

***La Clase Media Argentina Frente al Empobrecimiento:
Resistencias Individuales y Colectivas durante la Crisis Económica del
2001/2¹***

Dan Ozarow
Middlesex University Business School
d.ozarow@mdx.ac.uk

Resumen: La crisis económica argentina de 2001/2 provocó la pauperización de 7 millones de personas, incluso a las que poseyeron una alta nivel de educación y vivienda. Mientras varios estudios han observado como la pérdida de sus trayectos laborales profesionales y profundos cambios en las pautas de vida afectaron a las subjetividades de estos llamados “nuevos pobres,” en cambio acá preguntamos si o se internalizaron las causas de su movilidad social descendente o bien lo vieron en términos politizados. Examinamos las consecuencias de estas diferencias para las acciones que tomaron para superarla. A través de un análisis cuantitativo de los resultados de una encuesta de hogares del Banco Mundial (2002), este estudio observa cuales son las tendencias que explican porque algunos de la clase media empobrecida empezaron a participar en acciones colectivas con otros sectores sociales para enfrentar su empobrecimiento (inclusivo la economía solidaria, formas de protesta y en los movimientos sociales), mientras que otros limitaron sus respuestas a estrategias de sobrevivencia en el ámbito privado. En las vísperas del décimo aniversario del Argentinazo, en la parte cualitativa del estudio volvemos a los mismos hogares que participaron en la encuesta de 2002 para entrevistar a sus integrantes sobre sus trayectos laborales posteriores y también como reflexionan en su propia participación en la rebelión social de aquella época. Observamos cómo tanto su proletarianización como el cambiante contexto económico y político han transformado sus perspectivas y comportamientos políticos en la actualidad.

Palabras claves: Argentina, new poor, protest, social movement, middle class

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INTRODUCTION

One of the most sobering legacies of three decades of neoliberalism in Latin America has been the exposure of tens of millions of its previously prosperous citizens to vulnerability and impoverishment for the first time. So profound were the long-term structural affects of the Washington Consensus that it prompted CEPAL to declare traditional understandings

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of poverty as no longer adequate because the profile of the continent's poor was becoming increasingly heterogeneous (Katzman 1989). Minujín *et al.* (1993) then developed this notion further by describing how an entirely new social stratum had emerged which on the one hand had become income poor and often shared informal, precarious and low-skilled jobs with those living in structural poverty, yet on the other was inherently distinct because its constituents resided in good quality housing, benefited from better nutritional standards and possessed higher educational qualifications. This socio-demographic group was christened "the new poor." Subsequent to the gradual pauperisation of many Latin Americans in the early-1990s, more "sudden" economic crises such as the Mexican peso crisis in 1994, the impact of the Asian financial crisis on Brazil in 1998 and most significantly the effects of the Argentinean national debt default during 2002 (which also had severe repercussions in Uruguay) saw millions more swell the ranks of the region's new poor.

The conceptualisation of "the new poor" provided a welcome effort to construct a more comprehensive analysis of the increasingly complex nature of Latin American poverty because it understood that these citizens inherited various characteristics from their non-poor pasts which meant that they behaved differently to the structural poor once also under conditions of economic hardship. New poor theorists have discussed how these middle-class traits include luxurious spending habits (Kliksberg 2000, 105), possession of superior social and cultural capitals as well as the contrasting life histories (Kessler & Di Virgilio 2008; Svampa 2005, 141) which in Bourdieuan terms mould the particular values and beliefs inherent in their habitus that differentiate their actions from those of the structural poor. In light of this it became clear that these distinctions would necessitate an entirely different set of policy initiatives to tackle new poverty instead of those which had traditionally been administered. Further, any social programmes targeted at them would have to exploit their superior capital assets in order to best maximise their impact. Regrettably, national governments and international financial institutions have largely continued to overlook such idiosyncrasies or implement

policy that is designed to specifically aid the new poor (Dercon 2006; Kessler & Di Virgilio 2008). Consequently, for many who initially slid into poverty, the value of their social and human capitals has quickly eroded to the extent that some have become more permanently excluded.

However, in over two decades of “new poor studies,” analyses of how these impoverished middle-class households² deal with dramatic declines in material wellbeing following external shocks have focused almost entirely on their self-improvement responses, or in other words the *economic* coping strategies that they pursue. Research that looks at the way that the new poor have *politically* resisted falls to their living standards in terms of involvement in collective protest has been extremely rare.

In terms of self-improvement, important contributions that have been made in this field include Kessler and Di Virgilio’s eminent (2008) study which demonstrated how newly impoverished Latin Americans have been able to leverage certain elements of their social and cultural capital to gain access to employment, health and educational services and with reference to Argentina, Aguirre (2008) examined the new poor’s reticence towards enrolment in clientelist social assistance programmes. Meanwhile Zurawicki & Braidot (2005) conducted a study on how the Argentine middle class adapted their consumer behaviour to cope with macroeconomic meltdown in 2002. Yet some authors have moved away from examining purely economic coping strategies. For example Minujín (2007) observed how the struggling middle class has manifest resilience in the face of adversity, including greater participation in cultural and social spheres as well as civil society movements and Masseroni & Sauane (2002) have analysed the psychological and somatic impact of the crisis on middle-class women in Argentina. One of the few exceptions to the scarcity of publications on political responses to impoverishment is Mazzoni’s (2007)

² Elsewhere I argue that in reality many of the new poor have not simply been “impoverished,” but, having suffered permanent losses to their workplace autonomy and conditions – have experienced proletarianisation and sunk into the working class. However for reasons of simplicity, here I refer to “the new poor” and the “impoverished middle class” interchangeably.

work in which although she does not focus on the process of politicisation or the empirical link between self-improvement and protest as such, she discusses how a limited understanding of citizenship rights restricted new poor political activism in the post-crisis period after 2002.

Yet although the relationship between economic shocks and collective protest has generally been ignored in the academic literature (Richards & Gelleny 2006, 777), one only has to look at recent history to realise that in practice, newly poor citizens do not simply resign themselves to their fate and react to their deteriorating economic circumstances by seeking self-improvement measures alone. For example, during the economic crisis in Argentina and Uruguay in 2001-2, the new poor were at the forefront of the anti-government protests whilst this stratum has been equally as vociferous in the anti-Chavista movement in Venezuela in the last few years. Interestingly while in the southern cone their political critique adopted a “progressive” and anti-neoliberal character, in Venezuela it was entirely “conservative” (Pérez-Rubio 2002) precisely because their pauperisation was deemed to have been caused by the Bolivarian revolution.

Therefore, a central theme of this paper is that in order to fully understand the impact of the Washington Consensus and the consequences of crisis in Latin America, we must move away from construing individual behaviour on neoliberalism’s own terms. That is to say that instead of treating citizens as purely economic, rational decision-making agents, it is important to recognise that newly poor people do not exist in a social vacuum. Instead through their interaction with their social world and by identifying common interests with others, they will also be prepared to take collective action to resist their hardship. Economic processes cannot be divorced from the social and political consequences that they reap (McCoy 1980).

From this political economy perspective and using Argentina as a case study country, a range of survey data is drawn upon to ask under what

conditions professional people's responses to pauperisation either become politicised and manifest publically as protest or alternatively are confined to private self-help strategies in the economic realm. In seeking the generative conditions that stimulate new poor radicalism, their oscillating patterns of protest are considered through time and space. Whilst the focus is on the events that took place during the depths of the social and economic crisis in 2002, attempts are also made to explain why reactions to personal pauperisation evolved from relatively passive forms of engagement in the 1990s to widespread participation in protest movements during the *Argentinazo*,³ before retreating back into enclosed self-improvement spaces since 2003. Finally the issue of whether personal characteristics and biographical histories can help to account for variations in response preferences is also discussed.

This research also fills two further gaps in the literature. Firstly, of the few studies that concentrate on how *non*-structurally impoverished households respond to external shocks, most (including many of those cited above) refer to their sample as a homogeneous social group and rather blandly as "the middle class." The weakness of this approach is that it fails to pay attention to the diversity within this class that makes the nuanced responses of its members so intriguing. Such work is analytically deficient because the sector of "the middle class" that has become income poor will clearly not necessarily respond in the same way to those in the upper-middle class who are better placed to protect themselves against such shocks. In addition, such research is almost always preceded by a protracted discussion of the innumerable interpretations of "class" which, while necessary to some degree, merely serves to highlight the problematic nature of conducting research on "the middle class" in the first place. If the very essence of the subject group is disputed, it certainly complicates matters when seeking targeted policy solutions that will help to alleviate the research problem that is being addressed. Therefore an attempt is made to analyse the economic and political decisions that such

³ Often used to describe the social uprisings that occurred during December 2001 and early-2002.

households took to external shocks *at the point of their own deprivation* rather than simply looking at “middle class” reactions, regardless of whether they actually experienced severe declines in living standards.

Secondly, a wide-ranging quantitative examination of new poor responses to external shocks in Argentina has been needed for many years but has never been undertaken. Providing such research will help to consolidate upon and frame the existing qualitative research that has explored this issue. This absence is partly due to the theoretical complexities involved in demarcating those households within large and nationally representative survey datasets that one can describe as belonging to a “new poor” social stratum. An attempt to do this is made here, whilst obtaining samples that remain faithful to the *face validity* of the new poor demographic as originally conceptualised (Minujín *et al.* 1993). Sampling methods are designed which separate those households that have become income poor yet possess the qualitative features that distinguish them from the structurally poor in the survey data.

