generated the conditions for active markets in labor power. Unable to restrain rural laborers through indebtedness or direct coercion, landowners learned to accept the logic of the market: to attract peons they had to offer competitive wages” (Salvatore 2000: 409). According to Halperin-Donghi, “What was radically different about Argentina…owed to the lack of a local peasantry whose dispossession might otherwise have offered both the land and the labor base for a different style of agricultural expansion…” (1997:103). Wool production and then cattle-breeding, rather than agriculture, were the primary exports. It wasn’t until the 1880s that agricultural exports boomed.

The policies that the Argentine state deployed vis-à-vis its indigenous populations in the second half of the nineteenth century clearly qualify Argentina as a settler colonial state (Johnston and Lewis 2000). Under the aegis of what would become the nation’s foundational narrative – civilization vs. barbarism – the state carried out a second wave of primitive accumulation. Throughout the 1870s and culminating in 1879, the Argentine state, under the leadership of President Julio Roca, and in the name of democracy, carried out what was euphemistically referred to as the “Conquista del Desierto” (Conquest of the Desert), a campaign that led to the slaughter and capture of the majority of Argentina’s indigenous peoples. While the numbers are inexact, Bayer (2004) cites an Official State Bulletin of 1881 that 1600
indigenous people were killed while 10,000 were taken as prisoners for indentured servitude. In the mid-century, “Gauchos, indios, and ex-slaves...were subjected to oppressive vagrancy laws and came to represent an underclass on the fringe of the export economy. These groups were socially and politically marginalized until the 1940s” (Lewis 1990: 104).

At the same time, the state undertook efforts to re-populate the land with Europeans. Waves of immigrants primarily from Southern and Eastern Europe, fleeing famines and pogroms in some cases, and seeking to “hacer la américa” (make a fortune in the ‘new’ world) in others, were welcomed as part of the state’s policy that governing is populating (“gobernar es poblar.”) In contrast to many other settler colonial states, these immigrants did not become a petty bourgeois landowning class but rather became rural agricultural workers. The land appropriated through raids was given to soldiers and military men as compensation for their service, resulting in large plots of land in the hands of few landowning families. While originally privileged vis-à-vis indigenous peoples and mestizos, the European settlers, many of

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23 In light of prevailing racism of the Generación del 80 (state-builders of this era), it is not clear whether these numbers would have been overstated or understated. As Johnston and Lawson write (2000), one of the characteristics of settler colonies is this imagery of the ‘desert’ or empty land, and an attempt by settlers to claim indigeneity, which can disavow the violence of invasion. What Gastillo and Hirsch (2003) have written about as the “invisibilization” of indigenous peoples in Argentina, as well as a recent phenomenon of “re-indigenization,” are also treated in Lazzari (2004).

24 A third of the population of Buenos Aires was black in the mid-eighteenth century (Rodríguez 2006).

25 Colin Lewis writes that “Around 1850 some 4,000 immigrants each year in Buenos Aires, a time when total national population was estimated at a little over one million...Population quadrupled from around two million to eight million between the national censuses of 1869 and 1914...The 1914 census showed that around one-third of the total population had been born overseas and that some seventy per cent of the Buenos Aires working class and industrial entreprenueriat were foreigners” (1990: 100).

26 Commenting on the 1900s, Johns writes that “The incomes of rural workers such as grain producers, wool shearers, grape growers, and sugar harvesters, thoug higher than those of rural folk elsewhere in Latin America, were much lower than their counterparts’ in the U.S., Canada, Australia, and New Zealand. Apart from some early, small-scale development of private property in the northernmost reaches of the Pampa, the inequitable and tenant-based agrarian system failed to produce anything like the farmer classes that developed in other grain-,beef-, or wool-producing countries (Gallo 1984)” (1992: 193).
whom arrived with anarchist and socialist ideas, were soon seen as a threat, and the oligarchy lamented that immigrants had come from Southern and Eastern rather than Northern Europe.27

The period of 1880-1920 is often called *la belle époque*, an era when Argentina’s GDP rivaled the world’s wealthiest nations and its first currency board was implemented. Without regulation and redistributive mechanisms, inequality widened and labor conditions worsened. Instead of cultivating citizens as consumers of an internal market and moral creditors of Argentine money, credit was outsourced to Britain. While President Roca proudly asserted that Argentina was part of the British economic empire, and the British referred to Argentina as its sixth dominion, what differentiated Argentina from Australia, Canada, New Zealand, and Newfoundland was that it was an ‘informal part’ of the British empire rather than a colony, or what was later called a “dominion” (Winks 1976). While British capital poured into Argentina to build the railroads to facilitate agricultural exports, they did not invest in developing fiscal and financial infrastructures, only those that would facilitate the export of raw materials. The British made two attempts at invasion, in 1806 and 1807, but were defeated, though they did seize the Falkland Islands in 1833 and continued into parts of Antarctica in the early 1900s (Howkins 2010).

As a response to the crash of 1929, when markets for Argentine goods dried up, early initiatives to begin import substitution industrialization in the 1930s led to the migration of thousands of migrants of *mestizo* and indigenous background from the provinces to Buenos Aires. Over the span of a little more than ten years, the number of migrants grew from 400,000 in 1935 to 1.5 million in 1947. The movement led by Juan Perón, built on an alliance between

27 Of the prejudices facing Italians and Jews in particular, Rodriguez writes that, “The idea of race in Argentina, however, encompassed not skin color alone, but also a European cultural hierarchy in which southern cultures were viewed as intellectually and culturally inferior” (2006: 25).
disenfranchised migrants and industrialists, has been read as an effort to achieve what Antonio Gramsci, writing of Italy, called ‘passive revolution’ (Morton 2010, Munck 1989). Of the utility of this term for situations of uneven development more generally, Chatterjee writes, “It now seems more useful to argue, however, that as a historical model, passive revolution is in fact the general framework of capitalist transition in societies where bourgeois hegemony has not been accomplished in the classical way. In “passive revolution,” the historical shifts in the strategic relations of forces between capital, precapitalist dominant groups, and the popular masses can be seen as a series of contingent, conjunctural moments” (1993: 212).

Perón extended social citizenship to disenfranchised groups, building the strongest welfare state in Latin America. “By 1949, real wages, that is, nominal wages minus inflation, had increased by 81 percent over what they had been in 1943. To such wage increases were added compulsory 8-hour work day, a 48-hour work week, and an extensive social security system for most workers” (Epstein 1975: 619). While Perón had not developed a specific policy for indigenous groups, their inclusion as recipients of social welfare led many to be grateful to him and to hold him in positive esteem (Lenton 2010). According to Karush and Chamosa, “Peronism’s hostility to liberal democracy…was not the product of traditional authoritarianism but the result of the crisis of the 1930s, in which the historic articulation between democracy and liberalism had been severed. Thus by 1945 Peronism could present liberalism as an ideology linked to elite class interests, while offering workers a more socially defined democracy, together with industrialism and nationalism, as an ‘antagonistic option’ against the oligarchy” (2010:5).

Laclau’s reading of Gramsci was largely based on these cross-class alliances that emerged in Argentina in the 1940s. But the relevance of Grasmci was not limited to Laclau, marking an entire generation of the “new intellectual left” in Argentina and Latin America more
broadly (Terán 1991, Burgos 2002). While anti-Peronism spread among some sectors in the 1940s, by the 1950s and 1960s, a re-thinking of this position had begun. Regarding what came to be called “gramscianos argentines” (Argentine gramscians) in the late 1950s and 1960s, Terán writes “Beyond intellectual realms of opinion, penetrated by anti-colonial sentiment, “europeism” (europeismo) was constituted as a category to disqualify those complicit with an influence that had annihilated what was specifically national” (Terán 1993:90). Echoing this view, Brennan and Rougier write that “The popular nationalism that imbued the politics and culture of Latin America in the middle decades of the past century drew much of its strength from a desire among broad sectors of Latin American society to break free of the legacies of colonialism and the constraints on development imposed by the workings of the international capitalist economy. There was agreement, for example on the primordial role to be played by the burgesia nacional – a national and even nationalist bourgeoisie – and its potential contribution to economic independence and national sovereignty” (2010: xi).

To scholars unaccustomed to seeing the language of anti-colonialism in the Latin American context, its usage above may be surprising. The term anti-colonial refers most commonly to decolonizing movements in the mid-twentieth century in Africa and Asia. The question of whether or not the term post-colonial applies to Latin America beyond its use as a temporal marker has been a subject of much debate. Scholars who argue against the inclusion of Latin America contend that doing so makes it difficult to differentiate between countries whose independence wars were fought by the colonized and those led by the criollo elite or descendents of colonists (settlers). The importance of specifying the characteristics of each colonial

28 Jorge Klor de Alva (1992) was an early voice against the use of the term post-colonial to refer to Latin America, arguing that the term masked the continuity of imperial relationships. If Latin America was referred to as a post-colonial state, forms of domination by the “post-colonial” settler state would be erased. Commenting on settler states, Shohat articulates a related argument: “The vague starting point of the post-colonial makes certain
experience, especially the degree and form of domination entailed, is indeed critical. Given that the Latin American wars of independence occurred in the early nineteenth century, there is an argument to be made that the asymmetrical, and largely economic, relationships of power that persisted should be described as neo-colonial or imperial. But excluding Latin America carries other risks and problems. 29

One consequence of Latin America’s exclusion from debates on post-colonialism is the failure to capture the continuities and internal critiques – both from elite and subaltern sectors – of the contours, policies, and political visions taken by original independence movements. This point is elaborated by Fernando Coronil, who proposes to “pluralise colonialism – to recognize its multiple forms as the product of a common historical process of Western expansion” (2008: 405). Many of the themes that arise in debates associated with subaltern studies – critiques of European historiography, or the normativity of European analytics (specifically a critical engagement with nationalism and Marxism, see Prakash 1994) – have featured prominently in public debate in Latin America. 30 These questions are so ubiquitous that even social scientists
differentiations difficult. It equates early independence won by settler colonial states, in which Europeans formed their new nation-states in non-European territories at the expense of indigenous populations, with that of nation-states whose indigenous populations struggled for Independence against Europe, but won it, for the most part, with the 20th century collapse of European empires” (1992: 103).

29 It is first worth mentioning an overlapping set of questions that arises around whether white-settler colonies (which in the Latin American context include Argentina, Chile, Brazil and Uruguay) should be included in discussions of post-colonialism. Again, part of the rationale surrounding exclusion is that settler-revolutions implied more continuity than rupture with colonial racial/ethnic hierarchies and power relations more broadly. Though this is undoubtedly true, providing that clear statements of the characteristics and limits of ‘decolonization’ are detailed, the inclusion of settler colonial situations would seem to offer broader insights into colonial dynamics. As Johnston and Lawson write, “The theoretical consequences of excluding settler postcolonialism from the broad field of postcolonial analysis are very damaging. It would have the effect of bracketing off from examination the very location where the processes of colonial power as negotiation, as transactions of power, are most visible” (2000: 369). In both debates – regarding settler colonies and Latin America – there is the risk of eliding differences that might broaden our range of understanding about colonialism and its legacies.

30 Many authors question why British colonialism and Africa and Asia should set the standard for the conversation. Another frequent argument is that an over-emphasis on a stark difference between indigenous/non-indigenous in wars of independence vs. and decolonizing process fails to account for the reproduction of internal inequalities in these countries. See the edited volume “Coloniality at Large: Latin America and the Postcolonial Debate” (2008), as
who have not engaged them directly note: “Since its inception as part of the global economy in the sixteenth century, Latin America has looked elsewhere for models to understand and imagine itself or to emulate” (Centeno and Lopes-Alves 2001: 5). Dependency theory, for instance, arose in an attempt to develop analytics that could help account for this different history of capital. Commenting on Latin America’s important contributions to ‘global decolonization,’ Coronil writes:

As “old” post-colonial nations that had faced the problem of national development for a long time, the key word in Latin American social thought during this period was not colonialism or postcolonialism, but “dependency.” This term identified a formidable body of work developed by leftist scholars in the 1960s … which “represents one of Latin America’s most significant contributions to postcolonial thought within this period, auguring the postcolonial critique of historicism, and providing conceptual tools for a much needed postcolonial critique of contemporary imperialism. As a fundamental critique of Eurocentric conceptions of history and of capitalist development, dependency theorists undermined historicist narratives of the “traditional”, “transitional” and “modern” making it necessary to examine post-colonial and metropolitan nations in relation to each other through categories appropriate to specific situations of dependency (2004: 323-324). 31

In light of the debates that have resurfaced in Argentine public discourse (regardless of the post-colonial categorization), the failure to re-engage the legacy of dependency theory would be a missed opportunity, detracting from our understanding of the Argentine response to neoliberalism. Apart from constituting an important chapter in the history of Latin American anti-imperialist thought and leaving an indelible mark on public opinion and the social sciences, dependency theory offered valuable insights, even if not all of these insights were developed to their full potential. As Joseph writes, although theorists of dependency “rarely embraced their

well as the work of Walter Mignolo, Anibal Quijano, and others in “The Latin American Subaltern Studies reader” (2001).
31 A similar assessment is made by Moraña, Dussel, and Jauregui, who write: “To a certain extent, dependency theory constituted a clear acknowledgement of Latin America’s “coloniality at large” and a serious attempt to undertake a materialist analysis of the region’s economic relations both at a national and an international level” (2008: 14).
empirical agenda, rarely specified through fine-grained research either the complex alliances of dependency or the culturally embedded social fields in which they were situated does not invalidate Cardoso and Faletto’s original insight. Indeed, in Dependencia y Desarrollo and a select group of dependentista historical monographs, we gain real insight into how foreign influences and powers were ‘imbricated in the formation of local class relations,’ and how ‘rather than acting like puppets on a string (manipulated by omnipotent foreigners)...these local classes pursued particular interests...[and] constructed local political institutions and webs of power’” (1998: 14) (quotes within quotes from William Roseberry 1998: 518). 32

A project that looks at the fiscal practices of the middle and upper-classes seems especially important in light of what some have noted was a departure, in social sciences and humanities analyses of Latin America, from questions of class, equity, redistribution, and economy. The backlash against what was deemed an economistic view prompted a pendular swing towards a “cultural turn” (Rosenberg 1998, Centeno and López-Alves 2001) or “antimaterialist bias” (Brennan and Rougier 2010: xv) that often entailed using dependency and world-systems perspectives as foils (Roseberry 1998: 517). But a critique of economism needn’t entail a departure from questions of materialism. 33 My aim is to re-integrate these concerns in a

32 A distinguishing feature of dependency theory was its emphasis on distribution, circulation, and accumulation as much as production, an attribute which led it to be shunned by orthodox Marxism (Wolfe 1997). Despite a determinist bent in much dependency theory (regarding the way certain economies were predisposed in the world economy), the focus on debtor-creditor relations between periphery and metropolis offered important insights into the way that power relations were perpetuated in global capitalism. These views are relevant, I suggest in chapter four, for understanding the tenor of the Kirchner government’s negotiations surrounding the sovereign debt default of 2001.

33 See the work of Patrick Wolfe (1997) and Manu Goswami (2005) for a related critique from within postcolonial criticism. Of the lasting importance of critiques of imperialism to decolonization, Goswami speaks of the importance of “the positive content of an economic critique of colonialism” (2005: 211). Lamenting what she sees as a rupture between anti-colonial thought and the current state of post-colonial criticism, she writes that “The move away from economistic readings of colonialism has immeasurably enriched our understanding of the sociocultural complexities of colonial societies. Yet it is important to recall that the conceptual template of uneven development, structured dependencies, and the like articulated the lived experience of colonial unevenness and forms of domination for many colonial subjects... a focus on the historical geography of capital does not require us to reify the economy, to treat it
different way, through a broadening of what we see as “economic” and “cultural.” This entails close attention to how power is created and elided through the performative construction of disciplinary divisions.

**Re-Materializing Class Practices**

How, then, to do justice to this complex history of class formation and analysis? If the political dispositions of class groups are not pre-determined, there are nonetheless ways of gaining insight into what shapes them. On the one hand, this involves a rapprochement with hegemony theory, undertaken with several caveats. I am interested in the particular visions of politics and justice of those who are being hegemonized, and how their views develop in relation to the state. The relationship with the political is doubly understood then – through hegemony – but also, in a more Foucauldian vein, through specific fiscal and financial technologies.

My attempt to merge hegemony theory with attention to fiscal and financial practices has a specific aim. While class interests may not be historically pre-determined, wealth – and where it is channeled – matters. It matters so much that we must find ways to re-materialize Laclau and Mouffe’s important contributions. While I am interested in the ambivalent positioning of the middle and upper-classes, including feelings of belonging and estrangement – themes long considered of special relevance to the the *criollo* elite – my concern is more specific. My intent is to trace how European legacies very much alive in the Argentine middle-class translate into

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as an ontological given, as a self-regulating, autonomous sphere, or as determinative in some dreaded last instance” (2004: 29).
beliefs about appropriate fiscal and financial policies, and decisions surrounding fiscal and financial practices.

I attempt to decipher the underlying appeal of policies that carry within them normative assumptions about individualism, the state, and society. In this regard, liberal or anti-liberal traditions – including corresponding ideas of the proper locus of sovereignty, and the form of exchanges between state and citizen – are important, and I argue, did not develop in a vacuum from political-economic developments. In chapter one, I study the rise of natural rights law conceptions of rights-bearing citizens and *homo economicus* in the context of the history of public finance, arguing that they arose in dynamic tension with prevailing monetary instability. Liberal ideas still central to our governing discourses, I suggest, were forged in a crucible of debtor-creditor relationships constitutive of the modern state’s transformation into an economic guarantor. In this regard, the analysis proposes to expand the reference point for thinking about class beyond the relations of production to dimensions of public finance involving changes in the government of fiscal and financial technologies.

These ideas are of urgent political concern today. That deficit spending is considered morally or ideologically offensive in many parts of the world – a view that underwrote the currency board – reflects cosmologies of value that see the individual as sovereign. Insofar as such views affect whether jobs are created and social programs are cut, they constitute a critically important terrain of class warfare that is not sufficiently acknowledged as such. While informed by scholarship on the de-centering of the subject, I propose to look more closely at the ongoing role that a particular vision of individualism – one deeply averse to fiscal ties to the state – has played in guiding policy-making, and political and economic thought.
In some respects, the attempt to grasp modern cosmologies of value does involve a return to Europe. At this juncture, however, the aim is to more accurately grasp the tactics, policies, and rationalities of modern power modeled on British and French doctrines (in terms of economics and law respectively) that were deployed in Argentina. My aim is to clarify the ways in which these doctrines offered an idealized and partial representation of modernity, not because they were mis-read but because, to use Latour’s language of “purification,” they revealed only half the story of what had produced them. I suggest a more irreverent reading of European liberalism, drawing on theorists – Latour, Mauss, Simmel, even Durkheim – who question Enlightenment as the increasing rationalization of the world.

The theme of affect, which I approach through the language of recognition, is critical to this approach. The ‘fiscal politics of recognition’ integrates insights from recent work on the importance of affect in governmental processes (Stoler 2004, Rutherford 2009) with a specific focus on the relational characteristics of payment processes in the construction of sovereign polities (Cattelino 2008, Aglietta and Orléan 1998). I contend that economic obligation, rather than forged solely in realms of religion, “culture,” or family, crystallizes where we might least expect it: in our bureaucratic midst. As William Mazzarella writes, “Contrary to the ideological discourse of rationalized modernity, the labile terrain of affect is not in fact external to bureaucratic process. Affect is not, then, so much a radical site of otherness to be policed or

34 As David Scott writes, “In effect, then, not less Europe, but a differently configured one; not a reified Europe, but a problematized one…My argument is that historicizing Europe by way of an attention to these features is indispensable for a more discriminating inquiry into the modernities of the colonial and postcolonial world” (1998:31).

35 In this regard, as Mazzarella writes “Emile Durkheim’s The Elementary Forms of Religious Life (1995 [1912]) is a splendidly subversive text. For starters Durkheim…gives us something that in today’s polarized theoretical landscape has become almost unimaginable: a social theory that is at once semiological and affect-based” (296).
preserved but rather a necessary moment of any institutional practice with aspirations to public
efficacy” (2009: 298).

Bringing Mauss’ insights on the forging of moral obligation through money-mediated
processes to bear on capitalist polities, I point to the multiple ways in which citizens and the state
are affectively entangled in their capacities as creditors and debtors. State-citizen relationships
are overlaid with (often unarticulated) expectations about what should be given, received, and
reciprocated and, as Mauss elucidated, the strategic concealment or exposure of these power-
laden relationships bears upon the efficacy of the bond, and the respect elicited and proffered.
Such a vision, by showing how affect is produced by ‘structure,’ previously seen as its negation,
dissolves the economy/culture binary.

Another way of materializing what might be perceived as an unmoored view of class is
through elucidating the fiscal and financial relationships of given classes to the state. Missing
from earlier accounts of class was a nuanced analysis of how particular class fractions both
contributed to building or expanding the state (Chatterjee 2008), and were, in turn, shaped by its
fiscal and financial technologies. In spite of recent work on affect and governance, much work in
the anthropology of capitalism presumes that the state is a semi-objectified structure, a notion
that all too often fosters an image of it as what Foucault called a “mythicized abstraction”
accumulated, held, or condensed in the state or other sovereign entity. And yet, many dimensions
of economic practice, such as social payments (Guyer 1995, Maurer 2007), and the modes of
regulation that shape them, have not been analyzed within a relational prism. In writing about the
history of governmental reason through the fiscal bond, I am interested in focusing on subjects’
use of state liabilities (currency and bonds) as a critical window into dynamics of power and sovereignty.

Despite recent attention to exchange controls as an “important way for states to maintain sovereignty over their economies and monetary systems” (Maurer 2007: 131), the effects of monetary and fiscal regulation on sociality have received little attention. Relatedly, there has been a lack of attention to variation among national capitalisms. In Jane Guyer’s words, while “our subdiscipline has always been about “thinking other” than capitalism either by looking far back into the past or way out into the world”…“thinking other” from the borderlands between the capitalism of the core and the “remotely global” (Piot 1999) has been conceptually very difficult” (Guyer 2004: 170). Noting the absence of attention in anthropological work to credit and the governmental arrangements that make it possible, Guyer observes:

we have focused on the short temporal cycles and circuits when we write about capitalism, leaving out analysis of the composition of the very long cycles that coexist with them, and indeed – through the capital/credit nexus – make them possible. And those very long cycles of relatively timeless value do exist in capitalism, as they do in other types of economy, and even more critically because the entire edifice of credit depends on them. Capitalism is about capital, not only about commodities and labor. The households and local populations that we study in anthropology are only a part of differentiated systems that also include corporations and government. Classically, it is government that frames, controls, and guarantees the capitalist assets that are on the longest temporal frames: assets kept “as safe as the Bank of England” (and other central banks), the royal wealth, governmental tax capacity, long-term bonds issued against government at all levels, and national treasures of art and architecture (1995: 19).

As we know from the work of major social theorists such as Marx and Foucault, power relations over persons in modernity operate in large part by regulating citizens’ relationship to things. How does the particular configuration of person-thing relations that has characterized Argentine history at different moments affect citizens’ notions of politics and sense of national belonging? If, as many anthropologists have argued, possessions are a defining feature of
personhood, what are the implications of their dispersion? Beyond the obvious reason of placing money off-shore to preserve value, what are the implications of widespread divestment from the state? Do anthropological analytics exist for understanding shifting dynamics of credit, inflation, and the politics of tax payment? We know through divestment campaigns and boycotts that investment can be an ethico-political act. But why, if this is known, do we still tend to see off-shore banking exclusively through the lens of preserving wealth?

I suggest that, while much fascinating work has been done on value and the social logics of indebtedness in non-capitalist societies (Mauss 1925, Munn 1992), anthropologists have had more difficulty thinking beyond the languages of market and exchange in the study of capitalist states (see Lomnitz 2003 and Morris 2001, 2002 for work that sees money as thoroughly shaped by religious and political contexts). As part of an attempt to expand the research on “economic citizenship,” this project hopes to shed light on the ethical and political dimensions of payment and investment practices in capitalism. By payments, I mean prestations – monetary transactions that are not reducible to exchange as the finite, reciprocal transactions characteristic of the market (Callon 1998). Monetary transactions that exceed liability in the sense of a cost-benefit calculation (Guyer 1995, Roitman 2005) are still often thought along the rubrics of equilibrium, so clearly shaped by economic thought.

My interest in expanding our ways of speaking about capitalism does not arise solely from a wish to contribute a new perspective to anthropological theory. Rather, I argue that the legacy of a narrow market-oriented view of exchange has been especially acute in Argentina, shaping the way generations of Argentines have governed, judged and understood themselves. As stated earlier, in interviews as well as public forums, I took note of and became curious about the sweeping assertions that Argentines are essentially corrupt and calculating, or that Argentina
is a country characterized by citizens who pride themselves on diverting the law through clever tactics. Compounding this was the permanent labor of comparativism to which middle and upper-class Argentines subjected themselves. This had an effect upon the methodology I adopted for this study. The norm against which Argentine pathologies were measured was a decidedly European and liberal one, and such discussions were often suffused with an intense pathos and hopelessness about what was seen as the inadequate application of liberalism. On television programs and in interviews, I heard many variations of the following discussion, where liberal politicians objected to economic measures being taken in Argentina: “In England, a civilized country, things are not undertaken this way” to which an ‘oficialista’ (Peronist) political opponent might respond “But we cannot proceed this way because this is not England.”

I suggest that there is a parallel between the work needed to understand the self-reflexive quandary within which Argentines find themselves and the impasse which has caused anthropological analytics to neglect the nuances of taxation and money. In order to undertake a comparative anthropology, it is necessary and worthwhile to trace this process backwards and gain insight into what prompted the omission of non-market modes of exchange and to analyze the effects this had on anthropological and social scientific analytics.

This history, I suggest, has shaped both Argentine modes of government as well as upper-middle class professionals’ ways of interpreting contemporary political and social problems and evaluating themselves. I propose that many of the double-binds Argentines find themselves in stem from a disjuncture between political forms and attendant notions of selfhood that were fully embraced in Argentina and the fiscal realities with which they were associated. Many middle and upper-class Argentines aspire to forms of liberal subjectivity that are premised upon what stable money in advanced capitalist polities enables: accumulation, social mobility, a sense of a
predictable future. Multiple theories of subjectivity in the social sciences propose that property relations were critical for the development of the liberal subject as the “possessive individual.” What is less often made explicit is that these institutions, responsible for shaping subjectivity, were dependent on a state which could provide stability through, among other things, the regulation of money. While current scholarship often notes the extent to which the market is constituted by the state (Callon 1998), the fiscal and financial bonds that helped constitute this overly reified vision of the state remains under-explored.

This thesis was written at a very particular historical conjuncture – after an acute crisis of neo-liberalism in Argentina. This crisis has since spread to other parts of the globe. As has become apparent in the euro-zone, outsourcing monetary and fiscal oversight to a regional authority can compromise a state’s ability to, on the one hand, generate credibility in its economy and, on the other, respond to citizens rather than creditors in times of crisis. Neither scenario was entertained in the construction of the euro-zone, whose visionaries operated with a juridico-political conception of sovereignty elemental to neo-liberal thought.36

A central inspiration guiding my work was the perception that, if we want a substantive critique of neo-liberalism, we need to be able to think about the state, fiscal relations and sovereignty anew. Underwriting this question is my belief that, despite similarities between capitalist policies, there are striking differences in wealth distribution, which makes parsing the differences among policies worthwhile. If all modes of fiscal policy – as an instrument of the state – are seen as equally pernicious, with no alternative for public finance delineated, one of the major tools for redistribution in capitalist polities is lost. If we are not equipped to distinguish the political effects of certain policies, and to look beyond a reflexive anti-statism, it will be harder

36 As many commentators have pointed out, Argentina had more maneuvering room than Greece currently has because the peso, even as it was pegged to the dollar, had not been taken out of circulation where the drachma has.
to generate productive critiques of liberalism and neo-liberalism and to imagine the means through which more equitable polities can be forged.
CHAPTER 1

“Where in fact will we end up when we do without God and the fundamental principle of God’s sovereignty over the world, nature, and men in order to seek out a specific form of government? We will end up with the Prince’s whims, as I have said, and then also with the impossibility of justifying any form of higher obligation. If you remove God from the system and tell people that one must obey, and that one must obey a government, then in the name of what must one obey? No more God, no more laws. No more God, no more obligations” (Foucault 2007 [1978]: 244).

The Gift in the Market: Liberal Personhood, the Willing Taxpayer and the Fiscal Politics of Recognition

Of the many explanations I heard regarding the causes of the financial crises of 2001, urban upper-class professionals in Buenos Aires often returned, at times despite themselves, to the view that the country’s legendary economic woes were attributable to Juan Perón and his legacy. After the requisite acknowledgement of how the policies and corrupt ways of Carlos Menem, a neo-liberal Peronist, terms whose proximity was unthinkable prior to the 1990s, had driven Argentina to crisis, narratives would often wind their way back to the 1940s. In the eyes of many self-identified liberals, Perón and the party that carried on his legacy are to blame for Argentina’s failure to achieve turn-of-the-century predictions that alongside Britain, the country would become one of the world’s great economic powers. This frustrated destiny, a perennial wound for the upper and middle classes, has also perplexed generations of economists the world over who refer to the “reversal” of Argentine development as “the Argentine puzzle.”

While critiques of Peronism are manifold, one of the most common lamentations concerns Peron’s crime of profligate giving. Beatriz Sarlo notes that Perón’s critics lamented his “pot-latch” and the “personalization of the gift” (“personalización del don”) a reference to the way Evita delivered those goods requested by poor individuals and families in letters (1999: 352). Through these gifts, it is alleged, Perón elicited an irrational and powerful emotional loyalty and sense of indebtedness from his followers, which led them to make political decisions based either on affect or base material needs, distorting the reasoned calculation that would otherwise have guided political decisions (Auyero 2001). One accountant, who grew up in a rural area of the province of Buenos Aires remembered aides of Perón throwing bicycles and gifts from trains, and recalled the quasi-religious altar that his grandmother had built for Perón and Evita (Rocca and Kohan 1998). The evidence offered as incontrovertible is that, when Perón rose to power in 1943, the halls of the Central Bank were lined with lingots of gold but these same halls were empty by the time Perón was overthrown in 1955. Perón, it is alleged, recklessly and unforgivably interfered in the ‘natural’ workings of the market, raising salaries and creating unrealistic expectations among workers. In short, Argentina’s successive economic failures have come from too much gift at the expense of the market.

In the hopes of providing an alternative reading, one that will unfold over the next two chapters, this chapter turns attention to a subject – the production of fiscal and financial subjectivities – that was largely absent from the British economic doctrines drawn upon by Argentine state-builders when the country gained independence in 1810. This chapter reads the development of European liberal categories of analysis against the background of developments of public finance in these countries, with the hopes of putting representation and exchange, and

with it power, back into a story from which such developments were largely omitted. I argue that Adam Smith’s ‘invisible hand’ came to seem a plausible formulation in Great Britain because of the continuing presence, albeit in sublimated form, of a gift-based bond between sovereign and subjects, supported and enabled through the technologies of the Central Bank and taxation. By consolidating a national unit of account, which enabled the relatively stable representation of value, these conjoined and interlinked technologies provided credibility and the possibility for capital accumulation. Ensuring tax payment and investment required governmental arrangements that could help guarantee the circulation of state-credit money within the territorial boundaries of the nation-state.

While an independent republic endowed with juridico-political sovereignty as of 1810, the trajectory of public finance and capitalist development in Argentina was markedly different from that of Great Britain and France. In many ways, the period from 1850 to 1930 in Argentine history stands as an exceptional case of market-driven government, so much so that it is explicitly romanticized by libertarians. While much scholarly attention has focused upon Perón’s populism and gift-giving, equal attention should be given to the unfettered reign of the market in Argentina until 1930, the period which offers the historical backdrop for Perón’s rise. The absence of the fiscal politics of recognition during the country’s first hundred and thirty years, and the fact that citizens of the new republic were constituted as consumers and/or rentiers

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38 Economic historian Mario Rapoport writes that in, in the mid-nineteenth century, “Argentina was inserted into the global market, it became a rare example of the application of free trade theory” (1984: 26). On the webpage of “The Future of Freedom Foundation”, libertarian Jacob Hornberger writes of Argentina: “The outcome was one of the most unusual periods in the history of man. Nothing like it appears anywhere else in all of Latin American history. The period from 1850 to 1930 in Argentine history is a model – a beacon shining through the darkness of history – a confirmation that what Adam Smith had discovered was true…for the only time in all of South American history, government’s power over the citizenry was extremely limited. With various exceptions (land grants to railroads being among the most notable), people were free to engage in any economic enterprise without governmental interference and to accumulate unlimited amounts of wealth. There was no income taxation, and indirect taxation was extremely low. Enterprise, by and large, was free – very few licenses, permits, regulations, and other governmental barriers interfered with people’s ability to earn a living.”
but not as moral creditors of the state (Johns 1993, Plotkin 2003, Rapaport 1984) is equally anomalous vis-à-vis liberal criteria, and has generated equally important political effects. Recent work has begun to look for the roots of Argentine tragedies of the twentieth century in this earlier period, an important shift given what, for many years was an unmistakable liberal bias in Argentine scholarship (Rodriguez 2008).

Perón’s interventions, and the recurring political and discursive thematic of the gift in Perón’s rise to power are aesthetic manifestations of his attempt to compensate for Argentina’s peculiarly market-driven history, retro-actively developing fiscal and financial technologies and the social logics of indebtedness that had accrued in Europe from the development of fiscal and financial bonds. Given already well-developed perceptions among Argentine elites of what liberalism was, and the degree to which Perón’s political discourse was alienating to the upper classes, his interventions were experienced as an obstacle to the market, which, during the period of nation-building of the late 1880s, had become sovereign. Upon Perón’s rise to power, conflicting notions of how to ensure sovereignty polarized the Argentine nation, producing sentimental economies that would in turn wreak havoc upon Argentina’s economic development.\(^{39}\)

Despite their tremendous relevance to the modern state’s development, attention to technologies of credit are absent in juridico-political histories of sovereignty. Given what Foucault identified as the lasting bias towards such conceptions of sovereignty, my hope here is to offer an analysis that emphasizes credibility in the formation of the state’s authority, established through what I will call technologies of credit -- taxation and the Central Bank. While Foucault identified how deeply the juridico-political reading of sovereignty had

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\(^{39}\) The term “sentimental economies” is used by Claudio Lomnitz in a 2003 essay where he speaks of “sentimental economies of crisis.”
influenced Western political thought, with regard to the government of finance, which is deeply relational and recursive, far more needs to be elucidated. There has been a dearth of attention to money as a site of power distinct from, and not encompassed by, the contractual logics of the market, and further, to the nexus of modern state sovereignty and money (Aglietta and Orleans 2002).

This project takes inspiration from what Scott (1999) and Chatterjee (1993) have referred to as liberalism’s autobiography, focusing specifically on how available discourses of economy have narrowed the horizon for comprehending public finance, the basis for national capitalism that is nonetheless too often ignored. The representational turn, triggered by post-structuralist thought, has profoundly shaped scholarship in the social sciences. Not only has it generated intense reflexivity about how objects of study are forged within the parameters of Western liberal thought, it created the grounds for post-colonial studies, which focused on how objects of study were formed within a colonial legacy. The field of the economic has not been spared scrutiny and a good deal of recent work has focused on the market and ‘the economy’ as critical technologies of power in the formation of colonialism and liberalism (Maurer 2006, Tribe 1978, Foucault 2008, Mitchell 2002, Miller and Rose 1998, Roitman 2005, Escobar 1995, Callon 1999).

But when one attempts a modified comparative anthropology (Latour 1994), it quickly becomes apparent that the nature of the fiscal bond in Europe between states and citizens remains largely unarticulated (Guyer 1992, Roitman 2005, Mitchell 2004, Peebles 2008). Given liberal economists’ silence surrounding the role of taxation and stable currency in the operation of markets, it is not altogether surprising that historians and economists often reproduce the language of capital, labor, and markets of classical economics without attending to the money-
mediated relations between the state and citizen (Tribe 1978, Brewer 1988, Polanyi 1957). Regarding research on countries with a recent history of colonial domination, questions of obligation, credit, and the social logics of indebtedness might understandably be less relevant given the state’s repressive role (Mitchell 2002, Roitman 2005).

But on work in Europe or Latin America, independent republics since the early nineteenth century, the neglect of credit and obligation is not as easily understood. To take one example, Michel Callon’s hypothesis of the economy as embedded in economics not only gives primacy to but normalizes a view of the economy as encompassed within “civil society,” defined by Chatterjee as “the well-known domain of the market economy and civil law” (1993: 223). If, as Callon writes, the framing and formatting of markets involves a process of ‘disentanglement,’ what is the opaque background of entanglement in which this disentanglement occurs (1999)? It is not that Callon ignores the state; he underlines the “constituent role of the state in economic life” (1998:42). But such unspecified reference to the state, one that doesn’t delineate what is involved in the state’s fiscal survival, fails to highlight the nature of the power-laden and shifting entanglements between citizens and states in their capacities as creditors and debtors.

My project, then, attempts to bring into relief those fiscal and financial technologies and relations critical to the formation of “political society,” a term Chatterjee coins to capture politics that, while not encompassed in definitions of “civil society,” were the naturalized ground upon which it developed. In her work on taxation, Jane Guyer also emphasizes the shortcomings of liberal analytics for the study of taxation, advocating the need to look beyond procedural notions of democracy. She writes that “The tax situation is more shifting and more complex than a simple derivative of constitutional history with its attendant factionalisms; it demands its own
history, again from both sides” (1992: 54). But critical towards this project of understanding the social logics of indebtedness between state and citizens is the work of Marcel Mauss.

My aim in resuscitating Mauss’ *The Gift* towards an analysis of capitalism comes from my view that his classic text remains tremendously useful for shedding light on the problem of economic obligation, a phenomenon that liberal utilitarianism has not been able to account for. Liberalism, which posits individuals as autonomous beings, has little place for understandings of economic obligation in the public sphere (Pateman 1979, Kahn 2005). To mobilize Mauss’ insights towards an analysis of capitalism, it is critical to remember that, in spite of the dominant interpretation of Mauss in anthropology, one which posits gift and market as antithetical and which has been called the “ideology of reciprocity” Mauss conceived the gift as a pre-history of the market (Parry 1986). Reminding anthropologists that a central purpose of *The Gift* was to “construct a kind of prehistory of our modern kind of legal and economic contract” (1986: 457), Parry writes that Mauss’ conjuring of the Hindu Gift, the *danadharma*, as a non-reciprocal prestation was intended to highlight the “enormous politico-economic significance of religious gift-giving” alluding to “Europe’s missing past.” As Parry writes, “The record, however, does not allow Mauss to establish this as anything more than a ‘likely hypothesis; and it is here that India comes to his aid as showing that Indo-European law once had gift-exchange institutions like those of the Pacific and America” (1986: 459). This aspect of Mauss’ legacy has been ignored, in part because, as Parry suggests, as heirs to the “legal separation of persons and things” which dates to the late Roman Empire, anthropologists have had “selective professional amnesia” (1986: 459).40

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40 Much work in economic anthropology developed in response to, and attempted to create a contrast-effect with the classical subject of neo-classical economics, *homo economicus*, as the rational and affect-less wealth maximizer who inhabits market society. Despite pointed attempts to deconstruct the gift/commodity binary (Bourdieu 1977, Appadurai 1986), these attempts still suggest an acceptance of a realm called ‘the economic’
In chapter two, through a portrait of Argentine capitalist development alongside economic liberalism, I argue that, inheriting liberalism’s autobiography, it was ultimately the difficulty of establishing the fiscal politics of recognition – here understood as the social logics of indebtedness between state and subjects – that produced enduring problems for Argentine state-builders’ attempt to stabilize money and the market. As I will argue, the consequences of inheriting the liberal narrative, where the mutually reinforcing links or relationships between these different components – sovereignty, governmentality, and nationalism had, in the interest of stability, been obfuscated, had deep and lasting reverberations.

The Government of Finance: Sovereign Credibility and the Production of Fiscal and Financial Subjectivities

Over the course of the nineteenth century and beyond, the Argentine state had great difficulty building the technologies and administrative processes that would enable it to stabilize paper money. The quasi-religious quality that Marx attributed to “public credit,” which had – as if by an “enchanter’s wand” – transformed unproductive to productive capital in the Netherlands and Britain in the late seventeenth century, and in France and other countries in the eighteenth century, was absent in Argentina. Argentine elites were not predisposed to lending to the state, without positing the fabricated nature of such a neatly bounded realm. By virtue of these origins, interpretations of “the gift” often seem to remain caught in what Strathern calls a “negative mirroring” (1988), or what Parry calls “the ideology of reciprocity” (1986). This perspective has precluded attention to Mauss’ commentary on the gift, not as a romantic, idealized system but a technology for the production of social indebtedness and obligation, one often constitutive of unequal and hierarchical relations. As Mauss argues in the conclusion, the gift/commodity distinction was a heuristic and attention to the ‘total social fact’ was specifically meant to de-naturalize the scholarly divisions of economy and politics, which he perceived as promoting an analytic myopia. The “ideology of reciprocity” in readings of the gift only reinforced the view that relations of social indebtedness or dependency and debt were not the province of the West. For interpretations of Mauss as a theorist of power, see Morris (2000), Grant (2005) and, beyond anthropology, most notably Bataille (1976).
borrowed in foreign currency and spent much of their money in Europe (Ferrer 2005 [1964], Della Paolera 2001, Centeno 2005). As the merchants and landowners who were primary actors in the independence movement had strong ties to the export sector (Adelman 2001), they had access to British currency and were not invested in, nor did they look to, the Argentine state to provide a stable money of account.

To gain insight into why some states were able to ensure relative monetary stability, the history of taxation is essential. At the level of fiscal technologies, the most striking contrast between Western Europe and Argentina was the presence of direct taxation in the former and its absence in the latter. In Europe, the implementation of direct taxation, in part enabled through conditions such as war, famine, and demographic shifts that hastened the production of “population” as a discursive object (Foucault 1978), was a fundamental feature of state formation and was the single most important feature for producing “public credit” (Tilly 1990, Ingham 2004). According to Brewer, “The state’s ability to borrow was contingent upon the belief among its creditors that it had the capacity and determination to meet its payments…An effective tax system, providing the government with a substantial and regular income, was a necessary condition of the new credit mechanisms which, as we shall see, revolutionized eighteenth-century public finance” (1989: 89).

The Argentine case, to which I will return in chapter two, highlights the importance of delineating more clearly what might usefully be called fiscal sovereignty. Before delving further into Argentine history however, it is critical to first re-read the European history of public

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41 David Harvey’s engagement with an excellent question posed by Giovanni Arrighi is worth citing. To Arrighi’s question “how does the relative fixity and distinctive logic of territorial power fit with the fluid dynamics of capital accumulation in space and time?,” Harvey responds: “these molecular movements (particularly of finance capital) can easily undermine state powers, and the political state, in advanced capitalism, has to spend a good deal of effort and consideration on how to manage the molecular flows to its own advantage both internally and externally” (Harvey 2003: 108).
finance through a governmental lens, one that attends to the formation of “the conduct of conduct.” To carry out a governmental account of capitalism, it is necessary to identify, at each stage, how payment and investment, practices elicited through different degrees of coercion or persuasion, were made to seem ‘voluntary’ or ‘quasi voluntary.’ Through such an exercise, I hope to offer a non-tautological reading, one that does not assume *homo economicus* to be the original subject of capitalism. What I hope to recapture through a genealogy of fiscal sovereignty is the mutual constitution of the modern nation-state and capital – the extent to which the state’s deployment of technologies of credit were critical to capital formation, and how, in turn, the state’s capacity to direct capital flows through means disciplinary, ideological, and rhetorical, was central to its status as sovereign, manifest in the right to tax.

Financial insecurity caused by instability of the unit of account was one of the great challenges facing the monarchical state when, in the seventeenth century, as Foucault writes, the state’s survival was at risk.\(^42\) In England, the problems of guaranteeing a stable unit of account increased after the ‘Great Debasement’ of the mid 1500s, which “did discredit the monarchy and create insecurity by destroying confidence in money as a store of value” (Weber and Wildavsky 1986: 124). Instability of the unit of account interfered with the market as a “privileged site of distributive justice,” which, according to Foucault, it was in the sixteenth and seventeenth centuries as “…the sale price fixed in the market was seen, both by theorists and in practice, as a just price…for at least some basic products” (2008 [1978]: 31). In the wake of devaluations, the

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\(^{42}\) In the essay entitled “Governmentality,” he writes that “the governmentalization of the state is at one and the same time what has permitted the state to survive...” (1978: 110). Foucault did not emphasize the fiscal and financial dimensions of the state’s fragility but passages in his work suggest that, alongside many other factors, they contributed to the problem-space within which the arts of government arose. Of the seventeenth century, he writes that “first the Thirty Years War with its ruin and devastation; then in the mid-century the peasant and urban revolutions; and finally the financial crisis, the crisis of revenues that affected all Western monarchies at the end of the century” (1978: 97). Foucault also notes that “the demographic expansion of the eighteenth century, connected with an increasing abundance of money” (1978: 98) constituted part of the constellation for the development of government.
rise of inter-state networks’ money of account and the growth of bank credit money generated a falling away of the state’s influence over money. While states remained responsible for metallic coin, they were no longer implicated in regulating other forms of paper money – bills of exchange, credit-notes.

By the seventeenth century, “both the British and the Brandenburg-Prussian governments were in a state of bankruptcy” (Braun 1975: 268). During this period, Ingham observes that the term “nation” was used to refer to merchant families whose “dominance was based on mastery of a monetary instrument – the bill of exchange – in a heterogeneous economic space” (2004: 128).

Tribute payments had existed for centuries but were more a symbolic token of recurring debt to the crown than a source of state finance (Gross 1993, Levi 1988). Prior to the mid-seventeenth century, monarchies solicited loans from private banks when in need of credit. According to economic geographers Leyshon and Thrift (1997), states began to assert a stronger role over finance only when the wars of the seventeenth century called for new forms of liquidity and financial crises became more frequent.

With the birth of the public bank, most notably the Bank of England in 1694, monarchs linked the fate of the crown, and more importantly, that of the nascent modern state, to eliciting subjects’ willingness to pay tax and, shortly thereafter, their willingness to lend to the state, newly equipped to offer interest on the money it borrowed. As Braun writes:

“The so-called Financial Revolution refers to changes in public finance after 1688. However, a sequence of alterations which occurred during the Interregnum was of great importance in setting this process in motion. In the first place, direct taxes ceased to be occasional revenue for emergencies; they became regularly paid duties… Correspondingly, the distinction between ordinary and extraordinary revenue vanished during the revolutionary period… These changes, though to some extent repealed during the Restoration, proved to be crucial for new methods of public finance, that is, for new systems of long-term government borrowing” (1975: 288).
Critical then to the recuperation of sovereign power was the transformation of subjects into debtors or taxpayers and shortly thereafter, into national creditors or users of national currency. The history of the state’s survival is in large part the history of the stabilization of state-credit money, contingent upon a particular governmental arrangement. Ingham alludes to these interdependent debtor-creditor relations when he writes that “Successful money in modern capitalism consists in the institutionalization of two reciprocal relations between a state and its citizens: taxation and the national debt, denominated in the state’s money of account” (2004: 169).

Insofar as taxation involves imposition and coercion, it is often written about, including by Foucault, as a feature of sovereignty, linked to the state’s repressive faculties and to the exercise of power over life and death. But such descriptions provide only partial explanation for the inter-subjective dynamics through which coercively extracted direct taxation could be transformed into freely given “public credit,” a shift that occurred in northern and central Europe over a span of sixty years (Dickson 1967). If it is through taxation that sovereign states have historically coerced subjects to accept money as legal tender, a view that leads Ingham to call taxation the ‘fundamental monetary relation,’ what was the relationship between force and obligation embodied in direct taxation (2004: 138)? Can willingness to pay taxes and later invest in and use a national currency be explained solely through recourse to coercion or fear? Heeding Foucault’s own cautionary words regarding the way elements of sovereignty-discipline-government co-exist, I suggest that, in the case of direct taxation, sovereign power did not operate exclusively by “imposing law on men,” where “with sovereignty the instrument that

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43 In *The History of Sexuality* (1990 [1978]), Foucault writes of sovereignty, as contrasted with bio-power, as a period of “seizure.” But in work published the same year (1991 [1978]), he questions whether governmental rule – a defining feature of which is the optimization of the health and welfare of the citizenry – corresponds to a different historical period than sovereignty and discipline.
allowed it to achieve its aim – that is to say, obedience to the laws – was the law itself; law and sovereignty were absolutely inseparable” (Foucault 1991 [1978]: 95) but must be thought alongside government as enabling the “conduct of conduct” without an apparent sting. 44

During the mid-seventeenth century, attempts to implement direct taxes provoked intense tax revolts (Tilly 1990, Arrighi 1994). Feudal ties, implying relations of mutual obligation were strong and competed with the imperatives of the early modern state (Levi 1988). Writing against the representation of taxation as the brute power of an already constituted sovereign, Tilly suggests that even in the seventeenth century, the process of extracting taxes was one where feelings of loyalty and belonging intermingled with coercion. It was precisely through the state’s incursions into everyday life that subjects began to make claims that would result in modern-day citizenship, a process Tilly describes as “bargaining.” Acknowledging that this term might conflict with straightforward accounts of taxation as coercion, Tilly writes “When faced with resistance, dispersed or massive, what did rulers do? They bargained. Now, [one] may object to using the word “bargain” for the sending in of troops to crush a tax rebellion or capture a reluctant taxpayer” but, as he goes on to say, “All this bargaining created or confirmed individual and collective claims on the state, individual and collective rights vis-à-vis the state, and obligations of the state to its citizens. It also created rights – recognized enforceable claims – of states with respect to their citizens. The core of what we now call “citizenship,” indeed consists of multiple bargains hammered out by rulers and ruled in the course of their struggles over the

44 Commenting on the link between currency circulation and sovereignty in early seventeenth century Britain, when the word sovereign referred to the ‘coin of the realm,’ Wendy Brown notes that “sovereignty is never simply held and wielded but from the beginning circulates; it works as currency and through currency, and not only through law and command” (2008: 256). In an earlier version of this paper same, commenting on sovereignty’s generative as well as repressive dimensions, she ponders the implications of the connection between money and sovereignty: “This would seem to erode one of the crucial distinctions Foucault uses to hold sovereignty apart from biopower, and suggests instead that sovereignty sometimes operates in the modality of biopower” (2005:26).
means of state action, especially the making of war” (1992 [1990]: 101). The historian of taxation Gabriel Ardant shares such a view, arguing that “the fiscal origins of representation are obvious. Taxation, a very sensitive question in past centuries, has awakened political consciousness, led to wars of independence, created Estates-General, Cortes, and other assemblies of that kind. In that sense taxes were not only at the origin of states but also of nations” (1975: 231).

In sharp contrast to tribute as a form of individualized payment to a divine sovereign, in the mid-seventeenth century, fiscal interventions began to be rationalized as, on the one hand, attempts to alleviate famine and war and to provide for, as Levi writes the “common welfare” and the “public good” and the other, to meet the ideals of limited government. With the Glorious Revolution of 1688, the historical moment at which the Bill of Rights was inaugurated, the legislature seized authority of fiscal decision-making from the King, and emphasized the need for direct as opposed to indirect taxation because, as Brewer writes “The land tax, despite its heavy incidence on the landed classes, was preferred by the House Commons over other taxes because it was the most limited case of the exercise of executive power” (1989: 100). Direct taxation can be seen as exemplary of the shift from an ‘external link’ of Raison d’Etat seen as an imperative for the king’s accumulation to an ‘internal link,’ where the relationship between state and subject was mediated by a preoccupation with wealth-population-territory characteristic of government and bio-power. Direct taxation exemplifies a form of governmental regulation

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45 The passage is worth citing in full “…Nonetheless, the frequent use of exemplary punishment – hanging a few ringleaders rather than all the rebels, jailing the richest local taxpayer instead of all the delinquents – indicates that the authorities were negotiating with the bulk of the population. In any case, bargaining took many other more acceptable forms: pleading with parliaments, buying off city officials with tax exemptions, confirming guild privileges in return for loans and fees, regularizing the assessment and collection of taxes against the guarantee of their more willing payment, and so on” (1992 [1990]: 101).

46 “After the revolution (1688) and in the reign of William and Mary, the Monthly Assessment was superseded by a new direct tax, the General Aid. This scheme abandoned the system of fixed amounts for each district and imposed a pound rate according to income from land or office holding, and the value of property comprised of goods, merchandise, money, etc.” (Weber and Wildavsky 1986: 283).
Chatterjee argues is formative of population, where power is statistical, quantitative and totalizing, geared towards using laws as tactics to consider the welfare of a population, treated as its own ‘finality.’ To ascertain the regularities of the population, the state must be involved in “recording, verifying and validating the biological, social, and cultural details of personal identity” (2004: 35). Though it would take centuries to refine the administrative processes necessary to efficiently collect direct taxation, these measures and the rationality underpinning them fundamentally altered the nature of relations between subjects and the state (Brewer 1989, Kwass 2000). In the meantime, indirect taxes, such as tariffs, duties, and sales tax, not extracted from the individual liable for payment but through a third party or agent of payment, continued to provide proportionally more revenues to the state.

If tribute had been the material link constitutive of the relationship between subjects and monarchy, attempts to systematically collect direct taxes for revenue, beginning in the mid-seventeenth century were the first sign of the newly developing relationship between subjects and the state through a third object which was that of the ‘public’ or of population-wealth-territory. Writing of military conscription and extracting taxation as “twin processes,” Braun notes that “It was likewise a slow but crucial process to create the adequate institutional framework and a public spirit where these fiscal obligations rested upon popular consent, i.e., were considered as part of the public or civil duties. To regard both the conscription and the subscription of war loans as a patriotic obligation needed persuasion and indoctrination, which were based on the same ideological foundation. More and more, all subjects were destined to

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47 While Chatterjee concurs with Rose and Miller (1995) and Osborne (1998) that an explicit emphasis on populations became more pronounced in the inter-war period of the twentieth century with the advent of what has been called “government from a social point of view.” My argument differs from Chatterjee’s insofar as I trace these arguments to a far earlier moment. Rather that focusing on the “social” of the mid-twentieth century, I am interested in the formation of the “public” in the seventeenth century, when European states were in formation.
sacrifice their blood as well as their goods for their state, nation, or “fatherland” (Braun 1975: 315).

Given the frequent mention of sacrifice in descriptions of direct taxation, and Hubert and Mauss’ description of sacrifice as a kind of contract, it may be instructive to think of taxation through the prism of exchange. Of their theory of sacrifice, Parry writes “Sacrifice…presupposes an intermediary which (like the gift) simultaneously unites and separates two opposed parties who ‘draw close to each other without giving themselves entirely’” (1986: 470). Foucault himself seemed to edge close to and to grasp the importance of exchange when he wrote that with government, it was not a question of “imposing law on men but of disposing things; that is to say, of employing tactics rather than laws, and even of using laws themselves as tactics - to arrange things in such a way that, through a certain number of means, such and such ends may be achieved” (Foucault 1991 [1978]: 95). But beyond explaining compliance through a shift from the imposition of law to the use of law as tactic, there may be something not fully encompassed by law that aids in the disposition of things. In this regard, Foucault’s discussion of the “disposition of things” bears an interesting likeness to the language used by Montesquieu in the “Spirit of the Laws” where he wrote “So that there may be no abuse of power, it is necessary that, through the disposition of things (par la disposition des choses), power be stopped by power” (Montesquieu XI, 4 in Hirschman).48

For Hubert and Mauss, sacrifice is the surrender of property to a sovereign entity, perceived to be responsible for the regeneration of community, whose recognition is believed to

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48 Hirschman suggests that while the above phrase is often cited as referring to the separation of powers, it could also apply to other things. He writes Montesquieu also “hailed the bill of exchange and arbitrage as auxiliaries of the constitutional safeguards and as bulwarks against despotism and les grand coups d’autorité; and there can be little doubt that these passages on the favorable political consequences of economic expansion constitute an important, and hitherto neglected, contribution to his central political thesis, just as they represent a basic justification of the new commercial-industrial age” (1976: 78).
improve the sacrifier’s moral condition (1964 [1898]: 103). As they write: “the act of abnegation implicit in every sacrifice, by recalling frequently to the consciousness of the individual the presence of collective forces, in fact sustains their ideal existence (that of collective forces). These expiations and general purifications, communions and sacralizations of groups, these creations of the spirits of the cities give – or renew periodically for the community, represented by its gods – that character, good, strong grave, and terrible, which is one of the essential traits of any social entity” (Hubert and Mauss [1899] 1964: 102). While Mauss and Hubert consider the act of sacrifice as itself productive of the collectivity, the genesis of the sacrifier, portrayed as a property owner with a locus of agency, remains unexamined. How would such a theory apply to the formation of a polity where, as yet, there is neither a recognized sovereign nor a notion of private selfhood conceived primarily through property relations? While taxation has often been thought of as linked to sovereignty and the origins of the modern state, less attention has turned to the link between taxation and liberal personhood. In what follows, I suggest that direct taxation drew upon a fiscal politics of recognition and was constitutive of relations of power, here understood in Foucault’s terms as entailing recognition of the other “as a person who acts,” a feature that distinguished it from domination.49

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49 In his words “On the other hand a power relationship can only be articulated on the basis of two elements which are each indispensable if it is really to be a power relationship: that “the other” (the one over whom power is exercised) be thoroughly recognized and maintained to the very end as a person who acts; and that, faced with a relationship of power, a whole field of responses, reactions, results, and possible inventions may open up” (1982: 220).
In the late seventeenth century, the state sought a new rationalization for its authority and new technologies through which to forge relationships with subjects. Hobbes’ *Leviathan*, published in 1651, circulated widely during the second half of the seventeenth century, and was to become one of the classic iterations of social contract theory. Not surprisingly then, the text has been the subject of varied and sophisticated criticism. What interests me here is a particular strand of criticism that highlights the limitations of an epistemic attachment to liberal individualism, one deeply influenced by the field of classical political economy. The already constituted individual of market exchange, *homo economicus*, was quietly secreted into the origin story of money as originating in barter, and in so doing, I suggest, inhibited analysis of taxation as fundamentally different from market exchange.

To take one prominent example, C.B. Macpherson wondered aloud in his introduction to Hobbes’ classic text *Leviathan* why the bourgeoisie, if acting upon rational self-interest, as he imagined it did, would have consented to the transfer of rights that Hobbes suggested. He writes “The rational self-interest of Hobbes’ appetitive, calculating individuals, it may be objected, is bound to set up a perennial disposition to neglect or deny obligation to the sovereign.” Macpherson’s reading is not altogether surprising given Hobbes’ representation of taxpaying subjects as already constituted “private men,” making a calculated decision, as when Hobbes wrote that “taxes are the payments a man must make for the protection of his life and ‘the securing of his labour’; they ‘are nothing else but the Wages, due to them that hold the publique Sword, to defend private men in the exercise of severall trades, and callings” (1968: 48). But in the last paragraph of the introduction, Macpherson himself wonders whether something is amiss in his hypothesis. “Bourgeois self-interest has in fact sustained a sovereign state, Hobbesian in almost every respect except the self-perpetuating power of the sovereign body, in most bourgeois
societies since Hobbes’ time. Hobbes built better than he knew, and better than most of his modern critics know” (1968: 63).

What, as Macpherson concedes, did Hobbes know better than his modern critics? What was the horizon of knowledge to which Hobbes was privy? Recognizing the limits of liberal analytics, one might suggest that Macpherson’s paradox derives from a view of liberal personhood where choice is imagined as freedom from power rather than itself an effect of power. His query, of why a person would voluntarily choose what, from within the liberal repertoire of human action, could only appear as his own subjection, captures the difficulty in liberal thought of thinking hierarchy and moral recognition together. As J.G.A. Pocock (1985) has suggested, given that the very notion of ‘self-interest’ was non-existent at the end of the seventeenth century, a point first elucidated by Hirschman (1976), Macpherson’s reading of Hobbes, where ‘economic men’ are projected backwards, is anachronistic. While markets of course existed before modern state taxation and the financial revolution, these were regional markets without the abstraction or presumption of affectlessness and rationality entailed in national markets (Muldrew 1998).

Given that early iterations of the social contract emerged while institutions of public finance were in formation, attention to Roitman’s discussion of taxation as the “materialization of power” (2005) may be a useful avenue for reflection. Anthropological theories of gift and exchange have long-grappled with the question of exchange as productive of bonds within and between polities. In this regard, they may be uniquely positioned to offer perspectives at some remove from those advanced both by the juridico-political language of Western political science and the economic sciences of maximization. If we follow Marilyn Strathern (1992), suspending the market view of exchange that takes barter as its origin, considering instead that subjects are
constituted through exchange rather than pre-existing it, how might this expand the scope for
thinking about taxation and what it was foundational of? In what follows, I suggest that Hobbes’
description of the relational constitution of subject and sovereign performatively conjures not
only state sovereignty but liberal personhood. Mauss and Bataille, authors who pondered the
critical place of recognition, affect, and hierarchy in processes of circulation offer critical insight
into why Bodin saw taxation and circulation as the ‘financial nerves of the state’ and what
Ardant calls the “infrastructure of national feeling” (1975).50

In his essay The Gift, Marcel Mauss wrote that what ensured that members of an archaic
society would continue in the cycle of giving, making good on their obligation to give a counter-
gift, was the ‘feeling’ that they had a sovereign right to refuse, even when they had neither the
interest nor the right to do so. Emphasizing the political nature of gift-giving, Mauss argues that
“these gifts and frenetic acts of wealth consumption is in no way disinterested, particularly in
societies that practice the potlatch.” “Between chiefs and vassals, between vassals and their
tenants, through such gifts a hierarchy is established. To give is to show one’s superiority, to be
more, to be higher in rank, magister. To accept is to become client and servant, to become small,
to fall lower (minister)” ([1925]: 74). What allows the routinely humiliated recipient of the gift to
accept this arrangement is that “Even in these societies, the individual and the group, or rather
the subgroup, have always felt they had a sovereign right to refuse a contract. It is this that gives
the stamp of generosity to this circulation of goods. On the other hand they normally had neither
the right to, nor any interest in refusing. It is this that makes these distant societies nevertheless

50 This is, of course, not the first time that Mauss and Hobbes have been placed in conversation. In his essay
“The Spirit of the Gift” (1972), Marshall Sahlins wrote that “Where in the traditional view the contract was a form
of political exchange, Mauss saw exchange as a form of political contract.” Partly this distinction depends on how
“the traditional view” is read. Hobbes can be read performatively, and through a Maussian lens, which is not such a
stretch given his designation of the polity as a “commonwealth.” I am offering a reading of Hobbes where indeed
‘exchange is a form of political contract’ – a hypothesis that takes account of the text’s discursive effects in the
forging of a certain form of individuality and its implications for membership.
related to our own‖ (1990 [1925]:73). In this passage, affect is of the utmost importance – the recipient’s feeling of freedom providing the stamp for the circulation of goods. We might therefore say that it is the recipient’s feeling, as much as the giver’s performance of generosity (though this is part of what contributes to the feeling) that is endowed with an ‘originary’ power in the circulation of goods.

The feeling that one has the sovereign right to refuse a contract implies a locus of agency from which one can experience choice. Judging from Mauss’ description of the ‘potlatch,’ he believed that the mutual recognition between chief and subjects was critical in producing the affect that enabled the cycle of indebtedness. The ‘potlatch,’ Mauss wrote, is the “basic act of recognition, military, juridical, economic, and religious in every sense of the word. One ‘recognizes’ the chief or his son and becomes ‘grateful’ to him” (1925:40). This sequence might, at first, appear to suggest that what prompts recognition of the chief and indebtedness to him is the receipt of material goods. But given Mauss’ claim, noted above, that it is the recipient’s feeling that gives the stamp of circulation, an interpretation prioritizing sentimental economies is equally plausible. In the cycle of gift, counter-gift, reciprocation, the first gift may be a non-material one, the gift of agency, of the feeling of ‘the sovereign right to refuse’, one which invites a counter-gift, whereas the ‘potlatch’ constitutes the reciprocation.51

Mauss’ allusion to the similarity between archaic and modern societies was elliptical, to be sure. But Mauss, a critic of liberal utilitarianism, was perceptive in noting that it was this feeling that “makes these distant societies nevertheless related to our own.” Returning to

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51 See also the parallels with Munn’s work on the importance of a feeling of agency in the production of value. “That is to say, the persistent formulation of value production as a process created through choices that Gawans themselves make is intrinsic to the creation of the experience of a viable intersubjective world – one within which some measure of control is felt to be maintained over the negative possibilities deriving from its own internal contradictions” (1992: 273).
Hobbes’ *Leviathan*, how did the early modern state simultaneously invite the subject into an avowedly binding contract and sustain the recipient’s feeling that he “had a sovereign right to refuse a contract”? Hobbes writes that ‘when a man hath…granted away his Right; then is he said to be obliged, or bound, not to hinder those, to who such Right is granted, or abandoned, from the benefit of it: and that he ought and it is his duty, not make voyd that voluntary act of his own…” (1968 [1651]: 44) Arguably, it is the portrayal of the subject as one who, through a “voluntary act of his own” “abandons” or “grants away his Right” constitutes him as a liberal subject with rights that he can choose to forgo. What initially produced the feeling of choice was the recognition – and constitution – of liberal personhood implicit in the social contract’s portrayal of voluntary consent.

Part of what is puzzling to Macpherson is the assumption that tax payment was a transfer from an already constituted liberal private citizen to the sovereign. In light, however, of the theoretical perspective proposed above, tax payment might rather be seen as the counter-gift for the gift of liberal personhood, enacted through the *Leviathan*’s addressing itself to the subject as if he had a choice. If the individual’s liberty and obligation are borne through the act of transfer, one might say that his freedom is constituted, if not through payment itself, then through what is represented as the choice to pay. Contrary to what occurs in market exchange, where, theoretically at least, the exchange is instantaneous, leaving no entanglements, this gift initiates not only an obligation but, more importantly, a personhood that has freely chosen to be bound. If we come to know individual choice when it has already been willingly given away, it only ever exists in a hypothetical tense. Not only can the “voluntary act of his own” not be known outside of its indebtedness to authority, the memory and recognition of this time of freedom is accessed through the sovereign’s gaze and recognition. It might be said that C.B. Macpherson’s
“possessive individual,” while not pre-existing the encounter with the state is in the very early stages of being constituted.52

This dynamic, which I call the fiscal politics of recognition, is captured by Bataille who, inspired in part by Mauss’ writings on the potlatch, claims that the process of giving a share of one’s labor is predicated upon recognition between sovereign and subject. As he writes, “the individual of the multitude who, during part of his time, labors for the benefit of the sovereign, recognizes him; I mean to say that he recognizes himself in the sovereign (1976: 240).” But lamenting what he perceives as an impending reversal, Bataille suggests that the individual, instead of seeing himself as the “object that he must first of all be in his [the sovereign’s] eyes” instead feels that “the sovereign is the inner experience – the profound truth – to which a share of his effort is allotted, that share which he allots to others than himself. In a sense, the sovereign is the intermediary between one individual and the others” (1976: 240).

