The successful building of a conservative party in Argentina

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Abstract
The paper analyzes the creation, growth and electoral success of the conservative party Propuesta Republicana (PRO), in an effort to unveil the processes that led to this new scenario. It explains the emergence and consolidation of the PRO as a successful response by some sectors of Argentina's economic elite to a situation characterized by the lack of any viable strategy to defend their interests through the Armed Forces; the changes that the 2001 economic crisis provoked in the party system; and the perception of growing threat generated by the Kirchner governments. Keywords: Argentina, conservative party, economic elites, PRO.

Introduction
Economic elites have had substantial political influence over most of the governments that ruled Argentina throughout the twentieth century. However, they never had a successful conservative party representing their interests effectively and permanently in the electoral arena.¹ Every time the country was under democracy, economic elites protected their interests by establishing linkages with the state through business organizations, the incorporation of businessmen and technocrats into the government, or the exchange of money in return for favourable political decisions. Until 1983, whenever economic elites felt that democracy seriously threatened their interests and that their ties to the state...
were ineffective in protecting them, they led or integrated alliances that promoted the intervention of the armed forces in politics and the breakdown of democracy (Di Tella, 1971). This absence of relevant conservative parties in most of Argentina’s democratic history has been explained by the lack of strong enough incentives for at least a part of these groups to engage in the costly and uncertain process of creating a party of their own (Gibson, 1996; Monestier, 2017). Democracy worked intermittently and for periods that were too short to enable the construction and consolidation of a party. Also, since the mid-1940s the party system took a stable bipartisan format, which made the emergence of a new party more difficult. Most of the time, the economic elite used their business organizations to ensure their political influence. When that was not enough, they promoted authoritarian regimes or very limited democracies.

In the last decade, this pattern changed radically. In 2003, part of the economic elite was actively involved in the creation of a conservative party called the Propuesta Republicana (PRO). From 2007 to date, the PRO has ruled the city of Buenos Aires. The victory of Mauricio Macri in the 2015 presidential election made PRO the first conservative party in Argentina’s democratic history to take the presidency. Despite being defeated by the Peronism in the elections of October 2019, the PRO received 40 per cent of the votes and became the main opposition party. This trajectory suggests that the economic elite has finally created an electorally competitive conservative party to channel the defence of their interests. Drawing on the literature that explains the processes of party building (Levitsky et al., 2016), as well as the formation of robust conservative parties in Europe (Ziblatt, 2017) and Latin America (Gibson, 1996; Monestier, 2017), I explain the creation of the PRO in Argentina. I argue that as a result of structural and contextual changes, new and strong incentives emerged in Argentina’s political system. These incentives made the economic elites to modify their pattern of relationship with the existing political parties and engage in the process of building a conservative party. This process shows how agents worked to create a very defined party identity, with a high degree of internal cohesion and with a territorial root that grew from the city of Buenos Aires to the national scope.

Argentine economic elites and parties in the twentieth century

During the last quarter of the nineteenth century, Argentina was a stable and non-competitive oligarchic regime dominated by the National Autonomist Party (PAN). The PAN was a coalition of economic and regional political elites that governed the country between 1880 and 1916 based on fraud, clientelism, and control of the provinces by the national government (Botana, 1977). The party was an unstable network of federal and provincial alliances that remained united because of the distribution of resources among factions competing under the same party etiquette. The PAN’s roots in society, its deployment in the ter-
ritory, or its organizational strength were not relevant to explain the PAN’s cycle of political hegemony. Far from it, its political dominance was the result of the successful coordination of different sectors of both national and provincial elites that controlled the state and used its resources to retain power in a non-competitive and scarcely participatory regime. Similarly to what studies have observed for some European countries during the nineteenth century (Ziblatt, 2017), the economic elite used formal and informal mechanisms to tip the electoral field in their favour and safeguard their interests. In sum, there were no real incentives for party-building among the elites, since these mechanisms provided “a buffer that reduced the threat of electoral competition” (Ziblatt, 2017, p. 45).

