



UMEÅ UNIVERSITY

DEPARTMENT OF POLITICAL SCIENCE

U.S. HEGEMONY AND THE WASHINGTON CONSENSUS: THE CASE OF ARGENTINA

BACHELOR'S THESIS IN POLITICAL SCIENCE

SPRING 2014

KRISTOFFER ELIASSON

CONTENTS

1. Introduction	2
1.1. Background.....	2
1.2. So what?.....	4
1.3. Purpose of the study	7
1.4. Questions of issue	7
2. Limitations and clarifications of the study	8
2.1. The case	8
2.2. The theoretical framework.....	9
3. Theoretical framework	10
3.1. Regime theory	10
3.2. Evelyn Goh: Hegemony and ‘the social compact’	14
4. Method and material	17
4.1. Process-tracing	17
4.2. The research process.....	18
4.3. Improving the quality of the research.....	19
4.4. The material.....	20
5. Argentina and the Washington Consensus: empirical analysis	21
5.1. Implementation of the Washington Consensus.....	21
5.1.1. Interpretation	24
5.2. Continuation, issues and the crisis of 2001.....	27
5.2.1. Interpretation	31
5.3. Continuation and U.S. hegemonic decline	32
5.3.1. Interpretation	34
6. Conclusions	35
7. References	38

1. Introduction

1.1. Background

In April 2012, the government of Argentina put forward a bill proposing the nationalization of a private-owned multi-billion dollar oil company operating in the country. The company, YPF-Repsol, was owned by the Spanish conglomerate Repsol and the proposition advocated a takeover of 51 % of Repsol's shares. The initiative involved no payment to the previous owners. By early May, the proposition had passed through the Senate and the House of Representatives, winning overwhelming victories in both chambers. The bill was implemented, YPF-Repsol was renamed to simply YPF and became majority-owned by the Argentine state.¹

The nationalization of Repsol's assets in Argentina is only one of several protectionist measures undertaken by the Argentine government during the last decade; Argentina has nationalized public pensions and the country's largest airline as well as tightened currency controls and restricted imports through strategies including limiting online shopping in dollars, forcing import companies to export an equal value of goods as it brings in to the country and extending administrative requirements for import licensing.² These measures have provoked harsh criticism from several countries, causing other members of the World Trade Organization (WTO) to file disputes against Argentina regarding these issues on numerous occasions.³ What is more, the takeover of YPF had been publicized by the government as a reclamation of property belonging to the people of Argentina and interestingly enough, a mere twenty years previous to this event, YPF had in fact been precisely that. The then state-owned YPF was however deemed inefficient and in dire need of foreign capital investments, and the solution

¹ Melgarejo Moreno, Joaquín et al (2013), "From privatization to nationalization: Repsol-YPF, 1999-2012", *Utilities Policy*, 26: 45-55, p. 50.

² Schmall, Emily (2012), "Argentina: Back to Peronism", *World Policy Journal*, 29(3): 90-99, p. 93-98 and Yates, Julian S.; Bakker, Karen (2014), "Debating the 'post-liberal turn' in Latin America", *Progress in Human Geography*, 38(1): 62-90, p. 65.

³ See WTO (2012), "Mexico files dispute against Argentina on import restrictions", WTO News Item, 2012-08-24 and WTO (2012), "Japan and the United States file separate disputes against Argentina on import licensing", WTO News Item, 2012-08-21 and WTO (2012), "Panama files dispute against Argentina's trade measures in goods and services", WTO News Item, 2012-12-12.

was to gradually sell off the company to private owners. The change in ownership of YPF was part of an extensive reform package, not unlike recent events, yet ideologically quite the opposite. The wide array of political initiatives that were implemented during the 1990's included the privatization of railroads and public pensions, lowering of trade barriers, and even attempts to join the North American Free Trade Agreement (NAFTA).⁴ These politics were constructed according to the neoliberal economic regime supported by the United States, a model which had gained considerable ground across large parts of the Western world during the 1980s, and was generally known as the *Washington Consensus*. This model was endorsed by international finance institutions such as the International Monetary Fund (IMF) and the World Bank, and was implemented through various reform programs including privatizations, deregulations, reduced state involvement in the economy and increased flexibility on the labor market. In large parts of Latin America, this approach resulted in the signing of free trade agreements, public expenditure cuts, privatization of property rights, relaxation of labor regulations and sale of public utilities⁵, and according to authors, Argentina was considered "...the International Monetary Fund's most brilliant pupil"⁶, adopting the Washington Consensus model "...as no other country in the region".⁷

During the Cold War, despite the immense coercive capabilities of the United States in the region, the Soviet Union and the socialist block had been important partners for Argentina in trade and technology sharing, and represented an attractive alternative for several other Latin American nations. The 1990's had brought with it the collapse of the Soviet Union and left the United States as the world's only remaining super power. The late 1980's and 1990's were characterized by a new unipolar international order, a period of unchallenged United States' hegemony. NATO was expanded in to Eastern Europe, while on the North American continent, Canada, the United States and Mexico signed the common free trade area NAFTA. Economic liberalization of the continent became a priority for the United States' regional agenda, and

⁴ Galantucci, Robert (2013), "Policy space and regional predilections: Partisanship and trade agreements in Latin America", *Review of International Political Economy*, 21(3): 710-734, p. 727.

⁵ Yates, Julian S.; Bakker, Karen (2014), p. 64.

⁶ Féliz, Mariano (2012), "Neo-developmentalism: Beyond Neoliberalism?", *Historical Materialism*, 20(2): 105-123, p. 106.

⁷ Russell, Roberto; Tokatlian, Juan G.(2013), "Implications of the Global and Regional Changes for Argentina's Foreign Relations", *Journal of Iberian and Latin American Research*, 19(2): 251-267, p. 251.

negotiations were launched to create the Free Trade Area of the Americas (FTAA).⁸ This new international order had led to the emergence of a single dominant international economic regime which induced changes in international dynamics that inevitably had an impact on the Argentine international agenda.⁹ However, the FTAA was never realized, and apart from the unique relationship with Mexico, the United States' agenda in Latin America did not extend much further than dealing with issues such as drug trafficking in smaller countries in the region. Shifting priorities under changing international circumstances led to a gradual demise of U.S. interest in Latin America as the turn of the millennia approached. The proclaimed global war on terror and the emergence of China as an economic powerhouse caused the U.S. to shift focus towards Asia, giving Latin American issues lower priority. Additionally, following the Argentine economic crisis of 2001/02 resulting in the country's expulsion from the international credit market, combined with a the seemingly indifferent reaction from the United States and the obstinacy of the neoliberal international finance institutions the IMF and the World Bank; the declining attention was returned by Argentina.¹⁰

1.2. So what?

Observing the Argentine economic policies in during the last 25 years, the 1990's seem to represent a strict compliance with the neoliberal economic discourse and the Washington Consensus. On the other hand, the 2000's have been characterized by a remarkable turn away from this same model, which in some cases, as demonstrated by the case of YPF, have been represented by a complete reversal of fairly recent policies. This development could, of course, be explained by an ideological shift in the wake of the economic crisis; thus changing the political agenda. According to studies, the so called *Pink tide*, the Latin American leftist movement that appeared after the election of Hugo Chávez in Venezuela 1998 has been a component in the development of the Argentine political agenda. It is, however, only one of several potential factors. One interpretation could be that the leftist movement merely functioned as a catalyst in forming the reaction toward the economic crisis. Authors have stated

⁸ Sabatini, Christopher (2012), "Rethinking Latin America", *Foreign Affairs*, 91(2): 8-13, p. 9.

⁹ Russell, Roberto; Tokatljan, Juan G. (2013), p. 252.

¹⁰ Cheresky, Isidoro (2004), "Argentina. Cambio de rumbo y recomposición política", *Nueva Sociedad*, 193: 4-16, p. 10.

that the leftist movement in Latin American politics emerged from an aspiration to reach further political autonomy, and that it rather should be perceived as an ideological change across the entire region, not solely the work of one single government.¹¹ Thus, both phenomena might in fact belong to a wider context, influenced by some third variable.

Moreover, even though the traditionally left-wing Peronist *Partido Justicialista* (PJ) has produced two distinctly anti-neoliberal presidents during the 2000's; the currently in-office Cristina Fernández de Kirchner and her late husband Néstor Kirchner; the implementation of the neoliberal international economic regime of the 1990's took place under the rule of the exact same party, during the presidency of fellow Peronist Carlos Menem, also from the Partido Justicialista. Menem's ideas on opening up the nation to the global economic system and creating a 'popular market economy'¹² demonstrates that the internal factions of the PJ itself had experienced a shift toward the neoliberal ideas of the Washington Consensus, hence suggesting a structural change of the entire Argentine political landscape. Argentina's shift of international economic regime over the past decades also appears to be consistent with changes in power dynamics in world politics, and authors have specifically remarked upon the changing relationship with the world's largest economy; the United States.¹³ Several social scientists in the field of International Relations, in regime theory as well as in hegemonic stability theory, have written about the connection between regimes and hegemonic influence¹⁴, and international relations theorist Ian Clark, by comparing US and Chinese bids on hegemonic status, states that "...hegemony should be associated not simply with the exercise of dominant power but with the creation of a distinctive, and acceptable, pattern of order".¹⁵ Thus, Clark implies that unrivaled material and military power is not the only way in which the United

¹¹ Chodor, Tom; McCarthy-Jones, Anthea (2013), "Post-Liberal Regionalism in Latin America and the Influence of Hugo Chávez", *Journal of Iberian and Latin American Research*, 19(2): 211-223, p. 218.

¹² See Gibson, Edward L. (1997), "The populist road to market reform" *World Politics*, 49(3): 339-370, p. 339 and Fracchia, Alberto (2007), "La Primera Presidencia de Carlos Menem", *Revista de Ciencia Política*, 1(1), no page.

¹³ See Russell, Roberto; Tokatlian, Juan G. (2013), p. 251-267 and Campbell, William (2010), "Análisis de la relación entre Menem y Estados Unidos", *Revista de Ciencia Política*, 11(1), no page.

¹⁴ Young, Oran R., (1983), "Regime dynamics" in *International Regimes*, Krasner, Stephen D. (ed.), Ithaca: Cornell University Press, p 100; Keohane, Robert O. (1980), "The Theory of Hegemonic Stability and Changes in International Economic Regimes, 1967-77" in *Changes in the International System* Holsti, Ole R. et al (ed.), Boulder: Westview.

¹⁵ Clark, Ian (2011), "China and the United States: a succession of hegemonies?", *International Affairs*, 87(1): 13-38, p. 24.