Aside from the ideological barriers that have impeded a debate framed in terms of why responses to shocks can become politicised, at a practical level the lack of household survey data incorporating both self-help *and* protest responses to economic crises has also militated against a quantitative analysis having been undertaken so a focus on *economic* strategies has remained the prime realm of enquiry. However, the World Bank’s 2002 *Impact of the Social Crisis on Argentina* (ISCA) survey contains data on both response types and is used here, thus permitting such a study to be carried out for the first time.

SELF-HELP AND PROTEST: TWO SIDES OF THE SAME COGNITIVE COIN

The predominance of Rational Choice Theory (RCT) assumptions among economists has meant that those who have sought to analyse how citizens respond to episodes of pauperisation have tended to understand that their actions are determined by rationally selecting “the best” of a feasible set of

economic coping strategies whilst seeking to maximise utility. RCT's hegemony has not only crowded out alternative research that has documented the intrinsic relationship between coping strategies (self-improvement) and protest (e.g. Croucher 1987; Moskoff 1993; Powers 1999) but is also a flawed means of examining human behaviour because it assumes that these choices are themselves *independent* of any forces that shape them. In contrast it is more appropriate to understand that individual citizens are never truly "free" to decide how best to respond to their declining economic circumstances because these choices are actually subject to pressures that create and constrain opportunities to act in alternative ways. Rather than being independently decided upon, resulting actions are the outcome of a "balance of forces" (Elster 1986: 25).

It is through this panorama that we see how under liberal democracies one resorts to protest because a desired level of self-improvement cannot be achieved through the economic opportunities available alone. Yet equally within capitalism, protest will only ever achieve *limited* material enrichment due to the fact that its institutions (parliament, free press, elections and so on) help ensure that citizens internalise the liberal-democratic doctrine and spontaneously come to accept the system's limitations (Žižek 1994). The impact of this socialisation is that after a certain period of protest when either material concessions are gained or the movement is defeated, the expectation is to resort to "self-improvement strategies" in order to achieve further material gain. Thus, neither protest, nor self-improvement actions are ever sufficient to satisfy material wants *on their own*. The decision to participate in either one or the other is shaped by how effective involvement in the substitute realm of action has been.

The theoretical basis for this mutually dependent relationship is reinforced when one considers that material interests are more likely to become "political" when citizens are unable to find sufficient mechanisms to be able cope with impoverishment and when lifestyle sacrifices become unacceptable. For example if a parent is forced to forfeit their child's education it becomes a very visible sign of their deprivation. By being

unable to provide sufficiently for their children, poverty is experienced much more intensely and invokes greater indignation. It is under such circumstances that protest becomes more likely. Tolerance of one's economic hardship will also decline when coping strategies are undermined or when social, economic and political contexts shape citizens' evaluation of their material interests and either help or hinder them from conceiving their material conditions in political terms (Powers 1999, 525). The decision to undertake political action is therefore part of the same cognitive process as coping strategies that are undertaken in the economic realm as an employee, a consumer or a saver. Further, when frustrated economic aspirations are prolonged or move beyond the realms of acceptability, citizens begin to examine the structural reasons for their descent. It is at this point that they start to exorcise themselves of responsibility for their hardship, deflect blame onto aspects of the broader system and seek protest action in the political sphere.

CRYING FOR ARGENTINA: THE PARADIGMATIC CASE OF NEW POVERTY

It is February 2002 in the Florida shopping district of downtown Buenos Aires. A middle-aged woman is furiously banging on her saucepan outside Banex, one of the largest banks operating in the country. She is surrounded by a crowd of several hundred well-dressed women and a scattering of men clad in shirts and suits who are participating alongside her in this *cacerolazo* (pot-banging protest). As the camera homes in her she exclaims "I saved for twenty-five years so that I could live decently when I retired. What do they want? A bomb?! Well that's not my style. That's why I'm banging on my pan. I used to cook with it for my children. Now every time I look at it I'll be reminded of those scoundrels [the bankers and government] but at least I'll know that I fought for my rights" (Solanas 2004).

Similar protests erupted outside banks and judicial institutions across Argentina in the wake of the banks' short-term confiscation of savers' personal dollar deposits following an emergency decree by the government (known as the *corralito* or "small enclosure") which it claims

was ordered to prevent a run on the banks. Following the country's default on its \$132bn debt and currency devaluation, these savings were eventually returned to middle-class savers in pesos at as little as a third of their original value with many subsequently losing thousands of dollars in the process. Yet although this loss of life-savings denied thousands what would have been an important safety net against impoverishment, it was just one of several contributory factors that meant that from having historically been the largest and most influential in the region, Argentina's middle class was virtually extinguished overnight. During the crisis, capital flight and the debt default created an acute shortage of credit, which combined with a collapse of internal demand, led to thousands having to shut down their businesses. Many more lost skilled jobs as the official unemployment rate soared to 21.5% by May 2002 (Argentine Ministry of Labour) which doesn't include benefit claimants who don't appear in official statistics.

Crucially, the perception of impoverishment and its psychological impact were aggravated by the end of the policy of Convertibility which had artificially tied the value of the Argentine Peso at one-to-one with the US Dollar. Originally implemented in 1992 by President Carlos Menem and his Economy Minister Domingo Cavallo, the strong Peso meant that many Argentines had thus enjoyed considerable improvements in their purchasing power during the 1990s as cheap, imported luxury goods flooded the internal market and were snapped up by the middle class (Armony & Armony 2005, 32). However, not only did the subsequent orgy of conspicuous consumption obscure the fact that the country had incurred an enormous trade deficit in the process but when the policy was reversed in the first week of 2002, it suddenly pushed the price of many non-essential goods out of their reach. A combination of the above factors led the country's national statistics agency (INDEC) to report that 7.3 million mainly well-educated, affluent people had plunged below the income poverty line in the twelve months between October 2001 and the end of 2002, a scale of pauperisation that is perhaps unparalleled in the modern era (Grimson & Kessler 2005, 87).

Yet the savers' pickets were merely one of a number of innovative forms of collective action that were pursued by thousands of newly poor citizens during the crisis. Ever since President De la Rúa's December 19th 2001 declaration of a state of siege ignited collective protests across the land, the middle class had played a leading role in the *cacerolazos*, neighbourhood assemblies and barter clubs that sprang up around Argentina (López Levy 2004; Ardití 2008, 65). Most accounts of the political mobilisation of the middle class during the crisis categorise their protests as either i) "emotional" - due to anger at having incurred personal financial or asset loss, ii) as "blame" due to frustration with politicians for having made bad economic decisions and failing to represent them effectively, or iii) "institutional," because public demands for accountability were met with unresponsiveness from their elected authorities due to the weakness of Argentina's institutions. This problem was inherent in its model of delegative democracy that had developed since the transition (O'Donnell 1994) and especially due to the high concentration of power that was entrusted to the Executive under *Menemismo*. It was a synthesis of these three factors that created a crisis of legitimacy in Argentina's political establishment that helped to transform personal pauperisation into collective protest.

However as Armony & Armony (2005) argue, these arguments are an incomplete explanation of events because they fail to recognise the influence that the paradigm of national identity holds on the way that citizens behaved during 2001-2. Instead they explain that citizen behaviour was fashioned by the propagation of national myths of Argentina's grandeur which originated in the early to mid-1900s when millions of European immigrants settled in the country and quickly adopted middle class lifestyles, values and aspirations of upward mobility. Simultaneously they were also repeatedly informed by the popular press as well as successive leaders from Marcelo de Alvear in the 1920s though to Juan Perón in the 1940s and 50s that Argentina was to become "a leading nation in the world" and so it is little wonder that its population became hugely

optimistic about the future that awaited their country. It was the Argentine Dream. However, when the decadence of the second half of the twentieth century set in due to the saturation of the import-substitution industrialisation (ISI) economic model, a myth of past and future national grandeur definitively shaped public discourse and engendered a narrative of victimization in Argentines' minds. Someone is always liable for robbing Argentina of its glorious destiny (Armony & Armony 2005, 44). During the *Argentinazo* this neurosis played itself out with dramatic effect, especially among the new poor who directed culpability for their personal pauperisation at the hands of the "political class" who had, for them long been responsible for the country's acutely unfulfilled destiny.

The tragedy of this period was that the culprits for their woes were perhaps "too obvious," in the sense that it was much easier to target "people" like their corrupt politicians and exploitative "institutions" like the IMF rather than in the unobservable processes and workings of capitalism which underlay the systemic causes of their fall.

The importance of upward social mobility was also buried in the national conscience, something that by the time Menem became President in 1989 three generations of Argentina's middle class had enjoyed since their parents and grandparents arrived at the ports of Buenos Aires and the *litoral* half a century earlier. In an effort to perpetuate this facet of national identity, Menem encouraged the notion that the country "had finally reached the First World" by conflating upward mobility with the newfound luxury spending patterns that many in the so-called "middle class" enjoyed under Convertibility. However, these myths seemed to "melt into air" during the 2002 crisis and after the devaluation as the new poor came to terms with the distressing reality that their belief about their own membership of the middle class and their country's first world status had only ever existed in their own minds. The collective sense of anger at this new social reality and the end of upward mobility, the identification of a common (although misconstrued) enemy in the political establishment and having reached the conclusion that they could no longer put their faith in

those politicians who had falsely claimed to act in their economic interests were the foundations of the collective responses and attempts to construct new political and economic models by a sizable proportion of the new poor.