When democratization occurred, the informal mechanisms that protected the interests of the elites disappeared, and the electoral weakness of their parties became evident. In 1912 the pressure from politically excluded groups led to rapid democratization. Since then, the PAN was unable to compete electoral-ly with any chance of success against the first mass political party, the Radical Civic Union (UCR) (Alonso, 2010; Horowitz, 2015). In the 1916 presidential election, the PAN was defeated by the UCR, beginning a cycle of electoral decline and fragmentation (Borón, 1972). The weakness of the PAN and the intense labour mobilization led sectors of the economic elite to prioritize non-partisan strategies to protect their interests, such as the creation of the first encompassing business organizations (Acuña, 1998, p. 61). In 1930, the leading business organizations promoted a coup d’état by which the Armed Forces overthrew President Hipólito Irigoyen, in a context of a deteriorating economic situation, increased worker mobilization, and the electoral hegemony of the UCR. From this moment on, the economic elites supported the political intervention of the armed forces and the breakdown of democracy whenever they considered their main interests were in danger (Di Tella, 1971; O’Donnell, 1997).

Between 1930 and 1943 – the named “infamous decade” –, the country had a succession of authoritarian or non-competitive regimes headed by military-civilian alliances (Rapalo, 2012). During those years, business organizations of landowners, industrialists, bankers, and merchants enjoyed the advantages of the authoritarian demobilization of the working class, competing with each other to obtain customized policies. Once again, preferential access to the state and the absence of real electoral competition disincentivized the elites to create a strong conservative party (Gibson, 1996, p. 60). In 1943, the conflict between the regime’s civilian and military factions led to a coup d’état headed by a nationalist wing of the military, among whom was Juan Domingo Perón. The emergence of Peronism changed the dynamics of political competition. In particular, it reduced the incentives for the creation of a party led by the economic elite, and also the possibility for this party to be successful. Between 1943 and 1945, Perón set the foundations of a new political party that incorporated the urban working class as its core constituency (Sidicaro, 2002). Also, the eco-
onomic program of Peronism stimulated the division between industrialists and landowners, hindering the formation of unified business opposition. This way, the Peronist party – named Partido Justicialista (PJ) – became a virtually unbeatable electoral machine, and the UCR consolidated as the main opposition party. The bipartisan format that would last until the end of the twentieth century was established (McGuire, 1995).

From the coup that overthrew Juan Domingo Perón in 1955 until 1983, Argentina had only four civilian governments elected by the citizenry. Most of the time, the country was ruled by the military or by civilians appointed by the Armed Forces. Economic elites influenced these governments through their business organizations, technicians in government, or using their resources to buy favourable government decisions. The democratic periods of this cycle were not long enough to stimulate serious attempts of creating of a competitive conservative party. The last authoritarian regime was in power between 1976 and 1983. The transition to democracy that ended the authoritarian cycle was different from all previous ones and originated the most extended period of democratic stability in Argentina’s history. The public image of the Armed Forces suffered an unprecedented deterioration due to their catastrophic attempt to recover the Malvinas Islands, the judicial process that exposed the violations of human rights committed by the regime, and its economic failure. The international wave of democratization and the internal loss of prestige eliminated the intervention of the Armed Forces in politics as valid choice – an emergency exit – for the protection of the interests of the economic elite.

The stabilization of democracy encouraged part of the economic elite to try new forms of political action. The centre-left turn made by the UCR under the leadership of Raúl Alfonsín led some of these elites to create a conservative party. The Unión del Centro Democrático (UCEDE) was founded in 1983 by a group of technocrats that were close to business corporations and most of the military and civilians regimes that governed since 1955 (Gibson, 1990). The UCEDE achieved relatively good electoral success between 1983 and 1989, becoming the third political force of the country. The economic failure of the UCR government caused a hyperinflationary crisis that resulted in its electoral defeat and the arrival of Peronist Carlos Menem to the presidency in 1989. The debacle of the UCR and the elites’ distrust towards Peronism opened up an opportunity for the new conservative party. However, this window of opportunity closed once President Menem unexpectedly abandoned his Peronist rhetoric of economic development based on industrialization and stimulation of the domestic market and adopted a radical program of neoliberal reforms. Suddenly, large business organizations welcomed the arrival of this new version of Peronism. In this context, UCEDE’s leaders faced an unexpected scenario in which their ideas became part of a Peronist government’s program, and the party’s constituency started to support the government. Finally, the UCEDE became part of Menem’s government, in an alliance that quickly blurred its
identity. By 1992, the UCEDE virtually disappeared, and its candidates integrated the electoral lists of the Menemism (Gibson, 1996, p. 178-179).

