

# Peripheral Realism: An Argentine Theory-Building Experience, 1986-1997

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*There (was) something rotten in the state of Denmark*

## **Introduction – A time for reevaluation**

Between late 1989 and late 1999, Argentina's foreign and security policies were subjected to an unusual liberal (not neoliberal) experiment. Not only was the country's previous confrontational profile with the West replaced by a politico-military alignment with the United States in global and security issues. The country's capacity to wage war was voluntarily reduced to almost nil: the military budget suffered a drastic cut, the arms industry was dismantled and the military draft was abolished. Argentina's foreign and security policies ceased to respond to a typical nation-state rationale, approaching a citizen-centric and cosmopolitan logic based on the liberal assumption that the state is not an end-in-itself but only a means to protect the rights and interests of its individual citizens, who are parties to a democratic social compact.

Simultaneously—indeed, ever since defeat in the Falkland/Malvinas War of 1982—a debate had been raging on the developmental costs of Argentina's confrontational foreign and security policies. Foremost in this discussion was the classic “guns or butter” dilemma. All states face choices regarding the proportion of their economic, political and diplomatic resources that should be taken away from socio-economic endeavors (“butter”), to invest in military power and geopolitical confrontations (“guns”). What were the ideal proportions for Argentina?

Given its low level of external security threats, some analysts considered that a strong “guns” component in this equation implied a *state-centric* policy geared towards the enhancement of politico-military power and elite vanity. Contrariwise, a low “guns” component, coupled with policies of bandwagoning with the West on world security issues, and of economic and physical integration with Argentina's immediate neighbors, was said to be tantamount to a *citizen-centric* approach. This was more in keeping with ideals of social justice, inasmuch as it avoided the sacrifice of scarce resources to national pride and politico-military power. It would reduce the risks to citizen welfare, at the cost of national glamour.

After all (it was reasoned by some though certainly not all), Argentina did not really *need* the long-lost Falkland/Malvinas Islands, indigenous nuclear technology or a destabilizing ballistic missile system. Why not be like Canada, that does not contest the French possession of St. Pierre et Michelon and does not strive to become an independent nuclear and missile power, but instead dedicates a larger part of its resources to the most noble and ethical cause of all, the welfare of its citizens?

Although the discussion began long before the new policies were implemented, it would be a mistake to attribute the foreign policy shift entirely to the intellectual production that accompanied the debate. Although Guido Di Tella was imbued with the concepts and ideas generated by research programs hosted by Instituto Torcuato Di Tella (ITDT), part of which he funded personally, he took over as foreign minister (1991-1999) a little

more than a year after Menem's inauguration, when the alignment with the West was already in place, breaking with a long tradition of Argentine neutrality if not confrontation.

Whatever the case, the fact is that from 1986 to 1997 there was a considerable outpour of research results from ITDT. During the '80s the objective of the research was normative, geared towards attempting to determine what was the best foreign policy for a country like Argentina. During the '90s the objective shifted toward a more strictly "theoretical" focus, in the Anglo-American sense: how does the interstate system work, and what does this imply for peripheral states?<sup>1</sup>

The present paper deals with these theory-building efforts on both the normative and explanatory levels. It does not deal with policy-making, and will make no attempt to solve the chicken or egg problem of what came first, the theory or the policies. Whatever the solution to this riddle, the fact is that theory-making accompanied policy-making, and the theory that was crafted, "peripheral realism", helps to explain and understand the policies that were implemented.<sup>2</sup>

The first section will be devoted to peripheral realism as a normative doctrine, describing the context in which it emerged, its assumptions and its guidelines for policy. It will delve on the specific Argentine circumstances that made its ascension possible, despite its counter-cultural character in the Latin American context, where there are no Canada's, and where the only candidates for such status are very small states. It will attempt to explain why its challenge to traditional nation-state premises and objectives was acceptable to many in Argentina, after the humiliating frustrations of the Falkland/Malvinas War and the hyper-inflationary episodes of 1989-90, which revealed the country's extreme vulnerability.

The second section, which is divided into three sub-sections, will be devoted to the more abstract problems tackled by peripheral realism as an explanatory theory of international relations that attempts to correct some logical flaws of classical and structural realism, which render them unsuitable for understanding the role of peripheral countries in the interstate system.

Finally, the Conclusions will attempt to address the question formulated by Professors José Flávio Saraiva Sombra and Luiz Amado Cervo in the opening session of the Seminar on "International Relations Theories: National and Regional Perspectives", held in Brasilia on August 25-26, 2008, where this book project was born. They contended that in the social sciences in general, and most especially in the field of international relations, theory is not endowed with scientific objectivity. Rather, it serves interests that must be identified.

I could not agree more strongly, to the point that the issue was explicitly raised in my 1995 book *El Realismo de los Estados Débiles* and in its 1997 English-language version *Foreign Policy Theory in Menem's Argentina*, where the strictly theoretical dimension of peripheral realism was developed.<sup>3</sup> There I state (and maybe even demonstrate) that international relations theory (henceforth, I-R theory) can never be "scientific". In the best of cases, if the assumptions of a certain theory are lucidly and honestly acknowledged by its author, it can aspire to philosophical status. Otherwise it is only an ideology that conceals often sordid interests, sometimes unwittingly.