States has established hegemonic status; it has also achieved to hold some level of control over the international system. Additionally, in Latin America this control has especially come to encompass the politics of economic governance.¹⁶ Nonetheless, the United States' power over the international system has since the turn of the millennia been increasingly questioned¹⁷ and its hegemonic status has been implied to have "...suffered a severe crisis of identity and authority".¹⁸

Upon analyzing hegemony, the author Evelyn Goh argues in her book *The Struggle for Order* for the importance of what she calls 'the social compact', suggesting that the relationship between the hegemon and its subordinate(s) contains a consensual dimension, a sort of contract where the subordinate allows itself to be dominated by the greater power in a system of institutionalized power distribution.¹⁹ This construct allows for the study of the relationship between hegemon and subordinate not only as based on material conditions and coercive capacities, but rather as a political relationship founded on mutual consent between the countries. This notion, together with the perceptions of U.S. hegemony, makes possible an interpretation of the United States' hegemony in Latin America and the compliance with the Washington Consensus in Argentina as a regime in itself. The development of regimes is a subject that has been extensively theorized²⁰, and Stephen Krasner lists some basic factors in his influential anthology *International Regimes* that can be used to explain why international regimes change.²¹ These include the concepts of self-interest, political power and norms and principles, all of which will be examined closer and linked to the development of the economic regime of Argentina.

In this study, Goh's arguments are combined with regime theory in order to provide a theoretical framework for the research of the connection between hegemonic systems and international regimes. The varying intensity of hegemonic power will be investigated in regard to the

¹⁶ See Phillips, Nicola (2005), "U.S. Power and the Politics of Economic Governance in the Americas", *Latin American Politics and Society*, 47(4): 1-25.

¹⁷ See Cox, Michael (2007), "Is the United States in decline-again?", *International Affairs*, 83(4): 643-653 and Layne, Christopher (2006), "The Unipolar Illusion Revisited", *International Security*, 31(2): 7-41.

¹⁸ Goh, Evelyn (2013), *The Struggle for Order*, Oxford: Oxford University Press, p. 3.

¹⁹ Ibid, p. 10.

²⁰ See Oran Young, Robert Keohane, Arthur A. Stein, etc. in Krasner, Stephen D. (ed.) (1983), *International regimes*, Ithaca: Cornell University Press.

²¹ Krasner, Stephen D. (ed.) (1983), *International regimes*, Ithaca: Cornell University Press, p 11a.

development of regimes in single cases. By applying a process-tracing method, this notion will be reduced to a hypothesized causal mechanism; *the changed hegemon-subordinate relation between the United States and Argentina as a factor in the compliance with the Washington Consensus in the latter country*. The dependent variable that will be examined is *the compliance with the Washington Consensus in Argentina*. The change in compliance with the economic regime will be measured by using the three concepts for regime change used by Krasner. The connection between the hypothesized causal mechanism and the dependent variable will thereafter be analyzed according to the empirical data, in order to investigate its contextual legitimacy.

1.3. Purpose of the study

The purpose of this research paper is to investigate the validity of the theoretical framework in regard to the selected case. The ambition is to enlighten some aspects of the recent development of the studied case, and contribute to the development of a theoretical concept that can be used to understand these phenomena.

1.4. Questions of issue

A set of questions have been derived from the causal mechanism through the ideas of the theoretical framework, which will lay the methodological foundation for the study of this issue and guide the continued work in this research paper.

- In what ways has the hegemon-subordinate relationship between the United States and Argentina changed from the late 1980's?
- How has the perception of utility in complying with the Washington Consensus changed in Argentina?
- How has the normative legitimacy of the Washington Consensus varied in Argentina?
- Are there indications of other macro political factors influencing Argentina's turn away from the Washington Consensus?

2. Limitations and clarifications of the study

2.1. The case

As this study is focused on one single case, the results are not possible to generalize on a larger Latin American context. Although reflecting over the possible connection between the leftist movement in Latin America and the wider context of U.S. hegemonic influence in the problematization of the issue, the conclusions will by no means include other cases than Argentina. The findings are intended to be generalized within the theoretical framework, meaning that a separate study involving an application of the theoretical framework on other cases would be needed in order to demonstrate transferability from the case of Argentina. Moreover, it is important to bear in mind that the process-tracing method used to produce scientific knowledge in this study, regardless of whether the findings support the hypothesized causal mechanism or not, by no means can claim to have identified the single variable in determining the outcome of the studied phenomenon.²²

So why Argentina? The theoretical connection between a weakened and strengthened U.S. hegemony in Latin America and the implementation of the neoliberal economic regime, that this study will attempt to find evidence for, will naturally vary considerably between states in the region. Instead of conducting a study on all cases, this research paper will qualitatively examine one single case to find support for the theoretical presupposition. As Argentina is one of the largest and most influential countries in the region, the results of a theory testing case study are more likely to be transferrable to other, smaller, cases. Furthermore, as the hypothesized chain of events is relatively clear in the Argentine case, it is a ‘most-likely’ or ‘typical’ scenario and therefore apt for an analysis.²³

Conversely, the largest and perhaps most influential country in Latin America, Brazil, might in reality be too prominent to conduct a single case study on. Given the chosen theoretical framework, regime compliance by Brazil in connection with the hegemonic status of the United

²² Beach, Derek; Pedersen, Rasmus B. (2013), *Process-Tracing Methods: Foundations and guidelines*, Ann Arbor: University of Michigan Press, p. 3.

²³ George, Alexander L.; Bennett, Andrew (2005), *Case Studies and Theory Development in the Social Sciences*, Cambridge: MIT Press, p. 80.

States in Latin America, has several contradictory theoretical explanations. One would need to consider the fact that Brazil is a contender for the position of regional political leader, leading to a number of interest conflicts vis-à-vis United States' dominance, thus excluding the possibility of treating US hegemonic status as an exogenous/independent variable. Furthermore, the third regional power, Mexico, has a close interdependence with its North American neighbor, being a member of the North American Free Trade Agreement (NAFTA) and having significant economic and political ties to the United States. This implies that the Mexican foreign policy continues to be largely dominated by US hegemonic influence, which similar to the case of Brazil, complicates the analysis of US hegemony as an exogenously given variable. Additionally, and perhaps more importantly, this study intends to analyze the turn away from the Washington Consensus, a political development that quite possibly has never taken place in Mexico.

The “international regime” that will be investigated in this research paper is the so-called Washington Consensus, the neoliberal economic regime which came to dominate large parts of the Western world during the 1980s and onwards, and its role in the economic policy of Argentina. This study will not attempt to explain the development of geopolitical, military-strategic or other international collaborations or regimes in the specific case that is studied. It is, nonetheless, worth mentioning that other aspects of international society will indeed be mentioned and discussed in order to strengthen the analysis of certain themes, but then not with the intention of drawing conclusions on other international collaborations than the one mentioned above. Neither will this study intend to describe or discuss what has succeeded the Washington Consensus in Argentina, which some have called Post-neoliberal regionalism and others neo-developmentalism.²⁴

2.2. The theoretical framework

Regarding the reference to the hegemonic stability theory in the regime theory chapter, a few notes on its deficiencies might be useful in order to clarify its inclusion in the research. The theory emerged in the late 1970's, a period when the international economic regime had

²⁴ See Féliz, Mariano (2012) and Sanahuja, José A. (2012), “Post-liberal Regionalism in South America”, *EUI Working Papers*, RSCAS 2012/05.

suffered from a weakened United States' stability. Scientists noted that the linkages between hegemonic stability and regime stability could also be observed during United Kingdom dominance in the late 19th century.²⁵ However, the conclusions were strongly criticized, in part because of wide disagreement on the actual hegemonic status of the United Kingdom during that era²⁶, which led to the hegemonic stability theory falling into disuse. Nonetheless, the use of this theory in this research paper will only focus on the features that have been more widely accepted, and is also mentioned in regime theory, such as the influence of the hegemonic power as a provider of the common goods needed for international regimes to function efficiently.²⁷

The application of regime theory in this research project will focus on what is described as a modified structural theoretical stance, which has many similarities with the English School, as it views the international system as anarchic but admits the significance of regimes in international collaboration. In reality, Krasner lists five basic variables that contribute to regime development; egoistic self-interest, political power, norms and principles, habit and custom, and knowledge. The final two variables are considered as merely intervening by weakening or fortifying the effect of the first three variables.²⁸ Attempting to maintain a clear and graspable outline and due to limitations in time and space; habit and custom, and knowledge will be excluded from the analysis.

3. Theoretical framework

3.1. Regime theory

Before attempting to provide a description of the wide array of theoretical stances that are commonly known as regime theory, a closer definition of the concept can be useful in order to avoid misperceptions. International regimes has by Stephen Krasner been defined as "...sets of *principles, norms, rules, and decision-making procedures* around which actor expectations

²⁵ See Keohane, Robert O. (1980).

²⁶ Kwon, Roy (2012), "Hegemonic stability, World Cultural Diffusion and Trade Globalization", *Sociological Forum*, 27(2): 324-347, p. 327.

²⁷ See Keohane, Robert O. (1983), "The demand for international regimes" in *International Regimes*, Krasner, Steven D. (ed), Ithaca: Cornell University Press and Young, Oran B. (1993), "Testing Theories of Regime Formation" in *Regime Theory and International Relations*, Rittberger, Volker (ed.), Oxford: Clarendon Press, p. 229b.

²⁸ Krasner, Stephen D. (ed.) (1983), p. 11b.

converge in a given area of international relations”.²⁹ Robert Keohane and Joseph Nye suggest a similar definition of regimes as “...sets of governing arrangements” including “...networks of rules, norms and procedures that regularize behavior and control its effects”.³⁰

The influence of regimes in the international system is, however, perceived differently by authors. Liberal theorists see regimes as intimately connected to the behavior of actors on the international arena, whereas strict realists firmly reject the influence of principles, norms, rules and decision-making procedures in international relations. Many theorists, however, assume a position somewhere between the abovementioned perceptions of regime influence in international politics. These theorists, labeled by Krasner as ‘modified structural’, admit that regimes, in an anarchic world, can indeed prove to represent influential factors, as long as they concur with the actors’ search for Pareto-optimal outcomes. Nonetheless, the behavior of actors in international relations cannot be regarded as under the influence of regimes if regime compliance is merely a result of short-term calculations of self-interest. The ‘arrangement’ must also include some element of common submission to regime norms and principles, in the sense that states are conforming to acknowledged regime behavior and expect that other states will do the same in the long run.