The state’s offer of security and protection, made urgent by the threat of war and apparently guaranteed through the juridical apparatus, helped produce in subjects the ‘feeling’ that they had the sovereign right to refuse. It was this ‘feeling’ that would, misrecognizing its relational origins, develop into the rights-bearing individual written about by liberal thinkers from Locke to Mill to Adam Smith. We might then think of direct taxation, and the gift of liberal agency embedded within it as a sovereign tactic with a governmental aim, one that, by simultaneously defining the private and public anew and mystifying the state’s role in the

52 Janet Roitman writes that tax payment has been construed as the “founding economic transfer” (2005: 27) constitutive of citizenship. In her words “paying taxes has been construed historically as a requisite for, or even constitutive of, the status of a “citizen” (Roitman 2005: 27). My approach above, one which attempts to elucidate who this “citizen” imagines himself to be vis-à-vis authority, a particular kind of liberal individual with specific ideas about sovereignty and agency, coincides with Roitman’s view but re-reads it through the language of the gift. What I hope will become clear as the chapter unfolds is that the Maussian attention to affect and recognition, in addition to later scholarly commentary upon the concealing effects of the gift, enable us to address a curious predicament that Roitman herself articulates -- the fact that while tax payment was constitutive of citizenship, scholarly discussions of citizenship, “economic citizenship” (2007) or fiscal relations between state and citizen are rarely explored.
process enabled the threatened state to survive. Foucault writes that, if the state survives it is “thanks to governmentality, which is at once internal to and external to the state, since it is the tactics of government which makes possible the continual definition and redefinition of what is within the competence of the state and what is not, the public vs. the private, and so on; thus the state can only be understood in its survival and its limits on the basis of the general tactics of governmentality” (1978:110). In this regard, direct taxation may be seen as the quintessential form of the “political ‘double bind,’ which is the simultaneous individualization and totalization of modern power structures” (Foucault 1982: 216). Through this “singularly paradoxical phenomenon,” the private was brought into being to constitute the public.53

This individualizing-totalizing fiscal bond did not only enable Britain to survive but indeed, to thrive. The social logics of indebtedness within the territorial boundaries of nation-states, predicated upon the state establishing the right to tax, led to what Janet Roitman calls the “productivity of debt,” a term embodying how debt could be associated with positive or negative sociability (2003). Shortly after the ‘Financial Revolution’, while the fate of state sovereignty was linked to debt, the national debt was not only positively valued but celebrated (Daunton 2001: 119). According to Brantlinger, the National Debt, rather than a liability, gave birth to public credit which “refers to the faith a society or “public” has in itself to prosper in the future – presumably eternal – power and glory of a given nation-state. In other words, public credit amounts to capitalist religiosity again, whose leading tenet is that financial investment in the public sector, including taxes to pay the interest on the national debt, will be secure and profitable. Public credit in this sense is an ideological, economic corollary of nationalism…” (1996: 29).

53 Hirschman captures the complexity of Hobbes’ exercise when he writes that “the crucial invention of Hobbes is his peculiar transactional concept of the Covenant, which is quite alien in spirit to those earlier authoritarian systems. Notoriously difficult to pigeonhole…” (1977: 15).
Throughout the eighteenth century, what developed was a mutually reinforcing cycle between taxpayers, investors, and the newly consolidated object of ‘society,’ one that pivoted on the parliament’s decision to guarantee paper money through the newly minted Central Bank. The growth of “public credit” hinged upon the regularization of taxation, providing not only funds but more importantly the anticipation of revenue that could enable the stabilization of the unit of account and the circulation of paper money. It was upon this delicate leveraging process that a ‘hierarchy of values’ could rest (Aglietta and Orléans 2002). Indeed, the tools of measurement and commensuration developed during the mercantilist period – insofar as they enabled new forms of accounting between debtors and creditors – were critical to developing nascent notions of political accountability. As Jane Guyer has written, the mercantilist period was one in which the state achieved “the production of internal uniformity in measurement and the destruction of barriers to exchange…” (2004: 172). If the unit of account was unstable, debts could evaporate and political accountability, one of the qualities supposedly guaranteed by juridico-political representation but as I will argue predicated upon fiscal sovereignty, became impossible. Writing of cross-border coupeurs de routes as new regulatory authorities in the Central African basin, Roitman writes that “They are potential nodes of sovereign power, since they are construed as the predominant referents of the government of people and things, as well as value” (194: 2005). Contrary to the prevailing view of mercantilism as an ‘external link,’ mercantilism was generative of person-thing assemblages and was productive of the bonds that would sustain political economy. Perhaps not surprisingly then, Arrighi refers to mercantilism (1500-1750) as a period of “economic nationalism” within European states (Arrighi 1994). Consolidating a sovereign monetary space, defined by the circulation of a single and relatively stable unit of account, was critical to the nation-building process (Woodruff 1999).
It was the state’s role as guarantor or lender of last resort that Simmel recognized when writing that “This new and broader character of exchange is established when the value of exchange given by one party has no direct value for the other party, but is merely a claim upon other definite values; a claim whose realization depends upon the economic community as a whole or upon the government as its representative” (1990 [1997]:177). Eric Helleiner rightly points out that “although Simmel does not call much attention to this point, it is important for us to note that the “society” on whom the “bill” was drawn was the nation” (1999: 1428). State credit-money is circulating state debt that only has power if it is invested with trust or “public credit” from constituents. Its value is therefore essentially recursive, which is why Weber and Wildavsky write that “Under late-medieval and early-modern conceptions of monarchy, the identity of king and state made state finance the king’s personal responsibility. Until the concept of a nation as a collective governmental unit of its citizens emerged, states could not command credit” (1986: 252).54

What I’ve argued then is that Leviathan, while appearing to presume the existence of the private self-interested individual, is actively involved, alongside administrative advances of direct taxation, in the individualizing process. The feeling of giving ‘voluntarily’ was achieved in part through sovereign recognition of the individual’s payment of tax, which simultaneously constituted him as a liberal modern person. The relationship between direct taxation and the

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54 Given that recent work on nationalism tends to locate the phenomenon much later, in the nineteenth century, Arrighi’s use of the term “economic nationalism” and these other statements about the relationship between credit, the ‘National debt’ and nationalism during the mercantilist period are interesting. Such views are coherent with critiques by Chatterjee (2002) and Lomnitz (2001) about work on nationalism that ignores “institutional presuppositions” (Chatterjee 2004) or that fails to take account of hierarchy. Claudio Lomnitz suggests that “Nationalism’s family tree reaches back to the very birth of the modern world and ideas of political community that have emerged since then are both more or less than a cultural successor of the religious community” (2002: 34). Emphasizing the importance of vertical bonds, Lomnitz suggests that sacrifice not be seen as exclusively “a consequence of the national communitarian imagining” but rather as arising from “the subject’s position in a web of relationships, some of which are characterized by coercion, while others have a moral appeal that is not directly that of nationalism” (2003: 11).
national debt was a mutually reinforcing or “virtuous cycle.” While taxation contributed to the formation of “public credit,” once the “National Debt” came to be seen as an embodiment of society’s sacrifices, it became an effective cause for universal taxation, further ushering in processes of individualization. As Kwass writes “Invoking the debt to justify universal taxation (in particular the vingtieme) became commonplace from mid-century on. In 1749, after the war of the Austrian succession, Louis xv converted the dixieme to the vingtieme, explaining that the new peacetime tax was necessary for the “liberation of the State” from debt, and in 1767, he invoked the specter of bankruptcy to prolong the same tax: “It is impossible for us to deprive ourselves of any revenue, without running the risk of suspending some of the loans we have contracted, an act which would concern the fortune of a considerable portion of our subjects” (Kwass 2000: 47).

Returning to the view of sacrifice as moral recognition, one might say that it was no longer the king whose divine connection offered redemption but ‘society’ itself, on whose behalf the state could now claim to speak. The sacred element had been transferred to ‘society.’ While I have spoken of Hobbes’ Leviathan through Mauss’ Gift in part to highlight the dyadic mode of address and the text’s performative effects, direct taxation involved a triangulation with a third figure of ‘society’, the commonwealth, even in the emergence of this object and was a sacrificial process. 55 That gift and sacrifice are not more frequently seen in a continuum in anthropological work on capitalist contexts would seem related to the difficulty of thinking a politico-theological nexus after the Glorious Revolution.

Evidence of this interpretation finds confirmation across disciplinary divides. Arguing that coercion alone would have been too politically costly, Levi coins the term ‘quasi-voluntary

55 The full title of Hobbes work highlights in the word commonwealth the question of public finance “Leviathan or the Matter, Form, and Power of a Commonwealth, Ecclesiastical and Civil.”
compliance’ (1988) to articulate the effort to make subjects feel they were giving voluntarily
despite the omnipresent threat of coercion. According to Levi, the imposition of direct taxation
“rested on the creation of quasi-voluntary compliance, that is, the extraction of tax payments
without constant resort to direct coercion…Quasi-voluntary compliance requires the evolution of
institutions providing assurances that the tax will be “fair,” equitably assessed and administered,
and used to promote the common good” (1988: 123). This point is re-iterated when Braun writes
“Besides, no one could ask the taxpayers to make more of an effort without giving them the
feeling of at least a bit of equality and without, in some way, seeking their voluntary
participation” (1975: 216).

The hypothesis of the tax relationship as a communication that acknowledges a subject’s
generosity towards his community and improves his moral condition, finds confirmation in
liberals’ preference for direct as opposed to indirect taxation. As De Ruggiero writes,
“Liberalism showed itself in a taste for the simplification of taxation and a preference for direct
taxes, which as compared with indirect are…more educational both for the taxpayer and for the
rulers, because, emphasizing as they do the sacrifices made by the citizen for the community,
they also emphasize the question of whether the public services form an adequate repayment for
these sacrifices” (1959 [1927]: 130-31). On the role of emotion in sovereignty, Bataille writes
that “These behaviors, these states of minds are communicable, and sovereignty is an institution,
because it is not foreign to the masses, because the state of mind of the sovereign, of the subject,
is subjectively communicated to those for whom he is the sovereign. Subjectivity is never the
object of discursive knowledge, except obliquely, but it is communicated from subject to subject
through a sensible, emotional contact…” (1967 [1949]: 242). Insofar as indirect taxes, not
extracted from the person liable for payment, did not require this work of communication and
recognition between subject and sovereign, it is perhaps not surprising that, as Kwass writes “indirect taxes provided no sound foundation for the construction of citizenship” (2000: 305). The notion that indirect taxes enabled absolutism may then be related to this inattention to the work of clarifying who owes what to whom, a work that, as I’ve suggested was constitutive of subjects and sovereign.

Benjamin Franklin’s oft-heard phrase that “there is nothing certain in life except death and taxes” takes on a new cast, suggesting that life cannot be thought outside of taxation and that the subject is born through debt as a moral creditor. The dynamic of sacrifice inherent to taxation, one that fundamentally involves the production of an indebted subjectivity lays the groundwork for “public credit” critical to the flow of money within a national territory. 56

It may be interesting, at this juncture, to consider Kockelman’s argument that “Value, then, turns on securing the regimenting attitudes of temporally, spatially, and socially distal others towards one’s statuses as evinced in and/or caused by the enactment of one’s roles…Capital is only its greedy, dimwitted younger brother. In short …selfhood qua temporally-unfolding intersubjectivity is the original form of self-expanding value” (2007: 169). But this selfhood as “the original form of self-expanding value” cannot, at least in modern state societies which I’ve argued were built in large part via technologies of credit such as taxation and Central Banks, be thought outside of relations of hierarchy because “the sovereign is the intermediary between one individual and the others” (Bataille 1976 [1949]: 240). What is lost in

56 Aglietta and Orléans speak of taxation as the “debt of life,” which they see as universal. Following Mauss, they write across the Great Divide. In La Monnaie Souveraine (2002), they flag that, around the eighteenth century, there is a reversal. What was once broadly agreed to be an individual’s debt to the state (as the embodiment of sovereignty) is replaced by a view of the state as indebted to the individual. How this occurs is left opaque. While I agree, in broad strokes about this trajectory they identify, and in some sense, my interest in sacrifice is inspired by their work, it seems important to specify the distinct dynamics of sacrifice in modernity, where the religious element is often not explicitly present. How these dynamics are re-created - or not – after the Great Divide requires explanation. My work might be seen as an attempt to retrace, in Foucauldian terms, the institutional technologies productive of the “debt of life,” a task that seems critical because, as evidenced by the Argentine case, of the striking variation between nation-states.
liberal portrayals of what Povinelli calls the “autological subject” is not only the inter-subjectivity but the constitutive place of hierarchy in the formation of this subject.

Marilyn Strathern’s insights on gift economies and the particular kind of misrecognition they produce may offer useful avenues for understanding liberal capitalism. In her description of gift economies of Melanesia, Strathern writes of “‘the person’ as an objectification (‘personification’) of relationships. In so far as people turn one set of relationships into another, they act (as individual subjects) to turn themselves into persons (objects) in the regard of others. They objectify themselves, one might say. And this is indeed the point of making themselves into active agents; this is their destiny” (1988: 313). Drawing on Strathern, one might say that liberal personhood is the objectification – or the fetish – of the recursive and mutually constituting relationship between sovereign and subject, a largely misrecognized circuit of great importance to the growth of capital. It is one that, refreshingly, Bataille sees when he writes “If I have spoken of objective sovereignty, I have never lost sight of the fact that sovereignty is never truly objective, that it refers rather to deep subjectivity. In any case, the real sovereign is a product, no doubt an objective product, of conventions based on subjective reactions. Sovereignty is objective only in response to our clumsiness, which cannot arrive at the subject except by positing some object which we then negate, which we negate or destroy” (Bataille 1988: 237).

The term fiscal sovereignty, as I will use it in this dissertation, refers to a state’s capacity to create the inter-subjective dynamics of recognition that facilitate the production of a virtuous cycle of national capital within the contours of the nation-state. If as Derrida has written, the

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57 As Povinelli writes “By the autological subject, I am referring to discourses, practices, and fantasies about self-making, self-sovereignty, and the value of individual freedom associated with the Enlightenment project of contractual constitutional democracy and capitalism. By genealogical society, I am referring to discourses, practices, and fantasies about social constraints placed on the autological subject by various kinds of inheritances” (2006: 4).
“mystical authority” of law derives in part from its “indecipherability,” this is equally true with fiscal sovereignty even if the mechanisms that produce this effect are different (1990). Critical to fiscal sovereignty is the creation of a neutral third figure ‘society’ – one able to conceal the governmental tactics of taking-as-giving, producing instead the illusion of a self-regulating morally sanctioned and sanctioning entity. Rather than an isolated actor, liberal personhood is a person-thing hybrid, one that comes into being as an effect of the sovereign’s gift. The ‘thing’ in this person-thing hybrid is money, a socio-technical arrangement, sustained by credit, produced through this complex leveraging of creditor-debtor relationships. Along with the discursive mechanisms to hide the fragility of credit, the notion of private property as a reified object became an anchoring mechanism concealing the fragility of debtor-creditor relationships.

Pocock, taking his cue from Montesquieu, wrote that:

Property as such does what “le doux commerce” was seen to do by writers such as Montesquieu: it refines and moderates the passions….Unless the passions are focused upon objects outside the self, the self cannot be socialized or reconciled to its own existence. This is not the moment to embark upon a history of the concept of alienation, but certainly the above is an early statement of its association with the notion of property. If we are to be social beings, then we must become what we own in relation to others, what we share and exchange with others; and since the concept of labor has put in an appearance the step from exchange to production is not far away (Pocock 1985:117).

While law, as I’ve suggested, plays a role in the virtuous cycle of inter-subjective recognition that is credit, this circuit cannot be explained solely by recourse to law. Fiscal sovereignty cannot be grasped within liberal divisions and cannot be reduced to a juridico-political framework, one that operates with jealously guarded categories of state, society and the individual. Contra Bataille, it is far more than “clumsiness” that ensures that liberal subjects come to see themselves as the primary sovereigns.
The Security of New Origins:

Counter-Gift as “First Gift” and the Economics of Forgetting

If the very notion of the private self-interested individual was born from a virtuous cycle of taxation and credit, this complex recursive nexus was not reflected in emergent representations of the economic subject *homo economicus* that would gain ground in the eighteenth century. It was this series of curious omissions and reversals in classical economic thought that led Mauss and Pocock, among others, to signal the primacy that the market had taken versus credit and to attempt to trigger memories and histories whose traces had, they submitted, mysteriously vanished. Marcel Mauss asserted that “Current economic and juridical history is largely mistaken in this matter…The evolution in economic law has not been from barter to sale, and from cash sale to credit sale... we have no evidence that any of the legal systems that have evolved beyond the phase we are describing (in particular, Babylonian law) remained ignorant of the credit process that is known in every archaic society that still survives today” (1925: 35). Similarly in search of the market’s pre-history, the intellectual historian J.G.A. Pocock wrote that “The perception of credit in many ways preceded and controlled the perception of the market” (1985: 69).

Writing on the affective and psychic effects of the ‘Financial Revolution,’ Pocock asserts that the 1690s generated a significant shift in the political relations between government and citizens. Citizens had become investors, their speculations about the stability of government critical to government’s capacity to expand and fulfill its functions, a predicament which Pocock writes produced “profound psychic insecurity” (1985: 117). Pocock captured this well when he wrote that “In the credit economy and polity, property had become not only mobile but
speculative: what was owned was promises, and not merely the functioning but the intelligibility of society depended upon the success of a program of reification” (1985: 113).58 In the seventeenth century, to ensure the state’s survival, the sovereign inaugurated a new field of power, public finance that, while emboldening it in some ways, in its capacity to fight wars, also made it considerably more dependent upon its subjects – now and for the first time, its creditors. The new political relations ushered in by paper money led to a series of dangerous entanglements.

In the wake of the Financial Revolution, the state had become a creditor because in its role as guarantor, it gave the stamp of authority to private debts, monetizing them, and promising to pay in the event of a default. But it had also become a debtor, heretofore beholden to the task of persuading national creditors that it could fulfill its function as guarantor. As Ingham writes, “The monarch had lost absolute control over money, which was now shared with the bourgeoisie” (2004: 130). Writing on the political dynamics of the gift, Morris writes of how the giver or, in this context, state creditor, however powerful, is also extremely vulnerable. “Sovereignty belongs to the recipient. Once accepted, the gift enslaves its receiver in a relation of debt. The giver is then always at risk in the moment of giving, for a refusal to receive will liberate the other person from all bonds” (2000: 32). If with the ‘Financial Revolution,’ the state had begun mortgaging its future to national creditors, a future which had previously been guaranteed by the claim of divinity, the recipients of this gift had become endowed with what Mauss calls the possibility of “sovereign refusal.” While subjects may neither have been

58 Hirschman shares Pocock’s reading of liberal individualism as effect rather than cause of capitalism’s growth, one related to the crisis of the state. “Weber claims that capitalistic behavior and activities were the indirect (and originally unintended) result of a desperate search for individual salvation. My claim is that the diffusion of capitalist forms owed much to an equally desperate search for a way of avoiding society’s ruin, permanently threatening at the time because of the precarious arrangements for internal and external order. …But Weber’s thesis has attracted so much attention that the latter topic has been totally overlooked” (1976: 30).
interested in – nor had the right to – refuse, as per Mauss’ formulation, these feelings nonetheless had to be ensured. 59

If public finance engendered vulnerability, inherent in the sovereign’s gift was a powerful mechanism for guarding against this volatility. The true gift does not allow itself to be remembered as a gift and exerts its power through a lapse of time that appears as forgetting. As Morris writes, “For Derrida, the recipient’s recognition of the gift constitutes the moment at which it is transformed into debt. Hence a true gift would rest upon the forgetting of the gift and, moreover, a forgetting of the act of forgetting. Indeed, as Derrida says, “Forgetting and gift would…be each in the condition of the other.” The correlate of such an argument is, therefore, that memory and economy are also “the condition of each other” (2000: 33). What I want to argue then is that sovereignty and gift operate through parallel logics and what is spoken about as the tautological quality of sovereignty may be an effect of the successful management of the gift. Sovereignty depends upon the capacity to elicit a feeling of recognition in the recipient, one that compels the giving of a counter-gift and the morally redemptive experience of generosity implicit therein, even as the genesis of these feelings remain unintelligible. If the gift’s giver is recognized, the gift risks being transformed into a debt, raising the specter of cancellation and threatening the “mystical authority” that is constitutive of fiscal sovereignty. The World Bank’s definition of taxation as an “unrequited compulsory payment” (1988) may be read as an attempt to avert the possibility for “memory and economy,” for seeing taxation as exchange rather than a

59 Helleiner provides an example of the degree to which state-credit money set in motion enabling, if dangerous, entanglements when he writes that “…when initiatives to move to more representative government were blocked by elites, the middle class sometimes used the threat of withdrawing “trust” in fiduciary money as a political tool. An example came in Britain when the House of Lords rejected the 1832 reform bill to expand the electoral franchise. Placards appeared around London asking people to convert their Bank of England notes into gold as a way of increasing pressure for reform, a move that caused a serious drain on the Bank and encouraged the king to try to get the bill passed. Although the tactic was effective, it also encouraged the government to soon make the Bank of England notes legal tender for the first time” (Acres 1931, 457-458) (Helleiner 2003: 45). Making Bank of England notes legal tender decreased the likelihood that subjects would store wealth in a non-national currency (gold), deploying what Hirschman calls “exit strategies.”
payment. To remove itself as a potential target of competition, it was in the sovereign’s “political self-interest” to take itself out of the frame, eventually transferring the experience of giving the first gift to the counter-gift giver, a process that would culminate in the experience of liberal personhood as sovereign.

The most important aide in this project of forgetting the sovereign’s gift was the field of classical economics itself, which developed in the second half of the eighteenth century. If the knowledge to be encrypted was the relational origin of the liberal autonomous individual, *homo economicus*, the paradigmatic figure of classical economics, whose credibility hinged upon corresponding theories of money and the state, could not have been a more ideal partner in crime. The more self-interest came to be seen as ontological fact, the more the relational nature of paper currency, as well as the potential for debtor power remained unseen. With the fragility of sovereignty in mind, it is interesting to return to Foucault’s perspective on political economy as a technology of security. In his words, a “new governmentality is born with the economists more than a century after the appearance of that other governmentality in the seventeenth century” (1978: 348). Foucault elaborates that “The fundamental objective of governmentality will be mechanisms of security, or, let’s say, it will be state intervention with the essential function of ensuring the security of the natural phenomena of economic processes or processes intrinsic to population” (1978: 353).

Even before the apex of classical economics, Locke’s theory of private property as natural right offered evidence of what Pocock calls a program of reification, of a shift in notions of who had given the first gift. It is interesting to reflect upon Locke’s views on property in light of his role as an investor in the stabilization of state finances. As Pocock writes “there was created a new class of investors great and small – Locke was one of them – who had lent
government capital that vastly stabilized and enlarged it, and henceforth lived off their expectations of a return on their investments” (1985: 68). Regardless of the fact that Locke continued to pay taxes, his theories of property and of men as the primary sovereigns suggested a shift whereby creditor subjectivity overshadowed debtor subjectivity.

If early attempts to elicit direct taxation and investment addressed a moral creditor, it was during the credit crisis of the eighteenth century, one that rendered “society more Hobbesian than Hobbes himself could ever have envisaged…” (Pocock 1985: 117) that affect, which Hirschman observes was written about as “the passions” would be siphoned off from the new realm of the economic.60 The economic would come to be seen, as Tim Mitchell writes, as a realm of “the material,” “the real, the natural, the nonhuman,” a “reserve whose existence in the distance made cultural analysis secure” (2002: 3). As a critical part of this process, Adam Smith would prescribe the siphoning off within the subject of the affective or ethical from the economic. Writing authoritatively as a moral philosopher and political economist, Smith’s doctrine was predicated upon the idea that self-interest would always ‘naturally’ trump concern for others and therefore this predisposition should be cultivated while suppressing charitable feelings from the realm of economy. Returning to Macpherson’s query about what Hobbes knew, one might say that Hobbes was still privy to a horizon of knowledge that would increasingly become eclipsed. This was the realm of the fiscal, which existed prior to the separation of the economic and political as autonomous and bounded spheres. The effort to stabilize the social logics of indebtedness led to a mutually constituting polarization of the economic on the one hand and the spiritual on the other, a disciplinary division whose implications are very far-reaching, discussed by authors such as Mauss ([1925]) Schmitt (1985 [1922]) Polanyi (1957) Foucault (2008). Of

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60 In the early eighteenth century, before technologies to conceal the sovereign’s vulnerability were fully institutionalized, Mary Poovey writes that newspapers appealed to a sense of communal obligation, portraying “economic investment as civic virtue” (Poovey 1998: 152).
this division, Carl Schmitt wrote “liberal concepts typically move between ethics (intellectuality) and economics (trade). From this polarity they attempt to annihilate the political as a domain of conquering power and repression” (1985 [1922]): 71).

Latour’s characterization of modernity as the historical moment where science begins to play a critical role in government is relevant here. If the growth of sentimental and national economies relied upon increased inter-subjective and inter-objective processes that Latour has described as “mediation,” it was the “purification” of these assemblages into carefully policed categories of human, non-human, natural, and social that was credited with success. In Latour’s words:

“The moderns think they have succeeded in such an expansion only because they have carefully separated Nature and Society (and bracketed God), whereas they have succeeded only because they have mixed together much greater masses of humans and nonhumans, without bracketing anything and without ruling out any combination! The link between the work of purification and the work of mediation has given birth to the moderns, but they credit only the former to their success. In saying this I am not unveiling a practice hidden beneath an official reading, I am simply adding the bottom half to the upper half. They are both necessary together, but as long as we were modern, they simply could not appear as one single and coherent configuration” (1994: 41).

Of particular interest to me is the way ‘metallist’ theories of money, downplaying the importance of the “fundamental monetary relation” (Ingham 2004: 138) would make it difficult to grasp the state’s role in the circulation of state-credit money and in the constitution of liberal personhood. What Latour calls the separation of “Nature and Society (and bracketed God)” manifested in transforming a socio-technical arrangement into a metallic substance, unrelated to credit, even as it could only ever operate as a hybrid creation.  

\^[61]\ Even though Latour’s discussion of “purification” does not specifically deal with matters fiscal or economic, his work is more persuasive for understanding the role of economic sciences in forgetting the sovereign’s gift than Callon’s work on the “laws of the markets.” Callon’s analytics of framing/overflowing to describe Thomas’ characterization of entangling and disentangling as “two opposite movements which explain how we move away
In this economizing process, taxation and credit were absented from the political rationality of classical economics. Even though this was what Braun calls “a purposeful fiction; fiscal policy always affects the economy”…“The classical economic theories rejected this role of the state and its corresponding economic functions of fiscal policy” (1975: 326). This security-inducing collective amnesia had striking effects, apparent in the historiography of taxation. Brewer asks how it is that despite the tremendous state intervention in Britain necessary for collecting the personal details that enabled direct taxation, it barely figured in the liberal story. “It has long been a source of self-congratulation to the British liberal tradition that Britain was wise and politic enough to avoid the enormities of a ‘strong state.’” And yet, as he writes,

“The late seventeenth and eighteenth centuries saw an astonishing transformation in British government, one which put muscle on the bones of the British body politic, increasing its endurance, strength and reach. Britain was able to shoulder an ever-more ponderous burden of military commitments thanks to a radical increase in taxation, the development of public deficit finance (a national debt) on an unprecedented scale, and the growth of a sizable public administration devoted to organizing the fiscal and military activities of the state. As a result the state cut a substantial figure, becoming the largest single actor in the economy…How are we to reconcile this view of an exceptionally active state with the liberal interpretation?” (1989: xvii)

If there was any memory of the gift’s giver, it was partly through Adam Smith’s work that it would be ushered into oblivion. Smith’s notable ambivalence towards taxation might be

from or closer to the market regime” (1998: 19) is very compelling. But Callon’s discussion of “the market” proceeds from a place where very much is already kept “out of the frame,” to cite his discussion of “the gift.” For instance, Callon writes that the production of calculative agencies of the market always produce ‘overflowing,’ a formulation that gives the market and its equipment primacy and sees non-calculative agencies as always already derivative. In so doing, the relationships between sovereign and subject as part of what both provide accountability for the unit of account and the volatile power relations which arguably provide the backdrop for market development are marginalized. To my mind then, as a result, a critical element for theorizing power-relations wielded through taxation, money, and credit is omitted. If, as Callon writes “homo economicus was formatted, framed, and equipped with prostheses which help him in his calculations and which are, for the most part, produced by economics” (1998: 51), it is necessary to specify the broader range of relationships from which this formatting occurred. The work of economics was not only involved in producing calculative agencies but suppressing the visibility of pre-existing circuits of relationality and accountability, built upon the moral, hierarchical and incalculable. Latour’s terms of “mediation” and “purification” are admittedly vague. Nonetheless, by referencing a space prior to and outside of classical economics, this framework may be more well-suited to the study of post-colonial contexts where the formatting processes of the economic sciences occurred in a different temporal relation to the institutionalization of fiscal technologies, leading to configurations not easily grasped through Callon’s analytics.
seen as symptomatic of his position as a transitional figure, caught in precisely this bind. He alternatively called direct taxation a “badge of slavery” (Levi 1988) and “grossly illiberal in practice. This objection echoes from A. Smith to Mill. It is a violation of privacy, they held, to make a man declare his income to the state on pain of punishment for evasion (Smith 1976 [1776]: 848-49). And yet, as Margaret Levi writes, “Although Smith opposed the income tax, he favored direct taxes that were geared to a person’s ability to pay and that fell on easily visible wealth, such as houses and land” (1988: 134). Arguably, the view of taxation as a “badge of slavery” or as straightforward coercion helped promote a notion of a repressive state pressing in on an always already constituted private individual, aiding in the misrecognition of the sovereign’s gift. With such a moralized and moralizing dichotomy between the bad state and the good individual, the generative dimension of taxation, that which had enabled the “productivity of debt” and those aspects of taxation that might be conceived as bio-political became nearly impossible to conceive.

It should not then be surprising that, for the *economistes*, the regulation of money, inextricably linked to state authority, figured with equal ambivalence. As Polanyi wrote “The constitutive importance of the currency in establishing the nation as the decisive economic and political unit of the time was as thoroughly overlooked by the writers of liberal Enlightenment as the existence of history had been by their eighteenth century predecessors. Such was the position upheld by the most brilliant economic thinkers from Ricardo to Wieser, from John Stuart Mill to Marshall and Wicksell while the common run of the educated were brought up to believe that preoccupation with the economic problem of the nation or the currency marked a person with the stigma of inferiority” (1957: 212). To have acknowledged the importance of stabilizing the unit of account ran the risk of exposing the sovereign gift-giver and disrupting the barter myth. For
Adam Smith, the question of monetary circulation within a national territory was considered superficial and unimportant. The ‘real’ measure of a country’s wealth was to be found in its land and labor, which together were believed to account for productivity. Following Strathern’s description of gift economies as those where “people turn one set of relationships into another, they act (as individual subjects) to turn themselves into persons (objects) in the regard of others” (1988: 313) one might say that the sciences of economy helped turn the relations between sovereign and subject into a relationship between labor and land. Regarding this ‘personification,’ inextricably linked to the shift to a quantity theory of money, Foucault writes in *The Order of Things* (1970): “From Ricardo on, labor, having been displaced in its relation to representation, and installed in a region where representation has no power, is organized in accordance with a causality peculiar to itself” (1970: 255).

In response to the affect-laden proliferation of person-thing assemblages and bonds, economic science downplayed the importance of credit and trust in achieving monetary stability. James Thompson captures the degree to which the emotional vagaries were made to disappear from the increasingly consolidated realm of the ‘economic’ when he writes: “Notice that compared with Locke’s and even Harris,’ Steuart’s language is considerably more abstract and proportionately less social; his examples or models are not intersubjective, and he does not rely on the language of voucher, consent, assurance, and agreement. Money here is systematic and functional – money of account in a controlled circulating system – not an object of trust or negotiation between two individual subjects” (1996: 77). As human contingency, belief, expectation, and affect became determinant forces in questions of credit and monetary circulation, theories of political economy developed to posit the ‘naturalness’ of economic processes, depicting them as self-regulating and in a state of natural equilibrium. Thompson
writes: “Finally, the language of monetary theory has gradually become less subjective, less focused on the trust of the individual subject, and correspondingly, it has become more objective, imagined more as an objective system separate and apart from human actors” (1996: 83).

The idea of convertibility, that paper money was backed by and could be redeemed, at any moment, for precious metal substance was a critical way to contain what Pocock calls the “hysteria” and Thompson calls the “semiological crisis” of nominalization. Just as nominalization raised the prospect that value did not inhere in metallic coin but in something far less tangible, “the idea of a metallic standard ideologically naturalized the underlying social relations” (Ingham 2004: 132). As Ingham writes, “It must be stressed that during *precisely* the same period in which the Bank of England was established and the full transferability of debt was made legally enforceable, the precious metal coinage was greatly strengthened. That is to say, this process did not involve a dematerialization of money that was driven –either intentionally or teleologically – to great efficiency…In England, Locke, Hume and later, Smith argued unswervingly in favour of a strong precious metal money…as credit-money became the most common means of transacting business, England also moved towards the creation of the strongest metallic currency in history” (2004: 129).

The theory of money called ‘metallism’ or the commodity theory of money, along with the institutions that could sustain such an illusion, was a condition of possibility for what Latour describes as the road from a fragile notion of the ‘public’ to the reified object of ‘society’ (2005). Since the figure of ‘society’ came to substitute for sovereignty or politics, it became increasingly difficult to understand credit and the human non-human assemblages through which it had been produced. Latour writes, “From the myth of the social contract onward, the body politic has always been, as John Dewey put it in his answer to Lippmann, a problem, a ghost always in risk
of complete dissolution. Never was it supposed to become a substance, a being, a sui generis realm that would have existed beneath, behind, and beyond political action. What has struck all readers in Hobbes’s sketch of his Leviathan is how fragile ‘this mortal god’ was and how quickly it could dissolve. For all to see, this giant had feet of clay. But as soon as you displace the mode of existence of the public into that of a society, so as to save you the immense, contradictory, and arduous task of composing it through political means, its problematic fragility vanishes” (2005: 162).

If taxation had, for at least one century, been a visible link between sovereignty and economy, through the work of the économistes, it became increasingly difficult to grasp the relationship between the two. Questions of dependency and debt brought to the surface by the founding of the National Debt and the representational nature of paper currency were relegated to the political unconscious. The writing out of indebtedness between state and subject would find its ultimate expression in the juridico-political vision of sovereignty. Perhaps not surprisingly then, in the nineteenth century, taxation reappeared far from potentially volatile debtor-creditor relations as one part of a reciprocal contractual exchange in the juridico-political realm of citizenship. As Braun writes “In the nineteenth century, the duty to pay taxes universally became defined as part of the new civil obligations and was established firmly in the new constitutional settings. This constitutional anchorage together with the emergence of a wave of national solidarity on the other hand, and the development of more sophisticated techniques and institutions for assessing and collecting the various levies…eased extraction problems” (1975: 324). With the French Revolution, direct taxation came to be seen as one part of a

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62 While he doesn’t specifically speak of commodity theories of money, Latour’s appeal to the “metallurgical” is suggestive of the role of metallism. “Although it remains invisible, the giant body politic is now said to have had its feet solidly fastened to a sturdy pedestal. All the difficulties of grasping the social start from such an impossible feat of metallurgical fiction, the moving shape of the Phantom Public now cast in bronze” (2005: 163).
reciprocal exchange for the rights of citizenship and social welfare. In the context of widespread poverty and Rousseau’s critique of luxury, direct taxation was recognized as the most progressive path towards redistribution, acquiring a powerful moral valence at the center of “society.” According to Ardant “the personal income tax appeared to be the mainstay of this motion of solidarity” (1975: 169). Under the banner of the horizontal bonds of “liberté, égalité, fraternité," in 1793, Robespierre included the personal income tax in the Declaration of the Rights of Man.

With taxation firmly within the realm of “society,” and given the influence of Adam Smith’s “concept that state, society and economy are distinct from each other and follow separate laws and rules” (Braun 1975: 296), taxation could no longer bear any association to sacrifice, which within a juridico-political notion of sovereignty, was linked to military defense and a state’s power over life or death. While in the seventeenth century, taxes were extracted alongside military conscription, by the nineteenth and twentieth centuries, as Carl Schmitt observed “Under no circumstances can anyone demand that any member of an economically determined society, whose order in the economic domain is based upon rational procedures, sacrifice his life in the interest of rational operations. To justify such a demand on the basis of economic expediency would contradict the individualistic principles of a liberal economic order and could never be justified by the norms or ideals of an economy autonomously conceived” (1985 [1922]: 48). Not only had the notion of sacrificing life for economic expediency become unconscionable but so had the sacrifice of one’s possessions. Tax payment was no longer

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63 Such an approach could also be seen in the last lines of the United States 1776 Declaration of Independence, written in the early days of classical economics, which were “We mutually pledge to each other our lives, our fortunes and our sacred honor.”

64 One need only look at the U.S. Republican party’s indignant reaction against V.P democratic nominee Biden’s claim that tax payment is “patriotic” to see the difficulty in the republican/neo-liberal tradition of thinking something like “economic sacrifice.” Biden’s statement, one that draws the connection between patriotism and ‘the fiscal’, which given disciplinary divisions can only ever be grasped as the economic, constitutes a transgression of
intelligible as a hierarchically based social payment that constituted Hobbes’ “commonwealth” but had undergone a metamorphosis, re-emerging either in the language of political contract or in a market-like language of contract and equivalence. As the American jurist Oliver Wendell Holmes wrote in 1904 “Taxes are the price we pay for a civilized society,” a phrase that captures the shift in conceptualizations of taxation. Imagined within the sphere of private law and the market, tax payment was now a price paid by an already constituted rights-bearing individual for the guarantee and exercise of his rights.

After the Market: The Post-Purification Anthropology of Capitalism

In a recent review on the anthropology of money, Maurer argues that anthropologists have become accustomed to telling a familiar yet dubious story about “the dehumanizing and homogenizing effects of monetary incursion on all aspects of life in our own society” (2006: 17). As he writes, despite the fact that Bloch and Parry (1989) attempted to “refocus anthropological attention away from Western folk theories of monetary transformation (the root of all evil, the camel through the eye of the needle…) embodied in influential accounts from Aristotle to Marx, Weber, and Simmel” (2006: 19), these insights have rarely been taken up and there has been a “repetition compulsion to circle back to the classical account” (2006:17). Maurer observes that “we have been good at containing our more exciting insights about money (conveyed in several
exemplary edited collections, e.g., Akin & Robbins 1999, Guyer 1995b, Parry and Bloch 1989), while presenting to the outside world the comforting plotline we are always expected to relate” (2006: 17).

One of these exciting insights was Parry and Bloch’s (1989) critique of what had come to be the dominant position in anthropological work on capitalism. This position assumed the existence of a ‘Great Divide’ between small-scale and capitalist societies, and took as a starting point the idea that in capitalist societies, the short-term transactional cycle, the one where individual profit-seeking was sanctioned had displaced the long-term cycle, the one ensuring longevity of the community, associated with morality and redistribution. While Parry and Bloch acknowledged historical shifts, they argued that rather than a fundamental “disembedding” of the economic from the social, as per Polanyi, what had occurred instead was a shift in representations of capitalism, one heavily influenced by the Aristotelian legacy in Marx’s thought. As they suggested, “What is also possible, however, is that the conceptual shift has been rather less radical, and that what has really happened – as Mauss’ essay on The Gift implied long ago – is rather that Western ideology has so emphasized the distinctiveness of the two cycles that it is then unable to imagine the mechanisms by which they are linked” (1989: 30). Along similar lines, Aglietta and Orléans have argued that money always already bears traces of the interlocking cycle of taxation and investment that produce it, therefore always holding two circuits, that of what they call monnaie marchande (market money) and that of monnaie fiscale (fiscal money) within it. While the dominance of each circuit shifts historically according to

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65 It is interesting to note that the works that Parry and Bloch cast in a critical light were themselves written at the height of neo-liberal thought, when indeed, policymakers began to advocate the retreat of the long-term cycle.
fiscal and monetary policies, money can never operate through a purely contractual logic as neoliberals believe and prescribe (1983, 2000, 2002). 66

These works drew a new generation of anthropologists to study the specific intertwining of the ethical and the technical at the heart of capitalism. In a poignant critique, Janet Roitman wrote that the concept of “moral economy” juxtaposed morality, standing in for “culture” with a caricature-like portrayal of capitalism as always already devoid of morality, reproducing facile divisions of local/global (1997). In her early and groundbreaking work on “earmarking,” Zelizer emphasized the “social” and “cultural” meanings of money, suggesting that these exceptions might warrant a re-appraisal of the normative view of money as a homogenizing, abstracting medium (1995). Julia Elyachar’s riveting study of “relational value” in the context of Egyptian craftsmen’s markets demonstrated how monetary loss can lead to moral gain even as these insights are not brought to bear on broader dynamics of capitalism, where value is left to appear non-relational (2004). In studies of alternative currency movements, Islamic finance, and even tax amnesties, Maurer elucidated the transcendental quality in numbers, highlighting pockets of the moral or ethical within capitalism (2004, 2007). With few exceptions, there has been little attention to the ethical and political implications of money-mediated payments and exchanges within nation-states. This may be changing. Gustav Peebles’ recent work on the formation of creditor-debtor relations between state and citizen in processes of nation-building (2008, 2010) and Jessica Cattelino’s (2008) work on the redistributive uses of money in the context of Native American gaming focus on precisely this nexus. These examples notwithstanding, Zaloom’s

66 Insofar as Appadurai recuperates Simmel on the relationship between sacrifice and exchange in the production of value, the introduction to “The Social Life of Things: Commodities in Cultural Perspective” (1986) might be seen as another such contribution. But while Appadurai speaks of “the ways in which desire and demand, reciprocal sacrifice and power interact to create economic value in specific social situations” (1986:4) and of “politics as the mediating level between exchange and value” (1986: 6), he explicitly redirects attention from money to things and does not theorize the state such that the relationship between money and political institutions remains untheorized.
recent observation: “the current neglect of Mauss’s other mission, analyzing the cultural nature of economics and offering alternatives, is mysterious” (2007: 180), is perceptive and worthy of attention.

There is a kinship, I will suggest, between what Parry and Bloch identify as the difficulty perceiving the long-term cycle in capitalism or monnaie fiscale and Partha Chatterjee’s observation regarding the dearth of research on the intersection of “capital and community.” As Chatterjee writes “It is not so much the state/civil society opposition but rather the capital/community opposition that seem to me to be the great unsurpassed contradiction in Western social philosophy. Both state and civil-social institutions have assigned places within the narrative of capital. Community, which ideally should have been banished from the kingdom of capital, continues to lead a subterranean, potentially subversive, life within it because it refuses to go away” (1993: 236). My contention here is that what Maurer calls a “repetition compulsion to circle back to the classical account” is attributable to Marx’s inheritance of a juridico-political notion of sovereignty, one that enfolds within it a defensive posture against the dangerous entanglements of sovereign and subject integral to fiscal sovereignty. To have acknowledged the fragility of this hierarchical relationship threatened to destabilize notions of private property and therefore the autological subject, concepts to which Marx was deeply attached.

Marx’s commitment to the “autological subject” has been written about by many authors who criticize his representation of the affectively self-sufficient subject, arguing that Marx embraced the subject of classical economics (see Baudrillard 1981, Sahlins 1976, Ollman 1971). By suggesting that humans could fully realize themselves through the application of labor to land, Marx reinforced two notions: that alienation was traceable to lack of access to the means of
production and that community and authority were obstacles to this self-realization. In Marx’s words “Private property which is personally earned, i.e. which is based, as it were, on the fusing together of the isolated, independent working individual with the conditions of his labor, is supplanted by capitalist private property, which rests on the exploitation of alien, but formally free labor” (Capital 1976: 928). While he criticized many aspects of bourgeois society, he nonetheless embraced individualism as an advanced developmental stage precisely because of the disentanglement from community. For Marx, “ancient social organisms of production” were “founded either on the immature development of man individually, who has not yet severed the umbilical cord that unites him with his fellowmen in a primitive tribal community…” (Capital 1976: 79). The rigidity of these categories lead Sahlins to write “I am making a very large claim: that the species to which Marx’s “species-being” belongs is Homo economicus…Even the “alienation” of the early phases of this career involves that dualist opposition of man and society characteristic of a bourgeois functionalism. Marx often insisted that the individual is the social being, and yet his concept of alienation depended broadly on “the antithesis between man and his social being.” Alienation seems like the reverse (proletarian) side of the idea of an enterprising man, in relation to whose subversive project of satisfaction society stands as an external condition” (1976: 161).

The difficulty of thinking capital alongside community is not surprising given that the “autological subject” – rather than theorized as an effect of relations of inter-subjective recognition – is imagined to pre-exist them. This position is fully exposed in Marx’s discussion of money, to which I turn below, where it becomes clear that the capital/community contradiction inheres in the civil society/state contradiction and an aversion to debt and dependence between sovereign and subject. The conviction with which Marx downplayed the
importance of national money indicates neglect of the specific debtor-creditor relations between sovereign and subject within a bounded national territory, which I’ve argued were critical to the sustenance of both state and money. This leads to a paradoxical impasse in Marx’s description of the relationship between state and community.

Not unlike the orthodox political economists Ricardo and Mill, Marx perceived currency as epiphenomenal to labor and land, writing that national currencies were merely instantiations of the money commodity, the “universal equivalent” dressed in a “national costume.” While Marx writes that “the money form, the commodity functioning as “the universal equivalent” of all other commodities” (1967: 181)…“is the form of appearance of human relations hidden behind it (1967: 185)” what becomes clear through his discussion of money is that the ‘humans relations behind’ the universal equivalent do not include any specific or credible relations between users of money and political authority. As Hart writes “Marx adhered broadly to classical orthodoxy. The opening passages of Capital (1887) make it clear that money is a commodity whose use is to facilitate exchange and capital is money put to accumulative ends within the exchange circuit” (1986: 643). Aglietta and Orlean echo this critique, writing that Marx took on a metallist or commodity theory of money, which only made sense in the context of an already constituted “society” (1983, 2002).67 Marx wrote when technologies, institutions and forms of knowledge designed to mitigate the anxiety of credit and of government’s insolvency were already in place. On account of this, Guyer has written that neither Marxist nor neo-classical accounts of money are adequate for analyzing countries where the “credit/capital nexus” (1995: 19) is less developed or where monetary instability is a perpetual feature of life.

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67 As evidenced for example in the Robinson Crusoe parable, Marx explicitly criticized the isolated individualism and the subject of ‘needs’ of political economists, arguing that “use-value” was always already social. But nonetheless, the subject folded into his discussion of money is a bounded autological subject who pre-exists community. While frequently invoking the social, for instance in “socially necessary labor time,” the contours of the social are extremely vague and it has no credible history that could help delineate its boundaries.
Marx emphasized the role of “law” in making the ‘circulating medium’ flow, stating that “everything depends on the first step” (1973: 223), which is that “the metallic content of silver and copper tokens is arbitrarily determined by the law…Relatively valueless objects, therefore, such as paper notes, can serve as coins in place of gold. This purely symbolic character of currency is still somewhat disguised in the case of metal tokens” (1973: 223). At the same time, the story was more complicated because, as Marx went on to write, the state/law depended upon, and “can only be of any effect within the internal sphere of circulation which is circumscribed by the boundaries of a given community.” This is because, as Marx writes “One thing is necessary, however: the symbol of money must have its own objective social validity” (1973 [1906]: 226).

Marx’s nuanced discussion of how metallic substance “disguises” the “symbolic” nature of paper notes, and his awareness that money could only be of any effect when it had “objective social validity” suggest that he took account of nominalization, distancing himself from metallist/commodity theories of money. Upon closer reflection however, this departure was extremely limited. Marx wrote that one of the defining features of the sphere of circulation was that due to the “symbolic” quality of paper money, monetary transactions that previously occurred between buyers and sellers had become relationships between creditors and debtors. In the realm of circulation, simultaneous exchange is illusory because what is being exchanged is a promise of future repayment:

“But with the development of circulation, conditions arise under which the alienation of the commodity becomes separated by an interval of time by the realization of its price…He therefore buys it before he pays for it. The seller sells an existing commodity, the buyer buys as the mere representative of money, or rather as the representative of future money. The seller becomes a creditor, the buyer becomes a debtor. Since the metamorphosis of commodities, or the development of their form of value, has undergone a change here, money receives a new function as well. It becomes the means of payment” (1973: 232).
But where the ‘circulating medium’ was constitutive of new social connections, as soon as it began to function primarily as a ‘means of payment,’ money ceased having the same capacity to forge bonds and instead merely reflected already existing social relations. Marx writes: “The flow of the circulating medium does not merely express the connection between buyers and sellers: the connection itself arises within, and exists through, the circulation of money. The movement of the means of payment, however, expresses a social connection which was already present independently” (1973: 235).

At precisely the historical moment where the state’s authority takes on more importance and when state-issued paper legal tender becomes the unit of account, Marx neutralizes the effect of money as a “social technology” (Ingham 2004), evincing a curious double-standard. If with the development of circulation, what accounts for the transformation of buyers and sellers into creditors and debtors is an interval of time, and the state as guarantor and lender of last resort is normally seen as playing a critical role in enabling this trust (Giddens 1971, Brantlinger 1999), Marx inverts this logic, suggesting that trust and the forging of new bonds occurs exclusively in a hypothetical private realm. The ‘circulating medium,’ untarnished by the state’s intervention, qualifies as what Latour calls a “mediator,” actively transforming apparently independent entities it bridges. The ‘means of payment,’ by contrast, which is only of any effect after the development of the complex leveraging process between taxpayers and investors, is relegated to the status of a passive medium between two already constituted entities, what Latour would call an “intermediary.”

Through this seemingly arbitrary distinction then, Marx interrupts the possibility of thinking state-issued paper legal tender as constitutive of bonds between state and subjects. This epistemic aversion to entanglement hampers the persuasiveness of Marx’s argument about what
endows money with “objective social validity.” As Marx writes: “One thing is necessary, however: the symbol of money must have its own objective social validity. The paper acquires this by its forced currency. The state’s compulsion can only be of any effect within that internal sphere of circulation which is circumscribed by the boundaries of a given community, but it is also only within that sphere that money is completely absorbed in its function as medium of circulation, and is therefore able to receive, in the form of paper money, a purely functional mode of existence in which it is externally separated from its metallic substance” (1973: 226).

Despite the state’s reliance upon what Marx calls the “internal sphere of circulation which is circumscribed by the boundaries of a given community,” community is portrayed as an entity without history, a passive vehicle through which the state can force the flow of money. Rather than noting that communities are themselves changed, if not constituted, by the “forced flow of currency,” i.e. taxation, Marx insists on the counter-intuitive position that the state’s “compulsion is only of any effect within the boundaries of a given community.” He clearly takes account of horizontal inter-subjective bonds among members of a community -- there must be some pre-existing quality to these bonds for them to have such importance in providing paper money with the “objective social validity.” But these bonds have nothing to do with credibility in an authority. Money is presumed to flow on account of “force” and “law” alone, a view that does away with the need to think credit or its sovereign basis. The state does not itself appear indebted to subjects in its need to elicit their accountability as taxpayers or their confidence as investors.

While Marx may have written brilliantly on creditor-debtor relations in a hypothetical private

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68 As Anitra Nelson writes, “Significantly Marx does not conceive of tokens of value as credit money, and state-issued paper legal tender is considered an advanced form of the token of value, and the only kind of paper money which directly arises from metallic currency or from simple commodity circulation itself. This is a straightforward example of how Marx occasionally admits a role for the state all the while downplaying and even denying any necessity for it to either issue or regulate money. There is a whole page in the *Urtext* on the way then an absolute monarchy pressures for production for exchange simply by demanding money taxes, which disappears in the final version here and which again exemplifies Marx’s tendency in the final instance to underrate the importance of the state in his theory of money” (1999: 88).
sphere, he did not bring these same insights to bear upon debtor-creditor relations between state and subject.

Marx’s portrait of the flow of money as independent of a recursive feedback mechanism between sovereign and subject is not to suggest that he did not theorize “public credit,” the National Debt, or taxation. He fully recognized the importance of “public credit” in the formation of capital. But rather than seeing “public credit” as emanating from the state’s transactions with subjects, it was characterized as “religious” or “magic,” emanating from a realm which, while affecting political relations, was conceived as exterior to it. In his words:

“Public credit becomes the credo of capital. And with the rise of national debt-making, lack of faith in the national debt takes the place of the sin against the Holy Ghost, for which there is no forgiveness. The public debt becomes one of the most powerful levers of primitive accumulation. As with the stroke of an enchanter’s wand, it endows unproductive money with the power of creation and thus turns it into capital, without forcing it to expose itself to the troubles and risks inseparable from its employment in industry or even in usury. The state’s creditors actually give nothing away, for the sum lent is transformed into public bonds, easily negotiable, which go on functioning in their hands just as so much hard cash would” (1967: 919).

But if “public credit” had something magical about it, it was not because it was immune from exposing itself “to troubles and risks inseparable from its employment in industry or even in usury.” It was rather that these troubles and risks had occurred at a register that Marx was not attuned to, both because sovereignty had already been consolidated and because of the belief that personhood was realized in relation to land, outside of the purview of the state and the sovereign’s ‘foundational gift.’ Marx saw public credit as a “lever” of primitive accumulation and the “credo of capital,” but primitive accumulation, which included the modern tax system, was not perceived as a force that, while coercive, also inspired awe and confidence (Aglietta and Orléan 1998, 2002). Reliance upon “law” and “force,” used as shorthand for technologies of credit, taxation and the Central Bank, those that I’ve argued endowed money with the appearance
of objectivity, substituted for the need to articulate a positive theory of the state or to see money as a conduit of recognition. But in the absence of these structures of credibility, it is questionable what the “law” means and what kind of command it can have. By failing to attend to the shifting circuit of recognition between sovereign and subject, Marx made it impossible to see how what Benjamin calls the “force of fate” (1921) – that which endows the law with moral authority – shifts, a process critical for understanding how states build fiscal sovereignty and recover it after a crisis. With regard to Marx’s theory of money, and the strictly repressive portrayal of the political, it is possible to understand why Foucault wrote “At the deepest level of Western knowledge, Marxism introduced no real discontinuity; it found its place without difficulty, as a full, quiet, comfortable and, goodness knows, satisfying form for a time (its own), within an epistemological arrangement” (1970: 262).

Rather than positing a dichotomy between the repressive “forced flow of currency” or “public credit” as religious/enchanted wand, over the course of this chapter, by revisiting the history of taxation and the dynamics of sacrifice, I have focused on the productive role of the state in the economy and the production of moral creditors. If theories of capitalism in the social sciences have often figured religious and ethical concerns on the one hand, and economic ones on the other, as separate realms acting upon each other with different causal directionalities, then, to use Latour’s formulation, we have never been capitalist. I’ve suggested that the magic of “public credit” derives from fiscal sovereignty, linked to the emergence of liberal personhood and the concealment of its relational origins, which remain tucked away in the shadow of the fiscal covenant. While the ethical might appear to make an entrance from a mysterious outside, the “mystical foundation” of economic obligation is instead produced through these inter-subjective/inter-objective debtor-creditor relationships that are a critical but neglected aspect of
modern state sovereignty. Money, far from being “unproductive” before the “enchanted wand” of the appearance of “public credit,” was itself formative of bonds and critical to transactional processes that were themselves productive of enchantment.

Reading *Capital* through a Maussian lens, Marx’s preoccupation with processes of giving, receiving, and reciprocating is noteworthy. But given Marx’s conviction regarding humans as the primary sovereigns and absent something other than a repressive theory of the state, gift-giving only ever appears as theft. For Marx “The state’s creditors actually give nothing away, for the sum lent is transformed into public bonds, easily negotiable, which go on functioning in their hands just as so much hard cash would.” As Tilly writes, however, the state’s creditors were almost always already taxpayers, as is poignantly captured in the origin of the word capitalist. “Indeed, the word “capitalist” in its modern use seems to have come from the word for those Dutch citizens who paid the highest per capita tax rate, thereby advertising their wealth and creditworthiness” (1990: 90). If following Tilly, the state’s creditors had both accepted the sovereign’s gift of recognition and given a counter-gift, an unrequited payment to the state, one not calculable in monetary terms, whether one can say that “the state’s creditors actually give nothing away” is debatable. If value is measured through an economistic metric, where the key criterion is quantity of wealth, such a statement seems unobjectionable. But this statement, as well as the related claim that the Bank of England “gave with one hand and took back more with the other,” is less straightforward if one attends to money as a conduit of recognition and turns attention to the paths of sociality forged through its circulation. For Marx, this giving and taking is a zero-sum game rather than a process through which several new objects, including modern property relations and the model of personhood as proprietorship that he himself defended, were constituted. By lending their money, the state’s creditors participated
in the anticipation of a future which enabled a cycle of social indebtedness, laying the groundwork for sovereignty.

Marx’s view of the National Debt as “the alienation [alienation by sale] of the state – whether that state is despotic, constitutional or republican – marked the capitalist era with its stamp” bears the trace of the imposition of market logics upon ones more accurately described as fiscal. In order to sell something, it must first be owned. Rather than a “sale,” the formation of the National Debt was a foundational act, one that enabled the state to survive by transforming the nation into an object of collective ownership – even as the stakes in this ownership were highly unequal. It was through the formation of the “National debt” that the state could claim itself as the guardian of what could now be construed as an object of collective ownership, an “inalienable possession” (Weiner 1988), one not marketable because tied together by fiscal rather than market bonds. Without the premise of collective ownership, modern property relations and the very notion of individual as proprietor of his own labor would not have come into being. Marx rightly observed that “The only part of the so-called national wealth that actually enters into the collective possession of a modern nation – is the national debt” (1967: 919), but only a perspective that shunned debt and dependence would see this as problematic and fraudulent.

The legacy of this juridico-political vision of sovereignty in interpreting economic activity is perhaps most visible in recent anthropological work that declares the irrelevance of the nation-state as a social imaginary for thinking “cultures of circulation.” While, in some quarters, there is renewed attention to the nation/economy as an object (Mitchell 2002), and how it may have shaped national identification and fiscal and monetary practices (Peebles 2008), Lee and LiPuma write that the “The contemporary decline of the nation-state as the relevant unit of
analysis for global capitalism is reflected in two distinct circulatory movements: the increasingly transnational character of labor and the global mobility of finance capital” (2002: 208). The continuing failure to attend to the circulation of money as a necessary and defining feature of modern nation-state impedes the authors’ intention, stated in the beginning of the article, to “overcome the dichotomy between culture and economy.”

While the authors call attention to performativity, as when they write that “An expanded notion of performativity would then become crucial for developing a cultural account of economic processes” (2002: 192), by the end of the article, the only genuine performative force is capital as self-valorizing value, described as a teleological force that can affect other realms without in turn being affected by them. The unrivalled protagonism of capital is especially surprising because the authors mention the need to move beyond Marx’s nineteenth century Hegelian inheritance, specifically the “idea of the economy as an autonomous, self-regulating system…and of social contract theory and its arguments about social totality” (2002: 193). As the article unfolds, it becomes clear that rather than interrogating state/civil society/market categorizations and their performative effects, the shift of interest is “from production-centric capitalism linked to modern social imaginaries privileging the nation-state, which seek to encompass rival capitalisms through the extension of production-based capitalism – to the emergent circulation-based capitalism and its concomitant, a transformed set of social imaginaries that privileges a global totality as it produces new forms of risk that may destroy it” (2002: 211). To define circulation as a stage of advanced capitalism dominated by finance capital continues to suggest that circulation as an idiom of debt and credit for discussing the relationship between sovereign and subject was non-existent during “production-centric capitalism,” limiting analyses of capitalism in regions where capital had a different political history.
What Lee and LiPuma call “social imaginaries” are written about not as categories to be explored through ethnographic and historical research but uniform features of “democratic nation-states.” In their words, “It is usual for the citizens of a democratic nation-state to think of the three modern social imaginaries – the public sphere (public opinion), the citizen-state (“We the people”), and the market – as collective agents, created by the actions of the participants and moving through secular time…all presuppose a self-reflexive structure of circulation built around some reciprocal social action, whether that action be reading, as in the case of the public sphere and nationalism, or buying and selling, as in the case of the market” (2002: 193).

By setting up a template where the national subject reads and the market subject buys or sells, the scope of citizens’ rapport with ‘the economic’ becomes extremely limited. Citizens are perceived as consumers rather than being simultaneously perceived as debtors or creditors in relation to the nation-state, and are a priori excluded from the dynamics of credibility that sustain money. If the realm of the “economic” is made commensurate with or collapsed into the market, a narrow focus that excludes a more encompassing category of the fiscal, then what can count as “culture” and what can count as “economy,” a bifurcation the authors set out to challenge is already very constrained. While money, insofar as it is misrecognized state debt, depends at least in part on the public’s active interpretation and evaluation of the state’s credibility, by importing the civil society/state divisions, the question of citizens’ investment or divestment is excluded. Questions of debt, risk, and speculation are seen as the province of finance capital and the “space of flows.” In this, Lee and LiPuma implicitly reproduce liberal, as well as Marxist notions of a sphere where value-production was less fictitious, less vulnerable to the vagaries of expectation and belief even though once money became the ‘means of payment,’ this was a far more generalized condition.
Given that money is still nationally denominated and regulated through fiscal and monetary policies, we cannot be so quick to disregard the state, which has long, as Friedrich Hayek, laments, exerted a secret but powerful role in the management of money. If there were any doubt of the existence of a long-term cycle, of *monnaie fiscale* or the relationship of either to modern liberal personhood, the neo-liberal economist and thinker Hayek’s impassioned protests of the mid-1970s that money was still locked in an “unholy marriage” with the state, confirmed this suspicion. In promoting the denationalization of money, Hayek wrote “The two goals of public finance and of the regulation of a satisfactory currency are entirely different from, and largely contradictory with each other…it has not only made money the chief cause of economic fluctuations but has also greatly facilitated an uncontrollable growth of public expenditure. If we are to preserve a functioning market economy (and with it individual freedom), nothing can be more urgent than that we dissolve the unholy marriage between monetary and fiscal policy, long clandestine but formally consecrated with the victory of ‘Keynesian’ economics” (117: 1976).

It is particularly ironic that it is Hayek who, in promoting the “denationalization of money” alerts us to the fact that money was national. While Hayek wanted this relationship brought to light so that it could be fully severed, this marriage might have been of interest to scholars in their quest to understand the bonds within communities. We might now say that the fact that the relationship between money and community remains largely unexamined in Western social theory, including much Marxist scholarship, is symptomatic of the clandestinity of this marriage. National currency, Brantlinger notes, rarely figures as one of the representational forms seen as eliciting sacrifice or affective loyalty that builds nation-ness. Benedict Anderson’s work, for instance, does not consider national currency as a representational form in its own right. This is surprising given that one of Anderson’s specific aims, as he sets out, in the
beginning of *Imagined Communities* (1983) is to move away from the problematic in Marxist historiography where the primary concern was whether/how nationalism might interfere with or distract from the formation of ‘essential’ class loyalties, which were to organically grow from relations of production. Anderson argues that nationalism comes to command “profound emotional legitimacy” and “arouse deep attachments” in different parts of the world at historical conjunctures where print-capitalism develops and where religion is on the decline. But even in work that eschews sociological determinism and focuses on cultural representations in shaping political subjectivity, what counts as a cultural representation is limited. Neither money, as related to taxation, nor the tokens through which tribute circulated were included as representations that might have contributed to nation-ness. Chatterjee astutely notes that:

“What Marx did not see too well was the ability of capitalist society to ideologically reunite capital and labor at the level of the political community of the nation, borrowing from another narrative the rhetoric of love, duty, welfare, and the like. Notwithstanding its universal scope, capital remained parasitic upon the reconstructed particularism of the nation (It would be an interesting exercise to identify in Marx’s *Capital* the places where this other narrative makes a surreptitious appearance: for instance, money, the universal equivalent, which nevertheless retains the form of a national currency assigned a particular exchange-value by the national state; or the value of labor-power, homogenous and normalized, which is nevertheless determined by the specific historical and cultural particularities)” (1993: 296).

The argument that I have been making then is that there was no need for “capitalist society” to “reunite capital and labor” because neither capital nor labor had been privy to the autonomy from the nation-state that such a vision implies. In order to become “capital and labor,” they had had to encounter each other through money, and money, given its inextricable link to the state and the fiscal politics of recognition was always already sovereign and national. It is not capital and labor that needed to be re-united, it is we who are re-united with a reality that classical economists and Marx helped make clandestine.
Undoing this legacy has been challenging because anthropological theorizations of capitalism have been deeply intertwined with Marxist thought. Money has often been thought as a medium for market exchange or a derivative of capital rather than studied in its capacity as a unit of account, inextricably linked to sovereignty. As Hayek makes explicit, monetary and fiscal policies have often been inscribed with scripts carrying conceptions of the liberal modern subject. Renewed attention to money will not only expand our understanding of “community and capital,” but also expand our thinking about subjectivity and how the “genealogical” subject, surreptitiously survives at the heart of capitalist modernity.

It is tempting, after looking at the figuration of money in the juridico-political vision of sovereignty, to revisit Mauss’ insight that law wasn’t the only regulatory apparatus for shaping the disposition of persons and things. Prior to the disciplinary divisions of liberal utilitarianism, and arguably well beyond, as suggested in his conclusion, souls and things intermingled because they had never been fully alienated or divided. Dynamics of time, credit, honor and fear around creditor-debtor relations compensated for the lack of a separate juridical sphere. With widespread recognition of the normativity of inter-objective and inter-subjective arrangements, it may be possible to bring a fresh perspective to the fiscal bond between state and subjects in nation-state contexts, which may constitute more of a shift than we might, at first, imagine. Ironically, even sophisticated readers of Mauss like Sahlins policed the person-thing boundary. Parry points out that Sahlins, concerned that Mauss might embarrass his admirers in failing to articulate an “absolute disjunction between persons and things” sanitized Mauss, arguing that the intermingling of souls and things applied only to the ‘spirit of the gift’ as opposed to the gift as social contract. Invoking Mauss’ relevance for the modern state, and inviting us to read the fiscal back into the social contract, Parry claims that “The gift only succeeds in suppressing the Warre
of all against all *because* it creates spiritual bonds between persons by means of things which embody persons” (1986:45).
CHAPTER 2

“The central lesson to be drawn from the Latin American experience is that we cannot assume political autonomy simply because the symbols of independence are there…What is required for a fiscal system is not simply constitutional powers but a bureaucratic capacity to enforce these” (Centeno 1997: 1599).

The Market without the Gift:

Fiscal (Mis) recognition and the Volatility of Public Finance in Argentina

In an article entitled “Representation without Taxation” Jane Guyer writes of “the public revenue system as a powerful moral, political and economic theory of state and society” central to the consolidation of the democratic polity in Europe (1992: 57). Guyer argues that the question of “institutional political sequence,” by which she means the temporal sequence in which institutions of procedural democracy develop in relation to those of public finance, has received insufficient attention in discussions of the challenges facing post-colonial states. As she observes “otherwise familiar phenomena such as clientage, prebendalism, withdrawal from the state, and unproductive investment may be seen as interrelated processes in a struggle to create a polity based on representation without (or before) taxation” (1992: 46). Drawing attention both to the universality of tax and the analytical question of sequence, Guyer writes:

“The English form of democracy was built not only slowly over time, as is often pointed out, but in a particular institutional sequence. Central government developed in connection with taxation and public revenue and long predates – and provides a foundation for – the development of the corporate legal framework and institutional mechanisms of the capitalist market. Taxation and public revenue were institutionalized under nondemocratic rule; indeed Wickham argues in the Eurasian Ancient World there was “one common denominator from Rome to China, that of tax” (1992: 41).
Along with other historians, Gabriel Ardant maintains that, in France and Great Britain, taxation awakened demands for representation such that “the fiscal origins of representation are obvious” (Ardant 1975: 231). Kwass writes that French revolutionaries fully embraced a “fiscal logic of entitlement” and that it was the payment of taxes that preceded demands for political rights. “To peg citizenship to direct taxation would have been unthinkable without the capitation and the vingtieme, taxes that guaranteed privileged property-owners a place in the new polity before the 1791 tax reforms were introduced. How absurd the very idea of the citizen-taxpayer would have seemed to most elites had they not already been paying direct taxes and demanding, as taxpayers, a participatory role in government for some time” (2000: 306).