In 1997, a new conservative party was launched. Domingo Cavallo, Menem’s Minister of Economy and responsible for the economic stabilization program, founded Acción por la República (AR). Cavallo tried to take advantage of his popularity, putting a distance with Menem, who was facing multiple corruption allegations. AR obtained 10 per cent of the votes in the 1999 presidential election and 33 per cent of the votes in the election for head of government of the city of Buenos Aires, becoming the third electoral force in the country (Bril Mascarenhas, 2007). However, Cavallo quickly faced the same dilemma that the UCEDE faced years before. He either could make a long-term bet to build a successful conservative party capable of competing nationwide against the UCR and the PJ, or he could ally with one of them. The incentives to avoid the costs and uncertainty involved in building a new party were very high. Also, most of the leaders of the two main parties seemed to share a fundamental consensus on the advantages of neoliberalism. AR’s ideas faced an extremely friendly ideological context and were embraced by the main parties with few nuances. In fact, both Peronism and the UCR were willing to recruit Cavallo for the highest government positions, since his reputation for honesty and technical solvency was an attractive political capital that was worth incorporating. Eventually, the UCR took office and co-opted Cavallo and the AR. In March 2001, he became Minister of Economy in the government of President Fernando de la Rúa. Nine months later, in December 2001, De la Rúa resigned from the presidency, leaving the country immersed in a deep economic and social crisis. The catastrophic end of this government ruined the UCR, the political career of Cavallo, and the future of AR (Torre, 2003).

The economic elites and the construction of the PRO (2003-2007)

The economic and social crisis of 2001 had profound and immediate consequences for the party system at the national and provincial levels. The loss of prestige of the main parties became visible in the street protests, which demanded all politicians and government officials to quit their jobs. In the 2001 legislative election, almost half of the electorate did not vote or voted blank ballots. Twice the average for the 1991-1999 period. The UCR paid the highest electoral price. From the resignation of De la Rúa until the 2015 presidential election, no candidate supported by the UCR was among the two highest vote-getters. Anti-Peronist voters became political “orphans” lacking representation (Torre, 2003), creating an incentive for the emergence of new leaders and parties, especially in the city of Buenos Aires, the second-largest electoral district of the country (Bril Mascarenhas, 2007).

In January 2002, an inter-party agreement made Senator Eduardo Duhalde (PJ) interim president. In the 2003 presidential election, the Peronist governor
of the province of Santa Cruz, Néstor Kirchner, won the presidency. Once in government, Nestor Kirchner embodied the Peronist version of Latin America’s turn to the ‘left’. He promoted the state’s intervention in the economy through tax increases on agricultural exporters, subsidies to national production and the nationalization of strategic companies and pension funds. He also established collective bargaining and new social policies (Etchemendy & Garay, 2011). In a relatively short period, the economic elites faced a new party system in which their chances of influencing government policies were limited (Roberts, 2014, p. 257). This new context created strong incentives for some relevant figures of the elite to start thinking about the possibility of building a conservative party. Among them was Mauricio Macri.

Heir to one of the greatest fortunes of Argentina, Macri was a popular figure long before entering politics. A large part of the public was aware of the importance and variety of the Macri family’s business holdings, an economic group that had grown during the last three decades thanks to its contracts with the state (Ale, 2001; Ostiguy, 1990). But much more than his business, Macri was a well-known figure since 1995 when he became president of the Boca Juniors football club, one of the most popular in the country. At this stage, Macri made intensive use of his economic resources and the contributions of other entrepreneurs to build an organization capable of competing electorally in the city of Buenos Aires. A crucial step in that process was the recruitment of future party leaders. To this end, he focused on capturing three types of individuals: businessmen and CEOs from the private corporate world, civil society leaders, and party leaders from Peronism and the UCR (Vommaro, Morresi, & Bellotti, 2015).

