

Extended Essay

**To what extent was
Frondizi's
administration
progressive?**

MMIV

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Abstract

The research question of this essay intends to determine if Frondizi administration can be considered progressive. First of all it is important to determine what is meant by progressive. I can define a progressive government as one that intends to change the political structure of a country, either to achieve industrialization/ modernization, or fit the needs of the population. To be able to determine if this administration was a progressive one, the economical (oil problem and infrastructure) and social aspect (education and relationship with trade unions), as well as the Peronist legacy will be explored.

The idea behind this essay, originally, was to summarize Frondizi's administration and to explore the entire period. Due to the broad nature of the task, the analysis became difficult since there was no specific focus; therefore the idea to center the essay on the progressive aspect of the mentioned administration took form. This period of Argentine history is particularly relevant since it precedes Perón's presidency, a period which drastically changed governmental policies. Frondizi's administration was the first one which intended to change Perón's legacy with different methods than previous governments had employed. Years later, the success of most of his economical measures would be appreciated.

Overall Frondizi's administration was, to some degree, a progressive one. The economic policy successfully managed to introduce Argentina in the world market as well as to improve the local industries. In the case of the social aspect, even though his administration advanced in progressive policies such as the reform on education, his violent relationship with trade unions forced him to move to the conservative measures.

To what extent was Frondizi's administration progressive?

1) Introduction

In the following essay Frondizi's presidency is going to be discussed in order to determine if it can be considered to be a progressive one. First of all it is important to determine what is meant by progressive. I can define a progressive government as one that intends to change the political structure of a country, either to achieve industrialization/ modernization, or fit the needs of the population. In the case of Frondizi's Government, academics say it was progressive because it intended to recover the industry by a policy called Developmentarism, but the influence of the military forced them to move to be more conservative¹. On the other hand we have the traditional school of thought that states that progress was seen only in speeches while the government's were conservative. The thesis of this essay is that Frondizi's administration was indeed a progressive one since it improved incipient industry, strengthened the economy, improved the educational system and introduce social policies.

The research of this topic is particularly useful to understand Argentine modern history. This is so because Frondizi's administration follows Peron's presidency, a period which radically changed and isolated Argentina. Frondizi's administration tried to brake isolation and encouraged a complete change in the society which was still holding on to the famous "third position" of Perón². One of the main consequences was embourgeoisement. Finally I can argue that this period of history summarizes the conflicting interests and problems of the second half of the twentieth century in Argentina.

The research question stated previously went through a series of transformations to arrive at the final form. The idea behind this essay, originally, was to summarize Frondizi's administration and to explore the entire period. Due to the broad nature of the task, the analysis became difficult since there was no specific focus; therefore the idea to center the essay on the progressive aspect of the mentioned administration took form.

¹ In Argentina a conservative government is known to encourage an agrarian policy rather than industrialization
² which related nationalism to isolation and state controlled enterprises.

2) *The developmentalist economic plan*

(a) Introduction

As pointed out previously Frondizi managed to strengthen the economy by solving the main economic problems that had haunted Argentina over the last twenty years. To mention some of these main problems I can list the insufficiency in oil production, 60% of the oil had to be imported and 80% of all the oil was used to generate electricity³, the small steel production, the lack of electricity and the insufficiency and obsolescence of transport (especially railways). Many of the economic problems that the country had when Frondizi came into office, were the heritage from Perón's administration. While Perón was in government his economic demagoguery spent an incredible amount of reserves to nationalise public services such as trains, water and telephones. These new state companies increased dramatically their personnel with party members, therefore increasing the amount of money needed by the company, and eventually transforming them into non-profitable businesses. In the case of the industry, Perón's idea of industrialization based on national capital, only managed to improve the light industry, since most business owners were not tempted to invest in heavy industry in a country where there were no clear laws.

Frondizi's economic plan was totally opposite from the one encouraged by Perón, even though he used to believe in the same ideas⁴. The economic plan⁵ was put into practice by sanctioning a key law: the Law of Foreign Investment. This law gave the same incentives, especially tax benefits, that local companies had to foreign corporations. The law also created the Department and Commission of Foreign Investments⁶, which was supposed to encourage foreign investors. Frondizi managed to improve the Argentine economy through foreign investment withstanding pressure from the military strengthening his political support⁷, in a way, creating political and legal stability.