Analyzing what constitutes a regime, the norms and principles are what define the features and purpose of it, meaning that an altering of these represents a shift in the regime *per se*, while a rejection of these implies a disappearance of the regime from the specific area or the emergence of a new regime. This differentiates norms and principles from rules and decision-making procedures, whereas as the latter can be subjects to significant change without entailing a shift in the fundamentals of the regime. Consequently, when change occurs in a regime, the way in which the observer interprets this alteration has great implications on the continued perception of the regime. Additionally, in the event that outcomes produced by the regime cease to be consistent with its principles, norms, rules and decision-making procedures or in case the content of these components become less cohesive, the regime has entered a stage of weakening.³¹

²⁹ Ibid, p. 2.

³⁰ Keohane, Robert O.; Nye, Joseph S. (1977), *Power and Interdependence*, Boston: Little, Brown, p. 19.

³¹ Krasner, Stephen D. (ed.) (1983), p. 1-5.

So how does regime development come about? Which conditions can impose a shift in the structure and function of a regime and why do they emerge in the first place? There are several different views on why states experience a demand for international regimes, explained differently according to which theoretical perspective is being used. Liberal thinkers have described international regimes as a type of social institution, formed by converging expectations and behavioral patterns. Regimes are perceived as natural reactions of synchronization issues between actors or results of regularities in human behavior. An important aspect of this position is the inability of individual actors to exercise any significant influence on the regime, an argumentation that puts emphasis on the normative elements of regimes.³² In stark contrast with this stance, realist theorists instead perceive the realm of international politics as characterized by individualistic behavior in an anarchic world and stress the importance of such features as utility, self-preservation and interest dynamics.³³

Krasner lists five basic factors that can be used to explain the development of regimes; *egoistic self-interest, political power, norms and principles, habit and custom, and knowledge*.³⁴ The concept of egoistic self-interest refers to the individual aspiration to maximize personal utility. In regard to collaborative actions, such as within an international regime, the egoistic self-interest manifests itself in the utility maximizing calculation that individual interests are fulfilled most efficiently under some form of joint decision making. As in the game-theoretical construct of *the prisoner's dilemma*, individual choice leads to suboptimal outcomes, thus making collaboration a means of achieving Pareto-optimal gains. Such collaboration requires a certain level of coordinating procedures between actors, which may also include principles, rules and norms. Collaboration of that sort coincides with the definition of regimes described above, and the logic of fulfilling the egoistic self-interest through joint decision making is therefore also applicable on regimes.³⁵

Political power as a variable in regime development can be perceived in various ways, where some point out the bargaining advantage a powerful state possesses in international negotiations, or the importance of a single state's possession of issue-specific authority in

³² Young, Oran R., (1983), p. 96.

³³ Stein, Arthur A. (1982), "Coordination and collaboration: regimes in an anarchic world", *International Organization*, 36(2): 299-324, p. 301.

³⁴ Krasner, Stephen D. (ed.) (1983), p. 11c.

³⁵ *Ibid*, p. 12.

certain problem areas.³⁶ The more utilitarian approach, however, suggests that power is used as an instrument to improve the values of certain actors within the system, meaning that individual states impose values on an international regime in order to maximize their own power capabilities or economic gains.³⁷ Large amounts of political power focused on a single actor within the international system, as is true for a hegemonic power, creates opportunities for significant influence on international regimes by that same actor, and can be used to impose arrangements beneficial to oneself on other actors in the system.³⁸ The hegemon may choose to create or influence regimes in order to further increase its power within the system, by providing regimes with common goods that enhance their performance. This has been described by Keohane, among others, in the hegemonic stability theory.³⁹

The hegemonic stability theory states that a strong hegemonic power acts as a guarantee for peace and order in the international system, further asserting that stability is more pervasive under hegemonic rule than in a system of power balance between several world powers (or, naturally, a system of multiple states in power disequilibrium). The notion that hegemony is a necessary or sufficient condition for stability has, however, proved inaccurate as periods of strong international regime development have not coincided with periods of supposed hegemonic leadership.⁴⁰ The theory has for that reason been questioned⁴¹, but there is broader agreement from both liberal and realist theorists on the perception of hegemons as an important factor in constructing international institutions that concur with their own interests and standards. According to this view, powerful actors in the international system are provided with an advantage that can be used to impose or promote institutional arrangements that are favorable to itself upon subordinate actors.⁴² This argument includes a perception of political power as an instrument in constructing a normative framework that sets the guidelines for international collaboration, which Steven Lukes discusses in his work *Power: A Radical View* as "...dictates

³⁶ Young, Oran B. (1993), p. 229a.

³⁷ Krasner, Stephen D. (ed.) (1983), p. 13.

³⁸ Young, Oran R., (1983), p 100a.

³⁹ See Keohane, Robert O. (1980).

⁴⁰ See Keohane, Robert O. (1983).

⁴¹ Young, Oran B. (1993), p 229b.

⁴² Young, Oran R., (1983), p 100b and Keohane, Robert O. (2010), "Review Symposium: Beyond the Tragedy of the Commons", *Perspectives on Politics*, 8(2): 577-580.

of one's nature".⁴³ This notion leads to the third variable listed by Krasner as influencing the development of regimes.

The third variable, norms and principles, suggests that common standards and ethics give rise to regimes that concur with these values. Religion is a clear example, where a common faith can cause actors to prefer some agreements over others and potentially generate a need for certain collaborative procedures. Another example, and perhaps even more obvious, is the concept of sovereignty, which makes the foundation for the majority of all existing international regimes in modern times. This reasoning coincides with the logic behind the fourth variable in regime development, namely habit and custom. Habit and custom are important to the more structural approach, which identifies collective routinized actions as an ingredient in the emergence of common norms. This process creates a perception of a commonly accepted behavior, which in turn can represent an influential factor in the development of regimes.⁴⁴

Finally, knowledge can also be said to affect the development of regimes as it can alter an actor's perceived options for action in its quest for utility maximization. Knowledge can reveal a previously ignored interdependence between actors in the international system, and therefore create incentives for collaboration. As the influence of both knowledge and habitual behavior involves the impact of at least one of the first three factors, they can be treated as intervening variables, simply fortifying the effect of egoistic self-interest, political power and norms and principles on the development of international regimes⁴⁵, which is why they will be excluded from the analysis.

3.2. Evelyn Goh: Hegemony and 'the Social Compact'

Evelyn Goh's argumentation works on an *international society* perspective of the global political system, a view primarily associated with the English School of international relations theory. The international society perspective stresses the importance of the social dimension of the international system, where relationships on the global arena are structured and regulated by a set of shared norms, rules and expectations. This society is formed in the context of an

⁴³ Lukes, Steven (2005), *Power: A Radical View*, 2nd ed., Basingstoke: Palgrave Macmillan, p. 120.

⁴⁴ Krasner, Stephen D. (ed.) (1983), p. 16-18.

⁴⁵ *Ibid*, p. 18-20.

anarchic world system, where states collaborate in order to avoid consequences of anarchy, such as unrestricted violence. The goal of the members of the international society is to maintain the existing order of the system; the preservation of the state system, the notions of sovereignty and rules of property, limiting the use of force in international relations and assuring the compliance with agreements.⁴⁶

Material superiority of one country in relation to others is what lays the foundation for the establishment of hegemony. Some authors, including in the English School, have discussed the definition of hegemony from a simple realist perspective; as a "...technological, economic and strategic superiority"⁴⁷, giving states or a group of states the instruments to dominate, at the cost of the independence of smaller states. However, according to Goh and Clark, the way in which this superiority legitimized by the hegemonic power, and how it is perceived and received by inferior nations, is of equal importance in achieving and maintaining its dominant status.⁴⁸ The superior position of a great power, including hegemon, grants it a set of exceptional privileges in its pursuit of accomplishing its objectives on the international arena. This possibility of inducing international change through power exertion is an argument that has many similarities with regime theory's notion of power as a factor in regime change. Moreover, Goh states that the prospect of maintaining this position by means of coercion is highly inefficient and costly in the long run, rendering force as an instrument an unsustainable option. Thus, the great power will continually attempt to legitimize its prominent position vis-à-vis other states in order to establish a system in which the equal power distribution is normalized. Consequently, this position can only be substantiated and upheld by forming a consensual relationship with the lesser powers within the system.

Goh argues that such a system, led by a hegemon or a great power, could be interpreted as a form of mutual agreement; a 'social compact', which defines values, rights and duties between superior and inferior states and institutionalizes the unequal power distribution. The compact is upheld by promises and contracts that are conditional and reciprocal by nature, and stipulate the fulfilment of each actors' liabilities. Thus, the system of institutionalized power distribution,

⁴⁶ See Bull, Hedley (1977), *The anarchical society: a study of order in world politics*, London: Macmillan.

⁴⁷ Watson, Adam. (2007), *Hegemony and History*, London: Routledge, p. 90.

⁴⁸ Goh, Evelyn (2013), *The Struggle for Order*, Oxford: Oxford University Press, p. 4 and Clark, Ian (2009), "Towards an English School Theory of Hegemony", *European Journal of International Relations*, 15(2): 203-228, p. 206.

the social compact, has many similarities with the previously mentioned definition of a regime by Krasner as “...sets of principles, norms, rules, and decision-making procedures around which actor expectations converge in a given area of international relations”, thus supporting the notion of the connection between the U.S. hegemony and the formation of international regimes around it.

The superiority of the hegemonic power, and its possession of special rights, is accepted by other states only under the condition of the hegemon assuming responsibility over the persistence of order in the international system and the provision of common goods that ensure its function. This arrangement is by the weaker states perceived as a means of limiting the exercise of power from strong states, thus avoiding risks of disruption of order.⁴⁹ Hence, the agreement is by all parties originally based on a perception of obtaining individual gains. The notion of self-interested behavior as a motive for individual compliance with an international system, thus links Goh’s arguments to the notion of self-interest as a factor in regime development as established by Krasner. As power dynamics shift over time and the performance of each state is being scrutinized by other actors, the social compact is in a state of constant renegotiation. The construction of a stable cooperation is made difficult through the existence of conflicting values and competing priorities. As different perceptions, ideologies and varying views on justice between actors is handled within the framework of the system, the concept of international order will always contain an aspect of contestation and change, thereby rewriting the definition of the social compact. In the state of constant renegotiation, the hegemonic power, as the dominant actor, possesses a role of significant importance. Goh states that the hegemon holds a major advantage in influencing the contestation and change of the system, and therefore gains “...a unique capacity to shape collective beliefs by dominating and normalizing understandings about regional order”⁵⁰, thus enabling it to set the agenda of the social compact by influencing norms and principles of the entire collaboration. This argument concurs with Steven Lukes’ view of power and further links a factor of regime change with Goh’s arguments. However, Goh holds that the lesser powers of the system do not simply abide by the new values of the social compact, instead, depending on their respective interests and identities, the

⁴⁹ Goh, Evelyn (2013), p. 8.