Hence, two painful million-dollar questions will be succinctly addressed in the Conclusions:

1. Given its explicit cosmopolitan premises, who would peripheral realism have served, in the event that it had been accompanied by citizen-centric socio-economic policies, achieving economic growth with reasonable social development?
2. Given that, during the Menem administration, Argentina's socio-economic policies were quite the opposite of citizen-centric, generating unprecedented unemployment and poverty, who did peripheral realism really serve?

Indeed, the pathetic truth about the Menem administration burst out two years after it ended, during the brief tenure of President Fernando De la Rúa, whose administration was an epilogue both to peripheral realist foreign policies and to neoliberal economic policies. With the political, economic and financial collapse of December 2001, it was plain to see that Menem's policies had been anything but citizen-centric, and were indeed incompatible with liberal foreign policies seeking to serve social justice by reducing the costs of traditional nationalism.

Wiser men and women were able to diagnose this long before. Not I.

### **Section I - A normative doctrine derived from historical lessons**

Until the dramatic shift of the 1990s in Argentine foreign policy, this Latin American country held a unique position in its region in terms of its confrontations with the United States. Ever since 1889 (when the first Pan American Conference was held), it systematically antagonized with the (North) Americans in diplomatic fora. Unlike Brazil, it was neutral during both world wars. After 1945, under Peronism, it championed a so-called "Third Position", and it eventually joined the Non-Aligned Movement.

This confrontational profile was not limited to its relations with the United States. War almost broke out with Chile in 1978, while until 1979 relations with Brazil were tense and for a time included a nuclear race.<sup>4</sup> Furthermore, in 1982 Argentina invaded the disputed Falkland/Malvinas Islands, which had been under British rule since 1833. In so doing, the Argentine state found itself in a losing war against the United Kingdom, in which the United States sided, expectedly, with the latter.<sup>5</sup>

In the late 1980s, the fact that Argentina had waged a recent war to redress old grievances aggravated the negative perceptions generated in the United States and Europe by some of the other dimensions of its foreign and security policies. Indeed, under successive governments (and regardless of the type of domestic regime) the Argentine state had:

1. Refused to ratify the Tlatelolco Treaty for the prohibition of nuclear weapons in Latin America, and refused to sign the Nuclear Non-Proliferation Treaty (NTP);
2. Devoted its scarce resources to the successful enrichment of uranium (which its energy-producing reactors, that ran on natural uranium, did not need), and

3. Undertaken a joint venture with Saddam Hussein's Iraq for the development of an intermediate-range guided missile, the C3n3rdor II, which when finished would have been able to deliver a 1000 pound payload (the weight of the average nuclear warhead) over a distance of 1000 kilometers.<sup>6</sup>

Although Brazil engaged in similar nuclear policies, it was not developing a ballistic missile system in conjunction with Saddam Hussein, it had not been on the brink of war with Chile, and it had not waged war on Britain nor on any other country in the 20th Century, except against the enemies of the West in both world wars.<sup>7</sup>

Less relevant, but an eloquent symbol of its radicalism, was the fact that by 1990 Argentina had the fourth most anti-U.S. voting profile in the United Nations General Assembly. It was tied in that position with Afghanistan and Yemen, and was surpassed only by Vietnam, Sudan and Cuba.

This track record was unparalleled in Latin America and was the product of several factors that fed into each other, among them:

1. Argentina's prosperity from approximately 1880 to 1942, which had generated expectations of future world power status. It had been the product of a dependent development tied to the British economy but in no way dependent on the United States until the Second World War.<sup>8</sup>
2. Its geographical isolation, that made it possible to nurture inflated ideas of its development and power.
3. The contents of its educational system, that encouraged exaggerated perceptions of the country's past splendor and future possibilities.<sup>9</sup>
4. Last but not least, an eclectic ideology of international relations that was influenced by several distinct traditions of thought, some imported and some indigenous.

Like many other states worldwide, until the 1990s Argentina subordinated citizen welfare to the quest for regional power, sometimes under the delusion that it would be able to compete in a grander global game. However, the need for a "developmentalist" approach to the country's foreign and security policies became increasingly clear as the failure and counterproductive consequences of policies inspired by prestige and power-oriented objectives became abundantly clear.

For some small intellectual circles, which included the present author and the then future foreign minister Guido Di Tella, this became obvious by the late 1970s, when U.S. and British archival material regarding U.S.-Argentine relations during the 1940s was declassified.<sup>10</sup> It then became possible to quantify the losses generated by Argentina's challenge of U.S. hegemony, unparalleled in the Western Hemisphere, and to understand the devastating consequences of the United States' economic boycott and political destabilization of Argentina, which took place from 1942 to 1949.<sup>11</sup>

The Falkland/Malvinas War of 1982 provided even more dramatic arguments for the need to refocus Argentina's foreign and security policies with a citizen-centric approach. The never-fully-measured developmental costs of that unnecessary war were enormous: it jeopardized economic relations with the European Economic Community, alienated investments, and contributed to raise the country risk index to astronomical

levels. An increasingly intense intellectual debate emerged, based mainly in two institutions, Instituto Torcuato Di Tella and FLACSO Buenos Aires.<sup>12</sup>

The keen perception of the developmental costs of such excesses is what eventually led, in the 1990s, to the sharp change in Argentine foreign policies. Brazil, Chile or Mexico could never have undergone this 180 degree shift, simply because they never engaged in Argentina's excesses. It is unlikely that peripheral realism could have thrived in other major Latin American countries, for reasons that are just as understandable as are the reasons for its implementation in Argentina.<sup>13</sup>