(b) The oil problem

As already mentioned oil played a key role in the Argentine economy, as well as a political tool since it was constantly used as an element to create a feeling of nationalism among the population. When Frondizi came into office in 1958 the oil production had not grown significantly since it was nationalized by Yrigoyen in 1916⁸. In Argentina oil played a key role in industry, since it was used to supply the incipient petrochemical industry as well as to generate most of the electricity. Most of the oil used had to be imported, and since the oil was state-controlled, much of the income from taxes went into foreign hands to obtain the required oil⁹. Although Perón had tried to bring the private sector into the oil production¹⁰, the military coup who overthrew him stopped the negotiations. At that time the

³ Félix Luna, *Diálogos con Frondizi*, Editorial Planeta, Buenos Aires, 1998

⁴ see "Declaration of Avellaneda" in Appendix

⁵ The economic plan was known as Developmentalism. Basically it consisted in achieving industrialization through foreign investment. This idea came originally from Raul Prebisch from the CEPAL (Economic Commission for Latin America) and was modified by Rogelio Frigerio, the right hand of Frondizi.

⁶ The government created both departments under the orbit of the "Secretary of socio-economic relations" (controlled by Frigerio) on the 21 of July 1958

⁷ see Fig 2, on Appendix A to see how much political support Frondizi had

⁸ In 1949 the oil production covered 44,4% of the demand, while in 1958 it covered only 35,4%: Celia Szuterman, *Frondizi: La política del desconcierto*, emecé, Buenos Aires, 1998

⁹ 320 million of a total of 1310 million of the imports went into oil: Celia Szuterman, *Frondizi: La política del desconcierto*, emecé, Buenos Aires, 1998

¹⁰ When Perón economic policy started to fail during his second presidency he signed a contract with the Californian oil

UCR¹¹ favoured a state monopoly, which according to them, was the only way to maintain control on the oil reserves. In the *Declaration of Avellaneda*¹², which would later become the platform for both the UCRP¹³ and the UCRI¹⁴, it was set on a policy that the state should invest in exploring for new oil reserves, as well as to arrive at self sufficiency in the short term. The *Declaration of Avellaneda* mentioned only the ends but not the means, this statement was later used by Frondizi to justify the use of foreign investment.

During Frondizi's administration, foreign investment was encouraged so as to replace the sector previously controlled by the state. Much of this investment went to the oil sector. In effect 90% of all foreign investment went into petrochemicals, transport, metallurgy and machinery¹⁵. 10 of the 25 greatest projects went into the exploration of new oil fields. By the end of 1960 self sufficiency was achieved, and state funds were diverged into importing machinery for the industry. Effectively the oil problem solution was one of the most important successes of this administration since it achieved self sufficiency as well as increased the amount of money available for other investments.

(c) Infrastructure

The infrastructure had not been updated since the start of the 1940s, especially public transport. Frondizi's administration wanted to finish or at least start most of these necessary, but forgotten projects. Although it managed to continue with important projects, the infrastructure, especially transport, did not change considerably.

Many of the projects mentioned required an enormous amount of finance, money which the administration did not have. To be able to finish these “monumental” projects, Frondizi's plan was a combination of foreign investment and state interests.¹⁶ This type of project can be divided in two main categories, hydroelectric dams, and steel furnaces. The two main hydroelectric dams in discussion were “El Chocón”, in the border with Chile and Salto Grande in the border with Uruguay. The “feasibility studies” for both these projects was already done in Yrigoyen's first presidency (1916-1922) but they were never put into practice. These projects would meet the increasing demand for electricity, replacing the oil powered generators; as well as bringing regional integration with Chile and Uruguay¹⁷. Although none of these projects was entirely finished during Frondizi's presidency, both of them were eventually finished because this administration not only started with the construction itself, agreed on economic cooperation.

Public transport, however, did not improve, either the administration did not pay much attention to it, or there was not enough time. Trains continued to remain in the hands of the state and their

company (part of the standard oil) for exploration and exploitation of the oil fields: Celia Szuterman, *Frondizi: La política del desconcierto*, emecé, Buenos Aires, 1998

¹¹ Unión Cívica Radical (Radical Civic Union), Frondizi's party

¹² *The declaration of Avellaneda* was a party document partially written by Frondizi in 1949, which represented the ideas of the “intransigente” movement inside the UCR. This youth movement wanted to change the ideas of the party. To know more about it see the corresponding appendix.