⁵⁰ Ibid, p. 11a.

response might range from adaptation and extension to selection, further negotiation and even rejection.⁵¹

4. Method and material

4.1. Process-tracing

Process-tracing is an increasingly popular method in qualitative research in the social sciences. A key ambition of process-tracing is to identify the causal process between the independent variable(s) and dependent variable and trace the effect of causal mechanisms on the outcome of a specific phenomenon. This is conducted by examining documents, interviews, and other records to investigate whether there is any evidence for each component of the theorized causal process.⁵²

“The logic of empirical testing in process-tracing is that if we expect X to cause Y, each part of the mechanism between X and Y should leave the predicted empirical manifestations that can be observed in the empirical material.”⁵³

This study will operate through a largely deductive theory-testing process-tracing method. This involves deducing a causal mechanism from the theoretical framework through scientific inference, and thereafter investigating whether each part is represented in the empirical data. The findings are thereafter analyzed in regard to the hypothesized presence and function of the causal mechanism. It is, nonetheless, important to mention that, regardless of the results of the study, the investigated mechanism by no means can be states as being the only cause of the outcome of the examined phenomenon.⁵⁴

Causality is interpreted differently by social scientists. Some, among them David Hume and neo-Humean scientists, define causality as merely a consistent association between X and Y, since the supposed effect of X causing Y cannot ever be observed. This is described as the fundamental problem of causal inference, because no matter how immaculate the scientific

⁵¹ Goh, Evelyn (2013), p. 12.

⁵² George, Alexander L.; Bennett, Andrew (2005), p. 6.

⁵³ Beach, Derek; Pedersen, Rasmus B. (2013), p. 166a.

⁵⁴ Ibid, p. 2-3.

research is, a causal effect can never truly be detected. Others define causality as X essentially causing Y. This is the stance that motivates the process-tracing method. According to this interpretation, causality is viewed as a mechanism that translates forces from X to Y. Here, causality can be considered as scientifically proven if the mechanism is empirically supported.⁵⁵ However, the process-tracing method has some constraints when it comes to linking the assumed causes to the observed outcome. When the findings implicate an uninterrupted path from cause to effect, there is considered to exist strong support for drawing conclusions through causal inference. However, if one or more steps of the causal path are proven wrong, the hypothesized causal mechanism is greatly weakened. Furthermore, a second causal mechanism might also be consistent with the findings, despite representing a completely different theoretical explanation, leading to difficulties for the researcher in deciding which of the mechanisms is, in fact, causal.⁵⁶ The first issue is indeed difficult to avoid, apart from assuring that the theoretical base is solid and assuring that other aspects have been considered. The second issue is somewhat mitigated by stating that the study will not attempt to prove the existence of one single causal factor, simply one contributing to the outcome.

4.2. The research process

The research process has been constructed according to an idealized agenda in four steps for theory-testing process-tracing authored by Derek Beach and Rasmus Brun Pedersen.⁵⁷

1. Conceptualizing causal mechanisms: By organizing central concepts of the theoretical framework into a set of themes that are thought to be important for the effect that will be analyzed, a hypothesized causal mechanism is constructed. A causal mechanism can be defined as "...a theory of a system of interlocking parts that transmits causal forces from X to Y".⁵⁸ In this case, the theoretical foundation of regime theory and Goh's arguments on hegemonic power was reduced to the assumption of change in hegemon-subordinate relationship between the United States and Argentina acting as a factor in altering the conditions for regime stability,

⁵⁵ King, Keohane, Verba (1994), *Designing Social Inquiry*, Princeton: Princeton University Press, p. 79 and Beach, Derek; Pedersen, Rasmus B. (2013), p. 24-26.

⁵⁶ George, Alexander L.; Bennett, Andrew (2005), p. 222.

⁵⁷ Beach, Derek; Pedersen, Rasmus B. (2013), p. 164.

⁵⁸ *Ibid*, p. 29.

thus implying regime change in the latter country. Regime change and the hegemon-subordinate relationship can, as described in the previous chapter, be theoretically coupled as interlocking factors, and represent the separate parts that form the causal mechanism.

2. *Case selection:* Analyzing the outcome of a specific phenomenon denotes studying the development from X to Y, which requires a case where both X and Y are present. The issue is in part problematized on a larger, Latin American, context. However, the main issue specifically involves the case of Argentina, only implying that a wider interpretation is conceivable if supported by further research. Additionally, as has been argued for above, the choice of Argentina is natural because the hypothesized causal process is clear, representing a ‘most likely’ or ‘typical’ case, therefore being well suited for a process-tracing study.

3. *Operationalization of empirical tests:* To operationalize the hypothesized causal mechanism, the mechanism needs to be divided into a set of defined themes, specific to the case, that are to be tested empirically. The notions planted by the theoretical framework is translated into a set of case-specific tests that guide the study of the empirical material. The two theories that form the base for the causal mechanism are divided into four themes, as is demonstrated by the questions of issue. The hegemon-subordinate relationship represents one, and regime change is divided in to three separate components according to the factors of regime change listed by Krasner.⁵⁹

4. *Evaluating empirical material:* Content and accuracy of the material must be evaluated before using it as scientific evidence to support the notions planted by the theoretical framework. It is important to identify the potential sources of error and attempt to compensate for them in order to increase the trustworthiness of the material.⁶⁰

4.3. Improving the quality of the research

Improving the quality of the material is of crucial importance when designing scientific research. King, Keohane and Verba expressly stress the significance of openness in the research process, saying that “...the most important rule for all data collection is to report how the data

⁵⁹ Beach, Derek; Pedersen, Rasmus B. (2013), p. 166b.

⁶⁰ Ibid, p. 167.

were created and how we came to possess them”.⁶¹ Openness in the research process is an important instrument in detecting potential bias, and it also creates possibilities for increasing the study’s replicability, allowing for other scientists to scrutinize and repeat the findings, in order to examine their legitimacy.⁶² Furthermore, a theory is better evaluated if the material is collected from a wide range of contexts, thus greatly improving the trustworthiness and strength of the results. Moreover, the validity; assuring that the study indeed is investigating what it intends to investigate, is decisive in obtaining a high quality research. Avoiding this requires a careful reflection on variables and concepts used, in order to clearly define their meanings. If investigating a variable that is inadequately theorized and reflected upon, the researcher might in reality be measuring effects on a different phenomenon than intended.

The reliability of a study concerns the preciseness with which the material is measured. This means that, if conducted a second time, the study will produce the same results as the first time, provided that nothing has changed with the studied object or phenomenon that can alter the results.⁶³ In this study the hope is that, if considering the aforementioned aspects of quality improvement, the level of reliability will also increase. An ambition to broaden the material to include information from disparate sources will help to reduce bias and improve trustworthiness, while openness will assure that the research process is easily understood and replicable for other scientists, as well as encouraging more diligent reflections on what is finally included in the study.

4.4. The material

As already mentioned, process-tracing research involves actively searching for empirical evidence for the theorized causal mechanism. This implies that the researcher will present material that is relevant for the separate components of the mechanism. Consequently, the selection of the empirical data is based on an analytical motivation of its relevance. Of this reason, the empirical material will be presented alongside the analysis, in order to avoid repetition, to

⁶¹ King, Keohane, Verba (1994), p. 51.

⁶² Ibid, p. 26.

⁶³ Ibid, p. 24-25.

demonstrate a schematic analysis according to the process-tracing methodology and ultimately to increase transparency of logical conclusions.

Additionally, as the selection of empirical data is based on theoretically deduced conclusions, there will be a greater risk for error in data collection by the researcher. Furthermore, as numerous aspects of the studied phenomenon are subject to ideological interpretations, the risk for potential bias is increased. These issues will be considered during the course of this study by bearing in mind the implications of validity, reliability and replicability. By carefully highlighting personal opinions and conclusions and by closely accounting for information originating from separate sources, the quality of the results is expected to improve. Moreover, to reduce bias, the empirical data will be gathered from a variety of different sources with the ambition of detecting a balance between different interpretations. It is important mentioning, however, that the existence of contrasting perceptions of reality according to ideological stance is both expected and believed to generate better results, as a wider range of explanations to the outcome will be available, thereby improving the empirical analysis.

5. Argentina and the Washington Consensus: empirical analysis

5.1. Implementation of the Washington Consensus

Argentina came out of the 1980's having shaken off authoritarianism and embraced democracy, nevertheless suffering from severe economic hardships; including a rampant hyperinflation, rapidly declining industrial output and an extensive outflow of capital from the country. Argentine politics had during large parts of the 1980's been characterized by continuous attempts to reduce, or to simply postpone, the threats of a devastating inflation. However, political actors at all levels of society were reluctant to impose changes on the middle class, agricultural interests and organized labor that could result in political costs, giving rise to a vicious circle in which short-term strategies shaped microeconomic behavior of politicians, public and private firms, unions and investors, thus causing further instability. As doubts were raised over the state's capability to solve the structural crisis, the market became an increasingly

reasonable option for regulating income and allocating resources.⁶⁴ Additionally, as the Soviet Union towards the end of the 1980's began to crumble and capitalism came to prevail over socialism, the United States' economic model gained a unique position in a new, unipolar world order. The United States, whose hegemonic status had been questioned during the 1970's and 1980's, was by the early 1990's in a powerful position to fulfil its ambitions on the international arena and the year 1992 saw the beginning of a long period of spectacular economic growth in the world's biggest economy, an event that many would have deemed unlikely merely ten years previous.⁶⁵

In 1989, the Peronist Carlos Menem of the *Partido Justicialista* won the presidential election with the promise of opening up the Argentine economy to the global market by introducing neoliberal reforms in line with what had come to be called *the Washington Consensus*, the Western model for the global economy supported by the United States and international institutions such as the International Monetary Fund (IMF) and the World Bank. With the economically and socially disastrous previous decade in rear view, the president Carlos Menem introduced an extensive reform package, promoting the reduction of the state's involvement in the economy through privatization of state property and relaxation of labor restrictions.⁶⁶ Privatizations included the sale of the largest state-owned companies, such as the national gas and electric utilities, water and sewage companies, petrochemical companies, iron and steel works, port administration and highway maintenance services, and two television channels. Meanwhile, import tariffs were lowered, state-financed subsidies were drastically reduced and public sector employment was cut by over 70 000 jobs during six months in 1991. Despite drastic reforms, the Argentine people still had great hopes for economic recovery and Menem's so-called 'productive revolution', which resulted in an overwhelming victory for the Partido Justicialista in the general elections of 1991.⁶⁷ Moreover, the catastrophic inflation was eliminated by fixing the value of the Argentine currency by one-to-one in relation to the US

⁶⁴ Smith, William C. (1991), "State, Market and Neoliberalism in Post-Transition Argentina", *Journal of Interamerican Studies and World Affairs*, 33(4): 45-82, p. 50 and Plehwe, Dieter (2011), "Transnational discourse coalitions and monetary policy: Argentina and the limited powers of the Washington Consensus", *Critical Policy Studies*, 5(2): 127-148, p. 137.