Indeed, peripheral realism is a theory and doctrine that was perceived as especially fitting the Argentine circumstances. The normative writings that led to its formulation during the late '80s, based mainly on historiographical research that identified the costs and benefits of previous Argentine policies, had advised:

1. Explicit alignment with the West, abandonment of the Nonaligned Movement (NAM) and a redefinition of Argentina's voting profile in international fora.
2. Reestablishment of cooperative relations with Britain.
3. Ratification of the Tlatelolco Treaty for the prohibition of nuclear weapons in Latin America, and signature of the Nuclear Non-Proliferation Treaty (NPT).
4. Scrapping the Cóndor II missile project.<sup>14</sup>

In the 1990s, these guidelines became policy. Additionally, and in convergence with the guidelines (which is not to say there was a cause and effect relation), Argentina bandwagoned with the United States in world military affairs, intervening in the Gulf War, in Haiti, and in several peace missions under United Nations sponsorship. Furthermore, it continued with Alfonsín's rapprochement with Chile, further advancing in the settlement of boundary disputes and encouraging the physical integration with that country.

At the same time, also in convergence with the guidelines, it deepened the process of economic integration with Brazil through the creation of the quadripartite Southern Cone Common Market (MERCOSUR).<sup>15</sup> This parallel strategic alliance with Brazil counterbalanced Argentina's alignment with the United States, especially in commercial affairs, where it tended to side with its South American neighbor. Like Brazil, Argentina politely rejected the U.S.-sponsored Free Trade Area of the Americas (FTAA, or ALCA, its Spanish and Portuguese acronym).

Finally, these foreign policies were accompanied by convergent security policies which were beyond the sphere of the Ministry of Foreign Affairs but which bespeak eloquently of the Copernican revolution that was taking place in Argentina:

1. The military budget was reduced,
2. The military draft was eliminated,
3. Argentina's state-owned arms industry was virtually dismantled (despite that, among other equipment, it produced fairly efficient armored battle tanks), and
4. A consistent diplomatic effort was made to institutionalize confidence-building measures and cooperative security mechanisms in the hemisphere, region and sub region.<sup>16</sup>

As can be demonstrated by several press articles drafted by the present author and signed in the early 1990s by then Foreign Minister Guido Di Tella,<sup>17</sup> this shift in foreign and security policies (which voluntarily reduced the country's capacity to wage war), emerged from a rationale based on the following assumptions:

1. In a liberal democracy, the principal function of the foreign policy of a peripheral state that does not face credible external security threats, should be to serve its individual citizens, and this can be achieved mainly by facilitating socio-economic development.
2. Hence, socio-economic development is the very definition of the national interest of such a country.
3. Furthermore, the United States is the single most important external constraint to success in the Latin American region. Because of its proven capacity to cause damage (documented in the case of the U.S. boycott against Argentina of the 1940s), it is in the best interests of a country like Argentina to have good relations with that power, *so long as this does not entail sacrificing its material interests, which are paramount*. It is the unnecessary political confrontations that should be avoided, in order to better negotiate tangible economic interests in which the people's livelihood is at stake.

This key caveat, which was also underlined repeatedly in my 1992 book, *Realismo Periférico*, was never abandoned, and both Argentina's rejection of FTAA, as the fact that its policy vis-à-vis pharmaceutical patents was more nationalistic than Brazil's, bear witness to the fact that the new policy was not one of "automatic alignment", as was claimed by its critics.

Indeed, even in the case of the country's voting profile in the General Assembly, the change implied shifting from a radical 87.5 % divergence with the United States, to a moderate 59 % divergence. In other words, even with the new policy, Argentina voted opposite to the United States more times than it did in convergence with it. Israel's policy, with an 88 % voting convergence, and Britain's, with 81.8 %, could well be considered "automatic alignment" with the superpower, but in the case of Argentina what actually happened was that the automatic confrontation of the previous era was replaced, during the 90s, by a moderate non-confrontational policy.<sup>18</sup>

From the set of assumptions listed above, it was inferred that any challenge to U.S. leadership not connected to development is detrimental to development, insofar as it breeds negative perceptions among potential investors and moneylenders, increasing the country risk index. Moreover, in some cases it can also lead to direct government-to-government sanctions, sometimes of a devastating character. From a citizen-centric perspective, and most especially for a country with Argentina's profile, it was considered all loss and no gain.

This is not to say that the elimination of unnecessary political confrontations would automatically generate benefits. Peripheral realism's main normative texts repeatedly stated that this was *not* to be expected, and that what was being proposed was a policy of damage-control, avoiding external sanctions and uncooperative attitudes in order to clear the way for complementary economic policies that were in a different sphere of government action altogether, and which ideally should also be citizen-centric.<sup>19</sup>

This line of thought led to the early formulation of a proto-theoretical concept of normative relevance that was later intensely discussed by Latin American scholars and analysts.<sup>20</sup> The Argentine experience, as well as that of other contestatarian countries, showed that the freedom of manoeuvre of any middle-class state is almost infinite, and that it includes the possibility of self-destruction. The misadventure of General Leopoldo Fortunato Galtieri, who had launched the Falkland/Malvinas invasion, was sufficiently eloquent. Therefore, it was reasoned that the “autonomy” of a state should not be defined in terms of its “freedom of manoeuvre”, which was the traditional concept used in the bibliography on Latin American (including, for example, writers such as scholars Hélio Jaguaribe and Laurence Whitehead, statesman-scholar Juan Carlos Puig and statesman Raúl Alfonsín). If the concept was to be meaningful, it had to be redefined as a quality that is a function of the *costs* of using the almost limitless freedom of manoeuvre.<sup>21</sup>