¹³ Division of the UCR, lead by Balbín

¹⁴ Division of the UCR, lead by Frondizi

¹⁵ Celia Szuterman, *Frondizi: La política del desconcierto*, emecé, Buenos Aires, 1998

¹⁶ The ideas here attributed to Frondizi are part of an interview he had with report Felix Luna after he was disposed by the military. Félix Luna, *Diálogos con Frondizi*, Editorial Planeta, Buenos Aires, 1998

¹⁷ Félix Luna, *Diálogos con Frondizi*, Editorial Planeta, Buenos Aires, 1998

service continued to decrease. Figures of public transport are scarce, but during Frondizi's administration no new subway or train stations were built or improved.

To summarise, I can say that under this administration important projects were started , especially the ones involved with the generation of electricity, but public transport remained poor.

(d) Conclusion

During Frondizi's administration the country experienced an important economic transition. The policy of Developmentarism brought with it foreign aid in industries such as the petrochemical or steel and increases in production. Although some important projects were started, there was no unified policy towards infrastructure, which did not truly improve. I can summarize the entire process of strengthening the economy as progressive, since it changed previous views in favour of economic development. Although some aspects of the economy, especially heavy industry, were improved, Frondizi's administration failed to improve other important aspects such as public transport and agriculture. Most of the problems that the administration were unable to solve came partially from Perón's presidency, as I have discussed. Due to the enormous opposition to the privatisation of state-owned companies, many key areas, such as public services, were unable to improve, since Frondizi couldn't offer investors these sectors. The mentality that Perón had created in the workers was partially responsible for this problem¹⁸.

¹⁸ see “the social aspect”

3) *The social aspect*

(a) Introduction

During the “developmentarism years”¹⁹ Frondizi set out to change the social aspect of the government in comparison with the previous military government and Perón. The idea of separating trade unions and state, as this could break the Peronist control over them, can be considered progressive. As Perón always said the trade unions were the “backbone of the Peronist movement”. With this he meant that trade unions were the main element to control the masses. Briefly I can mention that the benefits that these unions offer to their members were much higher than other trade unions since they used money from the government to obtain such benefits. Trade union leaders were extremely loyal to Perón, partially due to gratitude, but mostly because of the power they were given over the trade unions. After Perón's fall this loyalty continued intact. Perón in exile still had control over his movement and over the trade unions. The new peronism that emerged, called “resistance Peronism”, was based on strikes and violent manifestations of the trade unions against the state. The main objective was to destabilize any government that was not Peronist. Even though Perón had an agreement with Frondizi, his developmentarist economic plan quickly destroyed their temporary “friendship”. The constant resistance of the organised working class is one of the key aspects that brought his downfall.

Although in theory, Frondizi's administration wanted to avoid state intervention²⁰, and encourage a progressive social policy, it failed to avoid intervening in the trade unions. Many aspects of the trade unions were inherited from Perón's system, to change it Frondizi was forced to ensure control of the trade unions by issuing a new law. This control would cause serious problems with the trade unions. The social aspect can briefly be described as a constant fight between state and trade unions, the fall of real salaries and finally military intervention on behalf of the state and against strikes and workers unions.

Education was another social aspect which can be seen as controversial. Frondizi's administration not only changed the curriculum but also opened education to the private sector. To understand the relevance of this change we need to go back to the Peronist legacy. During Perón's presidency the curriculum was changed to contain Peronist ideology. Even though most of it was removed by the previous military government, there were still some vestiges, such as youth organizations. The opening of education to the private sector is sometimes seen as either progressive or pro-clerical²¹.

The understanding of the social aspect will show us the massive problems that the government had when it tried to dismantle the Peronist structure.

(b) The government and its relationship with the working force

¹⁹ Expression used to refer to Frondizi's administration. The name “developmentarism” comes from its economic policy.

²⁰ By intervention we mean the use of force to imprison previous leaders and to replace them with new ones that respond to the government.

