

## **Politics and power in Neuquén, Argentina (1958 - 1999)**

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History goes through new spaces renewing its proposals, reviewing concepts, and creating new and more rigorous instruments of understanding and with the participation of other areas of knowledge.

In this complex and dense territory, our intention is to approach some considerations about the shapes that politics and power formation acquire in a peripheral, Mediterranean Argentine province and that is lately introduced in the capitalistic development : Neuquén<sup>2</sup>. The period that is presented here goes from the moment Neuquén is converted into province in 1958 and the 90's, in which the accumulation regime is defined in the country, and the local state must readjust its relations with politics, society, and economy due to the crack of the welfare policy that is extended for two decades.

### **Going through a bit of history**

Remember that in 1880 the state is formed in Argentina and the central power is extended through all the territory. Domination is strengthened over a vast space composed of 14 provinces and starting from 1884, nine national territories are incorporated<sup>3</sup>. The national state occupies the territory, creates institutional nets and starts the "integration" to the central model, incorporates actors from some

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<sup>2</sup> See map 1, appendix.

<sup>3</sup> See map 2, appendix.

regions, displays the basic social relations in the country, and it is consolidated as emergent of the humid-littoral pampas. The interior (all the provinces except Buenos Aires), from its respective provinces and regions, makes agreements with Buenos Aires through which their hegemony is recognized in exchange for accepting its traditional dominating classes as territorial representatives.

Thus, during seventy years (1884 - 1958) the inhabitants of national territories, among them Neuquén's inhabitants, due to their administrative dependency condition on the central power they have no political rights. That is to say, they do not form a part of the member's election of the executive and national legislative power, and they have no representatives in the government. While in the national order the radical regime, the neo-conservative people, and the peronismo<sup>4</sup> are unwrapped, territories continue to be postponed in their right to have rights although they achieve some kind of insertion in town councils, town halls, and commissions. However, these institutions are not enough. There is neither no productive activity that allows them to compose the domestic market; the case that concerns us here. Neuquén produces basically oil that slowly but firmly is placed in the national setting. This is an important resource in that the industrialization process advances by substitution of imports. As the activities that were developed do not generate settlements, it is the national state that, with its intervention, creates organisms and institutions that have to do with the functioning of the territories. That is why, society is slowly establishing and in general is linked to the tasks that the central request develop.

Society goes through a great mobilization among the large years that pass between the fall of peronismo (1955) and the conflict of the

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<sup>4</sup>The radical regime governs among the years 1916-1930, the neo-conservatives among 1930-1943 and the peronismo among 1943/46-1955.

different social and political actors about their inclusion / exclusion of the Argentine political system up to the outcome of 1973 with the arrival of Perón in the government. In this order, Neuquén attends to the first years of development of its new legal status: it turns into an Argentine province<sup>5</sup>. The proscription of peronismo causes in each space the arousal of a political party, the Movimiento Popular Neuquino (MPN, 1961) that governs the province since then<sup>6</sup>.

The most important members of the governing body that are related to the creation of this party are the Sapags. This Syrian-Lebanese family settled in the region in the first decades of the 20<sup>th</sup> century due to their commercial activities with an important insertion in the local environment. The family, compatriots, other inhabitants as well as members of the governing body hold public positions in Neuquén while it is national territory.

The MPN wins the elections of 1963 in Neuquén and from that moment on not only contributes at a national level in the legislative chambers in the governments on duty - a bloc of provincial parties- but also assumes tasks to the return of Perón, taking part in the so-called Argentine neoperonismos<sup>7</sup>.

This party and its members of the governing body participate either in semi democratic, democratic, and non-constitutional

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<sup>5</sup> In the same process appear: Formosa, Chaco, Misiones, La Pampa, Río Negro, Chubut, Santa Cruz, and Tierra del Fuego.

<sup>6</sup> About the history of the province and the party in the political system see: Orietta Favaro (ed): *Neuquén. La construcción de un orden estatal*. Universidad Nacional del Comahue - Cehepyc / Clacso, Neuquén, 1999.

<sup>7</sup> The neoperonismos are provincial expressions of the justicialismo whose members of the governing body come from the historic peronismo and with regard to the party's proscription (1955-1973), they form local expressions of the same party. They vindicate the name of Perón, they compete in an electoral way under different denominations and they 'make negotiations to the return' of the exiled leader; with the commitment to return to the supporter trunk when the prohibition is raised. The MPN does not do that, it competes with the peronismo in Neuquén.

governments. That is to say, military regimes come to govern these parties, their members of the governing body, and their constituted bureaucratic nets because they consider that these party expressions - counting on certain adhesions in their communities - achieve a better harmony among the things related to society and politics obstructing - in some way - the conflicts. In this sense, the principal member of the governing body in Neuquén is Felipe Sapag named governor of the province (1970), at the end of the 'onganiato'<sup>8</sup>. We should remember that we are in the last periods of the so-called 'Argentina Revolution' which ending is the return of Perón and the complex dynamics of the 70's. It is precisely in 1973 when a singular confrontation takes place in Neuquén between the Frente Justicialista de Liberación (Frejuli) and the Movimiento Popular Neuquino (MPN), disputing the representation of the peronismo in the province. It is important to point here that Neuquén is the province in which the Frejuli loses in such national elections.