Yet this episode was merely the most recent of three severe “waves” of new poverty that have plagued Argentina’s middle class in the last twenty-five years (Grimson & Kessler 2005). Having prospered under ISI, its fortunes began to dwindle during the late-1970s when the military Junta seized power and froze public sector wages in an attempt to control inflation. As real-terms salaries fell by forty percent between 1980 and 1990 the first wave of new poverty was unleashed (Kessler & Di Virgilio 2008). Whilst some Argentines prospered during the 1990s, hundreds of thousands more joined a second new poverty wave which was created as wide scale privatisations, fiscal discipline and trade liberalisation followed during structural adjustment. Job losses, a deterioration of quality of life as social rights were forfeited and the instability wrought by neoliberal reform led to a surge in family breakdowns and health problems which aggravated poverty levels.

From barely even existing in 1980, the proportion of Argentines who have become income poor but have their basic needs satisfied (the new poor) grew steadily to 4% by the time that President Menem took power in 1989 but then quickly began to mushroom, reaching 17% by 1999. However this increase was mild compared to what happened following the economic crisis of 2002 when the “third” and largest wave of new poverty emerged as 42% of Argentines found themselves among the ranks of this stratum. Although several million have managed to move back above the poverty line since then (the proportion dropped back to 29% in 2006 according to INDEC), many have actually experienced downward occupational mobility and moved from their professional or semi-professional employment into low-skilled and low-paid jobs. Not only are they working longer hours than ever but as Whitson (2007) ascertained, they are increasingly likely to find

only informal work and have encountered a significant loss of workplace autonomy.

Whilst it is the actions of this third wave of new poor that will be scrutinised in this study, Svampa (2005, 277) has suggested that responses to impoverishment diverged from individualistic self-improvement actions during the 1990s towards more collective forms of action during 2001 and 2002. The neoliberal assault on Argentina in the 90s fostered an ethos of self-reliance, entrepreneurship, risk and individual responsibility for one's successes and failures. Amidst this Zeitgeist the new poor of that decade tended to internalise blame for their impoverishment and sought private responses to it due to the shame of publically admitting their descent especially as Convertibility and the positive macroeconomic climate fuelled the impression of a general enrichment in society.

However by 2001 the national picture had changed. Argentina had been in recession for two years and social cohesion was breaking down. A systematic critique of neo-liberalism's flaws began to penetrate the media, popular culture and academia and disenchantment with politicians grew, not only due to their inability to deal with the economic crisis but also following a series of political scandals. Moreover, the October 2001 legislative election created a situation whereby Radical President De la Rúa relied on the Peronist opposition to pass laws (Auyero in Fernandez-Kelly *et al.* 2006, 184). With a weak and divided elite struggling to maintain its political hegemony, the new poor sensed "political opportunities" to make their voices heard about their plight.

The conditions for collective action also became more favourable because their impoverishment coincided with the birth of the so-called "anti-globalisation movement" on the streets of Seattle and Genoa. With many of the movement's demands entering mainstream thought in the Western world, the new poor of the post-*Argentinazo* era tended to shed any guilt, place their personal descent into international and historical context and

emphasised the structural explanations for their “fall” unlike their 1990s cohort who blamed themselves for making “bad choices.” The result was a radical shift in new poor subjectivity away from one of autonomous rationality towards that of having become the innocent victim of the macroeconomy and most crucially, the political establishment. This, as well as sheer economic need (especially due to the shortage of liquidity in the economy following the *corralito*) prompted the new poor to emerge from shadows, move beyond self-contained survival strategies and join their fellow citizens to seek collective solutions to their problems. The transformation of new poor attitudes and perceptions between the 1990s and post-2001 will be tested here.

DATA AND METHODS

Survey instruments and sampling procedure

Research draws upon national survey data from two secondary sources. The first, entitled *The Impact of the Social Crisis on Argentina* (ISCA) is a household survey commissioned by the World Bank and conducted by the Argentine marketing consultancy OPSM in 2002. ISCA has been used to capture data about new poor responses in terms of the self-improvement and protest actions they adopted in 2002 at the actual “level of events”. Data was triangulated by referencing a second public opinion survey (*Latinobarómetro*) from 2002 in order to try to understand the social attitudes and political perspectives that informed the decision to undertake these actions. 1995 and 2005 *Latinobarómetro* surveys were also consulted to help analyse the factors that underpinned the changing patterns of individual and collective behaviour over time.

Participants in the ISCA survey were asked to complete a closed questionnaire in Spanish on two occasions; once during May/June 2002 and a second time later in the year, during October/November. The survey is nationally representative with 9,209 individuals from 2,800 households

being questioned about their demographic profile, employment and income sources. In the same survey, the head of each household was urged to detail their use of savings, changes in consumption patterns and involvement in social programmes and collective actions of both a self-help and protest nature.

Survey participants were asked whether they had taken part in each of the economic and political actions listed in Table I. For the purposes of this research their answers were aggregated and then allocated to one of the four "response categories" on the table's left hand side. The survey's two data collection rounds allowed for a stratified sample to be obtained of those who had become "income poor" (whose per capita income fell below \$232 pesos) during the five months between the two surveys. In order to ensure that the face validity of this new poor sample was preserved, only those cases that also possessed the qualitative "basic needs" characteristics that Minujín *et al.* (1993) described in their original conceptualisation of the term when selecting the new poor sample. These variables included a good standard of housing (those living in a "house" or an "apartment" rather than a shantytown), access to electricity and running water and a high level of education (completed secondary school or higher). This narrowed the "new poor sample" size down to 314 cases (3% of the survey universe). Because the sample was quite small, some tests were conducted at the 10% rather than 5% confidence level.

Participants were retrospectively asked about their involvement in this list of actions in two separate time periods, first during October 2001-May 2002 and then in June 2002-November 2002. In this way an examination of "the impact of impoverishment" upon responses could be made because the actions of those in this sample could be compared with those who did not become impoverished between June and November 2002.

The second survey, *Latinobarómetro* needs little introduction to readers. However it should be pointed out that of the three survey years selected for the research, 1995 was chosen because it was the only year of recession in

Argentina during the 1990s and therefore represented the nearest comparable pessimistic macroeconomic climate to 2002. This allowed more valid inferences to be reached about how changes in underlying attitudes influenced the behaviour of the new poor of the 1990s compared to their post-*Argentinazo* cohort.

The year 2005 was selected because it was the most recent year for which data was available although it should be noted that economic growth was 9.2% in that year (INDEC) and that it followed two years of strong growth. Survey participants were also requested to complete closed questionnaires and reflect upon the extent to which they were in agreement with a series of statements about politics, institutions, economic models and so on. Here it should be highlighted that the opinions reflected in *Latinobarómetro* only represent an approximation of those of the new poor as objectively defined in the ISCA sample because, due to data limitations and the fact that income data is not recorded, the descent into poverty is a variable that is left to participants' subjective understanding of their own circumstances. Therefore caution is urged when making definitive statements that cross-reference the observed actions from the ISCA Survey in 2002 with the underlying attitudes from *LatinoBarómetro* that help explain them. However it was still possible to derive a new poor sample that possessed the relevant housing standards, access to utilities and level of education as specified in the original conceptualisation. Of the 1,200 Argentines in the original survey in each year, the new poor stratified sample contained 124 cases in 1995, (10% of the sample universe), 202 cases were recorded in 2002 (17%) with just 36 (3%) in 2005. MORI conducted the poll in the first two years and ISPOS did so in the latter.

In both surveys, hypotheses were tested on differential research questions, for example by asking “were those in newly impoverished households more likely to engage in collective protests than those who were not impoverished during 2002?” ISCA survey results involved nominal response variables so were subjected to chi-square tests whilst those from *Latinobarómetro* mainly included ordinal response variables so were

analysed using non-parametric (Mann-Whitney) tests. Non-parametric (Kruskal-Wallis) tests were conducted where more than two independent samples were being investigated. In the handful of cases where discrete variables were tested (namely when comparing “number of actions taken”), initially Kolmogorov–Smirnov tests were used to assess the normality of distribution. In each case the distributions were non-normal (breaking one of the assumptions of the independent samples T-test), so non-parametric tests were conducted.

Classifying responses to new poverty

The objective of this paper is to understand why the new poor gave preference to self-help or protest activities to confront their hardship during the 2002 crisis and whether these actions were taken individually or collectively. The four overarching response categories were defined in terms of their constituent sub-actions. Table I lists how these have been classified using aggregations of the variables taken from ISCA. The exception was voting which was obtained from *Latinobarómetro* as ISCA did not include such data.