Notwithstanding, these were only elementary starting points for a theory-building effort aspiring to compete with pre-existing theories. The assumptions had been coined long before Menem was president. They were present in my 1986 book *La Argentina vs. las Grandes Potencias: El Precio del Desafío*, which was a normative corollary to my 1983 historiographical study *Gran Bretaña, Estados Unidos y la Declinación Argentina, 1942-49*, which in turn documented the costs to Argentina of challenging U.S. policy during World War II.<sup>22</sup>

## **Section II - The leap from normative doctrine to explanatory theory**

### **The evaluation of pre-existing theories**

From this launching pad, theory-building required:

1. Evaluating pre-existing international relations theories in terms of their suitability for peripheral states that face few if any credible external security threats, and which, like Argentina (but unlike Brazil) are relatively irrelevant to the vital interests of the major world powers.
2. Identifying the logical flaws in pre-existing international relations theories which, despite their “scientific” claims to universal validity, are unsuitable or misleading for countries like Argentina. Our study concentrated on Hans Morgenthau (pioneer of “classical” realism), Kenneth Waltz (who introduced “structural” realism, also dubbed “neorealism” in the field’s jargon), and Robert O. Keohane and Joseph S. Nye (creators of the concept of “complex interdependence” and precursors of “liberal institutionalism”).
3. Coining a corrected version of “realist” theory, more suitable for democratic peripheral states, geared towards citizen-centric rather than state-centric objectives.

This phase of our theory-building effort began only once the implementation of Menem’s new policies had been launched. This was methodologically opportune, because the drastic nature of the foreign policy shift gave the theory-builders a new and better vantage point. It demonstrated empirically the variety of options open to states such as Argentina, all the way from waging war on Britain to bandwagoning with the United States on global security issues.

Indeed, the radical transformation of Argentina's external profile was considered a case that could contribute to the age-old question of how an interstate order is generated. Is it better understood as a complex process of mutual adjustment among various states and types of domestic and international demands, as neoliberal institutionalists would suggest? Is it better understood as an imposition under conditions of anarchy, as most classical and structural realists would argue? Or should we rather conceive it as a partial imposition under an incipient interstate hierarchy, as peripheral realism eventually claimed, once its first fully theoretical version was cast in 1993?<sup>23</sup>

It was considered that the introduction of the behavior of peripheral states into systemic analysis brings forth a different and complementary perspective to these questions. The end of the Cold War had shown that Third World countries can have a destabilizing effect on world politics. This contradicted Morgenthau's and Waltz's assumption that weaker states have no real foreign policy, although it was in line with Stephen Krasner's premise that Third World states seek not only wealth but also politico-military power.<sup>24</sup> But Third World countries more often adapted to the world order, in line with what the first two authors expected, and contradicting Krasner. And Argentina had gone through both phases, making it an ideal case for the study of the broader theoretical issues.

Among other things, the Argentine case suggested that domestic variables were as important as systemic ones in the determination of its foreign policy profile. From the 1980s to the 1990s, the country's sensitivity to the high external costs of a confrontational foreign policy had increased. The 1982 military defeat was a sobering memory, to which were added the hyperinflationary crises of 1989 and 1990. Given the country's financial vulnerability, the public or covert sanctions that might have been generated had the government persisted with the more sensitive aspects of its long-standing confrontations, were a forceful dissuasive against the ongoing proliferation projects in the nuclear and missile realms. The structure-of-preferences that had made possible such policies as the Falkland/Malvinas War and the partnership with Saddam Hussein in the development of the Cónдор II, was replaced by one in which neither the government nor the influential segments of public opinion were disposed to continue to pay high external costs for a power-oriented foreign policy.

This reasoning had relevant methodological consequences for our theory-building effort. It followed that the most promising I-R theory-building strategy was one that emphasized comparative empirical research on the characteristics of specific societies, going "from the bottom up", in order to eventually reach the systemic level. It was a mistake in research strategy to depart from the systemic level of analysis, as did Waltz.<sup>25</sup> If any middle-class state with domestic characteristics that make it possible to pay high costs for the implementation of a policy of proliferation can be a potential source of global instability, then the most promising theory-building strategy is that which departs from the study of each society's standard of tolerable costs.

Indeed, it was reasoned that it is much more important to understand why Iraq attacked Kuwait in 1990 (a phenomenon that cannot be explained through Morgenthau's or Waltz's realism) than to understand why Saudi Arabia does not attack Kuwait (a phenomenon easily explained by Waltz's systemic analysis).

Hence, way back in 1993, long before the events of September 11, 2001 put ethnic and religious studies in the foreground of international politics, peripheral realism concluded

that if we want to understand world politics, systemic analysis is but a complement to the analysis of specific societies and of the domestic factors that condition their foreign policies. Furthermore, with the study of the nationalist contents of Argentine education, and with a battery of public opinion polls, in Argentina we had done our homework.