Lest the remarks of these different scholars be mistaken for a simple review of the historical record, it seems critical to briefly articulate the intervention being made here. In different ways, these comments are aimed at de-naturalizing the normative liberal position that sees taxation as legitimate only when conditional upon formal political representation. In keeping with juridico-political notions of sovereignty, such a view sees political rights and creditor-debtor relations as inter-linked in a way that obscures the causal relations between them, specifically the way that relations of debt, interdependency and accountability formed the background within which notions of political representation emerged. If, on the other side of discourses of “purification” (Latour 1993), the temporal sequence Guyer and others recall was difficult to grasp, for post-colonial elites, both the received knowledges and the recent experience of tribute as a technology of colonial domination conspired against such awareness.

In the previous chapter, I argued that fiscal sovereignty is a counterpart of juridico-political sovereignty, and that money, a conduit of recognition sustained by institutions of public finance, is a critical means through which power operates in democratic polities. Given that anti-
colonial independence struggles are often fought in a language of juridico-political sovereignty, where the figure of the rights-bearing individual, closely linked to the figure of \textit{homo economicus}, has acquired the status of ontological truth, developing the social logics of indebtedness is not without its challenges. Does liberal statecraft provide the languages to rationalize the implementation of the social logics of indebtedness? What challenges are faced in the attempt to re-script a technology of colonial domination into a productive technology of state-building? How have these legacies shaped the formation of political traditions in the post-colony?

Argentina is an interesting case through which to explore how post-purification scientific discourses travel and become incorporated into other historical assemblages. For a complex set of reasons involving ideology as well as historical and geographical constraint, Argentine state builders privileged institutions that would cultivate the hypothetical figure of \textit{homo economicus} rather than the moral creditor, leaving a deep legacy upon the Argentine liberal tradition. In much of the post-colonial world, as Chatterjee notes, colonial regimes prioritized the formation of populations and post-colonial governments often followed in their footsteps, such that the establishment of the rights of “civil society” became an endlessly deferred promise. The Argentine case offers a window into what happens when the reverse occurs; when juridico-political principles of “civil society” are privileged over “political society.” If sovereignty operates via the logics of the gift, and part of the state’s mystique derives from simultaneously eliciting indebtedness and concealing the genesis of feelings of obligation that animate the counter-gift, post-colonial states suffer an immediate disadvantage. In trying to elicit a return gift from citizens by triggering the memory of their debt, the state exposes its vulnerability,
sabotaging a key aspect of its mystique; that feelings of love and devotion for the nation come from the receipt of the state’s prior, forgotten gift.

In the late eighteenth century, Buenos Aires merchant intellectuals who had suffered losses on account of the declining Spanish Empire’s trade restrictions became avid readers of political economy. The “free-trade patriots” (Rock 1983: 75), as they called themselves, had been uninterested in revolution, which ultimately occurred because of the disintegration of the Bourbon empire rather than in the name of “society” or a well-constituted sense of national identity (Chiaramonte 1997 in Grimson 2007, Adelman 2006, Centeno 1997). Of the discourses of value and political economy circulating widely in Buenos Aires intellectual circles, Jeremy Adelman writes:

“Late colonial intellectuals drew on an eclectic range of sources to create a “mobile rhetoric” of reform. A shifting blend of Adam Smith, physiocracy, Lockean liberalism, and Natural Law doctrines provided elements with which to articulate a new balance between colony and empire – all within the generous embrace of the Enlightenment” (1999: 68).

What circulated in the South Atlantic were the doctrines of the économistes, who, as Foucault documents, by distancing themselves from the rationalities of *Raison d’État*, emphasized the ‘naturalness’ of economic processes (Foucault 2007 [1978]). During this period, Adam Smith’s texts were particularly influential. In a letter written to the last Spanish viceroy in 1809, Mariano Moreno, a lawyer and revolutionary leader who represented the *estancieros* (the landowning class), wrote of the need to follow Adam Smith on free trade. “If Your Excellency wishes to promote our good, the route that leads to it is very simple: reason and the celebrated Adam Smith, who according to the Spanish philosopher cited earlier is the indisputable apostle
of political economy, lead us to see that governments who want to provide for the general good should be limited to removing obstacles” (Nouzeilles and Montaldo 2002: 70).69

Juan Bautista Alberdi, the principal ideological mentor of Argentine liberalism and author of the Constitution of 1853, prioritized economic liberty over political liberty, arguing that it was “a natural medium for educating the other liberties” and proudly argued that “no other constitution in the world bestowed the liberties of industry and commerce in the terms done by the Argentine Constitution” (1984: 25).70 Indeed, as Berenzstein and Spector write, the Argentine Constitution gave a unique place, not found in other Constitutions, to the notion of “absolute private property rights.” They note that:

“The land ownership regime was founded on the national Constitution, the Civil Code, various land laws, and the provincial rural codes. Alberdi explicitly held that the Argentine Constitution embraced the liberal economic school of Adam Smith, as exposited by Jean Baptiste Say. He regarded this as something commendable, for “economic freedom is, as science acknowledges, the fountainhead of the wealth of nations” (Alberdi 1977, 4). The Constitution, enacted in 1853 and put into full force in 1860, establishes in Article 17 the inviolability of private property, thus providing for private property a protection clearer than the one afforded by U.S. Constitution, which merely forbids the taking of property without due process of law” (Berenzstein 2003: 332).

Of the trajectory of liberalism in Argentina, Jeremy Adelman argues that during the first half of the nineteenth century, instead of focusing on the consolidation of public law, the explicit goal of Argentine state-builders, deeply influenced by Enlightenment thought, was to secure private property rights. But securing property rights, as Adelman demonstrates, required monetary authority. And without public law and a consolidated state, monetary authority was

69 See Ricardo Salvatore on “rights talk” and “market culture” in early nineteenth century Argentina (2000). On the theme of “rights-talk,” Adelman notes: “We have agreed on some of the long-run effects of revolution – it sundered the legal foundations of mercantilist colonialism and bequeathed a new kind of rights-talk that emphasized contractual will and individual entitlements free from status” (1999: 287).

70 “Beyond political liberty, of which an ex Spanish colonial is incapable, he has procured economic liberty, accessible to the foreigner and a natural medium for educating other liberties”…“There is no Constitution in the world that grants these liberties (those of industry and commerce) in the terms that the Argentine Constitution does…” (Alberdi in Rapaport 1984: 25, my translation).
impossible to achieve or implement. “As long as the constitutional foundations of the republic remained contested, challenged, and repeatedly overthrown, the status of property and contracts themselves was imperiled. In other words, the market, in order to function, required as a precondition a political arrangement that would settle and preserve a legal order to legitimate private property and contractarian culture as a whole” (Adelman 1999: 11). The predicament Adelman describes exemplifies what Chatterjee refers to when, invoking Anderson’s terms, he argues that the “unbounded serialities” of “civil society,” characterized by such privileges as property rights, cannot exist without the “bounded serialities” of “political society.”

Foucault proposed that “governmentality,” a mode of rule that operates by inducing the “conduct of conduct,” involved a dual process of knowledge and intervention. As the governmental science par excellence, the dissemination of political economy was critical in making reality intelligible as a field upon which governmental interventions could take place. As suggested by Argentine history however, doctrines of political economy did not, in and of themselves, create sufficient rationalization for governmental intervention. In fact, given the historical assemblage into which these discourses were incorporated, the naturalized truths of

71 Juan Manuel de Rosas, the governor of Buenos Aires between 1829-1832 and 1835-52, is often portrayed as the quintessential caudillo. On this account, he is frequently depicted as having implemented policies antithetical to those espoused by liberals who orchestrated the May Revolution. Several scholars have provided a more nuanced analysis. Rosas’ attempt to keep foreign merchants from trading directly with other provinces/ports in the River Plate system, triggering for instance the Anglo-French blockade from 1845-8, was not a rejection of foreign trade (see D.C.M. Platt 1983: 28). Instead, this attempt to close other ports was intended to secure Buenos Aires’ dominance over other provinces, not least in order to retain control over the customs office, the main source of state revenue. As Adelman writes, as long as Buenos Aires could maintain its commercial hegemony, Rosas was an advocate of foreign trade to the point where, speaking of the 1840s trade boom, the River Plate was becoming “the first true disciple of Adam Smith’s free-trade doctrine” (1999: 122). See Carlos Marichal for further discussion of what the author calls “the paradox” of Rosas’ authoritarianism with what he calls a liberal fiscal system (1996).

72 Anderson sees “bounded serialities” as constraining the potentially liberatory possibilities of “unbounded serialities,” the rights-bearing individuals of classical liberal theory. For Chatterjee, however, the rights-bearing individual only exists in homogeneous time, which is the “utopian time of capital.” Chatterjee writes: “Can such “unbound serialities” exist anywhere except utopian space? To endorse these “unbound serialities” while rejecting the “bound” ones is, in fact, to imagine nationalism without modern governmentality. What modern politics can we have that has no truck with capitalism, state capitalism or mathematics?” (2004: 23) The disavowal of governmental processes as a condition of possibility for “civil society” is especially interesting, Chatterjee notes, since liberal theorists have always been modernizers, harboring “institutional presuppositions” (2004).
political economy may have helped thwart the development of fiscal sovereignty. As Foucault observed, noting the problem-space within which liberalism developed “The “liberal critique barely detaches itself from a problematic, new at the time, of “society:” it is on the latter’s behalf that one will try to determine why there has to be a government, to what extent it can be done without, and in which cases it is needless or harmful for it to intervene…Liberal thought starts not from the existence of the state, seeing in the government the means for attaining that end it would be for itself, but rather from society, which is in a complex relation of exteriority and interiority with respect to the state” (1979: 75). Drawing a contrast between Argentina and the United States, countries’ whose economic development, along with that of Canada and Australia is often compared, and the degree to which ‘society’ as an object had developed, Adelman writes “The 1787 Constitution of the United States, much as Alberdi admired it, was fit for a preconstituted society, not one that needed reconstituting like Argentina’s. In the United States, society transformed state power; in Argentina, the state would transform society” (205: 1999).

In the Latin American post-revolutionary moment, the process of implementing direct taxation faced myriad challenges. During the revolutionary wars, colonial tax administrations – both those coercively extracted from indigenous peoples, and those that taxed the criollo population, were destroyed such that the structures that might have recorded the regularities of populations no longer existed.73 The post-revolutionary period, lasting from the 1820s to the 1850s is often described by historians as the “age of anarchy,” a period of civil war and instability.

Liberal ideas regarding the value of governmental restraint and popular sovereignty, especially in this post-revolutionary context, did not provide ideal rationalizations for taxation.

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73 David Rock writes that, in 1810, “the Congress abolished Indian labor services, Indian tribute, and long defunct institutions such as the encomienda” (1985: 89).
On implementing taxation in the wake of liberalism, Miguel Centeno writes, “The postindependence period was not ideologically predisposed to state growth. In part this was a response to the expansion of the Spanish colonial state during the eighteenth century…Thus it was particularly difficult for postindependence governments to impose new tax measures as these were associated with the absolutism that had just been defeated. Old taxes were abolished before new ones could be instituted (Burkholder and Johnson 1990)” (2002: 330). Even as the structures for liberal governance were not in place, notions of selfhood inspired by physiocratic doctrine continued to shape the kinds of political technologies considered legitimate and proper. Scholars of the post-independence period often write of the “unwillingness” of elites to pay taxes (Ferrer 1962, Centeno 1997, Lopez-Alves 2002). According to Lewis “newly politically empowered elites unwilling to tax themselves was justified by reference to the need for liberal reform” (1999: 108).

In the midst of fiscal crisis, personal taxation on “unmoveables,” a measure that would have been acceptable by Adam Smith’s standards precisely because it was considered anti-absolutist, was experienced as an unconscionable intrusion upon elite selfhood. Jorge Gaggero writes that in 1837, “Even the governor Rosas, despite pressure for scarce resources, wrote ‘there is nothing more cruel and inhuman than to oblige a person to render accounts of his personal wealth’ (the only way that a state can ensure collection on property tax)” (2005: 10). As late as the 1880s, as Fernando Rocchi writes, “The idea of taxing income or capital was unthinkable due

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74 Elsewhere, Centeno writes “The dominance of liberal economic thought throughout the continent also went against the idea of a powerful and intrusive state (Collier 1969; Hale 1968). The acceptance of classic liberalism set the ideological stage for the challenges to follow” (1997: 1590).

75 While Smith had fashioned his views in opposition to monarchical forms of taxation, he still advised that taxes be paid on “unmoveables,” such as a fixed land-rate, rather than “moveables,” the profits of commerce from industry. He questioned the source from which direct taxes should be drawn, lest they interfere with new notions of the ‘natural’ economic subject.
to the inevitably fierce opposition by members of the elite and the unfeasibility of applying such a system in a country with an infant bureaucracy” (2006: 209).

In France and elsewhere, the administrative structures that enabled direct taxation, coercively implemented under monarchical regimes, were both the naturalized ground against which notions of laissez-faire emerged, as well as its condition of possibility. While in late eighteenth century France, contradictions surfaced between the stated goals of economic liberalism and increased fiscal interventions, in Argentina these contradictions were even more difficult to reconcile. In part, this was because, without “population” as a discursive object on whose behalf the state could speak, it was far more difficult to cast tax payment as a morally redeeming contribution. Where in Europe, the art of administration was incited by demographic expansion, famine, and war, in the Argentine post-revolutionary moment, “population” did not exist as an object whose needs and welfare were their own finality. This predicament is captured in the title, “Argentina: Liberalism in a Country Born Liberal” (1997) of historian Halperín Donghi’s essay delineating Argentina’s historical and demographic realities, and what differentiated it from other parts of Spanish America. In Argentina, throughout the nineteenth century, liberal statesmen perceived a need to constitute a population, through, on the one hand, exterminating indigenous populations, and on the other, settling the pampas with Europeans (Alberdi’s well-known “gobernar es poblar” “to govern is to populate”). Given that the fiscal

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76 In pre-revolutionary France, even as notions of the self-regulating market gained in circulation, state-sponsored techniques to regulate state-citizen exchange proliferated. The disjuncture between liberalism’s ethos of governmental restraint and intensified fiscal interventions provoked discontent. As Gross points out, intellectuals criticized physiocratic doctrine as a “fallacy” because, even when Turgot, a leading physiocrat, was finance minister from 1774-76 “personal taxes, far from disappearing, actually increased in scope as the (eighteenth) century progressed. The capitation had extended its reach into the cities exempt from the taille, where assessment came to be based on the least imperfect of yardsticks, namely rental values and the occupancy of buildings” (1993: 97). As a result of this apparent contradiction, “Direct taxes, essentially the taille (both taille personelle and taille reele) and the capitation, were condemned as scandalously unfair” (Gross 1993: 82).

77 Throughout the 1870s culminating in 1879, the Argentine state, under the leadership of President Julio Roca carried out what has been euphemistically referred to as the “Conquista del Desierto” (Conquest of the Desert) a
bond was written out of the liberal narrative, it is not surprising that indebtedness to the state was experienced by early Argentine state-builders as subjection. Instead of perceiving taxation as a critical technology for constituting population and credit, taxation continued to be seen as a sign of tribute, a payment extracted from the conquered.

If in Western Europe, direct taxation served as the sovereign basis for public credit, it should come as no surprise that in this context, “public credit” was not forthcoming. While initially, the Argentine government coerced elites into making loans to the government, this strategy quickly failed. Within a few years, elites exerted pressure upon statesmen, urging them to seek financing through monetary emission and foreign debt instead of domestic financing. For the fledgling government, gaining political support from this constituency meant precisely not asking for “public credit.” In a classic account of this process, a book first published in 1964 and reprinted in 2005, Ferrer speaks of early national elites as not assuming their “fiscal responsibility” (Ferrer [1964] and 2005).

For various reasons then, including pre-existing trans-national ties with Britain and France, the Argentine state was unable to persuade creole elites to accept the first gift, a gift of recognition that would call forth the counter-gift of tax payment and/or public credit. Indeed, the state’s gift was refused -- a risk that is implicit in the act of gift giving. Given the availability of foreign debt, and strong trans-national market links that the merchant “free-trade patriots” already had with Britain, the gift of liberal agency appeared to have been freely given by the market. Perhaps the most noteworthy effect of this refusal of the state’s gift was that, rather than developing systems of public finance, the early state was financed primarily through British and

campaign to ‘expand the frontier’ in which most indigenous peoples were either killed or taken as indentured servants. While, after the wars of independence, there was what Gordillo and Hirsch call an “indigenist fervor” (2003) in Argentina (as in other South American republics), this inclusive spirit was eventually replaced by military campaigns against indigenous peoples.
French foreign investment, becoming a debtor to British Barings bank as early as 1824. While this initial loan, contracted by Bernardino Rivadavia, remained unpaid and in default after 1828 and throughout Governor Rosas’ long reign (1829-1832 and 1835-52), a settlement was reached in 1857, five years after Rosas was overthrown (D.C.M. Platt 1983: 32).  

Eager to develop markets and cement commercial ties, starting in the mid-1860s, Great Britain would play an increasingly important role, funding the state’s infrastructural projects such as railroads and ports in the last thirty-five years of the nineteenth century. This role would remain virtually unchanged until Perón’s rise to power. 

The decision to take on state debt in British sterling, a non-nationally denominated unit of account created a lasting problem, one more profound than that of simply amassing economic liability. What appeared to be a source of stable money, one that bypassed a power-laden gift was, in fact, a different sovereign’s gift. By relying upon British sterling notes, trust was invested in the Bank of England as guarantor and protector, interfering with the possibility of cultivating social logics of indebtedness within the nation-state. Argentina appears as an exemplar of what macro-economists, recognizing the long-neglected role of national money have intriguingly called the problem of “original sin” to designate the accrual of debt in a non-nationally denominated unit of account (Eichengreen and Hausmann 2005). From across disciplinary boundaries, the concept of “original sin” complements Brantlinger’s idea that ‘National Debts’ were the founding moments of nation-states, ones representing “a financial abyss rather than a positive, material economic force in the orthodox Marxist sense” (1996:21). If the ‘National 

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78 In the thirty-five intervening years, when the provincial state was in default, no new foreign loans were sought. For most of that period, trade boomed, enabling the state to place levies on exports and tariffs on imports, providing ample revenues. During the various blockades by the French and British that took place during Rosas’ tenure, he responded to revenue shortages by printing money. With this system of public revenues, Rosas paid off the Internal Debt in successive installments between 1840 and 1851 (D.C.M. Platt 1983: 30).
Debt’ was ‘foundational,’ in Argentina, the mystical authority that should have helped produce obligation towards the state as protector of ‘society’ went overseas, fortifying the trans-national ties that already existed with Great Britain. What Arrighi calls “economic nationalism” (1994) characteristic of the mercantilist period in Europe, an effect of the fiscal politics of recognition, cathected onto other shores.

If states ensure the use of national money by enforcing taxation and accepting state-issued legal tender for tax payment, the accrual of British sterling, while a stop-gap measure to compensate for elite refusal to pay tax, undermined the process of enlisting citizens as creditors. To meet payments and guarantee the influx of British sterling, the state subsidized the agro-export industry and implemented indirect taxes such as duties. Far from aiding the process of producing an interdependent governmental arrangement that could help build ‘society’, the measures used to compensate for the lack of direct taxation sewed distrust and exacerbated instability.

From independence in 1816 to at least 1920s, state revenues were drawn almost exclusively from duties on imports. The focus on agro-export, one in line with Adam Smith’s idea of “comparative advantage” given the fertile land of the pampas, meant that few goods other than wheat and cattle, usually sold to foreign markets, were locally produced, creating an important Argentine market for British goods. This influx of goods became the state-builders’ opportunity to finance the state. Duties were fees placed upon goods arriving in the port and as such, they were easy to administer, required no land surveying techniques, and importantly, bypassed resistance from citizens of the new republic. As Peloso and Tenenbaum (1996) note, for years, foreigners rather than Argentine citizens financed the new-found state. Towards the end of the nineteenth century, as the agro-export economy grew, tariffs were also placed on
exports, which yielded high revenues on the world markets. Of Alberdi’s ideological preference for indirect taxes as the basis of the national treasury, historian Natalio Botana writes that he “felt that the principal virtue of the power to tax and constitute the public treasury would be in the frugality of the government and the simplicity of the laws: a small state, low indirect taxes without inquiring into the name and income of the taxpayer, and the prudent use of public credit”. He adds that “These conclusions – a faithful reflection, after a lengthy journey of ideas, of the Scottish Enlightenment in the River Plate – constituted a fundamental principle for Alberdi” (2008: 231) one all the more appropriate because, in his eyes, this was “a land…bereft of public spirit.” 79

Given that indirect taxation was collected from agents of payment rather than subjects specifically targeted as liable for payment, this fiscal policy did not require the collection and registration of details of personal identity characteristic of the formation of ‘population.’ Agents of payment, usually merchants, could pass-off the price hike generated by the duty to customers below them in the chain of exchange, thereby maintaining profit-margins (Oszlak 2004). Duties were therefore a deeply regressive tax, the burden of which fell disproportionately upon poorer consumers, rather than upon landowners and merchants. To finance the state, the state locked

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79 The struggle over which administrative body, National or provincial, would control the Buenos Aires customs office was of central importance in the consolidation of the national state (Oszlak 2004: 67, Botana 2008). Congruent with his preference for indirect taxes, Alberdi saw a nationalized customs office as the only chance for a national treasury, and the condition of possibility for constitutional ‘order and for liberty.’ But Buenos Aires provincial authorities, who controlled the country’s largest port and customs agency, had rejected the Constitution of 1853. To avoid prolongation of a raging civil war between Federalists and Unitarians, Alberdi proposed a “fiscal pact,” articulated in his subsequent book of 1855, *Sistema economico y rentístico de la Confederación Argentina según Constitution de 1853*” (Botana 2008: 230). To make nationalization of the Buenos Aires customs agency more palatable, Alberdi proposed that the provinces would cede their right to independent customs agencies, collecting only direct taxes. Accompanying this “pact” was an informal arrangement to distribute central government revenues to the provinces, formally signed into law in 1934 as the “*regimen de co-participación*” (regime of co-participation/law on revenue-sharing). Since provincial tax authorities have not been vested with administrative faculties to collect direct taxes, the problem of provincial revenues – which is supposed to cover the costs of public hospitals and schools – is a recurrent and unresolved theme in Argentine politics (see chapter five for an ethnographic account of the implementation, in 2006, of the Buenos Aires provincial tax administration’s newly granted administrative faculties). The inertia to change this provincial dependence upon Federal funds is often said to represent a disciplinary measure to keep provincial authorities in line with central authority.
itself into agro-export policies that almost inevitably increased the price of food as well as manufactured goods domestically. This was only compounded by the fact that it was far more profitable for merchants to sell abroad for foreign currency than to local markets, which produced food shortages. Of the Argentine situation, Centeno writes:

“Even by Latin American standards, this dependence is striking with customs often accounting for over 90% of ordinary revenues. Trade taxes were seen as the only way of maintaining some semblance of peace between the various politically relevant factions (Oszlak 1982, p.186). All knew that this fiscal system was inadequate, but they were also aware that it was the only way of maintaining the status quo. Tariffs were particularly attractive to the rural elite. While saving them from any sacrifice, they could also help finance the expansion of the frontier from which they benefited disproportionately. Such a fiscal system also required few administrative resources” (1997: 1587).

All of this gives needed context to the fact that during the nineteenth and early twentieth century in Argentina, socialists tended to be advocates of “free-trade,” opposing duties on imports (Oszlak 2004, Rapaport 2000). Centeno’s phrase that indirect taxation “saved elites from any sacrifice” points precisely to why, as mentioned earlier, political liberals felt indirect taxation did not provide a “sound foundation for the construction of citizenship” (Kwass 2000). Indirect taxes bypassed the fiscal politics of recognition and abandoned the individualizing – totalizing bind – which had been critical to the development of political community in those countries upon which the early Argentine state was modeled. If, as argued in chapter one, direct taxes were the means through which states not only built relationships with subjects but constituted them as willing liberal persons, without the technology of the gift, the state’s attempt to portray itself as a representative of ‘society’ was an uphill battle. Through indirect taxation, and what might
be called state rather than public finance, the state inadvertently whittled away at that
object, ‘society’, upon whose existence its legitimacy ultimately rested.\textsuperscript{80}

With the failed fiscal politics of recognition, the state turned to the market for revenues.
Rather than regulating the market to meet its needs, the state became parasitic upon a quasi-
sovereign market, relying upon the market to do its bidding. With indirect taxation, subjects were
produced as market subjects, as members of “civil society” rather than as members of “political
society”. Through indirect taxation, the state interfaced with people in their capacity as \textit{homo
economicus} – either as producers trying to sell goods for the most profit or as consumers trying
to spend less money. While in Europe, the ethico-fiscal link positioned subjects in relations of
payment or sacrifice qualitatively different from the in-kind exchange prototypical of the market,
the fiscal policies used in Argentina did not enfold within them a concern for common welfare or
redistribution.

Where in Europe, there was an overlap between the processes of obtaining revenue and
enfolding subjects through fiscal and financial bonds that transformed them into moral creditors,
in Argentina, a substantial split developed between the affective and the monetary, ushered in
through policies that constituted the two as separate realms. If as European mercantilist-
cameralist knew, taxation was a technology not exclusively or even primarily for drawing in
revenues but shaping behavior, in Argentina, the objective of bringing in revenues shaped
subjects for the market rather than for citizenship. As Braun writes “Tax policies designed to
regulate and influence human behavior have a long history. Direct and/or indirect taxes are used
as tools to increase population (tax burden on bachelors; tax reduction for children), to reduce

\textsuperscript{80} According to Lieberman, so qualitatively different are the effects of direct and indirect taxation on state-citizen relations that, in his study of upper groups’ willingness to pay taxes in relation to identification with ‘national political community,’ Lieberman only considers direct taxes; indirect taxes do not require “participation on the part of society” and are therefore not illustrative of the “quality of the relationship between the state and upper groups within society” (2003: 45).
laziness and to force people to work, to check certain human vices, to influence consumption patterns (particularly conspicuous consumption), and so forth. The educational or social goals of such taxes characteristically prevail over the fiscal goals (see Mann 1943: 226)” (1975: Braun 246).

What the Argentine state-builders did not anticipate was the dimension of taxation that, as Mauss and Hubert wrote, had less to do with the “materials of sacrifice” themselves and more to do with what “occurs in the world of ideas, and it is the mental and moral energies that are in question” (1898: 102). Given the historical conjuncture at which Argentine elites incorporated discourses of political economy into their process of state-building, they inherited a sharply demarcated division between economy and politics, one developed in Europe to avert the volatility of public finance. Since awareness of the mutual interdependence of the economic and affective realms was increasingly written out of scholarly work, state-builders did not benefit from the unspoken yet power-laden bonds produced by these entanglements. While the ideal of disentanglement between state and citizen was integrated into Argentine liberalism, as evidenced by Alberdi’s commitment to the primacy of “economic liberty,” in the European countries where such doctrines were disseminated, the expansion of direct taxation, and growing hierarchical entanglements continued apace. As argued in chapter one, the illusion of disentanglement had come into being to ensure the security of hierarchical entanglements rather than to eliminate them.

In searching for further insight on what he calls a distinguishing feature of Latin American states, the fact that “the fiscal reckoning never came” (1997: 1586), Centeno reflects that “In and of itself, however, relying on debt and the printing press does not explain why the Latin American countries did not impose domestic taxes after the wars. Many European
countries initially used debt to pay for wars and later taxed in order to meet their obligations. (1997: 1586)” 81 Of the Argentine case, Oszlak echoes this concern, asserting that even when in 1910, after thirty years of expanding wheat trade and positive trade balances, the state had the opportunity to change fiscal policy, there was a “paradoxical inertia” (2004: 240). Centeno’s assertion that “Latin American states were not structurally, politically, or ideologically ready to exploit the opportunities presented by war…”(1997: 1582) may have been attributable to what Jessica Cattelino calls the “ideology of state sovereignty as autonomy” (2008: 189) in relation to its subjects. The premium placed upon “economic freedom” prevented acknowledgement of the potential for debt to become a relation of positive sociability (Roitman 2003) one that could even become the basis for a virtuous cycle of value production.

Substituting the sovereign exercise of direct taxation for foreign debt and indirect taxation had dire consequences for public credit and the building of political community. Not only were indirect taxes deeply regressive but the existence of various currencies produced what I will call “double monetary consciousness,” a term that signals the existence of various standard bearers of value within the territory of a nation-state and would create critical and lasting social rifts. The circulation of a variety of currencies meant that residents could very easily dispose of pesos. Irigoin writes that from the 1820s to 1860s, what would later be referred to as “capital flight” was already an enduring problem. “Paper money was… ultimately a contract the price, or purchasing power, of which was permanently bargained between the government and the public.

81 If taxation and war-making were seen as two critical institutions in state-formation (Tilly 1990) it is noteworthy that, in sharp contrast to the lack of emphasis on direct taxation, as of the 1860s, a large proportion of the state’s resources were indeed channeled towards the development of a modern army (see Lopez-Alves 2000, Oszlak 2004). But even this call for sacrifice was often taken up by stand-ins or personeros (Halperin Donghi 2004). The competition for scarce labor between rural elites and the state was one of the main “irritants” in this fraught relationship. As Halperín-Donghi writes, “In Buenos Aires, as already noted, stock raising had developed vigorously in a context of chronic labor scarcity. To make things more difficult, the state had its own claims on the scarce rural population, from which it intended to recruit the troops required for the defense of the provincial territory against the Indians and, when needed, for interprovincial or international war” (1997: 111).
But the public would dispose of paper money whenever further emissions threatened the value of the peso” (Irigoin 2002: 348).

In the absence of a Central bank, the inflows of foreign cash that characterized agro-export caused regular devaluations of Argentine paper currency. Even more problematic than how these devaluations made the sizeable foreign debt more ponderous, was how they harmed the illusion of a harmonious object of ‘society,’ one in whose name the state could garner credibility as its representative. As the price of Argentine currency plummeted, often followed by increased prices of goods, elite landowners, who earned in British sterling, reaped substantial financial gains from devaluations (Adelman 1999, Rapoport 2000). By contrast, as Ferrer writes, “The instability of the peso in terms of gold was reflected in the internal prices and consequently, the real salaries of workers. When paper money was devalued, the export sector’s earnings increased proportionately: their exports were worth more pesos as devaluation worsened” (Ferrer 2005: 150).

To make matters worse, the state’s most common response to mounting foreign debt obligations was seigniorage, printing more paper money, which further depreciated state-issued paper currency and reduced purchasing power for middle and lower classes who earned in Argentine currency. As Oszlak points out, such measures, experienced as government theft or confiscation, translated into increasing worker animosity towards the state rather than towards the oligarchy, further harming the state’s attempts to portray itself as a neutral arbiter and representative (2004).

Depending upon the unit of account in which they earned, groups had conflicting interests and attachments. Distinct affect-laden circuits of circulation which did not map onto the territorial contours of the Argentine state hindered efforts at nation-building. As Helleiner
observed “Whereas a national currency may remind rich and poor that they are members of the same nation, this denationalized monetary structure may reinforce the sense of distance between the two groups and the more “internationalized” identity of the former. (1998: 1423)” Monetary instability and this “double monetary consciousness” opened the door to deep distrust and to questions about who was responsible for the instability, which would reach its culmination with accusations of speculation in the Peronist period. As Helleiner points out “the very faith in the nation fostered by stable national currencies can also be shattered by these currencies if they are not stable. In circumstances of high inflation and currency volatility, national currencies cultivate not a sense of spiritual unity but a deep social distrust and feeling of alienation” (1998: 1430).

In Argentina the inconsistent flow of credit undermined the possibility for ‘calculability’ that Mitchell (2002) argues was critical to the formation of the ‘national economy.’ Mitchell (2002) argues that the very notion of economy as the realm of ‘materiality,’ as an “objective culture” (2002: 103) creates a distinction of material/objective vs. representation/ideal which is critical to colonial power. This assessment might be extended to power more generally. It is precisely the notion of paper currency as having any kind of ‘materiality’ or ‘objectivity’ that monetary instability, creating a continual crisis of representation, challenged. The inability to sustain the illusion of metallism (substantialism) of a link to gold, continually threatened the credibility and authority of the state.\textsuperscript{82}

In Argentina the social logics of indebtedness necessary for the social constitution of money were not stabilized. Issuing inconvertible paper currency in the absence of direct taxation and a Central Bank and the debtor-creditor relations they had constituted, as was done by the Buenos Aires provincial authorities between the 1820s and 1860s, may have hurt rather than

\textsuperscript{82} José Antonio Sanchez Román speaks of an abiding “mutual distrust between the state and the economic elites” (2008: 87) and the preoccupation of stability.
helped the state’s attempt to build credibility. What, in Europe, had masked the sovereign’s debt after nominalization was a combination of sovereign technologies and governmental discourses that enabled the appearance of the substantialist fiction. Where this delicate combination did not exist, the sovereign’s debt, understood both literally and figuratively, remained on the surface, eminently vulnerable to subversions.

**Money in the Absence of Political Community:**

**Currency Boards and the “De-Nationalization of Money”**

Contrary to its constitutive role in consolidating sovereign and governmental processes in European and colonized states, taxation in Argentina did not become a nexus of the individualizing-totalizing bond nor did it establish the groundwork for monetary authority. Adelman captures this well when he writes that “Monetary authority exemplified – as anyone who has lived through hyperinflation will attest - how public powers condition private property rights. So long as creoles of the River Plate could not resolve their disputes over the ground rules for the political community, creating this monetary regime was as remote as it was coveted” (1999: 253).

Such was the importance of the individualizing-totalizing bind to modern power that, without it, possibilities for generating the “conduct of conduct” diminished greatly. Without institutions of public finance, and money as a conduit of recognition, it was difficult to achieve governmentality. “Wisdom and diligence” alone did not translate into the “the positive content that accompanies this absence of a sting” (Foucault 1978: 96). When Adelman writes that “Latin American states acquired the means for violence but did not forge regimes that could impose rule without force” (1999: 141), he captures the degree to which a monopoly over the means of
violence was insufficient to endow these states with the “force of fate,” also constituted through fiscal sovereignty.

On the question of why Latin American states did not become, in his words, “truly fiscally sovereign,” Centeno writes “…as strange as it might appear given the oppression endemic to the continent, the Latin American state may have suffered from an incomplete process of internal domination. In the European cases, representatives of the monarchy, the landed oligarchy, or the newly developed bourgeoisie were either willing to bear part of the burden in order to protect themselves, or were able to impose that obligation on recalcitrant social sectors” (1997: 1582). What Centeno calls the oppression “endemic” to the continent might alternatively be conceived as a default solution given the failure to consolidate power through money as a productive material link.

If fiscal policy relied disproportionately upon the market to compensate for the failure of the fiscal politics of recognition, after 1890, monetary policy demonstrated a similar turn. After the consolidation of a national currency in 1880 (Grimson 2003, Oszlak 2004), predicated not upon debtor-creditor relations between state and citizen but upon massive quantities of British debt, a balance of payment crisis led to the Barings collapse of 1890. While Britain’s dependence upon Argentine markets for its manufactured goods led to a bail-out of the Argentine state, this crisis marked a turning point after which British investment no longer went towards the state itself but towards railroad and other infrastructure projects.

Towards the end of the nineteenth century, as international trade grew, peripheral countries’ ability to adhere to the gold standard became a signal of what Bordo and Rockoff call “good housekeeping” (1996), critical to the ability to attract foreign investment. Writing of the Generación del Ochenta, the cadre of liberal men who held “an aggressive belief in the
nineteenth century European idols of Progress and Civilization” (1999: 552)” and are generally credited with ‘modernizing’ Argentina, Needler asserts that, “in very practical terms, stability was axiomatic not only for continued elite rule but for the continued foreign esteem, foreign credit, foreign immigration, and foreign investment basic to the Generación’s accomplishment. As Saenz Peña put it, the Argentine must not be mistaken for one of the volatile Central American republics – ‘exuberancias tropicales’. And, in effect, the elite’s informal institutions, its socialization, style, and recruitment processes examined here, were a palpable reflection of, and crucial element in, that stability, and that accomplishment” (1999: 565). While by the 1880s, settler colonies like Canada, Australia, as well as the United States, had stabilized creditor-debtor relationships through fiscal and financial infrastructures that enabled these countries to adhere to the gold standard, Argentina had far more trouble. The Argentine state attempted to adhere to the gold standard for the first time in 1863, and then again in 1867 but it repeatedly failed until the convertibility law was implemented in 1891 (Bordo and Rockoff 1996).

Under the guidance of President Carlos Pellegrini, Argentina became the first independent country to implement a currency board, an institution that had, until then, been deployed primarily in colonized nations, where, given situations of domination, neither trust nor

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83 Saenz-Peña was President from 1910-1914.
84 While comparisons between Argentina on the one hand, and Australia, Canada, and the U.S. are common in economic history, Ricardo Salvatore points out that they are problematic. In contrast to these other countries, Argentina was never a British settler colony. As he writes “Important differences separate Argentina from settler colonies. First, the lack of colonial rule meant the absence of British administrative or military forces in Argentina” (2008: 780). The comparison is more appropriate for the U.S. after independence in 1776, even though the two countries implemented very different fiscal and monetary policies. As Botana points out in his comparison of Alberdi and Hamilton, the U.S. federal government left itself more of a margin for the implementation of direct taxes than the Argentine one. Also, the U.S. government made very concerted efforts to develop capital and land markets, leading Ariel Ron (2010) to assert that it was a “nineteenth century development state.” While, as Ron writes, the state’s active role in fostering property formation at the frontier has been largely overlooked in economic and historical scholarship, these policies played a critical role in generating “public credit,” critical for monetary stability. What might be called the state’s “gifts,” the systematic and extensive economic policies enabling the ‘public domain’ to be transferred into private hands have remained largely “hidden,” not adequately addressed in much historical research.
credit could be elicited. In what might be thought of as the ultimate surrender to market logics authoritatively engineered by the state, with the establishment of the currency board, the problem of regulating money through credit was contracted out to foreign markets. As Adelman writes “The paradoxical outcome of a decade of civil war and nearly half a decade of post-war stabilization was to construct centralized political authority while divesting political representatives of the jurisdiction over a major allocator and invigilator of property rights: the power to confer or deny value to legal tender. Instead, a market for money monitored the rules and behavior of its participants – including governments themselves” (1999: 274). Conceived of as a disciplinary measure to prevent the state from abusing the seigniorage tax, the currency board was the dénouement of a series of inter-linked and failed policies.

Given that it provided coveted monetary stability, critical to ensuring the continuing flow of foreign capital to Argentine shores and extending the agro-export model, the currency board was embraced by Argentine liberals. Writing of the device whose operation they date from 1891 (after the Baring Crisis) to 1914, neo-classical economists Della Paolera and Taylor (2001) write “It is this institution, the world’s full-fledged currency board in an independent country that forms the centerpiece of our book. Argentina stands as the leading historical exemplar of this particular form of monetary experiment (currency board), both in the past and in the present. In both eras, the new regime helped to solve reputational problems, both at home and abroad, to the extent that it “tied the hands” of the government” (2001: 17-19). Playing upon one of the structuring metaphors of liberal Argentine nation-building, the economists cast the conversion law as the triumph of civilization over barbarism. In the concluding paragraph of the book, they

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85 Many post-colonial countries only developed central banks in the 1950s as part of national liberation movements, at which point the state’s control over monetary policy was recognized as critical part of national sovereignty (Helleiner 2001). As Ghana’s first finance minister put it, “a Currency Board is the financial hallmark of colonialism…it is a dead thing…an automatic machine which has no volition of its own and could do nothing to assist in developing our own financial institutions” (Helleiner 2001: 12).
lament the establishment of the Central Bank in 1935. “The Conversion Office in some sense epitomized the economic attempt at *civilización*, by playing to clean rules and meeting externally verifiable standards and monitoring. The more clandestine relationship between private finance and the state, and the capacity of the private and provincial banks to obtain successive bailouts from the Banco de la Nacion via political means, were more reminiscent of barbarie…By accident or, might we say, by lack of design, barbarie triumphed” (2001: 235).

What remains absent from this rendition are the intensely illiberal methods upon which the implementation of monetarist policies depended. Without a massive state apparatus capable of extracting taxes and eliciting users of national currency, a set of technologies under development for more than a century in Europe, the cumulative effects of which enabled Adam Smith to speak of an “invisible hand,” the state resorted to violence and exclusion. The deficit of credit and political community was compensated for by what many authors have called authoritarian, paternalist tendencies. In addition to the brutality wielded against indigenous peoples deemed ‘forces of barbarism’ and obstacles to capitalist development, deeply regressive fiscal policy led to widespread marginalization of middle and lower classes. “Free market dogmas,” as Adelman and Centeno call them, were coupled with authoritarian methods such that “citizenship was sacrificed to property” (2002: 141). In stark contrast to the views of Della Paolera and Taylor, Adelman and Centeno write that “The Latin American variation on trasformismo unified elites into new historic blocs, solving the riddle of instability, while

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86 In 1982, directly prior to the most recent dictatorship’s fall, David Viñas published a piece exploring the relationship between liberalism and the extermination of indigenous peoples, a contradiction which, until then, “not even the most radical intellectuals had officially acknowledged” (Nouzeilles and Montaldo 2002: 161). Viñas wrote that “The most obvious of these contradictions of liberal Argentina is, to get right to the point, its acts of bone-chilling repression” (1982: 162). Rapoport writes that “Economic liberty and political liberty were in Argentina terms of an irreducible antinomy. The existence of one of these terms never presupposed the existence of the other. On the contrary, the essence of Argentine liberalism has authoritarian roots…” [my translation] (1984). It is striking how these well-respected economists, representing an Argentine Chicago School can un-self-consciously draw on the “civilization/barbarism” metaphor. As will become clear, the monetarist economic tradition was widely resurgent during the 1990s.
dissociating themselves from the integrative purpose of early liberals. This created the political basis for impressive market-led growth. From roughly 1880 to 1910, the region registered stunning economic performance but systematically turned its back on the challenge of legitimating local regimes….In effect, regimes became more publicly exclusive as the private returns from world market integration began to climb. This, then, enabled local elites to claim larger shares of wealth and income without having to face a state actively supporting public goods, never mind trying to effect some relative material equality” (Adelman and Centeno 2002: 146-147). 87

The currency board worked precisely because it bypassed the task of developing a relationship of debt with the landowning elite -- it enabled the abandonment of the work entailed to persuade the elite to receive the sovereign’s gift. Rather than cultivate residents as moral creditors through the fiscal politics of recognition, during the heyday of the oligarchic elite from 1890 to 1916, the state developed a monetary technology that solved the country’s “reputational problems” by divesting most of the population of political authority and ceasing to cultivate relationships among taxpayers and domestic creditors. Where in Europe, the height of nationalism in the late eighteenth and nineteenth centuries coincided with a commitment to progressive taxation, the “Belle Époque,” the period between 1880 and 1916 remembered by many Argentine liberals as the height of the country’s grandeur given the economic growth and the consolidation of Argentine positivism was predicated upon wooing foreign investors, a process that bestowed the mystical foundation of authority elsewhere. One might then say that monetarism, a theory based on positivist principles highly esteemed at the time, was inextricable

87 I do not mean to suggest that there is only one way for credit to develop nor that once developed, it needn’t be continually renewed. Nonetheless, the role of fiscal and financial infrastructures in ensuring monetary stability – largely via generation of “public credit” seems irrefutable. As Natalio Botana has recently argued, “both fiscal citizenship and money form the nucleus of the economic constitution” (“ambas referentes - la ciudadania fiscal y la moneda – conforman el núcleo duro de la constitución económica”) (2006:262).
from Argentine liberal nationalism. While much has been written about the pattern by which the Argentine upper classes rejected popular cultural forms until they were recognized abroad, receiving a European seal of approval, tango being the most widely cited example (Savigliano 1995), the exteriorized valuation of money might itself be seen as a template for this specular pattern. With the implementation of the currency board, money, that affect-laden socio-technical assemblage that, in Western European countries, served as a conduit of inter-subjective recognition among residents of the national territory, became entirely subject to foreign evaluation.

What is interesting then is that Argentina achieved something that Hayek and other neo-liberals, writing a century later, were advocating: “the denationalization of money.” In Argentina, what Hayek called the “unholy marriage of the fiscal and the monetary” was interrupted before even being consolidated. In Argentina, rather than the monetary circuit being built upon the fiscal, normative in Western European states, the fiscal became a byproduct of the market cycle. In producing the market without the ethico-fiscal link, fiscal policy favored regressive indirect taxes on trade and consumption, leaving aside the prerogatives of redistribution. In contrast to Western European states, where public utilities and basic state infrastructure were publicly financed through taxation that would find its way back to services for the population, in Argentina, well into the twentieth century, utilities were private, funded by Italian, British or French companies operating on user-fees, running with logics of market exchange rather than unrequited payment. The combination of gift and market, one encrypted but normative in European states, was abandoned. By virtue of the state’s trajectory of historical development, and the absence of an ethico-fiscal link, one might say that Argentine liberals were conjured into being as versions of *homo economicus* more authentic, or closer to liberalism’s
fictive representation than the European original, whose calculations were always already encompassed within the obligations of the ethico-fiscal link.

The attempt to create market subjects of “civil society” without the taxpayers that were, both in the metropole and in colonies, a critical part of the constitution of “political society,” and the particular way this monetary/financial problem was resolved, led to a very particular liberal tradition – a kind of neo-liberalism avant la lettre. Whether by intent or default, early Argentine liberals implemented what neo-liberals would advocate in the mid-twentieth century when, as Foucault writes, doubts arose from both the left and the right about the state’s ability to govern. In one of his lectures, Foucault asks “So what is this neo-liberalism? ...The problem of neo-liberalism is rather how the overall exercise of political power can be modeled on the principles of a market economy. So it is not a question of freeing an empty space, but of taking the formal principles of a market economy and referring and relating them to, of projecting them on to a general art of government” (2008 [1979]: 131).

Departing from the theme of “lateness” in development studies, it would seem appropriate here to argue that Argentina and other Latin American countries had a “head-start” in creating markets without the underlying fiscal institutions and relationships that could sustain them. This tradition would re-appear with full-force during the recent dictatorship of 1976-1983 when neo-liberal policies were adapted, and then again during the 1990s when, in democracy, one would see the renewal of these ideas. By the 1970s, when this doctrine re-appeared in Argentina, other parts of the world had, we might say, “caught up” with this Argentine innovation, and they would return reinvigorated with the external validation of Chicago school of economics and IMF support. But far from an imposition from abroad, by the time these ideas re-appeared in Argentina, the idea of the market as a civilizing force was a well-established
tradition, here understood in David Scott’s sense as a “socially embodied and historically extended argument” that “seeks to connect authoritatively, within the structure of its narrative, a relation among past, community, and identity” (1999: 124).

*The Return of the Gift and the Challenge to Market Sovereignty*

From the early 1890s to about 1917, politicians and intellectuals’ growing concern with poverty, urban crowding, and public health epidemics – the consequences of a rapidly growing economy and waves of immigration from Eastern and Southern Europe – was referred to as ‘*la cuestión social*’ (the social question). The discussions about how to ameliorate these conditions were largely addressed through ‘biopolitical’ fields like hygiene, criminology, and psychiatry, and an emergent field of sociology (Altamirano 2004, Lakoff 2005, 2006). These fields had flourished during the 1880s when progressive modernization and nation-building were linked to positivism and science (Terán 1987, Rodriguez 2008). Even as cities were developing major urban workforces and inequality was growing, ‘*la cuestión social*’ did not translate into progressive taxation or labor regulations or policies guided by the needs and welfare of ‘population,’ conceived as an inclusive entity on whose behalf the state could speak. 88

After several years (1916-1921, 1928-1930) of rule by the middle-class coalition of the UCR (Union Civica Radical) which had begun to implement redistributive policies (Rock 1985),

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88 Eduardo Zimmerman argues that not all turn-of-the-century liberals were equally conservative and some were concerned with social equality, recognizing the need for state intervention in the economy (1999). But as Diego Armus points out in a review of Zimmerman’s book, these ideas neither generated relevant legislation nor were put into practice by the conservative government (1998). As Jorge Pantaleon (2004) writes, concern with “population” first came from Catholic nationalists, who were positioned at the opposite end of the spectrum. Pantaleon documents how, during the 1910s and 1920s, statistics, demography, and “population” became privileged objects of study, critical to the formation of the “national economy.” This process was very influenced by Alejandro Bunge, a Catholic nationalist, who had studied with Friedrich List in Germany and became director of National Institute of Statistics. Bunge’s students would go on to be influential in Perón’s advisory team.
the oligarchic elite again seized power in 1930. The period from 1930 to 1943 is often referred to as “la decada infame” (the infamous decade) a dark period in Argentine history, remembered for brutal repression of the growing anarchist and socialist labor and political movements. While this administration initially reinforced primary export and neo-colonial ties with Britain through the Roca-Runciman Act of 1933, it vastly increased state intervention in the economy and began the transition to import-substitution industrialization (Brennan and Rougier 2009). It was the oligarchic military regime that, in 1932, implemented direct taxation and in 1935 established the Central Bank. After the 1929 crash, when the contingency of revenues from indirect taxation and foreign investment upon business cycles became fully exposed, the state – having exhausted other options - turned to direct taxation (Lopez 2003, Alvaredo 2007). In stark contrast to Western European countries, where direct taxation was implemented in the name of territorial security and redistribution and later, political representation, here direct taxation was implemented to finance the state and to repay the foreign debt.

From 1940-1943, Perón served in the military government’s Ministry of Labor and Welfare, a period during which he forged intense links with trade unions and disenfranchised workers. He was elected in 1946 and remained in power until 1955 when his administration was overthrown by a military coup that called itself the Liberatory Revolution (Revolución Libertadora). As is well known, his efforts to curb high consumer prices resulting from duties on imports focused on the promotion of national industry, and extending the import-substitution industrialization (ISI) policies that the military regime had implemented. While usually spoken about through productivist lens of industrialization, this policy depended upon developing
domestic sources of credit for the expansion of national industry, which was necessary to ensure a supply of affordable consumer goods.\textsuperscript{89}

Addressing a crowd in the Plaza de Mayo, Perón famously asked “who has ever seen a dollar?” (\textit{quien jamás vio un dolar?}) a phrase aimed at the IMF’s intent, after the fall of the gold standard, to create a “dollar” as opposed to a “sterling area.” Perón’s refusal to become a member state of the IMF and the question itself suggest his intent to provincialize the foreign standard bearer of value and promote the use and circulation of Argentine currency. To this day, liberals often recall the speech as the pinnacle of Perón’s backwardness and isolationism. One of the major fronts in Perón’s strategy was the nationalization of grain export, carried out through a governmental entity called the IAPI, the Argentine Institute for Industrial Promotion (\textit{Instituto Argentina de Promoción Industrial}). This entity was responsible for buying grain from agricultural producers and reimbursing them in Argentine currency, inserting the state as mediator of trans-Atlantic trade relations. This coordinated purchase of grain, apart from providing the state with foreign currency with which to pay the foreign debt, curbed the unregulated flows of British sterling notes that had produced devaluations and harmed national industry’s access to credit. The IAPI was also designed to target what came to be seen as “extraordinary” profit margins from exporting beef and wheat rather than selling them to the internal market, a situation which lead to scarcity (“\textit{desabastecimiento}”) and/or high internal prices even as Argentina produced food for other countries.

\textsuperscript{89} See Brennan and Rougier for further discussion on the varied strategies Perón used to foment domestic credit, and their respective pitfalls. Perón nationalized the banks in 1946, which made credit cheap and promoted industrial growth. While Brennan and Rougier acknowledge the role these policies played in fostering inflation (2009: 57) they note that Perón’s options were limited given global circumstances. As they write, “If it is fair to say that some of the policies adopted were ultimately a hindrance to sustained industrial growth, it must also be acknowledged that others were the result of reasonable decisions adopted in response to prevailing conditions adopted in response to prevailing conditions...” (2009:9).
Where in Europe, the gift lived a hidden life in the market, one that had been critical to the market’s existence, in Argentina as well as in other post-colonial states, the gift, here understood as a materialization of a circuit of recognition between sovereign and subject, became visible and exteriorized. Chatterjee captures this dynamic in a description of a development program implemented by Indira Gandhi in 1970s India where “the state trying to extend benefits of development to the poor and to directly present the package of benefits to groups of the latter as a gift from the highest political leadership. From the standpoint of a rational doctrine of political authority, these forms of legitimation doubtless appear as premodern, harking back to what sociologists would call “traditional” or “charismatic” authority. But the paradox is that the existence, the unity, and indeed the representative character of the modern sector as the leading element within the nation has to be legitimized precisely through these means” (1993: 218). In a governmental reading of clientelism in Jamaica, David Scott similarly addresses clientelism as a “rationality of government that is irreducible to either state or civil society” (2003: 18), a “rationality that structures a pattern or regularity of inducements and rewards, obligations and privileges, of dependencies and subordinations” (2003: 19).

While in Argentina, the political technology of the gift also reappeared alongside programs for development and welfare, it was, I would venture, far more pronounced and more divisive. Contrary to many previously colonized states where the details of personal identity had been recorded, much of the urban and rural workforce that would become the base of Peron’s constituency, affectionately referred to as “los descamisados” (the shirtless ones) had not previously been addressed by a state politics of recognition. While focus in Argentine

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90 On taxation in Argentina, Lopez-Alves writes “Taxation was weakened as well by the feeble heritage of colonial institutions, which defectively tied center and periphery. Unlike in India after British Rule, the few tasks that colonial bureaucracies had managed to perform efficiently became by and large irrelevant after independence. A colonial tax system did exist, but it collapsed as the wars altered power relations between urban…” (2000: 169).
scholarship has often been on material gifts and displays of expenditure, Perón offered the gift of recognition, soliciting, through epistolary campaigns, letters from constituents about their ideas and opinions for state planning projects (Elena 2005, see also Auyero 2001, James 2000). Themes of debt and loyalty that, in liberal doctrines, were the province of the intimate sphere of the family were inherent to Perón’s governing style. His wife Evita’s untimely death at the age of 34, catapulted her into a role of martyrdom for the ‘people,’ heightening a quasi-religious aura she had already acquired through her charitable work. Where indebtedness had been written out of liberal economic theory and politics, in Perón’s Argentina, the state asked for indebtedness from its constituents and wore its own indebtedness on its sleeve. Politics, affect and economy co-mingled in a way that was antithetical to, and appeared perverse to those holding liberal notions of government as what should have been separate spheres.

What was experienced as a gift for the working classes, offering the first possibility of inclusion into the national political community, was experienced by the upper and middle classes identified with liberal nationalism as the theft of liberal selfhood. Perón’s corporatism and attempt to administer the “organized community” (James 1988) seriously chafed against the sentimental economies of Argentine liberalism. Certainly, as much excellent research has shown, Perón’s revindication of a working-class aesthetic was explicitly alienating to the upper-classes (James 1985). But expanding the horizon of what tends to count as ‘cultural,’ this disdain was also attributable, I would argue, to Perón’s introduction of the redistributive element of capitalism, one that unapologetically recognized hierarchical relations, and ran counter to the form of capitalism, devoid of an ethico-fiscal link, that had developed in Argentina.  

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91 Plotkin writes “For important segments of the middle and upper classes, the birth of Peronism was very difficult to swallow. The new phenomenon of Peronism was seen as an aberration that did not fit the “natural” history of the country. This perception became even more evident in different aspects of cultural life, including literature” (2003 [1993]: 31). In his recent genealogy of the “middle-class” in Argentina, Ezequiel Adamovsky
The paradox is that while many of the policies implemented during Perón’s presidency had been integral to European liberalism, Perón’s attempts to, for instance, raise property taxes and implement a capital gains tax (Lopez 2003) were experienced as unconscionable intrusions. From within a juridico-political vision of sovereignty, these interventions were seen as authoritarian, backwards and violating the very essence of economic freedom. Guyer anticipates this when she writes, “One might think of mercantilism as the “ancient history” of modernity. But the imperatives of mercantilism have never completely disappeared from the political practice of Western economic decision-making” (2004).

Perceptions of who is indebted to whom in relations between sovereign and subject or state and citizen are linked to the historical moment, manner and circumstance at which groups fiscally interface with the state. Bruce Grant writes that “Once we move past the myths of isolated actors, as Simmel urges, most, if not all, renderings are not gifts but countergifts, actions that take place in settings already laden with values accrued from earlier interactions, earlier

——— (2009) argues that it wasn’t until the 1940s – in opposition to Perón – that the iconography and pride of the middle-class (“orgullo de clase media”), and the idea of Argentina as a “middle-class country,” emerged. While the term middle-class was first used in the 1920s to signal the growth of a political constituency opposed to the traditional ruling elite, referring to “self-made” professionals who were often European immigrants, middle-class identity developed in the mid-1940s as the re-vindication of a liberal political rationality deeply challenged by Perón. In the post-war period, anti-Peronist liberalism was formative element of upper and middle-class identity. As Plotkin writes, “Liberalism, in crisis during the 1930s, emerged again, particularly after the triumph of the United Nations in World War II, as the basis of a unifying myth for those groups opposed to Perón” (2003: 27). What made it a ‘unifying myth’ was that what he calls the “anti-Peronist consensus” “brought together people of diverse and sometimes antithetical ideologies under the umbrella of liberalism” (2003: 37).

Of the increase of direct taxation under Peronism, Lopez writes: “With respect to direct taxes, the Capital Gains tax (Impuesto a las Ganancias Eventuales) was implemented in 1946. The rate of the income tax (Impuestos a la Ganancia) increased during Perón’s first presidency, and then diminished to its prior value, perhaps signaling the debilitation of the regime when faced with pressure from the bourgeoisie (la gran burgesia), but at the same time, the rate of property taxes collected increased fourfold, so the composition of direct taxes changed. Either way, considering contributions to social security, the increase in the progressivity of the system is clear” (2003: 48). But whether these changes had far-reaching implications is debated. Botana argues that while “these taxes, typical of a welfare state, shot up in 1946 and then leveled off at about 30 percent through the 1976-1980 period” (2008: 241) they did not represent a qualitative shift. The Convention to amend the national Constitution (1949), did include a shift towards “principle of “proportionality” but also “progressivity,” to “moderately tax the less well-off classes and more heavily tax the upper classes” (2008: 247) but there was no attempt to change the ley de co-participación which held that direct taxes should be provincial. Direct taxes continued to be seen as an “emergency measure” by the executive, which did not foment a sense of citizen participation in decision-making around taxes, thwarting the normalization of the income tax.
encounters, and earlier exchanges” (2005: 46). And yet, once the circulation of material goods is recognized as a technology of power, the perceived directionality and sequence of the gift is important to discern. Whether a payment or exchange is perceived as a theft or gift is largely predicated upon who claims to have given the first gift. Such an exercise is therefore critical to understanding the sentimental accounting in debtor-creditor relations, one that is deeply subjective and may or may not map onto economic accounts.

Liberal nationalism in Argentina was predicated upon a Lockean conception of the individual, one where property was seen as a natural right and the individual who possessed it was seen as a pre-political being (Somers 2008). Given that, as Pocock has written, Locke was one of Britain’s early investors, contributing to the stabilization of money, it should not be surprising that he experienced himself as giving the first gift. At the conjuncture at which he was writing, the identity of creditor overshadowed that of taxpayer-debtor. Arguably, the discourse of rights as natural law itself emerges from a context in which investment or creditor subjectivity has supplanted debtor subjectivity. Foucault offers insight on why building a state with a strong Lockean as opposed to Hobbesian legacy might have been problematic. In his words, “After Hobbes, there is Locke. Locke does not produce a theory of the state; he produces a theory of government. So, we can say that the English political system has never functioned, and liberal doctrine has never functioned on the basis of, or even by providing itself with a theory of the state. They have adopted principles of government” (2008: 91).

In Europe, “possessive individualism” was productive for state and capital formation because, quite apart from the ‘regime of truth’ within which investors or early users of national currency (national creditors) existed, perceiving themselves as autonomous members of “civil society,” they were always already taxpayers, deeply entangled in relations of indebtedness.
Investment, that apparently self-interested practice that would come to seem the core of capitalism and of “civil society,” had been, in its origins, deeply linked to national security, and there was a brief period where subjects were made conscious of this. As Mary Poovey notes, in the early years of the Financial Revolution, “economic interest could also be equated with national interests, for … national security increasingly did depend on the money lent to the government through shares… Thus in 1711 Defoe acknowledged that “it is a disputed point, whether this Levying Money by Loans, upon Funds of Interest, be a Service to the Nation or a Prejudice,” but by explaining to his readers how credit worked, he hoped to demonstrate once and for all that good credit supported the nation, because the nation’s interests and the creditors’ interests were inevitably the same” (Poovey 1998: 151).

It was, of course, the existence of fiscal and financial technologies and the discourses surrounding them that enabled Adam Smith to claim, as Burchell summarizes, that “economic egoism is beneficial because attempts to direct the individual’s actions on the basis of the collective good are harmful, leading only to the imposition of ‘impertinent obstructions’ (1991: 133). Without these fiscal and financial technologies, and the debtor-creditor relations their functioning represented, not even the appearance of a seamless translation between self-interest and the collective good could obtain. It is this predicament that led Perón to label the affect-less maximizing market subject that, across the Atlantic, had been celebrated as a figure of civic virtue, as speculative and anti-social. Under Perón, the premise of the oligarchic export economy, the pursuit of wealth closely linked to liberal nationalism, was re-branded as speculation, a form of economic activity where profits were divorced from redistributive ends or where, to use Parry and Bloch’s terms, the short-term cycle was unhinged from the long-term cycle.
For all Perón’s attempts to create the conditions of possibility for accumulation, coordinating agro-export and industrial sectors, funding the latter with profits from the former, conflicting sentimental economies had concrete effects. In the face of condemnations, investors did not feel recognized for their moral contribution to society, driving them to reinforce their links with other sovereigns. The paradox, or perhaps more appropriately, the tragedy, of the divergent temporalities of liberalism is that the loss among the upper-classes of the ‘feeling’ of having a sovereign right of refusal generated a wave of capital flight and tax evasion. During the course of my fieldwork, I was repeatedly told that the history of Punta del Este, the Uruguayan beach resort that has for decades doubled as a tax haven for wealthy Argentines, is the history of Perón’s Argentina. As Andrew Mitchell writes “In 1956 Federico Pinedo (an important former Minister of Finance) pointed out a considerable increase in tax evasion in this period. One indicator was business, which declared a net income of 69% of total net income in 1942. This declined suspiciously to a mere 41% by 1955….by the mid 1950s the Argentine experience already demonstrated that more complex fiscal institutions such as progressive income taxation required cooperation stemming from state credibility” (2006:14). This vicious cycle led to increased dependence upon the seigniorage tax, which bred further mistrust.

Here it may be worth recalling Guyer’s observation about how institutional political sequence can shed light on “clientage, prebendalism, withdrawal from the state and unproductive investment” (1992: 46). It is a common refrain among upper-class professionals when speaking of tax evasion or why people bank off-shore that Peronists, the party in power for seventeen of the last twenty years, are “incorrigible.” Given the perpetual link made between Peronism and corruption, it is important to heed Evan Lieberman’s claim that:

“Although perceptions of corruption, credibility, and trustworthiness influence taxation outcomes, we gain more analytic leverage if we consider these factors as part of
the puzzle that needs to be explained, rather than as exogenous determinants of tax compliance and levels of collection…Perceptions of state action on the part of individual and collective actors may be largely determined by political context, independent of the goods and services the state actually provides. If we can develop a plausible account of political-institutional variation that leads societal actors to interpret state action in predictable ways, then we will have made corruption and trustworthiness endogenous variables in the explanation” (2001: 526).

If a century earlier, merchant elites had refused the sovereign’s gift but the government had been too weak to coerce or persuade them, the relationship between the liberal elite and state had only become more antagonistic. While the object of ‘population’ had finally developed, rather than a basis from which a notion of ‘society’ could emerge, it would consolidate cleavages. Where in Europe “society,” as a neutral object around which different groups cohered became the rationality through which governmental interventions could be made, in Argentina, society was conflated with “the people” and came to be seen as exclusionary and partisan.

Peronism and liberalism continue to be major structuring identifications, shedding light upon the historically and affectively constituted debts that differently positioned citizens feel the state has incurred or that they have incurred with the state. These sentimental economies condition the credit that citizens are willing to extend to the state. In Europe, the liberal “theory” of civic nationalism and the “policies” of governmental forms of power unfolded simultaneously, such that inhabitants concurrently became citizens and populations,93 or taxpayers and investors. Even as the gift was disavowed, gift and market were inextricably linked. In Argentina, rather than “political society” becoming the administrative basis for “civil society,” and the two becoming interdependent, they became locked in confrontation. The historical trajectory

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93 Chatterjee conurs with Rose and Miller (1995) and Osborne (1998) that an explicit emphasis on populations became more pronounced in the inter-war period of the twentieth century with the advent of what has been called “government from a social point of view.” My argument differs from Chatterjee’s insofar as I trace these arguments to a far earlier moment. Rather that focusing on the “social” of the mid-twentieth century, I am interested in the formation of the “public” in the eighteenth century, when European nation-states were in formation.
fomented the illusion that “civil society” could exist without “political society” and vice versa generating a cyclical impasse in capitalist growth.

Peronism and liberalism might be said to represent different dimensions of the liberal tradition that do not recognize each other because separated by a temporal and disciplinary divide. Instead of building upon each other, these rationalities diverged, developing increasingly clashing notions of the proper location of sovereignty. These confrontations often led to “inflationary coups,” the withdrawal of capitals to topple a regime, which Della Paolera calls a form of war, and it would not be an exaggeration to suggest that such confrontations reached their dramatic peak in the “incredibly rapid “Weimarization” of Argentine politics” (Smith 1989: 230) in the period prior to the 1976 dictatorship when in one month, one saw a 17,000 percent annual rate of inflation. If, as Pocock wrote, “a secular future is the child of capitalist development,” it is not hard to see why, in Argentina, the future has been less than secular. The interplay of these different political cosmologies is critical for understanding what many professionals refer to as the feeling of inevitability around the way that every ten years, the pendulum swings and Argentina suffers a massive financial crisis. For as long as “culture” and “economy” are believed to be truly separate spheres, it is difficult, I would venture, to really gain much of a purchase on either. This register of conflicting political and economic subjectivities has not been sufficiently attended to in explanations of “the Argentine riddle.”
CHAPTER 3

When I finished reading the tale of the “Three Little Pigs,” I thought to myself “I should tell it the other way around (al revés), because she is Argentine and will live in Argentina. If I tell her it is worthwhile to build a brick house… Well, I am giving her the wrong lesson. Either I should change the way I tell the story, or I should start trying to get her a Spanish passport fast. If not, she will blame me, with good reason, for the rest of her life. For us, it is far more important to have an escape plan when the crisis comes, which it always does than to spend all our energy trying to make something more perdurable, something more solid.

Gustavo Lopategui, the Minister of Production of the Province of Buenos Aires, at the annual UIA (Unión Industrial Argentina) conference in Rosario in 2005 on the dilemma faced while reading his three-year-old daughter a fairy tale of British origin.