Table I – Classification of Different Response Actions in Argentina During 2002

| RESPONSE CATEGORY | INDICATORS OF ACTION |
|----------------------------------|--|
| INDIVIDUAL SELF-IMPROVEMENT (18) | Work, self-employment, rent/dividends, receipt of gifts from outside household, income from redundancy or insurance, withdrawing a pension, charitable aid, exchanging goods, buying on trust, loan from friends/family, bank loan, savings, credit, sale/pawn of assets, becoming a <i>cartonero</i> ⁴ , state aid, non-state aid, other individual self-improvement |

⁴ “A waste collector” who scavenges for food, junk or recyclable waste.

| | |
|----------------------------------|---|
| COLLECTIVE SELF-IMPROVEMENT (13) | School soup kitchen, public soup kitchen, communal purchasing, barter clubs, bric-a-bracs, cooperative business, neighbourhood job centre, community fundraising, babysitting, negotiating for public welfare, public works projects, communal squatting, communal security |
| INDIVIDUAL PROTEST (1) | Voting |
| COLLECTIVE PROTEST (8) | <i>Cacerolazos</i> , strikes, neighbourhood/popular assemblies, pickets, demonstrations, public meetings, protests organised by a church or social group, other collective protests |

Households will have been motivated to participate in any particular action for a range of reasons, for example some may have joined a barter club as part of an idealistic project to help the *community* or even as a “protest” in itself (North 2010) whereas others may have done so purely due to the need for *individual* survival (Seyfang 2001, 989). Therefore a word should be added about were categorised in the ways cited above. For statistical purposes these responses have been categorised objectively, based upon how OPSM clustered the variables together in the original ISCA core data.⁵

Accordingly, particular actions are categorised as “collective” if the action itself involves a “joint commitment” to a single outcome for multiple households but whereby each plays their part in making it happen (Gilbert 1989). In cases where individual households pursue their particular goals independently of those of other households (such as in the receipt of state aid), they are deemed to be “individual” responses. Individual actions usually occur in physical isolation (like a voting booth or an office) and could be performed regardless of others’ involvement. The added ambiguity is that the ultimate goal of protest is usually some kind of “self-improvement” in itself (unless one protests on behalf of a third party). However, self-help responses are classified as such here only if the action itself seeks *immediate* material enrichment. If the improvements that are sought need to initially traverse a political stage through the process of

⁵ The only difference was that the Survey referred to collective strategies as “community strategies”.

“demand-making” to a third party authority (Lipsky 1968, 1145) then they are judged to be “protests”.

It should be noted that the range of responses under observation are limited by the questions in the surveys themselves. They almost exclusively asked participants about “formal” ways of organising their political, social and economic strategies whereas informal expressions of protest or survival were simply overlooked. For example no data was available about looting, graffiti, cultural protest actions, criminal activity or even something as basic as a “conversation” in which dissident opinions were expressed. Finally it should be stressed that the responses are only measured for the proportion of the population that became impoverished during the five months between the time of the first and second surveys are recorded. The sample does not include those who had become “newly impoverished” in 2001 *and remained so* throughout 2002 for example.

SURVEY RESULTS

Before examining the various influences upon the actions of Argentines who became impoverished in 2002, it is helpful to contextualise their coping strategies by comparing them to those of the structural poor. The new poor population is also mapped out here.

Superior capital assets as a mode of survival

The first point to note is that the new poor largely managed to avoid extreme income poverty during the crisis because they were able to effectively take advantage of their human, financial and to some extent, social capital. Only 28% of Argentines who fell under the per capita income poverty line of \$232 pesos per month actually saw their incomes diminish below the then internationally recognised marker of absolute poverty of one US Dollar per day. However, among the structural poor who did not possess superior education and housing standards, the extreme poverty rate was 55%, more than double. It is important to highlight that

whilst it can be inferred that the new poor were significantly less likely to encounter extreme income poverty, earnings are not a good indicator of wellbeing. Unlike many of the structural poor, new poor households are accustomed to higher standards of living and so the less measurable psychological, social and even biological repercussions of adapting to a pauperised lifestyle are immense.

Table II compares new and structurally poor levels of engagement with active self-help strategies. The results indicate that the main reason the new poor escaped extreme poverty was that 83% lived in households that benefitted from some kind of employment or informal work source. The important statistic is that waged income (households' main source of earnings) was significantly (17%) higher than that earned by the structurally poor. It seems to have been their superior human capital that leveraged their advantages in terms of remuneration as well as the kinds of jobs obtained. Another important source of the newly poor's household income was drawing upon pensions, which is unsurprising given professional people's propensity to have pursued careers in the formal, white-collar sector. Financial capital also acted as an important safety net for some (16%). The possession of physical capital, especially home ownership provided the collateral that gave them significantly greater access to credit, bank loans, income from the sale or pawning of assets, rental earnings and savings compared to the structural poor and this was in spite of the decapitalisation of Argentina's financial sector in 2002 which would have disproportionately restricted access to financial capital for the new poor.

Social capital (understood as social networks, norms and trust that allow citizens to act collaboratively to pursue shared goals) was also a key resource that the new poor drew upon during the crisis. However, such strategies were undertaken by twice as many of their structurally impoverished cohorts, seemingly confirming evidence from the new poor literature that suggests that many were too "embarrassed" to admit their descent and ask for help from friends, family or acquaintances (Grimson &

Kessler 2005). Meanwhile the conditions to exchange favours and seek recourse to social networks are rather favourable in areas where extreme poverty is concentrated such as the shantytowns where the structural poor generally reside (Gonzalez de la Rocha 1994) which helps to account for the difference here. Finally it was found that only 5% of the new poor were enrolled in state welfare programmes compared to 22% of the structural poor. An analysis of the receipt of perhaps the most important state aid programme, targeted at the unemployed *Plan Jefes y Jefas de Hogar Desocupados* (Jefes) reveals that the new poor expressed reluctance to apply for the benefit in the first place (a quarter of those who were eligible simply refused to register) and many more had difficulties qualifying for it in any case.

Table II: Self-Improvement Strategies among the New Poor, (Jun-Nov 2002)

| Strategy | New poor % | Structural poor % |
|--|------------|-------------------|
| Work or employment | 83 | 77 |
| Pensions | 29 | 19 |
| Social capital (gifts/loans from outside household) | 17 | 32* |
| Financial capital (credit card/bank loan/savings/asset sale) | 16*** | 8 |
| Advance payment (on trust) | 10 | 6 |
| State aid (benefits and non-pension welfare) | 5 | 22* |
| Barter | 3 | 4 |
| Shop/Business reserves | 2 | 6 |
| <i>Cartonero</i> | 0 | 4 |

Source: World Bank's ISCA Survey, 2002

Chi-square statistic significant at the *0.01 **.05 and ***0.1 levels

Form of action and the subsidiarity principle

In the face of economic hardship *Table III* shows *individual* (rather than collective) actions were the most freely used strategies and were employed by *all* those in the sample, whilst collective action was pursued by 28.3%.

Of the collective actions, 12.4% joined *economic* self-help activities whilst 20.1% engaged in *political* protests.

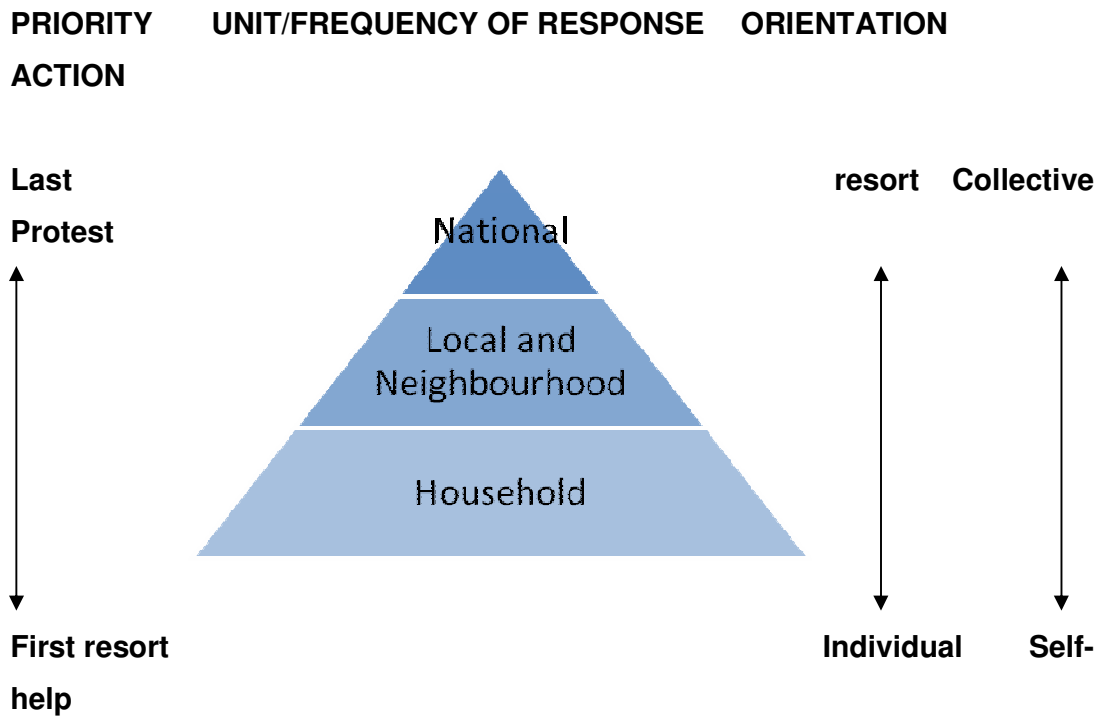
Table III: Category of Action by New Poor Households, Argentina (Jun-Nov '02)

| Type of Action | Individual | Collective | All |
|--------------------|------------|------------|------|
| Economic Self-help | 100 | 12.4 | 100 |
| Political protest | N/A | 20.1 | 20.1 |
| All actions | 100 | 28.3 | 100 |

*Columns and rows may not total 100 as some households took part in multiple actions

The results confirm the *subsidiarity* principle which speculates that social organisation tends to be prioritised at the most local or decentralised competent authority (Powers 1999, 532). Whilst “individual” and “household-level” solutions were most commonly used in the first instance, the “locality” acted as a back-up spatial unit of organisation where collective actions could be joined in the event that individual strategies proved insufficient. If all else failed, responses moved to a national “third tier” level of engagement like the protests that targeted national institutions such as central government buildings or national banks’ headquarters. As response actions become increasingly last resort, their geographical locus grew evermore distant from the household unit and were undertaken by ever fewer participants. Figure 1 illustrates this prioritisation and also that individual and self-help were considered before actions of a collective and protest nature.