### **A first theoretical finding: the fallacy of neorealism's interstate "anarchy"**

However, the fact that it is methodologically advisable not to privilege the systemic level in I-R theory does not mean that we cannot make some useful systemic observations that might allow us to better understand the options open to peripheral states. Peripheral realism attempted to do so, always sticking to theoretical inferences that can be abstracted from historical events. One relevant question is that of the implications of the deactivation of the C300 II missile project and of Argentina's acquiescence to the nuclear non-proliferation regime, for the alleged "anarchy" that structural realists have attributed to the interstate system. Are states really "like units", as Waltz claims, each with the same functions in the system despite their great power differentials? Is it really true that none are endowed with differentiated functions that entitle them to command?<sup>26</sup>

This was an imperative question. Our historical examples seemed vivid symbols of who rules and who obeys in the international order. Although peripheral states do have a foreign policy and face choices, the high costs stemming from the sanctions imposed by more powerful states to certain policy options fly into the face of *domestic* constraints, sometimes rendering an option impossible. And these domestic limits to the costs of external confrontations differ from society to society, each of which has a unique structure-of-preferences, generated by its social structure and political culture.

Hence, peripheral realism concluded that because of the complex interplay between domestic and external constraints, some weaker states must obey while others of equivalent power but a markedly different structure-of-preferences need not. For instance, a majority of Third World states abides by the nuclear non-proliferation regime, while others with less domestic constraints do not.

Therefore, the interstate system is not characterized by an "anarchy" (as Waltz and other neorealists claim), but rather by an incipient and imperfect "proto-hierarchy" in which there are three types of states, each with distinctly different functions in terms of their rule-making or rule-taking roles:

- a) Those powerful enough to contribute to formal and informal rule-making;
- b) Those that, not being powerful enough to be rule-makers, abide by the rules, and
- c) Those that, although not powerful enough to be rule-makers, rebel against the rules, i.e., so-called "rogue" or "pariah" states.

This is in fundamental divergence from structural realism and can be considered peripheral realism's first major theoretical conclusion. Following Thucydides (the first peripheral realist of history), "the strong do what they can while the weak suffer what they must".

## **A second breakthrough: the fallacy of Morgenthau's "autonomy of the political sphere"**

This conclusion posed an intriguing puzzle. What is the origin of the I-R myth of interstate anarchy, present not only in Waltz but also in the work of other renowned theorists such as Hedley Bull? How did it become so powerful a myth that as prominent a theoretician as Kenneth A. Oye began his introductory essay to a special number of *World Politics*, dedicated to the theme of "cooperation under anarchy", with the almost metaphysical phrase "states live in *perpetual anarchy*"?<sup>27</sup>

It seemed amazing. The juridical equality of states was a juridical fiction until the signature and ratification of the United Nations Charter. But after that it was not even a fiction, insofar as the Charter, with the inception of a Security Council with five permanent members endowed with veto power, establishes the principle of the juridical *inequality* of states. The same principle is extended to such international regimes as the Non Proliferation Treaty. The issues ruled by such regimes are very few in number but exceptionally relevant in substance. States are not formally equal. Admittedly, informally they are even less equal, but it is an untruth to say, as does Waltz, that "formally, each (state) is the equal of all others. None is entitled to command; none is required to obey"<sup>28</sup>.

Where, it was asked, did this misconception come from? In this respect, the central argument developed by peripheral realism is that there is fallacy built into the central nucleus of the realist and neorealist theories. The problem had its origins in Morgenthau, being disseminated from his work into later neorealist analysis. Its introduction into the logical matrix of realist thought began when he proposed, as a methodological starting point, that power be considered "*an autonomous sphere of action and understanding*", as compared to other allegedly autonomous spheres, such as "*interest defined as wealth*".<sup>29</sup>

It was reasoned that, from a peripheral perspective, this was the worst possible way of building theory. Even from the perspective of the core of world political power, the inadequacy of this assumption should have been clear by 1990. The collapse of the former Soviet Union eloquently illustrated that, even for a superpower, the link between "power and plenty", as a mercantilist philosopher would have put it, should not be abstracted when building I-R theory. So much more the case for the periphery, where more limited material resources constrain foreign policy to a much greater degree. Morgenthau had to be corrected. If peripheral countries had been included from the start in the building of I-R theory, his error would not have been committed and the concept of anarchy probably would not have taken roots.

Indeed, once we rid theory of this fallacy, hierarchy replaces anarchy as the structuring principle of the interstate system *because the link between economic and political power is more immediate the poorer a country is*. The president of the United States can make abstraction of the economic sources of his country's military might when he moves fleets in the oceans as if they were pawns in a chessboard, but the same is not true for a country that would run out of ammunition in a week if a shooting war with a neighboring state broke out.

Consequently, it was argued that we must disagree with Morgenthau when he claims that the “*main signpost that helps political realism to find its way through the landscape of international politics is the concept of interest defined in terms of power*”. At least from a peripheral perspective, the correct formulation is that *the main signpost is the concept of interest defined in terms of economic development*, without which there is neither real power in the long-term nor welfare for the population. If the main principle of political realism is thus redefined, then the dismantlement of Argentina’s confrontational policies was the obvious normative consequence of a realist analysis of the situation, once account is taken of the probability of U.S. sanctions and of the vulnerability of post-hyperinflationary Argentina.