*For the Love of Contract:*

*Affective Geographies of Divestment and the Argentine Credit Deficit*

In Buenos Aires streets and cafés in 2005, three years after the financial crisis of 2002, one did not need to go far to hear people cursing the country and its politicians. In movie scripts, it was common to hear members of the middle and upper-classes railing against “este país de mierda” (this country of shit). Anger and frustration, which was directed against the so-called clase política (political class), took the form of escraches, attempts to publicly humiliate officials who had served in the administration leading up to the devaluation of December 2001, the most recent episode in the country’s long history of monetary instability. The wave of anger was unleashed by the banking freeze, which had been implemented by then President de la Rua to stem the wave of capital flight that swept through the country in the waning months of 2001. Ahorristas (savers) whose deposits had first been frozen, and then devalued, protested against

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94 These feelings are pivotal to the Argentine movie “No sos vos, soy yo” (It’s Not You, It’s Me, 2004). Semán, Lewgoy, and Merenson (2007) offer a lucid analysis of the modality of “reproach” towards the nation after the crisis, examining how the authors of several best-sellers reproduced this radical distance-taking from the nation.
what many experienced and interpreted as a violation of private property rights. When the currency board collapsed, the devaluation was read as the latest in a plethora of examples of Argentina’s governing class’ inherent corruption and lawlessness.

In the early 1990s, after Argentina implemented the currency board, a device that pegged the peso to the dollar, Argentina was the IMF’s poster child, an exciting “emerging market.” After the so-called Mexican ‘Tequila’ crisis of 1994, however, which created skittishness among financial investors, it became evident that the initial infusion of capital following the privatization of state-owned industries was finite. Now that capital was reversing course, it wasn’t clear what would underwrite the mounting debt. Not only was the debt denominated in dollars, but it was accruing rapidly given high interest rates, which were designed to lure domestic and foreign capital. Given that the currency was over-valued to attract creditors, Argentina’s traditional exports of wheat and beef could not compete on foreign markets. Structural adjustment policies were implemented to contain deflation, the country’s risk index soared, stirring capital flight, which ultimately triggered the currency board’s collapse and ended the temporary commensurability between the dollar and the peso.

The rationale that drove Argentine financial liberalization in the 1990s, as well as the preceding wave of liberalization in the 1970s, was that, with adequate conditions, capital would flow from “capital-abundant countries where expected returns were low to capital-scarce countries where returns would be high” (Henry 2003: 91). While the merits of “capital accounts liberalization” have come under scrutiny after the currency crises of the late 1990s, what I want to underscore is that Argentina was not then – nor has it ever been – a country particularly scarce in capital (Kulfas 2001, Frenkel and Rapetti 2009). Rather, it is a country with a problem retaining capital within its borders, persuading its residents that Argentine currency can operate
as an inter-temporal bridge between past and future, and that value can be endogenously generated in the country. Even during the height of financial liberalization, when money was supposed to be flowing in, far more money flowed out of the country. As Kulfas (2001) reports, the mounting foreign debt of the 1990s did not go towards public projects but, in a ludicrous twist, to funding the off-shore banking of private citizens. Though decried most vociferously on the left, awareness of this paradox spanned the political spectrum. In 2005, the politically conservative and economically liberal La Nación, which had expressed support for the currency board, cited an economist who asserted: “the paradox is that, while Argentina desperately needs capital, the country finds itself today among the exporters of financial assets like Venezuela, Germany and Japan.”

The article was titled: “51% of Private Savings Outside of the Country: To Ensure Continued Growth, Experts Recommend Seducing National Capital.”

This predicament was more than apparent during my fieldwork. Victor, a young lawyer I knew, told me that, after a 1980s devaluation where his grandfather had lost part of his savings, the whole family had been “curado del espanto” -- cured by the horror. The disease of which they had been cured was the pathological belief in Argentine currency. “The strange thing,” Victor added, “is that people continue to put their money in the banks.” Daniel, a psychotherapist I knew, balked at the idea of putting money in a bank and kept all of his savings in his home after losing money in the 1980s. The extent of the problem was captured by Romina, a sophisticated businesswoman of seventy years who told me she had been “living off-shore” for over twenty years. She made her living selling foreign medical insurance to elite Argentines and the entire operation was under the state’s radar. She said she had asked the European company to

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95 The state took on increasing amounts of dollar-denominated foreign debt (which required conformity to structural adjustment policies), in a futile attempt to guarantee the peso-qua-dollars, which were often sent abroad or not productively reinvested.

96 La Nación (11/24/05)
“blanquearse” (whiten itself, the term for formalization) but realized how unlikely this was.

When a close competitor had opened a formal branch, it promptly went under. When I asked if
the tax burden had weighed heavily, a complaint that I heard frequently, she was forthright about
my naivété: “What? No! They lost their clientele. The company lost all credibility because
nobody wanted to buy a product denominated in Argentine currency.”

Among elites in Argentina, the most central belief about money is that under no
circumstances should it be trusted. As Gustavo Lopetegui suggests in his adaptation of the
British fairy tale to Argentine territory, since financial crisis every five to ten years is a foregone
conclusion, it is ultimately more “worthwhile” to have an “escape plan,” than to “build a strong
house.” “Exit,” a form of action that Albert Hirschman, writing in 1970, deemed “ordinarily
unthinkable, though not always wholly impossible” from “primordial human groups as family,
tribe, church, and state” (1969: 76) is the moral of this upper class Argentine socialization story.
However dated Hirschman’s hermeneutic may seem after the rise of neo-liberalism in the 1970s,
the degree to which Argentina represents an inversion of this ideal-type is striking. Among the
elite, the best way to protect oneself against the next crisis, imagined to be permanently lurking
around the corner, is to partake in the so-called “flight to quality,” as economists call it, a phrase
that captures a view of “quality” as inherently foreign. Belonging and economic success are seen
as incompatible. As Lopategui makes clear, if an Argentine decides to invest in building a strong
house, he or she should at least have the foresight (in the interest of retaining his or her
children’s affections) to hedge this bet with acquisition of another passport.

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Hirschman argued that the terms “exit” and “voice” reflected biases of the disciplines of economics and
political science respectively, regarding how members respond to a polity or corporation in decline. What
differentiated the two was the absence or presence of loyalty. He appreciated that, if empirical differences existed,
they were partially fabricated by disciplinary formations. A central argument was that economists underestimate the
importance of actors exercising “voice” and “loyalty” in what makes corporations operate.
A conversation with Javier Finkman, a chief economist at a major trans-national bank, who moonlights as a professor of “epistemology of economy” at the UBA, offered insight into this generalized sentiment among the porteño upper-middle classes. Trained in the heterodox school of structuralist macroeconomics, the predicament of what he called a “foreign bias” in Argentina had led him to develop a fascination with off-shore banking. Finkman was struck by how friends would rationalize sending their savings off-shore, telling themselves “what I do is marginal, a drop in the bucket, as compared to the big companies that take out tens of millions of dollars.” “Of course” he said, contesting this narrative, “there is no question that capital flight is an aggregate of individual conduct. This is just one example of a common mechanism of doble-discurso (double-talk) in Argentine society.” What most perplexed Finkman about professionals’ failure to register the damaging effects of off-shore banking on financial crises they lamented was their high level of educational achievement. Any first-year economics student at the UBA, he observed, should be able to grasp the dynamics by which off-shore banking could precipitate crisis.

The turn in the conversation with Victor, the lawyer introduced earlier, offers clues to Finkman’s puzzle. Far from shedding light on recursive monetary dynamics, certain forms of knowledge are instrumental in dissolving the potential conflict citizens might experience between civic sentiment and economic investment. Assuming a pedagogical tone, Victor explained:

“Off-shore banking enables liberty because, like it or not, economic liberty is linked to individual liberty. Many individual liberties are exercised in the realm of economy: the right to property is an individual right, after all. Liberty, the right to life, the right to property are also individual rights. For me, democracy and

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98 The UBA (Universidad de Buenos Aires) is the prestigious public university of the city of Buenos Aires.
property cannot be separated, even if they can be more or less controlled. You can’t have one without the other."\textsuperscript{99}

For Victor, off-shore banking is democratic – and, by extension virtuous – because the liberal subject’s freedom, and in fact, democracy itself, are assumed to follow automatically from property ownership. The rights framework Victor summons, legitimated through juridical expertise, is a rendition of what C.B. Macpherson called “possessive individualism,” (1962) a theory that originated and found its most influential expression in the work of John Locke. What Macpherson called the “Western democratic ontology” hinged on the notion that, as Etienne Balibar notes, “It is property that forms the essence of the owner, his internal capacity or power to act – what Locke calls life and also labor…In Locke we know the individual is referred to no other authority or origin than “himself” – or better, no other origin than the transcendental power of appropriation whose bearer and agent is himself, that is, what Locke calls labor and its work” (2002: 302-303).

In shifting from off-shore banking to the language of rights, Victor suggests that his economic decisions respond first and foremost to the foundational juridico-political truths of political liberalism. Such a leap from off-shore banking to private property rights and democracy may seem large. But it would not surprise Webb Keane, who suggests that the attachment to money’s abstraction must be understood in terms of “native theories of money that include those of economists themselves” but that “cannot in turn be understood apart from their articulation with a host of other native theories – about historical progress, freedom and even the ontology of the human subject” (Keane 2008: 38). As he writes, “Both the celebrants and critics of money’s abstractness and powers of abstraction may be buying into a cluster of received underlying narratives about modernity…In this ideological nexus, it would seem a matter almost of self-

\textsuperscript{99} “Y además permite la libertad porque, (like it or not) mal que mal, están unidas la libertad económica controlada con la libertad individual, para mí están unidas, no puede haber una y no la otra.”
evidence that money ought itself to be abstract and an instrument of abstraction for other things, at least insofar as it is a product and facilitator of modernity” (2008: 38).

What I want to argue in this chapter is that the Argentine credit deficit must be understood in light of the presence and intensity of the rights frameworks. There is an inverse relationship between a belief in individual rights and an appreciation of money as a form of credit. To admit that the use of national currency involves the extension of credit to a national sovereign is to admit the need for a sovereign, the non-autonomy of individuals, and the need for monetary politics. All are threatening to the Lockean-inspired “cosmology of value,” where the individual is temporally anterior, and morally superior, to the state. The term “cosmology of value” refers to naturalized understandings of the relationship between self, state, and society in the production of economic and moral value. “Cosmologies of value” both emerge from situations of financial instability and engender scientific ideas about how to contain it. In this regard, they are deeply shaped by existential uncertainty. As elegantly articulated by Appleby (1976), this mutually exclusive relationship between “possessive individualism” and credit has a long history in liberalism. Locke’s insistence upon a natural law theory of money, where value inheres in a substance, was essential to his view of personhood.100

Over the course of my ethnographic research, it was regularly claimed that the credit deficit that fuels off-shore banking was a reaction to the trauma of monetary loss and the blight

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100 Joyce Appleby argues that Locke’s natural law theory of value, which saw monetary value as intrinsic to gold or silver, and independent of sovereign decisions, was carefully crafted to accommodate certain foundational truths of his political philosophy. “Money occupied a crucial place in Locke’s political philosophy. Its definition impinged upon his conceptions of the natural order and the essence of civil society. Locke could not be indifferent to the ideological implications of assigning to money an extrinsic value manipulatable by the sovereign…” (1976: 64). Examining the re-coinage debates of seventeenth century England, she documents how Locke denied what was already widely acknowledged by other public intellectuals, i.e. that monetary value was affected by sovereign decisions. She notes that this oversight did not keep his theory from shaping economic thought for centuries to come. Of his methodology, “The rigidity of Locke’s position as well as the modernity of his opponents provides an unexpected twist to the origins of liberalism. Locke, the empiricist, stands forth as the creator of a system whose moral basis was more important than the observable phenomena it attempted to explain” (1976: 68).
of corrupt governments. Expanding the frame, and inverting this causal narrative, I contend that, far from a mere reaction, the credit deficit is engendered by normative and dominant conceptions of liberty in Argentina. These conceptions have helped shape fiscal and monetary policies premised upon the substitution of private property rights for credit. So entwined are these policies with a view of selfhood anchored in proprietorship that their collapse – rather than triggering a critical engagement – only further fuels a desire to eliminate institutions of public finance. When alternatives to policies based on the methodological individualism of Anglo-American citizenship theory and neo-classical economics are suggested, they are dismissed as morally obscene and intellectually vacuous.

Owing in part to what Keane has recently characterized as a tendency in social theory to assume money is abstract (2008, see Maurer 2006), little work focuses on the semiotic and political frameworks mobilized to portray it as such. The ethnographic research presented below, drawn from interviews with economists and members of the upper middle-class, shows how normative frameworks are deployed to help actively perform monetary abstraction. It shows the assemblage of ancillary ideas necessary to sustain the belief that technologies of credit - Central Bank and taxation, are, as it is believed, marginal to monetary circulation. The professionals profiled here are highly skeptical of what is referred to as the period of “post-convertibility,” presided over, from 2004 to 2008 by Nestor Kirchner, the broad outlines of which were continued by his wife, current president Cristina Fernandez de Kirchner. For them, justice did not hinge upon the implementation of a universal “rule of law,” or global credit-ratings or standards of transparency but first and foremost accountability to what they called “la deuda
investment in a narrative of abstraction as an innate quality of money seemed to intensify in the wake of this challenge to the tenets of monetarism.

By foregrounding, and attempting to highlight the “larger representational economy” (Keane 2009) upon which a substantialist view of money depends, I demonstrate that the market is only one of many idioms that shape economic practices. Such an approach hopes to supplement Callon’s view that “economics performs the economy,” not granting origin status to neo-classical economic science but provincializing it by showing that it is both inscribed within a language of the social contract, and depends upon an assemblage of inter-related dichotomies such as nation vs. state, affect vs. economy, domesticity vs. the social, politics vs. economy, civil society vs. state. To this end, while recognizing that political economy is the “governing discourse par excellence,” (Meuret 1988) the voices profiled are not limited to those of “experts” (Mitchell 2005). Beyond the operations of the financial sector, peoples’ beliefs about money have a performative effect on its continued flow within a national economy, a reality that is undoubtedly more apparent in peripheral countries where a country’s debt is not emitted in its own currency. As Jane Guyer writes, money “is a vastly important reality to vast numbers of people, all but an infinitesimal number of whom have absolutely no idea of the official doctrines under which it ‘makes sense’ but whose own constructions…are a necessary component of that ‘sense’ as it works out in practice” (1995: 6). This point is re-iterated by Keane in his assertion that “Both money’s fluidity and its limits – including the extent to which people trust it – are functions of those ideas” (2007: 277).

In a recent engagement with the work of Michel Callon, Judith Butler (2010) argues that by narrowly conceiving of “performativity” in relation to devices that format and frame the

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101 The discourse and policies of the “la pos-convertibilidad” (the post-convertibility regime) is the subject of chapter four.
market, Callon surrenders an account of an “outside to economics,” and leaves aside “normative questions” such as those regarding “income disparities,” “poverty,” and the “just forms for the redistribution of wealth.” Noting that this exclusion of “the political” mirrors a pattern in political theory where “the political is repeatedly produced through a disavowal of the economic” (2010: 159), Butler reminds us that “performativity operates in part through dividing the spheres of the economic and the political” (2010: 134), and calls for research that helps us understand “the particular means through which this distinction is built” (2010: 154). While not initially written in dialogue with Butler’s concerns, this chapter hopes precisely to expand our grasp of the economy/politics divide so that our understanding of the economic might include “modes of exchange or forms of gift-giving” without which it is doubtful “whether the social bond can be thought at all” (Butler 2010: 159).

The Romance of the Contract: Heartbroken “Citizens” and the Ruse of Causality

Estela, a once wealthy woman born into an aristocratic provincial family, who runs a small retail gift company out of her apartment, is not shy about declaring that the Kirchner government should “quebrar” (go bankrupt). We met several times in a coffee shop in the heart of the Recoleta, an affluent neighborhood filled with embassies and well-manicured plazas adorned with turn-of-the-century statues and fountains. While now widowed, her husband worked for a multinational company as an engineer, and she prides herself on having lived in Belgium, Panama and other countries.

To her mind, divestment, through tax evasion and off-shore banking, is a reciprocal act triggered by the state’s prior aggression: the breaking of contractual promises. Complaining of
her exhaustion at the work of defending herself and her family against the state’s intrusions,

Estela portrays the relationship between herself and the state as a zero-sum game. In her mind, breaking the law is a last-resort response to the feckless behavior of an evil, squandering state.

Estela: I had some money saved, which was for the education of my children, and it was caught in the “corralito.” It is the second time that our savings are looted [es la segunda vez que saquean nuestros ahorros], that they invade our private property. It is like a rape [es como una violación]. I am still responsible for my children of 25 and 27. I would be irresponsible if I continued trusting, placing money again in a bank that could steal it from me again. You need to be rational. If I were to continue trusting, the fault would lie with me [Ahí ya, diria, la falla está en mí.] Beyond the money lost, it left me more skeptical [descreída] than ever with respect to the minimum security this country can offer me. That is, this country offers me no security.

My daughter visited from the U.S., where she has lived since the crisis, and was so pleased to see what she calls progress. She commented that “people are using seatbelts and tax receipts are being given in stores.” But the receipts are false (truchos). I didn’t want to disillusion her so I didn’t tell her that respecting taxes is a waste of time. They trick and deceive you through taxes. I want to pay my taxes but with time, you realize that everyone should stop paying taxes so that the state may collapse. Perhaps then we can come to grips with the fact that our taxes are being squandered (despilfarrados), badly spent (malgastados) and given how much corruption exists, they aren’t going where they should go.

M.A. So you have no reservations about sending your money off-shore?

Estela: Not at all! You need to be rational. Sending money off-shore through these “cuevas” (caves) is the only way to make sure your money will be safe and to survive in a country where survival is a daily struggle. Make no mistake about it [No te quepa ninguna duda]. There comes a point in your life when you need to try to survive yourself.

In what is described as a state of siege, Estela believes that she has a moral duty to act in her own self-interest. Prioritizing obedience to the state’s exigencies above care for herself and

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102 As part of the neo-liberal reforms of the 1990s, social security was privatized. It was administered by private companies (AFJP) which took a 30% cut for their administrative oversight regardless of how well the funds did. In this utterly risk-free arrangement, what was not made on the stock market would be compensated by the government. During the second half of the 1990s, as capital flight soared, these funds were depleted, and, in a colossal irony, the government became indebted to these private administrators, increasing the foreign debt to pay their fees and to pay retirees.

103 Cuevas (caves) are the informal offices through which off-shore transactions occur. There are a wide range of such establishments, ranging from shady storefront currency exchange stores to trans-national banks that have informal offices in buildings or floors of buildings without official signage.
her immediate family would be reckless. This reasoning, referred to as “salvase quien pueda” (save yourself if you can), was predicated on the idea of the state as a predatory entity, whose devious operations required a defensive stance. These feelings were often couched in terms of heartbreak, abandonment, and betrayal. Utilizing this same trope, Roberto, a businessman who is a friend of Estela’s, describes the devaluation as a theft that marks the rupture of a sacred contract.

Roberto: Since there are no legal guarantees in terms of property…not only for external investors but for Argentines, you will not have fidelity of investments.

M.A.: Why do you use the word fidelity?

Roberto: Because it is a marriage [es un matrimonio].

M.A.: A marriage with the country?

Roberto: Of course. Now, if in this marriage, they deceive you once…Well, they’ve deceived me so many times that I am the king of the cuckholded.

Fidelity, a word that conjures loyalty, trust and intimacy, is not easily accommodated within liberal analytics of private property and contractual relations. It should not then be surprising that, to conjure the state’s relinquishing moral authority, Roberto appeals to the realm of domesticity and to marriage as its defining institution. Via the analogy of marriage, Roberto appears to acknowledge the presence of emotional attachment, mutual interdependency, and reciprocity between state and citizen. But as his narrative unfolds, it becomes clear that this portrait of ruptured marital bliss serves more to dramatize his victimization by the state than to indicate that – barring the infidelities of a fickle, feminized state – the rapport would be one of national-familial harmony. Rather, the ideal state-citizen rapport should approximate a business-like contract between two discrete and fully constituted entities, each respectively endowed with a will. Roberto’s alienation from and hostility towards the state brings to mind Timothy
Mitchell’s assertion that, “as power relations become internal, in Foucault’s terms, and by the same methods, they now take on the specific appearance of external “structures.” The distinctiveness of the modern state, appearing as an apparatus that stands apart from the rest of the social world, is to be found in this novel structural effect. The effect is the counterpart of the production of modern individuality” (1999:89).

Having reportedly lost four and a half million U.S. dollars in the devaluation, Roberto is persuaded that the state – not the particular policies it has implemented – is to blame for this “theft.” A thoroughly personalized entity accused of “deception,” intentional wrongdoing and foul play, the state is an adversary, with which he, and many others like him, are locked in “private (financial) warfare.” In his words: “There are many ways to rob you: one is with a revolver; the other is the way it happens here. But they don’t rob to do public works. They take it themselves. They’ll never catch me again (no me agarrarán otra vez).”

After the crisis of 2001, to avenge this humiliating mockery, Roberto developed an elaborate, multi-million dollar import-export business that relied heavily on friendships and business connections and is undetected by the state. Given the millions he netted, a portion of which would otherwise have landed in the state’s coffers, he extracts financial vengeance from the state.

Roberto: What do you expect? That I sit back and continue to play that role? So what do I do? I leave. I won’t play that role anymore. At this point in my career, I import wines to the US. Here I don’t exist, I don’t figure at all. I am a ghost. I am “NN.”

M. A.: What is an NN?

104 In the “Society must be Defended,” (2003 [1976]) Foucault argues that it is just this consciousness of “private warfare” that Hobbes attempts to put an end to via the creation of “the commonwealth.” As Foucault writes, “The State acquired a monopoly on war. The immediate effect of this State monopoly was that what might be called day-to-day warfare, and what was actually called “private warfare,” was eradicated from the social body, and from relations among men and relations among groups. Increasingly, wars, the practices of war, and the institutions of war tended to exist, so to speak, only on the frontiers, on the outer limits of the great State units, and only as a violent relationship – that actually existed or threatened to exist – between States” (2003 [1976]: 48).
Roberto: “Disappeared,” in the period of the military…they placed “NN” on graves. (“Desaparecido,” en la época de los militares… Colocaban en la tumba “NN.”) NN is when you don’t know who it is.

M.A.: So the government can’t identify you at all.

Roberto: Why would they want to see me? The only possession in my name is my cat. I paid $1500 U.S. dollars for her and I made an exception because it was the only way the pedigree would be registered. I keep a minimum of savings here…[rhetorical question] what do you do for a living? Nothing. What do you live on? Air. Do I have a car? Yes, I do but it isn’t mine. Neither is my apartment on Quintana\textsuperscript{105}, it isn’t mine either. It is in someone else’s name. What am I? I’m a spirit. A ghost, a phantasm (un ghost, un fantasma). I learned to be one.

Since, in Argentina, property rights are violated and the state will not recognize him as the property owner he feels he is, Roberto renounces formal ownership duties. The state is not worthy of his investment and what he feels are his natural, God-given rights. As Paul Kockelman has written, “Property, and possession more generally, is just a type of status,” (2007: 158) one to which Roberto is deeply attached. As a moral snub for this insult of non-recognition, he embraces his ghostly identity, playfully referring to himself as “Pepe Ghost” (Joe Ghost). Deftly weaving in and out of the state’s borders, Roberto’s self-denomination as a “ghost” refers to the Argentine term for a shell corporation, “ghost corporation” (sociedad fantasma) and to his successful elusion of the state’s mechanisms of detection. Deriving pleasure and pride from seeing the state without it seeing him, he deploys viveza criolla (creole cunning), a term that captures a trickster tradition of one-upmanship vis-à-vis state authorities. In light of the recent dictatorship, there is a macabre quality to his embrace of the “NN” title, one that gives a positive valence to an anonymity which, in the context of the dictatorship’s mass graves, constituted an abject and horrific de-personalization.

105 Quintana is the name of a very exclusive avenue in Buenos Aires.
The occasional impulse to reconcile his contempt and lawless actions with a conception of himself as a law-abiding citizen finds easy resolution.

Roberto: “Who is responsible for leaving you no choice but to set up these kinds of arrangements? (Pero quién te obliga a hacer todo esto?) Where someone is corrupt, there has been a corruptor. I would like to change all of this. I would like to be totally white, all good (Quisiera ser totalmente blanco, todo bien). And I’d like for them to return the money they stole. But I am human. It is very hard to do as Christ said ‘If you punch me in the face, I will offer the other cheek and say, go ahead, steal all this from me too.’ It is very hard. I’m human too. (O como dijo Cristo “Me pegan una trompada acá, y yo tengo que poner la otra cara, robame todo acá.” Es muy difícil. Yo soy muy humano también.) Roberto asserts that, as a “human,” he cannot be expected to give without return, a posture fitting of Christ, a saintly figure not bound by natural laws of contractual exchange. Under the circumstances, tax payment, would amount to a “gift,” something given for free. Through his definition of the human, Roberto reveals that law-abiding citizens cannot be expected to enter into non-contractual relations with the state as a matter of course. This normative portrait of the economic subject, and what is appropriate to a person, on the one hand, and to a divine being, on the other, reveals the unintelligibility of an unrequited/incalculable/non-quid-pro-quo payment, which, as has been amply stated, is an integral part of taxation (Martin, Mehrotra, Prasad 2008, Lieberman 2008), and citizenship (Somers 2008). This raises a poignant question: whether reluctance to pay tax is attributable, as is often asserted, to the government’s lamentable performance or poor service delivery or whether the very conception of

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106 The word “white” refers to the formal economy. That the formal economy is figured through whiteness should perhaps be thought in terms of the history of racism in Argentina.

107 On the non-contractual quality of citizenship, Somers writes: “Some call this circulatory process of rights and duties a citizenship “contract.” However, there is no contractual exchange in the strict market equivalence sense of the term, since the rights and obligations are not in a quid pro quo contractual relationship to each other. Current workers pay for current Social Security recipients, and the government actually uses the money “saved” for future entitlement programs for current budget demands. What distinguishes citizenship relationships from contractual ones is that there is no presumption of market or quantitative equivalence between the rights/benefits/protections on the one side, and the duties/responsibilities/obligations on the other…Citizenship entails an obligatory circulation between rights and duties, but it is an exchange only in a metaphoric sense” (2008: 88).
the state-citizen relation as a contractual exchange, and the subject posited in that relationship, condemns them to these failures they so abhor.

Roberto and Estela firmly believe that the state is indebted to them because it has failed to protect their private property rights. Critically examining this rendition of the directionality of indebtedness, I suggest that the seeds of this theft originate not in the flawed *clase politica* but rather in the social contract narrative that structures their world. Georg Simmel thought a dyadic view of exchange, one that operated along lines of theft/gift, pre-dated the money economy. For Simmel, what marked a modern configuration was the emergence of exchange, itself conditioned upon the development of a third entity, the “economic community.” The process whereby individuals began relating to this third entity was a prerequisite for the apparent objectivity of money, an abstraction that enabled prices to appear to inhere in objects rather than in the people who sold them. Necessarily, monetary abstraction required what he called “social-psychological quasi religious faith” (1990 [1907]: 179) in the state, which, in turn, provides the guarantee, the “vital nerve of money.” In Simmel’s words, “Economic credit does contain an element of this supra-theoretical belief, and so does the confidence that the community will assure the validity of the tokens for which we have exchanged the products of our labour in an exchange against material goods” (1990 [1907]: 179).

Simmel’s conception of the fiscal bond linking citizens to a polity, premised on the idea that “the relationship of the State to its citizens is determined basically by a monetary relationship that has its origin primarily in taxation” (1990 [1907]: 316), has much to commend it. He offers a portrait of modern subjects and forms of exchange characteristic of civic life drastically different from the ones produced by neo-classical economics or Anglo-American

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108 See pages 100, 291, 318 of the “Philosophy of Money” for elaborations of this position.
citizenship theory. But what his linear narrative of modernity may insufficiently account for is that, notwithstanding the development of institutions of public finance, inextricably linked to credit, sacrifice, and non-contractual exchange – and even perhaps on account of them – these fiscal and financial mediations were not reflected in expert discourses. As described in chapter one, a growing disjuncture would develop between the monetary mediations constitutive of institutions of public finance and expert discourse, extremely intolerant of these. Far from being “surpassed,” one might say that the gift/theft dyad was reincarnated in the civil society/state binary that Roberto and Estela draw upon.

If the illusion of state and citizens as separate and discrete entities was a structural effect of governmental processes, as Mitchell and others have argued, this was a relationship marked by antagonism. Somers refers to the deep anti-statist and “fear and loathing of the political” (2008: 270) inherent in Anglo-American citizenship theory as a “meta-narrative,” an argument which can “exhibit an aura of inevitability and unchangingness…that cannot be destabilized or unthought through competing evidence or routine empirical investigation” (Somers 2008: 278). Of this vision where the state is perpetually plotting against liberty, Somers writes, “The crisis driving Anglo-American citizenship theory is the fear of the tyrannical coercion of the absolutist state…the threatening antagonist is the public realm of the administrative state – a domain characterized by unfreedom, constituted by coercion, domination, and constraint, which is backed up with physical compulsion and arbitrary personal dependencies” (2008: 270). In this regard, the political meta-narrative of Anglo-American citizenship provided the specter of another gift/theft dyad, conspiring against the trust and sacrifice necessary for circulation.

This antagonism, and a conviction that state-citizen relations can be purely contractual, is intensely alive among the porteño upper-middle classes. Not only did such a vision precede the

109 I return to Simmel in chapter six.
collapse of 2001, the ideological appeal played a role in rallying support for the policies that inevitably led to crisis. The currency board in place from 1991 until the crisis of 2001 found new ways to operationalize the basic tenets of Anglo-American citizenship theory, which Somers calls an “inherently anti-institutional, anti-public form of authority” (2008: 283). The device was built on the fantasy that money was a form of private property like any other, and should therefore be subject to the laws of supply and demand. What had caused the hyper-inflation of 1989-1990, its proponents argued, was the state’s over-activity in the realm of emission. To clearly grasp the market’s signaling, and protect against such disruptions to the abstraction central to monetarism (Guyer 2009), the Central Bank would need to be disciplined. This arrangement, Kurt Schuler, a currency board advocate writes, “offers complete freedom of choice in deciding which currency they [citizens] wish to use for making contracts….the principle of government monopoly is dead or dying except in money. It is a logical extension of the principle of competition that a government should not have the power to force people to use a particular currency or to restrict the use of other currencies” (2003: 150). A free and competitive market in money, where rights-bearing individuals’ transactions could be mediated solely by contract, would restore longed-for abstraction.

Insight into this deep investment in the contractual is more clearly understood via what it purportedly guards against. Expressing a melancholic attachment to the Argentina that might have been, Estela sees the current moral decadence as attributable to illegitimate, perverse, and repulsive entanglements between persons, money, and the state.

Estela: I don’t believe anything, and it doesn’t even hurt anymore. It doesn’t even pain me anymore to say it. I can already say “Well, my country is where I was born but…nothing more…” So, on account of all this, you have been forewarned [prevenida] and you can’t have feelings of love [sentimientos de amor] today because you will suffer.
M.A.: Love for whom?

Estela: For your fatherland, for your country [por tu patria, por tu pais]. If you do, you will suffer more. And why would you choose to suffer? It pains me so much to go to downtown and see the piquetero marches (protests by the unemployed). The sight of it makes me cry. It is such a contrast with the potential we had. And, just because of an idiosyncrasy, on account of our deficiency, our way of valuing things, people don’t know how to see, how to discern.

M.A.: What do you mean by discern?

Estela: Discernment is to be able to diagnose, to deconstruct a situation [deglosar], seeing all the parts and reaching a conclusion that is more realistic than what one learns from reading a newspaper paid by a determinate government and not being able to see it is a lie. We don’t have the emotional or intellectual capacity to see our reality and to, on the basis of this, move forward. To see what those people have succumbed to, to this pathetic situation instead of where they may have gotten. And for convenience sake…they are given [jornales] day wages, they subsidize them. This is demagogic populism.

The piquetero who is there receives a subsidy or “un Plan Trabajar” or “Plan X.” There is no culture of work deeply rooted in the country. It is a situation of indigence in many ways. He knows he isn’t going to get out of that place and neither does he have the desire nor the strength. So they install the idea of the hand-out/gift [dádiva…]

This is a regional populism, led by Chavez. Well, in fact, it started here with Perón; we have a tradition of populism.

As I suggest in Chapter two, the “tradition of populism” Estela refers to, one she feels is being revived in Kirchner’s policies, is unequivocally traced to Perón. From 1944 to 1955, and upon his return from exile in Spain in 1973, Perón is thought to have aided and abetted what Estela deems a pathetic and morally indigent self, whose agentive power was not born from choice but was constituted within, and was dependent upon, complex fiscal and financial relations. Fiscal mediation, expunged from the liberal imagination, is a moral assault on the agency of the rights-bearing citizen, and is incompatible with Estela’s conception of citizenship.
Her love for the nation is inextricably linked to the conjoined illusions of the property-bearing individual and of a form of republicanism which aspires to a democracy without a sovereign.\textsuperscript{110}

The members of the Argentine elite interviewed here are mourning the loss of an ideal widely disseminated during convertibility: that money could exist and retain its value without “public credit” and the fiscal mediations upon which it depends. The paradigm of capital accounts liberalization upon which the currency board was predicated sustained a view of money as an abstract and quantifiable commodity. This monetary policy offered the illusion that, if private property rights were sufficiently prioritized and well protected, credit – as something inevitably cultivated through politics – could be forsaken, held in abeyance. Stable money and democracy, policy advocates promised, could be achieved without state accountability towards its citizens as moral creditors. Convertibility short-circuited the credit deficit by making the dollar the \textit{de facto} currency.

Given the threads drawn– both by the government and its detractors – between past and present, it was commonplace to hear \textit{anti-Kirchneristas} openly and extensively lament the current “\textit{vuelta al pasado}” (return to the past), marking a civilizational regression. Anti-Peronist narratives, which had acquired truth-status through a mixture of memory and historiography, were revived and re-circulated. Echoes of the elite reaction to the march on the \textit{Plaza de Mayo} in 1945, when Perón’s supporters “invaded”\textsuperscript{111} the city, could be heard in Estela’s complaints about

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  \item \textsuperscript{110} Of the disavowal of sovereign power in theories of liberal democracy, Wendy Brown writes: “To a degree, political sovereignty’s roving and ambiguous meaning derives from its peculiar double place in liberal democracy, and the shell game with power that this double place facilitates in liberal democratic practice, where what denotes sovereignty in the Schmittian sense (decisionist state power) is not named as sovereign in the Lockean or Rousseauian sense (popular legislative power). The premise of democracy is that sovereignty lies with the people, yet liberalism also necessarily features what Locke names “prerogative power” – the power of the executive to abrogate or suspend law, or to act without regard for the law …” (2010: 48).
  \item \textsuperscript{111} Ricardo Salvatore, who writes of “amnesia regarding race and colonialism in the discourses about nation” notes that this feared and disdained “pueblo [was] in fact composed of southern Europeans and \textit{mestizos} (2008: 761). 
\end{itemize}
the *piqueteros*, organized groups of the unemployed who make political demands via roadblocks.\(^{112}\)

Estela: I am against the legitimatization of the occupation of public spaces, for instance. In this country, anything goes.

M.A.: What do you mean?

Estela: When people come and they install themselves in a plaza. Those are public spaces. In the name of populism, they want to legitimize the invasion of public space. They loot your public space, the space you pay for.

Dismay at the invasion of “her” public space, a contradiction in terms, reveals the unintelligibility of this category. “Public space” is apprehended through the grammar of private ownership, suggesting a conception of tax as a quid pro quo exchange and of “the public” as the sum of these exchanges. Where there is monetary payment, there are assumed to be markets and contractual exchange, such that the public is perceived as an extension of her property.

Estela: To help the *cartoneros* the last mayor, Ibarra, provided better hygiene…but taxes aren’t destined to the social.\(^{113}\) They should instead change the structure of the country such that investments come and these *cartoneros* have other possibilities. Argentina isn’t functioning in the global system, and so we are outside of the world “*afuera del mundo.*” Investments aren’t coming because the government is subsidizing the national industry, which is useless, backwards. We need strong foreign investment so that our national industry has competition, the only way to build a strong economy.

While these are familiar neo-liberal talking points, they have a longer history, one worth examining to grasp the repudiation of the social on display here. Social contract theory, Somers notes, is inherently paradoxical: “In its exclusively binary depiction of the universe, the rights tradition has no place for the intermediary sphere of the social.” (Somers 2003: 158) While the word social is readily used, Somers observes that “the famous “social” in the social contract is not social in the sociological sense of the word. Rather, it consists of temporary, voluntarily

\(^{112}\) See Daniel James’ analysis of this event (1988).

\(^{113}\) *Cartoneros* are “recyclers of cardboard.” After the crisis of 2001, poor families foraging through refuse for a potential profit were a common sight at night in the streets of Buenos Aires.
aggregated individual action from which the right of exit is at all times present. How different this is from intuitively sociological notions of citizenship in which rights are held by virtue of membership in an entity that exists prior to the individual” (2003: 158).

While the term “populist tradition” is mobilized regularly in conversations and newspaper articles to explain contemporary political discourse, seldom does one hear evocations of the strong liberal tradition characterized by “rights-talk” that pre-existed Perón (Adelman 1999: 287). And yet, to understand why populism elicits such dismay, this invisible normative canvas which intensified in the mid-century must be explicitly articulated. Perón’s efforts to transcend a dyadic conceptual geography of the polity, replacing it with a triadic one, generated a pronounced class-based attachment to the idea that monetary abstraction was best achieved through limited institutional mediation. Commenting on the way this backlash shaped the reception of neo-liberal economics, Salvatore writes “The idea that excessive government interventions and regulations, in the context of a redistributive coalition, would stifle economic growth became very popular and accepted in the late 1980s and 1990s. This happened in some degree because it was part of the liberal (in the nineteenth century sense) agenda and its reading of the Peronist experience” (Salvatore 2008: 775).

The mediating figure of the “people,” an entity on whose behalf the state could speak, was central to Perón’s efforts to cultivate domestic creditors and build fiscal and financial infrastructures. This reconfiguration of pathways of circulation and indebtedness entailed bringing an affective dimension to governmental processes (Stoler 2004), a reality vividly illustrated in the 1954 film, “Mercado de Abasto,” produced one year before Perón was driven into exile. A dramatic tale of the conversion of a reluctant taxpayer, the film tells the story of a

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114 For more on the measures and “vigorous publicity campaigns” used to stimulate domestic savings, see Brennan and Rougier (2009: 57).
merchant who makes a voluntary decision to pay his taxes in gratitude towards the state after his son’s life is saved in a public hospital. The merchant is seized by the desire to pay his taxes as a counter-gift for the gift of blood his son has received in the public hospital in the wake of a medical emergency. That we are in the realm of gift-giving is unmistakable. Of the gift’s incalculability, the merchant says “lo que han hecho para mi no tiene precio” (what you have done for me is priceless) and when, still operating in the modality of market exchange, he attempts to repay his debt, he is informed that the debt cannot be cancelled because, in the public hospital, “no se cobra” (there is no charge).

I became aware of this film when I interviewed Sergio Rufail, the Director of the Department of Contributor Service at the AFIP (Federal Tax Administration), in 2006. He had decided to include scenes from “Mercado de Abasto” in educational programs because, as he put it, the film offered an uncannily contemporary picture, through the figure of the reluctant taxpayer, of what he called “cuentaproprismo” (people caring for their own accounts). In the first scene Rufail showed me, the merchant is caught evading sales tax by an undercover inspector, whom he mistakes for a customer and offers a reduced price – one without the sales tax. When the inspector’s true identity is revealed, the merchant is defiant, refusing to show the inspector his accounting books, asserting: “I won’t regalar (give as a gift) what is rightfully mine!” When asked what bank he uses, he says “I keep my own money!” adding, “I would rather give an arm, a leg, or blood than pay my taxes!” evincing a perception of money as more “inalienable” (Weiner 1992) to his selfhood than his body. Infuriated, he adds that he would prefer to set his shop on fire or work on a chain gang before paying his taxes.

While the film traces the pathway of conversion from the “possessive individual” to the abstract citizen through the fiscal politics of recognition, this shift from a dyadic to a triadic
geography of the polity is not portrayed as effortless but requiring guidance and explanation. Thwarted in his initial attempt to cancel his debt with the state, the merchant, operating within a framework of personalized, dyadic relationships, asks whether he can at least express his gratitude to the blood donor responsible for saving his son’s life. Through a prophetic voice-over, a doctor emerges as the representative of the public realm, explaining that the blood comes from a nameless donor, introducing the counter-intuitive notion that it is the very anonymity of fellow human beings, and the interchangeability of blood, that gives the gift its moral tenor. What makes it a true gift, worthy of moral recognition, is that the gift-giver (blood donor) expects neither a counter-gift nor personalized reward. As the doctor explains: “he who gives blood is a generous person for whom the only thing of interest is doing good and helping fellow human beings…he doesn’t know when it will be used nor to whom it will be given.”

In the denouement, a dramatic rendition of the would-be birth of the modern willing taxpayer, the merchant asks the tax inspector (who, inexplicably, is at the hospital) to come by the next morning so that he can put his taxes in order. One might say that the vendor’s counter-gift becomes a sacrifice when, rather than treating the tax collector as the monstrous tentacle of a tyrannical entity, he sees him instead as the benevolent representative of an “invisible hand,” a mediator through which citizens can express goodwill amongst themselves.

Such representations are noteworthy not only because they offer glimpses of Peronist techniques of persuasion but because they have left an indelible mark in the liberal imaginary. Elias, an accountant of about sixty I interviewed, remembered a joke he and his friends used to tell, ridiculing a Peronist-era tax administration slogan from 1973 “el impuesto vuelve al pueblo” (tax payment returns to the people). Presumably an attempt to intervene in the widespread

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115 The citations are from a transcription of those parts of the movie Rufail showed me. “El que da su sangre no sabe cuándo va a ser utilizado ni a quién va a ser dada. Es una persona generosa a la cual lo único que le interesa es hacer el bien y ayudar a sus semejantes…”
perception of tax as theft, the slogan portrayed tax as a gift, which, once given, would return with moral value-added. Elia’s rejoinder – “If the tax returns to the people anyway, why pay it at all?” – was both a refusal of the presumed identification between those who pay (members of civil society) and those who receive (“the people”) and of the notion that value could be produced through deepening circuits of indebtedness between state and citizen, as this new affective geography suggested. Value, the joke pithily expressed, was produced by “the people” (an empty signifier, here re-appropriated by elites) without state mediation and, as such, should stay there.

It was with the import-substitution policies implemented by the military elite after the 1929 crash, consolidated with Perón’s “national capitalism” (Brennan and Rougier 2009) that money came under the control of national fiscal and financial institutions, operating as what Arendt calls a “common denominator of money.” “The social,” which Arendt writes, “found its political form in the nation-state,” (1957: 28) was inextricably linked to the “transformation of immobile into mobile property” and represented a historical moment where “private use value which was determined by its location…acquired an exclusively social value determined through its ever-changing exchangeability whose fluctuation could itself be fixed only temporarily by relating it to the common denominator of money” (1957: 69). Arendt’s observation that the “common denominator of money,” was predicated upon the “submersion” of the “private and the public realms” offers a lens through which to understand Estela’s analogy between devaluation and rape, the embodied quality of which was vividly illustrated in the film. With this unprecedented entry into an (undesired) national language, elites were subject as never before to the needs of the population. Exchange rates were utilized not only to grow the GDP but to regulate internal food prices. Peons, critical to the agro-export economy, previously excluded
from the monetary and financial system, gained access, through demands for better wages, to non-juridico-political forms of representation.\textsuperscript{116}

To understand the accusations of impropriety and moral transgression surrounding the traffic in payment between state and citizen, it is interesting to consider Arendt’s designation of the birth of “the social,” the historical process through which the necessities of life, previously relegated to the private sphere, came to be managed in the public realm, as the “national oikos.” Also referring to the eighteenth century, Foucault writes that during the process of governmentalization of the state, there was a shift from the family as a model for how government should manage wealth to a model based on ‘population’, an entity with its own ‘needs and laws,’ regulated by the science of political economy. During this shift, the family becomes an instrument rather than a model in the management of wealth, now transferred to the state-level. The moments of conversion and commensurability between blood and money represented in “Mercado de Abasto” are noteworthy, signaling how “bio-politics” was monetarily mediated and entailed shifting boundaries of private and public. Blood, usually associated with kinship and familial belonging, is de-personalized, while money, launched into circulation through tax, is shorn of its supposed abstraction, becoming a pathway for gratitude and affect.

It should not then be surprising that, for those who repudiated this reconfiguration of fiscal relations, evocations of ‘national economy’ were perceived as violations of propriety. A friend, an engineer who had been a teenager after Perón’s exile in the late 1950s, recounted that

\textsuperscript{116} Judith Butler (2010:159) points out that Arendt avoids the economic, a pattern she attributes to an avoidance of vulgar formulations of Marxism and “a presumption that the only relation between the spheres could be analogical or causal, or where one is understood as the necessary precondition of or possibility of the other” (2010:159). However, one might read into Arendt’s analysis of money as “the common denominator” a non-economistic analysis of the economic. What this analysis makes visible may elucidate why political thought avoids bonds that include “modes of exchange or forms of gift-giving” (2010:159) without which, Butler argues, it is questionable whether the social bond can be fully apprehended.
even in this Catholic country, the subject of taxation was more taboo than that of pre-marital sex in his high school social science class. As I came to realize after attending a meeting of provincial tax administrators in Mar del Plata in late March 2006 (Ceats) this comparison of tax collection and illicit sex was not random. To capture the pariah status of his profession, a tax collector from a small southern province off-handedly told me: “Tax collectors are like prostitutes; they offer a taboo but necessary service.” Tax collectors, like prostitutes, it is implied, are guilty of crossing boundaries, of promoting affect-laden economic exchange outside the realm of domesticity. Commenting on the relationship between morality and property in Locke, for whom individual earnings were an integral part of masculine selfhood, Verdery and Humphrey (2004) write that this is something “we see clearly from Locke’s using interchangeably the words “property” and “propriety” (2004:5). The perversity of the scalar shift represented by the “national oikos” was expressed in the slur that those benefiting from social policies were “chupando la teta del estado” (sucking the state’s breast).

The unprecedented fiscal mediation that the Peronist era represented provoked a melancholic attachment to an anti-modern agrarian past. Perón’s attempt to build domestic credit relations engendered nostalgia for a time before the social and before economic governmentality, and for what Mazzarella (2009) calls a fantasy of a “premediated existence,” or a “fantasy of immediation.” Of the frequency with which theorists engage in such a fantasy, Mazzarella writes, citing an earlier essay “On the one hand, reflexive social entities (selves, societies, cultures) are fundamentally constituted (and not just reconstituted) through mediation. On the other hand, as Derrida and other scholars suggest, this constitutive mediation also always produces a fiction of premediated existence” (Mazzarella 2004: 35). In other words, mediation is
the social condition of the fantasy of immediation, of a social essence (vital and/or cultural) that
is autonomous of and prior to social processes of mediation” (Mazzarella 2009: 303).

Lamenting the worthless government bonds he was given for money lost through the
AFJP (privatized social security), Roberto romanticized the image of debt-peonage as socially
just. He reminisced about how his grandfather, a landowner, provided better, more reliable health
care for his peons.

Roberto: My great-grandfather and my grandfather on my mother’s side had a lot
of land. My great-grandfather was a very good person. I am talking about the
beginnings of the twentieth century, when there was no social security. There was
no need to pay a man who worked in the country. If he broke his leg working, my
grandfather would say: “go back to your ranch and come back to work when you
are well.”

M. A.: Were they paid?

Roberto: No, the peons weren’t paid. My grandfather had his own private form of
social security, caring for them throughout their lives. He protected them
privately. There were cases where grandchildren of peons worked on the land.
Even when they weren’t paid anything, they all wanted to work there. But what
happened? Here we are talking about the people who brought Perón (Si bien
estamos hablando de la gente que lo trajo a Perón, por ejemplo.)

Such nostalgia also found expression in substantialist fantasies of gold, allegedly stolen
from the Central Bank by Perón. Romina, the businesswoman who had off-handedly mentioned
that she “lived off-shore,” said that her husband, whose family had sold raw hides to Europe in
the first half of the century, was a life-long anti-Peronist, persuaded that Peron was “un engendro
malefico” (an evil creation). If his disdain began when Peronist officials tried to get his father to
subject the hides to a process of elaboration before exporting them, the memory that pained him
most involved the missing gold.117

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117 While a substantive analysis of geo-political realities cannot be undertaken here, it seems worthwhile to at
least address the accusation of corruption, leveled so loosely and frequently. Brennan and Rougier write: “It is fair to
say that some of the policies adopted were ultimately a hindrance to sustained industrial growth, it must also be
acknowledged that others were the result of reasonable decisions adopted in response to prevailing conditions, not
Estela and Roberto insist that they feel betrayed. It is worth asking, however, whether there can be such a thing as betrayal if there has never been a non-contractual bond in the first place. Can a state fulfill its mandate as guarantor, if normative notions of freedom explicitly inhibit the extension of trust and credit? Was belief once there, thwarted by disappointment, as Estela’s longing suggests, or is disbelief the only form of belief accommodated in the social contract narrative? While the rhetoric of love and heartbreak is deployed to express disappointment with the state, the content of their disappointment is that the state has insufficiently purified the contractual from the non-contractual, relying excessively on affect, deemed to interfere with the capacity for rational choice. While, as Somers writes, “it is precisely the non-contractual nature of the citizenship ethic that, for Durkheim (1984), stamps it with the quality of the “sacred,” as something to be fiercely insulated from the “profanity” of quid pro quo market valuation” (2008: 88) here, the sacred is the contractual. Curiously, the emotional valence of their own disappointment and the narcissistic wounds apparently suffered do not lead them to suspect the impossibility of the disentanglement between state-citizen as prescribed in the republican language of the social contract.

Given absolute certainty in the validity of policies of the 1990s, the burden of the problem is exteriorized. If there is skepticism with regard to the “social,” there is, by contrast, an unabashed reliance upon essentialist readings of culture. When I asked Estela why she was so convinced that all these initiatives were “lies,” and that corruption was so widespread, she answered:

simply of government myopia or opportunism by the business sector, much less perfidy on Perón’s part” (2009: 7). Of the mythical quality of the backwards glance cast upon the pre-Peronist era, they note that “At both the intellectual and the popular level, anti-Peronists blamed the movement for everything from sowing discord and class hatred in a once (mythically) pacific and harmonious society to inculcating Argentines of all classes with some bad habits in their roles as agents of economic growth and national development. They saw Peronism as responsible for declining rates of productivity as well. In their view, overly powerful trade unions had blocked, and indeed reversed, the country’s progress” (2009: xviii).
The problem is that the politicians are born into Argentine families. They don’t come from afar (No vienen del exterior). So there is an alignment. They uphold certain propositions that they know they can because people aren’t capacitated to judge, people who don’t believe in personal effort…

Privatization was thus not only an argument about efficiency but cultural improvement. Indeed, an understated aim of the currency board was that it would rescue the nation through “extranjerización” (foreignization), cleansing the country of its intractable and essential idiosyncrasies. After the crisis, attributing the currency board’s failure to the return of “gauclo banking” and “caudillo-style institutional backwardness” (Taylor and Della Paolera 2002), many neo-classical economists agreed with prominent Harvard economist Rudiger Dornbusch’s suggestion that the country should go into receivership. This tendency towards essentialist explanations was poignantly captured in the title of a best-selling book after the crisis “DNA, A Genetic Map of Argentine defects” (Lanata 2004).

As manifest in her appeals to discernment and truth, as well as her belief in the justice of free market competition, Estela feels that her arguments have a scientific basis. These scientific positions are worth examining more closely, not only because they are often heard among the porteño professional upper-middle-class, but because, as I contend, they participate in the same “cosmology of value.” That there should be convergences between Anglo-American citizenship theory and the methodological individualism of neo-classical economic science should not be surprising given that, as Balibar writes, the Lockean subject “was always preferred by the theoreticians of homo oeconomicus” (2002: 302). While economics is appealed to as an impartial arbiter, the cross-over and mutual pollination between lay narratives and those of economists lends a tautological quality to these arguments.

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118 A comparative perspective is worthwhile. While, following the U.S. crisis of 2008, there has been media and public talk of “greed” of certain individuals or an ‘ethos of Wall Street’ that often leaves policies unquestioned, one does not see a wholesale cultural discourse of Americans as essentially corrupt.
Credit as “Magical Thinking:” Anti-Nationalism and Quasi-Colonial Nostalgia

Santiago, now the chief banker at a major transnational bank, had been an advisor to the secretary of the treasury in 1998 and 1999 during the last years of convertibility, a monetary policy he ardently defends. A man in his early forties, I’d known him for years through a family connection and had many opportunities to conduct formal interviews and talk informally as well. He expressed deep antagonism towards the Kirchner government, which since the crisis of 2001, had criticized the neo-liberal policies of the 1990s and driven a hard bargain with the IMF. Fully persuaded of a view of economy as a set of natural processes that could be known and controlled through scientific means, he criticized the current regime as “magical thinking.”

Santiago: The press in Argentina is dominated by progressivism, or shall we call it “magical thinking” (digamos, por el pensamiento magico). Magical thinking includes a mix of nationalism, anti-capitalism, anti-American sentiment and encompasses a large portion of the political spectrum. For me, the word “nationalism” signals a political aesthetic that is antiquated, it has a negative connotation. A nationalist, generally speaking, is someone who is isolationist, autarkic, who discriminates between national and foreign capital.119

Taking pride in his disciplinary identity as an economist, he felt immunized against this “magical thinking” and what he lamented was the “poca cultura de capitalismo” (paltry culture of capitalism) in Argentina.

Santiago: Our intellectuals support this type of thing. Very few intellectuals rebel against it. They are almost all in agreement with “another model is possible.” Among economists you meet, you’ll find something similar to what you’re hearing from me: a bit more rationality in economic affairs - precisely what is missing in Argentina.

119 In a recent book that examines nationalist and anti-nationalist sentiment in Latin America, Alejandro Grimson cites Partha Chatterjee, writing that there is a tendency to “exoticize nationalism” (1993) and assume that the term “nation always potentially means nationalism, and nationalism is always a parochial, authoritarian, and irrational view of the world” which fails to consider those aspects of nationalism linked to “liberty, equality, and autodetermination” (2007: 23).
The government’s view that certain forms of public finance were more sustainable, and distributively just than others – manifest in the implementation of capital controls and heightened taxes on agricultural exports – was seen as discriminatory and conflicted with what Santiago presented as a self-evident assertion, one beyond any possible contestation: “a dollar is a dollar.”

Santiago: This government has a notion that the only genuine dollars (que los unicos dolares...genuinos) are those coming from industry and export versus those that enter the country as deposits...whereas in whatever other place in the world there is no distinction. It is ridiculous. What installs itself in the popular imaginary is that a high exchange rate is progressive and the low exchange rate is reactionary, neoliberal, of the 1990s. Here the exchange rate is spoken about politically and it isn’t political. It isn’t ideological. It is political economy.

What might be called the qualification of money threatens the tenet, central to theories of “possessive individualism,” that “money should in essence be weightless and invisible, any concrete forms it takes remaining purely arbitrary” (Keane 2008: 30). It is not difficult to see why Kirchner’s policies, tailored to address a particular historical and geographical conjuncture, are coded as irrational given that “rationality is seen to depend on or produce a radical remove from the constraints and particularities of time, space, or social relations” (Keane 2008: 37).

Qualified money, which is tarnished by political intervention and therefore cannot be ‘impartially’ judged by the laws of supply and demand, bore a historical burden of responsibility.

Santiago: Had it not been for Perón, Argentina would now be like Canada or Australia, which are the countries Argentina most resembled in the nineteenth and early twentieth century. We operated like those countries until Peron came and installed all of this protectionism and nationalized companies. The dollars Kirchner discriminates against now were responsible for the success of Canada and Australia, countries which have had current account deficits and entry of capitals for the last 80 years.

Santiago here exemplifies what Ricardo Salvatore identifies as a long and problematic trend in Argentine economic historiography – comparisons of Argentina to settler colonies such as Australia and Canada (Salvatore 2007:780). Given that Argentina was never a British colony,
such comparison is predicated upon, and reproduces, the idea that politics is irrelevant to the robustness of its economic indicators. And yet, the economic successes of Australia and Canada cannot be disentangled from the presence of British administrative and military forces in these countries, a political history that stretches well into the twentieth century, and implied, among other things, an investment in fiscal infrastructures (Mitchell 2004, Rapaport 2010).

While the comparison is misguided, it may nonetheless be read as symptomatic of a deep wish. Had it not been for Perón and the curse of national money, Argentines might have continued living in a quasi-settler economy, one where neither public credit nor democratic accountability was necessary because the country could piggy-back on credit generated in Britain.120 Without the Peronist “aberration,” the mistaken path of implementing state-credit money, which required inclusion and incorporation of previously marginalized people into processes of democratic politics, might have been avoided.

While Argentina was not a British settler colony, these comments reveal the pernicious effects of what Mignolo calls “internal colonialism” (2001). A term developed by Mexican sociologists in the mid-1960s, it was a challenge to “the taken-for-granted idea that independence of Spanish American countries in the nineteenth century was the end of colonialism. It may have been the end of the colonial period (like 1947 was for India), but it was not the end of coloniality and of coloniality of power” (2001: 439). The intensity of a narrative of formal political independence, in conjunction, I would contend, with a dearth of analytics for seeing money a pathway of power and recognition, meant that the “coloniality of power” was, and continues to be, easily disguised.

120 This assumes that the Argentine-British codependency could have continued indefinitely. And yet, the fact that Britain could no longer afford Argentine goods, not only when the Great Depression hit but when the war came, was part of Perón’s motivation for the shift to a consumer (demand-driven) economy. So quickly did the debt relationship with Britain reverse course during the war that Perón’s much-decried “nationalization” was partially a way to allow Britain to use a major asset – the railroads – rather than hard currency to cancel some of its debts.
Critical in understanding the aura of loss associated with Perón is the link drawn between Perón and inflation. Starting in the late 1950s, with the help of mainstream economics, a causal narrative began to take shape: inflation peaked under Perón and therefore, the democratization of social entitlements and consumption that he advocated, caused inflation. Unflagging repetition of this cause-effect relationship, which continues to lay claim on the scientific and political imaginary, has consolidated a collective memory that the trials of monetary instability originated with Perón. In this regard, Perón might be said to bear the brunt of the “psychic insecurity” (Pocock 1985: 117) that accompanied the nominalization of money.

Grasping the intensity of this meme, which sees deficit-spending as the primary cause of inflation, is aided by reflecting on the structural similarities it shares with “possessive individualism.” Beyond the afore-mentioned notion that emission disrupts an abstraction best achieved through surrender to the market, the idea that the state can generate value out of thin air (running the state’s presses) is morally offensive to a liberal cosmology of value. Money with “real” value must come from abroad, from foreign investors’ anticipation of profit made from an

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121 A.T. Lopez, who published in an Argentine economic journal in 1957 argued that increased tax evasion and a generalized dishonesty (deshonestidad generalizada) was attributable to the “war of politics against the economy” (Guerra de la política contra la economía), demonstrating that the language of professional economics could – at that time – accommodate expressions of moral sanctity. “For a while,” the author lamented, “it has been possible to observe an apparently inexplicable transformation in the moral climate of the country…To progress through hard work, saving, reinvesting, making long-term plans, is no longer normal and common. Money is to be spent, and to give oneself all kinds of satisfaction; tomorrow is another day and one doesn’t know if that money will have the value it had today or any value at all. Of course, what I’ve just described is a factor caused by the general prostitution of the economy and of morality that is inflation.”

122 As described in both Neiburg and Plotkin (2004) and Dezalay and Garth (2004), this was compounded by the growing influence of U.S. economics among Latin American intellectual elites after the mid-1950s, which included a shift from macro to micro-economics. To glimpse the continued relevance of these debates, see Roberto Cortés Conde’s article in La Nación (5/14/10) entitled “Almost one century of economic decline.” For an informed reply and rebuttal see the article by Mario Rapaport in Página 12 (5/25/10).

123 The triumphalist, “end of history” anti-Keynesian tone that was gaining steam in the 1990s in United States, is manifest in a book about Latin America by Dornbusch and Edwards called “The Macroeconomics of Populism.” As they write, “For us “economic populism” is an approach to economics that emphasizes growth and redistribution and deemphasizes the risks of inflation and deficit finance, external constraints, and the reaction of economic agents to aggressive nonmarket policies. The purpose in setting out this paradigm is not a righteous assertion of conservative economics, but rather a warning that populist policies do ultimately fail; and when they fail it is always at a frightening cost to the very groups that were supposed to be favored” (1991: 9).
overvalued currency, wheat, soy, or beef – while money emitted with nothing but the state’s authorizing stamp is a scam. Accusations of fraud, and prima facie dismissal of new policies, should be read in conjunction with strong feelings about the source of real value.

The narrowness of the analysis is noteworthy not least because of the conspicuous exclusion of other explanatory variables. As Fridman writes, “In contrast with Keynesians and structuralists who recognize inflation as a reflection of the social struggle for income and therefore impossible to eliminate completely, monetarists invariably treat it as a monetary problem that demands technical solutions (Babb 2007: 135-136). Non-liberal economists understood the cause of chronic Argentine inflation as the product of several causes: demand, state spending, foreign prices, currency rates, an unbalanced productive structure and distributive struggles (Diamand, 1973). Monetarists reduced this array of causes to a unique technical cause, namely the oversupply of money produced by state deficit” (Fridman 2010: 283). The exclusion of factors addressed by structuralists (estructuralistas), including resistance to taxation and redistribution (Love 1994)\textsuperscript{124}, exemplifies Keane’s assertion that “The perceived abstraction, in at least some respects, is likely to appear by virtue of the suppression of the actual social relations and practices through which money functions” (2008: 38).

The pinnacle of the government’s egregious behavior was embodied in what Santiago condemned as its “falsification of data.” The offending gesture had occurred in the context of the

\textsuperscript{124} More recently, Love writes that the school of Latin American social thought called structuralism (estructuralismo), whose founder, it is widely agreed was economist Raul Prebisch, “was probably an extension of the thesis of structurally-induced inflation, developed in the 1950s by Juan Noyola, Aníbal Pinto, and Osvaldo Sunkel” (Love 2005: 101). Within Latin American structuralism, widely associated with a nationalist critique that developed in the 1930s and 1940s, “The main difficulty lies not…in devising academic solutions which would reconcile stability with economic growth, but in achieving the social consensus which would permit such solutions to be implemented. Would the fiscal program suggested above ever be acceptable to the Latin American propertied classes? Is it at all likely that the tax collector could become the agent for pacifying the battling social classes?” (Love: 1994) Craven re-doubles this effort to position inflation within a complex socio-political framework, criticizing Noyola because he “classifies resistance against redistribution only as a propagator of inflation, not as a fundamental cause” (1993: 14).
government's attempt to refute neo-liberal estimates sustaining, on account of the overvalued currency, that the debt to GDP ratio in the 1990s had been excellent. In at least one official graph, the government had cast the pegging of the dollar to the peso at one-to-one as a “fictional exchange rate” (*cambio ficticio de la convertibilidad*). In Santiago’s rendering, “To my mind, the only way to justify this kind of measure is that one isn’t looking at the numbers coldly -- one is adding a huge ideological component.”

What is worthy of mention here is not Santiago’s assertion that the government is acting politically, which of course it is, but his conviction that his own views are neutral, cleansed of affect and ideology. A believer in the truth-value of political economy, there can only be one correct position – which, exercising the “coloniality of power” (Mignolo 2001), he feels equipped to discern.

Santiago: What amazes me is that when it comes to physics, math, or medicine, the academic mainstream is taken seriously. But when it comes to economy, this doesn’t hold. The political nucleus feels they know more than the Nobel-prize winners who teach in Chicago, Harvard, MIT, or UCLA…than any of them.

Whatever might be said of the government’s strategy, one could of course argue that it was “correcting” what, in light of recent massive devaluation had revealed itself to have been a misrepresentation. It was attempting to intervene in graphs that, by virtue of the peso-dollar equivalence, masked how serious Argentina’s fiscal problems were. Rather than “falsifying data,” the government might be said to actively engage in a “game of truth,” one monopolized for years in Argentina by monetarist economic science. The government’s portrayal of convertibility as “fictional,” displays an understanding that, as Foucault wrote “Power cannot be exercised unless a certain economy of discourses of truth functions in, on the basis of, and thanks

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125 Given that, in the Argentine crisis, what had become an object of speculation was the currency (as opposed to the U.S. crisis, where it was the housing market) to not question the legitimacy of these numbers is to protect the premise that those industries – such as banking - which thrived on these overvalued prices did not benefit from speculation but hard-earned money.
to, that power….in our society, this relationship among power, right, and truth is organized in a very particular way” (2003 [1976]: 24). Kirchner’s frequent evocation of “nuestra verdad relativa” (our relative truth) suggests a rejection of the technocratic-speak of economics as ontological truth and a view of expert knowledge as a contest of political persuasions.  

If many of our conversations revolved around critiques of the current regime, Santiago was also proud to exemplify the moral basis of his own decision-making. Of his concerted efforts eight months before the crisis in 2001 to get all of his savings offshore, he said: “When you deposit money, you have to choose the best place and that’s it. If you think the Euro will appreciate, leave the U.S. dollar and put your money in Euros.” Victor, the lawyer who had been “cured by the horror” of belief, echoed the above sentiment, asking me:

Victor: If you are an investment banker (financista), what do you do when your client tells you he has a million dollars to invest? Do you get nationalistic, take the photo of San Martin and tell him he should invest here? No, you tell him what most suits him. If he should buy bonds in Manila that is what you should advise him to do.

Positive articulations of the non-contractual did appear but their translation into economic terms was forbidden. Notions of the appropriate realm for affect were clear in a story Victor’s girlfriend told me regarding his temporary emigration to the U.S. for a master’s degree. While taking half his salary under the table in a corporate law firm (a frequent practice enabling corporations to under-report earnings and pay fewer benefits), and celebrating rising inflation,

126 Far from Santiago’s view that “a dollar is a dollar,” depending on the way dollars are elicited, rewarded through interest rates, and taxed, they forge different logics of indebtedness, and constitute different regimes of accountability. Critiquing “open economy macroeconomics,” Schamis writes: “The problem with this approach (and its language) is that it ultimately masks political implications” (2003:126) and “…these scenarios are not distributionally neutral. Capital account openness also facilitates runs against the currency, producing massive reserve losses, and financial sector liberalization, in a context of shallow capital markets and feeble regulatory institutional frameworks, often turns a foreign exchange crunch into a banking crisis. Groups with access to financial adaptation instruments (dollarization, capital flight, currency substitution) tend to transfer the costs of these crises to groups that do not have that capability (Labán and Sturzenegger 1994a), and undersupervised and overguaranteed banks often present a monumental moral hazard problem (Kawai 1998), a rent-seeking scenario of large magnitude” (2003: 149).
which added value to state bonds indexed to inflation, he told her that, if, while abroad, Argentina got embroiled in a war, he would return to fight for his country. While military service was conceived as sacrifice, this impulse by no means translated into economic terms.

Despite intellectual clarity about the appropriate realm for affect, a non-contractual quality repeatedly appeared in these narratives, either as emotions grappled with personally or via family members. Roberto spoke of his frustration with his stepdaughter, who, despite monetary losses in the devaluation, expressed longing for her country.