Figure 1: Forms of organisation among the new poor



New poverty as a gendered phenomenon

Whilst the survey data did not measure the demographically differentiated impact of impoverishment on quality of life, it *did* find that women, young adults, those living in urban areas and working in the public sector were more likely to actually *become* poor in the crisis. This largely confirms qualitative research on the Argentine new poor and especially its consequences for young people (Minujín 2007) and women (Koldorf 2008).

Table IV - New poverty incidence by social group

| | | % New poor |
|---------------|---------------|------------|
| Gender | Male | 40 |
| | Female | 60* |
| Age | 18-34 | 55* |
| | 35-49 | 24 |
| | 50-64 | 21 |

| | | |
|----------------|---------|------|
| Locality | 65+ | 3 |
| | Urban | 90* |
| | Rural | 10 |
| Economy sector | Public | 39** |
| | Private | 61 |

Chi-square statistic significant at the *0.01 and **0.05 levels

The feminisation of new poverty seems to have primarily been due to women finding themselves less able to generate income than men. According to the data, they worked fewer hours (their average working week was 34 hours against men's 42) and earned much lower incomes – \$109 pesos per month compared to men's \$198 pesos. However, evidence also highlights that this was *not* because Argentine women were less skilled or deserving but that they were being actively discriminated against in the labour market. For example, whilst no significant gender difference in terms of their qualifications was observed, men earned \$4.71 pesos per hour but for women the rate was 32% lower at just \$3.20 pesos.⁶ However it wasn't possible to test the particularly harsh conditions that the literature suggests women had to endure during the crisis such as “double burden effects” (Bonder & Rosenfeld 2003, 35) and increased domestic violence (Kliksberg 2006).

Well over half of the new poor were aged 18-34, indicating that young adults were especially vulnerable to becoming poor during the crisis. Their unemployment rates were particularly high and the results suggest that their lack of experience and qualifications may have been the main reason why they experienced problems in the labour market that engendered impoverishment. Meanwhile, older people (over 65) were least likely to become poor, probably because despite their low employment rates, they

⁶ Historically such wage inequalities often increase during crises, whereby employers show discretion and treat male ‘breadwinners’ favourably in terms of jobs and wages (Grytten & Brautaset 2000).

were generally able to continue to draw their pension which acted as a “guaranteed” form of income at this time. Those in other age groups usually had no fixed income sources so had to “negotiate” their income sources during the crisis.

Whilst both public and private sectors suffered severe recession in 2002, following the national debt default and under pressure from the IMF, public spending was slashed from 2,582 pesos to 1,613 pesos per capita that year according to the Ministry of the Economy. As the axe swung, public sector salaries fell 15% faster than they did in the (formal) private sector between May and October 2002 (when the ISCA survey was held) which helps to explain the greater exposure to pauperisation among public sector workers.

“Relative” poverty affects on protest but “absolute” poverty impacts on self-improvement

Political scientists associated with the “misery matters most” school such as Goldstone and Gurr (1991) have argued that collective action is fuelled by economic grievances. However the results rejected this hypothesis. Instead a comparison of response actions among the new poor sample in the months both prior to and after their households fell below the poverty line revealed that the experience of becoming poor had absolutely no impact on the decision to engage in collective protests, nor did the level of deprivation they experienced with those who were living slightly below the poverty line just as likely to participate as those who were more profoundly impoverished. However, it was found that those with the lowest incomes pursued a wider range of economic coping strategies. Although it was not possible to examine the reasons for this, it can be assumed that at lower depths of impoverishment, many of the taboos that act as impediments to self-help actions for the new poor (like hostility towards the idea of accepting charity or asking to borrow money) are overcome as their material situations are so grave that the basic need to provide for their families supersedes the shame associated with acting in such ways.

Although the *degree of material deprivation* experienced by newly poor Argentines was not a generative factor in the politicisation of their response, the results indicate that the *degree of fall* in their income (suddenness of their impoverishment) was. Among those households that lost no income between June and November 2002 (so merely slipped below the poverty line due to inflation), 16% subsequently joined a protest. However among those who lost between half and all of their income, this rose significantly to 28%. This result has three theoretical implications. First, it reaffirms the intrinsic link between economic self-improvement strategies and the probability of participating in protest. When self-help strategies fail to recoup sufficient household income after a shock (and so income loss remains considerable), protest options emerges as a favourable alternative. Secondly, this also becomes the case when income declines more quickly and affected households have less time to enact coping strategies in response in order to recover their previous quality of life. Thirdly, it demonstrates that responses seem to be politicised when poverty becomes more “real” in terms of how it is perceived by the individual. More acute income falls mean that greater privations are experienced in daily life and subsequently when consumption and lifestyle sacrifices become more unacceptable, newly poor citizens gain consciousness about the injustice to which they are subject and their anger makes them more likely to participate in social movements.

The “joiner” or “passive-participant” dichotomy

Evidence was also found to suggest that pauperisation invoked two polarised sets of responses. For the first group, the “passive-participants,” the experience appears to have had a demoralising impact. Not only did they participate in less self-help strategies but they also tended to avoid protests entirely. Yet for a second group, “the joiners,” it stimulated active participation in both political protest and economic self-help actions. Moreover, despite the extra energies they exerted to both sets of activities, this group of “joiners” also dedicated longer hours to

paid employment as Figure 2 shows. Of those who pursued a low-range (0-2) of the listed self-improvement strategies from Table I, only 13% took part in protest actions. However this more than doubled to 31% among those who pursued a wider range (3-11) of such strategies. Whilst the intransigence of the passive-participants may seem counter-intuitive, some authors have observed that the psychological impact of sudden pauperisation left many "in denial" about their new circumstances or suffering from "mental paralysis" as a result of their fall (Plotkin 2003, 224). In addition, according to *Latinobarómetro* data, only 18% of the new poor in 2002 believed that their prospects would improve during the next twelve months whereas 47% convinced themselves that things would get worse. Amidst this atmosphere of pessimism and alienation, aspects of the free-rider dilemma need to be researched further and whether many of those in this group decided that it was better to resign themselves to their fate rather than join the social uprisings or dedicate energy to pursuing more self-improvement strategies yet risk the possibility of further disappointment.

Meanwhile the joiner/passive participant thesis is supported by an additional test result suggesting that at the other end of the spectrum, those who had pre-*Argentinazo* histories of involvement in a communal organisation in its broadest sense (ranging from trade unions and political parties to business associations, religious bodies and cultural groups) were much more likely to join the collective protests that were taking place, 54% of whom did so as opposed to just 19% of those who had no experience of having belonged to a collective entity. This builds upon previous empirical research which demonstrates the link between civic and political engagement in Latin America (Klesner 2007).

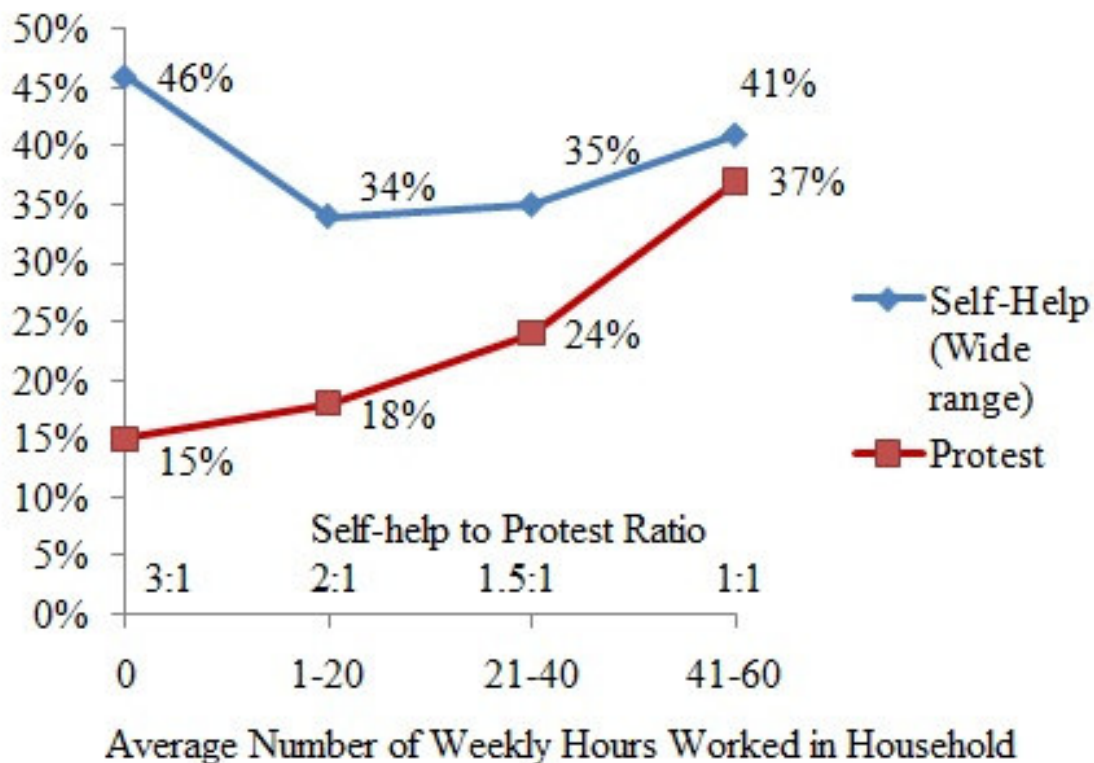
In summary, participation in one category of action tends to encourage involvement in others, whilst non-participation breeds further inaction. The association that was found between engagement in collective self-help activities and collective protest may be attributable to a greater exposure to social networks attained in the former or a general deeper sense of

solidarity displayed by those with a tendency towards collective actions. However, the results suggest that a significant part of the new poor can quickly become disengaged from civic involvement, which has worrying implications for social inclusion.