²¹ see “educational reforms”

After the fall of the Peronist regime in 1955 its vital structure, the CGT²² (union of all trade unions) came under restriction from the military government. This clearly anti-Peronist action would eventually lead to massive strikes and other types of resistance from the working force. “In that time Frondizi's position against the military government and in favour of a united trade union (Frondizi was the only anti-Peronist politician who favoured this option) made the trade unions sympathetic with him”²³. When Frondizi took office in 1958 there were three groups of trade unions. The so called 32, which were thirty two trade unions controlled by the socialists; the 19 group, which were controlled by the communists; and finally the 62 which were trade unions controlled by the Peronists²⁴.

When Frondizi took power he fulfilled his promise of maintaining an all-united CGT. This idea was fiercely opposed by the “32s” and “19s” since one centralized trade union would mean, in practice, that the workers movement would be controlled by the Peronists. The government faced two options, one was an election in which the proportional representation system was used; the other option was an electoral system which hand control of the trade unions to the majority (Peronist). To satisfy Peronist demands and avoid short term conflict, the trade unions control was given to the majority. Nevertheless, during 1958 the “62s” supported the government and tried to reduce any working conflict. On the other hand the “19s” and the “32s” opposed the government by encouraging strikes and other workers' manifestations. The contracts that had been frozen by law in 1958 meant that the real salaries, which already had been falling from the fall of Perón, fell even further (see Appendix A, Fig. 1). Although this caused anxiety and even desperation amongst the workforce the “62s” remained loyal to the government.

During 1959 the situation dramatically changed. The government issued the Law 9270/56 of Professional Association which defined the relationship between state, employers and trade unions²⁵. This law among other things, allowed the state to intervene in the trade unions when it considered it necessary, by the use of force. The new law alarmed the Peronists since it undermined their control over the trade unions. It also represented a threat to the so called democratic trade unions (non Peronist) since this law also stated that the majority would control the central trade union (CGT). “By October 1958 the “62” strengthened the tone of their declarations and on the 10th of that month they launched a general strike to protest against the “cost of life, in favour of freezing prices, and other vindications for the work force”²⁶. By February 1959 the “62” were moving even further away from the government and joining forces with the “19” while the “32”, who had opposed the government, were getting closer to it. This change would force Frondizi to maintain the intervention of the CGT (issued by the previous military government) until 1961 in order to diminish Peronist strikes and manifestations. The opposition of the trade unions, especially the “62” would eventually lead to aggressive government intervention.

(c) Educational reforms

After the university reform of 1918²⁷ Argentine education, especially at university level,

²² Confederación General del Trabajo, (General Confederation of Work)

²³ Celia Szuterman, *Frondizi: La política del desconcierto*, Emecé, Buenos Aires, 1998, page 257

²⁴ from now on, “62”, “32” and “19” will be used to refer to the mentioned trade union groups

²⁵ Celia Szuterman, *Frondizi: La política del desconcierto*, Emecé, Buenos Aires, 1998, page 258

²⁶ Celia Szuterman, *Frondizi: La política del desconcierto*, Emecé, Buenos Aires, 1998, page 260

²⁷ the university reform stated among other things that state universities should be govern by teachers, students and ex students.

became totally independent of the government. It was considered, by that time, an excellent system which maintained education in a progressive movement (meaning that it was always evolving). The education was also non-religious. When Frondizi came into power he intended to promote the law called “free²⁸ education”. This law, proposed by the government, would allow the establishment of private universities as well as fund private schools. Before this new law private universities could not issue official titles, they needed to arrange it with a public university. The confrontation behind this new law occurred because most of the new universities, and private schools which were going to be funded by the state, were religious. The people which were in favour of a non religious education said that the law meant a concession given to the church in exchange for support. Analysing this move I can say that the idea of allowing private universities to co-exist with public ones can be considered as progressive. Nevertheless funding private institutions was intended to fund the church institutions more than others. This of course, was part of a previous agreement between the church and the government²⁹.

(d)Conclusion

The social aspect of Frondizi's government is a quite obscure aspect, and indeed it is hard to identify which measures were taken by his own initiative rather than by external pressure. In this section I have identified two key aspects of it's policy; the treatment of workers' movements, and cultural aspects such as education. Although some of the measures taken can be understood as part of a progressive movement, most of them are in fact conservative, since their intent was to maintain the status quo established by the previous military government. To illustrate the point made I can mention that progressive measures were, the restoration of the CGT to trade union members and the opening of education to the private sector. On the other hand we have the non-progressive measures, such as financing religious education, intervening the trade unions when needed, use of martial law and imprisonment of trade union leaders, which began soon after Frondizi came into office. Most of the measures in the second category were responses to pressure from anti-Peronist elements in the society, especially from the arm forces³⁰. Others, such as aiding religious education, were a response to the need for support from conservative groups, such as the Church, which still had a great influence on the majority of the society. Summarizing the social policies carried out by Frondizi's administration I can say that overall it was not a progressive one, but rather it responded to conservative interests.