⁶⁵ Cox, Michael (2007), p. 648.

⁶⁶ Yates, Julian S.; Bakker, Karen (2014), p. 64.

⁶⁷ Smith, William C. (1991), p. 46-47 and Ministerio del interior (no date), "Elecciones generales 1991", Departamento de estadísticas.

dollar, thus lowering the risk of monetary speculation. The reform package was supported by the Bush administration, and apart from an initial opposition of the convertibility plan, it was also supported as a whole by the IMF.⁶⁸

Already in 1988, Argentina came to an agreement with the World Bank on lowering the maximum import tariffs to 40 % and in 1990, after the inauguration of Carlos Menem, the reform of the trade regime was accelerated. Quantitative restrictions were removed, administrative obstacles and trade bureaucracy was reduced, while maximum import tariffs were lowered to 24 %.⁶⁹ Export restrictions were eased and apart from removing close to all export taxes by 1991, the Argentine government introduced (and extended) stimulus policies for export companies during the first years of the 1990's in order to generate incentives for exportation. Despite committing to the lowering the ceiling for import tariffs, rapidly rising import figures led the Argentina government to introduce a number of anti-dumping measures in certain sectors in 1993, while mainly restrictions for capital goods continued to be reduced. In a renewed surge of the historical Pan-American movement, the new trade policies were part of a wider vision of regional integration under the lead of the United States and the administration of President George H. W. Bush. During the 1994 First Summit of the Americas in Miami, to which all North and South American nations were invited (excluding Cuba), the idea of a common trade pact in the Americas was launched. The Free Trade Area of the Americas (FTAA), was to promote market liberalization through the reduction of trade barriers and economic reform.⁷⁰

In 1990, Argentina, Brazil, Paraguay and Uruguay signed an agreement to work towards the establishment of a common market, Mercosur, which was formalized in a treaty the following year. To accomplish this, a shared external tariff for importations to the common market was to be created and a gradual reduction of the internal tariffs was commenced. Although the system of tariffs was implemented fully in 1995, it contained a number of exceptions, excluding

⁶⁸ Smith, William C. (1991), p. 61-64 and Cerruti, G.; Ciancaglini, S. (1991), *El octavo círculo: Crónica y entretelones de la Argentina menemista*, Buenos Aires: Editorial Planeta Argentina, p. 283 and Graham, Carol; Masson, Paul (2003), "Between politics and economics: The IMF and Argentina", *Current History*, 102(661): 72-76, p. 73.

⁶⁹ Heymann, Daniel (2000), "Políticas de reforma y comportamiento macroeconómico: La Argentina en los noventa", CEPAL Buenos Aires, p. 19.

⁷⁰ Berger, Mark T. (2002) "Toward Our Common American Destiny? Hemispheric history and pan American politics in the twentieth century", *Journal of Iberian and Latin American Research*, 8(1): 57-88, p. 72.

from the agreement what was considered to be crucial sectors and allowing the countries to each submit a list of products that were also to remain outside the common tariff system of Mercosur. Nonetheless, the regional integration of Mercosur led to an impressive growth in intra-regional trade between 1990 and 1997⁷¹, turning Brazil into the largest single market for Argentine exports.⁷² During this period, Argentine exports entered a stage of specialization, which authors have connected directly to the opening of the Argentine market. Medium-technology products and primary goods became the main focus of the country's exports, in which agricultural and food products came to dominate the Argentine specialization within the Mercosur area.⁷³

5.1.1. Interpretation

Authors have named the new foreign policy strategy of Argentina 'peripheral realism'⁷⁴, implicating that Argentina came to accept its peripheral position on the international political arena. This realization involved subordination to the United States and avoidance of confrontation with the great powers. More specifically, Argentina was persuaded to abort its missile program *Cóndor II*, express support for the US position in regard to Cuba, and withdraw from the Non-Aligned movement. Additionally, when the Gulf War escalated in 1991, Argentina, as the only Latin American country, agreed upon sending troops to the Middle East in support of the US-led coalition.⁷⁵ These policy changes demonstrate a significant shift of the Argentine position on issues in international relations, from an open war with the United Kingdom in 1982 over the Falkland Islands (Islas Malvinas) to participating alongside the Western powers, including the UK, in the Gulf War.

Why a market-oriented politician came to lead the traditionally leftist Partido Justicialista and why he subsequently won the presidential elections in 1989 cannot be explained solely by the changing international political landscape; internal factors were certainly pointing at a rupture

⁷¹ Heymann, Daniel (2000), p. 21.

⁷² WTO (1998), *Trade policy review: Argentina*, Report by the Secretariat WT/TPR/S/47, 1998-10-02, p. 13.

⁷³ Ernst, Christoph (2005), "Trade liberalization, export, orientation and employment in Argentina, Brazil and Mexico", *Employment Strategy Papers*, 2005/15, International Labour Office, p. 15.

⁷⁴ See Escudé, Carlos (1992), *Realismo Periférico: Fundamentos para la nueva política exterior argentina*, Buenos Aires: Planeta.

⁷⁵ Fracchia, Alberto (2007).

and a radical change of the Argentine politics. Moreover, U.S. hegemony or events in the Eastern bloc cannot be considered directly responsible for causing hyperinflation in Argentina (or the researcher will certainly face a serious challenge in verifying the causality). However, analyzing voters' and politicians' assessments of the situation, bearing in mind that the country was in desperate need of structural reforms and that the international society was transitioning from a bipolar to a unipolar world order, the perception of available ways forward was undeniably narrowed down.

Applying the regime theoretical concept of self-interested behavior on this scenario, one can distinguish motives for the Argentine behavior in an international context. Ideas from game theory on self-interested behavior argue that the prospects of maximizing utility by individual choice can be weaker than pursuing utility maximization in an association of collaborative action, which is certainly a valid point in a political arena headed by a single hegemonic power. In support of this notion, theorists critical of the Washington Consensus go so far as stating that the alignment with the United States and compliance with the neoliberal economic model was inescapable, as it was perceived by Latin American governments as the only possible way of achieving economic growth, since non-compliance would result in higher borrowing costs and lower levels of foreign investments.⁷⁶ Moreover, improving relations with the United States was seen as crucial in gaining access to the Brady Plan, a U.S.-sponsored program for debt relief.⁷⁷

An increased perception of utility in complying with the Washington Consensus and adopting the neoliberal economic model of the United States could equally, by using regime theory and Evelyn Goh's arguments, be interpreted as a motivation for decision-makers in Argentina to align its interests with the political ambitions of the United States. Meanwhile, in a position where the global system no longer possesses a powerful option to rival the model supported by the United States, collaboration in a hegemonic system can be interpreted as a way of limiting the risks of disruption of order, in return for some degree of subordination. As the notion of order is perhaps most easily recognized in geopolitical and security political terms, the Argentine decision to dispatch troops in the Middle East as a contribution to the US-led

⁷⁶ Carranza, Mario E. (2005), "Poster Child or Victim of Imperialist Globalization? Explaining Argentina's December 2001 Political Crisis and Economic Collapse", *Latin American Perspectives*, 32(6): 65-89, p. 66.

⁷⁷ Plehwe, Dieter (2011), p. 136.

coalition in the Gulf War represents a clear example that supports the argument of strategic alignment with the hegemonic power, instead of prioritizing individual action that is directly beneficial for the nation (i.e. continued development of the missile program). In regard to the economic regime of Argentina, the focus of this study, the decision to peg the Argentine currency to the US dollar can be interpreted as an equally collaborative behavior, in which individual preferences have been disregarded in return for order on the financial markets. This decision gave the Argentine economy increased possibilities for growth, and supports the argumentation as it directly implies a loss of national self-determination while requiring a high level of subordination to the currency of the hegemonic power.

It can be important to mention that the decision to reject a flexible monetary exchange rate for the Argentine currency is not a policy that goes in line with the economic model of neoliberalism and the Washington Consensus, which therefore puts in question the argument this study makes of Argentina following the system supported by the United States. Authors still find this decision puzzling,⁷⁸ and as already mentioned, it was initially not supported by the IMF. Nonetheless, the policy still makes a valid point in regard to the argumentation on the consolidation of U.S. hegemony, by demonstrating that Argentine politicians indeed came to accept the superiority of the United States to the extent that the independence of the national currency was deemed less valuable than submission vis-à-vis the economic might of the hegemon. Additionally, despite embarking on a reform program to liberalize the economy, a number of distinctly protectionist measures were still undertaken, suggesting that Argentina in fact did not fully embrace the neoliberal model, thus questioning the argumentation of this study. These include the abovementioned exceptions to the common tariff system of the Mercosur, and the extensive use of anti-dumping measures. Nonetheless, authors point out anti-dumping measures as a common instrument in pursuing national agendas in international trade, apart from Argentina also used by the United States, Canada, Mexico, Thailand and India, among others.⁷⁹ For this reason, some level of Argentine protectionism does not need to imply that the country did not follow the principles of the Washington Consensus, indeed, self-interested behavior is one of the motives for partaking in international collaborations and will

⁷⁸ Plehwe, Dieter (2011), p. 128.

⁷⁹ Bekker, Doreen (2006), "The strategic use of anti-dumping in international trade", *South African Journal of Economics*, 74(3): 501-521, p. 506.

therefore always shape regime dynamics. More importantly, the use of anti-dumping measures by Argentina can be argued to demonstrate the submission to the common norms and principles that set the rules for behavior within the system of international trade. As Argentina was in a process of opening up its market to the global economy, the use of formal claims through the World Trade Organization, regardless of the motive, can rather be interpreted as an adaptation to, and compliance with, the common procedures that define the international trade regime. Furthermore, the signing of free trade agreements with other countries in the region should equally be considered a neoliberal initiative, no matter the limitations of it.

