



Financial terrorism, dependence, and the capital-life conflict: The rising of finance in the Global South: the case of Argentina

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Abstract: We aim to investigate, from a critical feminist perspective and Marxist theory of dependency, the association of individualism, the rise of neo-fascist, far-right and international financial capital in Argentina. Human lives are impacted in two ways: firstly, macroeconomic mechanisms like public external debt, austerity programs, and capital flight gradually lead to the impoverishment and indebtedness of woman and working class; secondly, the current neo-fascist government creates ways to discipline society for the implementation of economic programs. Our contribution focuses on the nexus between them, where constructing internal enemies justifies violence as part of the economic model. We introduce the term 'financial terrorism' which means financial capital used as a weapon to unleash daily terror over life. This is done by transferring resources from workers to financial capital through violence. For the analysis, we review existing literature and rely on secondary sources, such as technical reports, speeches, and the press.

Introduction

The paper analyzes the connection between the current increase in violence in Argentine society and the economic program. The increase in violence can be traced to the discourse of the elected party which relies on hate speech, with a marked anti-feminist agenda. Similar cases happen in Brazil with Bolsonaro (Pinheiro-Machado et al, 2019) or in Europe with Meloni, Le Pen, and Weidel (Köttig, Bitzan and Pető, 2017). Our challenge is to understand this phenomenon in the context of life-capital conflict (Orozco, 2014) in Argentina. For the analysis, we reviewed existing literature, technical reports, speeches, press, statistics, and descriptive research.

The main hypothesis is based on understanding the mechanisms that devalue women and feminized bodies. We suspect that resurgent political discourses aim to re-position women and diverse groups in their traditional roles and naturalize inequalities that help to reproduce capitalism. This can be interpreted in line with social reproduction theories (Arruzza and Bhattacharya, 2020). The corollary is that financial capital increases its profits, due to the role of the feminized working class (Elson, 1992). In other words, financial capital uses neo-fascism strategies and discourses (Traverso, 2021), as the internal enemy, to exacerbate the reserve army through an increase in neoliberal subjectivities (Saidel, 2016), violence, intolerance, and a decrease in solidarity networks.

The articulation between this political mechanism with neoliberal economic policies is not a coincidence. Using a feminist political economic view, we call this interaction financial terrorism because the government macroeconomic program increases household debts and enhances the precarity of feminized bodies. And, to implement it, they not only use traditional financial



strategies (Abeles, 2018) but also promote polarization, such as violence, individualization, and hate between citizens.

Furthermore, this financial terrorism would be part of new mechanisms to seek the dependency pattern in southern economies. In this way, Argentina would be a laboratory of this phenomena: a new association between extreme neoliberal groups (far-right) with financial capital in dependent economies. The differences between European or North-America and dependent economies cases are the use of immigrants as enemies and the focus on nationalist economic programs. However, in the south economies, they seek extractivism and economic liberalization, as colonial analysis remarks (Sagoe, 2012).

In this framework, financialization is a mechanism that capital imposes on the dependent southern territories, studied as International Financial Subordination (Ilias Alami et al, 2022), and is part of other broad theories like imperialism and neocolonialism (Patnaik and Patnaik, 2021, Ghosh, 2019). This view marks a specific participation for a dependent economy in the financial architecture and international markets. We briefly describe this in the third section.

Our epistemological strategy consists of connecting macro-processes (the big macroeconomic model based on financialization and indebtedness) with daily lives (increase in precariousness) through household debt and rising violence. The latter two are ways to discipline bodies for the market, and for the economic model's success. Especially female bodies that sustain life.

Following Gago and Cavallero (2019: 25): "Financial terror is a structure of obedience over day-to-day life and over time to come and forces us to assume individually and privately the costs of adjustment". It doesn't allow forecasting or organizing a longer time horizon, annuls and restricts vital projects, makes one feel guilt, shame, anguish, loss of agency, and loss. For this line of neoliberalism, democracy means consumerism (access to citizenship through consumption) and this normalizes that people must go into debt in order to consume. We seek this argument in the next section.