Summing up, from the viewpoint of peripheral realism the problem was not that political realism did not work. It was not that certain crucial dimensions of the interstate order could not be understood from the perspective of the pursuit of power. Rather, the issue was that the pursuit of power includes the pursuit of wealth and the avoidance of excessive costs. Indeed, the successful pursuit of wealth usually precedes the construction of solid politico-military power. From this point of view, Japan’s post World War II policy had always been “power politics”, whereas the development of the Cónдор II and the invasion of Falkland/Malvinas, as well as any other politico-military policy that predictably carried more costs than benefits, were nothing of the sort.

Thus, the traditional distinction between “high” and “low” politics was inverted. Ultimately, it was claimed, this was the *realist* rationale underlying most of the Menem administration’s foreign policy shift vis-à-vis Argentina’s long-standing tradition of political confrontation with the West. For indeed, despite its divergence with classical and structural realism, peripheral realism is a version of realist I-R theory.

## **Conclusions**

There can be little doubt that, worldwide, most countries informally acknowledge the interstate hierarchy that mainstream I-R theory has refused to acknowledge. Their policies are adapted to it. Due to diplomatic reasons, this will never be recognised formally, but I-R theory does not claim to be a complement to diplomacy. Rather, it purports to be an “objective” and scholarly inquiry devoted to the understanding of its subject matter.

This is the spirit that inspired the explanatory theory of peripheral realism, which in my opinion still seems more conducive to understanding a limited set of key aspects of the interstate order than its pre-existing alternatives. More importantly, the normative guidelines stemming from its attempt at explanation are de facto applied by most countries. In a way, peripheral realism has always been the policy of Canada, Australia and New Zealand, while ever since World War II it has also been the policy of the European states that are not permanent members of the United Nations Security Council. This may have been part of the secret of their success. Conscious of their vulnerabilities and relative weakness, they have sought power through wealth, not through politico-military competition, and they have been relatively impervious to the *capitis diminutio* of a de facto acknowledgment that they are rule-takers, not rule-makers. On economic issues they have confronted with the rule-makers, but seldom if ever on geopolitical ones.

Hence, and again in my opinion, peripheral realism is theoretically sound. But it did not work for Argentina. Why?

In the first place, we must remember something mentioned towards the end of Section I: that the very objective of adopting peripheral realist policies of alignment with the West was to avoid sanctions and uncooperative attitudes from the developed world, *in order to clear the road to success for complementary economic policies that, if not citizen-centric, should at least not jeopardize development and welfare.*

The sad fact, however, is that the economic program implemented by the Menem administration generated the most extreme elite-centric policies, concentrating income and increasing unemployment to unprecedented levels. In complicity with foreign partners, the crony bourgeoisies that long before had captured the state took advantage of this opportunity to loot more than ever. As Paul Blustein showed in an excellent piece of investigative journalism published in *The Washington Post* with no less a title than “Argentina Didn’t Fall On Its Own,” the investment banks deliberately concealed reports forecasting its inevitable collapse, with the intention of earning further commissions from the placement of Argentine bonds.<sup>30</sup> And as documented in a paper I published in 2006 in the journal of the Fletcher School of Law and Diplomacy, this was only one of many misdeeds of holocaustic social consequences.<sup>31</sup> The regrettable fact is that all peripheral realism achieved was to pave the way abroad for plundering at home.

Obviously, as a complement to policies that were the opposite of citizen-centric, peripheral realism could not itself be citizen-centric. But I could not understand this during the 1990s, enclosed as I was by my scholarly ivory tower, dedicated exclusively to my narrow field, far removed from the study of economic issues, and imbued by a feeling of success that contaminated my character with vanity.

Over and beyond these sad facts, the issue that remains to be addressed is: who would peripheral realism have served, had it been adequately complemented by citizen-centric economic and social policies?

In the first place, a tautology is in order. By definition, true citizen-centric policies serve citizens, and that is good. The historical record shows that avoiding the costs of geopolitical competitions has increased the resources available for social development in countries like Canada, Australia, Spain or Italy, among others. To conclude this would be simple common sense even it were only the product of conjecture.

In the second place, in the short or middle term, and in the sphere of security issues, abdicating from traditional power politics implies reducing the obstacles faced by major powers in the consolidation of their hegemony. It reinforces the hierarchy of the interstate system. Thus, in the Western Hemisphere, it serves the interests of the United States, even if this was never anyone’s intention.

To clarify the issue, it is self-evident that if Iran underwent a regime change and adopted citizen-centric policies, the shift would benefit both its citizens (who would be spared from the consequences of Western sanctions) and the United States (whose position in the Persian Gulf would cease to be challenged by the radical policies of the Iranian theocracy).

Whether this is good or bad will depend on the values and ideology of the individual or collective beholder, so I shall refrain from passing judgment. It seems clear, however, that because of its consequences vis-à-vis U.S. hegemony, the success of peripheral realism in Argentina would have run counter to the legitimate national interests of a country like Brazil. This can be asserted objectively and it explains why the theory was never perceived sympathetically in that country. Fortunately for Brazilians, however, there is no possibility of a re-edition of peripheral realist policies in Argentina.