²⁸ free as in libre

²⁹ Nicolás Babini, *Frondizi de la oposición al gobierno. Testimonio*, Editorial Celta, Buenos Aires 1984

³⁰ military demands can be defined as measures that the military imposed to Frondizi, and that if he denied, his government would be overthrown. Frondizi had over thirty military demands.

4) Conclusions

I have discussed, throughout the entire essay, the attitudes of Frondizi's administration towards two main aspects, the social and the economic one. This essay has analysed different sections of the aspects mentioned in order to arrive to a conclusion to the original question, was Frondizi's administration a progressive one?

In the case of the economic aspect I have discussed that the Frondizi administration tried and partially succeeded, in changing various aspects of the economy. These changes can be defined as progressive. To illustrate I can refer to the opening of the local market to foreign investment. As I have discussed Frondizi finished the isolationist economic policy that had been encouraged by Perón and started a campaign to encourage foreign investment. The results are of key importance; Self sufficiency was achieved in oil production, a new petrochemical industry created, important hydroelectric plants such as Salto Grande were built, among other things. Other aspects of the economy were also improved, for example, the money spent by the state was reduced, particularly by dismantling the internal structure of public employers set up by Perón. Some aspects of the infrastructure and agriculture were not given the necessary support from the government, nevertheless this was probably due to a lack of time and the focusing of the government on higher priority tasks. Although there were some problems in the economy, such as an increase in unemployment (as a result of improvement of technology in production, and the need for skilled workforce) or the lowering of real salaries I can say that the economic policy was indeed progressive due to the reasons mentioned above.

In the case of the social aspect I can say that, although the government did propose some progressive measures, the overall social policy can be considered as conservative. This supposed conservatism in the social aspect is mostly due to the Peronist legacy as I have pointed out. To illustrate, I can refer to the treatment of trade unions and the repression of the workforce. As I have explored during this essay, trade unions remained restricted until 1961, martial law was introduced to allow the state to avoid any riots or strikes. The unconditional loyalty of trade union members towards Perón, and the Peronist ideology which had been successfully introduced in the workforce avoided any possibility of appeasement with the above mentioned sectors. Even though restriction was probably the only option, these policies cannot be considered progressive, in fact they were conservative since their intent was to maintain the status quo.

Finally it is of key importance to understand the limitations of this essay. Due to the limitation on words, I have been forced to only consider the bare minimum of Frondizi's policies. This means that various aspects of the government, such as party politics, could not be explored, and those explored were only focused on briefly rather than in depth. To arrive to a more profound answer to the question I would need to explore, in greater depth the economical, social and political aspects. This would mean that other types of contemporary sources, such as interviews and newspapers, could be used. Therefore this essay provides just a brief answer to the question; Was Frondizi's administration progressive?

To summarize, I can therefore say that Frondizi was, to some degree, a progressive and modern politician. His radical change in the economic plan can also be considered progressive, although the progress being made was obscured by the need to comply with military and anti-Peronist demands. Frondizi had a very brief period of time in office, nevertheless he managed to change important aspects of the country, I could summarize his acts with what president Alfonsín said about his own presidency

twenty five years later: “We wanted, we had the resources, but we only accomplished part of our plan”.