Finally, financial uncertainty is accompanied by political and social uncertainty. In the case of Argentina, the current government frequently used this "shock" strategy. We reflect on that in the last section and propose to review the international feminist movement to find some clues to resist this advancement of neo-fascist neoliberalism.

Crossing limits: financial violence, internal enemies and extended hunger

The history of indebtedness is associated with the attack on human rights (Graeber, 2011) and authoritarianism. Multiple investigations highlight the linking between the dictatorial processes in the 1970s, the consolidation of neoliberalism in the 1980s and 1990s, and the public indebtedness in Latin America (Bossio, Perosino, and Nápoli, 2014).



Following Gutierrez's analysis (2023), indebtedness would be also part of a broader strategy that seeks to extend violence in Latin America through various political steps. She refers to the "Mexican technique" of counter-insurgency which involves increasing social violence through de-politicization. Rather than misinformation, the key is breaking down the ability to understand what is happening.

The "bombardment" of legislative and economic reforms in Argentina in a short time is another example of this technique. Since they got the presidency, the government introduced many official proposals, such as dismantling the Gender Ministry and defunding the health and educational system. It over-demanded and collapsed opposition parties and social organizations, breaking down and destroying their capacities for political reflection and public debate. By hindering understanding, the "shock doctrine" (Klein, 2007) neutralized social indignation and claims, transforming it into anguish and disorganization. At the same time, this confusion is used to negotiate new debt, raise interest rates, and impose financial deregulation.

The main sentiment is financial terror (Gago and Cavallero, 2019), which is generated by the speed and intensity with which purchasing power and rights are lost. At best, this 'daily terror' produces a resignation that circumstances might be worse. At worst, it leads to expressions of hatred toward other sections of the same population. This is especially true in low-income households, where women must find different strategies to sustain their lives, as Partenio (2022) and others authors have analyzed for Argentina. According to a report by ECLAC (2023), lower-income households, particularly those led by women, are more indebted (70 percent) for the loss in incomes.

Denying access to consumption is a way to deny citizenship, and a way to guarantee 'daily terror'. Financial terrorism appears as the systematic use of financial terror to fragment the social network and promote violence. But the use of violence to discipline bodies is not something new, as Traverso (2021) studied in the government's neo-fascism practices. In the end, this economic model produces a loss of desire (personal and collective) to combat inequalities and injustices (Gago and Cavallero, 2019).

Another important aspect is the construction of guilt regarding the precariousness of life. Unlike the construction of enemies during the 1970s, where left-wing political identity was a determining factor for annihilation (Manzano, 2015), the current period is marked by the impossibility of fixing a single internal enemy. Among the enemies are the impoverishing left, feminists, congressmen, bad citizens, and local governors (2).

This lack of clarity is key to implementing the economic model: disconnecting politics from daily life, ignoring the consequences of cutting public expenditures and distracting society with different false enemies.

The result is a decline in political culture, coupled with a massacre of politics and historical memory: an amnesia of recent political and economic crises (such as the neoliberal period in the 1990s), which leads majorities to desperately trust repeated neoliberal recipes (3).



But, who is the enemy? If the focal point is re-localized in the economic program, the real enemies are International organizations, such as the IMF, that promote austerity measures, and the neoliberal hub that promote and pay for the implementations of hate speeches in social networks and communications channels.

Debt as dependence

International Financial Subordination (IFS) highlights the patterns of dependence: financialization created an architecture that subordinated some territories to others as part of capital revalorization. One consequence is capital concentration and centralization. The financial sector challenges internal productive firms, promoting bigger profitability rates, and short-term results, both difficult goals to achieve for productive capital, and even more for small companies. This was studied for Argentina by Wainer and Schorr (2014). The principal consequences are an increase in unemployment and informal jobs. Forcing productive capital to look for cheaper options, impoverishes incomes for the working class, generates more unpaid female work and increases the reserve army.