Indeed, our normative doctrine was always counter-cultural in the Argentine context, as well as in the wider Latin American region. This was taken into account when it was being drafted. Chapter 4 of *Realismo Periférico* is entitled: “On the cultural obstacles for the implementation of peripheral realism in Argentina”. Nowadays, with the policy’s failure and the country’s collapse of 2001-02, its culture has become more inimical to the United States than ever, making a come-back of peripheral realism almost impossible. This is not to say that Argentina need return to the costly confrontations of the past, but only that in the present and in the foreseeable future, moderation will have to be grounded on traditional nationalist discourse.

At this late stage of my career, I can only conclude that, all things considered, this is for the better. For reasons that are obvious to me today, but which I would have contested passionately during the 1990s (as would have Foreign Minister Guido Di Tella), there was no way Argentina could become a South American Canada. In the end, peripheral realism served only to lubricate, internationally, the implementation of the corrupt economic policies that led to the looting of the nation. We failed utterly, unwittingly sacrificing traditional nationalism for the sake of greed.

Perhaps it was no coincidence that Guido Di Tella died unexpectedly on the evening of December 31, 2001, eleven days after the resignation of President De la Rúa, who had inherited the Menem government’s neoliberal policies. The former foreign minister, who had implemented the normative doctrine of peripheral realism, collapsed with his beloved country on that most symbolic of days. It was the only epical element of a pathetic tale.

## NOTES

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1. In this paper, we shall understand as “peripheral” all states that are neither permanent members of the U.N. Security Council, nor economic superpowers such as Germany and Japan. Thus, the “periphery” as defined herein includes both developed and underdeveloped countries. When the “Third World” is mentioned, it will be in reference to the developing periphery. Some countries (e.g. Russia) can be considered part of the core in global military issues while part of the periphery of the world economy.

2 The term “peripheral realism”, in reference to a foreign policy doctrine, was first used in the literature in C. Escudé, “De la Irrelevancia de Reagan y Alfonsín: Hacia el Desarrollo de un Realismo Periférico”, R. Bouzas y R. Russell (ed.), *Estados Unidos y la Transición Argentina*, Buenos Aires: Legasa, 1989.

3 My 1992 *Realismo Periférico: Fundamentos Para la Nueva Política Exterior Argentina* (Buenos Aires: Planeta), less abstract and better known by wider audiences, developed the normative doctrine.

4 In November 1979, during the military regime, a tripartite treaty was signed between Argentina, Brazil and Paraguay, that set the ground for future cooperative relations. See Magdalena Segré, “La cuestión Itaipú-Corpus: el punto de inflexión en las relaciones argentino-brasileñas”, Serie de Documentos e Informes de Investigación, N° 97, September 1990, FLACSO, Buenos Aires.

5 See J.S. Tulchin, *Argentina-United States: A Conflicted Relationship*, Boston: Twayne Publishers, 1990.

6 Contradicting hypotheses that claim that such projects are favored by military governments, the Cónдор II was hatched in early 1984 under the democratic administration of Raúl Alfonsín (1983-89).

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7 If Brazil's Acre conflict with Bolivia is deemed a war, it was settled in 1903.

8 See C. Díaz Alejandro, *Essays on the Economic History of the Argentine Republic*, New Haven: Yale University Press, 1966.

9 See C. Escudé, "Education, Political Culture and Foreign Policy: The Case of Argentina", Duke-UNC Working Paper Series on Latin America N° 4, Durham, November 1992; *La 'Riconquista' Argentina: Scuola e Nazionalismo*, Fiesole: Edizioni Cultura della Pace, 1992; *El Fracaso del Proyecto Argentino: Educación e Ideología*, Buenos Aires: Editorial Tesis/Instituto Di Tella, 1990, and *Realismo Periférico*, op. cit., chapter 4.

10 In order to explore these issues, Di Tella organized and funded a seminar held on July 5-7, 1986, in St. Antony's College, Oxford, out of which came *Argentina Between the Great Powers, 1939-1946*, edited by himself and D. Cameron Watt. Aside from Di Tella, Watt and myself, the seminar was attended by Alec Campbell, H.S. Ferns, Paul B. Goodwin Jr., Stanley E. Hilton, Warren F. Kimball, Callum A. MacDonald, John Major, Ronald C. Newton, Mario Rapoport, and Joseph S. Tulchin. It was a milestone in the intellectual construct leading to the formulation of peripheral realism.

11 See C. Escudé "The Argentine Eclipse: The International Factor in Argentina's Post World War II Decline", Ph.D. dissertation, Yale University 1981, and *Gran Bretaña, Estados Unidos y la Declinación Argentina, 1942-49*, Buenos Aires: Belgrano, 1983. See also G. Di Tella and D. Cameron Watt, eds., op. cit., and the chapter on "The United States' Persecution of Argentina", in J.S. Tulchin, op.cit.

12 See, for example, the successive issues of the newsletter *América Latina Internacional*, published by FLACSO, Buenos Aires.

13 Notwithstanding, the Mexican case has been treated under the prism of peripheral realism. See R. Dominguez, "Fox's Mexican Foreign Policy: A case of post-authoritarian semi-peripheral realism" *Paper presented at the annual meeting of the International Studies Association, Le Centre Sheraton Hotel, Montreal, Quebec, Canada, Mar 17, 2004*, and Varun Sahni, "Peripheral Realism versus Complex Interdependence: Analyzing Argentine and Mexican Foreign Policies since 1988", *International Studies* 2001 38: 17-27.