The PRO recruited many of its leaders from among the CEOs and senior managers of private companies with little or no previous political activity. Many of the businessmen who accompanied Macri had worked in the family’s companies and had followed him through his period as president of the Boca Juniors. Macri pointed to this feature as an advantage of the PRO compared to the other parties. In the rhetoric of the PRO, the entrepreneurs who entered politics represented the embodiment of the “efficiency” and “modernity” of private companies that should put an end to the “inefficiency” of public management. Moreover, one of his identity brands was to focus on management and not on ideologies. Entrepreneurs were also portrayed as people who renounced the economic benefits offered by the world of private companies and entered politics out of a calling to perform public service. In a context where the leading political figures of the previous governments faced corruption scandals, the entry of businesspeople into politics was presented as a guarantee of honesty (Vommaro et al., 2015). Also, Macri invested a large amount of money in attracting technicians and professionals from different areas through the organization of think tanks, foundations, and Non-Governmental Organizations. The goal was to recruit technicians capable of creating and spreading a
government plan for the city of Buenos Aires, but that could also become political activists.

Finally, the PRO incorporated political leaders from previously existing political traditions. In many cases, those incorporated included legislators or former national and provincial legislators who did not have a robust electoral backing but could instead share their experience with those who had recently entered the political arena. Among them, the PRO recruited leaders and members of the UCR, especially from the city of Buenos Aires and other districts in which the Radicals had suffered significant electoral losses after the 2001 crisis. The recruitment of these leaders allowed the PRO to benefit from the UCR’s strong territorial presence. It also enabled the party to compete for the representation of the non-Peronist electoral space. The PRO included several Peronist leaders as well, including many former legislators and Menem’s government officials who had an affinity with Macri’s neoliberal ideas at a time when the majority of Peronists were embracing more leftist positions.

The crisis of the UCR, the popularity of Macri, and the deployment of a considerable amount of economic resources allowed the PRO to become a competitive organization in a relatively short period with a territorial presence in the city of Buenos Aires. In the city’s 2003 election, the PRO faced its first critical test. Although the PRO lost the election to the mayor’s office, the results were promising. Macri received the highest number of votes in the first round (38 per cent), and his coalition won a relative majority in the city’s legislature. During the following four years, the PRO maintained the same recruitment and alliance strategy. It continued to portray Macri as a modern and successful manager capable of combining political activity with the management of Boca Juniors. In the 2007 Buenos Aires election, the PRO had its first major victory. Macri received the majority of votes in the first electoral round (46 per cent), beating the next closest competitor by more than twenty points. In the second electoral round, the PRO obtained 61 per cent of the votes. This victory was especially decisive in the process of consolidation of the PRO. It allowed the PRO to gain access to the government of the most populous city in the country, with one of the highest per capita income in the region and with a considerable budget. The government of Buenos Aires gave high visibility to the PRO and an opportunity to show itself to the public as a party capable of implementing a new style of government. Further, in this election, Macri defeated Jorge Telerman, the candidate of Kirchnerism. Although the rivalry between the PRO and Kirchnerism was still limited to competition in the city of Buenos Aires, it began to emerge as a central axis of the national political conflict in Argentina.

**New incentives to build a conservative party (2008-2015)**

The successful building of the PRO cannot be understood without considering the impact caused by the emergence and electoral success of Kirchnerism. The
path that led Macri and the *Cambie mos* (Let’s change) alliance to the national government in 2015 was paved by the interaction of the PRO and the economic elite with the governments of first Néstor Kirchner and then his wife’s Cristina Fernández de Kirchner. The ability of the PRO to build the social and political alliances that made it a competitive force on a national scale is due, among other reasons, to the fear and rejection that the Kirchnerist governments elicited among broad sectors of the economic elite and the conservative political groups. In other words, the consolidation of the PRO that led it to the Presidency was the result of the growing polarization during the Kirchner governments.