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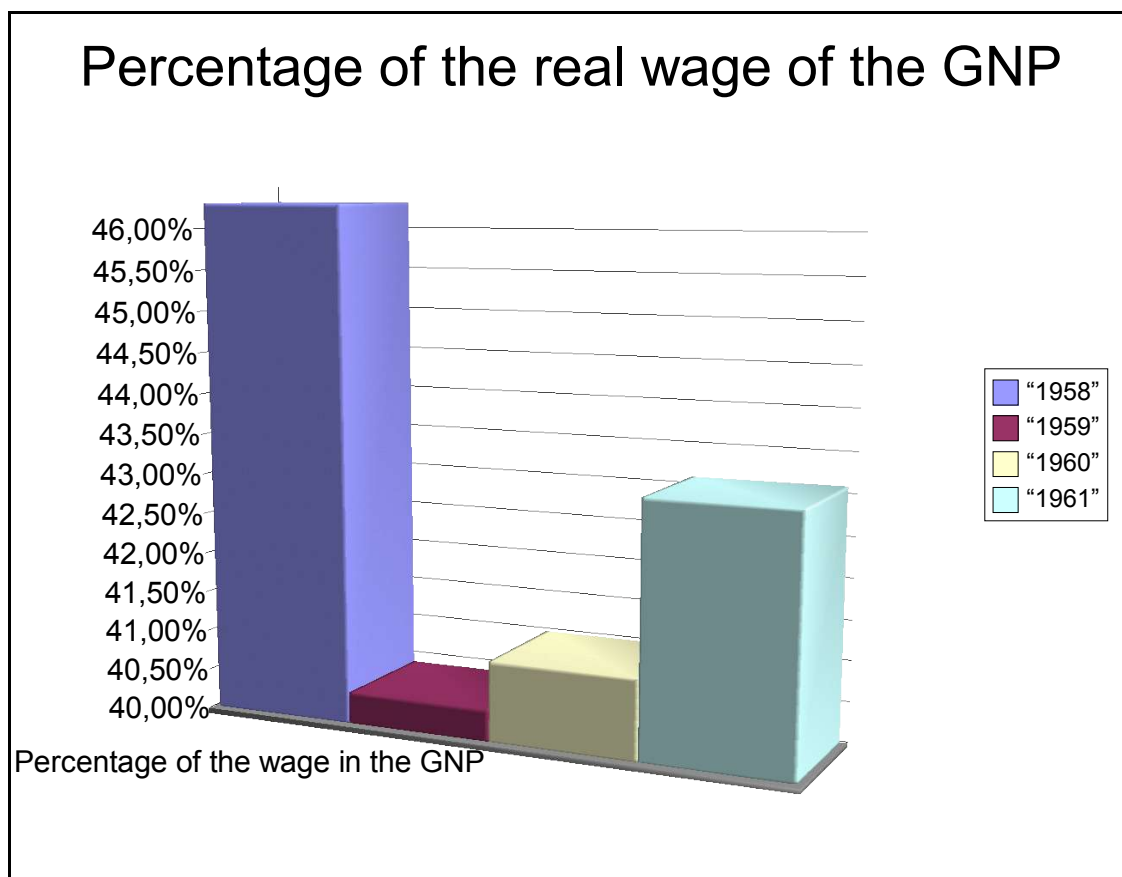
Appendix A: Graphs, images and Tables

Fig 1: The 1958 general elections

<i>Party</i>	<i>Votes</i>
Total Votes	9000000
UCRI (Frondizi)	4000000
Votes in blank	800000
UCRP	2600000
Socialist Party	260000
Christian Democrats	280000
Democratic party	140000
Progressive Democratic Party	120000

In percentage, the UCRI got 45% , according to the law that meant the entire upper house and 70% of the lower house.

Fig 2:



Appendix B: The declaration of Avellaneda

The declaration of Avellaneda, issued on 1945, was the main platform of the movement of intransigencia inside the UCR.

Briefly, it's main points were:

- (a) The Argentine history is described as the struggle between popular, progressive ideals against a backward oligarchy.
- (b) The economy is considered as a medium to obtain higher ends, collective and individual.
- (c) Referring to the agrarian problem it's said that the earth should be for the people that work in it individually, or collectively owned. It will not be used for business that speculate with it.
- (d) All national resources should be nationalized. All sources of natural energy, public companies and international and national monopolies that prevent the economic development of the country, will be nationalized and its controlled given to the nation, provinces or cities.
- (e) The state will defend all small companies that are independent. It will also assure that no barriers will be set up to stop the economic activity.
- (f) The industrial development will be global, and it will not be based on low wages.
- (g) The internal problems of the party will be solved, the objective is to unify it under its doctrine as well as appealing to individuals that are known to be capable of following the objectives proposed.
- (h) This declaration rejects any pact with other political forces, the country must be governed by organic parties, and the UCR as an organic party intends to take by itself the responsibility of structuring a new Argentina.

Appendix C: Bibliography

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