According to Evelyn Goh's thoughts on hegemony, the unrivaled supremacy of the United States includes the capability to exert pressure upon other nations in order to modify the political agenda of those countries, which other authors have confirmed as a direct reason to why Argentina chose to abandon the Condor II missile program.⁸⁰ But it also gave the United States the capacity to shape collective beliefs and concepts of identity, as represented by the re-launch of the Pan-American movement. Therefore, from the perspective of regime theory, apart from following the model of the Washington Consensus merely based on short-term calculations of self-interest, Argentina had now also adapted to the common norms and principles of the international collaboration, not only by reforming the economy, but also by redefining the role and identity of Argentina as a peripheral nation in a world system led by the United States. Therefore, the events during late 1980's and early 1990's indeed seem to provide support for the hypothesized causal process planted by the theoretical framework.

5.2. Continuation, issues and the crisis of 2001

The one-to-one convertibility plan for the Argentine currency was enormously successful in stabilizing the country's financial market. Inflation rates of 38.6 % in 1989 and 24.9 % in 1990 were reduced to 5.2 % in 1991, 1.3 % in 1992 and 0.5 % in 1993, proving that the Menem administration had successfully managed to combat the destructive hyperinflation. Moreover, the economy expanded at an impressive rate; from contracting with 6.2 % in 1989, during the years 1991 and 1992 the Argentine GDP saw growth digits of close to 9 %. Nonetheless,

⁸⁰ Campbell, William (2010).

domestic industry and Argentine exports became pressured under an artificially high exchange rate of the Argentine currency and as imports were radically cheapened by the pegging to the US dollar, the Argentine trade balance was rapidly deteriorating. Measured in constant 1992 US dollars, the 1990 net trade profit of 8,334 million was reduced to a net trade deficit of 2,593 million in 1993. Additionally, the reforms were by no means accepted by all in Argentina. Institutions that had traditionally sheltered workers and firms in Argentina from shocks on the global markets had suddenly been removed and from 1988 through 1993 the unemployment rate climbed from 6.3 % to 9.9 %.⁸¹ Large-scale dismissals of public servants and the effects of the 1994 Mexican financial crisis led to further unemployment and social distress in some areas, resulting in riots and upheavals in several large cities in the country.⁸²

Even so, Argentina recovered quickly from the crisis of 1994 with the help of loans from the IMF in 1995, and despite persistently high unemployment rates (13.7 % in October 1997), Argentina managed to turn the 1995 recession to economic growth that reached 4.4 % in 1996 and 8.4 % in 1997.⁸³ The reform program continued to be extended, and productivity gains together with the continuously low inflation rates were considered to balance out the reduction in international competitiveness produced by the overvalued Argentine currency. Moreover, tariff protection on a number of 'sensitive products' was to be eliminated by the end of 1998, and competition in the Argentine market was therefore expected to increase. Already in 1997, the share of imports of the Argentine GDP had risen from 6-12 % in the 1980's to over 20 %.⁸⁴ Additionally, even wider market openings were expected as formal negotiations for the Free Trade Area of the Americas were initiated in 1998. Also, Mercosur and the European Union committed to jointly work towards the establishment of a free trade agreement between the two trade blocs.⁸⁵

However, unemployment continued to be high and the public sector of Argentina ran a constant budget deficit which made the country sensitive for external shocks. As a consequence of the

⁸¹ Tanner, Evan; Sanguinetti, Pablo (1997), "Structural Reform and Disinflation: Lessons from Argentina's Convertibility Plan", *The Journal of Developing Areas*, 31(4): 529-552, p. 531.

⁸² Carranza, Mario E. (2005), p. 68.

⁸³ ECLAC (1998), "Argentina", *Preliminary Overview of the Economies of Latin America and the Caribbean*, December 1998, p. 26a.

⁸⁴ Heymann, Daniel (2000), p. 20.

⁸⁵ WTO (1998), p. 13-14.

Asian economic crisis of 1997 and the Russian crisis of 1998, interest payments rose for Argentina, which elevated public expenditures at a quicker rate than revenues increased; leading the government to introduce stricter tax laws in order to increase revenue.⁸⁶ Despite maintaining the budget deficit below levels stipulated by agreements with the IMF after issuing additional credits to the Argentine government, by the mid-1990's, the IMF had started to caution the government of Argentina regarding the sustainability of the convertibility regime, as it demanded extensive fiscal interventions to uphold.⁸⁷ But costs for abandoning the monetary policy were expected to be enormous as the over-valued Argentine currency would undoubtedly have plummeted in value should the pegging to the US dollar have been removed. Thus, the support for the monetary policy continued to be robust among Argentine decision makers.⁸⁸

In January 1999, the Brazilian government announced a devaluation of its currency. When the value of the Brazilian currency dropped, and as there were no plans to discontinue the convertibility regime in Argentina, Argentine products had suddenly become one-third less competitive on the most important single market for Argentine export.⁸⁹ A low inflation was turned into deflation and the GDP contracted by 3.4 % that year, while unemployment soared and the fiscal deficit increased.⁹⁰ Public discontent and accusations of corruption against the Menem administration resulted in a disastrous election for the Partido Justicialista, who lost the presidency to the Radical Party candidate Fernando de la Rúa. The new administration was quick to announce that the convertibility regime would stay intact, as the costs of abandoning it were still perceived to be massive, considering the fact that many Argentines were heavily indebted in dollars. Instead, solutions such as a monetary association agreement with the United States and the creation of a single currency of Mercosur were discussed.⁹¹

Additionally, in accordance with requirements by the IMF for issuing yet another loan, to combat the escalating economic crisis the new president introduced an austerity reform,

⁸⁶ ECLAC (1998), p. 26b.

⁸⁷ Graham, Carol; Masson, Paul (2003), p. 73b.

⁸⁸ Cavallo, Domingo F.; Cottani, Joaquin A. (1997), "Argentina's Convertibility Plan and the IMF", *South American Economic Review*, 87(2): 17- 22, p. 21.

⁸⁹ Carranza, Mario E. (2005), p. 69.

⁹⁰ ECLAC (2000), "Argentina", *Preliminary Overview of the Economies of Latin America and the Caribbean*, December 2000, p. 31.

⁹¹ Heymann, Daniel (2000), p. 42.

including labor market liberalizations, in order to reduce the fiscal deficit and thereby guarantee credibility among international creditors.⁹² Still, the recession continued; in 2000 the unemployment rate had surpassed 15 % and despite showing signs of relief in the GDP that same year, that the fiscal deficit increased to -4.4 % in 2001. As turbulence kept on dominating the economy, doubts were raised among the public regarding the government's ability to solve the crisis. Currency speculation began, threatening to deplete the Argentine foreign currency reserve, and in an attempt to defend the value of the one-to-one pegging of the Argentine currency to the US dollar, the government restricted withdrawals and international transfers. As a consequence, general panic and rioting erupted as the Argentine public realized that their assets were no longer in their control, and began withdrawing their savings from the banks, in what in Argentina has come to be called *the corralito*.⁹³

In December 2001, Argentina's economy minister had a meeting with the IMF to ask for the restoration of a loan of 1.3 billion US dollars in order to avoid default on the Argentine debt payments; a request that was denied.⁹⁴ Shortly thereafter, in the midst of intense rioting around the country, the president Fernando de la Rúa resigned and a succession of short lived administrations followed. By early 2002, after a period of pegging the Argentina currency to a combination of U.S. dollars and the euro, the convertibility regime was abandoned. Banks that had issued dollar-denominated loans insisted on being repaid in the agreed upon currency, while debtors refused to make payments on a debt that had suddenly risen dramatically in value. In 2002, due to decreasing Argentine credibility, net capital and interest payments to multilateral agencies had come to represented nearly 4 % of the Argentine GDP. That same year, the economy of Argentina contracted by 11 %. Finally, in in November 2002, the government defaulted on a capital interest payment to the World Bank, thereby shutting itself out from further assistance by the international credit market. As a result of the crisis, over a four-year period the Argentine economy had lost 20 % of its value, the unemployment had increased catastrophically, surpassing 20 % in 2002⁹⁵ and leaving one-third of the population below the

⁹² Carranza, Mario E. (2005), p. 70a.

⁹³ ECLAC (2002), "Argentina", *Preliminary Overview of the Economies of Latin America and the Caribbean*, December 2002, pp. 50-51.

⁹⁴ *The Economist (UK)*, "The IMF and Argentina: Staying mum", 13 December 2001.

⁹⁵ ECLAC (2002), p. 50-51.

poverty line.⁹⁶ After the resignation of de la Rúa, a number of short-lived presidents, assigned by the ruling Partido Justicialista, assumed office. As the crisis was ebbing out, new presidential elections were held, in which former president Menem ran once more. Receiving the largest number of votes, Menem was to run a second round against the relatively unknown fellow Peronist Néstor Kirchner. However, as he still was commonly considered responsible for the economic crisis, public and political pressure forced him to decline a second round, thus leaving Kirchner as the winning candidate, despite only having received roughly 22 % of the vote.⁹⁷

5.2.1. Interpretation

Analyzing these events according to the factors for regime change used in this study, the neoliberal reforms and the Washington Consensus can be interpreted as having reached a point where they were no longer functioning in Argentina's best interest. Nonetheless, as argued by Evelyn Goh, changes in contextual circumstances might not imply a rejection of the social compact and the hegemonic system by the lesser power. Moreover, as regimes are constantly modified and are only perceived as experiencing change *per se* when weakened authority of the collaboration's norms and principles occur; the lack of development in the Argentine economic regime is supported by the hypothesized causal process of the theoretical framework. Moreover, as Argentine decision-makers turned to the United States for assistance, they were met with disregard. What had come to be perceived as one of Argentina's closest allies appeared to be indifferent over letting the country default on its debt, provoking indignation among the public. Neither could the lack of action from the U.S. be interpreted as an ideological stance, as the U.S. government had stepped in during the Mexican crisis of 1994, and even assisted Turkey as it went through a similar situation.⁹⁸

Some state that the crisis of Argentina occurred due to slack fiscal policy and over-spending by the Argentine government during the 1990's⁹⁹, which is certainly a valid argument while

⁹⁶ Carranza, Mario E. (2005), p. 70b.

⁹⁷ Cheresky, Isidoro (2004), p. 8 and Ministerio del interior (no date), "Elecciones generales 2003", Departamento de estadísticas.

⁹⁸ De Santibañes, Francisco (2009), "An End to U.S. Hegemony? The Strategic Implications of China's growing presence in Latin America", *Comparative Strategy*, 28(1): 17-36, p. 25a.