If one of the factors that determine the chances of success of the new parties is their ability to forge a strong party identity (Levitsky, et al., 2016, p. 10), the PRO used an exacerbated polarization with Kirchnerism as one of its main hallmarks. The PRO’s radical discourse presented Kirchnerism as the main responsible for building a crack that divided the country into two sides of irreconcilable enemies. The PRO found a very effective way to build interparty differentiation and intraparty consistency (Lupu, 2017).

Néstor Kirchner abandoned the neoliberal policies that had characterized the governments of Menem and De la Rúa. In addition to renegotiating the country’s external debt, the Kirchner government took advantage of the beginning of a growth cycle of external demand to launch a neo-Keynesian program to stimulate production and consumption, expand the coverage of social policies and increase wages (Etchemendy & Collier, 2007). The new government also gave clear signals of a change in foreign policy orientation, distancing itself from the United States, questioning the role of international financial organizations and prioritizing links with countries of the region, especially those that were experiencing the so-called turn to the left (Levitsky & Roberts, 2011). Further, the government introduced changes in the Supreme Court of Justice, changed the main authorities within the Armed Forces, and resumed a human rights policy of responding to demands for memory, truth, and justice regarding the state-sponsored terrorism committed during the dictatorship of 1976-1983 (Pucciarelli & Castellani, 2017).

The electoral success and the growth of the economy allowed the Kirchners’ governments to intensify the change in macroeconomic policy by increasing state intervention in different areas of the market, including domestic prices and labor relations. This growth was primarily sustained by the increase of demand and prices of agricultural products between 2002 and 2011. The increase in public spending and economic regulations, as well as their redistributive effects, defined the areas of conflict between Kirchnerism, the political opposition, and different sectors of the economic elite. As the economic conditions changed – both at the international and domestic level – becoming less favourable, the government’s economic policies increased the pressure on business sectors, which created incentives to become actively involved in party politics to oppose the Kirchners (Vommaro, 2019).
The turning point in the relations between the economic elite and the Kirchnerism occurred a few months after the arrival of Fernández de Kirchner as president. In March 2008, amidst a climate of uncertainty regarding the local effects of the international financial crisis, the government took advantage of the international boom in commodity prices to tax exports\(^6\) and subsidize domestic consumption (Richardson, 2008). More specifically, the government approved the executive resolution number 125, which was expected to increase taxes focused on the most dynamic agro-exporting sectors, such as soy producers.\(^7\) In less than 24 hours, the interest groups formed by agrarian producers staged a two-day strike among commercial activity involving grains and meat (Reinke, 2018). Added to this measure was the mobilization of several groups of self-convened (\textit{autoconvocados}) producers, organized outside the main agro-exporting corporations, who deployed a series of disruptive measures such as permanent roadblocks, which further polarized the relationship between agricultural producers and the government (Premici, 2018).

The conflict became “the greatest agrarian mobilization in Argentine history” (Hora, 2010, p. 81). A conservative analyst described it as the unexpected result of “kicking the nest of the new social architecture of Argentine agriculture, a complex of still unknown contours whose mobilization disconcerted the whole society, but very particularly the Government” (Ossona, 2018). Over four months, the government unsuccessfully tried in various ways to stop an intense mobilization that began in the sectors directly affected by the measure, but which quickly spread to opposition sectors of the urban middle and upper classes. In a climate of growing tension and polarization, the government accused some promoters of the protest of attempting to destabilize the government. In the words of one of the agricultural leaders, “the 125 became an excuse” because some agricultural producers “already wanted the fall of the Government” (Reinke, 2018).