Work and politicisation

In terms of how newly poor Argentines' relationship to the labour market influenced their response, the most striking result was that as household members worked longer average hours, the actions that they took in response to their financial losses became increasingly politicised and developed an ever greater propensity towards protest rather than self-improvement. This is illustrated in Figure 2 by the shortening size of the vertical lines on the graph at each category of working hours (which represent the narrowing gap between the proportion of new poor who enacted a wide range of economic coping strategies compared to a political protest action).

Figure 2: Political protest, economic coping strategies and household working hours among the new poor in Argentina, 2002



In households where no one worked, economic strategies were considerably more popular than political ones, with the number of new poor who enacted a wider variety of economic coping strategies outnumbering those who participated in protest by a ratio of 3:1. This ratio fell to 2:1 among those working between 1 and 20 hours, dipped further to 1.5:1 among those working 21-40 hours and fell once more among those working the longest (41-60) hours, with a ratio close to 1:1.

At first sight the result is surprising for two reasons. Firstly it refutes the rational assumption that working more would have meant less “spare time” available to engage in political activities and secondly because as proven by a one-way ANOVA test, those households that worked longer hours tended to be relatively better off because they had higher per capita incomes so should have had fewer economic grievances. However, in contrast to these rational assumptions the result concurs with the earlier finding that there is no relationship between absolute poverty and the

likelihood of protest. Several alternative hypotheses must therefore be investigated further in order to understand this relationship between work and politicisation and which could not be tested within the parameters of the survey. These are:

a) That those who worked longer hours felt a greater sense of “injustice” at having become poor than those who barely worked. Meritocratic ideals are central to middle-class Argentines’ belief system (Mafud 1985) so when this principle was violated, it sparked a more intense awareness about the unfairness of their situations, above all among those who worked hardest, because it was among them that this injustice resonated most strongly and so whom were more likely to protest in response. As exponents of Resource Mobilisation Theory articulate, it is the recognition of an injustice which is a vital precursor to political action. Further if one has dedicated all their efforts to striving for self-improvement through their own labour then they will be less inclined to blame themselves for their hardship and instead look for an external target (such as the government), whilst construing their fate as a “political” not individual problem.

b) By spending more time in the presence of work colleagues during the crisis it increased their exposure to others with similar personal grievances to themselves. The social interaction that followed may have increased their likelihood of collective grievance forming, of “discovering” acquaintances with whom they could attend protests to confront their “fall” and of finding out about the existence of *cacerolazos*, marches, savers’ pickets and popular assemblies. The combination of discovering a shared grievance, understanding their impoverishment as a political problem and gaining the confidence to redress it through collective action made the workplace an important site because it combined the necessary elements which form the basis for the desire to protest.

c) Impoverished citizens are increasingly likely to enact responses in the political rather than economic arena as they are forced into making more “unacceptable choices” because having to do so erodes the tolerance of

one's impoverishment (Powers 1999, 525). Therefore those who were forced to dedicate more time to their job will have had to sacrifice more of their social and family lives than those who worked fewer hours, provoking greater anger and the urge to take political action.

Fluctuating new poor attitudes and patterns of behaviour 1995-2005

So far the conduct of newly poor Argentines has only been discussed with reference to the results obtained in the ISCA survey at the height of the crisis in 2002. However, such an analysis is incomplete because it fails to contextualise these decisions or understand the diachronic processes which motivate and transform action. Instead one must also examine how these choices were shaped by the changing opportunities and constraints to individual action across time and space. In particular the affect of evolving political and macroeconomic climates on the way that the new poor perceived their own pauperisation and thus reacted to it accordingly is now examined using *LatinoBarómetro* data.

Whilst longitudinal quantitative data that traces new poor Argentines' self-help and protest responses to economic losses is not available, qualitative sources (Svampa, 2005) mention that those who became poor during 2001-2003 were much more likely to react to their personal impoverishment through collective rather than individual actions compared to their 1990s cohorts. A number of results reveal how the attitudes and beliefs that those in this strata held evolved over time and informed these response preferences accordingly:

(i) Reversing the "fundamental attribution error" and the crisis of legitimacy

It was noted earlier that material grievances did not constitute sufficient grounds to politicise action among the Argentine new poor. An alternative hypothesis was proposed that citizens tend to cognitively place their own declining economic circumstances into national context and so their responses are shaped by the spaces available to engage in various

categories of action at different points in time. Table V provides evidence that substantiates previous qualitative sources that propose that the shift towards collective action and protest between the 1990s and the *Argentinazo* can be explained by a transformation in who the new poor deemed were responsible for their plight because it illustrates that by 2002 over two thirds had arrived at the conclusion that the Government was to blame for causing the crisis that led to their personal hardship. Whilst a number of global capitalism's institutions are also mentioned, less than a fifth saw themselves as culpable as individuals (through lack of individual enterprise) in any way.

Table V: Who the Subjective New Poor Blamed for the Economic Crisis in 2002

| | |
|--------------------------------------|------------|
| Government's economic policy | 70% |
| IMF | 38% |
| Globalisation | 26% |
| The banks | 21% |
| Lack of domestic production | 20% |
| <u>Lack of individual enterprise</u> | <u>18%</u> |
| Lack of investment | 15% |
| WTO | 7% |

Source: LatinoBarómetro

Therefore the displacement the private, self-contained coping strategies of the 1990s with the collective protest actions of 2001-2003 must be understood in light of the crisis of legitimacy which politicised the way in which impoverishment was perceived by those who experienced it. Following the national debt default, the confiscation of savings by the banks and the sharp rise in consumer prices by 2002, the government was deemed to be incompetent at managing the economy and had lost the authority to govern. This helps to explain why millions of citizens, the new poor as protagonists among them, began to act collectively at local and neighbourhood level to organise their own means of distributing economic resources (barter clubs, soup kitchens and cooperative businesses being examples) as well as taking collective political decisions through the

neighbourhood assemblies. The colossal loss of faith in the government amongst those who became impoverished is manifest in the following figures.

The proportion that held “no confidence” in the government to run their affairs rose from 49% in 1995 to 82% in 2002 with virtually every single person (97.5%) surveyed in the latter year replying that they had either “little” or “no” confidence in government. Over the same timeframe, the survey indicates that government ineptitude became an increasingly pressing issue of concern for newly poor people. For example the proportion citing “corruption” as the single problem facing the country almost doubled to 19% between these years, a preoccupation that fuelled disillusionment with political representatives at all levels.

In other words between the 1990s and the *Argentinazo* the new poor underwent a profound reassessment of the causes of their pauperisation. Whereas they committed a “fundamental attribution error” (Ross 1977) by accepting their fate as due to their own personal deficiencies in the earlier decade, by 2002 they came to understand it as grounded in the mistakes made by government, IFIs and the economic processes which sustain capitalism like those mentioned in Table V. However as Figure 3 depicts, the government was far from the only institution to suffer a loss of legitimacy during the 2002 crisis. Representing the proportion of the new poor which possessed either “a lot” or “some” confidence in each, between 1995 and 2002 the bars indicate that all of Argentina’s institutions experienced a dramatic and statistically significant drop in the level of trust that was vested in them. A number of interesting observations can be made:

Firstly that in general those organs with *less* explicitly political objectives tended to enjoy more support than those which were politically “representative” (government, parliament, political parties and trade unions). Secondly, between 2002 and 2005 these politically-orientated institutions barely recovered any of the faith lost in them by newly poor

citizens, in spite of the strong macroeconomic recovery. This suggests that among the new poor at least, an underlying “crisis of representation” endured long after the *Argentinazo* and may not have ended even today. The third observation is that it was the very reformist institutions to whom the new poor should have looked to represent them in the time of crisis which those in this stratum held in the lowest regard of all. It would appear as if neither the trade unions nor left-wing parties were able to capitalise on the crisis to garner support because they were seen as “part of the political establishment” rather than agents through which resistance could be organised. Indeed one of the main slogans of the *Argentinazo* period and which captures the public’s anti-establishment mood was “¡qué se vayan todos!” (get rid of the lot of them), a sentiment which included a total rejection of reformist organisations too. Therefore because traditional mediating structures like these were generally sidelined, it increased impoverished citizens’ tendency towards engagement in collective protests.