Another IFS characteristic is the consensus on debt in Global South (Sagoe, 2012). This consensus among dominant classes, involving governments of different political wings, relies on naturalizing international debt and its payment, instead of social needs. The other side is the normalization of austerity policies to resolve indebtedness. Both imply a crisis that impacts on women's bodies. Because they are the principal buffers to ensure life as Elson (1992) and Orozco (2014) studied.

In Argentina, external debt and capital flight are the main patrons for the economic model of dependency. They function as a cycle of impoverishment: the same capital that fled returns as debt to revalorize itself (Barrera and Bonna, 2018). It's a perverse mechanism because austerity is part of this vicious circle in order to pay the debt services. Other alternatives as tax richest population are ignored.

During the Kirchner government (2003-2015), characterized by public investment and redistributive policies funded by extractivism; the Macri presidency period (2015-2019), allied with international financial capital; and Fernandez presidency (2019-2023); the pattern of dependency didn't change, and by the end of the last period, instability grew. The result was increasing inflation, fiscal deficit due to debt and capital flight, precarious employment and incomes, dollarization of savings and the biggest debt with the IMF (Cantamutto and Schorr, 2023). After a big depreciation of the Argentinian peso in December 2023 to push down real wages, the current debt cycle tried to sustain an appreciation process to contain inflation.

Finally, financialization exacerbates macroeconomic destabilization especially through constant volatility of financial capital movements, with devaluation pressures on exchange rates and transforming commodities into financial assets. This feeds the political instability and subordinates the economy to the financial market whim.



This scenery was promising for the rise of new ideas, especially considering the pandemic period and the intense use of social networks. This acceleration of individualism allows a new government in Argentina with authoritarian characteristics, extreme neoliberal positions and neo-fascist political strategies.

As Mattei (2023) studied, these states don't stop spending, they transfer expenditures to security and military forces to defend private property rights, instead of social rights. In the case of Argentina, these resources also go to the financial sector, because the cutting in public spending is used to pay the external debt and sustain the financial profits.

At the end, the debt is presented as the unique solution to “stabilizing” the macroeconomy. But, as the past showed, is just a way to increase the instability and over-exploit the working class and women's bodies. Also, Mattei wrote that austerity was used to control working classes during the XX century. In this new phase of neoliberalism, the government uses austerity and new domestic finance. As Harvey mentioned in an interview, the best way to control the working class in democracies is to indebted them (2011).

Final reflection: challenging borders – feminist internationalism

The strategies of international financial capital have various subjective mechanisms that support its advancement. The escalating precarity of daily life in Argentina since 2011 (Félix and Millón, 2021) along with a retraction of the benefactor state since the indebt with IMF (Cantamutto and Schorr, 2023), has led to the rise of individualism, meritocracy, and an "every man for himself" mentality, reaching it in the pandemic (Vazquez, 2022).

In the first ten months of presidency, Milei's administration cut social policies and investment, increasing poverty and hunger, reaching 52.9% of the population nowadays (INDEC, 2024).

In this context, the primary perpetrators are the state and financial capital, as they implement and sustain austerity and indebt policies, instead of ensuring the subsistence of workers, women, and diversities. According to *Centro de Estudios Legales y Sociales* (CELS), gender and care policies suffered a bigger cut: over 49 policies surveyed only 7 policies are still working, 24 have been interrupted or dismantled and 18 are near to disappear (CELS, 2024).

Following a feminist analysis of violence (Falquet, 2017), we understand these dismantling of social protection as an attack on bodies. This defunding is accompanied with a speech full of violence against women, and coincides with the neoliberal and neo-fascist peaks.

The violence is also practiced by a strong arsenal of repressive force: social organizations are audited by the state but not the external debt; social movements are persecuted while companies and individuals easily flee dollars and raise prices.



Financial terrorism used this violence to articulate the structural program of a meritocracy society with individual subjectivities. It promotes fear and produces a loss of collective power. Financial terrorism turns the other into an enemy to explain the impoverishment.