In this context, the parties reached an agreement that made it possible to transfer responsibility for solving the problem to the legislative branch. Although the mobilizations continued, with government and opposition supporters protesting near the Congress, the decision approved by the majority of legislators to find a solution reinforced the legitimacy of the parties and institutions of democracy. Finally, the legislative branch did not pass the executive project that sought to convert into law the famous resolution 125. In the process, the government lost some important allies (such as the vice-president) and suffered a very significant political defeat. The role of Congress in this process showed the economic elite the importance of having one or more parties capable of defending their interests in the electoral competition. Furthermore, several of the rural leaders who had greater visibility during the protests would end up joining the PRO and access positions of national and provincial deputies and senators. Beyond this outcome, the conflict represented a crucial moment in the relationship between the economic elite and the Argentine parties. Since then, Kirchnerism changed its primary adversaries, who went from being the interna-
tional organizations promoting neoliberalism to the domestic economic elites (Casullo, 2019). Some business sectors increasingly distanced themselves from Kirchnerism and simultaneously approached the PRO (Leiras & Cruzalegui, 2009; Mangonnet, Murillo, & Rubio, 2018). Throughout the conflict, on many occasions, the PRO expressed its support for rural corporations. It sought to capitalize on the mobilization of the middle and upper classes of Buenos Aires and other large cities. The mass mobilizations in support of the rural protest also highlighted the existence of potential votes available to the party that was able to channel the discontent of these sectors. For Eduardo Buzzi, one of the leaders of the agricultural sector, during the conflict, the opposition parties benefited from the mobilization causing an “agglutinating effect of all the scattered political poles of that moment” (Reinke, 2018).

In 2009, the government’s decision to pass the Audiovisual Communications Law (popularly known as the *Ley de medios*) generated a new confrontation with a part of the economic elite. This time, the conflict did not translate into significant mobilizations but helped to polarize the opposing factions further. From his position as mayor of Buenos Aires, Macri spoke against the initiative. Also, deputies and senators of the PRO denounced the measure as a threat to freedom of expression. For Macri, the law was “an instrument of war in the attempt to control the media” and its advocacy by the executive branch “a waste of time” and an “incredibly stupid effort” (Diario Página 12, 19/9/2014).

The polarization against the government and the first attempt of electoral coordination of the opposition parties achieved success in the 2009 election of senators from the province of Buenos Aires. An alliance formed by the PRO, other right-wing parties, and some opposition Peronists beat the candidates of the ruling party, including former president Néstor Kirchner. However, in the 2011 presidential election, the government managed to recover support, and Fernández de Kirchner was re-elected as president with 54 per cent of the votes in the first round. The government’s triumph was explained by the economic recovery after the international crisis of 2008, failures in the coordination of opposition parties, and the ability of Kirchnerism to mobilize its bases throughout the territory, especially after the emotional shock caused by the sudden death of former President Nestor Kirchner in October 2010.

During the second government of Fernández de Kirchner, the PRO sought to strengthen its image as the main opposition party and representative of the economic elites in party politics. Shortly after starting its mandate, the government decided to nationalize the YPF oil company through the expropriation of 51 per cent of the shares belonging to the Spanish company REPSOL. Business organizations reacted immediately. The Argentine Business Association (AEA), a union directed by the presidents of the largest companies in the country, argued that the government’s decision was dangerous and an “offensive against legal security” that would cause distrust and the “fall of foreign direct investment” (Castellani & Gaggero, 2017). The next day, Macri gave a press
conference in which he criticized the government, said he felt “worried” about the nationalization of the oil company, and announced that the measure was contrary “to the interests of the Argentines” (La Nación, 17/4/2012).

The confrontation continued to intensify in the following years. The most modern agriculture sectors, energy companies, the financial sector and media conglomerates leaded the toughest confrontation with the government and gave the clearest signals of support for Macri and his attempt to lead an opposition alliance of national scope capable of contesting the presidency in the 2015 elections. At the beginning of 2014 these sectors created the Forum of Business Convergence (FCE), a space for political coordination among the main corporations, neoliberal think tanks, NGOs, and religious organizations such as the ultraconservative Christian Alliance of Evangelical Churches of Argentina (ACIERA)

Despite the coincidences in the list of names and companies that belonged to the AEA and the FCE, the two organizations developed differently though convergent opposition strategies, which indicates a particular division of labour. After the 2008 conflict related to tax retentions on agricultural exports, AEA developed into a permanent opposition. Among other actions, AEA accused the government of practicing a growing and ineffective economic interventionism that threatened the freedom of enterprise and private property. Also, AEA became involved in the public debates concerning issues unrelated to economic policy, such as the judicial reform initiative of 2013, which was perceived as a threat to the constitution and the separation of powers (Clarin, 21/12/2014). The intensity and character of AEA’s criticisms of the government were similar to the PRO’s critique, which accused the government of Fernández de Kirchner of trying to install in Argentina a political and economic model similar to that which Hugo Chávez applied in Venezuela. During this stage, the FCE avoided pronouncements on noneconomic problems and sought to influence the political system by building consensus among opposition parties, business corporations, parts of the trade union movement, churches, and think tanks. But as the 2015 presidential election approached, the coordination of these groups increased, and their support for the electoral alliance led by the PRO became more explicit. (Castellani & Gaggero, 2017). Finally, the PRO managed to build and lead a nationwide electoral coalition, Cambiemos, which included all national and provincial non-Peronist forces opposing Kirchnerism.10