⁹⁹ Heymann, Daniel (2000), p. 62 and Castro, Jorge (2001), "Política y economía en La Argentina de los 90", Institute for Strategic Planning, Buenos Aires, p. 6.

looking at the economic indicators for the country; a growing negative trade balance, a structural fiscal deficit and a dependency on international creditors for financing during economic turbulence. Paul O'Neill, the U.S. Treasury Secretary at the time of the crisis, argued that the lack of support from the United States in regard to the Argentine crisis was completely justified, as U.S. taxpayers could not possibly be expected to pay for "someone else's bad decisions".¹⁰⁰ Conversely, others posit that neoliberal institutions and international creditors such as the IMF and the World Bank had steered a virtually oblivious Argentina into an untenable position, in which the country was consistent in following the instructions and recommendations issued by its creditors; as it was even branded a model case for other emerging economies by the U.S. Treasury. Meanwhile, some consider the interest payments to international creditors as the prime reason as to why Argentina during the 1990's continuously experienced budgetary deficits.¹⁰¹ What remained clear, was that Argentine politics had taken a new direction to explore Argentina's way forward.

5.3. Continuation and U.S. hegemonic decline

The new president, Kirchner, was supported by the left-wing faction of the Peronist party, and was quick to announce a new outline for economic and foreign policy. Upon meeting the U.S. Secretary of State Colin Powell, Kirchner proclaimed that internal issues would be prioritized over concerns regarding the foreign debt. Moreover, the focus of Argentine foreign policy was to be redirected from the previously close alignment with the United States towards regional integration, especially collaboration with Brazil.¹⁰² Alongside the Brazilian president Lula da Silva, Kirchner did not support the Iraq War and assumed a critical position towards the IMF and its influence over financially weak states' policy agendas. After some years of impressive economic recovery, both presidents declared in 2005 that they would pay off their entire debt to the IMF, interpreted as a demonstration of independence from the international credit institution.¹⁰³

¹⁰⁰ Carranza, Mario E. (2005), p. 84.

¹⁰¹ Ibid, p. 72.

¹⁰² Rodríguez Yebra, Martín (2003), "Kirchner reorients foreign policy", *La Nación*, 15 June 2003, reprinted in *World Press Review* 50(9).

¹⁰³ *The Economist (US)*, "Kirchner and Lula: different ways to give the Fund the kiss off", 20 December 2005.

At the turn of the millennia, the United States had effectively by far become the world's greatest military power, established a system of global alliances and had (and still have) an unrivaled economic and cultural impact. Authors have argued that the hegemonic might of the United States resulted in a state of hubris among U.S. decision makers. After the 9/11 attacks, the Bush administration launched the Global War on Terror, around which a whole new motive for the U.S. foreign policy was constructed. Consequently, the benign hegemonic power that emerged after the end of the Cold War had come to adopt a different, more provocative role on the international political arena. The Iraq War did not only weaken the perception of the United States as a world leader, it has also been claimed that the disregard for international rules shown by the United States during this campaign has destabilized the entire liberal world order.¹⁰⁴ Several authors have discussed the U.S. hegemonic decline in Latin America, particularly commenting on the general lack of interest in political and economic issues in Latin American nations originating in the absence of a broad and coherent policy toward the region. As global terrorism, a shifting economic focus toward Asia and other international issues demanded the attention of U.S. foreign policy, Latin America was not prioritized.¹⁰⁵

Instead, other regional developments came to shape the agenda of Latin American politics. After winning the presidential election of Venezuela in 1998, Hugo Chávez assumed office in with an idea of closer regional integration without the participation of the United States. In a time when the enthusiasm for open regionalism and the neoliberal economic model was waning, Chávez represented an attractive alternative, in which politics, not economics, was to define the political agenda. His alternative vision for the continent did not include subordination in the face of the hegemonic power of the United States, instead actively pursuing a critical defiance towards U.S. influence.¹⁰⁶ Conspicuously, similar to the large-scale Venezuelan acquisitions of Russian military equipment, in 2006 Argentina began negotiating with Russia on purchasing army helicopters and missile boats.¹⁰⁷

Also in the economic sphere, the United States has been losing prominence. Although it remains the biggest economy in the world, not counting the European Union, that position will in a few

¹⁰⁴ Cox, Michael (2007), p. 649.

¹⁰⁵ De Santibañes, Francisco (2009), p. 25b and Russell, Roberto; Tokatlian, Juan Gabriel (2013), p. 253.

¹⁰⁶ Chodor, Tom; McCarthy-Jones, Anthea (2013), p. 216.

¹⁰⁷ De Santibañes, Francisco (2009), p. 24.

decades belong to China. Moreover, the euro has, despite its issues, become a widely used reserve currency alongside the U.S. dollar. The Menem administration's decision in early 1990's to peg the Argentine currency to the U.S. dollar demonstrates the perception at the time of the United States' financial supremacy. Ten years later, as the crisis escalated in Argentina, the dollar convertibility was replaced by a combined euro and dollar currency basket. Additionally, China has emerged as a global economic power, investing heavily in Africa as well as in Latin America, not to mention the massive purchases of U.S. debt.¹⁰⁸ Reducing the relative dependency on the United States and Europe for foreign investment and technology, Latin America has become one of the major regions of the world for Chinese capital investments and joint ventures in transportation, the mining industry and other natural resource-based operations.¹⁰⁹ China's interest in Latin America has largely come to be concentrated on the Southern Cone of the South American continent, including Brazil, Chile and Argentina. Despite only representing a minor share of Latin American countries' trade until the 1990's, China has gradually turned into Argentina's second most important trade partner, after Brazil. Argentina, in turn, is now the third largest exporter of agricultural goods to the Chinese market.¹¹⁰

5.3.1. Interpretation

The new strategy of Argentina in international society has been described as fundamentally opposing the Washington Consensus and, similar to the political stance of Venezuelan president Hugo Chávez, critical of the neoliberal hegemony.¹¹¹ This approach has continued to crystallize as Cristina Fernández de Kirchner, the spouse of Néstor Kirchner, won the presidential election of 2007 and subsequently went on to nationalize formerly privatized enterprises such as Aerolíneas Argentinas and YPF. Authors have remarked upon Argentina's rapid abandonment of the Washington Consensus and neoliberal policies after the crisis of 2001 and the presidential election of 2003.¹¹² Certainly, as already mentioned, the convertibility plan for the Argentine

¹⁰⁸ De Santibañes, Francisco (2009), p. 651.

¹⁰⁹ *Ibid*, p. 22.

¹¹⁰ Russell, Roberto; Tokatlian, Juan Gabriel (2013), p. 259.

¹¹¹ Yates, Julian S.; Bakker, Karen (2013), p. 75.

¹¹² Russell, Roberto; Tokatlian, Juan Gabriel (2013), p. 251.

currency had long lost its utility in the economic policy of the country. While serving its purpose in combating inflation in the early 1990's, artificially cheap U.S. dollars had resulted in overconsumption of importations relative to the levels of exportations. Despite having raised productivity and competition on the Argentine market, the trade balance was digging a deep hole in the public finances of Argentina and making it sensitive to external shocks. As crises occurred, Argentina was forced to seek credit financing through multilateral credit institutions that expected further liberalization. Now, according to regime theory, as the country was fixed in a behavioral pattern according to the norms and values of the Washington Consensus, the reduction of utility was not enough to motivate a radical change of economic regime. Instead, as the neoliberal model became increasingly criticized by the public, it started to lose its normative legitimacy. Moreover, unlike the period of structural change 10 years previous, the willingness to collaborate with the United States had significantly weakened, and the unipolar world order was deteriorating. Additionally, despite not having a substantial impact, neither on the outcome of the crisis nor the international order, the emergence of other global currencies competing with the U.S. dollar can be seen an example of the diversification of economic alternatives for nations around the world.

Finally, the closer economic ties with China goes in line with the consolidation of Brazil as a regional leader in the overall erosion of the United States hegemony in the South America, especially in the Southern Cone. This development has resulted in a greater dispersion of power in the region, and combined with the declining interest in Argentina from the United States, the political relationship between the countries has been redefined. In line with the regime theoretical concept of political power and Evelyn Goh's arguments on hegemonic influence, authors have explicitly discussed this development as resulting in a decreased capacity by the United States in influencing Argentina to follow its ambitions and interests.¹¹³

6. Conclusions

The results have demonstrated that, as power dynamics in the late 1980's and early 1990's changed dramatically, the economic model of the United States gained a unique position in the

¹¹³ Ibid, p. 252.

world. Given that Argentina was in great need of economic reform at the time, the results have argued that the perception of available ways forward was limited among Argentine decision makers. As the potential utility increased in complying with the unipolar world order and the hegemonic power dominating it, support was found for the notions of political power and self-interested utility maximization as factors in regime development in this case. Moreover, by showing that Argentine politicians came to accept the superiority of the United States in adopting a peripheral role in the international society; the notion of the social compact was substantiated, while there was evidence for a level of subordination to the common rules and principles of the Washington Consensus and the U.S.-led world order.

As these factors changed over time, the perceived utility in the economic regime was reduced, the normative legitimacy of the Washington Consensus was put in question, and international power dynamics deteriorated the hegemonic position of the United States. Consequently, the conditions for Argentine compliance with the neoliberal economic model also changed. As there now existed other conceivable alternatives for economic policies and political alliances, the three factors for regime change had altered significantly while the coercive hegemonic capabilities of the United States had waned; thus, there has been found support for all components of the hypothesized causal process, thereby providing a scientific explanation to why a socialist candidate came to win the presidential election, subsequently leading to a shift in the political agenda and the economic regime of the country. These major shifts in international trade policy were both part in broad social phenomena that brought with them remarkable change in in all areas of the Argentine society; ranging from economy, politics, social life, culture, all the way to the very identity of Argentina. When it comes to causality, it is quite contentious to point out the influence of the United States as the direct reason of these dramatic turns, as it leads to great difficulties for the researcher in trying to prove a causal relationship in the scientific results. This is where the notion of the social compact by Evelyn Goh is of crucial importance.

Considering the Washington Consensus as the economic regime of a hegemonic system, Goh's arguments can be used to point out the voluntariness in complying with it. A nation might choose to accept its subordinate position vis-à-vis a dominant power in order to reap the benefits of a collaboration under the hegemon's protection. Thus, it is no longer relevant intending to demonstrate that the fall of the Soviet Union had a part to play in causing a market-oriented

politician to become president in Argentina, nor that the unipolar world order led to the implementation of the convertibility plan for the Argentine currency. As these phenomena are extremely complex and include a variety of internal factors such as social movements, political factions, unions, enterprises, historical factors, and so forth; they cannot be simplified to the extent that a single external factor can explain when change occurs. Instead, using the notion of the social compact, external events do not need to be treated as causal in defining national agendas. As the shifting power capabilities and normative legitimacy of a global hegemon causes other nations to constantly reevaluate their roles on the international arena in regard to the hegemon; global events can be treated as causal for change in the *desirability to commit to the social compact*. This theoretical explanation is one that could certainly be applied on research of other cases in Latin America, but also on cases outside the region.