Roberto: She didn’t listen to my warnings. The crisis didn’t change her. Cristina is very “cardiaca” (cardiac), she plays with the heart. She still writes me e-mails saying “I miss my homeland...(Porque yo extraño a mi Patria)” and I say “How can you regret having gone abroad? If this country is a total disaster (Si esto es un total desastre). You are lucky to be there. Do you know what the advantage is? You will be able to get a new car every year...you can buy a house on a thirty year mortgage...the dollars you save are worth something. What future will your child have here if there are no investments?"

Even Victor, who had spoken so confidently of the boundary between affect and economy hinted at a muted ambivalence. When I asked if short-term investment – the only kind he and his family members would engage in after his grandfather’s loss – affected the country’s development, he paused and said, still speaking in the idiom of gambling,

Victor: It makes me sad that one should have to maneuvre this way in the country one has...sadness that maybe if there were long-term investments, one could bet (apostar) longer term. Because in the end, the relation that one makes with one’s country is betting long-term. It is sad but one doesn’t want to lose one’s own.

What kept sadness from turning into accountability – apart from strongly held intellectual convictions – was certainty of the inescapable hypocrisy awaiting progressives, to which he did not want to fall prey. The risk of monetary loss was deemed so irreconcilable with social concern

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127 People whose savings had been devalued were given short month-long windows of opportunity to buy property (with prices at rock bottom) at a less devalued rate than if they were to take the remaining cash out. His step-daughter bought an apartment, lived in it a few years and then sold it. Market values had increased so much in the interim that she made a profit.
that, ultimately, progressives would succumb to self-interest and then have to live with their dishonesty.

Victor: Those who say they are progre and put their money abroad are hypocrites. Of course, I don’t suffer this contradiction because I am not progre, I think it is fine to bank off-shore. The problem is that finding an Argentine communist must be difficult, a real communist, because here nobody wants to lose one’s own.

That this critique fell especially intensely upon progressives, who pledged concern for the less privileged, was clear in a parallel comment by Santiago, who mocked the idea that economic decisions could be motivated by something other than self-interest. The idea that some had banked on-shore in the 1990s because, as he mimicked, “they believed in the country,” rather than for profit margins, was utterly laughable. Brandishing what he considered perfect evidence, he told me that Pepe Nun (a progressive political scientist, and Nestor Kirchner’s Minister of Culture) sent undeclared money off-shore during the 1990s, as reported by Elisa Carrió’s exposé on money laundering. At their peril, progressives had fallen into the trap of what Hayek called “the craving for intelligibility” (1944), defined by Jane Guyer as “the refusal to accept higher levels of market abstraction in favor of a concept that can be morally, politically, and intellectually pegged to something more or less tangible” (2009:108). A more circumspect position would entail humbly accepting their limited short-vision, leaving the laws of the market to arrange the rest.

These interviews with individuals for whom the “social contract” is sacred and the market is the ideal template for social relations, offer an opportunity to delve more deeply into what Ann Stoler has recently noted is a peculiarly entrenched and naturalized bias in social

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128 Banking off-shore in the early part of the 1990s might actually be construed as a challenge to the profit motive given Argentine interest rates of 21%. An equally persuasive reading is that it was a boycott of a model, or disbelief that belief could be suspended with no detrimental consequences. Elisa Carrió is a politician and leader of an anti-Peronist party called the ARI (Alternative for a Republic of Equals).

129 As Guyer writes, “one might even define the “craving for intelligibility” as the refusal to accept higher levels of market abstraction in favor of a concept that can be morally, politically, and intellectually pegged to something more or less tangible” (2009:108).
theory: the assumption that love for the nation intuitively co-exists with loathing of the state. Probing the tendency to accept that nation and state should elicit entirely different affective responses, she asks: “What makes it easier to imagine that millions of people willingly die for nations but not for states (as Benedict Anderson asks in his classic work, Imagined Communities?) How is it that a citizenry can accrue virtue by sacrificing their lives for nations, but people are killed not by nations but by states? How is it that states are commonly viewed as institutional machines that squelch and counter passions, while nations are envisaged as culturally rich producers of them? Why does the pairing of “state” and “sentiment” read as an oxymoron?” (2004: 9)

That state and nation appear to operate along such different logics is the effect, I have suggested in earlier chapters, of a multi-faceted governing project, one that mobilized disciplinary knowledge to lessen the danger of reversibility of debt between state and subject. While emboldening the state in its capacity to fight wars, the creditor-debtor relationships that developed with the birth of public finance also made it far more vulnerable. This nation/state split, like the distinction between the political and the economic, or the domestic and the social, was ancillary to the ‘forgetting’ of the sovereign inherent to a Lockean natural law theory of money. Of the development of domesticity as the appropriate realm for affect, James Thompson writes that, in conjunction with the growth of political economy as a governing discourse in the eighteenth century, “political economy and the novel map, respectively a zone of finance and a zone of affect, or money and feeling” (1996: 23). Thompson sees this as a “process of ideological formation,” one partially brought by the insecurity of nominalization, where “contradictions in a given cultural and historical formation are “solved” by separating conflicting forces into distinct spheres, different parts of the individual subject’s life – office and home,
work and play, finance and affect” (1996: 182). These divisions, part of a discursive constellation, helped to ensure that economic practices not seem contingent upon the vagaries of love, affect, or politics.

Among this class/national group, it is precisely the holding apart of nation and state that is infused with affective investment. The regime of affective governance within which these citizens are shaped is one where the substance of governing projects centers not upon conjuring love for the state but downplaying it through “purifications,” the conjuring of disciplinary knowledge which foments love for the self. They are invested in an ideological arrangement borne out of mechanisms of security, which involved forgetting of the state’s affective role in the management of money.

With this constellation in mind, the degree of subversion represented by Peronism is more easily understood. What shifted drastically under Perón, apart from a change in the scale of interventions, was the directionality of the social logics of indebtedness. Under Perón, the state, rather than downplaying its role in the production of economic and moral value, claimed to be the giver of the first gift, subverting the Lockean theory where the individual is seen as giving the “inaugural gift of generosity” (Bourdieu 1977: 17). The relevance of this analysis is manifest in the oft-heard formulation used to justify not paying taxes: “no hay contra-prestación” (there is no counter-prestation), a phrase which, in a first instance, signals poor service delivery. While this grievance is often framed as one of material non-equivalence, indicating that the state has inadequately reciprocated the first gift – tax payment, as revealed in the idiom of prestation – implies an excess to the economic.

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130 See Balibar, who writes “Let us recall that the term “individualism” was invented at the beginning of the nineteenth century. It replaced such notions as self-love and selfishness, amour-propre and égoïsme in French, Eigenliebe and Selbsucht in German, progressively shifting from a moral to an analytical discourse” (2002: 300).
“No hay contra-prestación” also expresses a slight of non-recognition, indignation that the gift of autonomous, entrepreneurial liberal individualism so carefully cultivated had not been received and rewarded by the state. I heard multiple stories of well-off, well-positioned porteños immigrating after the crisis, not out of financial necessity or to fulfill career aspirations, but because they found the country morally repugnant, not worthy of them. The most extreme case I heard – that of the friend of a tax administrator I knew, Luis Landoni – was of an upper-middle class professional who had a master’s in public policy but who, disgusted by the circumstances, had taken a job kneading pizza dough in Miami. Enraged, and as an act of conscious boycott, he asked Landoni, “What has this country done for me?” Taking a low-level service sector job at the bottom of the social hierarchy in the U.S. was better than being near the top in Argentina, and knowing that, at any moment, he might be thwarted from his path, even though he had done everything that was expected.

Whether in emotionally florid language or via appeals to a clinical rendition of economic truth, the people profiled in this chapter might be said to police disciplinary divisions originally borne to modulate the risks of credit society. What is railed against is the failure of forgetting, or, perhaps more aptly a surplus of memory, imagined as de-stabilizing of a coveted and aspired-to order. The nostalgia for a bygone past does not refer solely to declining GDP but to the moral impropriety entailed in the state’s usurpation of the place from which virtue is supposed to emanate.

The normative frameworks delineated above work together to sustain the zero-sum game between rights and credit, one foundational to a view of money as abstract. But if we accept Balibar’s definition of “a sense of belonging” as “both what it is that makes one belong to oneself and also what makes one belong to other fellow human beings” (1988: 96), this trade-off
may compromise membership, or at the very least, lead to its paradoxical articulation. Part of what produces “a sense of belonging” may be the willingness, whether consciously or not, to be possessed by circumstances not of one’s own making, not controllable by contract.

Victor’s earlier formulation “the country that one has” (el país que uno tiene) is noteworthy for precisely this reason. In the Anglo-American citizenship narrative, citizens are rights-bearing, meaning that they have “ownership” of rights (Somers 2008). But where it is commonplace to speak of “having” a passport or “having” rights, this doesn’t often translate into “having” or “owning” a country – a formulation that reduces it to an erstwhile commodity upon which one bets. Rather, one hears people saying they are “from” or “born in” a given country, signaling that they are members of a national political community, at least initially, not through choice but by virtue of where they are born.131 Estela’s assertion “this country is where I was born but nothing more,” was aimed precisely at dispelling any such presumptions.

Using the language of contract in the context of citizenship was not in the least unusual. Among upper-middle class friends in Punta del Este, in a discussion about the crisis and moments of hardship in the country, someone said “You aren’t Argentine if you haven’t seriously thought of leaving.” Six others people at the table nodded at this apparently self-evident truth. The implication was that what marked one as Argentine within this class group was having repeatedly reached such a point of exasperation with the country that not detaching from it, not being prepared to dispose of ties of belonging, was suspect. Membership then, consisted in exhibiting the shrewdness to anticipate future crises, and, having the cosmopolitan know-how to envision and maneuver trans-national mobility of self and property. Rather than risking being possessed by an unruly polity, class and even national membership was accrued by

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131 Where the possessive “my country” is used, this seems specifically to gesture to an inalienable bond rather than one that is mediated by contract.
possessing oneself and one’s property enough to know how and when to dispose of the nation. The ensuing conversation concerned stories of success and/or frustration providing evidence of European heritage at Buenos Aires consulates and acquiring alternate citizenships.

Of the current tendency, not exclusive to Argentina, to “confuse possession with private property,” Kockelman warns that “it is only recently that we have begun to focus on the latter, as individual’s legal rights to commodities through the mechanism of contract.” Of this narrow understanding of possession, he writes that “The mode of regimentation need not be grounded in rules or laws (a la rights and responsibilities); possession is more often regimented by norms (a la commitments and entitlements)...the mode of acquisition (loss, or transfer) need not be through contract” (2007: 159).

**Conclusion: The Civic Price of Disbelief**

That the beliefs people hold about money and what gives it value can affect its circulation and stability, as Guyer (1995) and Keane (2008) have observed, may seem self-evident to the discerning anthropological eye. But, given the rise of monetarist economics, it is an increasingly necessary and pointed intervention. Indeed, it is central to challenges made by heterodox political economists like Jonathan Kirshner who, resuscitating this point, writes “The role of beliefs and ideas in macroeconomics is unique, therefore, in that all macroeconomic policies require public confidence in order to work. The astonishing result of this is that in a hypothetical menu of five economic policies, each of which was plausible from the standpoint of economic theory, if three were perceived to be illegitimate, they would not in fact be sustainable, solely for that reason” (2002: 13). Of the ineluctably political nature of belief - even disbelief, which
presents itself as non-belief rather than a sub-category of it - Ilene Grabel writes “Credibility, in short, is founded on politics, not metaphysics” (2002: 40).

Paradoxically, as the Argentine situation suggests, where belief might be most necessary, it is least available. The need for belief is more conspicuous in countries with soft currencies, countries that do not emit debt in nationally-denominated currency. And yet, in something of a vicious cycle, the more central belief is, the more abhorrent it seems to elite citizens schooled in a rights framework. With each episode of monetary instability, where the state’s potential insolvency is thrust into view, disbelief in the validity of state-credit money increases, further confirming anti-statist sentiment, and threatening the willingness of those citizens to extend credit. As a result, the state must redouble its efforts to elicit belief and identification, which, in its deliberateness, is more likely to be attacked as populist, national or fraudulent.

Convertibility promised a solution to this heightened awareness of the centrality of relational and affective bonds in civic processes. But, in attempting to evacuate the non-contractual, the system imploded. Convertibility’s collapse was symptomatic of entrapment in a self-referential system, one where, according to Foucault “the subject of interest, as the economists make him function” is characterized by an “egoistic mechanism, a directly multiplying mechanism without any transcendence” (274). What had failed was not the political class or politics writ large but a neo-liberal project that had interrupted political processes, substituting them with technocratic expertise and an ideology of the “rule of law,” where law was a “framework for market activity rather than an instrument of state power” (Trubek 2006: 1).

If the cultivation of disbelief, and its destructive effects, was manifest at the policy level, it surfaced in other arenas as well. Let us return to the term doble discurso, used by Javier Finkman, the macro-economist who studies off-shore banking, and was introduced in the
beginning of the chapter. Finkman used the term while searching for a concise way to describe a tendency among the Argentine elite to feel victimized by, and indignant about, collective problems, while disregarding evidence of their partial authorship in them. While the term was sometimes used disparagingly to signal hypocrisy, corruption, and moral inadequacy, over the course of my fieldwork, many public intellectuals genuinely and searchingly puzzled over this propensity.

When, in 2002, in the months after the financial crisis, the media began to report on malnutrition and poverty in the North, and radio and TV show pundits expressed shock and a sense of “discovery,” two highly regarded historians Marcos Novaro (3/3/2002) and Hugo Vezzetti (2002) launched ardent critiques of this representation. Novaro called it a familiar form of “autoengaño” (self-deception) among the reading middle-class public and Vezzetti compared it to the “discovery” of the ‘disappeared’ in 1983, following what many Argentines experienced as a humiliating defeat in the Falkland Islands. While qualifying the comparison, he wanted to evoke a scholarly literature that questioned the portrayal of an always innocent civil society (Garretón 2006) despite evidence that significant portions within it had shown complacency during state terror and, to boot, rallied behind the military dictatorship’s reckless war.  

A well-known historian, Natalio Botana, put the problem somewhat differently in a La Nación article on July 15th, 2010. To shed light on what he called the Argentine “deficit of citizenship,” he discussed the results of a survey of Latin American countries which had revealed a particularly radical split among Argentines between the positive image they had of themselves and their families (82%) and the very negative one they have of their country (19%). “In no other

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132 Commenting in the mainstream newspaper Clarín (9/7/2006) on the tendency to portray “civil society” in a hagiographic light, sociologist Manuel Antonio Garretón asserts, “In this mytic construction, civil society appears to be endowed with a virtue and homogeneity…and citizenship appears only in its dimension of individual rights and not of belonging to a political community.”
country under analysis was the positive perception of one’s own country so low. Neither Nicaraguans nor Hondurans undergoing tough political conflict or Mexicans at the mercy of narco-trafficking cartels show a comparable schism between the individual and the collective, the public and the private. Neighboring countries showed nothing near the Argentine split with 75% of Brazilians reporting a positive image of their country and 59% of Uruguayans doing so.”

Of these islands of self-content in a country deemed undesirable (poco apetecible), Botana suggests that what is missing is “un lazo afectivo” (an affective link) between individuals and the polity, one which he sees is an “essential feature of citizenship.” “Should we defer to Borges’ text that declared that the Argentines were individuals not citizens? Why is the deficit always with citizenship (Porque giramos siempre en torno a nuestro deficit de ciudadania)?” In the 1946 essay in question, called “Nuestro Pobre Individualismo” (Our Poor Individualism), one cited in many editorials133, Borges wrote “The Argentine, in contrast to North Americans and almost all Europeans, doesn’t identify with the State…what is clear is that the Argentine is an individual not a citizen. Aphorisms like Hegel’s that the state is the embodiment of the moral idea seem like sinister jokes.” 134

How could elite citizens’ feel they were giving so much, receiving so little in return, and not asking themselves if their gift might simultaneously be a theft? Might clues be found in the nature of the gift, here conceived as the cultivation of liberal individualism? Let us reconsider how the rights/state-credit money aporia sheds light on contradictory requirements of citizenship and individualism vis-à-vis money. As a medium through which debtor-creditor relationships are forged, money is a pathway of recognition and a critical medium for the formation of belonging.

133 All in La Nación, see Silvia Zimmerman de Castillo, “Demasiado Individualismo” (7/6/2010), Mario del Carril “Nuestro Pobre Individualismo” (11/21/2001), and Arturo Prins “Nuestro Pobre Individualismo” (4/2/99).
134 Borges did not lament the deficit of citizenship. Far from a critique, he thought Argentine individualism would guard against fascism and communism.
Indeed, the civic-mindedness of the rights-bearing individual, and belief itself, are effects of a subterranean gift-counter-gift cycle between state and citizen. And yet, if civic-mindedness thrives on, and necessitates pathways of national monetary circulation, the liberal individual, assumed in Anglo-American citizenship theory to be an ideal citizen, is ardently committed to eliminating these bonds, to cultivating disbelief in state-credit money.

While speaking only peripherally of money’s critical mediating role, Somers captures the potential for a clash between individualism and citizenship. In her words, “The problem is that in classical liberalism, however generous an interpretation we now read into it, there are no citizens to be found; instead, there are only discrete rights-bearing individuals who come together as parties to a contract. To attach citizenship to these autonomous rights-bearers is to graft a political membership-centered identity onto a view of the person who originates in the prepolitical state of nature – surely the recipe for a confused agent of political and moral action” (2008: 28). The subject who engages in doble discurso might now be recognized as just this “confused agent of political and moral action,” caught in a governmental bind. What in the eyes of elite Argentines appears the ultimate act of generosity – the cultivation of liberal individualism – cannot but compromise the development of civic obligation. Rather than a disinterested, rational act, the cultivation of disbelief – apart from its afore-mentioned effects upon monetary instability – is also a pre-emptive strike against citizenship and the membership integral to it.

One might nonetheless ask why the contradiction between individualism and citizenship is so acute in Argentina that it has produced a symptom – doble discurso. After all, citizenship

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135 Foucault also contested the representation of continuity between individualism and citizenship portrayed in Anglo-American citizenship theory. Writing that the “juridical theory of the contract” as predicated upon “a dialectic of renunciation, transcendence, and the voluntary bond,” Foucault observed that “The market and the contract function in exactly opposite ways and we have in fact two heterogeneous structures” (2008 [1979]: 274).
and individualism are not always mutually exclusive, at times appearing to reinforce each other. The clash emerges when a state has been unable, for historical and political reasons, to manage a delicate balance between inviting a discrete memory of the gift, which will call forth civic obligation, and forgetting of the gift upon which liberal individualism depends. The modern liberal state must continually conceive of ways of eliciting in subjects a feeling of indebtedness, sufficient to ensure an “unrequited compulsory payment,” while fomenting the illusion that this payment does not compromise a free and autonomous experience of selfhood. It is this successful management of memory and forgetting that endows the law in modern states with “mystical authority” (Derrida 1990). In Argentina, instability and the political forms that have arisen to address it have conspired against forgetting the state’s role in money. The appearance of something which should exert a spectral but hidden force has fueled frustration, anger, and an extra effort to eliminate it. The attack on the very medium which might produce a silent but powerful affective bond, a shared experience of possession or language of representation, has, as discussed in chapter six, helped to produce the worst setbacks for Argentine democracy.

The nostalgia that suffuses scientific tracts and professional views expresses a yearning for democracy without the fiscal and financial governmental processes that Perón solidified. But tragically, this idyllic place of juridico-political without fiscal citizenship is not a place to which one can, at least if committed to democracy or economic sustainability, return. The longed-for abstraction imagined to have existed “had it not been for Perón,” an ideal space retrievable by taming the unruliness of money, was not actually more abstract (nor were subjects less dependent – the secret of abstraction’s appeal). Rather, dependence on Britain didn’t register as dependence because Britain was accepted as sovereign, elite citizens had received its gift of recognition, and forgotten the gift. Because the bond did not register as dependence, they could
think of themselves as autonomous juridico-political subjects. It was the proper masking and forgetting of this dependence that enabled them to feel free. Ultimately, our understanding of citizenship and membership is weakened when money is not examined as a central pathway of representation, recognition and power. For as long as individualism is predicated upon the disentanglement of fiscal bonds, what is perceived as a gift to the polity will simultaneously be a theft to citizenship – in short, a poisonous gift.
CHAPTER 4

Subversions of Sincerity: The Argentine Debt Default as Gesture of Sovereign Refusal

On May 5th 2004, one year after Nestor Kirchner had assumed the presidency, I attended a two-hour public conversation between Kirchner and Paul Krugman, the economist and New York Times op-ed columnist. The occasion for the event, held in a crowded auditorium at the New School University in New York, was not only the opportunity to discuss the “causes” of Argentina’s financial crisis of December 2001, but to try to make sense of the fact that, despite what all commentators agreed was a catastrophic crisis, culminating in the largest sovereign debt default in history, in 2003, Argentina boasted the second fastest growing economy in the world. This growth had occurred despite ominous predictions that, once the default occurred, Argentina would suffer terrible punishment from the international investment community for its status as what one Wall Street consultant called a “rogue debtor state.”

While Kirchner often spoke in the IMF’s rhetoric of “transparency,” “seriousness” and “responsibility,” suggesting a full embrace of now familiar neo-liberal rhetorics of self-regulation, as the evening wore on, it became increasingly clear, both from Kirchner’s self-assured tone, and from Krugman’s admission of speechlessness, that, despite the simultaneous translation, there were significant mistranslations in the making. In Kirchner’s vernacular, the word “sincerity” had accrued referents distinct from those originally intended by the IMF, marking the foundation, or perhaps the return – given Kirchner’s claim as an heir of Perón – of a social order and a political economy quite different from the one IMF functionaries might expect and hope to see from the President of a nation in default. While initially displaying deference
towards the clairvoyant ‘doctor,’ who had ‘predicted’ the end of convertibility as early as 1995, it was Kirchner who was doing the unmasking, accusing the IMF and its cronies of “corruption,” and cross-examining them on their ‘crimes of insincerity.’ Understanding what underpinned this radical shift in the discursive field, and how it is that Krugman came to answer for the IMF and investors may shed light on why the Argentine government’s offer to bondholders – which stipulated a 75% capital reduction, unprecedented in sovereign debt restructuring, while drawing outrage from the international financial community – was accepted by 97% of those bondholders who were Argentine. Given that three years earlier, hundreds of thousands of citizens marched in the streets chanting “out with all politicians!” this was no small feat.\footnote{The timing of the event, May of 2004, nine months after the Argentine state’s official offer to bondholders had been announced, is not negligible. Many of the so-called “hold-outs,” the 24.8% of bondholders who refused the terms of Argentina’s offer, pursued lawsuits against the state. Since the default was unilaterally declared, the Argentine state did not have to make a formal case for its insolvency. But it nonetheless had to persuade judges presiding over lawsuits, as well as governments defending private creditors and private utilities corporations suffering losses from Argentina’s imposition of price freezes, that it was negotiating in “good faith” and that the monetary losses it was imposing were justified. I suggest that in the absence of an international bankruptcy mechanism that could adjudicate a settlement, Kirchner and his administration used public forums as proxy courtrooms to disseminate their arguments. The lack of formal legal procedures for resolving this international dispute, involving thousands of private actors no doubt contributed to the tense and dramatic character of the Argentine government’s relationship with the IMF. See Marcus Miller and Dania Thomas “Sovereign Debt Restructuring: The Judge, the Vultures and Creditor Rights” (2007).}

At the beginning of the conversation, Kirchner seemed poised to argue that what made him deserving of congratulations was the fact that, since the default, Argentina had accepted “not even one fresh peso” (\textit{ni un peso fresco}) from the IMF. The impressive 8.7% growth was therefore attributable to what Kirchner called the “enormous potentiality” of the Argentine economy. However, I will argue that what enabled Kirchner’s triumphant air was a shift that, while perhaps and not co-incidentally finding symbolic expression in the register of monetary exchange, in fact far exceeded dynamics of economic liability. This is a shift that occurs at a political register, one not explicitly recognized by languages of monetary exchange. To adequately capture the nature of Kirchner’s subversions, we must attend to the register of the
political embedded in the economic (Mauss 1950 [1925]) or the payment within the exchange (Guyer 1995, Maurer 2007). As Bill Maurer has noted, in fields such as the social studies of finance, the existence of payments alongside exchanges is rarely acknowledged. As he writes, “Payments, however, are different, and it is important to insist upon this difference, for if we do not, we run the risk of missing the myriad ways in which exchanges are shot through with other nonexchange relationships” (2007: 129). In what follows, I suggest that Kirchner undertakes precisely this work – revealing payments that often accompany relationships of exchange and would otherwise, if remaining within a liberal frame, remain unseen.

Marcel Mauss describes how, in societies that practice the potlatch, the receiver of the gift is contented in his relations of indebtedness to the gift-giving chief because, even though, as recipient, he is subjected to an inferior position, “the individual and the group have always felt they had a sovereign right to refuse a contract. It is this that gives the stamp of generosity to this circulation of goods” (1950 [1925]: 73). Affect is of the utmost importance as it is the recipient’s feeling that they can, at any moment, refuse the contract, that enables the circulation of goods.

By what discursive maneuvers, then, does Kirchner transform the humiliation and shame associated with default into a sovereign gesture of refusal? Key to understanding Kirchner’s challenge in shifting the burden of deception from the state to the IMF is that for the duration of the 1990s, the accrual of foreign debt was what Roitman calls “sanctioned wealth” (2005). It was the influx of U.S. dollars that enabled the exchange rate policy called ‘convertibility,’ the currency board that pegged the peso to the dollar, making the dollar the de facto and de jure unit of account. Not only was this policy, signed into law in March 1991 (Schamis 2003), credited

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137 Schamis (2003) writes “This law, virtually the only piece of the comprehensive reform program of the Menem administration that was not implemented by executive decree, mandates full convertibility between domestic and foreign currency and stipulates that an act of the legislature is required to change the nominal value of
with ending the hyper-inflation of the late 1980s but by making the peso and dollar commensurable, it offered Argentines the much-coveted experience of seamless inclusion in the first world and recognition in an expanded sphere of circulation. It is widely believed among political scientists that Carlos Menem was elected for a second term in 1995 because he vowed to preserve the currency board, hence its nickname as the “credit installment vote” (voto cuota). Kirchner’s strategy, then, is to persuade citizens that despite the pleasures of monetary stability enjoyed during the 1990s, they never had the sovereign right to refuse a contract they felt they had, and as such, are victims of deception or worse yet, betrayal.

Subverting the IMF’s own presentation of itself as a ‘generous’ rescuer of profligate and irresponsible third world economies, Kirchner depicts the IMF as a violent gift-giver, charged with poisoning the recipient. In this first act of subversion by re-signification, Kirchner, in a firm tone punctuated by irony, demands of Krugman:

Now tell me doctor, how is it that, three months before the explosion, the IMF gave us 9,000,000 dollars? And for this reason, I insist, here we need to call things by their name (“aca hay que llamar a las cosas por su nombre”) sometimes this is bothersome but I tell this to all the IMF functionaries.

The “thing that needs to be called by its name” or, made transparent, is nothing less than war. Mauss writes that part of what offers the recipient the feeling of sovereignty is that what is actually a “war of property” is only conceived of, or intelligible as, a “struggle over wealth.” What ultimately discloses the ‘true’ nature of these apparently peaceful creditor-debtor relations is the faulty timing of this gift. If, as Mauss claims, the gift is given too soon, failing to properly wrap interest in the concealing effects of time, it may be perceived as “carried on in another

the exchange rate. This institutional device locks in the fixed exchange rate regime, for it forces a minister who wants to devalue the currency to face two equally complicated options” (2003: 141).
spirit, with a view to immediate gain” and become “the object of a very marked scorn” (1950 [1925]: 37).

In August 2001, when this new gift/loan was given, Argentina’s country-risk index was spiraling upwards and capital flight was rampant. At such a conjuncture, the loan was not a mere ‘flattening,’ a routine attempt to humiliate the recipient, ensuring the continuation of hierarchical power relations, but rather is what Mauss might call the “fatal gift” (1950 [1925]: 63) which turns peace to war. This alleged “relief” which, after the crisis, the Minister of Economy claims was “thrown at the nation,” is now interpreted as a coded gift to private investors, granting them time to sell their bonds and cut their losses. The loan “bails-out” not Argentina but speculators. Twice, Krugman admits that “the IMF does not have much moral authority here…” and it is the accusation of immorality that enables Kirchner to present the default as an active refusal rather than a deficiency. Shifting the crime of recklessness from the debtor to the creditor, Kirchner claims that the financial crisis was “the logical consequence of a political economic model serving interests at odds with the common good, favoring the proliferation of mass murderers, thieves, and the corrupt” (los genocidas, ladrones y corruptos).”

For Schmitt, the defining characteristic of the political is the capacity, in an extreme situation, to determine the moment of exception, a decision predicated upon a distinction between friend and enemy. Arguing against Schumpeter’s view of economics as “essentially unwarlike,” Schmitt maintains that “economic antagonisms can become political, and the fact that an economic power position could arise proves that the point of the political may be reached

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138 Citation from Dow Jones International News (1/15/2004). The author writes: “At the heart of this vision is a justification for Argentina’s unprecedented demand that creditors accept a 75% nominal haircut on the debt and intellectual backing for the government’s refusal to increase its primary surplus target.” Lavagna’s precise words (my translation) are “multilateral partners should act neither as lender of last resort, nor should not throw fresh funds at a nation.”

139 Speech given 1/14/2004 in Germany from the website “Presidencia de la Nación Argentina.”
from the economic as well as from any other domain‖ (1996 [1932]: 78). Through his frequent tirades against the IMF and private creditors, Kirchner (re)-politicizes the economy. In 2005, anti-IMF sentiment in Argentina was so intense and perplexing to the IMF that the fund hired a Harvard professor of behavioral economics, Edward Glaeser, to write a brief and hold a seminar entitled "The Political Economy of Hate" (2005) to explain how a situation that was not an 'actual' war, as the brief put it, could breed such animosity.

To understand why the post-crisis moment might lend itself to such a recuperation of the political, it is helpful to turn to the work done by convertibility as a monetary and social technology. While Central Bank autonomy is a de rigueur aspect of neo-liberal policy, predicated on lessening the traffic between what are conceived as the autonomous spheres of the economic and the political, a currency board is far more extreme. It rids the Central Bank of functions it would have, even by orthodox neo-liberal standards, such as the ability to adjust interest rates, a critical tool for regulating money supply, especially in times of crisis. Even proponents of the currency board suggest that its efficacy comes from “tying the hands of government” (Della Paolera and Taylor 2001), which may explain why it was the monetary technology frequently used in colonized territories (Helleiner 2003). The decision to establish a currency board then, is a decision to surrender decision-making capacity. If the political dimension of monetary technologies is acknowledged (Kelsey 2003), then Schmitt’s observation that “If [a people] permits this decision to be made by another, then it is no longer a politically free people” (1996 [1932]: 49) may shed some light on Kirchner’s emotionally charged claim that the neo-liberal policies of the 1990s were a form of “genocide.”

The ‘regime of truth’ underpinning the currency board involved active policing of expert-knowledge production and dissemination. Roberto Frenkel, a well-known Argentine macro-
economist, is one of many heterodox economists who, in the wake of the crisis, has claimed that critics of the currency board were censored, so as to render unspeakable the link between foreign debt and national subjection. This reigning taboo sheds light on why Kirchner’s portrayal of relations of debt as heavily power-laden, while patently obvious to critics of neo-liberalism, might in this context qualify as what Schmitt calls a “high points of politics” where “the enemy is, in concrete clarity, recognized as the enemy” (1996 [1932]: 67).

In Kirchner’s discourse, the recuperation of the political is figured as the recovery of (domestic) respectability on a national scale. To Krugman’s question about Argentina’s plans for trade relations, Kirchner responds: “Argentina is thinking of visiting China this year, and will privilege trade relations with Europe and the U.S….not carnal ones…(no carnales)…(applause and laughter). “Carnal relations” was the phrase proudly used by Menem’s administration during the 1990s to describe the intimacy of the US-Argentina relationship. Seized upon by the left, it became a critique that Argentina was not only prostituting itself, in a submissive and feminized mode, to U.S. interests, but in so doing, violating the domestic integrity of the nation. Morris coins the term “economic domesticity” to designate how, in evocations of the nation-as-family, non-exchange relations pertaining to the household are figured as extending through the national territory. She notes that after Thailand’s financial crisis, “economic reform is imagined as that which would be marked by the demise of prostitution, or the end of a need to subject the private (the incalculable) to the public (the realm of calculability)” (2002: 49).

In addition to the transgression of national boundaries, what has been transgressed is what Kirchner sees as the proper relationship, in the context of the fiscal bond between state and citizen, between calculated exchange and incalculable payments and the priority given to the temporality of each. While the short-term profit-seeking cycle is often seen as normative in
anthropological scholarship on capitalism, as Parry and Bloch have argued (1989), Kirchner evokes the long-term cycle of basic needs provisioning and redistribution as the defining feature of what he calls “national capitalism.”

The re-emergence of the sanctity of the fiscal bond between state and citizen as incommensurable with market logics is apparent in the frequency with which, after the 2001 crisis, citizens from different class backgrounds despairingly lament that Menem “sold the country” (“vendió el país”). Here, the nation and its patrimony, figured as its citizens and natural resources, are seen as what Annette Weiner calls “inalienable possessions,” (1992) guardianship of which defines both the contours of the community and the authority of the sovereign. Such lamentations suggest that in post-crisis Argentina, the privatization of YPF, the former national oil company, not to mention that of social security itself, operations that called for what Callon calls disentangling or “cutting the ties” (1998) between owner and possession in preparation for a market transaction, violated the sanctity of that fiscal bond, here construed as constitutive of the political. As Schmitt writes, “The domain of exchange has its narrow limits and specific categories, and not all things possess an exchange value. No matter how large the financial bribe may be, there is no money equivalent for political freedom and political independence” (1996 [1932]: 77-78).

During Christina Kirchner’s bid for Senator of Buenos Aires, her opponent, Chiche Duhalde, whose husband was a close ally of Menem’s during the 1990s, attempted to cast doubt upon her commitments to the province of Buenos Aires by conjuring her residency in another province, that of Santa Cruz, claiming that “the province isn’t a hotel to be rented out for an election.” Given that hotels (telos) in the province of Buenos Aires are frequently associated with prostitution or extra-marital affairs, such a critique offends the notion of polity as an ideal space
of “economic domesticity.” Discerning the double-nature of the attack, Kirchner steps into the debate to protect both his masculinity and his claim to sovereign authority by asserting guardianship of both his wife and the province as “inalienable possessions,” neither of which he will subject to market logics.

Not only did my opponents rent out, and sell the province, but they sold the whole country. We all know what happened. They economically destroyed the country and “national capital” (capital nacional) and they forced the whole society to lay down its arms (hicieron bajar los brazos a toda la sociedad).

Beyond asserting a normative vision of the fiscal bond, what is notable in the conversation with Krugman is that Kirchner, rather than refusing the neo-liberal terms of the debate, claims superiority in this truth-seeking game. In the following exchange, Kirchner argues that the exclusive focus on the short-term cycle violates the ‘ethics of sincerity,’ which Morris (2002) following Weber, describes as the ethicized epistemological basis of capitalism, that which enables abstract valuation and calculation.

Kirchner: …There were bondholders who, in one year, made on Argentine government bonds what on the world market would have taken twenty years to make. During this time, the province of Santa Cruz, of which I was governor, had 500 million dollars surplus. I personally brought this money to Lehman Bros in the U.S. which gave us 3 or 4% interest whereas in my country I could have gotten 20%. Now, doctor, if a humble governor such as myself could see this, I don’t know why financial consultants didn’t…I don’t believe in this kind of innocence (innocencia) – there are powerful lobbies in Washington saying invest in Argentina, it’s a great deal, and these things need to be brought into the open, made sincere (estas cosas hay que sincerarlas) because when a good deal goes under, there are going to be losses. Now tell me something doctor, they tell us we have to pay more than 25%, but then Enron goes under and it is only paying 14 cents on every dollar. (applause)

When one is accused of insincerity, one is accused of a crime of appearing other than one is, of obfuscating what should be the transparent relations between appearance and truth. Using the ‘ethics of sincerity’ to question the propriety of practices at the very heart of the neo-liberal regulatory apparatus, Kirchner has positioned himself as the voice of a new Law which, endowed
with the normative ideal, can adjudicate. By questioning the innocence (or positing the guilt, as it were) of financial consultants, Kirchner has seized upon and appropriated to his own benefit the fact that, as Morris writes, “Transparency, then, is the discourse that threatens to metamorphose all acts of giving into a bad intentionality” (2002: 58). This subversive mimicry triggers Krugman’s stuttering, from which he recovers by producing a causal narrative.

Krugman: There is almost more than I can respond to, there IS more than I can respond to…Let’s talk about the crisis and how it happened. The real key is convertibility and currency. Argentina accrued debt on one-to-one, which had always seemed to me foolish. But what turned it into a disastrous problem is that people believed in the peg and you had the dollarization of the Argentine economy – the build-up of dollar-denominated debt, which meant that when the peg collapsed, everybody, including the government went bankrupt…I think a lot of people who lent money to Argentina sincerely believed that somehow convertibility was going to magically solve all problems – but they were foolish in believing that. There was an important enabling role from international financial institutions – the IMF has a lot to answer for here particularly in the last two years when – from 1998 on, it was dead obvious that the system was not sustainable. I knew it, everyone I talked to knew it…

Kirchner (clearly unsatisfied with this response): You say people believed in convertibility and it is true that, in Argentina, 70 or 80% of the population was in favor of it, even fell in love with the system. But what I have a hard time believing and what’s more, I just don’t believe, is that financial consultants believed it was sustainable.

Krugman, now sounding somewhat exasperated: Let me say a word on behalf of the international financial consultants. They’re not necessarily evil – sometimes they really are just stupid.

As evidenced by his efforts to deflect accusations of the bad intentionality of IMF and financial consultants, Krugman is now trapped in the political logic of the friend/enemy dichotomy, from which he seeks refuge by invoking investors’ foolishness. By defending the economic as a technical and by association a de-politicized realm, subject to human error rather than “bad intentionality,” Krugman upholds the very separation of the economic and the political whose veracity Kirchner wants to overturn.
But the neutrality of Krugman’s defense of financial consultants is debatable. In response to Kirchner’s attacks upon technical knowledge, Krugman concedes that beliefs are at work but suggests that some beliefs are more legitimate than others. He attempts to salvage the financial consultants, who in “sincerely believing” were foolish but good at the expense of Argentine citizens, whose foolishness is construed as carrying disproportionate causal weight (“what turned it into a disastrous problem…”) by virtue of what might be called, following Morris, its improper “domestication.” Whereas financial consultants might be said to have “miscalculated,” a merely technical or bureaucratic mistake, Argentine citizens are guilty of crimes of “excess” for not having discerned the impossibility that the Argentine peso could ever ‘actually’ be equivalent or commensurable with the U.S. dollar. In a condescending tone, Krugman asks: “Why the dollar? Argentina is not in the US periphery, it trades heavily with other countries and to lock it to the dollar with whom economic relations are not so intense, this was bound to create problems” utterly disavowing what, it has been acknowledged by many political economists, was the “paper dollar standard” after Nixon closed the “gold window” (Triffin in Strange 1986: 41).

The same skepticism and disciplinary reminder of Argentina’s place in the geo-political ‘order of things’ comes unabashedly into view when Krugman derides Kirchner’s suggestion that Brazil and Argentina, countries that produce 70% of the world’s soybeans, could launch a soybean-equivalent of OPEC. Krugman says:

 Trouble is soybeans can be grown more easily than oil reserves so I don’t know if a soybean equivalent of OPEC is a possibility – good luck. Kirchner replies: I want to clarify something regarding the soybeans. This has to do with quality. We are not talking about any old soybeans.” Krugman: “Ok, the malbec of soybeans…

Kirchner, in his insistence on qualities, is again speaking the language of the incommensurable, of the irreducibility of the political, a language whose relevance and value Krugman derides.
What is at stake in this exchange is not only what has or has not been concealed, but rather the ethical criteria by which one can evaluate the good or bad intentionality of financial consultants. Kirchner refuses neither the word “sincerity” itself nor the epistemology whereby truth exists and can be known. What is refused is the signifying frame within which this term is apprehended. For Kirchner, financial consultants cannot both be sincere and have supported, via continued loans, a plan they ‘knew’ would fail (a view that turns Krugman’s foresight into something of a dubious distinction). Here, the field of what constitutes “sincerity” has been radically expanded to encompass not only market transactions but political responsibility. For Kirchner, who seems to espouse something akin to Mauss’ notion of the ‘total social fact,’ devised as a critique of liberal divisions of the economic and the political, “political self-interest” (Mauss 2000 [1925]: 76) must be rehabilitated. This newly signified “sincerity” is turned on Krugman who, despite his efforts, but perhaps inevitably given his disciplinary training, becomes the hapless representative of the U.S economic establishment.

While Krugman expresses concern about a return to the “bad old days of price controls” – referring to Perón’s economic policies – and bondholders allege that the Argentine state is taking “purposeful advantage of their de facto immunity to walk away from legal and financial obligations,” (Porcecanski 2005: 316) or committing “robbery and expropriation of foreign

140 What is striking here is that Kirchner disaggregates what has been written about as one of the basic tenets of capitalism – the link between “market truth” and “fairness” which emerged with the development of double-entry bookkeeping (Carruthers and Espeland 1991). As Maurer notes (2007: 138) “Rawlings (2003:297, n. 10) draws attention to the history of the conflation of “fair” price with “true” price through accounting mechanisms associated with the advent of the joint-stock corporation. Trades had to be deemed “fair,” that is, not subject to force or fraud; and accounts-keeping facilitated the idea that numbers in ledgers reflected independent “truths.” A fair trade thus took on the character of a true – that is, purely market-driven trade. See also Poovey (1998).” One might say that Kirchner retains the positivist truth-seeking technique but shifts the criteria for fairness to one that is precisely not market-driven. For Kirchner, political accountability needs to be disaggregated from those modes of accounting devised for the corporation. Keane’s discussion of sincerity (2007) is taken up in chapter six.
creditors,” the pricing mechanism is a key political institution through which Kirchner exercises this newly recuperated sovereign power. Having questioned the legitimacy of the “laws of the markets,” (Callon 1998) he is concerned less with violating them and more with re-instantiating ‘the authority behind the laws’. Indeed, for Kirchner, price controls are a form of enforcing what Guyer (1995) and Roitman call the ‘just price.’ (2005) As Kirchner says,

When I say that we can pay 25% of the debt, this is not a capricious or intransigent position. I am speaking the truth (con la verdad). If more is paid, we will be paying, as in the 1990s, with the hunger of the people, and there will be another genocide on the backs of the Argentine people.  

The default, then, is cast as the definitive halting of a lawlessness through which Argentina was, in Kirchner’s words, “bankrupted and pillaged” (2005). What unfolds through this narrative is the notion that Argentina has been victimized, subject to coercive or predatory lending practices from which it must free itself. Kirchner’s ability to draw a coherent narrative link between foreign debt and national subjection paves the way for the so-called “dis-indebtedness” program (programa de des-endeudamiento), where, in a paradoxical twist, payment to the IMF is cast as the road to national liberation. In a dramatic turn of events, in December 2005, Kirchner surprises the IMF with payment in-full, figured as a moment of emancipation as expressed in Kirchner’s announcement “The sovereign Argentina is coming” (Viene la Argentina soberana). Payment in-full might be seen as a reverse pot-latch, one that as the Wall Street journal put it, left the IMF “groping for a mission” (2006). In a most unusual contagion, Brazil followed suit the following week, compounding what an Argentine

141 The words of Michael Mussa, the IMF economist responsible for Argentine-IMF relations for the duration of the 1990s. From transcript of a public conversation with Mark Weisbrot of the Center for Economic and Policy research in D.C.
143 La Nación 2/26/05
144 Página 12 6/13/05
paper triumphantly called the IMF’s “deep identity crisis” \textit{(profunda crisis de identidad)}.\footnote{Página 12 4/23/06}

Insofar as, within the span of two years, first an act of non-payment and then an act of payment are cast as emancipatory, this paper offers an example of the polysemic nature of payment, and how, depending on the institutional and representational frameworks mobilized, money can be made to do different things (Maurer 2007, Guyer 2004, Keane 2007, Theret 2007).

\textbf{The “Social Debt” (La Deuda Social):}

\textit{The Labors of Memory in Re-initiating the Fiscal Bond}

If vis-a-vis the IMF, dis-indebtedness was a goal, this was not a refusal of debt as an ontological condition. Kirchner was actively engaged in a process of cultivating a feeling of indebtedness from differently positioned citizens, a project that took many forms. On one level, it was a straightforward call to businessmen who had made fortunes in the privatization of state-owned companies of the 1990s to pay their debts to the state. On May 5\textsuperscript{th}, 2006, the headline of \textit{Clarín} cited Kirchner speaking at the inauguration of a renovated airport in Córdoba:

\begin{quote}
What is owed to the state must be paid \textit{(Hay que pagar lo que se debe al Estado)}…these wonderful upgrades are funded by businessmen’s money, but they are also funded by all of our money. So I ask the businessmen to help me protecting the price of things and the pockets of Argentines.
\end{quote}

Dovetailing with a renewed public debate about the role of a “national bourgeoisie” in the face of thirty years of \textit{extranjerización} (foreign ownership of public utilities), this was not a mere call for fiscal discipline to pay the “foreign debt.”\footnote{As Brennan and Rougier write: “After falling into oblivion during the 1976-1983 military dictatorship and the subsequent decades of neoliberal hegemony, the subject of the “burgesia nacional” has returned to occupy an important place in public and academic debate in Argentina. See the entire issue of the influential journal \textit{Realidad}}
debt” (*la deuda social*), this was a broader normative re-mapping of the pathways of indebtedness and circulation within the contours of the nation-state. Businessmen, now referred to as “price-setters” (*formadores de precios*), were asked to consider how their economic actions shaped and affected this entity in formation – the Argentine people – to which the state, re-affirming its pastoral duties, owed its allegiance and protection. Consumers were also conscripted into this re-initiated circuit of circulation. Asked to choose the businesses they patronized carefully and to punish price-gougers through *boicot*, they were called on to engage in a kind of participatory economy.

The prominence of a language of debt at the forefront of political discourse was a key feature of the Kirchner presidency. Eliciting a new cycle of indebtedness from citizens towards the state was contingent upon, Kirchner seemed acutely aware, an accounts-taking of the historically constituted material and affective debts that the state had accrued to its citizens. The state’s intent to repay what was called the ‘social debt’ (*la deuda social*) would only seem transparent and sincere if its prior neglect and/or crimes were made explicit.

While the term “*la deuda social*” (the social debt) was frequently used to refer to the debt the state had incurred towards the traditional Peronist base – working classes hard hit by unemployment, social exclusion, and marginalization of the 1990s – it signaled the state’s commitment to a broader cause. Kirchner vowed to redeem the suffering caused by state terror (1976-1983), an objective with the potential to reach a significant portion of the anti-peronist middle and upper-middle-class. The language of human rights was immediately palatable to the *progre* (short for progressive) fraction of the upper-middle-class, which had a vexed and ambivalent relationship to Peronism. The invocation of memory was a kind of salve that seemed
able to compensate – at least temporarily – for whatever alienation (gorila tendencies)\(^{148}\) might be felt while listening to Kirchner’s emotive style, his combative anti-imperialism and what was often perceived as a parochial, and/or nationalist, Peronist message of social justice.

Paying homage to the disappeared and to human rights activists who were marginalized in the 1990s by a state-sponsored “politics of forgetting,” Kirchner tapped into what, by many accounts, had been an abrupt and unfinished process of disclosure and healing.\(^{149}\) Inviting citizens to partake in a process of mourning and memorialization, he pushed forward an initiative to transform the ESMA building, one of the junta’s notorious concentration camps, into a museum of memory and human rights. Speaking at a podium set up on the stately *Avenida Libertador*, surrounded by supporters and – as special guests – the Madres, Abuelas, and H.I.J.O.S. (organizations of family members of the disappeared), Kirchner issued the first formal government apology for state terror:

> Things need to be called by their name and here, if you’ll allow me, this time not as a comrade and brother of so many with whom we shared those times, but as President of the Argentine nation, I come to beg for your pardon (*pedir perdón*) on behalf of the national state for the shameful act of silencing for twenty years of democracy so many atrocities.\(^{150}\)

While the rupture with the past took many forms, including a ritualized removal of the portraits of junta leaders from the *Casa Rosada*, perhaps the crowning moment of the state’s

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\(^{148}\) *Gorila* is the colloquial word for anti-peronist.

\(^{149}\) On the “politics of forgetting,” Sarlo writes “The trial and conviction of those responsible for unleashing the most ferocious repression that Argentina has ever known was a tremendously important moment in the construction of a public memory of the events of the dictatorship. But the abrupt interruption of the hundreds of trials and, above all, the pardon of military officers who had been convicted and were in jail, placed the subject of human rights violations in a past that Menem wanted to put behind him. He thus initiated an operation of “forgetting” which benefited the military…The military pardon closed a subject that is not only juridical and political, but that is decisively moral and cultural.” (1994: 33)

\(^{150}\) “Las cosas hay que llamarlas por su nombre y acá, si ustedes me permiten, ya no como compañero y hermano de tantos compañeros y amigos que compartimos aquel tiempo, vengo a pedir perdón de parte del Estado nacional por la vergüenza de haber callado durante 20 años de democracia tantas atrocidades,” gritó, con la voz quebrada.” (La Nación, 3/24/04)
recognition of its crimes was this apology. To ask for forgiveness is, as Morris observes, the gesture of transparency *par excellence*. By speaking of his *compañeros*, and conjuring his own history of left political activism in the 1970s, the authenticity of his identification and solidarity with this lost generation and its survivors was poignantly relayed. Sensitive, however, to accusations of partisanship – explicitly disavowed in the speech – Kirchner made clear that this apology was articulated from his transcendent office as President, vested with representative powers. A politically cautious shifting of subject positions, one that aimed to avoid a dyadic understanding of debt, was evident elsewhere.

For this reason, brothers and sisters who are here, comrades who are present even if not here (*que están presentes por más que no estén aquí*)…we want there to be justice, we want there to be a strong recuperation of memory and that in this Argentina, people remember, recuperate, and take as example those who were able to give everything (*dar todo*) for their values. This generation of Argentines has bestowed upon us not only an example and their lives, but they have left us their mothers, grandmothers, and its children.

While offering recognition for the historically constituted material and affective debts the state had accrued to its citizens, Kirchner took pains to displace himself as the beneficiary of the gratitude it might elicit. Keen to the dynamics of affect and circulation, he did not want to appear to be engineering the affective and/or material return-gift, lest it be perceived as merely a self-interested debt in the service of accumulating personal power. Gratitude for this gift-of-recognition was to be directed towards its rightful recipients: a noble, lost generation, which “had been capable of giving everything” (*fue capaz de hacer eso, de dar todo*) and who, as he said, “from the heavens, from somewhere, see us and are watching us.” Framing the triangulation necessary for sacrifice, Kirchner fashioned himself as a medium or a bridge between generations of Argentines. He was articulating a connection between those who had paid too much, and
whose sacrifice has gone unrecognized, and those who had not sacrificed enough, and whose payment is due.

While the politics of memory may be most associated with redressing human rights violations, what was recuperated was not only the memory of the “disappeared” but many of the ideas that had apparently vanished with them. This was apparent in the positive recuperation of words like “ideology,” “realidad nacional” (national reality), “culture.” It was notable, in the years after the crisis, how often ‘culture’ was identified as the source of, or at the very least an ingredient in, economic problems. As with the term “cultura inflacionaria,” (inflationary culture) which signaled an awareness of the reflexivity of money and of the role that expectations could play in triggering inflation, money was spoken about as responding to something other than the calculating logic of the laws of supply and demand. No longer solely a medium for accumulation, money was treated as a pathway of recognition. Memory, and calls for sacrifice, foreshadowed a different kind of economy, “a nonmarket method for organizing economic exchange” (Mitchell 2004: 296), which played a critical role in re-initiating national circulation.

Heterodox economists, and a cadre of what might be called organic intellectuals, among them philosophers and political theorists, were critical players in the work of fomenting “public credit.” This process of valorizing citizens as moral, fiscal, financial creditors of the political community entailed making citizens feel they wanted to take on the sovereign’s debt, both in using state-money and electorally. If anti-IMF discourse pivoted around putting an end to what was figured as a ruthless theft, was there anything that Kirchner could – in an affirmative modality – offer? If debt and credit are an indissociable dyad, extending credit necessarily means becoming indebted (Peebles 2010). What could possibly be offered that would be worthy of the inevitable risk of loss associated with extending credit – to a nation in default, no less?
The resuscitation of terms like “national bourgeoisie,” not to mention the oppositional discourse of a narrative of liberation, invite a series of critical questions. If the hegemonizing potential of the Bandung Era was over, as David Scott persuasively argues (1999), what was at work here? Were these the familiar categories of alienation/realization characteristic of anti-colonial nationalism? And if so, did realization hinge upon a utopian – and specifically socialist – future? How to even understand the salience of these discourses in a country that, independent since 1810, did not fit in any transparent way in the anti-colonial struggles of the mid-twentieth century? Furthermore, given the importance of attending to the ideological history of anthropology’s “culture” (Scott 2004), what could be made of the appropriation of culture?151

These were not the questions that seemed to concern mainstream commentary. From the left and the right, a chorus of critics argued that Kirchner’s political perspectives were a mere recycling of setentista (seventies) discourse, quickly categorizing this re-appearance of anti-imperialist nationalism into the familiar categories of, as Plot and Semán write, “the populist, dangerous left” and the “liberal, moderate progressives” (2007). Of the way commentators “rushed to characterize this process within the framework inherited from the Cold War era,” (2007: 361) Plot and Semán write, “what these analysts do not see is that they are victims of what they attribute to their object of analysis: a kind of intellectual setentismo” which “acts as a self-imposed cage, and necessarily plays down the historical context” (2007: 362).

Sympathetic with Plot and Semán’s observations, I pursue a different line of inquiry, one I hope accounts for both the singularity of the conjuncture and the way that old ideas can gain a new life in a changed cognitive-political space and affective context. If, as Miyazaki writes, “hope lies in the reorientation of knowledge,” (2006: 149) clues as to the hope and faith that this

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151 The term “cultura tributaria” (tax culture) used often by the tax administration is the subject of another chapter that is not included in the dissertation.
bricolage of recycled ideas invited should be sought in tracing the contours of this re-orientation. What was at stake, I contend, was a re-positioning of what Salvatore calls the "unsettled and unsettling location" (2008) of Argentina, a term he uses to refer to a long history of competing discourses about whether Argentina should be thought of as a "developing nation or a neocolonial dependency," and, relatedly, whether it would be apprehended through a modernization or through a dependentista framework. For a particular section of the middle and upper-classes a process of re-reading the past opened new avenues for imagining the future.

The language of repair, redress, and debt was critical for understanding the ideological operations at work here. Kirchner fashioned himself as the redeemer of two wounds left by collective traumas. The first, which was widely acknowledged, was the dictatorship. The other, less commonly acknowledged in the Southern Cone, were the psychic traces of colonialism. Accompanied by intellectuals sympathetic with Kirchner, the President set about persuading the middle and upper-classes that they were the victim of wounds they had either forgotten or never knew they had. One symptom of this wound was the inability to embrace “lo nacional,” (the national) a tendency that had been very destructive to development. A previously unseen link between these seeming disparate traumas was becoming clear: both were manifestations of liberalism. The gift of a nationally located selfhood, it was argued, would make the risky extension of credit worthwhile.

**Arturo Jauretche and the Left’s Belated Embrace of Anti-Imperial Nationalism**

152 A La Nación headline from October 2005 read “Argentines confide more in Kirchner than in the State…71% believe in him while only 34% believe in the ruling elite” a “disparity that democratic systems that are more consolidated, like Uruguay or Chile do not have” (10/29/2005).
In the years before the crisis, an assortment of heterodox economists who were avid critics of the convertibility plan and watched the country descend into recession, high levels of unemployment and poverty, had begun organizing in a group called the *Plan Fénix*. Seeing the inevitable difficulties of an exit from the currency board (a technology premised on the impossibility of exit), this group convened at the UBA to discuss the least damaging way to get the country on a different path. Many of these economists were well-known heterodox professors at the UBA, and their varying ages suggested they spanned several generations. Many were neo-structuralists, trained in the economic school which laid the foundation for Latin American economic dependency theories of the 1950s and 1960s.

When Kirchner was elected in May 2003, many of these economists were invited into the government. Among them was Roberto Lavagna, the Minister of Economy who was trained in a structuralist tradition and announced at a panel in late 2005:

“The challenge ahead exceeds strictly economic questions. The situation will not change in this country unless we continue affirming the self-esteem of the country (*la auto-estima del pais*). As a society (*sociedad*) we had totally lost our self-esteem.”

This call for “self-esteem” was noteworthy, not least because it was not emanating solely from government sources. At a *Plan Fénix* conference I attended in 2005, an audience member, anxious about the predicted surge in inflation, asked in a condemnatory tone how the default had lessened foreign investment. One of the economists on the panel, Benjamin Hopenhayn, responded, in a sort of pedagogical/therapeutic tone, that inflation was unrelated to foreign investment. One of the economists on the panel, Benjamin Hopenhayn, responded, in a sort of pedagogical/therapeutic tone, that inflation was unrelated to foreign investment. Further, he noted, such an assumption was a reflection of an Argentine cultural-psychological problem: Argentines needed to disabuse themselves of the notion that Argentina

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153 “El desafío que hay hacia delante excede las cuestiones estrictamente económicas. No va a haber una situación distinta si uno no continua afirmando la recuperación de la autoestima del pais. Habíamos perdido como sociedad totalmente la autoestima” *Clarín* (11/15/05). He also went on to advocate “a different role for national savings and exchange rates according to different productivities in the Argentine economy.”
depends upon foreign investment for growth. What triggered his response was not only the skeptical and accusatory tone of the question but also monetarist/orthodox logic implicit. I later learned that Hopenhayn, a distinguished looking elderly gentleman, had been a Minister of Credit Promotion during Perón’s first administration.¹⁵⁴

Soon after my arrival in Argentina, on a line outside a Plan Fénix conference, I met a young economist by the name of Rodrigo Lopez who, after finishing his degree at the UBA, had decided with some colleagues to start the Cátedra Nacional Arturo Juaretche (National Elective Arturo Jauretche).¹⁵⁵ When I asked why they chose to name it after Jauretche, he said that even though Jauretche’s work was not devoted exclusively to economy, he was a “referente del pensamiento nacional” (referent of national thought). Jauretche, he responded, was associated with “the nacional y popular” (called nac and pop by those who dismissed it) and his harsh critiques of Argentine intellectual life resonated deeply with their own concerns.

They say that economic science is universal and we disagree. We define ourselves as true historical materialists because you have to study each society in its historical particularity. Economic theories on England in the 19th century can’t apply to England in the 20th and less to Argentina of the 20th. We read Marx and we take him as a great thinker, but unlike the orthodox left, we also read others who help us think through actually-existing reality (pensar la realidad actual). We feel a responsibility to the people of our country. There are a lot of people who can’t make it to the university – my father is a taxi driver and I’m the first generation in my family to go to university. If we don’t do something to alter the political economic policies that have repercussions in peoples’ everyday lives, ruining their lives, then we are complicit. They are confiding in us, we have to use this space in the university to intervene.¹⁵⁶

¹⁵⁴ In a conciliatory effort, Javier Finkman, the bank economist, introduced in chapter three, who was also on the panel, tried to neutralize the tone by addressing the matter directly: “statistics show that there had not been any decrease of foreign investment since the default. Inflation is a multi-causal phenomenon in Argentina – it is now, it always has been.”

¹⁵⁵ He also works at a research organization called Cefid-Ar (Centro Estudios Finanzas para el Desarrollo).

¹⁵⁶ “Porque, nosotros vemos que hay una responsabilidad para con la gente de nuestro país; nosotros, de alguna forma, somos representantes de la gente, hay mucha gente que no puede llegar a la universidad y nosotros estamos acá y si no hacemos algo por las políticas económicas que repercuten en la vida cotidiana de la gente, que afectan a millones de personas y les arruinan la vida, entonces, somos cómplices.”
If calls to see the world from an Argentine perspective, to resist the internalization of European and American models – without first adjusting them to national structural realities – conjured Fanon and the anti-colonial thought of the Bandung Era, in fact, they had an earlier national history. As Ricardo Salvatore writes, “Before intellectuals in Africa, the Asian subcontinent, Australia, and the Caribbean, the Argentine nationalists showed how the pernicious effect of this type of neocolonialism loomed large in the life of the nation” (2003: 768). Among these authors, subordination was seen to follow directly from relations of foreign debt and dependency. As Salvatore writes, “To Scalabrini Ortiz, an influential nationalist writer, Britain was the “hidden enemy,” an empire that operated under the veil of corrupt local accountants, lawyers, and state functionaries. In his view, British loans and investments had made Argentina economically subservient to Britain. Loans were a weapon of domination, designed to manipulate local officials…” (2003: 767).157

In the 1930s and 1940s, these arguments were considered right-wing, which is noteworthy given that similar recommendations were being made by the Comintern starting in the late 1920s.158 But as the argument went, Argentina was already independent. What could nationalism possibly add?159 Within this cognitive-political space, anything that resembled fostering political community conjured the specter of fascism, communism, or totalitarianism.

157 “In the 1930s and 1940s, nationalist writers such as the Irazusta brothers, Raul Scalabrini Ortiz, and Arturo Jauretche laid the basis for a critique of British imperialism in Argentina” (Salvatore 2008: 766).
158 Love writes that “At its sixth congress in 1928 the Comintern declared capitalism in colonial areas to be a reactionary force, because capitalists allied with comprador bourgeoisies and other traditional groups” (1980: 70).
159 As a variety of scholars of Latin America have argued, largely in critical conversation with Benedict Anderson’s work, in Latin America, political movements for decolonization and the production of national political community were separated by long intervals and must be treated as separate phenomena. As Castro-Kláren and Chasteen write, “Anderson’s premise that a national consciousness preceded the wars of independence is at variance with the consensus of Latin Americanist historians and critics. Latin Americanist historians and literary scholars insist that these nations remained more aspiration than fact for many decades after gaining independence between 1810 and 1825; that, contrary to the situation of Europe, “states preceded nations” in Latin America; and that, reversing the more familiar model of irredentism, they long remained “states in search of nationhood” (2003: xi).

According to Tulio Halperin Donghi, in the 1940s, “the Right” had a monopoly on anti-imperialist politics: “…both the national and the world context inhibited efforts to build a new view of the Argentine past and present around the problematique of imperialism. For one thing, in a context where fake democracy jostled with authentic dictatorship, for the Left, the defense of political freedoms assumed the highest priority, and this prompted them to treasure the legacy of the liberal constitutionalist tradition, to which most of them looked back with a respect verging on veneration” (1999: 166).

It is in this context that the contemporary revival of Arturo Jauretche, a central figure of this movement, is noteworthy. An essayist of the 1930s, whose work was widely read in the 1960s by left nationalists, Jauretche was rediscovered after 2001. His books were re-published and his intellectual contributions became the subject of lecture series. He was referred to as a source of inspiration by Senator Cristina Kirchner, the first lady, and by political theorist Ernesto Laclau, who revealed that Jauretche had been a close friend of his father’s, and had inspired his own interest in politics. As if returning from a thirty year exile, Laclau visited Argentina frequently during the time of my fieldwork, and was often interviewed in major newspapers. He was carefully following the re-emergence of this party of his left-nationalist roots.

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160 Saitta (2004) cites a study by another sociologist, Sigal, which found that to the question, “which were the most influential intellectuals in Argentine public life between 1958 and 1972” (2004: 124), Jauretche was most commonly mentioned. As she notes, there is a particular irony here; the most influential scholar was not on even an academic.


162 Laclau’s use of the term “izquierda cipaya,” a term coined by Jauretche which translates as something like the “left comprador bourgeoisie” is evidence of his open support for such positions (interview with Laclau 4/14/2008 in Revista Debate). That Laclau had once met, and, it was rumored, occasionally offered phone advice to the President infuriated what Jon Beverley has recently called “neo-conservative intellectuals” (2010), who complained that Laclau was giving them a kind of “handbook for how to be a populist.” Such accusations were made by Juan José Sebreli and Beatriz Sarlo most notably and it was representative of a splintering of the 1960s and 1970s left. Those who had taken a conservative turn tended to associate the national left with guerrilla warfare, dismissing it altogether while the more left-leaning argued that violence had been a strategic error but that this should not lead to wholesale dismissal of the project’s vision. To the oft-heard critiques that the Kirchners’ style was
In other parts of the post-colonial world, Jauretche’s work might be seen as a version of anti-colonial critique. Jauretche argued that intellectuals were disconnected from the Argentine populace, and urged the middle-class in particular to consider its social reality from its own unique place on the map. Argentines were addicted to seeing socio-political realities through European eyes – Jauretche mentioned, for instance, the fascination of the upper classes with European travel accounts of Argentina. Arguing that a large part of the middle-class, which he called “el medio pelo,” was in the throws of “colonización pedagógica” (pedagogical colonialism/saturated with official history), Juaretche was un-self-conscious about naming what he saw as Argentina’s colonial legacy, pointing the finger at Britain, not Spain. He was also the first prominent intellectual to suggest that the anti-Peronism that had united the middle-classes was deeply racist given that the “national-popular” was also largely non-European (Salvatore 2004).

Jauretche, along with others grudgingly considered “Peronist intellectuals,” were dismissed by academic scholars, many of whom, trained in the mitrista historical narrative, saw these heterodox voices as unserious (Miller 1999, Saitta 2004). Given Perón’s slogan “libros no, alpargatas sí” (no to books, yes to espadrilles) among the educated elite, the very idea of a Peronist intellectual seemed a logical contradiction. But certain scholars have recently begun re-examining this claim. As Neiburg (1998) has written, while Jauretche purposefully cultivated a colloquial voice, and wrote for a popular audience, there was no denying his intellectual confrontational and authoritarian, Cristina Kirchner had apparently cited Chantal Mouffe’s notion of “agonistic dialogue.” See “Quienes son y como piensan Ernesto Laclau y Chantal Mouffe, el matrimonio de intelectuales que inspiró la política kirchnerista?” (Juan José Sebreli Perfil, 9/2/2008) See also various critiques by Beatriz Sarlo in La Nación.

165 As Salvatore writes, “The nationalists – in particular, Jauretche – should be credited with the conception of the great fissure of Argentina, between the capital city and the interior, as a problem constitutive of mass politics. “In Jauretche’s formulation, race was central to the identity of the anti-Peronists, for the Peronist masses were seen as the quintessential negation of the nation dreamed by the traditional elites: a black stain in the imagined white nation” (2008: 779).
credentials. On account of the “colonización cultural” and “official history” to which the elites had been subject, he argued that uneducated people were less “disoriented” than the literate, and for this reason tried to voice their concerns. He specifically eschewed the forms and methods of academic sociology, and debunked the logic of those who argued he was a “para-sociologist” as guardian-keepers.\(^{164}\) As Saitta notes, his writing was essentially polemical, often taking issue with the arguments of others. At a time, the early 1960s, when academic sociology privileged the phenomenon of Peronism as an exotic subject to be understood, Jauretche was studying the elite.