The fourth result of note is the particularly high degree of confidence placed in the President (Nestor Kirchner) in 2005. Although 39% confidence rating hardly exhibits that the new poor were enamoured with him, this figure vastly exceeds the confidence placed in all other political organs in the survey. This confirms research by Mazzoni (2007) that new poor radicalism was pacified at least partly as a result of his personal appeal. A related result found that whilst 9% approved of President Eduardo Duhalde’s running of the country in 2002, this figure soared to 49% for Kirchner in 2005, a significant increase in Presidential popularity among the new poor between those years.

The transformation in how personal pauperisation was understood between the 1990s and the *Argentinazo* in turn had implications for the realm in which their responses to it were performed. These moved from individualised, economic self-help strategies in the 90s towards participation in collective protest as political spaces opened after October-2001. Despite the continuing crisis of representation in 2005, the

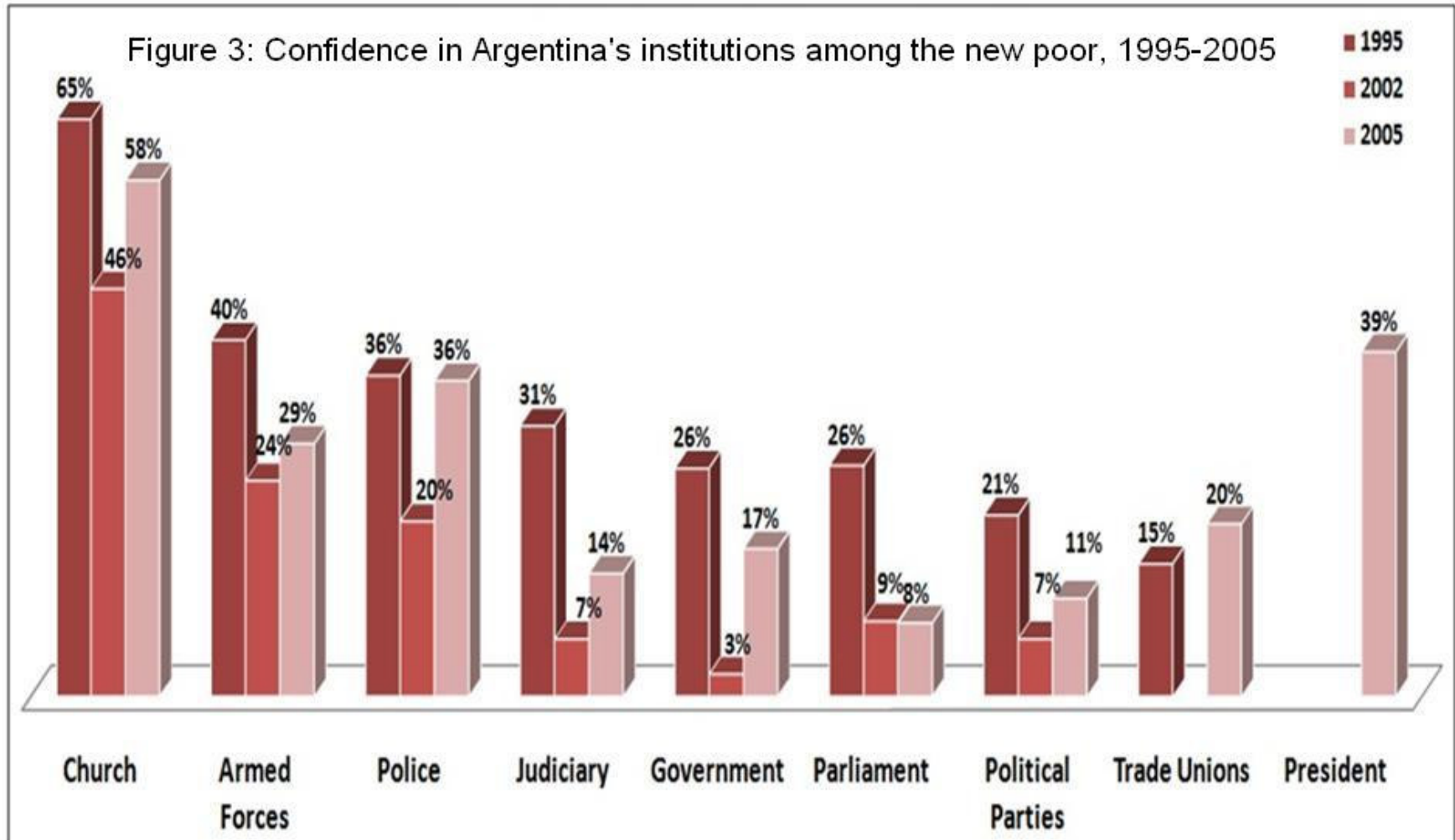
involvement of the new poor in protest died away as political spaces closed and several years of rapid macroeconomic recovery restored many of the opportunities to enact individual self-help strategies, especially the creation of thousands of new jobs (Beccaria *et al.* 2005).

(ii) Reduced tolerance of material hardship

Nancy Powers (1999, 533) suggested that one of the reasons why those who suffered hardship during the 1990s were prepared to tolerate high personal economic costs with little inclination to manifest political discontent was because at the time many believed that the Menem government should be credited with having achieved macroeconomic stability. It is certainly true that his administration brought inflation down from 4,900% in 1989 to just single digits by the mid-1990s and that it had achieved annual growth of between 4% and 10% in every single year of that decade except 1995 (INDEC). Yet although these seemed impressive feats at the time (especially given Argentina's macroeconomic turbulence during the Lost Decade of the 1980s), as its citizens later found out, the country's short-term stability had predominantly been built on Convertibility – an ill conceived policy which was ultimately largely responsible for the events that led to the economic crisis. According to *LatinoBarómetro*, in 1995 77% of the new poor believed that the country's economic problems were either being solved or would be solved given more time. Unfortunately the same question was not asked in 2005 but it seems to confirm that the 1990s new poor had faith that the government was performing well in its management of the economy. Yet as Table V showed, by 2002, a period of intense new poor anti-government protests, 70% saw the government as responsible for the economic crisis, adding credence to the view that macroeconomic performance was an important consideration before deciding what action to take in the face of impoverishment.

Moreover, in his statistical analysis of Latin American elections, Fabian Echegary (1995) found that the most significant economic issue to influence individuals' voting choices is not their own personal

circumstances but inflation. In light of this, the fact that individual poverty did not tend to translate into politicised opposition in the 1990s but was much more likely to in 2002 can be understood if one considers the Menem government's success in controlling inflation and placing it in contrast to the latter's general economic volatility and well as the spectre of hyperinflation returning as the cost of food rocketed by 34.6% and import prices soared after currency devaluation (*INDEC*).



Source: *LatinoBarómetro Surveys, 1995, 2002 and 2005*

The propensity for the post-2001 new poor to take protest action is also explained by the significance of relative poverty. Those for whom hardship began to bite during the 1990s would almost certainly have had fairly low expectations about their personal prospects given that the preceding decade had begun with economic depression, dictatorship and war and ended with hyperinflation. However by the turn of the millennium Argentines had much more reason to be optimistic. Democracy had been consolidated, the country had enjoyed almost uninterrupted economic growth in the 1990s and Convertibility meant that the middle class were experiencing unprecedented material enrichment. Yet several years of growing expectations were halted quite suddenly during the 2001/2 crisis. It is precisely these kinds of situations, whereby growing expectations are abruptly left unfulfilled that were famously described by James Davies (1971) whose J-Curve Theory argues that those subject to such instances will be much more susceptible to violent protest responses compared to those in situations where hardship does not follow a prolonged period of raised hopes.

Whilst the advance of neoliberal policies and structural adjustment caused the poverty rate to climb steadily every year from 21% in 1991 to 28% in 1999, it exploded from 29% to 53% in just two years between October 2000 and the end of 2002 (INDEC). The vast difference in the scale of impoverishment between the two periods also had several implications for action. On the one hand the prevalence of poverty in society became much more obvious after 2001 which meant that a lot of the shame of admitting one's descent melted away and newly poor citizens were much more prepared to seek collective solutions alongside others in order to confront their hardship. On the other, the comparatively immense scale of pauperisation was significant for new poor action because many of the welfare institutions that were charged with cushioning their fall were simply overwhelmed and so buckled under the strain. For example serious teething problems existed with the government's unemployment benefit scheme (*Jefes*) and the ISCA survey results indicate that six months after its inception only one new poor household was in receipt of it for every five eligible households that had applied. In short, society had

more time to plan its response and come to the aid of impoverished citizens when it was an incremental phenomenon in the 1990s compared to the post-2001 explosion. With economic coping strategies such as support from the state or charities undermined during 2001/2, protest became an attractive alternative.