7. References

- Beach, Derek; Pedersen, Rasmus B. (2013), *Process-Tracing Methods: Foundations and guidelines*, Ann Arbor: University of Michigan Press.
- Bekker, Doreen (2006), “The strategic use of anti-dumping in international trade”, *South African Journal of Economics*, 74(3): 501-521.
- Berger, Mark T. (2002) “Toward Our Common American Destiny? Hemispheric history and pan American politics in the twentieth century”, *Journal of Iberian and Latin American Research*, 8(1): 57-88.
- Bull, Hedley (1977), *The anarchical society: a study of order in world politics*, London: Macmillan.
- Campbell, William (2010), “Análisis de la relación entre Menem y Estados Unidos”, *Revista de Ciencia Política*, 11(1), available at: <http://www.revcienciapolitica.com.ar/num1/art6.php> (retrieved 2014-05-13).
- Carranza, Mario E. (2005), “Poster Child or Victim of Imperialist Globalization? Explaining Argentina’s December 2001 Political Crisis and Economic Collapse”, *Latin American Perspectives*, 32(6): 65-89.
- Castro, Jorge (2001), “Política y economía en La Argentina de los 90”, Institute for Strategic Planning, Buenos Aires, available at: <http://lanic.utexas.edu/project/etext/llilas/vrp/castro.pdf>
- Cavallo, Domingo F.; Cottani, Joaquin A. (1997), “Argentina’s Convertibility Plan and the IMF”, *South American Economic Review*, 87(2): 17- 22.
- Cerruti, G.; Ciancaglini, S. (1991), *El octavo círculo: Crónica y entretelones de la Argentina menemista*, Buenos Aires: Editorial Planeta Argentina.
- Cheresky, Isidoro (2004), “Argentina. Cambio de rumbo y recomposición política”, *Nueva Sociedad*, 193: 4-16,
- Chodor, Tom; McCarthy-Jones, Anthea (2013), “Post-Liberal Regionalism in Latin America and the Influence of Hugo Chávez”, *Journal of Iberian and Latin American Research*, 19(2): 211-223.

Clark, Ian (2009), "Towards an English School Theory of Hegemony", *European Journal of International Relations*, 15(2): 203-228.

Clark, Ian (2011), "China and the United States: a succession of hegemonies?", *International Affairs*, 87(1): 13-38.

Cox, Michael (2007), "Is the United States in decline-again?", *International Affairs*, 83(4): 643-653.

De Santibañes, Francisco (2009), "An End to U.S. Hegemony? The Strategic Implications of China's growing presence in Latin America", *Comparative Strategy*, 28(1): 17-36.

ECLAC (1998), "Argentina", *Preliminary Overview of the Economies of Latin America and the Caribbean*, December 1998, available at:

<http://www.cepal.org/publicaciones/xml/3/4783/lcg2051i.pdf> (retrieved 2014-05-22).

ECLAC (2000), "Argentina", *Preliminary Overview of the Economies of Latin America and the Caribbean*, December 2000, available at:

<http://www.cepal.org/publicaciones/xml/1/5841/lcg2123i.pdf> (retrieved 2014-05-23).

ECLAC (2002), "Argentina", *Preliminary Overview of the Economies of Latin America and the Caribbean*, December 2002, available at:

<http://www.cepal.org/publicaciones/xml/5/11475/lcg2196i.pdf> (retrieved 2014-05-23).

Escudé, Carlos (1992), *Realismo Periférico: Fundamentos para la nueva política exterior argentina*, Buenos Aires: Planeta.

Ernst, Christoph (2005), "Trade liberalization, export, orientation and employment in Argentina, Brazil and Mexico", *Employment Strategy Papers*, 2005/15, International Labour Office.

Féliz, Mariano (2012), "Neo-developmentalism: Beyond Neoliberalism?", *Historical Materialism*, 20(2): 105-123.

Fracchia, Alberto (2007), "La Primera Presidencia de Carlos Menem", *Revista de Ciencia Política*, 1(1), available at: <http://www.revcienciapolitica.com.ar/num1art2.php> (retrieved 2014-05-12).

- Galantucci, Robert (2013), "Policy space and regional predilections: Partisanship and trade agreements in Latin America", *Review of International Political Economy*, 21(3): 710-734.
- George, Alexander L.; Bennett, Andrew (2005), *Case Studies and Theory Development in the Social Sciences*, Cambridge: MIT Press.
- Gibson, Edward L. (1997), "The populist road to market reform" *World Politics*, 49(3): 339-370.
- Goh, Evelyn (2013), *The Struggle for Order*, Oxford: Oxford University Press.
- Graham, Carol; Masson, Paul (2003), "Between politics and economics: The IMF and Argentina", *Current History*, 102(661): 72-76.
- Heymann, Daniel (2000), "Políticas de reforma y comportamiento macroeconómico: La Argentina en los noventa", CEPAL Buenos Aires, available at: <http://www.cepal.org/publicaciones/xml/2/4912/lc11357e.pdf> (retrieved 2014-05-20).
- Keohane, Robert O.; Nye, Joseph S. (1977), *Power and Interdependence*, Boston: Little, Brown.
- Keohane, Robert O. (2010), "Review Symposium: Beyond the Tragedy of the Commons", *Perspectives on Politics*, 8(2): 577-580.
- Keohane, Robert O. (1983), "The demand for international regimes" in *International Regimes*, Krasner, Steven D. (ed), Ithaca: Cornell University Press.
- Keohane, Robert O. (1980), "The Theory of Hegemonic Stability and Changes in International Economic Regimes, 1967-77" in *Changes in the International System*, Holsti, Ole R. et al (ed.), Boulder: Westview.
- King, Keohane, Verba (1994), *Designing Social Inquiry*, Princeton: Princeton University Press.
- Krasner, Stephen D. (ed.) (1983), *International regimes*, Ithaca: Cornell University Press.
- Kwon, Roy (2012), "Hegemonic stability, World Cultural Diffusion and Trade Globalization", *Sociological Forum*, 27(2): 324-347.

Layne, Christopher (2006), "The Unipolar Illusion Revisited", *International Security*, 31(2): 7-41.

Lukes, Steven (2005), *Power: A Radical View*, 2nd ed., Basingstoke: Palgrave Macmillan.

Melgarejo Moreno, Joaquín et al (2013), "From privatization to nationalization: Repsol-YPF, 1999-2012", *Utilities Policy*, 26: 45-55.

Ministerio del interior (no date), "Elecciones generales 1991", Departamento de estadísticas, available at:

http://www.mininterior.gov.ar/asuntos_politicos_y_lectorales/dine/infogral/RESULTADOS%20HISTORICOS/1991.pdf

Ministerio del interior (no date), "Elecciones generales 2003", Departamento de estadísticas, available at:

http://www.mininterior.gov.ar/asuntos_politicos_y_lectorales/dine/infogral/RESULTADOS%20HISTORICOS/2003.pdf

Phillips, Nicola (2005), "U.S. Power and the Politics of Economic Governance in the Americas", *Latin American Politics and Society*, 47(4): 1-25.

Plehwe, Dieter (2011), "Transnational discourse coalitions and monetary policy: Argentina and the limited powers of the Washington Consensus", *Critical Policy Studies*, 5(2): 127-148.

Rodríguez Yebra, Martín (2003), "Kirchner reorients foreign policy", *La Nación*, 15 June 2003, reprinted in *World Press Review* 50(9), available at:

<http://www.worldpress.org/Americas/1416.cfm> (retrieved 2014-05-23).

Russell, Roberto; Tokatlian, Juan Gabriel (2013), "Implications of the Global and Regional Changes for Argentina's Foreign Relations", *Journal of Iberian and Latin American Research*, 19(2): 251-267.

Sabatini, Christopher (2012), "Rethinking Latin America", *Foreign Affairs*, 91(2): 8-13.

Sanahuja, José A. (2012), "Post-liberal Regionalism in South America", *EUI Working Papers*, RSCAS 2012/05.

Schmall, Emily (2012), "Argentina: Back to Peronism", *World Policy Journal*, 29(3): 90-99.

Smith, William C. (1991), "State, Market and Neoliberalism in Post-Transition Argentina", *Journal of Interamerican Studies and World Affairs*, 33(4): 45-82.

Stein, Arthur A. (1982), "Coordination and collaboration: regimes in an anarchic world", *International Organization*, 36(2): 299-324.

Tanner, Evan; Sanguinetti, Pablo (1997), "Structural Reform and Disinflation: Lessons from Argentina's Convertibility Plan", *The Journal of Developing Areas*, 31(4): 529-552.

The Economist (UK), "The IMF and Argentina: Staying mum", 13 December 2001.

The Economist (US), "Kirchner and Lula: different ways to give the Fund the kiss off", 20 December 2005.

Yates, Julian S.; Bakker, Karen (2014), Debating the 'post-liberal turn' in Latin America, *Progress in Human Geography*, 38(1): 62-90.

Young, Oran R., (1983), "Regime dynamics" in *International Regimes*, Krasner, Stephen D. (ed.), Ithaca: Cornell University Press.

Young, Oran B. (1993), "Testing Theories of Regime Formation" in *Regime Theory and International Relations*, Rittberger, Volker (ed.), Oxford: Clarendon Press.

Watson, Adam. (2007), *Hegemony and History*, London: Routledge.

WTO (1998), *Trade policy review: Argentina*, Report by the Secretariat WT/TPR/S/47, 1998-10-02.

WTO (2012), "Japan and the United States file separate disputes against Argentina on import licensing", WTO News Item, 2012-08-21, available at:

http://www.wto.org/english/news_e/news12_e/ds444_445rfc_21aug12_e.htm (retrieved 2014-04-25).

WTO (2012), "Mexico files dispute against Argentina on import restrictions", WTO News Item, 2012-08-24, available at:

http://www.wto.org/english/news_e/news12_e/ds446rfc_24aug12_e.htm (retrieved 2014-04-25).

WTO (2012), “Panama files dispute against Argentina’s trade measures in goods and services”, WTO News Item, 2012-12-12, available at: http://www.wto.org/english/news_e/news12_e/ds453rfc_12dec12_e.htm (retrieved 2014-04-25).