The view that Argentines had suffered a wound of mysterious origin, one that left many unable to recognize and valorize their own Latin American difference, was dramatically expressed to me by José (“Pepe”) Sbattella. For Sbattella, a tax administrator and professor of some sixty years who had briefly served as the head of federal customs agency and described himself as a Gramscian, Jauretche was very much alive.\(^{165}\) What he saw as the crippling problem of self-doubt and self-esteem among state employees who had saved the provinces from fiscal crisis but were too timid to theorize their innovation was symptomatic of the difficulty of rendering reality from an epistemological place other than that of European liberalism.

Of the decision of provinces to emit scrip monies when the provincial states went bankrupt, Sbattella excitedly exclaimed:

> We’ve committed transgressions (transgresiones) that not even the hard-core Marxist parties of Latin America can imagine. We reduced the debt (quita de la deuda), we declared default to massive applause, we emitted provincial monies against the opinions of the IMF and World Bank, we generated a system of social protection for two million people (Plan Jefe y Jefas) But all of these

\(^{164}\) Miller writes that in Argentina the oligarchy remained successful longer than in other Latin American countries in sustaining its place as patron of professional intellectuals. As she writes “the first generation of professional intellectuals in Argentina were dependent to some degree on the liberal elite for the means to support their status, either through state funding or culture or through the oligarchs’ ownership of the leading newspapers, which expanded their remit to become national rather than almost exclusively porteño during the first decade of the twentieth century” (1999: 56).

\(^{165}\) He has since become the Director of the Unity of Financial Information (Unidad de Información Financiera) which is the state’s anti-money laundering entity. See La Nación 2/27/2011.
transgressions that have been committed, since they aren’t backed up in official theory, even those who made these decisions are ashamed to have done what they did (Tienen verguenza de haber hecho lo que hicieron.)”

I’ve called this “El miedo a tener razón” (“The fear of being right.”) “They’ve done all of these things – and when they are asked to explain their logic, they ask forgiveness for what they’ve done, back-peddling saying ‘We had to do it. We had no more choices’ instead of saying, in the affirmative, ‘the theory that we were working with was false...what you are teaching in theories of national and international finance are misguided.’ They don’t defend themselves against those who say ‘It is a barbarity to emit paper money’ (Es una barbaridad emitir papeles moneda).

For Sbattella, this was attributable to a problem of unknown origins. To make this point, he borrowed from the psychoanalytic language so deeply woven into porteño public discourse, as well as the trope of “derecho a la identidad” (the right to identity). This was the legal claim used by mothers and grandmothers of “the disappeared” to gain rights to DNA testing in cases where people suspected they may have been born in concentration camps during the dictatorship, coercively “adopted” by military families. Without knowledge of one’s identity, one could not live with integrity.

We have an unknown father…la madre patria is Spain, but Argentine history denies paternity. I remember my acute anger arriving in England as a teenager to discover that the train stations looked exactly the same as ours, even bearing some of the same names. My grandparents always talked about how great the railroads were when they were British. They were nostalgic for the times of the British colony. I’ve always thought that we have a twin class which is the Indian bourgeoisie…we have the same story. Of course, we seem more free because we had formal independence. And one central difference is that we have an oligarchy rather than a bourgeoisie. Spain is in the books but in the 19th century, the reality of our everyday life – our taste in clothing, our sports, the languages we were supposed to learn, was all defined by our relationship with England. British authors have admitted that Argentina could have been a Commonwealth. But as Canning said, that was what made Argentina such an advantageous colony: it self-administrated.

Sbattella’s conjuring of similarities with India, save for the difference between Argentina’s oligarchy and India’s bourgeoisie, is important, and helps to situate Kirchner’s

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166 “Mi tesis es que nosotros tenemos una clase gemela, que es la burguesía India.”
desire to endear himself to this class in a broader perspective of capital accumulation (and what Gramsci called “passive revolution of capital.”) The searched-for “national bourgeoisie” was that middle-class which should have – but, as many intellectuals believed, in the Argentine case did not – invest in the work of mediation that Chatterjee argues is essential to nationalism (1993: 72). As Chatterjee writes, “for the Calcutta middle class of the late 19th century, political and economic domination by a British colonial elite was a fact. The class was created in a relation of subordination. But its contestation of this relation was to be premised upon its cultural leadership of the indigenous colonized people” (1993: 36).

In Argentina, such domination was precisely not “a fact,” which is one of the reasons efforts were being made to make it visible and legible. Instead, it was a kind of disavowed reality, one very hard to grasp through available analytics.167 “Consciousness of middle-ness” (1993: 35) did not consolidate in Argentina until the mid-twentieth century, and when it did, it was distinctly anti-popular, not least because of racial and class discrimination. That racial difference had contributed to the difficulty consolidating a national bourgeoisie was not lost on Sbattella. Speaking in a kind of Jauretchean slang, he said “In India, the bourgeoisie was saving the proletariat of its own race (salvando los proles de raza), with whom they felt identified (tienen una pertenencia racial). On that front, we’ve been a mess (nosotros somos un despelote).”168

167 Salvatore writes that "The affirmation and simultaneous denial of empire was a recurring feature of the rhetoric of the British." (2008: 765) He elaborates that, "Although formally independent of Great Britain, Argentina was considered by many to be an informal part of the British Empire. The conception of Argentina as a British "colony" was shared by British observers and the Argentine conservative elite, who enunciated this with pride for having absorbed the best of the British civilizing influence" (2008: 763). See also Howkins (2010) and Winks (1973) for discussions.

168 It seems noteworthy that such comparisons are also drawn by historians of various orientations. As Adrian Howkins writes, “An implicit argument of this paper is that the mid-twentieth century decline of the Anglo-Argentine relationship deserves to be included fully in the history of British decolonization, and that Perón deserves his place as an anti-colonial nationalist alongside such figures as Jawaharlal Nehru and Gamal Abdel Nasser” (2010:262).
Middle-class identity, imagined as white, descendent of European immigrants, and metonymic of Argentine-ness itself (2005 Grimson and Kessler), was constituted, and its iconography consolidated, as the historian Adamovsky has recently shown, in the 1940s, the period of Perón’s rise to power (2010). Challenging the civilization vs. barbarism dichotomy that had structured state-builders’ vision of Argentina as a European settler society that would ‘civilize’ the indigenous (Svampa 1994), the largely white immigrant professional classes felt antagonized by Perón, deeply polarizing the social and political arena (Plotkin 2003). “Middle-class values” came to signify a re-affirmation of Enlightenment values - individualism, political rationality, liberal democracy coalesced groups of varying economic capital against a political style that was openly corporatist, anti-imperialist, and anti-liberal.

It was not until the 1960s and 1970s that “The radicalization of Argentina’s vast middle class…contributed to the increasing heterogeneity of the Peronist movement” (Smith 1991: 210). In the 1960s and 1970s, in light of anti-colonial national liberation movements around the world, peronism, which had previously been dismissed as fascist by left-liberals, came to be seen in a new light. Altamirano (2001) writes of the sense of debt and guilt that the middle-class ‘culture of the left’ (cultura de izquierda) began to feel towards “the people” when they realized that, by demonizing Peron, they were complicit against workers’ newly achieved dignity and possibility for upwards mobility. 169 This awareness was intensified when, after Peron’s exile to Spain in 1955, successive military governments attempted to crush Peronist labor activism. During the period of Perón’s exile, this shift was not only visible among leftist intellectuals but became dominant among the middle-classes (Teran 1993: 9). As Avelar writes:

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169 On this, Altamirano writes: “A structure of guilt was installed, to use the words of Oscar Teran, that would slowly become a component of the sensibility and common sense of the Argentine left” (2001: 87). See Neiburg (1998) also for an account of this change as it was initiated and was played out in the pages of the journal Contorno.
In Argentina the left fringe of the intellectual field was decisively affected, throughout the 1960s and early 1970s, by the conjunction of an international phenomenon with a national one: the emergence of national-liberation and socialist movements in the third world (Algeria, Cuba, Vietnam, and so on) coincided with the proscription of Peronism in Argentina (1955-73) and the disillusionment with rather feeble periods of liberal democracy. The popular component of these liberation struggles, coupled with the rupture of the national alliance binding leftist intellectuals and significant portions of the liberal elite in the opposition to Peron (1946-55), contributed to a change noticeable everywhere in the Argentine Left: Peronism began to be reread “from the Left”…Many of the progressive intellectuals who had opposed Peron between 1946 and 1955 reoriented themselves, in an assortment of different manners, toward a reinterpretation that somehow allowed for a convergence with the populist leadership against liberalism and international capital (1999: 48).

It was this radical shift in the cognitive-political space, a re-orientation vis-à-vis the popular that led Juaretche to say, in 1960, vis-à-vis perceptions of him: “I started on the right side of the horse and now I am getting off on the left” (Subí al caballo por la derecha, y ahora lo estoy bajando por la izquierda”) (2004 [1960]: 109). By insisting on a difference with Europe that had previously been minimized, both the nationalist critique and dependency theory played a significant role in a shift in consciousness. The middle-class had to recognize that it was a “Europeanized elite” (Salvatore 2008) but nonetheless different from and dependent upon Europe – to engage what Chatterjee calls “nationalism as a project of mediation” (1993: 72). Now that the middle-class recognized itself as in a position of dominance on the one hand, and subordination on the other, it could engage in “the construction of hegemonic ideologies [that] typically involves the cultural efforts of classes placed precisely in such situations” (1993: 36).

The social debt (la deuda social), then, was not only the debt of the state towards people but also the debt of the middle-class towards the popular. What Kirchner and others attempted in the post-crisis period, and what the language of anti-imperialism helped to achieve, was to
remind the middle-class of this debt, which through a difficult thirty years had been forgotten.\textsuperscript{170} José Pablo Feinmann, a philosopher and public intellectual sympathetic to the Kirchners, was exemplary of just such efforts. He had gained a significant following, his extra-curricular courses drawing crowds of eager middle-class listeners. At one such event, where about four hundred people had convened in a church-like space in the middle-class neighborhood of Almagro, he said "\textit{hay que saldar cuentas con los pobres}" (Unpaid debts to the poor must be resolved).

Central to this memory-work was a recasting of the dictatorship through the figure of foreign debt, the ultimate symbol of dependency. If the dictatorship had been interpreted mainly as a problem of excessive military force (too little liberalism, a problem remedied with the "return of democracy"), now its link to liberalism was being underscored.\textsuperscript{171} Alejandro Otero, the Director of the city of Buenos Aires’ tax administration (\textit{Rentas de Ciudad}), said he appreciated that Kirchner, commemorating the dictatorship on March 24\textsuperscript{th} 2006 at the Military College of Palomar had focused his speech on Martinez de Hoz, the Minister of Economy who directed Argentina’s neo-liberal experiment. Otero’s great pride was having successfully renationalized the city’s tax database, which had spiraled into disarray after being privatized in the 1990s. Otero was grateful, he said, because even among those who had been politically active during those years (he had been a "\textit{militante de izquierda}" – left militant – at the UBA at the time, which, he pointed out verged on the "suicidal"), somehow the political content had been forgotten.

During all of these years, what was spoken about and what anchored the discussion was state terrorism, repression…how should I say? We focused, almost in a limited way, on the military dimension of the confrontation. I was thinking

\textsuperscript{170} This trajectory cannot be relayed here. But, as many authors have written, when guerrilla warfare broke out in the early seventies, radicalization turned to fear, with the dictatorship, it turned to terror and a privatized sociality, and during democracy, into neo-liberal de-politicization.

\textsuperscript{171} See chapter six for a discussion of the implementation of neo-liberal policies during the dictatorship. Among the most radical changes were the elimination of the estate tax and the capital gains tax.
the other day that in some ways we have been mistaken (*nos hemos equivocado*), because it is as if it has made us all forget, even those of us who know and never forget (*nos ha hecho olvidar a todos, incluso a los que lo sabemos y nunca lo olvidamos*), that this was a struggle for power, it was about politics.\(^{172}\)

Like all capitalist societies, this society was unequal. But the inequality was 7 to 1 not 35 to 1. Levels of illiteracy, infant mortality, misery had been eradicated. This city was poor, but the poverty was above levels of misery. The kinds of problems…the avoidable suffering had been avoided. This regression (*retroceso*) had to do with something Martinez de Hoz captured when he said “This is a country for 10 million inhabitants.” He said it, and he thought it, and they drove it to that place. The rest is excess, remainder, nuisance.

In a sense, the horrors of the dictatorship were being assimilated into an older and relegated narrative, one that posited a contradiction between liberalism and democracy. This was the historical constellation in which “Peronism aspired to be a viable hegemonic alternative for Argentine capitalism, as a promoter of economic development based on the social and political integration of the working class” (James 1988: 39). Of the decade leading up to Perón’s election in 1946, Laclau wrote in 1977:

> English imperialism was denounced for the first time as a dominant structural force in Argentinian history; liberalism was perceived as the political superstructure necessary for the subjection of the country to the agrarian oligarchy and foreign interests; the basis was laid for a popular and anti-liberal revisionism of Argentinian history. The decade of the 1940s thus challenged Radicalism with the disarticulation of its traditional political discourse: it now had to opt for liberalism or democracy (Laclau 1977: 187).

If previous instantiations of anti-imperial nationalism, in the 1930s, and then in the 1960s and 1970s, had criticized the oligarchy as anti-democratic, this argument now reached new heights. What better ammunition against liberalism, in its recent neo-liberal form, could there be

\(^{172}\) “*Y eso me parece, lo pensaba el otro día, que de alguna manera nos hemos equivocado, porque eso es como que ha... ha hecho... nos ha hecho olvidar a todos, incluso a los que lo sabemos y nunca lo olvidamos, que se trataba de la lucha por el poder, se trataba de política. Entonces, digo, esto...*”
than to argue that, in the search for the “sincerity of prices” \(^{173}\) (sinceridad de precios), 30,000 people had been disappeared?

This effort to figure the foreign debt as a political crime, transforming it from “sanctioned” to “unsanctioned wealth” in Roitman’s terms (2005), was most clearly captured in the inauguration of the *Museo de la Deuda Externa* (Museum of the External Debt). Located in a series of neatly renovated rooms in the Faculty of Economic Sciences at the UBA, the first exhibit at this museum, curated by professors and students, was called “*Nunca Mas*” (Never Again), the name of the commission assembled by the first democratic government in 1983 to document the procedures used by the military in the disappearances of 30,000 citizens. In the exhibit, the history of Argentina’s dependence on foreign debt, starting with the national revolution of 1810, was documented alongside military coups and other draconian moments in the nation’s political history. The museum was a material manifestation of a wider discursive formation, in which journalists, politicians and heterodox economists linked the horrors of the dictatorship not only to human rights violations but also to economic devastation, most recently a crisis that left half of the population beneath the poverty line. The evidence was in the numbers: the ballooning of the foreign debt during the military’s tenure from 1976-1983,\(^ {174}\) the dictatorship’s repression of the labor movement, and skyrocketing unemployment. In memorializing foreign/external debt, *librecambismo* – the economic doctrine whereby foreign debt was seen as a legitimate form of public finance – was symbolically laid to rest and relegated to the past.\(^ {175}\)

\(^{173}\) See chapter six for a discussion of this term.

\(^{174}\) The foreign debt quintupled, jumping from six million in 1976 to more than thirty million in 1983.

\(^{175}\) Of course, there were differing views among heterodox economists. Martin Rapetti, who worked closely with Roberto Frenkel at CEDES, made the point that one could not so clearly distinguish between foreign/external debt and public debt since some members of the Argentine public had bought, and indeed, owned this debt denominated in dollars. Frenkel was also not keen on the demonization of Martinez de Hoz, saying that the implementation of terrible policies did not necessarily make him a bad person. That he was invested in separating
This discursive formation helps shed light on why Kirchner often spoke of victims of the financial crisis and victims of the dictatorship in one and the same breath. His references to “genocide,” (genocidio) earlier used to refer to the end of monetary sovereignty, were double. The relationship between these two injuries was not left to be interpreted as a compendium of sequentially-related crimes. Very specific work was done to draw causal links between them, and it was this work that enabled Kirchner to insist that the fight for justice should be waged on two fronts: one against amnestied military officers and the other against neo-liberal policy-makers who imagined a nation without what Otero called “the campo popular” (popular field).

A Radical Tradition of Techno-Political Critique

If Jauretche captured the Zeitgeist for some, signs of disdain for the national-popular from the left (progres) were still easily identifiable, even among those who were relatively content with the direction politics was taking. I asked a 65 yr. old psychoanalyst friend who had been a Marxist while in medical school in the 1950s whether he had noticed the revival (in lecture series, etc.) of Jauretche. His response was: “oh Jauretche, you mean the Peronist right-wing nationalist?” I had variants of this conversation with other members of the progressive intelligentsia, young and old. A politically progressive audio-visual engineer of the same age, and close friend of the family, almost seemed irritated that I was “wasting my time” attending meetings of the “Catédra Libre Arturo Jauretche.” Even though the new elective department had

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the technical from the political is interesting given that, as a student of Frenkel’s recounted, for years, he would not agree to even sit on a panel with economists at the neo-liberal think-tank CEMA because their views had helped motivate the junta that disappeared friends.
been organized by a group of students and young faculty a year before our conversation took place, he already dismissed it as antiquated.

If Juaretche was tinged with the stigma of the national-popular, and – for a portion of the middle and upper-classes – almost irretrievably stuck within a cognitive-political space that saw “the national” as right-wing, some intellectuals were addressing this via a different route. While structuralist thought was born of a nationalist critique (Brown 2005), these ideas began to take more technical, more academic, and less threatening form in the work of Raúl Prebisch, who was director of the Argentine Central Bank from 1935-45. Based on empirical data on declining terms of trade, Prebisch (not politically a leftist, which no doubt increased his credibility) refuted the equilibrium theories of international trade which were gaining their most elegant articulation in the work of Paul Samuelson. According to Love, “Prebisch asserted, the nations of the periphery could not apply the same monetary tools as the center...this was a direct assault on the “economic science” of the industrialized countries.” If in the 1930s, Prebisch was treading on “doctrinal terra incognita,” (1980: 47) by 1944, he had coined the terms “center” and “periphery,” and in 1949, published what Albert Hirschman – marking the radical nature of the ideas – called the “ECLA manifesto.”

Though Prebisch’s views would ultimately converge with those of Jauretche, he was a safer figure to resuscitate, and for most of his life, his politics were difficult to categorize. Even La Nación, traditionally representing agro-export interests, published a lengthy article about him, celebrating – it made clear – the Prebisch who had worked for Sociedad Rural (Rural Society) and had been employed by the Revolution Libertadora rather than the Prebisch who, as Joseph Love put it, “has surely won himself a place of eminence in the history of the theory of

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176 ECLA/CEPAL was the U.N. Economic Commission for Latin America.
177 “Prebisch, un multifacético y polemico economista” (La Nación 4/23/2006)
imperialism‖ (1980: 65). In fact, Jauretche and Prebisch had an ongoing polemical discussion because Jauretche accused Prebisch of leading Argentina back into colonialism (El plan Prebisch retorno al coloniaje)\textsuperscript{178} – as soon as Perón was ousted – by renewing contracts with the IMF.

At work in post-crisis Argentina, without any doubt, was the revival of a structuralist “tradition,” understood in David Scott’s sense as “a special sort of discursive concept in the sense that it…seeks to connect authoritatively, within the structure of its narrative, a relation among past, community, and identity” (1999: 124). This was visible, not only in everyday ways of speaking about inflation, treated as an inter-subjective rather than a purely technical process, but at events such as the Buenos Aires Feria del Libro (book fair), one of the largest, and most widely attended, book fairs in the world and a symbol of pride among porteños. Among the people who lined up an hour before an event honoring the fourtieth re-edition of “La Economía Argentina,” a classic work by dependency theorist and ECLA/CEPAL economist Aldo Ferrer, the excitement was palpable. Indeed, if a tradition is a “socially embodied and historically extended argument” (1999: 123), then Ferrer, born in 1927, was its embodied spirit.

The panel opened with Roberto Lavagna, the Minister of Economy, positioning himself within Ferrer’s lineage, offering words of praise for a thinker who, as he put it “I should refer to as “my professor Aldo Ferrer, because I was his student a few years back (hace unos cuantos años atrás).” Attributing Argentina’s success to Ferrer’s ideas, he said “Today I think that Argentina, the Argentines, all of us, have again an opportunity to move forward, and a significant part of that opportunity is linked to the ideas of Doctor Ferrer.” Now, as in 1963, Ferrer spoke of the critical role that national identity played in the development of an economy and the need to “crecer desde adentro” (grow from within). In 1963, he wrote:

\textsuperscript{178}“The Prebisch plan Returns to Colonialism.”
While some countries rejected the centric vision... Others, like Latin American countries, and notoriously, Argentina, on account of its internal realities, subordinated themselves to central thought (se subordinaron al pensamiento céntrico) and, consequently, to underdevelopment.

Structuralist economics, as the above assertion makes clear, was a form of ethico-political critique, a trenchant analysis of the political rationalities underlying first-world economics. While such a perspective shared common features with post-colonial criticism, it was a fundamentally technical critique with practical implications for statecraft. That, in Argentina, and elsewhere in Latin America, the problem of decolonization was understood and configured not as one of juridico-political sovereignty but in terms of fiscal autonomy may explain why, when the target of intervention in the post-colony shifted from anti-colonialism to anti-imperialism, this Latin American expertise was of such use to Bandung Era economists. As Samir Amin wrote in Accumulation on a World Scale (1974), “There can be no doubt that the first edition did not do justice to the debt I owe, along with all concerned with a nonapologetic study of underdevelopment, to the Latin American writers on the subject. Raúl Prebisch took the lead in this field, and I have shown in this book that the theory of unequal exchange was founded by him... It is also to the United Nations Economic Commission for Latin America, of which he was the moving spirit, that I owe the essence of the critical theory to which I adhere...” (Amin quoted Love 1980: 64).

This history should help orient us to the version of “culture” in use when Ferrer asserts, as he did in an interview, that “Culture is now key for economic development.” Far from a post-ideological Geertzian version of “culture-as-constructed-meaning,” (Scott 2004) this was a claim to a valid epistemological place in the world. That this view involved a rather well-

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179 David Scott represents post-colonial critique as “the general project of reinterrogating colonialism, of applying the tools of a Foucauldian reading to the archive of Europe’s hegemonic knowledges about non-European discourses and practices” (1999: 132).

180 On 2/25/07 in Clarín “La cultura es ahora factor clave para el desarrollo económico.”
formulated rejection of Geertzian relativity, one that continues, as Scott argues, to presuppose a hidden center, was clear in an exchange I had with Rodrigo Lopez. While relaying debates taking place in the university, he asked skeptically “But what is pluralism? By all means, let there be a course where they assign Marx, the Keynesians…great but we have to use them so that they help us to meet the problems that we have.” Great care was taken not to succumb to this “omniscient epistemological vantage from which (and of course in relation to which) all difference is simultaneously available to a detached, surveying gaze which itself is not relative” (Scott 2004: 104).

If, as Partha Chatterjee has written, for the Calcutta middle-class, "the private domain was that marked by cultural difference: the domain of the "national," (1993: 75) one might say that, in Argentina, this 'national cultural difference' was asserted in the material domain of state-craft. In the mid-60s, with the New Left's Gramsci-inspired insights, economics came to be seen as cultural and culture as political. As Salvatore writes, a generation of dependency economists had believed that a “populist coalition” (2008: 769) was necessary to tame the laws of the market, and the unequal distribution of wealth between center and periphery. Love gives an even more specific rendition of this viewpoint, writing that, for Latin American structuralism: “The main difficulty lies not…in devising academic solutions which would reconcile stability with economic growth, but in achieving the social consensus which would permit such solutions to be implemented. Would the fiscal program suggested above ever be acceptable to the Latin American propertied classes? Is it at all likely that the tax collector could become the agent for pacifying the battling social classes?” (Love 2005: 93)

181 This competition in the very language of universality may account, in part, for the U.S. perception of Peronism as a major threat at the onset of the Cold War. Often referred to as "The White Evil" in U.S. popular culture starting in the 1950s (Allison 2004), the U.S. went to great lengths to cast Perón as a Nazi. See Semán (2009) for a discussion of the U.S. ambassador to Argentina, Spruillen Braden's largely failed efforts in the 1940s (at least among Perón's supporters) to tarnish Perón's popularity through such a smear campaign.
If culture was re-entering the realm of economics, none other than José Nun, Minister of Culture, was there to recognize, confirm, and officially embrace economics as cultural. Appointed by Néstor Kirchner, Nun is a distinguished political scientist, who has taught at UC Berkeley and the University of Toronto, among other places, and who for years headed the prestigious graduate institute IDAES in Buenos Aires (Instituto Argentino de Estudios Sociales). Attuned to the power of disciplinary divisions, Nun prefaced his talk by saying that, to do justice to Ferrer’s legacy, it was necessary to “rescue an old denomination” (rescatando una vieja denominación,” that of a “political economist” (“un economista político”). Referring to Ferrer alongside his Brazilian counterpart, Celso Furtado, as “two of the great intellectuals of Latin America,” he explained the deliberate use of this term given that economists in Europe prefer to be referred to as professionals. “An intellectual is someone who transmits ideology, a word that has been degraded that I want to recuperate in its best sense…the strong claim of this work is that “one cannot study economy, putting in parentheses, variables that are political, social, cultural.”

Nun seized upon the opportunity to make Ferrer relevant to a sensitive topic among the Argentine middle and upper-classes: nationalism. Speaking of Ferrer’s emphasis on the “economic importance of a genuinely national project,” Nun said:

I think that the best kept secret of the countries that we now call first world, is that the key of capitalist development, wasn’t even remotely the protestant ethic, even Max Weber admitted as much, which was only a focus, that the real key of capitalist development, to the extent that there can be one, was nationalism. It was nationalism well-understood (nacionalismo bien entendido) in the sense of the development of a genuinely national project.182

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182 “Yo creo que el secreto mejor guardado, de los países que hoy llamamos del primer mundo, es que la clave del desarrollo capitalista, no fue ni remotamente la ética protestante, esto lo llegó hasta a admitir Max Weber, que sólo fue un enfoque, que la verdadera clave del desarrollo capitalista, hasta donde pueda haber una, fue el nacionalismo. Fue el nacionalismo bien entendido, en términos de desarrollo de un proyecto genuinamente nacional.”
We can recognize in the term “nacionalismo bien entendido,” or what Ferrer later called “nacionalismo sano” (healthy nationalism) the problematic of good vs. bad nationalism identified by Chatterjee (1993). Nun attempts precisely to conjure the nationalism written out of, and disavowed, in liberalism’s autobiography, one which appears monstrous when it emerges in the post-colony. That the Secretary of Culture should be speaking about nationalism – however qualified and sanitized via Weber and others – was a bold step. He received a good deal of criticism from intellectuals, criticisms to which he openly responded.183

But perhaps more interesting still, Nun was raising the question of nationalism’s secret life specifically with regards to capital. This might be seen as an attempt to rethink the “capital/community opposition” that Chatterjee wrote “seem to me to be the great unsurpassed contradiction in Western social philosophy. Both state and civil-social institutions have assigned places within the narrative of capital. Community, which ideally should have been banished from the kingdom of capital, continues to lead a subterranean, potentially subversive, life within it because it refuses to go away” (1993: 236).

It was not accidental that this contradiction should be approached in 2005. It was part of a larger critique of the juridico-political conception of democracy that had held sway during the 1980s and 1990s. Nun opened the Plan Fenix conference by asserting that, contrary to what Alfonsin said in 1983, “We now know it is not the case that with democracy you eat, you have education, and you eradicate poverty. In and of itself, democracy is not ‘good government.’” At another conference, Nun asserted that you cannot have true democracy with extreme poverty. Without some reconciliation between capital and community, or an identification of the

183 Vicente Palermo’s critique in the “culture” supplement of Clarín/Ñ.
analytical barriers preventing the two from being thought together, the possibility of redistribution remained unrealized. And without redistribution, democracy would be hampered.

With the country reconstituting its monetary reserves, and tax collection at record levels, the question of redistribution was reemerging as an important political issue. The headline of one interview with Laclau was “Un Gobierno Nacional y Popular debe Redistribuir el Ingreso” (A National-Popular Government must Redistribute Income). José Pablo Feinmann had also been speaking and writing about the need to “democratizar la riqueza” (democratize wealth). At a conference sponsored by La Nación, which caused a philosopher friend to note with surprise that Feinmann was “polydiario” (read across newspaper lines split by political affiliation) and where he enjoyed a standing ovation, Feinmann asserted “if in a country as wealthy as Argentina – as we all know it is – people are starving, it is because some people have too much.” Feinmann’s rapport with Nestor Kirchner, who he knew read Pagina 12, did not stop him – indeed seemed to inspire him – to pose difficult questions:

A dear friend, a film director, didn’t have pants in 1950. He covered himself with a bag. One day Evita saw him, stopped, asked his name and had a pair of pants sent to him. It is true: the capitalist system did not fall, the Bembergs weren’t expropriated, the agrarian reform wasn’t undertaken, but my friend – a film director who, in 1950 had no pants, never forgot his first pair of pants. What is wrong with this government that it doesn’t create a Ministry Against Poverty? Why isn’t there an efficient campaign to take kids off the street and put them in schools where they should be? (Página 12 1/16/05)

A similar impatience was expressed to me by a friend of the family, a neurologist of seventy years who joined me at lunch one day and uncharacteristically burst into a tirade about how she’d be happy to pay an extra tax for the city because it was too distressing to see a certain

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184 Pagina 12 4/6/2008
185 He knew this because after writing a commentary on Kirchner called “Un Flaco Como Cualquier Otro,” which Kirchner read, and liked, Feinmann was contacted by Kirchner’s public relations person (vocero), to ask if Feinmann would join the president for a coffee. They began an extended conversation and Feinmann has just come out with a book about their friendship.
young woman with child “tirado al suelo“ (thrown on the sidewalk) outside of her building in the morning.

Nun's interventions might be thought of as attempts to dislodge the dichotomies of state/civil society and culture/economy that, together, contribute to the impasse of community and capital. Beyond sufficient funds and macro-economic stability, redistribution requires a notion of the economic subject distinct from the market actor of civil society who is inherently opposed to the state. Nun's preoccupation with the actor in question was apparent in his claim, in an impassioned talk at a New School conference on "Ethics and Debt" in September 2005, that "Argentina's problem is not the poor but the wealthy." Who, after all, would willingly pay taxes to the state if viewed, from the right, as a parasite, and, from the left, as an incurably bourgeois apparatus and/or engine of co-optation from some other pre-determined path?

Government-issued statements and reports suggested a concerted attempt to stretch the horizons of how people conceived economic subjectivity. Empathy and solidarity were among the affective and cognitive states that, it was suggested, could affect economic decision-making. As the journalist Mario Wainfeld noted while discussing the way booming commodity prices were pushing local prices up (because of what they could fetch on the international market), “The government spoke to producers with the heart (con el corazón) and “they” reacted with their pockets.” The blanket absolution offered by the idea of a natural profit-maximizing drive, one beyond the reach of a work on the self, was under siege. “Culture,” as the alternative to representations of economy as a set of natural processes, marked the entrance of ethico-political concerns into the realm of economy. Attributions of agency in economic decision-making ranged from heavy-handed by the Secretary of Commerce (Guillermo Moreno) to more subtle critiques

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186 Pagina 12 (7/24/05)
of cultura inflacionaria (inflationary culture). All drew a chorus of complaints from businessmen about the “bad business climate,” the “persecution,” and “intimidation.” These efforts also sparked a renewal of interest in the Laffer curve, the proverbial point beyond which taxation affects the desire to produce.188

As Alejandro Otero confessed, there was another obstacle to contend with that came from more surprising quarters. Speaking of the difficulty of getting members of his left-leaning team to collect taxes with conviction, and of the various disagreements about leniency with wealthy tax-debtors, Otero mused over what clearly appeared to him as something of a paradox:

How can it be that left parties in Argentina never fought for nor gave importance to the question of tax administration, in a country like this one, where given the parameters of capitalism, if one doesn’t deeply question the tax system and propose a reform, change is unlikely?189

Otero related this to “a strong dose of anti-statist thinking” (una dosis fuerte de pensamiento anti-estatal) among progressives, even those working for the state. As he put it, “Among liberal professionals in the city of Buenos Aires, I can’t speak for the country as a whole, even those that come out of a socialist tradition, vis-à-vis the relationship with the state, they are absolutely liberal in the classical sense (son absolutamente liberales en el sentido

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187 This was a term coined by the macro-economist Roberto Frenkel to refer to inflation as a complicated sociological predicament rather than a question of supply and demand of either commodities or money. An assertion near the beginning of an article by Roberto Frenkel and Martin Rapetti in the Cambridge Journal of Economics (2009) offers evidence that this more complex and multi-faceted economic actor was being explicitly brought into professional circles: “A key insight of structuralist and institutionalist economics is that economic behavior does not necessarily replicate identically in all countries. Economic structures, institutions and history play important roles in shaping agents’ behavior and therefore affecting macroeconomic outcomes. This should not be forgotten” (2009: 686).

188 “Al menos descubrieron que existe la curva de Laffer” (They finally discover that the Laffer curve exists) La Nación 12/12/2008.

189 “¿Cómo se explica que los partidos de izquierda en la Argentina nunca disputaron ni le dieron importancia a los organismos de administración tributaria, en un país como este, donde es prácticamente obvio que dado los parámetros del capitalismo, si uno no cuestiona de fondo el sistema y plantea una cuestión reformista...?”
clásico)... For those of us from left traditions, Marxist or not but left... that liberal tradition permeates all of us.”

If racial discrimination was perceived as an obstacle vis-à-vis solidarity with the national-popular, starting in the 1960s Marxism itself came to be perceived as another reason the middle-class had not assumed its "social debt." The repeated theme of respectful distinction from orthodox Marxism that came up with Rodrigo Lopez and José Sbattella referred to a specific history of self-reflexivity among the intelligentsia. Among the middle-classes, waves of Southern European immigration at the turn of the century had nourished a strong Marxist and anarchist tradition. Difficulty differentiating European historical and political realities from the very different realities of Argentine capitalism had stymied an assumption of this "middle-ness." As Altamirano wrote, citing a seminal articulation of this problem by Juan Carlos Portantiero in 1960, "The desolating truth about the left is that 'Ideologically we have been contemporaries of all the experiences and discussions of European Socialism' but observing Argentine history, one would need to draw the sad conclusion that each one of the eruptions of the Argentine masses occurred with symbols not only different, but also opposed to, what the left proposed" (1999: 322). In Nun's response to his critics, one could hear echoes of this position:

Left intellectuals have returned to known positions, including anti-Peronism that is still not well metabolized,” adding that “Many intellectuals are quietly supporting this government, but in some sectors there is fear to expose themselves because, in general, intellectuals understand their critical function as the equivalent of not supporting the government (de no ser oficialista). To support

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190 The vision of state and civil society as two discrete, opposed entities is a critical aspect of liberal theory and modern liberal governmentality and has been the subject of much commentary (Chatterjee 1993, Somers 2001, 2008, Calhoun 1992). As Somers writes in an essay articulating the difficulty of thinking the public or what she calls “third sphere,” she writes: “For Locke, Smith, and Marx, the freedoms of the liberal state embodied private interests alone. And although Marx, of course, saw these as bourgeois freedoms that supported the exploitation of labour, this did not in any way affect his view of the state as an expression of private interests. In perfect harmony with Anglo-American citizenship’s metanarrative, Marx’s source of freedom was also to be found in civil society – only for Marx it would be a more developed stage of civil society, one that followed the demise of capitalism and the bourgeois democratic state” (Somers 2001: 43).

191 Reflecting this, porteño slang for leftists is zurdos (southerners).
what is good about an administration is not being oficialista, but rather fulfilling the role of a progressive intellectual.

Such affective and disciplinary barriers had led Otero to pour his energies into creating a postgraduate program in tax administration at the UBA. As he told me, sounding very much the student of Foucault, “the tributary client has to be created.” After years of attempts to draw attention to the importance of tax administration, he relayed a certain satisfaction that it had finally “become an object of reflection” (“se convirtió en objeto de reflexión”). While there were prominent left tax policy specialists in Argentina, among them Salvador Treber, Jorge Gaggero, and Juan Carlos Gomez Sabaini, tax administration had not received the same attention.

A common critique of dependency theory, already proclaimed exhausted in the late 1970s, was that it sought to externalize problems rather than grappling with a country’s internal problems (Brennan and Rougier 2009). Self-consciousness of this tendency was humorously relayed in a joke that was circulating in these circles, apparently told by an economist of Ferrer’s generation, about the return of ideology, nation, and anti-imperialism. “When I was twenty, I thought that imperialism was a hairy hand that was grabbing me by the scruff of the neck (una mano peluda que me agarraba del cuello y apretaba), at forty I became a sophisticated economist and I thought the problem was more complex, and at sixty, I see imperialism’s big hairy hand approaching again….‘

Despite the suggestion that dependency theory relied upon what David Scott calls a Fanon-inspired “narrative of liberation,” (Scott 1999: 197) a romantic overcoming where the oppressor is expelled and freedom reigns, I heard something quite different. What was called for was a sustained work of the self upon the (nationally located) self, the self in a political

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192 He spoke alternatively of the “desarrollo del cliente tributario” (development of the tributary client) and he said “el cliente tributario es una construcción social” (the tributary client is a social construction).

193 I discuss the strategies developed by the AFIP and Rentas de Buenos Aires to promote tax collection in a paper not included in the dissertation.
community (Foucault 1988, Scott 1999). This work of self-examination was palpable in exchanges I heard at the Economics Working Group, sponsored in part by the Argentine Observatory at the New School, and held in the Banco Nación, one of the buildings surrounding the Plaza de Mayo. The meeting, which assembled roughly twenty heterodox economists, was held in the Salón Prebisch, an elegant room with extraordinarily high ceilings, wood paneling, and the aura of grandeur that Beaux-Arts architecture can lend. Cautioning against certain destructive predilections, Martin Abeles critiqued a colleague’s paper for its tone of anticipatory failure. “Before we were incapable of operating the Central Bank and now we are incapable of an industrial politics (politica industrial)...” he complained collegially, suggesting that the paper naturalized Argentine incapacity and played into the trope of Argentina as “the failed modernizing nation” (Salvatore 2008). In advising his colleague to spend more time devising new potential strategies rather than dwelling on thirty lost years, he attempted to redirect analytical efforts from the past to the future.

This work of the self upon the self would yield, it was hoped, not an absolute freedom but rather the ability to assume debts of one’s own choosing. For Foucault, the “practice of freedom” was characterized by an ethics of concern for the self, a reflexive labor that could only develop within particular fields of power relations. Rodrigo Lopez’s two volume tome entitled “Imponernos”(Taxing ourselves), a play on the word “impuesto” (a tax, or literally to impose) and “imponerse” (to impose upon oneself), exemplified the idea that taxation could become a technology of freedom, conceived not as an “overcoming power, but realigning it, turning it elsewhere, turning it toward itself” (Scott 1999: 213). Implicit here was a re-conceptualization of taxation, not as a technology of repression and extraction but one that, if properly managed, could allow for the materialization of cared-for values and ethical frameworks. This desire to
forge – through progressive tax policy, administration, and macro-economic policy – circuits of indebtedness that could promote inclusion and equality within the nation offers a self-conscious iteration of what Roitman has called “the productivity of debt” (2005).

As Otero said of his decision to accept the mayor’s offer to direct the city’s tax administration in 2000, “This is a political position for me, before being a technical one, despite my technical specialization in this field.” He had accepted only on condition that the mayor, Aníbal Ibarra, would support him in canceling the contracts with a company that had been in charge of the city’s privatized tax database in the 1990s, and he noted he would not continue in this position if Ibarra’s political opponents won. To his mind, it was unsurprising that Rentas had spiraled into disarray when it had been privatized. “If there is no mystique, no strong ideological component (si no hay mística, si no hay un componente ideológico fuerte), tax administration cannot be done well. It is only bearable with the conviction that it produces changes desirable from the point of view of a certain ethic (produce cambios que son deseables desde el punto de vista de una cierta ética), a certain normative framework or a commitment with the interests of the majority.”

The novelty of this opportunity was palpable. It had been foreclosed with the politics of indebtedness (politica de endeudamiento) when, as Otero put it, “the tax went into flight” (el impuesto se fugó). In Lopez’s formulation, debt servicing was “that form of surplus value that materializes in foreign debt payments from periphery to center (la plusvalía centro-periferia se ve concretado por el pago de las deudas externas) (2003: 34).” Addressing a different kind of

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194 “Me parece que en la administración tributaria si no hay mística, si no hay un componente ideológico fuerte es absolutamente insoportable la tarea del administrador tributario. Yo creo que uno sólo puede hacerlo con la convicción que lo hace porque esto produce cambios que son deseables desde el punto de vista de una cierta ética, un cierto marco valorativo o de un cierto compromiso con los intereses de la mayoría. Parece que la cuestión del compromiso ético y cierta mística es absolutamente... importante para que la tarea se haga bien.”
flight, the ECLA economist Daniel Heymann spoke to a hundred or so people at a *Plan Fénix* conference on the subject of “*nuestra fugalidad*” (our tendency to capital flight), suggesting that economists, as members of the middle and upper-classes, should not be exempted from examining the effects of their own aversion to store wealth in national currency. Heymann had recently co-authored a report for ECLA specifically focusing on how elite expectations participated in Argentina’s macro-economic volatility.¹⁹⁵

Matias Kulfas, a thirty-something economist who I met at the Economics Working Group and had become as of 2007, Director of the *Banco Nación*, spoke in 2005 of the revival of Arturo Jauretche. “I love reading Juaretche….and it seems all my friends are reading him…” What he said next struck me as relevant to David Scott’s skepticism “about the strategic value of antifoundationalism for postcolonial criticism” (1999: 142).

Kirchner has cast discussions in terms of “nation and empire,” of Argentina in a fight against the IMF. Partly, it is true. But it is partly farce…Have you read Marx’s 18⁶th *Brumaire of Louis Bonaparte*? In the first paragraph, he writes: ‘Hegel says that history repeats itself twice, but he omits that the first is a tragedy and the second as farce.’ That is a wonderful phrase. The first story was with Perón and, in many ways, it was marvelous, even if it ended in tragedy. And what came afterwards is all this...what is happening now: a farce where each one tries to accommodate facts to their own convenience (*los hechos a su conveniencia*). It is pure rhetoric (*Es pura verba*).

Admittedly, there are many ways to interpret this statement. “Pure rhetoric” could be read as an expression of hopelessness and dismissal of the possibility for political change. And it is not accidental that Kulfas raises this text, Marx’s critique of Jacobinism, which Stallybrass calls the first crisis of Marxist theory (Laclau 2005: 145).¹⁹⁶ But these words, coming from a

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¹⁹⁵ This was reported in an article entitled “*Argentinos Europeos*” in *Página 12*, 11/25/2006.

¹⁹⁶ Laclau articulates Stallybrass’ argument as follows: “As he points out, the difficulty that Marx faces in his early analysis of Bonapartism in The Eighteenth Brumaire is to determine the social nature of the regime – given that all political regimes should be the expression of some kind of class interests…This gives the Bonapartist state a higher degree of autonomy than that enjoyed by other regimes which depend on a more structured social base…This crisis is synonomous with the emergence of political articulation as absolutely constitutive of the social link” (2005: 145).
politically left economist, now at the head of a major public bank, who regularly publishes articles in academic journals and in Página 12, suggest something else. The second time around may be “farce,” but let’s get into the fight because which ideology prevails has consequences. There was an anti-foundationalism built into the return to tradition, but this did not lessen a commitment to reaching goals not dissimilar to those put forth at Bandung. If “pure rhetoric” included granting affordable loans to small industries, supporting a progressive tax on the agro-export industry, implementing a poverty alleviation plan, renationalizing social security, and re-funding higher education through the CONICET, perhaps the question could be differently posed. Might it not have been because of a tradition of anti-foundationalism rather than in spite of it that this new energy and hope existed?

As Robert Young writes, in 1971, even Laclau was unhappy about the emphasis on trade in much structuralist and dependency theory (2001: 55). One might conclude from this fact that here was a form of techno-political critique that was anti-foundationalist before even those who would almost subsequently come to be defined by the term. This aspect of dependency theory – that it was a frontal critique of capitalism that did not reproduce or rely upon the “internal dialectic of a logical contradiction” (Scott 1998: 140) – seems to have been under-appreciated by scholars, in part, one might surmise, on account of prevailing disciplinary divisions.

It seems worth returning to the claim made by many scholars who attribute the ‘exhaustion’ of dependency theory in the late 1970s to the fact that it was “not cultural enough.” Approvingly citing other authors, Young writes “the earlier failures of dependency theory were

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197 Characterizing the Bandung Era, Scott writes, “The ideological commitments that sustained it were an ethos of egalitarianism and social justice, a social democratic welfarism, a sense of service, and a faith in its own basic reasonableness and decency.” (1999: 191) In an interview with Kulfas in 2011, he states that in 2002, the debt was 172% of the GDP while in 2010 it is 23% of the GDP (Página 12 2/8/2011). On the economic legacies of Kirchner’s legacy, after his death in October 2010, the Secretary of Work wrote that unemployment had gone from 21.5% in 2002 to 7.9% in the second trimester of 2010 (Página 12 11/1/2010).

198 This is the acronym for the Argentine Council for Science and Technology.
partly due to its excessive attention to economic and political forms of domination, and its failure to address adequately what Tucker calls ‘the cultural dimension of domination’ (Young 2001: 55-56, see also Wolfe 1997). For his part, Salvatore writes: “We have examined representative expressions of anti-imperialism, both in its nationalist and New Left incarnations, and found them wanting…Leftist writings of the 1960s and 1970s criticizing U.S. imperialism were also centered on economic and political influence. Few of these writers engaged a cultural critique” (2008: 779).

But given Ferrer’s interventions in 1963, it seems reasonable to ask whether definitions of “culture,” as construed by the authors above, were broad enough to discern the interventions that dependency theory was making into the governmental discourse of political economy. While critiques of economism have a long history, Timothy Mitchell has poignantly observed that anthropologists and cultural theorists have nonetheless been slow to grasp economy as cultural – that it has continued to play the role of a ‘ground’ against which the cultural acquires and sustains its identity (2004). Nun’s presence at the opening of several Plan Fénix conferences, at Aldo Ferrer’s book fair presentation, and at the “Ethics and Debt” conference at the New School might be read as attempts to continue challenging boundaries between economy and culture, ensuring the legibility of a form of critique whose radical implications had neither been given its due or taken to its full potential. 199

199 Commenting on the “insurgent nationalist political economy” of early 20th century India, Manu Goswami writes of the radical politics implied in “a profound challenge to the political-economic imaginary and regulatory order that underwrote Britain’s globe-spanning imperial economy…By reworking the problem of autonomy and development with specific reference to colonial unevenness, they radicalized its political signification, deepened its social reference, and transformed the “original” in turn. Listian developmentalism as recast in a range of colonial and peripheral contexts – from late nineteenth-century India to twentieth-century Korea and Kemalist Turkey – had a socially radical afterlife outside its original constituency precisely because of its articulation with distinctive forms of spatial unevenness and experiences of temporal nonsynchronicity” (2005: 216).
Keith Hart has recently emphasized the relationship between money and memory, writing that money is a means of memory and collective identification (2000). While money can indeed be a pathway of recognition and memory, it seems critical to note that memory is more central to some monetary policies and political rationalities than others. The money of the 1990s was, in the words of the sociologist Alexander Roig, “una moneda sin pasado” (a money without a past). Drawing on interviews with those who made the decision to implement the currency board, Roig suggests that it was chosen because it was an attempt to break with history, to start a clean slate. Given that the state’s primary commitment was to upholding conditions of free-market exchange, this was an economy that ran, until it imploded, on the premise that national credit and sacrifice was unimportant to circulation.

What was re-initiated in the post-crisis period was an economy nourished by, and nourishing of, memory. This was visible both in the government’s plea with ‘price-setters’ to show solidarity (solidaridad) with struggling consumers before marking up prices, as well as its recurring attempts to raise consciousness of that object – the people – in whose name, it was argued, national circulation should ultimately occur. If political accountability and the explicit acknowledgement of mutual debt was central to Kirchner’s political vision, it was only logical that memory should occupy a central place in this economy. Indebtedness is a relationship that extends through time, and without memory, accounts cannot be properly kept.

It was not enough for Néstor Kirchner to critique, as he persuasively did, the rapacious form of agonistic exchange in which the IMF had engaged. He also had to simultaneously trace, and indeed model – through discursive interventions – a different form of exchange. This project
was aided by experts and intellectuals from different generations who brought their own dashed aspirations – either of “national liberation” in the 1940s, 1960s, 1970s or the “democratic transition” of the 1980s and 1990s – and the self-reflexivity that these dreams deferred had occasioned, to their respective pursuits.
CHAPTER 5

“Entrenched in the BMW”: Argentine Elites and the Terror of Fiscal Obligation

On the afternoon of March 10th 2006, I was in my Buenos Aires apartment when the phone rang. It was Juan Eder, director of operations of Territorial Management of Rentas, the tax administration of the Province of Buenos Aires. I’d met him in previous months while conducting participant observation on operativos (tax operations) in summer resort towns on the Argentine coast. “Mireille, if you want to see a “secuestro de auto” (car seizure), we’ve been in front of the Miraflores gated community since 6:30 am this morning waiting for a tax-debtor to arrive. It’s the car that got away from us yesterday. I’m not promising you anything special, in fact, it may be a total waste of your time, but since you mentioned you’d like to see a secuestro…”

It was around 5 pm when I arrived at the gates of Barrio Miraflores, the afternoon sun still strong. The gated community was at the bottom of an off-ramp of the Panamerican highway in an area called Pilar. Less than an hour’s drive from Buenos Aires, gated communities flourished in Pilar during the second half of the 1990s, drawn in part by the low property taxes, characteristic of poor areas, and the allure of escape from the growing crime and indigence wrought by neo-liberal structural adjustment policies (Thuillier 2005, Svampa 2008 [2001]). Some forty-five minutes after I arrived, Rentas inspectors pulled over the black 2000 BMW

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201 While “secuestro” is a juridical term that refers to the confiscation or sequestration of property, it is also the word used to refer to kidnapping of persons by the state (“the disappeared”) during the last dictatorship.
they’d been searching for, driven by a man of about sixty-five years by the name of Osvaldo Rosen, an architect who, I later discovered, owns several pharmaceutical companies.\footnote{For purposes of confidentiality, I have changed the names of the tax-debtors (trying nonetheless to represent ethnic identity), but not experts/administrators, who are public figures.}

The \textit{secuestro de auto} was one of the new administrative technologies for tax collection included in the fiscal code that the Buenos Aires legislature signed into law in December 2005. \textit{Herramientas de cobro ejecutivo} (technologies for executive collection) are those which, at least in a first instance, bypass the judicial system. While they are routine in many first-world countries and have been held, if rarely used, by the AFIP, the Argentine national tax administration, they are unprecedented at the provincial level. The tax collected through such measures is considered \textit{deuda exigible} meaning that the legitimacy of the debt is rarely in question but the tax administration has failed in its efforts to compel timely payment from citizens. Designed to offset very regressive tax policies, and the improbability of tax policy reform at a national level, the law was designed to focus exclusively on wealthy tax-debtors, owners of luxury cars who are believed to have \textit{capacidad contributiva} (contributive capacity).\footnote{The term “contribution,” used by the tax administration, is an attempt to cast tax along the lines of gift, a ‘voluntary’ payment that bestows moral recognition to the giver (Mauss 1925 [1950]). The idea of “capacity” is also indicative of how limited the tax administration knowledge of citizens’ income is, elaborated further in what follows.} It was stipulated that if a tax-debtor owns a car worth more than 35,000 pesos and has accrued a debt on the license tax of more than 10% of the car’s value, the vehicle can be confiscated by the province until the tax-debt is paid. Property titles, the law made very clear, would not be transferred. If the tax-debt remained unpaid after sixty days, the decision about whether to return the car would be presided over by a judge.

Concerned about the provincial budget deficit, Santiago Montoya, the Subsecretary of Public Revenues of the Province of Buenos Aires, set out to end chronic late-payment, called
morosidad, and to collect from the estimated 500,000 tax payers who owe the Province. By the time of this operation, Montoya had already garnered a high profile as a polemical figure, known for his frequent media presence and for bringing conviction and creativity to a famously lackluster job. While part of a generation of young technocrats affiliated with the neo-liberal think tank *Fundación Mediterranea* during the 1990s, his politics were difficult to categorize. He had joined forces with Alejandro Otero, a politically left tax administrator in charge of the city of Buenos Aires tax administration to found an organization dedicated to granting more autonomy to provincial tax administrations (CEATs). While de-centralization is often a neo-liberal trope (Ferguson 1994 [1990]), in Argentina, fiscal de-centralization aims to reverse the effects of neo-liberal policies of the 1990s, where, increasingly subject to the criteria of foreign debt payments, tax collection became centralized and divorced from redistributive aims (Gaggero 2005).

The tax operation in front of the barrio Miraflores, the third *secuestro de auto*, turned out to be the most contentious in years, a dramatic stand-off between state and citizen that lasted seven hours and made front-page headlines for days. The situation quickly escalated into a public drama when Mr. Rosen and his wife, allegedly unable to pay two-thirds of the debt, the amount stipulated by law to avoid temporary confiscation of the vehicle, and unwilling to surrender the car, locked themselves in their car in protest. Furious and indignant, Mrs. Rosen declared that if *Rentas* employees wanted to take the car, they would have to sequester the couple as well -- and this was *secuestro de personas* (kidnapping of persons). With these words, she conjured the 30,000 persons “disappeared” during the last dictatorship (1976-1983), awakening ghosts that de-stabilized any simple picture of whether state or citizens were perpetrators of a crime.

What occurred that evening was not an isolated confrontation between the tax administration and citizens but a televised class conflict. The act of civil disobedience occurred
at 7pm and dominated the evening news until 1am. It was the sensationalist TV news media that flashed the title “Atrincherados en el BM” (Entrenched in the BMW) across television screens in Buenos Aires homes, but the language of war very much reflected dynamics at the scene. As the crowd grew to about two hundred people, it became increasingly polarized by class. Poor people from surrounding towns gathered on one side of the road chanting “Viva Montoya!” and “Aguante Montoya!” (Hang in there! or Resist Montoya!), and “Fonavi! Fonavi!,” the name of the nearest town, and also, not unimportantly, the acronym of the national public housing administration Fondo Nacional de la Vivienda (FONAVI), responsible for planning and developing it. Across the road, members of the gated community portrayed themselves as victims of state persecution, expressing outrage at being treated like criminals. Images of the state could not have been more opposed: the poor felt protected, represented, and even vindicated by the state’s efforts to target wealthy tax-debtors while members of the gated community declared that this was “terrorismo fiscal” (fiscal terrorism), arguing that their constitutional rights were being violated and that the state’s actions were “salvaje” (wild) and “medieval.”

In the face of myriad TV cameras, at least fifty poor people gathered in support of the tax administration, buses whizzing by on the Panamericana honking in support, the tax-debtors who owed 15,000 pesos after three years of non-payment were furious and indignant. What were the political logics sustaining their self-righteousness? What did the tax-debtors mean when they said, even though Rentas employees were acting well within the fiscal code, that “the attitude is illegal and immoral”? What are the naturalized models of proper exchange between state and elite citizens? And how have these models, developed within governmental histories, shaped the subjectivity of those doing the exchanging? While the tax-debtors are – at least at an economic

204 At the time, this was equivalent to approximately $5,000 dollars.
register – indebted to the state, what is the nature of the debt they feel the state has yet to cancel with them?

In this essay, I contend that the administrative technology of *secuestro de auto* embodies a rationality of government regulation akin to what Foucault called *Raison d’État*, the art of government that emerged in the seventeenth and eighteenth century to rationalize the existence of the state (Foucault 2008). *Raison d’État* was characterized by the collection of detailed knowledge about individuals through administrative processes, critical to the forging of links between sovereign and subjects and to the consolidation of authority over a territorial domain. Where under *Raison d’État*, the sovereign acted in concert with “moral, natural, or divine laws” (1979: 18) to protect its subjects, in the middle of the eighteenth century, with the rise of political economy, the state begins to concern itself with protecting the integrity of a new object, “population,” which Foucault describes as “a kind of complex composed of men and things…men in their relations, their links, their imbrications with those other things which are wealth, resources, means of subsistence…” (1991: 93). The development of “governmentality,” the combination of disciplinary knowledge and interventions that would enable the “conduct of conduct” without an apparent “sting,” was contingent upon the emergence of “population,” an object that, while conjured into being through the operations of sovereign power, would simultaneously enable the problematic of sovereignty to recede from view.

Foucault’s work was a major intervention into what some theorists have called liberalism’s autobiography (Scott 1999, Chatterjee 1993). While figured by its proponents as the exercise of limited government, associated with the removal of state power, Foucault argued that the shift to liberal regimes of government did not signal the passage “from an authoritarian government in the seventeenth century…to a government which becomes more tolerant, more
lax, and more flexible” (2008: 62). While by the end of the eighteenth century, from within the discourse of social contract, *Raison d’Etat* would “be called, already with a backward glance, the police state” (2008:37), liberal regimes of government were characterized by “the intensive and extensive development of governmental practice” (2008: 28), critical in developing what Foucault called the totalizing and individualizing ‘double bind’ of European modernity. The difference between forms of government should be conceived, he warned, not in terms of “quantities of freedom,” so much as shifting criteria for the state’s legitimacy: a focus on justice had ceded to one on truth.

To gain insight into both the intensity and tenor of elites’ reactions, and the particular strategy chosen by the provincial tax administration, Partha Chatterjee’s governmental re-reading of the distinction between “civil society” and “political society,” one which enables an assessment of forms of regulation as they exist in different geographical and class spaces, is especially helpful (2004). Addressing what he sees as a tendency in liberal democratic theory to romanticize “civil society,” the formal legal space envisioned in republican theory, where autonomously constituted subjects ‘freely’ enter into market transactions, Chatterjee argues that the operation of this realm, limited in scope as it may be, is dependent upon the administrative realities of “political society.” In political society, power is statistical, quantitative and totalizing, geared towards apprehension of the welfare of a population, treated as its own ‘finality.’

While many porteño upper-class citizens deeply identify with Western Europe, priding themselves on their seamless inclusion with the continent, many hold what I will argue is an idealized and partial vision of what European liberalism entails. When governmental forms of power are exercised in Argentina, they are read through this idealized republican lens and experienced as a repressive, authoritarian, backward (anti-European) assault on human rights and

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205 *Porteños* are residents of Buenos Aires.
civil liberties, including by many citizens who consider themselves *progres* (progressive). The trajectory of state-formation in Argentina, one where Argentine state-builders’ prioritized the fiscal policies characteristic of “civil society” over those of “political society,” has led to the development of a particular form of liberal Argentine stagism, one where government policies to enforce “direct taxation,” fully normative in Europe, are dismissed as “medieval” and backwards, associated with a historical phase that must be surpassed.

Direct taxes such as property taxes, are often cited as a distinctive feature of modern state sovereignty, and were a critical political technology in a nexus of state and subject formation, in European states and its colonies (Tilly 1993, Gross 1993, Roitman 2005). Extracted from particular individuals liable for payment, direct taxes require the state’s recording personal details characteristic of “political society,” a process that, at least in democratic regimes, requires the state’s provision of an explicit and persuasive rationale for taxation, and entails a communicative process. In democratic regimes of late seventeenth and early eighteenth century Europe, eliciting direct taxation was an affect-laden process, one generative of “public credit,” and therefore of monetary circulation in the nation-state (Tilly 1993, Braun 1975, Bourdieu 1999). Not all forms of taxation lend themselves equally to the cultivation of fiscal obligations. Indirect taxes, for instance, collected at the point of sale or at seaports, often require little administration and individualized regulation, and tend to be parasitic upon the market transactions of “civil society.” Where direct taxes tend to be progressive, indirect taxes are notoriously regressive (Lieberman 2004).

Historically, the Argentine state has levied most revenues from taxes considered “indirect,” drawn either from import duties or sales taxes (Centeno 1997, Oszlak 2004), which has significantly shaped forms of “economic citizenship,” the term Janet Roitman uses to
describe “the economic relationships instituted between individuals or communities and the state” (2007: 189) as well as national belonging, even less frequently theorized in relation to fiscal and monetary policies. This has led to a form of liberalism without governmentality, accentuating an attribute of liberal democratic theory, the belief that, as Chatterjee writes, the “lofty political imaginary” of “civic nationalism” can be achieved without the “mundane administrative reality” (2004: 36).

The monetary policy called convertibility, whose dramatic collapse in December 2001 triggered the largest sovereign debt default in history, drew heavily upon the discursive repertoire of “civil society,” representing its extreme manifestation. Implemented in 2001 to stem the hyper-inflation of 1989-1990, the policy pegged the peso and the dollar, luring foreign capital with high interest rates on an over-valued peso and no capital gains tax. Under the banner of “juridical security,” a term which signaled a transnational deployment of legal expertise to construct markets and promote the Washington Consensus (Trubek and Santos 2006, Dezalay and Garth 2002) the Central Bank was divested of the ability to adjust interest rates, a critical tool for regulating money supply, especially in times of crisis. The IMF, whose green light to investors and loan disbursements were essential to the currency board’s sustainability, recommended an indirect and regressive tax, an increase in the IVA (a federal value-added tax), similar to a sales tax, which could be channeled towards debt servicing. While revenue collection was centralized, provision of health and educational services were de-centralized, creating an inevitable crunch for provincial governments (Gaggero 2005: 66-68).

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206 The IMF’s recommendations reinforce a clientelist pattern whereby provincial governors plead for a portion of funds collected at the national level, often in exchange for political favors. The revenue-sharing agreement called “co-participation,” implemented in the wake of the Great Depression to meet foreign debt payments, is still the major source of tax revenue for many provinces.
The confrontation at Miraflores may be understood as symptomatic of the extension of sovereign regulation to “civil society,” a form of power that, while critical to the formal market and legal individuality to which the tax-debtors aspire, seems to them utterly antithetical to it. Through the unanticipated reverberations of media exposure, television viewers simultaneously caught a rare glimpse of elite Argentine consciousness as well as the contours of ‘population’, an entity in-formation on whose behalf the state could claim to speak. Among Argentine elites, the authenticity of such an object is widely contested, given its association with Peronist populism. While many residents of the gated community could only grasp support for the tax administration as evidence of clientelist manipulation, the images and sounds captured on the evening news generated powerful effects. The series of unscripted, and for the tax administration, fortuitous events, infused its actions with legitimacy, enabling it, however temporarily, to make tax payment intelligible, not as an offensive intrusion but a broadly accepted civic obligation.

“What kind of Image will the World have of us?”: The Misfortune of Being Argentine

To capture Mr. Rosen, the BMW owner’s tone and argument, below is part of a radio interview conducted early the next morning. The host, Marcelo Bonelli, who writes editorial columns for Clarin, the most widely circulating newspaper in Argentina, and hosts a weekly primetime TV news commentary, “A Dos Voces,” is a well-known journalist.

MB: Now, Osvaldo, I wanted to ask you, because the law that gave Montoya these powers was approved in December 2005 -- it was all over the papers. Montoya said, “I am going to confiscate cars, there are many,” I think he mentioned 2000 cars eligible for sequestration and people responded so the number decreased to 797. There were warnings and the list of debtors’ names
posted on the Internet as of January, but this is March. Last week they confiscated a car and it was all over the news; didn’t it occur to you that this might happen? Wouldn’t it have been better to lose a day going through the payment process? Because the truth is that yesterday was a real mess.

Mr. Rosen: Look, the truth is this is a car that we’ve barely used, and one reason is simply that we never received the tax bill. But I want to tell you: it wouldn’t have simply, as you say, been a question of deciding to waste one day in two years to pay. Over the last few years, the only way to find out how much we owed was to subject ourselves (someterse) to the miserable solution of standing on line to pay, as one does in Argentina. That is, I think we should not have to, nobody should have to, stand on any lines and have to be pressured and have to be used…

MB: What did your friends from the “country” (gated community) say yesterday?

Rosen: No, that they were absolutely on my side, because they suffer (sufrir) in diverse forms – not just friends from the country, I’m speaking about Argentines in general. That is, this is an absolutely unjust pressure, set-up, prearranged, theatricalized, epitomizing Mr. Montoya’s attitude, and manipulating the media. Waiting for me as though I were a delinquent at the door of my house!…The attitude is illegal, it’s immoral.

Rosen: Mr. Montoya, through his dependent, that person who he depends on, told me I shouldn’t protest, because in reality, what they are doing is something patriotic, things of that nature (lo que se está haciendo es algo patriótico, cosas por el estilo). I want to add something that may be of interest to you. There was a journalist and an American anthropologist there who was observing all of this and, this is part of the image they are going to have of us in the whole world. What is more, Mr. Montoya is accentuating a permanent provocation where not only…

MB (interrupting and now sounding both exasperated and a bit offended): Now, you know what Rosen? It is also a provocation to drive around with such an expensive car, owing taxes when in this country poverty rates are at 34%. Doesn’t this make you feel bad (no se siente mal usted)?

Assuming that he will garner sympathy and support from the journalist, Mr. Rosen expounds at length on the abhorrent service provided by the provincial bureaucracy, and the indignity which citizens suffer when they face “the miserable solution of standing on line to pay, as one does in Argentina.” By displaying his familiarity with how tax payment works in what are understood to be more advanced countries, Mr. Rosen conveys his belonging to a class beyond
the nation, one deserving of better service than that offered by the local Rentas office, which he and his wife depict as rife with crime and corruption. This privileged, trans-national perspective makes him feel authorized, not only to establish Argentina’s pathological deviation from an implicitly “first world” norm, but also to speak for all Argentines. When the journalist asks how his friends in the gated community responded, Mr. Rosen refuses the prompt, insisting that he is speaking for all Argentines, a somewhat surprising claim given the poor people cheering the tax administration.

Mr. Rosen exemplifies the permanent labor of comparitivism by which upper-class Argentines anxiously judge and map themselves according to historical and ‘civilizational’ signposts. This self-assessment via the European or U.S. gaze, a kind of Dubois-like “double consciousness” is very clearly captured in the Como Nos Ven (How they see us) column in the second page of Clarín, the most widely read daily newspaper, which re-prints articles about Argentina that are published in other countries. But, as evidenced by Mr. Rosen, attentiveness to information mediated in specular fashion is not mobilized for self-critique but as a vehicle for distinction. Critique is reserved for those deemed responsible for this state of affairs -- politicians, state employees, and Peronist clientelist networks.

Via this play of mirrors, Mr. Rosen is also wielding a threat, for which I, the American anthropologist, become his medium and inadvertent instrument. “I want to add something that may be of interest to you. There was a journalist and an American anthropologist there who was observing all of this and, this is part of the image they are going to have of us in the whole world.” The threat wielded is that Rentas’ “transgression” will tarnish Argentina’s image and thereby its attempts to produce itself for external consumption or investment. This reflects a deep-seated conviction, daily portrayed in La Nación, the traditional liberal paper read by most
professionals, that foreign direct investment is the lifeblood of the Argentine nation. When “the world” disapproves, as Mr. Rosen is persuaded it will, Argentina will be culturally and economically cut-off, left to languish in its South Atlantic isolation.

Mr. Rosen echoes the logic of the currency board called “convertibility,” the exchange rate policy that, from 1991-2001 pegged the peso to the dollar by ensuring a constant influx of foreign capital. Not only was this policy credited with ending the hyper-inflation of the late 1980s but by making the peso and dollar commensurable, it offered Argentines the much-coveted experience of recognition in an expanded sphere of circulation. The recurring complaint of bad management and poor service provision wielded by members of the upper-middle class reluctant to pay tax, often expressed as “no hay contra-prestación” (there is no counter-prestation) is ironic in light of political support shown by this sector for Carlos Menem’s second term in 1995. Coined the voto cuota (credit installment vote) by left political observers, this was a vote for the monetary stability enabled by “convertibility,” even though this policy was inevitably tethered to reckless privatization and divestment from public services.