On November 22, 2015, Macri won the presidential election by defeating Peronist Daniel Scioli in the second round by a very tight margin (51 per cent to 49 per cent). In addition to being the previous governor of the province of Buenos Aires, Scioli had the backing of Kirchner supporters. The PRO also obtained another historical triumph when its candidate Maria Eugenia Vidal was elected governor of the province of Buenos Aires, the largest electoral district in the country. The Kirchnerism was unable to hold together the Peronism.

It was rejected by the economic elite and much of the middle class, which ex-
pressed their discomfort with the deterioration of economic indicators and the constant accusations of corruption exposed by the media (Leiras & Cruzalegui, 2009). These results were the sign of important changes in the party system at the national and provincial levels. For the first time in the history of the country’s democracy, a president did not belong either to the Peronism party or the UCR. The ruling party was a relatively new political force, born in the context of the 2001 crisis, as an electoral expression limited to the city of Buenos Aires that grew to become the core of an electoral alliance capable of uniting all non-Peronist political opposition with the exception of the small leftist parties. Macri’s party also incorporated a large number of representatives of the economic elite into the party competition. In this sense, the PRO’s success in recruiting business leaders in the agro-export, financial, and energy sectors represents a notable discontinuity regarding the form of political action practiced by the Argentine economic elite throughout the twentieth century.

According to Gibson, a conservative party is defined by the social origin of its core constituency, the social sectors that provide the resources to finance the party, and the programmatic convergence and links between the party and the elite interest groups (1996, p. 14-15). The social composition of the first cabinet of ministers of Mauricio Macri and the orientation of his government’s public policies confirmed that the PRO is a true conservative party. As has been shown by Canelo and Castellani (2017) almost one-third of the first cabinet members (31 per cent) were CEOs in the private sector at some point in their career and almost a quarter of those appointed (24 per cent) worked in the private sector before joining the government. The economic plan promoted by Macri’s national government included measures awaited since the end of the neoliberal governments (1989-2003) by the sectors of the economic elite linked to agribusiness, energy companies, large media conglomerates, and the financial sector. The elimination of agricultural retentions (export tariffs), the repeal of the media law, the removal of currency and price controls, the end of a large part of the system of subsidies for consumption and the generalized increase in public service tariffs were part of the consensus collected in the documents of the business corporations and the government program of the PRO and their allies on Cambiemos.

Conclusions

In this paper, I argue that the commitment of some sectors of Argentina’s economic elite in the process of creation of the PRO was the result of strong incentives that led to a change in their traditional strategies of political action to protect their interests. The first incentive was structural. It referred to the disappearance – at least temporarily – of national and international conditions that allowed the elites to appeal to the political intervention of the armed forces and the breakdown of democracy to suppress popular participation and safeguard their privileges. Since the last authoritarian experience (1976-1983), Argentine...
economic elites have learned that for now, the menu of strategies for the protection of their interests does not include the option of the interruption of democracy. This restriction operates as a strong incentive to test other political action strategies that reduce the costs of democracy.

The second incentive that led the economic elite to commit to building a conservative party was connected to the consequences of the 2001 economic crisis on the party system. The erosion of the non-Peronist component opened a window of opportunity for the emergence of new competitors. Before the 2001 economic collapse, the stability of the two-party system and the consensus of an important part of party elites of Peronism and the UCR in a neoliberal policy agenda guidance had discouraged the building of a conservative party. Finally, during the left turn led by the three governments of Kirchner Peronism (2003-2015), the ability of economic elites to influence politically through their business organizations was reduced. Throughout this period, coordination between business associations increased, which in many cases began to provide explicit support for the process of creating a conservative party. In a context were other ways of political action were blocked and the government’s threats were credible and sustained over time, it seemed reasonable to support efforts to create a party capable of protecting their interests in the electoral arena.