14 Points 1 and 2 were advocated before the term "peripheral realism" was coined, in C. Escudé, *La Argentina vs. Las Grandes Potencias: El Precio del Desafío*, Buenos Aires: Belgrano, 1986. Conforming to Western non-proliferation policies was advocated in my op-ed of August 19, 1986, "En Política Nuclear, la Argentina está en Falta", *Río Negro*. Acquiescing to Western non proliferation pressures in the realm of ballistic missiles was advocated in my op-ed of October 22, 1988, "El Cóndor II y la Política Exterior", *Río Negro*. The Río Negro is a newspaper published in the northern Patagonian province of Río Negro. Owned by Alfonsín's liberal-minded minister of education Julio Rajneri, during the 1980s it seemed about to become Argentina's Washington Post, because of the projected transfer of the national capital to the city of Viedma, in that province. Several early proponents of foreign policies akin to peripheral realism published there, foremost among whom was Enrique Vera Villalobos, who eventually committed suicide for reasons not unrelated to the personal costs of "political incorrectness".

15 Created by the 1991 Treaty of Asunción between Argentina, Brazil, Paraguay and Uruguay.

16 For a more detailed analysis of these issues, see C. Escudé and A. Fontana, "Argentina's Security Policies: Their Rationale and Regional Context", in Jorge I. Domínguez (ed.), *International Security and Democracy: Latin America and the Caribbean in the Post-Cold War Era*, Pittsburgh: University of Pittsburgh Press, 1998, pp. 51-79.

17 As foreign minister, Guido Di Tella signed a series of press articles in which the rationale of the Menem administration's foreign policies was explained in the simpler terms suitable for a large audience. See, for example, "Una política exterior al servicio del pueblo", *La Nación* (November 4, 1991): 7; "El 'realismo moral' de nuestra política exterior", *Clarín* (November 12, 1991): 13; "La ilusión 'Argentina potencia' resultó fatal", *El Cronista* (December 8, 1991): 6-7; "Moral y pragmatismo", *Somos* magazine (December 16, 1991): 24; and "Hay que atraer al capital extranjero", *Ámbito Financiero* (December 19, 1991): 20.

18 See F. Corigliano, "La dimensión multilateral de las relaciones entre Argentina y Estados Unidos durante la década de 1990: el ingreso al paradigma de 'relaciones especiales'", in C. Escudé (ed.), Volume XV of the *Historia General de las Relaciones Internacionales de la República Argentina*, pp. 215-225, Buenos Aires: GEL (Nuevohacer) 2003.

19 See, for example, *Realismo Periférico*, op.cit. p. 49: "our alignment is not worth all that much".

20 For example, R. Russell and J.G. Tokatlián, "From Antagonistic Autonomy to Relational Autonomy: A Theoretical Reflection from the Southern Cone", *Latin American Politics and Society*, Vol. 45, No. 1 (Primavera, 2003), pp. 1-24, or A. Simonoff, "La interpretación del pasado como eje de la disputa de la política exterior actual: de Puig a Escudé", *Relaciones Internacionales*, La Plata, Año 12, N° 25, June-November 2003, pp. 129-148.

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- <sup>21</sup> See the section titled “Hacia una teoría de la autonomía nacional de los países dependientes”, in Chapter 2 of my *Realismo Periférico*, op. cit., pp. 126-36.
- <sup>22</sup> First published in Buenos Aires in 1983, and in turn a translation of most of my 1981 Yale University Ph.D. dissertation, op. cit.
- <sup>23</sup> “International Relations Theory: A Peripheral Perspective”, Paper N° 1 of the Working Paper Series of Universidad Torcuato Di Tella, June 1993.
- <sup>24</sup> See K. Waltz, *Theory of International Politics*, Buenos Aires: GEL (Spanish-language edition), 1988, p. 109, and S.D. Krasner, *Structural Conflict: The Third World Against Global Liberalism*, New York: University of California Press, 1985.
- <sup>25</sup> See Waltz, op.cit., p. 96. In this point, though not in others, peripheral realism’s criticism of Waltz was conceptually akin to J.G. Ruggie’s, in his “Continuity and Transformation in the World Polity: Toward a Neorealist Synthesis”, *Neorealism and its Critics*, R. Keohane, ed., New York: Columbia University Press, 1986, p. 151.
- <sup>26</sup> As in most of the field’s literature, interstate “anarchy” is herein defined as the absence of government or of an oligopolic governance principle in interstate relations. Obviously, thus defined, anarchy is not synonymous to chaos or disorder.
- <sup>27</sup> See H. Bull, *The Anarchical Society: A Study of Order in World Politics*, London: Palgrave Macmillan, 1977, and K.A. Oye, “Explaining Cooperation Under Anarchy: Hypotheses and Strategy”, *World Politics*, October 1985, p. 1.
- <sup>28</sup> K.N. Waltz, *Theory of International Politics*, Reading, MA: Addison-Wesley, 1979, p. 114.
- <sup>29</sup> H.J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, New York: A.A. Knopf, 1948, p. 5.
- <sup>30</sup> P. Blustein, “Argentina Didn’t Fall on Its Own—Wall Street Pushed Debt Til the Last,” *The Washington Post*, August 3, 2003.
- <sup>31</sup> C. Escudé, “From Captive to Failed State: Argentina under Systemic Populism, 1975-2006”, *Fletcher Forum of World Affairs*, Vol. 30:2, Summer 2006.