The dynamics of indebtedness and precariousness constitutes a slow destruction of the working class, a process that can be considered "slow death" (Zaragocín, 2019). This is produced by a combination of overexploitation of the working class, daily wear and tear, and the criminalization of the most impoverished sectors.

Argentina would be considered as another case of this new era of financial capitalism and crisis of democracies. In a local roundtable, Mattei referred to Argentina that “it is not just that fascism and liberalism are allied in moments in which you have to impose austerity (...) it is that liberalism is deeply authoritarian” (Mattei, 2024, 27).

In response, feminist and popular movements, who pay this debt with their lives, time, and privations, propose recognizing this debt as illegitimate. Faced with this great scam and the advance of hatred, the response must be collective and feminist.

The feminist movement continues to grow on the international stage. In particular, anti-colonial and anti-classist branches have a long history in regions like Latin America, where large gatherings and meetings are frequently organized.

Verónica Gago emphasizes that the Latin American feminist movement must confront not only class barriers but also the financial, colonial, and neo-extractivist logics that underpin systems of oppression. This involves rethinking ways to engage with the state, its projects of dispossession targeting female body-territories, and neoliberal feminist alliances (2019: 144).

There are numerous examples of these practices. For instance, Black and diverse groups participated in UN conferences such as the Beijing Platform for Action, which drew 45,000 women and individuals from diverse backgrounds. In Latin America, the first major feminist encounter took place in 1981 in Bogotá, where it was decided that November 25th would be recognized as the International Day for the Elimination of Violence Against Women. This date commemorates the Mirabal sisters—Minerva, Patria, and María Teresa—who were assassinated under the Dominican dictatorship. Since then, feminist encounters have been held every two years in different countries.

Within these gatherings, the lesbian and autonomous feminist movements have strengthened their networks, offering a radical critique of NGO-ization and neoliberal white feminism (Falquet, 2014). Additionally, since 2000, annual marches by women in over 150 countries have protested against violence, hunger, precariousness, and militarization. Beginning in 2017, the women, lesbian, transvestite, and trans strike has highlighted the invisible labor and marginalization faced by these groups. Other acts of resistance to the capitalist order have emerged at major events such



as the G20, focusing on the colonial systems upheld by institutions like the IMF and WTO (Díaz Lozano, 2020).

In Argentina, the National Encounter of Women has evolved into the Plurinational Encounter of Women, Lesbians, Transvestites, and Trans. Since 1986, these gatherings have been held annually in different regions of Argentina, drawing more than 200,000 participants. Among them are key groups such as Abya Yala feminists, a collective of various social movement leaders working to establish a common agenda grounded in intersectionality (4).

These leaders include Indigenous activists resisting extractivist projects, older women opposing austerity policies targeting retirees, students defending public higher education, and spiritual authorities from local communities such as the Collas, Diaguitas, and Mapuches, as well as participants from Ecuador, Guatemala, and Bolivia. All these individuals come together to share their struggles, articulate their demands, and build collective strength for a more inclusive world.

In this way, in Latin America the women's and feminist movement has been largely resisting the advance of finance over life. At the same time, the historical link between feminist social organisations and human rights organisations is building a common feminist agenda in accordance with the struggle of the people.

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Notes

- (1) On January 2024, at the Davos Forum, President Milei delivered a speech that took an extreme stance against the ideas of social justice inherent in Keynesianism, socialism, feminism, environmentalism, and any other group advocating for collective rights (Página 12, 2024).
- (2) These are some of the expressions used by the current president to direct their attacks, which can be seen on their official X account.
- (3) This is exemplified by the assumption, on 5 July 2024, of Federico Sturzenegger, as Minister of Deregulation and State Transformation. He was in previous right-wing governments, as Secretary of Economic Policy in 2001 (prosecuted for negotiations incompatible with public office for the 2001 debt ‘Megacanje’) and during the period 2015-2018 as President of the Argentina's National Bank.
- (4) Abya Yala is the name for Latin America recognized by some aboriginal communities