(iii) Individual and self-improvement responses undermined and increased spaces to protest

The results seemed to confirm the intrinsic relationship between the availability or success of economic self-help options and the decision to join collective protests. The severity of the 2002 crisis was such that many coping strategies which would otherwise have been pursued to confront households' declining economic circumstances were seriously undermined. In particular almost a quarter of Argentines were officially jobless and the acute lack of skilled work available meant that many well-qualified new poor had ended up in low-skilled jobs or unemployment (Kessler & Di Virgilio 2008). Perhaps with this lack of job opportunities and the erosion of certain elements of their human capital in mind, the survey conveyed how the proportion of Argentine new poor who agreed with the statement "success in life depends on hard work" dwindled from 60% in 1995 to just 45% in 2002. With ever fewer believing that it was possible to recoup their lost socio-economic status through their own individual efforts, it was little surprise that tolerance of their material hardship weakened during the crisis.

Aside from their superior education and employment experience, the second resource that the Argentine middle class had traditionally relied upon to withstand periods of personal economic strife and achieve upward mobility was their accumulated social capital. Personal contacts or professional acquaintances "with connections" were often exploited to provide employment opportunities, promotions and business recommendations in a way that the structural poor did not share. However during the crisis, the value of the new poor's social capital actually eroded because the economy had been so profoundly affected (GDP shrank by 11% in 2002 alone) that the

jobs or business opportunities that they would normally have leveraged their social capital to benefit from were simply not being created in the first place. Further, the kinds of favours that they now required (such as food and money) were much more rudimentary than in non-crisis contexts (Kessler & Di Virgilio 2008) but these were not the kinds of favours that their professional contacts could provide and in any case the new poor were often far too embarrassed to ask their well-off peers for assistance with such necessities. Despite being of value during times of macroeconomic stability, in the context of crisis, much of their social capital became a superfluous resource. This helps to explain the first result discussed in this paper which demonstrated that the new poor were significantly less likely to seek aid from their social networks than the structural poor. Many also found that their stocks of social capital were depleting as their impoverishment meant that it was increasingly difficult to socialise with old networks or to reciprocate favours (Ozarow 2007). This background sheds light on the survey result that the proportion who agreed with the statement "success in life depends on who you know" fell from 75% to just 60% between 1995 and 2002. Declining access to social networks closed yet another individual self-improvement door for many, also making alternative collective actions more attractive.

Finally, evidence suggests that the traditional electoral spaces that liberal democracies encourage dissatisfied citizens to channel their political discontent through closed during the crisis. Whereas in 1995 belief in the idea that voting served as a credible way of manifesting political discontent was strong (73% of the new poor agreed that "the way you vote can change things in the future"), by the time of the crisis belief in this idea appears to have evaporated because although the same question was not asked in 2002, circumstantial evidence, namely the *voto bronca*⁷(the angry vote) of October 2001 suggests that only a small section of the new poor actually believed that "voting" was a credible option for manifesting opposition to their economic

⁷ Widespread anger and dissatisfaction with the political status quo was manifest in the legislative elections as half of voters either spoiled their ballot papers or abstained (Nohlen 2005) despite the legal obligation to vote.

hardship. In addition, whilst 81% of the new poor stated that they would protest by voting for an opposition party, this collapsed to just 40% in 2005.

The electoral option seems to have been relatively popular in the 1990s because the Radical Party (UCR) was the main opposition force and as the historic party of the middle class (Lupu & Stokes 2009) posed a viable outlet for political contention. Indeed in 1995, two thirds of the new poor who opposed the government intended to vote for the Radicals. However, especially after the events of December 2001, they became completely discredited, having been blamed along with its leader President Fernando De la Rúa for the reforms that provoked the debt default and for the deepening of the crisis after 1999 and the option to vote for them became much less credible. Apart from this there was also much less inclination to vote for the Radicals after the Party imploded, having been involved in numerous scandals and with key leaders deserting to form separate parties. At the ballot box the Radicals' percentage of the vote virtually halved between 2001 and 2003 and its Presidential candidate Leopoldo Moreau received just 2.3% of the votes in the 2003 election (Argentine Interior Ministry). As discussed earlier, disillusionment with the entire political establishment in 2002 meant that the new poor shared the same distrust of any party (Figure 3 illustrates how "confidence in political parties" evaporated to just 7% in 2002 from 21% in 1995) or their candidates, hence the increased consideration of extra-parliamentary collective protests.

CONCLUSIONS

On 24th December 2001, just days after President De la Rúa infamously fled the *Casa Rosada* (the presidential palace) in a helicopter as a baying crowd of tens of thousands below demanded his resignation, Argentine singer Diego Torres released his latest single, *Color Esperanza*. Whilst its lyrics imparted an upbeat message of hope to those who had lost everything and were struggling to resurrect their lives during hard times, the words struck a chord with the country's new poor by offering the spark of optimism that they yearned for.

Needless to say, the song soon topped the chart and stayed there for three months. This paper has attempted to identify how professionals and middle-class Argentines whose comfortable lifestyles were fundamentally transformed by their impoverishment during the 2002 economic crisis responded to these circumstances. It sought to understand the reasons why they chose to enact self-improvement or protest actions in pursuit of this brighter future that they craved.

Unlike the abundance of sources that have examined how “the middle class” or the “structural poor,” cope during periods of crisis, this study has specifically observed the behaviour of the sector of the population which was pauperised during crisis and has analysed it quantitatively for the first time. In addition it has provided an important contribution to the new poor literature which has almost entirely overlooked the potential for citizens to challenge their pauperisation through protest. Finally, whilst economic coping strategies are often scrutinised in isolation from protest responses, this paper has proposed that they are very much interdependent because the responses that they took were distinctively shaped by the constraints and opportunities to act in alternative ways. The form of action that was ultimately selected is therefore the result of a balance of these forces.

For example the survey data indicated that while individual self-improvement was initially the favoured response category, if these strategies were undermined or proved insufficient then citizens became more likely to engage in protest actions. Although the relationship between economic grievances and protest was negated, at the level of the individual household evidence was found in support of the intrinsic link between the *possibilities that were available to escape poverty through self-help* and the decision to participate in protest.

Newly poor Argentines were also more likely to decide to protest their condition if they had experienced deeper and more sudden financial losses, if privations became more discernible in daily life, if they had histories of involvement in collective organisations, were particularly exposed to

opportunities for collective action or had become more conscious of the fact that they were subject to what they believed was an injustice. By comparing how the attitudes and beliefs held by the new poor in 2002 changed in relation to their 1990s cohort, it was noted that the way that they responded to impoverishment depended on how their own circumstances were subjectively perceived at different points in time. High personal costs were often tolerated in the earlier decade and so reactions to it tended to remain confined to strategies of self-improvement because on the one hand the dominant *Zeitgeist* promoted self-responsibility and on the other the exceptionally positive macroeconomic climate meant that the new poor were more inclined to internalise their hardship and blame themselves for their plight. However their tolerance collapsed during 2002 when in the midst of profound macroeconomic instability and the crisis of legitimacy, a far greater proportion ascribed the causes of their pauperisation to the various political representative institutions that had failed them. As the credibility of individual protest through electoral alternatives disappeared and the sheer scale of impoverishment became clear, much of the shame of publically admitting one's hardship abated and collective actions, including protest became a far more enticing form of both economically "coping" and manifesting one's political discontent.

Equally because the research relied on secondary sources, the data sometimes failed to provide sufficient flexibility to be able to comprehensively explain the survey results. In such cases, reasoning could only be speculated upon based on the literature. For example although the rate of participation in collective actions was impressive, the fact that over two-thirds failed to engage in any form of such activity needs to be explored further, as does the question of the "passive participant" and the stoicism of a sizable part of the impoverished population despite their adversity. The link between the time spent in the workplace and the propensity to protest raises some intriguing issues surrounding injustice recognition and the implications that this has for action. There is also a need to elucidate on how involvement in protest is encouraged when impoverishment becomes more palpable. The undertaking of additional qualitative research will provide the richness of responses that

will help to answer these questions and build on these provisional results more exhaustively.

Finally it should be emphasised that not a single Latin American country survived the impact of the Washington Consensus without sustaining some degree of new poverty in its population. In each case those affected confronted their descent both through a combination of protest and self-help actions to varying extents. However nowhere were the new poor more likely to take their resistance to the streets than in Argentina during 2002. This poses an important question for further research which is whether the role of national identity construction contributed towards something akin to "Argentine exceptionalism" in terms of its citizens' greater comparative predisposition to seeing their impoverishment as a political problem. Certainly the unparalleled magnitude of new poverty and the crisis of legitimacy were important factors in explaining the scale of new poor participation in protest, however in Argentina the importance of the myth of national grandeur cannot be underestimated. As Armony and Armony observed (2005, 39) it is a feature of the national conscience that is so deeply embedded that not even the crisis was sufficient to extinguish the notion of Argentine superiority from the minds of its citizens.

The Argentinean tendency to point the finger at their politicians for both their country's failure to achieve its glorious destiny as well as their own personal prosperity is misguided because it disregards the mechanisms of capitalism as the underlying cause. However, the fact is that until 2002, successive political regimes had effectively managed to temper any politically charged responses to neoliberally-induced impoverishment. Although the new poor blamed the government in the early-1980s such manifestations of discontent were repressed by military dictatorship and when this was not possible under democracy, political discontent was then both cajoled and atomised by the magical effect of Convertibility in the 1990s which ensured that the new poor temporarily accepted self-culpability. To understand the role of different national cultural frames, a cross-national comparative study of new poor responses in various Latin American countries is required. This will not only help to shed light on the importance of these issues but would also determine

whether the explanatory model of responses to impoverishment developed in this paper is Argentina-specific or can be applied more broadly across the continent.

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