The journalist, clearly irritated by Mr. Rosen’s apparent indifference to the ethical censure directed at him, represents the re-emergence of a paradigm that has gained in intensity in the aftermath of the financial crisis, one where, rather than siphoning off economic concerns from moral sentiments, as per Adam Smith’s famous recommendation, it is proper to show concern for one’s poorer neighbors. This posture is embodied in the Peronist revival embodied in Nestor Kirchner’s calls for a “national capitalism” and his re-signification of the default, the largest sovereign debt default in history, not as cause for shame or humiliation, but as a gesture of refusal of neo-liberal policies.
Fiscal Terrorism or Routine State Administration?

Some clues to the political logic sustaining the tax-debtors view that the burden of shame should fall entirely on the state may be found in the links repeatedly made between law enforcement and brutal state-sponsored violence. When a Rentas employee acknowledges Mrs. Rosen’s complaints of bad management and long lines at the local branch office, the conversation takes an unexpected turn.

Rentas employee: You know, we are trying to change the way things work…for the past two years, it has been possible to download one’s tax-debt over the internet…

Mrs. Rosen: But like this…suddenly with a blow (así de golpe)²⁰⁷? Striking a child is not the way to achieve change! (Así, pegándole a una criatura, no se cambia)! On the contrary, you create further resentment…

Rentas employee: But…this isn’t…

Mrs. Rosen: But this…you are so badly managed. This is so badly managed! Give us an appointment and we’ll go in on Monday and do what we’re supposed to. And that’s the final word. Give us the option. I can’t afford to lose a whole day of work starting at four in the morning to go pay something that could be paid in five minutes, or half an hour -- max.

Rentas employee: As I said, efforts are underway…

Mrs. Rosen: Well, that this not change with me, that there not be deaths before it changes. This is a death! (Pero que no cambie conmigo, que no haya “muertos” antes de que cambie. ¡Este es un muerto!)

Rentas employee: The issue…

Mrs. Rosen: Don’t kill me!!! There have already been too many deaths! (¡A mí que no me maten!!! ¡Ya bastantes muertos hubo!)

Enveloped in a narrative of state terror, Mrs. Rosen claims that the retention of the car is her own death and that its’ confiscation infringes upon her integrity as a person. Interspersed with accusations of this terrifying spectacle, referred to by some residents of the gated community as a

²⁰⁷“Un golpe” means a blow and is simultaneously the term for a ‘coup d’état’.
caza de brujas (witch hunt), there are patronizing demands regarding how the state should manage its affairs, indicative of an entrenched struggle over who is sovereign, and who, therefore, is entitled to make the final decision over when and how payment is made.

The comments from a fellow resident of the gated community, who introduced himself to me as “a small industrialist,” suggest a similar conflation of law enforcement and state terror.

Diego: Do you know why this infuriates me? Because I’m a son of the Holocaust (soy hijo del Holocausto). And I know what should not happen. Where does this lead? It’s that simple. See how little things…they lead and lead…And where will this stop? How many people owe license tax? How many people owe ABL (tax on city lighting and street-cleaning)? And now what – are you going to cut off the water and gas supply of all these people? Three years ago this country (este pais) was on the verge of going up in flames…It’s not a BMW from 2006, its a 2000 model. Of course they don’t make this point on the TV news, which simply says “BMW.” Look, I’ll show you five-hundred cars that are worth far more than this one.

Participating again in the portrayal of a tyrannical state preying on innocent citizens, here we see that the dichotomy also deceptively works to blur class lines among ‘victims’. Those people who might be susceptible to water and gas cut-offs, who are indeed vulnerable, are not by any stretch the owners of luxury cars being targeted by the tax administration. Quite the contrary, it is in their name that such operations are taking place. In yet another attempt to re-direct the state’s gaze away from his neighbors, this time not through the poor but the super-wealthy, he suggests the administration should go after even more affluent elites than people who own an ‘old’ 2000-model BMW.

What to make of citizens’ accusations of state brutality given what seemed a high degree of professionalism on the part of the tax administration? With the dictatorship discredited across the political spectrum, the accusation of human rights violations is a powerful trump card, used

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208 Not only does the tax administration have no control over cut-offs but water provision was re-nationalized in 2006, a new state-owned gas company is in formation, and cut-offs are far less frequent post-crisis.
in different political contexts to paralyze the administrative actions of the state. When new regulatory measures are implemented in Argentina, even those considered standard in countries so often romanticized by elites, they are often cast as authoritarian aberrations. In this context, the conjuring of the dictatorship’s violence might be more adequately thought of as “hacer un escándalo” (to create a scandal), a game of power, where elites hope to shoo-off the usually quite flexible authorities, either through intimidation, threats, the offer of extra-official payment, or “confession.” The latter trope was effectively mobilized by the first tax-debtor to have his car sequestered, an accountant who owed 15,000 pesos of debt on his Mercedes SUV but whose vehicle was promptly returned when a judge granted the tax-debtor’s appeal for shelter in the wake of multiple TV and radio show appearances where he “confessed” (yo confieso) to being a late-payer.

Montoya complains that to carry out his job effectively, people must be made aware that the laws are being enforced, that punishment is meted out for legal infractions. However, in the wake of the last dictatorship, the state’s use of anything resembling fear to discipline citizens carries an intense cultural taboo. Conservative economic groups, those adamantly opposed to progressive taxation, have become adept at mobilizing this taboo, accusing Montoya of being a “terrorista fiscal” (fiscal terrorist) who unconstitutionally claims “superpoderes” (superpowers). The judiciary is portrayed as a reservoir of moral authority against the arbitrary intrusions of executive power.

In a December 2005 article in a Buenos Aires financial daily, Luis Maria Peña, an ex-functionary of the national tax administration during the 1990s, lashed out against the 2005 new fiscal code.

“It is to bastardize the Constitution and the rights of citizens, emphasized the ex-functionary, adding that with a norm like the one approved yesterday by the
Buenos Aires legislature the state “becomes the ultimate judge, no matter if it is right or not.” He explained that “this way the contributor’s right to defense in a trial is violated” and it “affects the rights of private property, and I’m not the only one saying this – listen to the tax specialists and the constitutionalists. But if all those who know aren’t listened to and the legislators perform due obedience, this unfortunate situation comes about” affirmed Peña.”

Feeding upon and promoting the intense civilizational anxiety discussed earlier, the debate about eliciting tax payment is inserted into a broader set of preoccupations about where Argentina stands in the hierarchy of civilized nations. Another very conservative tax specialist, Oscar Vicente Diaz, is quoted in the same article on the new fiscal code:

“In 1937 there was a tax decree by Adolf Hitler that was still in effect in German democracy,” related Vicente Diaz, while also mentioning that a law like the one sanctioned yesterday in the Province only has “antecedents in some small African quasi-republic (republiqueta Africana).”

The debate has become a full-blown semantic war waged largely in geographical and temporal terms. Interweaving two metrics for backwardness, one which emphasizes totalitarianism and the other, economic underdevelopment, the key terms to symbolize backward policies are Nazi Germany, the last Argentine dictatorship, Medieval Europe, and an always nameless African Republic.

For as long as these kinds of arguments are effectively mobilized, the tax administration will continue cazando en el zoologico (hunting in the zoo), a term progressive tax specialists use to denote how, unable or unwilling to track down the wealthy and their wealth, the poor and salaried middle-classes, those within the regulatory grid, are easy prey, receiving the brunt of tax hikes. By contrast, and in-keeping with the zoo metaphor, independent professionals and business people, roam free. A related lament is that, contrary to most industrialized countries, historically, Argentine tax administrations have placed far more attention on juridical persons (personas jurídicas) such as corporations, than physical persons (personas físicas). Since
juridical persons are eminently elusive, as their more colloquial name of ghost societies 
(sociedad fantasma) suggests, and are not required to be territorialized in the body of a person, or a nation-state for that matter, their headquarters tend to be off-shore in Uruguay, Switzerland or the U.S, safely tucked away from the tax authority’s field of vision.209

The Judicialization of Politics

Many residents of the gated community juxtaposed the violence of executive power to the fairness of the judicial system. Echoing the logic revealed earlier, executive methods of collection were characterized as “uncivilized” and “authoritarian” while the judicial system, symbolizing democracy and the republican “rule of law,” was imagined as “modern.”

Resident of Miraflores: You want to sequester a car? Send an order with a judge, a jury that intervenes, and ask that the vehicle be sequestered. But this…this is crazy…fifty policemen to create a total circus. Twenty television stations…

Nobody has the right to take a vehicle. Nobody. Only if the justice system decides it, which is what the justice system is for. This is why the judicial system exists, right? Or does everyone mete out justice as they see fit?

But contrary to the idea “para eso está la justicia” (this is why the judicial system exists), the judicial system is neither set up to elicit timely payment nor to collect late taxes210. It should therefore not be surprising that it does a terrible job of both. The judicial process is so overloaded and slow that, more often than not, the statute of limitations on collecting debt expires before the

209 The paradox of poverty in a country that is a net exporter of private capital is captured in the headline “51% of private savings, outside of the country: Experts recommend seducing national capital to ensure continued growth” (La Nación 11/24/05). Montoya launched a campaign in 2005 to track down undeclared off-shore accounts. By monitoring activity on credit cards emitted from off-shore banks and their signatories’ tax declarations, he claimed that of the 250,000 foreign credit cards being used in the Province, only 8,500 are declared (Clarín 6/18/2005).

210 Judicial systems are never tasked with tax collection, existing rather to hear cases of aggrieved citizens who want to appeal the way taxes are collected or the amount collected.
case makes it to the docket. It is well-known that barely any tax-debt is collected through lawsuits.

In a September 2006 profile in *La Nación* magazine, Montoya claims that, if he were to rely exclusively on the judicial system, it would take him two hundred and thirty-seven years to collect the debts from the lawsuits he has initiated in the last three years.\(^{211}\) He calculates that of the eighteen courts, operating two hundred twenty days per year dealing exclusively with taxation, less than one sentence is issued every two days where at least ten should be. He often portrays the judicial system as the playground of the wealthy, who can, through the “*industria del juicio*” (lawsuit industry) purchase just about any exception. Moreover, lawyers, who derive pecuniary benefit from these lawsuits, are opposed to Montoya’s new administrative techniques because, as Eder said, “*rompen corporaciones*” or they interfere with strong corporate ties among legal professionals or between these and government officials. These networks have heretofore faced little resistance because legal professionals have tended to congregate in the “grey zones” surrounding the state, likening the state itself to a “hollow core” (Dezalay and Garth 2002: 123).

As a variety of tax administrators explained, filing lawsuits to compel citizens to pay a debt whose legitimacy is not contested but simply unpaid is a symptom of something gone terribly awry. For decades, the judicial system has been used as a poor substitute for tasks that, in first-world countries, are done via “executive” administrative procedures that arrange the disposition of things and men; they are such a routine part of everyday life and dispositions that they are barely perceived. According to Foucault, in governmental regimes, “it is a question not of imposing law on men but of disposing things; that is to say, of employing tactics rather than laws, and even of using laws themselves as tactics – to arrange things in such a way that, through

\(^{211}\) *La Nación*, “24 Horas con un Sabueso,” (Twenty-four hours with a Sleuth), September 24, 2006
a certain number of means, such and such ends may be achieved” (1991: 95). But governmental power, where law is internal to sovereignty, rather than drawn upon to shield against its encroachments, depends upon the prior consolidation of territorial authority, which, evidently, the provincial tax authority does not have.

Throughout the evening, the Rosens argued that the tax bill had never arrived, a pillar of evidence in their portrayal of the state’s incompetence. For their part, Rentas personnel firmly countered that, not only had the tax bills been sent over years, but that in the days preceding the secuestro, multiple notifications of the impending operation had been hand-delivered. When I asked the Director of Collections to explain the confusion around addresses, he explained, matter-of-factly, that the Province has had an “object-centered” rather than a “subject-centered” tax system. Until now, a car or a house has had an identifying number bearing no relation to the person’s income tax identification number. As neither catastro, the registry for houses, nor the registry for cars has not been linked to the income tax registry, beyond what the citizen has chosen to declare, the provincial state has not had the appropriate technology for determining who owns a given property. This has inhibited the state’s capacity to use property as an institution for regulating relations among persons through things (Verdery and Humphrey 2004). Working closely with catastro, Montoya was actively involved in forging these links to develop a comprehensive tax identification number like the CUIT (Clave Única de Información Tributaria), already consolidated at the national level during the 1990s.

In Argentina, administrative laws enforced to manage the links between “men and things” are deeply unfamiliar to the wealthy. When Mr. Rosen says the “attitude is illegal” and suggests that Rentas, by coming to his door is treating him like a delinquent, this may be attributable to a conception of law exclusively as a set of constitutional principles, a myopic
‘external link’ (Foucault 1991 [1978]: 90) that neither sees nor regulates bodies or things. Administrative policies, primarily interested in the disposition of things, are apprehended through a narrow juridico-discursive reading of sovereignty and experienced as a brute imposition on men.

The absence of discipline in the fiscal realm has shaped prevailing views of the proper relationship between law and violence. One might argue that the novelty of law enforcement leads citizens to confront what Walter Benjamin (1978 [1921]) identified as a central paradox of the liberal modern state: the law’s origin in violence. While law, the pillar of the modern state, defines itself through reason and in opposition to violence, it is constituted through violence, a fact seldom appreciated in regimes of government where violence has been naturalized through disciplinary measures which have emptied it of what Foucault called its “sting.” One man, a lawyer from the nearby wealthy neighborhood of San Isidro, told me that he was so appalled while watching the evening news that he jumped into his car and raced over. Turning to the TV cameras, he shouted:

This man has the right to circulate freely!! They think they can stop him? There comes a moment when you can’t oppose force with reason (A la fuerza no te podés oponer con el razonamiento). You can’t meet a bullet with philosophy, neither Sócrates’ nor Plato’s, you need to fire another bullet -- otherwise they will hit you first.

For this lawyer, who embraces the very idealized and sanitized notion of modern statehood that Benjamin refutes, the law’s ‘contamination’ by violence becomes the keystone in its wholesale refutation. State coercion is construed as mutually exclusive with law and reason, and, as such, justifies the taking of law into his own hands, indicating the fragility of the state’s monopoly on violence in the absence of governmental power.
Without denying the tangible pathos of this man’s experience of the “bullet,” or of Mrs. Rosen portrayal of the *secuestro* as a disappearance, I will suggest that “death” is used to figure a particular experience of loss occasioned by the encounter with an unfamiliar form of power: *fiscal regulation*. What is experienced as death may refer to the birth-pangs of a new economic subjectivity, provoking a shift in the affective and experiential boundaries of selfhood.

Far from helpless subjects under the shadow of a ruthless dictator, in the realm of taxation, wealthy tax-debtors have come to expect and even feel entitled to silver-glove treatment from the tax administration. In the absence of administrative and legal faculties to enforce tax payment, the Province, desperate to bring money into its coffers, has for years come to rely upon tax amnesties, incentives and prizes. To lure citizens to pay, it has offered *moratorias*, payment plans with discounts on either the principal or interest. The consistency of these exceptions has undermined the state’s authority, initiating a reversal of power relations whereby the state, when fiscally troubled, is at the citizens’ mercy. Since these general amnesties have been offered with some, albeit unpredictable, regularity, they are almost a state-sponsored terrain of speculation. It is common knowledge that citizens “*se financian*” (finance themselves) through the state, choosing to accrue tax debt rather than borrow from banks because, sooner or later, the tax administration will forgive the interest on their debts. These periodic amnesties, whereby infractions are met with rewards rather than punishments, make a mockery of those who pay on time, ultimately causing a deep sense of arbitrariness and injustice among compliant tax-payers.

Without well-developed policies for disposing of “men and things,” the social body is far less densely permeated by capillary power relations – one of the primary technologies of which is national money itself. \(^{212}\) This is precisely why *hacer escándalos* (creating a scandal) in

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\(^{212}\) See Roitman for a discussion of money as the “materialization of French colonial power” (2005: 10).
matters of state bureaucracy has worked so effectively in the past – the tax-debtors rely on the fact that “the emperor has no clothes.”

As a result, the tax-debtors don’t know how to categorize administrative laws that are enforced and constrain their agency in some way. Elite citizens hold so tenaciously to the idea that the law should work in their favor, and against the state’s encroachment, that when it doesn’t, they assume that forces outside the law must be corrupting it.

Mrs. Rosen: It makes no sense that they should sequester the car! (No tiene sentido que se cuentren el auto!) It is fraudulent (es un dolo) to do this to us. I know it is a disposition, surely they passed a law by decree…they passed a law by decree so that you could come into the streets.

Mrs. Rosen: Osvaldo, they passed a law by decree, did you know?

Mr. Rosen: What?

Mrs. Rosen: They passed a law by decree.

Juan Eder: No, laws are laws, decrees are decrees. They passed a law by “law.” That is, it wasn’t passed by decree. It was passed by the legislative branch.

Even the fully legitimate law-making process, made by democratically elected representatives, does not safeguard against attacks of authoritarianism. Mrs. Rosen’s views echo the words of Luis Maria Peña, the former head of the national tax administration quoted earlier, who lambasted the new fiscal code, arguing that the laws should be made by experts, tax specialists, constitutionalists, those “who really know what the Constitution says” (los que saben) rather than representatives who act according to “due obedience” (legisladores que actuan con obedencia debida). Displaying disdain for the legislature as a law-making body, he places trust in experts and technocrats equipped to decipher the Constitution. Peña’s use of the term “due obedience” is a grave condemnation of elected officials. The term became part of everyday lexicon when, in 1987, a law of the same name (Ley de Obedencia Debida) exempted military officials who
complied with and facilitated state terror under the premise that they were just following orders. The decision was experienced as a major setback for democracy, and became a rallying cry for human rights activists. Given that Peña advised all of Argentina’s dictatorial regimes, the suggestion of an equivalence between military officials and legislators, not only signals his distrust of democracy but the degree to which its language has been re-appropriated by those most skeptical of its virtues.213

If one analyzes the progression of the debate, the Rosens ultimately lock themselves in their car because they are unsuccessful in their attempt to strike a different deal, to offer Rentas employees a sum of money less than what is stipulated by law.214 While the tax-debtors complain that executive methods of tax collection are authoritarian, what they implicitly demand -- the power of pardon or exception -- calls for a kind of arbitrary power indistinguishable from a monarchico-religious model of state power. The calls for forgiveness or special treatment endow the politician with an exaggerated power, characteristic of a deity, antithetical to the secular-democratic practice they claim to want.215

When state employees do not concede, however, it is they who are accused of acting anachronistically. During the radio interview that took place the next morning, Mr. Rosen again invoked this powerful stagist imaginary, exemplifying what Fabian calls “temporal distancing,” (1983: 30):

“The man who was there on behalf of Mr. Montoya, Juan Eder, told me that he was following orders from Mr. Montoya, as though we were in medieval times, with protocols of due obedience -- we could say this whole story is from medieval

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213 The article, published in El Argentino (3/20/09), explains that Peña joined the ranks of public administration in 1955, when Perón was deposed by a military coup and has consulted for the state in democratic and dictatorial regimes for forty years.

214 “We can pay $3700, or around that. If you have the kindness to escort us to a bank, this is our offer. If you don’t accept, we’ll just sit in the car...What do you want? That I go to begging? Shit!... Where do we stand (En que quedamos?)”

215 See Foucault (1997: 96) for a specific discussion of this question.
times. We have never stopped fulfilling our obligations, and the reality is that everything has been set up for sheer media effect.”

Portraying Juan Eder as Montoya’s unthinking puppet suggests that the more modern, democratic, individualized form of action would be negotiation, flexibility, and making decisions without consulting with his supervisor. The temporal slippage, the simultaneous conjuring of the dictatorship and feudal times, produces ambivalence around what constitutes appropriate forms of action. If Juan Eder were following orders during a dictatorship, this would indeed be worthy of condemnation. But in a democracy, it is considered good practice. In fact, in the eyes of many, in democratic times, not following orders is the space of individual discretion and agency where ‘corruption’ is said to occur. In fact, it was this very argument that Mrs. Rosen wielded against the tax administration when, frustrated that Montoya would not appear in person as she demanded (“he is a citizen just like us!”), she threatened that he might suffer the same ignoble fate as Aníbal Ibarra, the recently impeached mayor of Buenos Aires, ousted not on direct corruption charges but for not adequately controlling the non-official and corrupt exchanges between the owner of a nightclub and city safety inspectors that led to a deadly fire. Such flagrant double-standards demonstrate the degree to which tax-debtors are ensnared in, and perpetuate, the very practices of statecraft which they hold in contempt.

After seven hours of mayhem, the BMW was not towed. When Mr. Rosen called an ambulance fearing all this stress might aggravate a heart condition, Montoya decided that the Rosens could keep the car for the weekend and pay the following Monday. Rentas employees who had been in phone contact with Montoya relayed his insistence that this decision was not a

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216 The secuestro occurred only one week after the impeachment. Critics argued that, despite scant evidence against Ibarra, a progressive politician, he became the opposition’s scapegoat to quell the rage of parents of the 150 teenagers who died in the fire.
wholesale pardon of economic sins but was instead intended, foreshadowing an emergent theme, to preserve life.

*Taxation as the “Non-Modern” core of the Modern: A Revindication of “Political Society”*

Montoya’s critics, citing the Constitution as a major symbol and arbiter of modernity, claim that his methods violate human and private property rights. Without challenging their belief in a civilizational hierarchy, he responds by questioning the authenticity of their claims to know what modernity is. Banking on the solidity of France as the standard bearer of civilization and modernity among elites in Argentina (Rock 2008), he recounts that what are cast as fascist technologies in Argentina were inspired by a trip to France in 2005 where he was hosted by the French national tax administration. While there, he saw the tax administration seize and auction off the property of tax-debtors without the slightest involvement of the judicial system. Like any other admir ing upper-class Argentine tourist, he claims to have brought these technologies home as a “souvenir.” A week after Miraflores, at the CEATS conference in Mar del Plata, Montoya addressed Mr. Albert Bovigny, a French government tax official who had been invited as a special guest:

“In addition, in the special case of Mr. Bovigny, I need to apologize, I need to request sincere apologies, because some judges, Mr. Bovigny (raising his voice), feel entitled to give lessons regarding individual guarantees and human rights to, no more or no less than, the French Republic!! Because, we, with our administrative technologies, which are 30% of the tools of France, are violating so many rights and guarantees that I don’t even want to think about what the French are doing!…”

The “no more or less than” refers to France as the birthplace of human rights, and in so doing, Montoya not only offers respect for the sanctity of origins but also places Argentina back
in its proper place in the geo-political order of things as its judges have, arrogantly and immodestly, spoken out of turn (Morris 2001). Performed through the gesture of an apology, he restores the gift of authority to its rightful proprietor. His deft use of irony suggests that, while he may not mistake this narrative for an ontology, neither does he hesitate to deploy a civilizational hierarchy towards what he perceives as worthy ends.

Regarding judges’ decision to authorize the appeal for shelter (amparo) from the first tax-debtor to have his car sequestered, a decision which appeared to be guided by religious rather than juridico-political principles, Montoya takes issues with judges’ tendency to interpret the Constitution as if it were scripture, questioning their humanistic pretensions.

“I was searching through the Bible and I didn’t find anything at all on absolute rights of private property nor any of these questions that are supposedly constitutional. With all due respect, the problems that face us are ours, those of humanity. We don’t need to ask God anything. The Bible can’t be changed — we can’t remove or add even so much as one comma. But in all other realms, it is we, with sufficient consensus, who are capable of changing it.”

Through this pedagogical exercise, Montoya underscores the causal relationship between the state’s difficulty eliciting taxes and the enduring problem of monetary instability in Argentina, the periodic devaluations and inflationary crises that produce a perpetual feeling of insecurity and are experienced as a treacherous violation of private property rights. The state’s chronic failure to fulfill its function as creditor, as trustworthy lender of last resort, he argues, is attributable not only to moratorias (amnesties), institutional practices that regularly endow citizens with a notion of themselves as the state’s creditors rather than its debtors, but to what Montoya identifies, via his mention of “absolute private property rights,” as judges’ antiquated attachment to a notion promoted by the nation’s forefathers. Deploying the stagist argument that is frequently leveled against him, he criticizes judges’ reverence of Article 17 in the Argentine Constitution of 1853, which establishes “the inviolability of private property, thus providing for
private property a protection clearer than the one afforded by U.S. Constitution, which merely forbids the taking of property without due process of law” (Berensztein 2004: 332).

This Constitutional Article embodies what Jeremy Adelman has described as the priority placed by nineteenth century Argentine state-builders upon securing private property rights over consolidating public law (Adelman 1999), an effect, I contend, of what Jane Guyer calls “institutional political sequence” (1992). The incorporation and widespread circulation of liberal doctrines of political economy in eighteenth century Buenos Aires prior to the regularization of fiscal interventions that, starting in the seventeenth century in Western Europe, laid the groundwork for Central Bank credibility and the stabilization of fiduciary money indispensable to market transactions, made fiscal interventions far less palatable to elites. With Juan Batista Alberdi, Argentina’s principal ideological mentor of liberalism and the Constitution’s author, deeply committed to the trans-historical existence of homo economicus and citizens’ “economic freedom” (Rapoport 1984), the Argentine state was unable to instill in its elite subjects an ontological feeling of indebtedness, one materialized in the practice of taxation, that in Western Europe, had derived from the state’s successful self-fashioning as an exceptional protector of “collective rights,” and a sovereign entity worthy of sacrifice.

In Argentina, the temporal sequence of governing rationalities, followed by the would-be sovereign’s continually exposed debt, and, in many cases, outright insolvency, has interfered with the realization of a dynamic -- fiscal sovereignty -- which I’ve argued is critical to what endows the law in modern states with “mystical authority” (Derrida 1990). The term refers to a state’s ability to elicit in subjects a feeling of indebtedness, one not subject to cancellation or the reciprocal laws of market exchange, while simultaneously concealing what would otherwise logically follow from the relational nature of debt: consciousness of the sovereign’s
vulnerability. As with Mauss’ description of gift exchange (1990 [1925]), time, form, and appearance play a critical role in the state’s ability to manage the directionality of economic obligation vital to fiscal sovereignty.217

Let us briefly return to Mrs. Rosen’s comment that the confiscation of the car is equivalent to her disappearance. Her comment captures what might be called ‘disjunctive liberalism’ to refer to a trajectory of state formation characterized by a celebration of rights (Salvatore 2000) without an established language of fiscal obligation, fueling a deep conviction among liberals that “civil society” could exist without “political society,” and that liberalism could exist without governmentality. Insofar as the secuestro represents the enforcement of “political society,” one might say that Mrs. Rosen effectively calls on human rights, a liberal humanist discourse par excellence, to halt the advance of a technology intimately tied to the emergence of the liberal subject. The paradox, of course, is that the autonomous individual whose freedom it is imagined the state is intruding upon, is, as Foucault and others such as Rose (1999) have argued, the effect of productive technologies, direct taxation among them, responsible for the apparent ‘naturalness’ of homo economicus and the rights-bearing citizen of “civil society.” In this context, the frustration, pathos, and divestment expressed by the Rosens throughout the public drama might be seen as symptomatic of a form of liberalism that is permanently at war with itself, one where governmental interventions are perceived as non-liberal aberrations of “economic freedom,” rather than their indispensable conditions of possibility.

While he has been chided for the Robin-Hoodesque tenor of his discourses and practices, and the accusations leveled against him by studio participants on “Otro Tema” that he is

217 See chapter one for further discussion of the term “fiscal sovereignty,” which offers a materialist, if non-economistic, account of the dynamics productive of what Blom Hansen and Stepputat call the “secret of power” (2005: 5).
“inciting a class war,” Montoya is neither an enemy of liberalism nor of property rights.\textsuperscript{218} Having worked for ten years with Domingo Cavallo, the author of the convertibility plan of the 1990s, a device which effectively used the law to interrupt (monetary) politics, he is an unlikely person to show irreverence for the discourses of “civil society.” But since assuming as provincial tax collector in 2000, Montoya has eschewed the methodological individualism intrinsic to the economic sciences, which undergirded the policies of the 1990s. In a magazine interview, he claims to read Machiavelli for inspiration,\textsuperscript{219} a thinker whose conception of power, not unimportantly, was elaborated before politics became reified into the distinct entities of state, civil society, and individual – their relational and mutually constitutive origins increasingly hidden from view. While Machiavelli’s concern with maintaining his principality led emergent social contract theorists to define themselves against him, he was still occasionally appreciated for trying “to identify, without any natural model or theological foundation, the necessary relationships between governors and governed intrinsic to the city” (Foucault 2004 [1977-78]: 245). Arguably, Montoya revisits this earlier repertoire of political thought because it offers a model of statecraft where the relations of dependency and debt between subject and sovereign, are still apparent.

The crucial role played by the figure of ‘population’ in re-affirming the state’s right to tax, a technology at the very heart of sovereign power, offers an ethnographic portrayal of Wendy Brown’s recent observation that “Sovereignty does not simply unify or repress but is both generated and generative. It promises to convene and mobilize the energies of a body to render it capable of autonomous action” (2008: 253). This is a comment made, not

\textsuperscript{218} In May 2006, a long segment on channel TN referred to him as “Robin Montoya” and the left-leaning newspaper \textit{Página 12} published an article detailing how a tax audit of the meat-packing industry resulted in the seizure of products and their delivery to the Ministry of Social Welfare for distribution.

\textsuperscript{219} \textit{La Nación} 4/30/2005 “Santiago Montoya: Yo tuvé que pagar y soy resentido.”
unimportantly, in the context of remarking upon the seldom discussed relationship between the historical origins of modern state sovereignty and the circulation of currency in a territorially bound space. While Brown astutely observes that “sovereignty works as currency and through currency, not only through law and command,” (2008: 256) it may nonetheless bear repeating, given its mysterious absence from liberal accounts, that currency’s circulation begins with taxation, the “fundamental monetary relation” (Ingham 2004: 138), which, borne of hierarchy and accompanied by the specter of violence, simultaneously generates confidence (Aglietta and Orléan 1998, 2002). The public drama at Miraflores might then be seen as the re-awakening of the “productivity of debt” (Roitman 2005) in the context of the provincial economy.

Extra-Judicial Politics and the Moral Economy of Taxation

In the days following Miraflores, both Clarín and La Nación published readers’ internet polls indicating very high ratings in favor of Rentas’ actions. It was surprising to see that 50% of polled readers of La Nación, the newspaper that regularly publishes editorials on the excesses of “fiscal terrorism” in Argentina, thought that the secuestro de auto was justified in all cases and another 27% thought it should be deployed solely for targeting luxury cars, amounting to 77% percent of reader approval for this case. What engendered a shift of public opinion at Miraflores, I suggest, was the rare glimpse a nation polarized by spatial and class lines caught of itself on the same visual horizon.

Despite the class polarization at the scene, hints that some residents of the gated community might disapprove of the tax-debtor’s stance were foreshadowed by one lawyer who circled the crowd screaming: “Pay your taxes, you criminal! This is not Menem's time, when you
roamed free! Nobody crashed your party then! The party is over, man! The party is over!"

Pointing to the dense, high shrubbery surrounding the gated community, another young resident of Miraflores suggested that these were walls were put up to diffuse mounting tension and class self-consciousness borne of income disparities. “Before they covered up (taparon) the fields up in 2001, we’d be playing in these luxurious fields and people would be heading home…walking on dirt roads to the shantytown …and they would cling to the fence watching daddy’s boys playing soccer (estaban así colgados de la reja viendo cómo los nenes de papá jugaban al fútbol).

When the public drama came up in conversation over the course of the following weeks, on more than one occasion, professionals I knew mentioned particular shock and verguenza ajena (embarrassment on behalf of another person, presumably someone one would normally identify with) about a TV clip where a well-dressed woman, a resident of the gated community, lashed out against the poor, inveighing “Why don’t you shut up? You wouldn’t eat if not for us!” What was shocking about this statement, they relayed, was the “feudal” logic it laid bare, the insinuation that economic dependency should elicit nothing but gratitude, stripping away a space for contestation in what should ostensibly be a public sphere. Contesting this injurious comment, one of the working class neighbors retorted with a double insult: “These are the people who took all of the money during Menem’s time and clamor for the return of the dictatorship!”

The tax operation at Miraflores was exemplary of a technique that has become the hallmark of Montoya’s administration: “el escrache.” In colloquial usage, this term refers to the public shaming or ‘unmasking’ of a person who has committed a transgression of some kind – be it a misdemeanor or an infidelity – but who has escaped sanction. Insofar as “escrachear” involves the staging of a dramatic performance, it confers an aura of cunning and creativity to
the person orchestrating the revelation. The concept of the *escrache* first began circulating to refer to a method of extra-judicial punishment developed by a human rights organization, *HIJOS* (children), composed largely of children of the disappeared, after the 1987 laws of “due obedience and final stop” impeded the judicial system from bringing military criminals to trial. HIJOS would identify the residence of ex-military officers and go *en masse* to their homes with drums and banners to publicly sanction them as criminals. The *escrache* might be thought of as a parallel law, one that emerged to compensate for the vacuum of accountability.

By emulating these methods of public shaming, Montoya places the tax administration on the side of the ‘original’ proponents of the human rights movement, challenging his critics’ claims as its rightful heirs. Through the *escrache*, he draws an analogy between the de-legitimized judges who amnestied military criminals and those who currently grant impunity to wealthy tax debtors -- de-stabilizing the notion of the judiciary as the ultimate bearer of moral authority.

Montoya’s enfolding of this civilian technique is especially powerful given that, since the financial crisis of 2001, many Argentine human rights organizations have broadened their agenda beyond the protection of individual human rights to emphasize the provision of social and economic rights. Within this paradigm, the dictatorship’s criminal legacy has expanded to include the state’s adoption of neo-liberal policies, seen as responsible for dismantling social programs and vastly increasing class inequality. This changing landscape of progressivism, one that has engendered a shift from the individual to the ‘population’ as the operative unit of

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220 In August 2003, these amnesty laws, the laws of due obedience and final stop, were repealed by the National Congress. Since its inception, the Kirchner administration has been praised by progressive groups for its support of the human rights movement.

221 See, for instance, the document written in 2002 by three major, widely respected human rights organizations, Las Abuelas de la Plaza de Mayo, CELS, and SERPAJ, concerning social and economic rights in the wake of the 2001 crisis. It can be found at http://www.derechos.org/human-rights/actions/sos/arg1.html.
accountability, undermines the symbolic capital that the tax-debtors’ may otherwise have derived from their association with a cause that has defined Argentine progressivism.

Where, under most circumstances, it would be easy enough for elites to dismiss the escrache as what Mr. Rosen, in the radio interview called a “pre-arranged theatricalization,” what transpired at Miraflores made this allegation difficult to sustain. In contrast to routine deployments of the escrache where Rentas employees place red stickers on tax-debtors’ cars or publish lists of tax-debtors on the internet, here the escrache took on a life of its own. Rentas may have called the media, deciding to broadcast the event, but it could not have choreographed the shouts of support from the highway, the citizens trickling onto the scene from dispersed locations, and the generalized tension at the scene, much of which unfolded in real time before the eyes of hundreds of thousands of viewers. What started out as the state disciplining citizens quickly transformed into a situation where citizens began to hold each other accountable for what was in the process of being signified as a crime. While the escrache may be conceived as a technique for the production of ‘society’, in this case, it also provided a glimpse into the contours of its latent existence, a cause of significant surprise even to members of the tax administration themselves. Nobody had imagined that the tax-debtors would come face-to-face with the would-be casualties of their impunity.

In this regard, Miraflores closely resembled what Foucault describes as “theatres of punishment,” an enlightenment project that the reforming jurists dreamt of but never realized, as

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222 I heard many members of the gated community dismiss people opposed to the couples’ protest as “aparato” (political machine), claiming that political brokers had mobilized clientalistic networks. Most rumors focused on one sign, held up by Fonavi residents which read: “Somos humildes pero pagamos impuestos!” (We are poor but we pay taxes!) As it was unthinkable to many residents of the gated community that the protestors had written the sign, rumors proliferated that one of the T.V. stations had written it. While clientalistic networks are mobilized for political rallies (Auyero 2000), such mobilizations often involve producing a crowd for a political speaker. They are unheard of in the case of administrative entities like the tax administration. I was there from beginning to end and saw people gathered randomly in pairs, small groups, or in families. There were no buses parked nearby, a tell-tale sign.
they were superseded by the penal complex. The jurists proposed that, in a contract-based society, where there has allegedly been an agreement, however mythic, to accept laws in exchange for security, the criminal becomes a threat not to the sovereign himself but rather a traitor to society more broadly. Through “theatres of punishment,” instead of being subjected to the terrifying spectacle of corporal punishment, which marks the sovereign’s retaliation and power, individuals are subjected to the normative gaze of public morality, believed to correspond to the laws themselves. Foucault writes that “Shameful punishments are effective because they are based on the vanity that was at the root of the crime” (1978: 107). The vanity that is at the root of this particular crime is the assumption that upper-class citizens can out-maneuver the state and that, since the state does not represent ‘society’, these crimes will not draw social sanctions.

The jurists’ emphasis on representation, which Foucault calls the “semio-technique of punishments,” (1977: 103) means that the “payment,” or what he calls “the coin” is made by the “offender” surrendering as a sign of the crime.

“By producing the signified abundantly and visibly, and therefore reactivating the signifying system of the code, the idea of crime functioning as a sign of punishment, it is with this coin that the offender pays his debt to society. Individual correction must, therefore, assure the process of redefining the individual as subject of law, through the reinforcement of the systems of signs and representations that they circulate” (1977: 128).

As evidenced by Mr. Rosen, who kicked one of the first cameramen to appear, the Rosens are unwilling to pay their debt to society by functioning as signs of a crime. If they surrender the car, they admit to their social debt and it is unclear whether, from behind the gates of their community, they acknowledge participation in this ‘society’ to which they are ostensibly indebted, here represented by the Argentine state. In fact, it is questionable whether there can be an experience of obligation given that, rather than feeling they have received something, which
in Mauss’ well-known formulation, might bind them, they feel something has been taken away. The state has deprived them of that sacred privilege they expect from it, the absolute right to private property, which they perceive, not as contingent upon governmental power but mutually exclusive with it. Notwithstanding their intent however, the polls suggest that a payment has occurred not at a monetary register but at a representational one, as signs of a crime.\textsuperscript{223}

In light of the crowd of poor and working-class people gathering on the other side of the road, upper-class citizens’ complaints that their human and private property rights were being violated by a tyrannical state seemed especially suspect. Where in popular lore, tax administrators are much-hated figures, Montoya has acquired the status, in some circles at least, of a popular hero. The small crowd of supporters interrupted the neat dichotomy, apparent in elite citizens’ statements, of a tyrannical state oppressing an undifferentiated victimized citizen. “\textit{El escrache},” emblematic of the human rights movement, here refashioned to champion the cause of welfare, radically subverts the quick and easy designation of the state as criminal, increasing Montoya’s credibility. One might say that, in the context of this event, “The right to punish has been shifted from the vengeance of the sovereign to the defense of society” (Foucault 1977: 90).

\textsuperscript{223} Responding to allegations by studio participants on the TV show “Otro Tema” that Montoya’s “operations” represent the wasteful use of state funds, Montoya responded that on the night of the “secuestro,” 11,000 people logged on to the Rentas website to pay their taxes. A Rentas report from November 2006 claimed that vehicle license collection has increased from 20% of target revenue collection to 91%. Foucault praised the “semio-technique of punishment” on account of its efficiency, which he characterized as the “economy of publicity.” He was fired from his job in March 2009 by the governor of the Province of Buenos Aires, who dismissed him after a scuffle with ex-President Nestor Kirchner for refusing to join a list of candidates aligned with the President. He had been chosen as a candidate because he was shown in polls to be the most popular public official in the province but refused saying that he was committed to his job in tax management (gestión).
CHAPTER 6

“The Politics of Forgetting,” Re-examined:

Monetarism and the Deferral of Democracy

Among conservative pundits, the dictatorship’s reign of political terror and its liberal economic policies are often juxtaposed, their synergy from 1976-1983 posited as exceptional, strange, or paradoxical. Economic liberalism is imagined to be morally unobjectionable, virtuous even, and political democracy in the republican tradition is assumed to be its obvious partner. Glimpses that the necessary link between these two political rationalities might not be self-evident revealed themselves nonetheless. Santiago, the banker and former government official introduced in chapter three, puzzled at the difficulty finding friends or colleagues in Argentina who were economic liberals opposed to political authoritarianism.

“It gets so depressing. I don’t consider myself right-wing. Basically, I am liberal with regard to economic issues, but when it comes to politics, I am anti-authoritarian. But in Argentina, this position doesn’t exist. If one is liberal in economic matters, meaning believing that the motor of growth are private companies, that capitalism works well…there is barely any political representation of this position. In the 1990s, it did exist. The problem was that it was represented by a corrupt political coalition.”

While interrupting his train of thought before it sullied fellow economist friends, Santiago implicitly acknowledged that, in Argentina, economic liberalism and authoritarianism had often gone hand in hand. But the prospect of a more fundamental connection between neoliberal economic doctrines and anti-democratic practice was averted, not least because corruption

224 The columnists who regularly proclaim an essential link between civic republicanism and economic liberalism, for instance, Mariano Grondona, in La Nación, often harken back to classical, and not unimportantly, pre-“social” Greece. Interestingly, Hayek romanticized this period, writing “This classical period was also a period of complete economic freedom, to which Rome largely owed is prosperity and power. From the second century A.D., however, state socialism advanced rapidly” (Hayek 1994 [1944]: 167).
conveniently stood in for the failures of liberal economic policies, including the currency board’s collapse in 2001.

The currency board, insofar as it stemmed the hyper-inflation of 1989-1990, and kept the country from spiraling into further chaos, was regularly spoken of by Santiago and others as rescuing the “democratic transition.” While the currency board did bring stability, whether or not it deepened democracy depends upon one’s definition of the term. It would indeed be fair to say that the period of the currency board (1990-2001) deepened what Margaret Somers calls the “Anglo-American political culture of democratization” (2008: 174), where democracy is measured first and foremost via the protection of private property rights. Under the banner of “juridical security,” a term which signaled the increasing deployment of legal expertise to construct markets and promote the Washington Consensus (Trubek 2006, Dezalay and Garth 2002), the state’s discretionary decisions regarding monetary emissions – the alleged source of inflation – were eliminated through the Convertibility Law, discussed in chapter four. Policy in the 1990s embodied a belief in “superior forms of knowledge and higher truths than political debate will allow” (Centeno 1998: 47). Emblematic of this position was the language of the “rule of law,” which “favored strong constitutional or quasi-constitutional protections for basic economic freedoms, including property rights, freedom of contract, and protection against excessive and arbitrary regulation” (Trubek 2006: 88).²²⁵

²²⁵ Schamis points out the irony here, stating that “Paradoxically, designing rule-base, institutionalized policy-making routines was achieved largely by means of a significant amount of discretion in the executive branch…This may stand in flagrant contradiction with the much of the rules-versus-discretion literature, but it was perfectly natural for the Argentine political and policy elites of the 1990s.” (2003: 141) While Menem presided over a procedural democracy, a record number of executive decrees were issued. According to Smulovitz, “Between 1989 and December 1992, the Menem administration sanctioned 244 extraordinary decrees (decretos de necesidad y urgencia). This number can be compared with the 20 extraordinary decrees that were sanctioned between 1853 and 1983 and with the 10 decrees sanctioned during the Alfonsin administrations (Ruben Ferreira and Goretti 1993).” (2002: 272)
Even a brief look at the broader picture of Argentine history should lead us to question such criteria. The most brutal regime in Argentine history, the dictatorship of 1976-1983, which historians describe as a marriage between orthodox liberals and the military, was undertaken – at least in part – in the name of Lockean principles of economic freedom (Novaro and Palermo 2003, Veigel 2009). Both regimes were implemented in the aftermath of hyper-inflation, which monetarists saw as the ultimate threat to private property rights. Of this continuity between the 1970s and 1990s, Schamis writes, “The halting efforts at opening up the economy, controlling fiscal deficits, privatizing public enterprises, and deregulating markets that had been erratically initiated and then abandoned since the second half of the 1970s began to be pursued more firmly after 1989 and were finally implemented in full in 1991” (2001: 139). That this historical experience hasn’t sparked further re-assessment of the view of private property rights as a measure of democracy is striking, and has provoked significant confusion of what is “right” and what is “left” on the political spectrum. ²²⁶

The perception of the transition from dictatorship to democracy as one of total rupture, obscuring the continuities between these periods, must be seen in the context of the triumphalist post-cold-war “end of history” narrative which peaked in 1989. The Menem era, which began in 1990 and ushered in the currency board in 1991, dovetailed with critical geo-political shifts. As part of the effort to turn a new leaf in Argentine history, Menem extended amnesties on military criminals responsible for the deaths of 30,000 Argentines, and enshrined this general pardon in the Constitution in 1990. The amnesty laws had originally been implemented by Alfonsin, the

²²⁶ That Elisa Carrió, head of the ARI party (Alternative for a Republic of Equals), and her supporters, drawn mainly from the traditionally anti-peronist middle and upper-middle classes of Buenos Aires, bill themselves as center-left is symptomatic of this. Carrió ran for president in 2007 and won 22% of the vote, much of it a self-described “progressive vote.” Where Carrió runs on a platform of what might be called “civic republicanism,” her policy positions on fiscal and economic matters match those of the far right. When the government increased export tax on wheat during the commodity boom in 2008, a progressive tax, she strongly came out in favor of the agricultural strikers, likening the tax to land appropriation.
first democratically elected president when he was threatened by a coup in 1987. As a concession to the menace of a disgruntled military, he passed first the _ley de punto final_ (Full Stop Law) of 1986 and the _ley de obedencia debida_ of 1987 (Due Obedience Law). Menem’s decision to make these laws constitutional, sanctioning this act of blackmail, came to be known as the “politics of forgetting.”

Throughout the 1990s, it was the morally infused call for memory that energized the human rights movement (Huyssen 2003). While recognizing the importance of this movement, Hugo Vezzetti argues that the “sacralization of memory” (1999: 317) in Argentine political life also represented a displacement of politics, reflecting a broader phenomenon in the West. This chapter points to the double, and less acknowledged, meaning of memory and forgetting, terms which have become iconic in Argentine scholarship on the dictatorship period and its legacy (Vezzetti 1998, Huyssen 2003, Jelin 2007). Accentuating this other dimension of “forgetting” draws attention back to the political ideas in whose name state terror was committed.

What was banished from the moral and political imagination was awareness of the ways in which money is a “social technology” (Ingham 2004) critical, not only to growth, but to the cultivation of social bonds constitutive of modern democracy itself. While monetary practices and politics are often overlooked in the juridico-political narrative, they play a critical role in the making of democratic states. Citizenship cannot be understood without appreciating the constitutive role of the fiscal, in large part because of the powerful ethical dynamics that, however hidden, are implicit within its dynamics of circulation.\(^\text{227}\)

\(^{227}\) As discussed in chapter one, modern nation-state democracy – and citizenship as the mode of sociality that accompanied it – came into being in and through public finance, which, in turn, contributed to the development of modern capitalism (see, for example, Poovey 1998, Kwass 2000, Brewer 1989). For these and other reasons, I am sympathetic with Charles Tilly’s longstanding attention to the interrelationship between taxation, public finance, and democracy. In one of his last publications, he wrote “My complex argument actually builds on only two simple components. First, whether rulers acquire their means of rule by producing those means, buying them with monopolized goods, or extracting them from subject populations deeply affects the character of rule. Second, over
Not only has the juridico-political reading of power – in neglecting substantive, productive and material forms of power – fueled confusion of what is “right” and what is “left” on the political spectrum, it has limited analyses of how the dictatorship sowed terror. Indeed, while state terror was characterized by a massive repressive apparatus, its leaders were simultaneously attempting to produce a certain kind of economic subject – homo economicus – an aspect of the junta’s history that has garnered less attention (Fridman 2010). These policies wreaked ethical havoc and enlisted people, wittingly and unwittingly, in the dictatorship’s everyday operations. In analyzing the economic policies and communicative strategies of state terror, this chapter attends to the productive, material, and substantive operations of power during this period, hopefully contributing to a different map of the relevant continuities and discontinuities between the dictatorship period and what followed afterwards.

While it was not ‘politically correct’ to draw a link between the 1970s and the 1990s, and Santiago avoided it at all costs, that the policies of this latter decade represented a kinder, gentler instantiation of political ideas in vogue in the late 1970s was relayed ethnographically. It was only thinly veiled in Roberto’s rational for investing in the 1990s. Declaring: “I made my money in this country, I should put money back in…I am a decent person,” he described his investment as a counter-gift to the regime of the late 1970s, under whose watch he had made his fortune. When I asked Estela to tell me about plata dulce (sweet money), she asked if I meant in the long run, democratization only occurs when rulers come to rely on citizen compliance for their means of rule.” (Tilly 2009: 182)

228 If right-wing positions often emphasize rupture between dictatorship and democracy, it might be noted that some left critiques of the “democratic transition,” could be criticized for exactly the opposite tendency. Because capitalism continued to exist, the critique went, democracy was ipso facto doomed (Avelar 1999). Political sympathies aside, it is worth pointing out that this view participates in both a view of capitalism as a unitary object, and of democracy as a reified construct whose material basis remains unspecified. If this material basis is not addressed, such arguments participate in an anti-materialism that has plagued social theory (Mitchell 2002, Guyer 2009, Butler 2010) and, I would argue, affected political imaginaries.
1970s or in the 1990s, adding that the cuevas (caves) through which she now funnels money offshore are no different than the dictatorship’s mesas de dinero (money tables) were.

With a candor I found surprising, Estela went a few steps further. I interviewed her a week after the thirtieth anniversary of the 1976 military coup and she openly expressed that she felt offended by the media coverage. Expressing reverence and nostalgia for the military junta, she complained that the proceso was being unfairly maligned by the Kirchner government. In the early 1970s, leftist guerillas had attacked a unit her brother-in-law, a military officer, was in. Resuscitating a largely discredited narrative of the “dos demonios,” (two demons) which distributed culpability for state terror equally between the state and those citizens, she claimed that the current celebration of democracy was “reporting only one side of the story.” Appropriating the mantle of memory, she complained about widespread “amnesia” of guerrilla violence. Capturing the Cold War context within which state terror took place, she said, “Had it not been for the coup of 1976, Argentina would now be a miserable place like Cuba.” The only thing the dictatorship had done wrong, she observed, was leave families in the dark – it should have published a list of “the disappeared.”

Tuning into the double meaning of these charged and galvanizing terms, I suggest that when Estela clamors for “memory,” she is pining for a regime that was committed to restoring a particular form of individualism. Estela laments both that fear of Marxist terrorism is waning and that the policies implemented to combat it – committed to obliterating the fiscal entanglement between liberal individuals and the state – seem, for now, to have faded with them. As I realized on a subsequent trip to Buenos Aires during the tax strikes of 2008, she was apparently not alone. While in 2006, Estela was the only person I heard openly expressing nostalgia for the dictatorship, by 2008, there had been a noticeable loosening of the taboos on what could and
what could not be said about the dictatorship. I heard three taxi drivers say “we have montoneros (Marxist guerrillas) in power,” a kind of ease in talking about the late 1970s that I hadn’t heard in fifteen years of fieldwork. In late 2010, the former junta leader, Emilio Menendez, while standing trial, put it this way: “Yesterday’s enemies are in power and now there, they intend to establish a Marxist regime, in the style of Gramsci, who can be pleased with their students. The National Constitution mourns for the lost Republic.”

“Anti-Fascism”: State Terror and the Fantasy of (Monetary) Immediation

Perón was overthrown and exiled in 1955 by the so-called Revolución Libertadora.

While the Central Bank regained its autonomy in 1957, desarrollismo (developmentalism) had already become the leading economic paradigm in Latin America, such that credit and subsidies to industry initiated under Perón to supplement agro-export persisted (Lewis 2002, Brennan and Rougier 2009). It wasn’t until Perón’s return to Argentina in 1973 and his death in 1974 that the fiscal policies and vision of fiscal subjectivity that he had cultivated were attacked in a systematic way. The 1976 military coup, which “disappeared” an estimated 30,000 people, might be seen as the height of a financial, if not military, civil war that had raged in Argentina at least since the 1930s about how economic value would be produced and about the proper configuration of individuals, state, and market.

229 Until the 2006 annulment of amnesties, Menendez, one of the main architects of state terror, had been operating politically in a party called the new conservative republic. The original quote is (“Los enemigos de ayer están en el poder y desde él intentan establecer un régimen marxista, a la manera de Gramsci, que pueden estar satisfecho de sus alumnos. La Constitución Nacional guarda luto por la República desaparacida.”) La Nación 12/21/2010
The anti-Peronist positions described in chapter three, many of which self-denominated as anti-fascist, offered political support for a lineage of fiscal and monetary policies that characterized the 1976-1983 dictatorship. The policies of both regimes attempted to re-sanctify individual economic sovereignty in the hopes of achieving what Keane describes as a “denial of semiotic mediation in favor of unrealistic notions of linguistic and cognitive transparency” (2009:38). While deploying different methods, both regimes used the state to wage war against the production of national economic sovereignty, wresting it of power as an economic guarantor or mediator. The Argentine dictatorship might be seen as an extreme example of the observation that neo-liberal policies often involve increased, rather than reduced, state involvement.

The dictatorship’s fiscal policies epitomized what I’ve called a fiscal politics of mis-recognition to refer to neglect of the way tax and money were productive of moral obligation in the nation-state context. If, in Western European liberalism, non-contractual bonds between the state and citizen were established but concealed, neo-liberal policies attempted to annihilate these bonds altogether. To restore order through the so-called “Process of National Re-organization,” the officers undertook a new campaign of purification between affect and economy, and between nation and state, a veritable war against the notion that obligation and

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230 As the historian Federico Finchelstein points out, many anti-Peronists called themselves anti-fascists given the common conflation of fascism with Peronism. But, he points out, “Contrary to what Jorge Luis Borges and most Argentine antifascists believed, Peronism was not fascism. As they had seen nacionalismo as an imitation of European fascisms, so also they saw Peronism” (2010: 170). Finchelstein draws a distinction between antifascists, concerned with the restoration of democracy and anti-peronists because, as he asserts in an interview: “antiperonism has no problem sustaining regimes on the basis of authoritarian practices or coups. In fact, the “liberal” violence of 1955 is more intense than the peronist authoritarianism that precedes it. After 1945, many Argentines seem to coincide in the “horror” that Borges spoke about, but few are preoccupied with the subsequent coup as an aberration of democracy. This practice which becomes radicalized isn’t new: the socialists and many radicals had supported the Uriburu coup of 1930” (Página 12, 6/10/2008).

231 Somers prefers the term market fundamentalism over neo-liberalism because, as she writes: “Neo-liberalism, in large part thanks to its rhetorical strategies and media-oriented discourses, as well as its association with classical liberalism, conjures up images of small government antistatism…They are, rather, regimes of market-driven big government, or big government conquered by market fundamentalism (2008: 74). On the tensions between elements of the military concerned with maintaining order and neo-liberals, see Veigel (2009).
sacrifice should exist in the fiscal realm. Such a vision hinged upon a radical split between nation and state. The individual was still imagined to be linked to a collective body but not through monetary ties -- the link became entirely disembodied. Symptomatic of a political vision that saw the nation as independent of the state’s governmental actions was a defining slogan of this period: “achicar el estado es agrandar la nación” (to shrink the state is to grow the nation). The officers presented themselves as guardians of a vaulted “ser nacional,” a moral entity representing God, fatherland, and hearth (Dios, Patria y Hogar). Rather than seeing the nation as a “sacralized object” whose genesis was closely related to, and indeed an effect of, the state’s management, it was seen as utterly independent of the circulation of national money.

The anti-Peronist fervor that drove the military coup found inspiration and a natural ally in neo-liberal dogma and especially the thought of Friedrich von Hayek. As a member of a traditional landowning family schooled in Eton, the dictatorship’s minister of economy, Martínez de Hoz, had established a good reputation in international financial circles. Of the junta’s economic policies, Veigel writes, “their economic thinking was influenced by old-school anti-Peronist Argentine liberals such as Roberto Alemann and Álvaro Alsogaray as well as conservative economists, especially Friedrich August Hayek, whose book “The Road to Serfdom” had left a lasting mark on Martínez de Hoz when he was a young lawyer during the late 1940s, and the French economist Jacques Rueff both of whom reacted against the interventionist Keynesian mainstream economists, which they felt threatened not only economic but also political freedom” (Veigel 2005: 80).

Conditions of hyper-inflation in Argentina increased the affinity between anti-Peronism and Chicago school monetarism that was gathering steam through the Mont-Pelier society. In the twelve months preceding the dictatorship, Smith writes that inflation increased 738 percent. “But
that was only the beginning: some idea of the incredibly rapid “Weimarization” of Argentine politics can be gleaned by extrapolating from there, for the first quarter’s inflation would yield a 3,000 percent annual rate… (1989: 230). Hayek very clearly articulated the threat posed by inflation, which he saw as a great evil. In his words, “The increased dependence of the individual upon government which inflation produces and the demand for more government action to which this leads may for the socialist be an argument in favor. Those who wish to preserve freedom should recognize, however, that inflation is probably the most important single factor in the vicious circle…” (1958: 339). Apart from the threat of heightened dependence upon the state, inflation was insidious in another way. Inflation raised the specter that persons were attached to money – often mistaken as property – in something other than a primordial contractual ownership of “natural rights,” disturbing a foundational fantasy of liberal selfhood as anterior to the state, essential to the Lockean subject (Somers 2008). The affection between the Argentine junta and the neo-liberals was mutual. Veigel reports that, in the midst of state terror, Hayek came to Buenos Aires to visit and offer support to Martinez de Hoz. 232

After a period in which the state had become an active mediator in market relations, cultivating the fiscal politics of recognition between sovereign and (working-class) subjects, the junta was committed to restoring what it saw as the sanctity of the entrepreneurial individual. This reversal in the social logics of indebtedness between state and subject, whose purpose was to restore the individual as giver of the first gift, was articulated in Hoz’s first televised address on April 2, 1976 where he asserted: “the state should not operate in spheres of action best undertaken by private enterprise. That is to say, the State should not directly engage in this field,

232 When asked in an interview about the authoritarian application of neo-liberal regimes in the Southern Cone, Hayek responded: “…it is possible for a dictator to govern in a liberal way. And it is also possible that a democracy governs with a total lack of liberalism. My personal preference is for a liberal dictator and not for a democratic government lacking in liberalism” (Veigel 2005: 83).
but only in a supplementary way subservient to the individual and to the intermediate organizations in society” (Veigel 2009: 50). Neo-liberals were on a quest to destroy the “invisible hand,” here understood not as the market itself but as the spectral trace left by the gift (of recognition) bestowed through tax, which fostered a sense of obligation. The fiscal conditions underlying Adam Smith’s statement that decisions based on individual financial gain would “produce the greatest value,” ensuring the entrepreneur would continue “preferring the support of domestick to that of foreign industry” (Foucault 2008 [1978-79]: 278) were dismantled.

The regime set about “releasing” subjects from the fiscal bond. This was achieved by eliminating ‘eventual capital gains tax’ (“impuesto sobre las ganancias eventuales”), first implemented by Perón, and the estate tax, the burden of which fell upon aristocratic landowning families with concentrated wealth (Gaggero 2006, Lopez 2003). Often claiming that Argentina was a country for no more than 10,000 inhabitants, Martinez de Hoz made no pretense about his attempt to dismantle the object Foucault calls “population,” conceived as a neutral object on behalf of which the sovereign could speak. Shifting the site of moral virtue back to its original God-given location in the individual, the state devoted itself to upholding the rules of the “economic game” – the possibility and right for individual entrepreneurs to speculate. Of this narrow political doctrine, Foucault writes: “The Rule of law and l’Etat de droit formalize the action of government as a provider of rules for an economic game in which the only players, the only real agents, must be individuals, or let’s say, if you like, enterprises.” Apart from the “disappearances” of citizens deemed threatening to the social order by the junta, implementing this pre-governmental fantasy entailed another, less often noted, realm of disappearances. While surveillance mechanisms for disappearing “subversives” became highly sophisticated, the state’s
interest in tracking fiscal practices was purposefully neglected. Indeed, Roberto’s earlier statement that he “learned to be NN” takes on new meaning in this light.

As evidenced by the dictatorship’s goal of ‘sincering prices’ (sinceramiento de precios) (Canitrot 1980), theories pertaining to individualism were transposed to the realm of money. As Keane writes, “sincerity emerges in European discourses as part of an account of how the individual’s interiority is the chief site of that which might elude political coercion. By extension, sincere speech is that which is compelled by nothing that might lie “outside” the speaker, whether that be, for example, political authority, written texts, or social conventions” (2007: 214). To achieve the “sincering of prices” (sinceramiento de precios), disciplinary action was taken against labor unions, whose demands were seen as triggering a wage-price spiral that ultimately led to monetary emission (Canitrot 1980). Competition, or the creation of a free market in money, would eliminate the problem of the government’s monopoly over the money supply. Financial flows, previously “repressed,” were “set free” and exchange rate controls, now referred to as the “manipulation of exchange rates,” (manipuleo cambiario) implemented to subsidize industry and keep food prices lower during the mid-century were abolished.233 With the explicit intent of wooing foreign capital, a demand-side theory, which involved fomenting moral creditors, was replaced with a supply-side process that drew foreign creditors. Banks were de-regulated, lifting restrictions on the interest rates banks could offer or time limits on peso-dollar conversions. Given inflation in the U.S., triggered by the 1973 oil embargo, the U.S. offered low interest rates, and was eager to off-load dollars. Foreign loans were cheap and the Argentine state resolved to maintain currency liquidity through government accrued debt.

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The influx of dollars, and the state’s attempt to overvalue the peso to stave off inflation, led to a situation referred to as *plata dulce* (sweet money). In what is (often fondly) remembered as the period of “*deme dos*” (give me two) to designate travel and shopping sprees in the U.S. and Europe enabled by the overvalued currency, citizens were seduced by the experience of wealth and consumer potentiality that an overvalued currency enabled. The availability of dollars was evident in the nickname for street money-changers: “*arbolitos*” (little trees). “*Plata dulce*” (sweet money) did more than make dollars the unofficial currency, offering citizens currency choice; it transformed them into speculators, who were, in effect, betting against the state’s currency. Private shadow banks called “*mesas de dinero*” (money tables) competed to offer the highest interest rates. With the right networks of friends, in twenty-four hours, one could turn a substantial profit through a complex switching mechanism called the “*bicicleta financiera*” (financial bicycle) where dollars were obtained through foreign debt, exchanged into pesos in a local bank or *mesa de dinero*, accruing tremendous interests.234 They were then quickly removed, usually leaving the country. “Sweet money” might be perceived as money without obligation, money whose value is not rooted in credit but in arbitrage possibilities. Reminiscing about this period, Roberto told me:

They were lending up to 1000% annually. Overnight. I had a money table as well...We would lend money for one night. That money that I lent you for instance, US$ 100 million, if your bank had a good interest rate, you placed it overnight...and the next day you would give it back to me. And in one night, you would make...Divide 1000 by 360...3% a day. So that $100,000 thousand would give you 3 thousand per day.

M.A: And money tables start at that point?

Yes, this is where people start lending each other money, all “in black.” In the black circuit, people said let’s call it “blue,” not “black.”

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234 See Mahon (1996) for a detailed explanation of this phenomenon.
M.A. Why?

Because black sounded too pirate-like [porque “negro” era muy de pirata.] And the issue is that the first to create a black market was the state.

Through these policies, the management of money in Argentina began to bear resemblances with a ponzi scheme. As long as the quantities of money going out and coming in were commensurable, the government could continue offering high interest rates to subsidize foreign and domestic speculators. But this combination of policies became visibly contradictory. While destroying the fiscal and manufacturing bases of the state, rolling back progressive taxation, and de-regulating financial flows, the government had simultaneously guaranteed bank deposits. When it became apparent that the state had assumed all risks while exacting no demands, and that the state’s fiscal survival was contingent upon foreign investors, the policies produced what Akerlof calls “looting” or “bankruptcy for profit” (1993). Exposure of the sovereign’s vulnerability destroyed what, speaking of Cameroon, Janet Roitman calls wealth “produced according to narral, or a specific representation of a hierarchy of relationships and belief in the future of those relationships (confidence)” (2005: 85). Not only financial specialists but the state’s own citizens began to bet against the state’s longevity.

In its quest to make Argentine money into an attractive and profitable commodity, the regime stripped the currency of its “public goods dimension,” already debilitated by inflation. Monetarists believed that citizens could be reduced to consumers and speculators of money, entirely disentangled from their role as producers – via belief and moral credit – of value. Hirschman explains why this was an impossibility. “There are many ostensibly private goods of

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235 Martinez de Hoz himself recognized the contradiction, writing in his memoir that, in effect, it was an impossibility for a “peripheral” economy, one that did not emit debt in its own currency, to both liberalize/accruing foreign debt and maintain itself as economic guarantor for its depositors. As he wrote “it was surprising, that in a government supposedly based on a contract between militaries and orthodox liberals motivated around the idea that developmentalism caused populism and subversion, he was confronted a conglomerate of ideas and interests notably close to the first term of this chain.” (in Marcos and Novaro 2003: 222)
this sort that one can buy or refrain from buying; but they have a “public good dimension” (often called “externalities” by economists) so that their mere production and consumption by others affects, ennobles, or degrades the lives of all members of the community…the individual is at first both producer and consumer of such public goods as party policy and foreign policy; he can stop being producer, but cannot stop being consumer” (1970: 102).

The dangers of this attempt to commodify money, and produce homo economicus (Fridman 2010) crystallized in the colossal failure of the crawling peg or “la tablita” in October 1979. The method chosen for notifying citizens that the peso would be overvalued (to allegedly stave off inflation) revealed total confidence that money supply was the main determinant of monetary value. Almost as an afterthought, the regime advertised a schedule of changes to the currency’s value. Discounting that citizens’ trust in money could actively affect its value, the regime was blindsided when economic agents acted upon their own fears and assessments, and inflation skyrocketed (Marcos and Novaro 2003: 275).236 The finance minister asked citizens’ to bracket their own expectations and instead trust in foreign financial operatives, who had nicknamed him the “Wizard of Hoz.” As Smith writes, “Deprived of an autonomous voice, industrialists resorted to speculation and capital flight to register their discontent. Typically, Martinez de Hoz responded to these challenges by reminding businessmen of his great prestige in the international financial community and the military’s support for his policies. He frequently exhorted entrepreneurs “to believe once and for all in the continuity of the program that is being carried out…” (1991: 263) As the dictatorship would learn, belief was not easily mandated.

236 Drawing on research conducted on inflation in Brazil and Argentina, Neiburg writes of the power of expectations, which he argues Michel Callon’s theoretical framework, with its emphasis on tools and techniques, insufficiently accounts for. In his recent work on reflexivity, this idea is further elaborated (2010).
These contradictions hastened the dictatorship’s demise in 1983.\textsuperscript{237} By the time the financial collapse inevitably came, in 1982, the foreign debt had grown exponentially. The regime’s response was to nationalize the private debt, socializing the losses and exempting speculators, a legacy that weighed heavily on Argentina for decades. While the deterioration of trust had been a deliberate objective of state terror, it was also an unintended effect of the “moral hazard” that the \textit{bicicleta financiera} brewed. In the absence of punishment in accordance with a legitimated “hierarchy of values” (Aglietta and Orleans 2002), it was inevitable that “moral hazard” would grow. Neo-liberal policies denied the sociality of money, and as such, the importance of the confidence of citizens as moral creditors for its (sustained) circulation. Rather than elicit payment, understood as a relation of social indebtedness, they implemented policies that were predicated on a notion of the human, driven by fear and/or self-interest rather than affective bonds and the need for recognition.