In explaining the success and failure of European conservative parties of the nineteenth century, Ziblatt (2017) noted the importance of the temporal dimension. As rational agents, the economic elites evaluated the costs and benefits of the creation of specialized political parties in defense of their interests and compared their usefulness with other available strategies, such as the introduction of counter majority rules. In general, the most committed elites in the creation of these parties developed a more pragmatic perspective on political competition. They were more willing to accept the existence of sunk costs as a result of the learning and specialization processes involved in any new activity. In the case of the PRO, the process of building a party produced significant benefits in a very short time, which reinforced the incentives to sustain the investment. In 2007, just four years after its creation, the PRO obtained the government of the city of Buenos Aires, which was used as a platform and a source of resources for its national projection. In 2015, the PRO became the first conservative party in Argentine political history to reach the presidency of the republic through free and competitive elections.

In Latin America, the creation of new parties is a difficult task that most of the time ends in failures. Successful cases are the exception. When they occur, they usually managed to have a defined party identity, strong territorial organization, and the ability to maintain internal cohesion, especially in times of crisis (Levitsky et al., 2016). The history of the PRO shows the presence of these three factors. Since its beginnings, the PRO has established itself as a programmatic party with a neo-liberal orientation that has built its identity through increasing polarization with Kirchenrism. From the point of view of the territorial organization, from the city of Buenos Aires the PRO built alliances that
allowed it to extend its networks throughout the national territory. Finally, the twelve years of government in the city of Buenos Aires and the four years in the national government do not seem to have affected the cohesion of the party. In October 2019, the PRO lost the presidential election. The balance of the government of Mauricio Macri shows the fall in economic production and the growth of poverty, unemployment, inflation, and foreign debt. However, the PRO obtained 40 per cent of the votes and is the leading opposition party. In addition, Macri managed to preserve the strategic government of the city of Buenos Aires. In this scenario, the next four years will be crucial to know if the PRO will consolidate itself as a successful conservative party or if it will – as most of the country’s history reveals – lose importance.

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Notes

1 Following Gibson (1996, p.7), I define conservative parties as those that draw their core constituencies from the upper strata of society.
2 UCEDE had support in the city of Buenos Aires, where its share of the votes grew from 9 per cent in 1983 to 22 per cent in 1989.
3 For a detailed analysis of the PRO’s recruitment policy between 2003 and 2014 and a description of the profiles and political careers of several of the main leaders of the party, see Vommaro, Morresi, & Bellotti (2015).
4 Argentina’s agriculture has undergone a huge transformation since the last decades of the twentieth century. Beef and wheat were replaced by soybean as the main export product. In 2006, soy exports generated three times more income than the sum of meat and wheat (Richardson, 2008).
5 Especially in response to the uncertainty caused by the international financial crisis of 2007-2008 and after 2013 as a result of the fall in commodity prices (Schorr & Wainer, 2017).
The presidential resolution that established the increase in tax retentions was resolution number 125 of the year 2008. That is why the media, public opinion and the actors involved refer to this episode as “the conflict for the 125”.

The Media Law modified the regulation of the operation and distribution of radio and television media licenses. The law was approved after more than a year of discussions and negotiations and numerous modifications into the initial project. However, Grupo Clarín, one of Argentina’s leading media conglomerates, filed judicial appeals against the articles of the law that prevented the accumulation of television licenses. Although the Judiciary rejected the request, it delayed the application of the law for four years.

At the beginning of 2011, Macri announced his candidacy in the presidential election but a few months later, he withdrew and opted instead to stand for re-election as mayor of Buenos Aires.

Apart from the PRO, which was its main promotor and provided the candidates to the federal government, Cambiemos was integrated by the Civic Coalition ARI, with a constituency that was primarily based in Buenos Aires, and the UCR, which provided its nationwide territorial structure. Cambiemos promoted a neoliberal approach, including a reduction of the state and its intervention in the economy.

References