\textit{The Coin as Inanimate Rival: Discursive and Technological Constructions of “El Evasor” (The Evader) from the 1970s to the 1990s}

If the dictatorship’s fiscal and macro-economic policies bred the “subject of interest,” this inadvertently destructive approach was also apparent in the tax administration’s communicative strategies. The “\textit{el tanquecito}” (the little tank) ad campaign, featuring an anthropomorphized

\textsuperscript{237} The regime tried to stave off growing disaffection with inflation by launching the Malvinas/Falklands war. In one of the darkest periods for Argentine leftists, they largely succeeded in whipping up nationalist fervor and support – from left to right – for what they framed as an anti-imperialist venture.
little tank, became one of the most emblematic political propaganda of the dictatorship. The tax administration’s propaganda threatened “el evasor” (the evader), portrayed as a scheming, anti-social figure who was, as hindsight suggests, being produced by the rhetorical strategies and policies of the regime itself. The notion that the tax administration’s pressure would fall with tank-like force on a scheming and unscrupulous tax evader was devised by Ricardo Cossio, part of Martinez de Hoz’ team at the DGI from 1978-1981. The propaganda, which featured playful images with an often morbid undertone, was drawn by the illustrator and cartoonist Carlos Constantini, and appeared in print and street advertisements, as well as on television. In its official propaganda, the military regime took advantage of what is known as the first golden age of Argentine advertising, at times hiring international corporations to help in what was euphemistically spoken about as the “Proceso de Organización Nacional” (Process of National Re-Organization).

While the regime’s practice of disappearing citizens was not publicly acknowledged, many of the metaphors used to describe “subversives” – citizens suspected of political activism and depicted by the junta as a cancer to be purged from the social body – were assimilated to the tax campaign against evaders. Portraying the evader alternatively as a thief, criminal, mafioso or terrorist, the regime had no compunction about portraying itself as at war with the evader. The ads were filled with references – such as the knock at the door at night – that served as an ominous prologue, or

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238 (Clarín, El tanquecito, la manera militar de cobrar impuestos 4/15/06).
epilogue, to disappearance. One ad read “Con las horas contadas” (With his hours counted) and showed “the evader” tied up with rope atop a pile of dynamite that the tax inspector was lighting. The text read: “The objective is the evader. The DGI knows he exists and is searching for him. Sooner or later, inexorably, they’ll knock at his door. There is a commitment to accelerate the fiscal rehabilitation (saneamiento fiscal) that the republic needs. And that commitment will be met, at whatever price.”

Another ad entitled “Sabotage” inverts the agent of violence. In this ad, it is the evader-as-terrorist who is on the verge of lighting dynamite meant to explode the “pais” (country). It reads “all the evader does, by not paying his part in these revenues, is sabotage a whole program of development and re-affirm his condition of anti-social, marginal person. He is an enemy of the country, an enemy that should be confronted for the good of all.” An ad called “El Padrino” (The Godfather”) shows the evader-as-Mafioso sitting behind a desk, the text of which read “There is a famous “Godfather” who has been represented in literature and the movies. The harm that such a personality does to society is evident. Even though the evader uses distinct methods, he provokes many problems. He doesn’t add anything to the common good, he takes advantage of others and he takes advantage of his anonymity.” In “Antihéroes,” an evader is shown cutting a firehose, subverting the sacrifice of good citizens. The text reads “There are people that risk their lives for their fellow citizens every day: the fireman, the police, the soldier. They, and many others, abnegated and anonymous, surrender their effort and even their lives for

239 See this ad, and others discussed but not pictured in the text, at end of this section.
others. By contrast, there are those who think only of receiving, and they resist contributing for the maintenance of the common good. This is the case of the evader. An egotistical and antisocial being. Nobody is asking him to be a hero. Everyone would be happy if he just followed the law."

In “Sólo Para Delincuentes” (Only for delinquents) the tank is painting a “Buscado” (Wanted) sign with an evader as the searched-for criminal. In another ad, the tax inspector is figured as a doctor, a medical metaphor further elaborated in the text: “The evader is sick…with egoism. And one must heal him to achieve a country that can reach its full development: a country where public works, schools, roads, and hospitals are not only projects. Where inflation is not turned to on a daily basis. Where decent people who pay their taxes don’t have to support the free-riders who don’t (los que aprovechan). For this reason, the process of curing needs to intensify. The 11.683 law is the right medication. Soon the improvement will be noticed.”
The paradox of this advertising campaign was that these ads, which posited the evil intent of “el evasor,” were coming out in 1977-1978, the period in which the state was conducting disappearances, waging war against population and “the social,” and removing all of the scaffolding for the production of the civic economic subject. In other words, the dictatorship’s economic and state terror policies bred the very speculating subject that it vehemently condemned in these ads. And even in spite of these policies, the ad exhorted citizens to exert a moral and social conscience – something for which, in practice, they might risk their lives. The absurdist quality of the images might be seen as commensurate with the logical impossibility of the demands.

In this regard, both the dictatorship’s policies and its communicative strategies were symptomatic of a splintering of “collective housekeeping,” a term which, as discussed in chapter three, Hannah Arendt used to describe the social. Whereas bio-politics, as Foucault argued, had signaled a shift from the family as a model of economic governance to the state, the dictatorship attempted to roll back these efforts. The focus on the family as the desired model and instrument of governance was very visible in the ads. At least four ads attempted to tap into what were presumably affective ties within the nuclear family unit – whether love, obligation, responsibility – as a potent instrument against evasion. Conformity with tax payment, which would ward off the state’s repression, was encouraged for the good and safety of the nuclear family rather than for the good of the social or broader well-being of the nation. The condemnatory or guilt-inducing gaze was directed from wife and children to the father, the presumed bread-winner and
One of many ads that played upon the sense of responsibility that a father should feel towards his wife and children was entitled “Juego Prohibido.”

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240 This was an inversion of television ads emblematic of the junta where parents were asked to surveil their adolescent children. In these, parents were menacingly asked in television spots: “Do you know where your children are?” suggesting that they might be in the grasp of subversive forces, and that parents were ultimately responsible for monitoring this (Taylor 1998).
(Game Prohibited) and apparently citing the very speculative frenzy sweeping Argentina, it depicted a crazed gambler neglectful of his children and angry wife. It reads: “Those who play roulette have, mathematically, few chances of winning. Those who play the game of evasion have even less. The evader lives in permanent risk. A financial risk and also a patrimonial one. He compromises his security and that of his home.”

Another called “Para contarle a papa” (To tell your father) showed a boy reading the newspaper where he sees “el tanquecito.” Addressed to the young boy, it explains that kids must fulfill their obligations before playing but that adults also have obligations to fulfill and that one of these is tax payment. It reads “Tonight when you talk to your father about the day, tell him how it went at school and how much you studied before going out to play with your friends. And tell him you read this ad. And ask him what he thinks.” Another ad, “Sin Respuesta” (Without Answers, see p. 306) shows a father-evader in a cage next to a baby looking up puzzled. Producing a scenario of anticipatory shame for the patriarch, the text reads: “the child of the evader” has many “rights” such as free education, individual liberties, freedom to walk, to learn, to progress. The child of the evader will grow up in a modern, powerful country and will be proud of that legacy. When he finds out that his father ended up in jail because he didn’t pay, he’ll want to know why. And the evader won’t have any answers.” Interestingly, while trying to promote the sanctity of the family, partly as an instrument of terror, the portrayal of the father of the household as capricious and irresponsible, also undermined his authority.
The sewing of distrust and severing ties of affection and identification amongst citizens produced a privatized citizenry.\textsuperscript{241} Simultaneously removing policies that might cultivate a sentiment of indebtedness to an authority representative of an object called society, and approaching the taxpayer in a reproachful way, the dictatorship placed citizens in a double-bind. By shrinking meaningful venues of public space, it pushed citizens to retreat to the nuclear-familial home. Analyzing these images offers insight into what Javier Finkman described as the striking peculiarity of Argentines’ investment portfolios: the absence of what economists call a “home bias,” a proclivity to invest in one’s country of residence. While often seen as an antiquated, anti-rational attachment to place and a failure of cosmopolitanism, “home bias” is the spectral trace of money’s “public good” dimension. In evacuating affective and governmental intervention from fiscal politics, the dictatorship had not

\textsuperscript{241} Though the military claimed to be ‘re-organizing the nation,’ the methods it used were deliberately arbitrary. While the military’s first targets were influential political and labor activists, many authors have observed that the criteria for choosing targets was intentionally kept mysterious, as a tactic for producing submission in the general population (Gordon 1997, Feitlowitz 1999, Taylor 1997). Everyone seemed either to know someone who had disappeared or know of someone’s disappearance. The military would comb through the address books of those already abducted, randomly choosing targets from these lists. This meant that childhood acquaintances, doctors, lawyers, relatives, and housekeepers of the disappeared all became potential targets, making the effects of state terror pervasive, capricious and unpredictable. Exchanging phone numbers on the bus with the parent of a child’s playmate could become a life sentence. Apart from exceptional cases such as the Madres de la Plaza de Mayo, these tactics caused most people to retreat from the public sphere.
expanded the nation (agrandar la nacion) but annihilated “home bias,” which they perceived as a distortion.
The Problem of “La Factura” (the Receipt): Indirect Taxation as a House of Cards

Alejandro Otero, the politically left former director of Rentas de Buenos Aires, who I spoke to numerous times, provided an intimate portrait of the state’s post-dictatorship finances. He began working at the DGI (Dirección General de Impuestos) in the early 1980s while a student of economics at the UBA. Once inside, he was shocked by how rudimentary the organization’s grasp of public numbers was, a fact especially alarming in light of the state’s extensive repressive apparatus. “The DGI had the technology to count the amount of money coming in but didn’t have the statistical sophistication to know where it was coming from.” Without this information, it could not fine-tune where to apply or decrease pressure. This inevitable outcome of an active attempt to destroy governmentality only increased the emphasis upon sales taxes, an indirect tax that was indiscriminate, easier to administer, but fell disproportionately on the poor. In 1985/1986, the DGI began developing a taxpayer identification number (CUIT), a major step in the creation of a totalizing /individualizing bind, but the process would take ten years to implement and wasn’t fully operative until 1996 or 1997.

The tax policies Alfonsín pursued were constrained by the debacle the dictatorship had left behind. After the financial crisis of 1982, Domingo Cavallo, the Minister of Economy, socialized the privately generated debt spawned by the casino-like bicicleta financiera, leaving the country saddled with a massive public debt (70% of the GDP). In the process, the Argentine middle-class had been decimated, and economic inequality had grown exponentially (Minujín 1993). While Alfonsin made some initial attempts to fight the IMF’s demands for

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242 In one ad pictured above called “Aunque Falte el Medidor” (Even if the meter is broken) which shows the quintessential ‘free rider’ standing next to a dysfunctional meter, the regime seems to acknowledge the dearth of sophisticated measuring techniques.

243 Advocates of jubilee, or debt forgiveness, referred to the foreign debt amassed during the dictatorship as the “deuda odiosa” (odious debt).
structural adjustment, he was forced to cede because “the debt crisis, the fiscal crisis of the state, and the need to bargain with private lenders all served to strengthen the role of international financial institutions (IFIs) in Latin American societies” (Berenzstein 1996: 239). Of the double-standard entailed in the IMF’s pressure for a tax structure that would rest on indirect taxes while recommendations for the first world emphasized direct taxes, Lopez notes that “In the ‘Era of Information’ everything is globalized except the capacity for statistical processing (capacidad de procesamiento estadístico)” (2003: 9).

Beyond its regressive effects, the emphasis on indirect taxation created particular kinds of problems for the tax administration. Indirect taxes, as discussed in chapter two, are collected for the state by a third party rather than by the individual liable for the tax. In the case of the sales tax, the state’s knowledge of the transaction depends upon the consumer requesting a receipt, which ensures (or at least heightens the probability) that the transaction will be registered, becoming visible to the state. Oscar Ramos Rivera, head of major contributors at the AFIP, clarified just how important the receipt was for the payment of tax and the importance of shaping the “consumidor final’s” last move. The problem was not in the middle of a commercial chain, where, as he explained, a buyer pays a fiscal debt (a 21% tax that is already figured in the price) against the seller who, by issuing a receipt, is assured a fiscal credit. This fiscal credit will off-set the purchases he makes as a buyer at some other point in the chain.

“There is an opposition of interests between buyer and seller, which makes the system control itself. They ask each other for receipts to defer the tax burden but this incentive stops with the ‘final consumer’, who is neither a producer of goods or seller of products. There is no economic incentive for him to ask for the receipt. And yet, if he doesn’t, there is no record of the sale and the sales tax paid all along the chain stays in the shopkeeper’s pocket. If the shopkeeper doesn’t emit a receipt, he can also avoid income taxes too, underreporting earnings.”
The paradox of this form of tax collection was that, despite the tremendous importance of the receipt, without developed technology, the state had relatively few ways of regulating the relationship between the shopkeeper and customer, upon which collection hinged. The state, as many tax administrators and policy analysts recognized, arrives late or last to a transaction between the merchant and shopkeeper, who, in the meantime, have plenty of time to cultivate a dyadic bond. Sergio Rufail, the director of Contributor Service, appeared to identify the problematic that preoccupied Adam Smith when he warned that precisely such affective ties should be severed for the smooth functioning of the “invisible hand.” As he put it:

Regarding the receipt, there is a kind of connivance that I’d say is almost structural. If you are someone who says you don’t pay taxes because the state robs, then you are also likely to assume postures like “Why am I going to ask for a receipt from this poor guy? Poor fellow, I’m going to do him a favor so that he needn’t have to pay taxes.” There is what might be called a kind of solidarity in that phase.

Not only would shopkeepers regularly offer a lower price if the transaction was off the books but there was the question of the personal discomfort of asking, especially when the only apparent reason one would ask was to exert social control. As Ramos Rivera put it:

Especially in a society where people often look at you askance (hasta te miran mal, no?) if you ask for it, how do you get people to do it anyway?

This last point was brought home to me by an economist I knew who confided that when he had asked his psychoanalyst for a receipt for tax purposes, she deemed the request so pathological that the next three sessions were spent discussing whether this request constituted an aggressive act of transference. To bring the state, as third, into the space of the therapeutic bond was only intelligible as hostility. What is referred to as confianza (trust) is often based in a dyadic bond among members of “civil society” premised on the state’s exclusion.
Rather than repairing the sociality of state terror, transforming money into a medium for communication and recognition, the reliance upon indirect taxes, and the choices made to compensate for it, fomented further distrust. In the 1980s, the DGI embarked upon a variety of governmental interventions to try to persuade citizens of the necessity of requesting a receipt. The first strategy was to make people aware that the 21% sales tax was embedded in the price. Unlike the U.S., where the sales tax is itemized and visible (Martin and Gabay 2007), added at the register upon purchase, in Argentina it was easy to overlook that tax was embedded in the price. The DGI initiated a consciousness-raising program, whose main message was that when a shopkeeper didn’t give a receipt, he was pocketing the consumer’s hard-earned tax. Shopkeepers, who bore the burden of these interventions, were portrayed as thieves who undertook disloyal competition (offering lower prices so as not to pay the tax). While the financial sector was exempt, something which had occurred during the dictatorship when the sales tax had increased, “el tanquecito” ads often focused on small shopkeepers.

An ad from 1992 attempted to elicit indignity in the consumer: “Mr. Citizen: Do you like being robbed? Clearly not. And so why don’t you always request your receipt? Because when they don’t give it to you, they are robbing you. It is that easy and simple. To keep from being robbed, remember: when they don’t give you a receipt, call the following numbers. Learn to defend yourself.” Rather than fomenting a connection between the individual taxpayer and an object called society, one which fundamentally relied upon a perception of fellow-citizens’ goodwill, the ad portrayed shopkeepers as people attempting to subvert tax. Ultimately, this only further alienated the state from the dyadic consumer-shopkeeper interaction.

While, in the first few years after the return to democracy, this was a default continuation of the policies of the late 1970s, in the 1990s, it became a consciously orchestrated decision to
treat the fiscal subject as motivated by either economic self-interest and/or risk-aversion (fear of capture). Many of the very same state functionaries were re-appointed. “Technocrats, now supportive of human rights and democracy, as well as free markets, were now rebaptized as technopols,” observed Dezalay and Garth (2002: 176). Cossio, under whom the “el tanquecito” ads were run was re-instated as the head of the DGI (Clarín 4/15/06). Carlos Tacchi, who had worked closely with Cossio, would join him. In 1994, Tacchi expressed his alignment with neoliberal “global tax reform,” (Steinmo 1994) which prioritized economic growth over redistribution by stating: “In the whole world, the tendency has been to stimulate savings, investment and growth, lowering the income tax and raising taxes on consumer goods. If an economy doesn’t grow, the poor become poorer.” This captured what José Nun, a political scientist appointed Minister of Culture by Kirchner called the wildly inaccurate mistranslation of “trickle-down economics,” which, in Argentina came to be bandied about as “la teoría del derrame” (the theory of the flood).

Another program, the “LOTER-IVA,” a word-play on lottery and IVA (vat tax), which lasted almost through the duration of convertibility (1990-1998), revealed a view of taxpayers as motivated by self-interest or fear. It attempted to lure consumers into tax payment via economic incentives. One of the ads said: “Do you know how to take advantage of a benefit (Usted sabe cómo aprovechar una ventaja?) With LOTER-IVA, of course.” From 1990-1998, the DGI offered cash incentives for requesting the receipt. Taxpayers could send in ten official receipts (postage paid) to the Central post office and be considered in a drawing for cash prizes with special bonuses on Christmas and the national independence day (9 de Julio). Not only did this seem to mimic the casino-like arbitrariness of the 1970s, which ran contrary to equitable
distribution, it also failed to promote the knowledge regarding whether taxes were going towards public services and goods.

The marriage of military and market strategies, or the oscillation between them, peaked in August, 1994. A federal ruling based on the economy minister’s “Guerra contra los Evasores” (War against evaders) mandated the immediate three-day closure of a store if it was alleged receipts were not being given elicited a massive public reaction. Throughout the country, towns and commercial areas initiated black-outs and blocked inspectors from entering stores.244 At one point, given the wave of protests, the Cavallo-Tacchi duo decided to suspend the militarily-dubbed operations (10/1/1994, Clarín). But when news broke that the Senate didn’t vote to annul the Law of Supply (Ley de Abastecimiento), a 1974 Perón-era law that established price controls (thereby also limiting sales tax revenues), Cavallo ordered the DGI to continue. “What we are seeking,” said Tacchi, “is automatic sanction; but above all, the automatic demonstration and punishment that is antisocial and antilegal on the part of the economic agent” (10/6/1994, Clarín). A short-lived and failed campaign threatened to fine the consumer him or herself for leaving a store without a receipt.

At a conference of the Plan Fénix in 2005, Salvador Treber, a well-known tax specialist and advocate of progressive taxation, pointed out that ramping up enforcement in a deeply regressive tax system essentially meant waging a war against the poor. He captured this in florid language: “The AFIP has complained, each time more firmly. First it said “I have no weapons” and it was given a gun, then “this isn’t enough,” and they gave it a machine gun, then they wanted an armored wagon (carro blindado), a plane, and some satellite-controlled missiles

244 “Los comerciantes de la enterrriana Urdinarráin se rebelan. Bloquean la ruta e impiden el registro de los sabuesos” (8/23/1994 Clarín).
“Las cámeras de comercio de Entre Ríos, Corrientes, La Pampa, Neuquén y Río Negro realizan cierres masivos de negocios movilizaciones y apagones en protesta por el accionar de la DGI” (8/29/1994 Clarín).
(cohetes teledirigidos.) And it uses them to kill ants. That is to say, now we have the hidden inspector (*inspector oculto*), which is to go to the kiosk, where a receipt for 6 pesos isn’t given and they say “*bandido evasor*” (damned evader). I would be alarmed instead by someone who has been secretary of state (*canciller*), who says “I have two million dollars deposited offshore,” and I would like to read in the newspaper that they’ve liquidated his assets, calculated interests and fined him. And that the system of persecution of kiosks stops – that is the deformed mentality of our administration.” The transformation of the elite economic subject into a speculator, which the state compensated for by ratcheting up repressive measures against working class and poor Argentines, not only increased inequality and harmed revenue collection but also created problems for upholding the law.

**The Futility of Laws in the Absence of Norms**

Roberto embodies the un-tethered subject upon which such a privatized or de-nationalized view of money is predicated. While he speaks openly and unabashedly of running a money table and turning amazing profits, in the next breath, he becomes indignant, complaining of the failure of justice in Argentina. His ire, when he recalls the humiliation and disappointment of past and recent monetary loss, is directed not at policies of the 1970s and 1990s, which he continues to endorse, but against corrupt officials, deserving of imprisonment.

The major crisis that we have here is of justice. What did they do with my money? And me, who do I send to jail…those who robbed me of my 36 years of social security? (*¿Y yo a quién mando preso, los que me robaron mi social security de 36 años?*) Who went to jail?
By “justice,” Roberto here refers to a guarantee on his private property rights, frequently referred to as “seguridad jurídica” (juridical security). Despite state-sponsored disappearances, he seems undaunted by this narrow usage of the term. While the “rule of law” is a cornerstone of legal trans-nationalism, and is often associated with democratic governance, in Argentina, it has often overlapped with, and been used to justify, brutal repression. Far from taking an inclusive or integrative form, republicanism in Argentina took an “antipopular” form until well into the mid-twentieth century (Adamovsky 2009). The most recent dictatorship disbanded the legislature while pledging allegiance to the Constitution. Of the 1976 coup, Marcos and Novaro write “the dictatorship did not justify itself with strictly authoritarian arguments but republican ones: the Process would always act invoking the Constitution of 1853” (2003: 45).

Exemplifying the reversal of sovereignty discussed earlier, Roberto confidently asserts that he has the meanings of the rules and laws within himself. Consistent with the abstract universalism of natural rights theory, moral virtue is presumed to emanate from pre-social and pre-political beings (Somers 2008). Roberto paints a fantasy of exchangeability akin to a substantialist theory of money; his values inhere within him rather than emerging in and through the social relations surrounding him. As is fitting for a proper and educated consumer of currencies, of sovereigns and of their legal regimes, when, however reluctantly, Roberto shows respect for a sovereign other than himself, this is a free and rational choice.

So my values, where do I keep them? [R: Entonces, mis valores... ¿dónde los mantengo?] I would have no problems going to live in the U.S. for instance. The laws are clearer [porque tengo las leyes más claras]. The laws here in Argentina, from the government to the layperson driving a car, aren’t followed [no las cumplen]. And that bothers me greatly.

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245 Invocations of the Constitution are closely associated with the inviolability of private property. As the legal scholar Elias writes, “Vanossi uses the graphic expression ‘Article 17 constitutional scholars’ to describe a particular sector of Argentina legal academia that seems to be preoccupied only about the fate of the inviolability of property as a constitutional guarantee, and that share a primal aversion to “social function of property,” as if it implied necessarily the collectivization of property” (2008: 22).
You feel better in a place where you can... When I did my master’s of business administration degree in 2000 in Miami University, I lived in Coral Gables, and I loved it. And even here, I have the... the meaning of the rules and the laws very much inside of myself. [Y tengo las... el sentido... de las reglas y las normas muy adentro mío.]

This is why I play two different games. (No, no, por eso juego dos partidos.) In my business relations in the U.S., everything is above the table (blanco). I’m not one of those people who says “I could not live there.” I could perfectly well live there. The taxes I pay are returned to me in public works and services. Here in Argentina, no, they pocket them for themselves [se lo llevan].

For Roberto, there is no notion that “economic practices” bear on, produce, interrupt, or compromise “justice,” here narrowly conceived as the sanctity of property. On account of a split between law and economy, and a particular redefinition of each of these terms, the idea that the social logics of indebtedness might be critical for upholding the law is unintelligible to him. And yet, the transformation of the elite economic subject into a consumer or speculator in lieu of a debtor had just these detrimental effects. Neither the policies of the dictatorship nor those of democracy in the 1990s, while deploying the language of the “rule of law,” were productive of the deontological effects, the normative framework essential to the law-abiding subject, or citizen. Foucault shows that the “subject of right,” the law-abiding subject of the social contract, far from an “autological subject” (Povinelli 2006), is a subject who is divided, becoming so through a ‘dialectic of renunciation.’ As Foucault writes, “What characterizes the subject of right? Of course, at the outset he has natural rights. But he becomes a subject of right in a positive system only when he has agreed at least to the principle of ceding these rights, of

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246 Roberto here refers to the notion heard sometimes in elite sectors that a luxury lifestyle is easier to achieve in Argentina than in the “first world” because of lax enforcement of the law.

247 Of the 1990s turn to Constitutionalism, Dezalay and Garth write, “Far from being obstacles to the effectiveness of the market, therefore, the law and other supporting institutions now appeared as conditions for its functioning. The conversion of economists once more to the merits of the legal field of practice was increasingly impregnated with a business logic” (2002: 170-171).
relinquishing them, when he has subscribed to their limitation and has accepted the principle of the transfer” (1979: 275).

Subject formation, rendered here as an inherently dynamic process, is also what makes the law binding. Capturing the inner mechanics of what he elsewhere calls the totalizing/individualizing bind, Foucault writes: “The dialectic or mechanism of the subject of right (law) is characterized by the division of the subject, the existence of the transcendence of the second subject in relation to the first, and a relationship of negativity, renunciation, and limitation between them, and it is in this movement that law and the prohibition emerge” (1978-1979: 275). Judging from Foucault’s repeated use of words like “sacrifice,” “renunciation,” “transcendence,” and “obligation,” the strategies that lend the law a binding quality cannot consist of repression alone as they must invite a willful and desiring abdication. The law-abiding subject Roberto romanticizes and allegedly embodies in Coral Gables is not so because he is “the possessor of a number of natural and immediate rights…” but rather because, in this context, he is “someone who agrees to the principle of relinquishing them” (1979: 275).

This insight was not lost on Simmel, who wrote that “the great centralizing tendency of modern times…does not at all contradict the trend towards individualization” (1990 [1907]: 183). For Simmel, the relinquishing of rights that engendered citizenship could not be disassociated from use of a nation’s currency, inextricably linked to taxation. Simmel departed from a substantialist theory of money, and argued that credit-money rested upon a third and central power. Money, when appreciated as a debt emitted by the state, a promise to redeem value in an unspecified future, implies a division of the subject. To extend credit signals a

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248 To re-iterate a passage cited in chapter three, “the relationship of the State to its citizens is determined basically by a monetary relationship that has its origin primarily in taxation” (Simmel 1990 [1907]: 316). Foucault’s text does not rule out such an interpretation but there is no direct link made between words like “sacrifice” and “renunciation,” and money or taxation.
tolerance for indeterminacy, a holding in abeyance. Trust in money might be seen as a giving of the self that, in the Western democratic ontology, is imagined to belong exclusively to one. In this regard, whether appreciated or not, the subject who used credit-money, was split, a person-thing assemblage, something captured in Simmel’s assertion that “To understand the concept of property it is decisive to recognize that the rigid demarcation between it and the self, between internal and external life, is quite superficial and that it should be made more fluid for the purpose of a deeper interpretation” (1990 [1907]: 322).

Far from retrospectively imagining a full modern subjectivity prior to capitalism, as did theoreticians of *homo economicus* who preferred the Lockean subject, Simmel saw the individual as entangled within, and arguably possessed by, a web of obligations and dependencies. The modern subject, he posited, was constituted through the alienating experience of desiring things which are at some temporal-spatial distance. While portraits of “possessive individualism” projected this space as something that should and could be overcome, Simmel argued that the willingness to sacrifice or renounce labor or a possession was a distinguishing feature of modern subjectivity. Given prevailing, and inter-linked, views of “possessive individualism” and substantialism, Simmel’s rejection of the primacy of the individual and of the teleology of contract, might in fact be seen as quite radical.

Strikingly, even while contradicting his normatively stated views, the story Roberto tells to explain what generates respect for the U.S., “a serious country,” centrally revolves around tax enforcement. Ironically, then, the “choice” of a sovereign, arguably a contradiction in terms, is based on coercion – appreciation that the laws to which he is subjected are enforced.

R: Let me give you a comparison. In ’78, when I was in Houston, I had a manager who was a disaster. It turned out that she hadn’t paid employees’ social security for eight months. I called my lawyer and I said “She hasn’t paid this”…and look
how different Argentines are from Americans. I asked, (chuckling at his own gall) can I pay in installments?

The lawyer called me the next day and said “No, it can’t be paid in installments.” “And then a week later, he called me and said, “Look, Roberto, either you come tomorrow, or don’t come because they’ll put you in jail in migraciones [customs].”

I grabbed the 40 thousand dollars in cash, and I left that night. Now that is a serious country. That was in 1978. That very night, I got on a PanAm flight with 40 thousand on me. I declared them, as corresponded, in customs. Here, millions go out and nothing happens.

M.A. They were going to put you in jail for not paying social security?

R: Exactly. It is their money.

When Roberto says of the I.R.S.’ claim on him that “it is their money” he seems to acknowledge the legitimacy of another form of possession not encompassed by private ownership. His story signals recognition, however fleeting and unassimilated, that tax enforcement may be part of what makes a sovereign trustworthy, and may be a critical medium through which membership is produced. The obligation to pay tax, a debt that cannot be cancelled or fully repaid, is critical in generating this division of the subject or what Foucault calls the ‘dialectic of renunciation.’ Insofar as tax materializes or conjures another form of possession, it may constitute a critical bridge between value and justice.

But where the U.S. government seems to be able to accrue a mystical authority, or the “secret of power” (Blum Hansen and Steputtat 2005) through taxation, it is too late for Argentina. Arguably, in the eyes of its elite, it has always been too late for the Argentine state given the memory of, and nostalgia for, the market-driven bonanza of the pre-Peronist era where Argentina operated as a de facto settler economy. Repeated Barings bail-outs in the nineteenth century, insofar as they provided an alternate foreign guarantee of Argentina’s national currency, enabled politicians to bypass the giving and taking with the citizenry embodied in taxation.
Given that the norms of citizenship are built partly through moral obligation constituted through creditor-debtor relations, the pre-governmental fantasy fostered by this history has threatened democratic practice.

At the end of our conversation, as if aware of some of the contradictions that had arisen in his narrative, Roberto revealingly switched from the language of the law to that of gift and obligation.

But I have…But you know what was the most important thing that that God gave to the human being?…Freedom [“la libertad”].

While his earlier indignation was couched in terms of law and justice, freedom now appeared to derive from some other mystical authority and norm-making process. If freedom is a gift from God, an assertion that situates him firmly within a Lockean legacy where natural rights are “God-given and part of the prepolitical natural community” (Somers 2008: 285), he is released from his duty to reciprocate via a counter-gift to the state. Articulated here is Wendy Brown’s observation of the connection between neo-liberalism and certain forms of religion, both of which release the citizen from accountability to the state (Brown 2008).

The Unbridled Market as Indigenous National Culture

Santiago sees the politicization of the economy that has taken place in the wake of the currency board’s collapse as “magical thinking.” But what requires magical thinking, I have tried to suggest, is the notion that democracy could flourish, or would naturally follow from “possessive individualism.” Defined by ownership of the self and of property, this ontology is deeply averse to the mediation that, via indebtedness and negotiation, is constitutive of law and
citizenship. Expanding beyond the narrow juridico-political framework deployed in the “Anglo-American theory of democratization,” Rosalind Morris suggests a broader set of criteria for democratic representation, observing “electoral representation introduces both a temporal and a structural gap into the political process and, for this reason, needs to be distinguished from sovereign performativity of the absolute monarch. In democratic contexts, political will is mediated” (2000: 261).

Santiago is clearly intolerant of the structural and temporal gap that is inherent to ‘electoral representation.’ While he eschews the idea of himself as right-wing, he is dismayed by nothing other than the parliamentary decision to annul the constitutionality of the Law of Due Obedience and Final Point (Ley de Obedencia Debida/Punto Final). The annulment of these laws enabled the re-opening of trials of torturers who were amnestied in the late 1980s. Human rights advocates deemed it to be one of the major and incontrovertible victories of Kirchner’s administration, marking a concrete end to the “politics of forgetting.” Santiago, for his part, was persuaded that this reversal violated the Constitution and threatened investments, betraying a disdain and mistrust for the legislature, and indeed, anti-popular republicanism.

Now the Court, twenty years later, decides that these laws were unconstitutional. I don’t know much about law, but the laws were voted by the parliament and, even if politically, the majority of Argentines didn’t like them, they were Constitutional.249 I’m all for imprisoning people who tortured but not if it means violating the Constitution.

I was driving home on Tuesday listening to journalists on the radio, and even the serious journalists and columnists, almost all without exception, celebrated the end of Due Obedience and Final Point, saying they were shameful laws. But no one comments on whether they were constitutional or not. The only ones who came out against this were Lopez Murphy and Macri.

249 It is important to point out that these laws were voted on by the Congress and ratified by the Supreme Court in the wake of a serious military coup in 1987. They were widely seen as a concession by Alfonsin, a last-ditch effort to maintain democracy.
So this is a country without rules. There are no permanent rules. And if this is the case, we have no Constitution. This is important not least because, from the point of view of investors, let’s say, what is really seen is that this is a society without rules.

People say “We have to derogate these laws because they are shameful.” The Court is ruling on whether the laws were or were not shameful, not on their constitutionality.

In no uncertain terms, Santiago implies that “democracy” is only as good as its ability to retain investment. In this formulation, “democracy” has effectively been reduced to what economists call an “externality,” a negligible and secondary consequence of some other priority. Citizens’ shifting affective geographies – insofar as they are unpredictable and cannot be pinned down in advance – here represent the threat of lawlessness and disorder. Emotions such as dignity and humiliation should not intrude in legal decision-making, and are seen as responsible for thwarting a horizon that, ideally, should be geared towards lessening investor risk.

The politics of forgetting operate in two ways here. There is the explicit objection to bringing military criminals to trial, an affront not only to human rights but even centrist positions, and then there is lack of awareness that the democratic process also depends upon monetary mediation within a polity, and the social logics of indebtedness which make it possible. Given that money is a quintessentially political form of representation, which was critical to the development of modern democracy, intolerance for a ‘temporal and structural gap’ – the gap where trust occurs – is antithetical to democracy. During the 1990s, among the technocratic elite and far beyond, what was envisioned was a democracy without monetary mediation. Processes of representation, rather than being fomented, were interrupted.

‘National culture’ – or rather, its perceived absence – plays an important part in this threadbare vision of democracy. Argentina is portrayed as lacking that ‘spontaneous order’ or “spontaneously grown institutions such as language, law, morals, and conventions” (Hayek 1994
[1944]: 400) elsewhere referred to as the *nomos* that Friedrich von Hayek and others saw as the source of law and social consensus. The market is portrayed as that unique force that can substitute for the impossibility of social consensus, offering some hope of salvation for this ‘society without rules.’ In an ironic symbiotic twist, the market’s advocates come to depend upon, reproduce, and romanticize an essentialist notion of culture – now a necessary part of their repertoire. As Santiago asked me:

Did you see the interview with Milton Friedman that came out in *La Nación* this past Sunday? He was saying, and this seemed interesting to me, that the high tax rates that exist in Scandinavian countries can only be understood because society is so small and homogenous…people perceive they are paying amongst themselves. It is like a club, let’s say. This wouldn’t work (high taxes) in a country that is more heterogeneous.

This wouldn’t work here? There is no common project, no sense of national belonging here?

When it comes to practical issues, forget it. There is little consensus in Argentina. I’ve only seen people rally around the “nation” three times. With football, it is permanent. The other moment, unfortunately, was the Malvinas War where many rallied behind the dictatorship. There was also social consensus with the recuperation of democracy.

Finally, I think convertibility was a unifying element for the whole society…beyond the technical aspects, of whether the exchange rate was overvalued or not. Yes, yes. There was a defense of the one to one by everyone, rich, poor, middle class because everyone was afraid of the same thing (inflation).

In Friedman’s comments, and the appeal they hold for Santiago, there is evidence of an intellectual kinship with Hayek. For Hayek, law pre-exists the state and is determined by the *nomos*, an essentialist and static (or slowly evolving) notion of culture. If deemed absent, the *nomos* cannot be substituted by a process of majoritarian deliberation, which, inevitably shaped by a sovereign, can too easily lead to demagoguery. The convergence of neo-liberalism and an essentialist notion of culture did not go unnoticed by some well-known Argentine power-brokers. It was the argument conjured by Julio Ramos, the founder of *Ambito Financiero*, the
first and most important financial newspaper in Argentina, established during the dictatorship when he was found guilty of a customs tax evasion scheme in the mid-1990s. In a well-known editorial, which he used to justify his fraudulent use of foreign diplomats’ tax exempt status to import luxury cars duty-free, he elaborated the “original doctrine of patriotic contraband” (*doctrina original del contrabando patriótico*). Drawing a lineage between himself and Mariano Moreno, a leader of Argentina’s Revolution of 1812, he claimed that Argentina was born on contraband, and so his evasion was nothing other than a time-honored national tradition. The unbridled market was then, both a substitute for tradition, and tradition itself.

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CONCLUSION

*Striking for Speculation: Horizons of Abundance and the Fragility of the Fiscal Bond*

In July 2008, five months into the Argentine agricultural sector’s protests against the government’s decree (*Resolución 125*) to increase duties on agricultural exports, I returned to Buenos Aires to conduct follow-up research. The country, already rattled in 2007 by a raging controversy surrounding the veracity of the official inflation index (INDEC), was shaken by roadblocks (*piquetes*) throughout the pampas to prevent agricultural exports – primarily soy, and some wheat and sunflower – from reaching ports. Since the 2001 crisis when the convertibility board collapsed and the currency was devalued, agricultural exports had become highly competitive and were largely fueling what, for the fifth year in a row, were 9% growth rates. Duties on agro-export, originally implemented in 2002, were a critical source of state revenue. What the government called “*rentas extraordinarios*” (extraordinary income) to refer to the doubling of the price of soy (and particular spike in the four months of 2007), were attributable in part to rising global commodity prices, a growing market in China and major technological innovations. The protests had begun when Minister of Economy, Martin Lousteau, announced the government’s decision to implement “*retenciones moviles*” (mobile retentions). What was proposed was a coupling of the percentage of duties charged to the global price of soy. The government argued that this measure was intended to protect “*soberania alimentaria*” (food sovereignty). With exporters seizing this bonanza, there would be a shortage of basic products on

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251 See Neal P. Richardson’s “Export-Oriented Populism: Commodities and Coalitions in Argentina” (2009) for a detailed discussion of the political economy of the duties. The export duties were set at 27.5% in 2002 and with the rising prices of commodities had risen to 35%.

252 While during the 1990s, the price producers could be paid for soy was about $200 per ton (*tonelada*), this price had doubled after the crisis and reached a historic peak of $587 per ton in May of 2008.
the domestic market (*desabastecimiento*) and inflation of food prices that would affect the poor.253

Newspaper columnists and radio talk-show hosts debated the identity of the actors orchestrating the roadblocks. Those in favor of the government’s regime of accumulation argued that the landowning oligarchy was behind it. Those against the duties said that they were “small producers” (*pequeños productores*), who would be unfairly victimized by the government’s proposal. There was ample debate about how to characterize the protests, and a particularly bitter feud over who would seize the noble title of “producers.” The government contested the nomenclature of the roadblocks as a strike (*paro*), a term inextricably linked to labor, calling it a “lock-out” instead. In so doing, it likened the protests to factory owners – capitalists – who block workers demanding better working conditions. The implication was that the agitators were capitalists and speculators who were masquerading as “producers.” Along the same lines, Christina Kirchner called these “*piquetes de la abundancia*” (roadblocks of abundance) to differentiate them from those roadblocks pioneered by unemployed workers in the late 1990s against neo-liberalism.

Amidst the tension and confusion, it was clear that some farmers were trying to get through the roadblocks to sell produce. Television footage showed dairy trucks, unable to get past the roadblocks, spilling hundreds of gallons of milk onto the highways. While these images elicited dismay across the political spectrum, citizens clashed heatedly over who was responsible

253 The title alludes to Julia Elyachar’s article “Striking for Debt: Power, Finance, and Governmentality in Egypt,” *Anthropological Notebooks (Drustva antropologov Slovenije)*, vol. 10, no. 1, June 2005 (Ljubljana). Elyachar describes what were referred to as “strikes” for the release of IMF loans from a public-sector bank in Cairo, Egypt. She discusses the counter-intuitive use of the term, which in that context referred not to “improving the conditions of the working class” but to access to micro-credit programs that would enable entrepreneurship.
for such egregious waste. As a kind of material manifestation of the misinformation, distrust, and conflicting narratives, for three weeks in June mysterious fires were started in fields near Buenos Aires. A thick and asphyxiating smoke filled the city, offering fodder for all manner of conspiratorial speculation.

Most Buenos Aires middle-class professionals expressed uncritical solidarity with “el campo” (the country). They complained about President Cristina Kirchner’s arrogance (soberbia) or haughtiness (prepotencia) and her failure to adequately recognize the wealth this sector had provided the nation. Bumper stickers began to appear in upper-middle class neighborhoods saying “Somos Todos el Campo” (we are all the countryside), and protestors mocked “Reina Cristina” (Queen Cristina). The critique of soberbia seemed linked to interference with market sovereignty, an affront to what, for a fraction of the middle-class, was a deep identification with the “laws of the markets” and the right to calculation. Who, after all, was she to decide what qualified as an “extraordinary earning”? From cab drivers to architects to provincial elites, I heard objections to what was perceived as the government’s view that “es pecado ganar dinero” (it was sinful to make money). It was widespread contestation of her right to make political economic decisions that led Cristina Kirchner to remind protestors that “nobody voted for them” in reference to the previous year’s election where she won by 42% of the vote. Increasingly indignant each time Cristina Kirchner issued a statement, protestors gathered in affluent neighborhoods and held aloft signs decrying tyranny and demanding the right to unfettered free trade and private property. Draped in Argentine flags and the trappings of gaucho folklore – cowboy hats, ponchos, and bombachas254 – the demonstrators revived what Donghi calls the “radical agrarian motif” (1997) of a pre-industrial conservative nationalism.

254 Pants worn by gauchos in traditional representations.
Responding to the critiques that the decision to levy the export tax was undemocratic, Cristina Kirchner changed course, and sent the resolution to the Congress for a vote. A month later, on July 15th, on the eve of the vote, anti-tax protestors convened a multitudinous march, attended by people from all over the country to apply pressure on representatives. Near the Plaza Italia on the Avenida Libertador, the central artery that runs through the posh Barrio Norte neighborhood, one man who described himself as a “productor” told me “el campo es la columna vertebral de este país y nunca ha sido reconocido” (the country is the vertebral column of this country and has never been recognized). Further in the crowd, I saw a hand-written sign that asked for “agradecimiento y reconocimiento” (gratitude and recognition). A young man who was waving a flag I’d never seen (that of Entre Rios province, he explained) said he was there, quite simply, to “defender lo mio” (defend what is mine), the 5000 hectares of soy and wheat that his family owned. When Luciano Miguens, the president of the Sociedad Rural (Rural Society), spoke, his words echoing through loudspeakers, a crowd standing nearby chanted “De Rodillas Solo ante Dios! Malabrigo de Pie!” (On our knees only before God! Malabrigo on its Feet!”) The view that their obligation was only to God, not to the state or the constituency it claimed to represent (the poor who would be affected by food prices) was affirmed by priests who joined the roadblocks. Market and religion were allied against one competitor: the state. The imagery of tax payment as kneeling before the state suggested a view of payment as tribute rather than tax. When deigning to entertain the existence of something like “the people,” usually associated with mestizo and the disenfranchised, this largely white, well-to-do crowd chanted,

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255 On account of the Ley de Emergencia Economica (Law of Economic Emergency), which has been in effect since January of 2002, export duties have been determined by administrative decree rather than debated in the legislative branch. The convertibility policy of the 1990s was also carried out under a Law of Economic Emergency.

256 The Sociedad Rural is the most traditionally conservative of the agricultural organizations but there was a broad alliance opposing the decree. Despite historically different positions, all four agricultural interest-group organizations were united at this conjuncture.

257 The name of a town in the pampas province of Santa Fe.
“Si esto no es el pueblo, el pueblo dónde está? (If this isn’t “the people”, where is “the people?”)"

These protests, the largest since 2001, were referred to as *cacerolazos* for their signature feature: the clanging of pots and pans. But they signaled a very different moment in the consolidation of the social logics of indebtedness within the nation-state. While the emblem of 2001 was “*piquete y cacerolazo, la lucha es una sola*” (a cross-class alliance between the unemployed and the middle-classes), this fragile alliance was now under threat. There was a proliferation of references to Argentina as “*dos países*” (two countries) and to “*odio anti-Peronista*” (anti-Peronist hatred). The refrain that the campo had “never been recognized” awakened older wounds. Not surprisingly, this change did not occur overnight. Among the brewing grievances were inflation and “*inseguridad*” (fears of crime), but these tensions rose to the surface with unparalleled intensity during the anti-tax protests of 2008.

Left-leaning professionals, even those who had grown up in anti-Peronist households but had become sympathetic to Perón during the 1960s, confessed that they felt enveloped by anti-Peronist sentiments that had lain dormant since childhood. A neurologist friend who had been supportive of the Kirchners until the anti-tax protests expressed surprise at her own anti-peronist feelings rising up again. Calling those behind the strikes “*agro-golpista*” (agro-coup-plotters), José Pablo Feinmann, the philosopher and public intellectual discussed in chapter four, paraphrased what he saw as the political unconscious of this movement. He took aim at Beatriz Sarlo, an intellectual with a similar leftist past in the 1960s who was now an avid critic of the

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258 In a dramatic denouement, the tax increase was defeated. Votes were tied and the final vote against the resolution was cast by the vice-president Cobos, from the pampean province of Mendoza. In a teary-eyed speech, he said, “They tell me I must go along with the government for institutional reasons, but my heart tells me otherwise. May history judge me, my vote is not for, it's against.” The tax went back to the 35% rate where it had been set previously.
government. “We, the gorilas (anti-peronists) assert, are not them; we aren’t the blacks (los negros), the inferior classes, the barbarism that Sarmiento described. We are cultured (cultos), we are white, we are educated and if they don’t understand we are going to kill them all over again…I am sick of arguing with gorilas, Beatriz: I don’t want to defend peronism. I want to think it. The gorila, with his/her hatred, impedes thought” (Página 12, 3/30/2008).

Those who remained supportive of Cristina Kirchner expressed dismay that it had become impossible to talk to certain friends. One psychoanalyst friend said that when she and her husband would express their views to colleagues, or cousins, they would be reprimanded: “How can you not be for the campo?” She likened the feeling to the Malvinas/Falklands war in 1982, where, in a particularly shameful moment for the Argentine left, many members of the progressive middle-class suddenly rallied behind the most brutal dictatorship in Argentine history against England. A 65 year-old engineer who decided to attend a ‘counter-march’ organized in support of the government, which also took place on July seventeenth, recounted that a friend, mocking his position said: “what, did they give you a choripan (a sausage sandwich)?”

The Sovereign’s Exposed Debt and the Challenge to Fiscal Sovereignty

The protests, and the public debate surrounding them, crystallize some of the central questions of this dissertation. What I’ve called the fiscal politics of recognition refers to the way states elicit taxation from citizens, producing, through varied discourses and technologies, sentimental economies in which subjects feel, to employ Marcel Mauss’ phrase, that they have the “sovereign right to refuse a contract” even when they have neither the interest nor the right to

In spite of the multiple financial crises of the late 1990s, and a resurgence of interest in the question of sovereignty in critical theory, the nexus of money and sovereignty remains relatively unexplored. Even with mounting critiques of neo-liberalism in the humanistic social sciences, the complexities of fiscal sovereignty have continued to be neglected. The global financial crisis of 2008, which has raised the specter of sovereign debt crisis in the U.S. and unleashed sovereign debt crises in Greece, Italy, and possibly other countries of the euro-zone, makes an inquiry on this subject all the more timely. Inspired by this historical conjuncture, and the representational turn in social science, which has drawn attention to the power-laden effects of disciplinary divisions, I have suggested that we may gain new insight on questions of macro-political importance by mobilizing anthropological tools. I have put forth some theoretical concepts that might help us approach the relationship between the state and money in ways not encompassed by available categories of analysis. I have also argued that the dynamics of fiscal sovereignty are themselves critical for understanding a lacuna in the literature. Fiscal sovereignty hinges upon eliciting a feeling of indebtedness in subjects while simultaneously concealing what would otherwise logically follow from the relational nature of debt: consciousness of the sovereign’s indebtedness and, by extension, its vulnerability.

Foucault offered a compelling reading of power as relational rather than condensed in the state or other sovereign entity as “mythicized abstraction” (Mitchell 1991). Through a genealogy
of state-credit money, institutionalized in seventeenth century Europe, I have attempted to bring insights on the relational nature of power to bear on taxation and Central banking. In order to survive, states inaugurated a new field of power, public finance. While these new technologies emboldened states by increasing their capacity to wage wars and expand their territories, fiscal policies also made states considerably more dependent upon their subjects, who – now and for the first time – had become moral creditors. State credit-money is circulating state debt that only has power if it is invested with trust or “public credit” from constituents. It is therefore essentially recursive, depending fundamentally upon the idea of mutual benefit, obligation and the notion of a ‘public’ or ‘society.’

The fiscal politics of recognition brings insights from the anthropology of exchange, including classic texts on the gift and sacrifice, to analysis of the creditor-debtor relations critical to nation-state formation. Integrating insights from recent work on the importance of affect in governmental processes (Stoler 2004, Rutherford 2009), and the relational characteristics of payment processes in the construction of sovereign polities (Cattelino 2008, Aglietta and Orléan 1998), I contend that, in modern nation-states, taxation is a “social payment” reducible neither to coercion nor contractual exchange (Tilly 1990, Guyer 1992, 1995; Maurer 2007). Beginning in seventeenth century Europe, taxation was cast as an experience of moral recognition by a sovereign entity (Bataille 1993, Hubert and Mauss 1964) for monetary contributions paid in the state’s legal tender. I argue that in the modern nation-state context, what endows such payments with a redemptive quality is not so much recognition by the state per se as by the newly sacralized object of “society”, on whose behalf the state claims to speak. The figure of “society,”
which has a triangulating effect, deflects and diffuses attention from what might otherwise be a more pitched dyadic power struggle.\(^{259}\)

During the 2008 protests, Cristina Kirchner’s administration lost the capacity to manage the fragile equilibrium that produces the illusion of abstraction – expressed in stable money – upon which capitalist accumulation depends (Keane 2008). Without this semblance of abstraction, trust disappears. The rise in capital flight, predictions of default and impending hyper-inflation, all reported in mainstream newspapers – not to mention accusations of the Kirchners’ insatiable desire for self-enrichment – reflected this predicament. As I argue in chapter two, in peripheral countries such as Argentina, with a very different political history of capital (Chatterjee 2004), these abstractions have not developed in the same ways and the volatility of creditor-debtor relations is very much at the surface of political and social life. The reversible and relational nature of indebtedness – not an aberration from capitalism but as I have argued via attention to taxation and “public credit” its hidden essence – is easily and often exposed and visible. The Argentine case highlights the degree to which abstraction, often imagined to be an inherent characteristic of money, is by no means a given. With a fragile fiscal bond, the importance of representational practices signifying acts of giving and taking – conditional upon the management of memory and forgetting – becomes magnified.

Viewing abstraction itself not as a given but rather as contingent upon social logics of indebtedness, sheds light on the critique of gifting, read through an economistic lens as base manipulation. Among the upper classes – as evidenced by the comment about the choripan – anyone who supported the government must have been bought off. When I met Roberto again in 2008, the businessman introduced in chapter three and six, he attributed inflation to: “the gifting

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\(^{259}\) Writing on Mauss’ work on the gift and sacrifice, Parry observed that given “parallels it is indeed curious that, as Fuller (1984:196) notes, Mauss ‘failed to tie explicitly his analysis of gifts to his earlier work on sacrifice’ (1986: 470). I have tried to engage the specificity of the differences and similarities.
of Planes de Jefes y Jefas (el regalar Planes de Jefes y Jefas)…The government is gifting work! (¡Regalá trabajo!). Create work. Don’t gift money (Creá trabajo. No regalés plata). As Christ said, ‘teach him to fish, don’t gift him fish.’ Otherwise, we are all paying for the fish and you are eating for free.” The market – radically cutting government spending and letting capital create jobs – would provide salvation from the corruptions of the gift.

While ubiquitous, the language of gifting was not always spoken of as indecent. Referring to the proliferation of bumper stickers reading “Todos Somos el Campo” (We are all “the countryside”) in the upper-middle class neighborhood of Palermo, the newsstand owner who I often stopped to speak with said: “cuando me regalan un 4x4, ahi pensaré que Todos Somos el Campo” (when they gift me a 4x4, then I’ll think that we are all the countryside). He was tapping into something profound, because the conditions that had created this bonanza, while never acknowledged as such, could also be qualified as a gift – from nature and from the state – rather than solely as the culmination of labor. The newsstand owner questioned Roberto’s implication that those paying export taxes had ‘worked for their fish’, and were intrinsically more virtuous.

The fiscal politics of recognition, which refers to a money-mediated dialogical process, has implications, not only for the construction of sovereignty but also for understanding notions of the modern subject fashioned upon a “vision of the self that must be abstracted from material and social entanglements” (Keane 2007: 55). I have argued that situating the liberal subject of Anglo-American citizenship theory in relation to the dangerous entanglements of public finance sheds light on a reversal characteristic of modernity whereby the individual, rather than the state, comes to be seen as the primary sovereign (Aglietta and Orléans 2001, Blom Hansen and Steputtat 2005). In minimizing awareness of interdependency, the Lockean subject, whose
constituent power is rooted in labor (Balibar 2002), can be read as an ideological effect of the imperative to conceal the sovereign’s debt. While public finance engendered person-thing assemblages constitutive of liberal selfhood, processes of “purification” (Latour 1993) made these increasingly difficult to behold.

Such processes of purification, arguably mobilized and intensified by the threat to abstraction, were in full view during the protests. The protests captured in extreme fashion the Lockean notion of value as emanating from labor and land, as sanctioned by God. To opponents of the export duties, what made the tax morally reprehensible and “retrograde,” was that it was a tax on “production.” Alejandro Otero, the tax administrator introduced in chapter four, and dismayed that “the right has seduced the middle-classes,” said he had found a productive outlet for his frustration through docencia (pedagogical efforts). “Production,” he argued, was not such a transparent category. Otero offered an alternative perspective on the locus and distribution of agency.

Let’s see…it is true that the retenciones are a tax on production. But the value of production is not determined exclusively by the effort of the producer.260 The yield of his work is not linked solely to effort. Does agricultural production depend on work? Yes. Does the fertility of the land depend on the producer? Insofar as the producer who treats the soil well can enhance its fertility, yes absolutely. But part of the land’s fertility owes to a historical process of geologic accumulation which does not depend upon the producer’s effort, which is given to him/her (que le está dado). Second point, the value of production also depends upon the international price, which is absolutely unrelated to the producer’s effort. The producer might mobilize agitate or whatever for the price to go up but that will not depend on his desire or effort. It depends on other factors in this case what is happening in China, India, bio-fuels, financial speculation, etc. Third factor: the exchange rate! That he/she receives more or less dollars for production for export depends on the exchange rate. This doesn’t depend on him either but on the exchange rate.

260 “Es cierto que es un impuesto a la producción. Ahora, el valor de la producción no está determinado exclusivamente por el esfuerzo del productor.”
In thinking about the discourse of production, it should be added that the composition of agricultural production had changed tremendously since 2003, a development closely related to the soybean boom (sojización). Farming had become the new frontier of financial speculation, something that would not be surmised from the rustic aesthetics of the protests. On account of the development of “pools de siembra” (planting pools), farming had become “una operación financiera” (a financial operation). These were trust funds (fideicomisos) which joined small and large investors in the financing of grain production. Technological innovation such as genetically modified engineering had made farming far more efficient. Many producers who had previously owned and worked their own land now rented their land to owners of this technology, concentrated in four or so large monopolies who managed crop production.

Otero’s parsing of the opposition’s discourse of “production” did not prevent him and other supporters of Resolución 125 from acknowledging major shortcomings with Cristina Kirchner’s approach. Indeed, many were quick to concede Kirchner’s missteps in the timing and form of the tax announcement, as well as her handling of agriculturalists’ response. When Cristina Kirchner’s economic team first announced the new policy, it did not differentiate between large and small producers, which angered many. Even if 80% of production was now in the hands of monopolies, the other 20% was not. She was also insensitive to the timing of the announcement during end of summer, when farmers plant for the next season. The inauspicious timing complicated farmers’ assessments of how much to plant.

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261 According to the article “Un guiño a los pequeños que en la ruta no sedujo” (Página 12, 4/1/2008), which cited government statistics, 4000 producers represent 80% of production while 62,500 producers represent 20% of production.
In keeping with its policy of non-repression of *piquetes* of the unemployed, the government promised not to use force against these “*agro-piquetes*.” It did, however, raise the rhetorical stakes, contributing to what was referred to as the mood of *crispación* (tension/on-edgeness). The government claimed that those setting up the roadblocks were coup-plotters, and chided the conspicuous consumption of 4x4 SUVs among the upwardly mobile rural middle-classes – saying that once they have three, they don’t want to go back to two. Reminding them that they were still prospering more than ever before, she asked the producers to see themselves as part of the country rather than narrowly as property-owners.

Despite criticisms, there was acknowledgement among progressive tax specialists that, given historical and structural constraints, the reliance on export duties after the financial crisis was a reasonable, if not ideal, source of revenue. The historical reliance upon export or import duties and indirect taxation could not be changed overnight. While the *retenciones* were a progressive indirect tax, they were nonetheless an indirect tax, with all associated problems discussed elsewhere in this dissertation. A direct income tax based on governmental knowledge which could more precisely determine what certain producers earned would undoubtedly be fairer. But most direct taxes, which tend to be the most progressive taxes, were collected at the provincial level and provinces often lacked the requisite capacity to collect them.

With these barbed words, Kirchner deprived agriculturalists of the opportunity to feel generous, to feel that, through their payment, they were giving a gift to the nation. This was, in fact, a narrative that some agriculturalists and those who sympathized with them had adopted. Alfredo de Angeli, a leader of the *Federación Agraria*, another agricultural association, claimed that the sector felt proud and honored to make a contribution to the nation’s recovery after the

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262 This policy angered many members of the urban middle-class who wanted the government to crackdown against the disruptive marches of the unemployed, which created huge traffic jams.
financial crisis when the export duties had originally been implemented. But this had changed.
The collapse of the fiscal politics of recognition, an elaborate governing technique forged
through a plethora of invisible gift and counter-gift relations, disrupted the illusion of
abstraction, threatening Argentina’s political and economic stability once again.

Towards a Maussian Anthropology of Capitalism

Marcel Mauss’ *The Gift* [1925] was an attempt to delve into the problem of obligation, a
problem that liberal theories of economic and social practice could not easily account for. As part
of a political project to critique liberal utilitarianism, Mauss attempted to downplay the idea of a
‘Great Divide’ between ‘archaic’ and contract societies. While, as a heuristic technique, Mauss
created the illusion of a distinction between contract and gift societies, he then overturned this
completely in the conclusion. Claiming that “we are not yet all creatures of this genus” and that
“*Homo economicus* is not behind us, but lies ahead” (1925: 77), Mauss famously urged
researchers to put what “it pleases us to contrast: liberty and obligation; liberality, generosity and
luxury, as against savings, interest, and utility” “into the melting pot once more” (1925:73).

The field of anthropology, with its rich tradition of work on value and the social logics of
indebtedness, would seem an obvious place to turn to gain new purchase on taxation and
affective geographies of investment in the state. Ironically however, while Marcel Mauss wrote
his essay *The Gift* as an intervention into ways of thinking about capitalism, as an earlier
generation of anthropologists noted (Parry 1986, Parry and Bloch 1989, Hart 1986) anthropology
has stumbled in carrying its analytics across what Parry and Bloch and others refer to as the
‘Great Divide’ – from stateless to state societies.
Much of the exegesis on Mauss bears testimony to anthropologists’ lasting attachment to the division between contract and “archaic” societies, and by association, to the already established Western separation between politics and economics. In his foundational work on the Trobriand Islands, Bronislaw Malinowski, contrasted the system of trade relations he described to neo-classical economists’ descriptions of exchange. This contrast-effect led to what Jonathan Parry called “ideologies of reciprocity and non-reciprocity” (1986) and “negative mirroring” further consolidating ideas of homo economicus as the market actor of civil society and of small-scale societies characterized by the romanticized figure of the altruistic gift-giver. At least in the Anglophone literature, efforts to move beyond essentializing constructs (Appadurai 1986, Callon 1998) have not involved a significant re-thinking of money, and its mediation by the state.263

In light of this hall of mirrors, several authors noted that the debate on exchange had become thoroughly de-politicized. Despite Mauss’ forceful critique of liberal utilitarianism, The Gift was largely read through Malinowski’s “theoretical filter” (Parry 1986: 455) promoting the very distinctions that Mauss had set out to critique. As Parry writes “The various elements in this model – the tendency to see exchanges as essentially dyadic transactions between self-interested individuals, and as premised on some kind of balance; the tendency to play down supernatural sanctions, and the total contempt for questions of origin – all these constituted an important influence over much of the subsequent literature” (1986: 454). Along similar lines, Thomas wrote that “Exchange theories, in their emphasis upon reciprocity, have always marginalized, in a paradigmatically liberal fashion, questions of power” (1991:56). In the years since these

263 French regulation theorists seem to have escaped the dyadic interpretation of Mauss, recuperating some of Mauss’ most interesting insights. Extending Mauss’ insights to capitalist society, Michel Aglietta, André Orlean (1998, 2002) and Bruno Theret (2007) as well as other sociologists of money (Ingham 2004) have contested the origin myth of money as originating in individual contractual exchange. They argue that private market exchanges are predicated upon the existence of a public guarantor that offers protection by operating as a lender of last resort. In this view, the financial bond (at times lien financier 1998:21) is always already anterior to market exchange between isolated self-fulfilled individuals.
critiques were written, the *Gift* has indeed been discussed as a technology for the production of social indebtedness, and in that capacity, as constitutive of inequality (Masco 1996, Grant 2005, Roitman 2005, Morris 2000). But these attempts have led neither to a broader view of Mauss as a theorist of power nor to attempts to fold these insights back towards the study of the money-mediated link between state and citizen in the fiscal bond of capitalist states.

My contention is that this impasse around Mauss, as well as around re-evaluating the ‘Great Divide’ between the archaic and the modern, is linked to what has, until recently, been the basis of many anthropological views of how power operates in modern state societies, what Foucault called a juridico-political conception of power. Such a conception, which sees citizens as rational actors and affect-less maximizers, and developed in conjunction with commodity theories of money (Appleby 1979), has been incompatible with credit theories of money. This has made it exceedingly difficult to grasp the way that credit, time, honor and dignity, themes which Mauss placed in the foreground of his study of exchange, continue to be critical components of the authority commanded by states.

In writing about what I’ve called fiscal sovereignty, my hope has been not only to contribute to the anthropological literature, but also to examine theories of the national-popular through the fiscal and social logics of indebtedness. Focusing on state technologies of tax and credit, I have sought to show that the braiding of “community and capital” (Chatterjee 1993) is neither accidental nor aberrant, as the narrative of capital has long argued. Expanding the conversation about capitalism has entailed drawing links between the gift and sacrifice, and shifting from a meta-narrative that opposes the state and citizen to accommodate a third entity. A non-economistic approach to the fiscal suggests that there is no need to choose between a teleological unfolding of capital’s inner logic or a “denial of capitalism” (Scott 1998: 138).
Sovereignty tends to be thought of in juridico-political terms, as a locus of territorial power and defense from external enemies. But fiscal sovereignty is just as constitutive of state power, particularly in the Latin American context, where countries have long struggled with dependence upon foreign debt and the establishment of monetary authority – even when they had juridico-political sovereignty.

In addition to re-reading the history of capitalism as told by neo-classical economists, and inherited by some strands of Marxism, it is important to turn to the periphery to see how critiques of the liberal tradition have infused the political terrain itself. What is disavowed in central countries may not be as easily suppressed in the periphery, surfacing in anti-colonial and anti-imperial nationalisms. Indeed, it was Nestor Kirchner’s re-signification of the debt default not as a source of shame and humiliation, but as a gesture of sovereign refusal, that led me to explore these themes.

In the same spirit, on September 24th 2008, soon after the U.S. stock market crashed, Cristina Kirchner, referred to the bursting of the subprime mortgage bubble that unleashed the global financial crisis in her comments to the U.N. General Assembly as the “efecto jazz” (jazz effect). Drawing a contrast with the standard nomenclature for financial crises of the 1990s, the ‘Tequila effect’ or the ‘Caipirinha effect,’ terms that located the origins of financial crises in peripheral countries, Kirchner’s characterization of the crisis via an unmistakably American popular cultural form (albeit one of the most vibrant and creative American inventions), signaled her intent to leave no doubt about the national origin of this crisis.

Such pronouncements as well as the heterodox measures that kept Argentina from suffering the effects of the financial crisis of 2008 are critical to understanding how a president who had lost all legitimacy in the stand-off with “el campo” has won the October 2011 elections.
The reasons for this landslide are varied and multi-faceted, and cannot be elaborated here. But what is clear is that the global financial crisis of 2008, which began to unfold in September of 2008 – few months after the height of the strikes – highlighted the dangers of speculation and its seductive horizon of endless abundance. When global commodity prices fell in 2009, “producers” requested a reduction in export duties, a demand that the government met. Ironically, if the decree on mobile retentions – which linked the tax to global commodity prices – had been approved by the Congress, the rate would have automatically been lowered and producers would have been protected. The crisis also bore out the wisdom of accumulating reserves (retenciones were destined for this purpose), which buffeted Argentina’s economy in spite of capital flight. While Kirchner’s decision to renationalize social security in December 2008 drew accusations of expropriation, this decision operated as a stimulus and helped Argentina weather the storm. The dire conditions of Greece, Portugal and Spain, often covered in Argentine papers, offered renewed confidence that Argentina’s default and refusal to contract its public sector to comply with structural adjustment programs had been prudent. It is widely reported that the Argentine middle-class has grown significantly since the financial crisis of 2001, in both urban and rural areas. Poverty, unemployment, and inequality have all decreased substantially, falling to half the levels they were in the months after the crisis.

However, it is still the case that, given Argentina’s highly regressive tax code, further reduction of inequality hinges upon significant tax reform. The coming years will reveal whether this is a priority for Christina Kirchner and whether she can create a class coalition to make it happen.

264 Christina Kirchner won by a greater margin than any other candidate in the country’s electoral history (except that which precipitated Juan Perón’s return from exile in 1973). The runner-up in the 2011 elections, Hermes Binner, acquired only 16.9% of the vote.

265 “Crecer y cambiar la clase media en América Latina: Una puesta al día” (2011) by Rolando Franco, Martin Hopenhayn and Arturo León. See also “‘La Clase Media Tipica’ es el 30% de la Poblacion: Por que Cristina puede ganar el C3” in Diario Perfil on 4/24/2011.

266 Recent statistics are included on p. 3 of the introduction.
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