During the Process of National Reorganization (PRN, 1976- 1982), Neuquén is transformed in a receptor space of "inner exiles" that come from both big and small cities and they settle either in the capital city or in the interior of the province. This place is chosen due to political, ideological and trade union reasons. Most of them are incorporated in the 'umbrella' of projection that the local church puts on them and Monsignor Francisco De Nevaes creates the first delegation of the APDH (Human Rights Association) depending on the one in Buenos Aires<sup>9</sup>. Thus, it is noted, "... during the dictatorship the religious spaces were the only possibility of public demonstration. Hence, Mass and procession gathered parishioners, non religious groups of different places, and independent people or militants that had chosen Neuquén as a shelter,

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<sup>8</sup> We make reference to the dictatorship of Juan Carlos Onganía, in the frame of the so-called Argentina revolution (1966-1972).

<sup>9</sup> We should remember that in 1975 the APDH in founded in Buenos and that De Nevaes takes part in his presidency council.

and found in these rituals, the possibility of joining the demonstration and the reporting of social injustices and the enslavement of the fundamental rights”<sup>10</sup>. During the last years, each time images of Neuquén are shown in order to support a government program, the emblematic figures of ‘Don Jaime’ and of ‘Don Felipe’ are appealed to, by which the province is (re) presented and with them it is pretended to cohere the collective imaginary<sup>11</sup>. The internal political exile of the 70’s turns Neuquén in a place of refuge to those political exiles and the reissue of an imaginary transforms Patagonia as “land of no-one” and “horizon of utopia”<sup>12</sup>.

Therefore, starting from the 70’s, the power and the representation in Neuquén are the MPN and its leader: Felipe Sapag’s<sup>13</sup> possession. As soon as the peronismo appeals to the people as collective subject the ‘emepenismo’ (the movement related to the MPN) appeals to the people of Neuquén constituting a political culture with a strong social implant. It is precisely after the political inflection of 1973 that not only the provincial state, but also the local party is consolidated. The local party achieves the articulation of identities, beliefs, and it brings consistency to political links. In order to achieve that it uses various strategies to request and obtain consent, among them it is worth

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<sup>10</sup> Laura Mombello: “Las luchas políticas por la memoria de Neuquén”. (The political fights for memory in Neuquén) This job has been done in the network of the Social Science Research Council Program. *Memoria Colectiva y Represión: Perspectivas comparativas sobre el proceso de democratización en el cono sur de América Latina*. (Collective Memory and Suppression: Comparative perspectives about the democratization process in southern area of Latin America). Coordinated by Elizabeth Jelin. Neuquén, polycopied.

<sup>11</sup> Ibid.

<sup>12</sup> About these subjects, see Laura Mombello: “Las luchas políticas por la memoria en Neuquén” (The political fights for memory in Neuquén), op. cit. Silvina Yensen et al: “El discurso de la verdad y el discurso del deseo en el imaginario social patagónico” (the speech of the truth and the speech of desire in the social imaginary patagónico) and “Imágenes de la Patagonia o las metáforas de lo argentino” (“Images of Patagonia or the metaphors of what is Argentine”). In: *Cuadernos del Sur*. Universidad Nacional de Bahía Blanca, 1996 and 2001 respectively, numbers 25 and 29.

<sup>13</sup>This situation is developed until the year 1999, when Sobisch not only wins the internal election, but also obtains the governor position for the second time.

mentioning the construction of legitimation from the assumption of society representation. Besides, the party gives importance to the extraction activity (oil, gas, hydroelectricity) and appealing to federalism it makes this activity a successful one as long as the conflict of interests is established between the two instances. This is possible while federalism is in force - the 80's - and society does not perceive it as a mere symbolic vindication but as a real change to bring to an end the sustained growing that is materialized for years in a advantageous negotiation as a federal co-participation, other contributions that are not refundable, and from the 80's, as exemptions for hydrocarbons, significant in the provincial budget since they constitute half of it.

Neuquén's society is much more the result of internal migrations than of provincial vegetative growth. Accordingly, Neuquén multiplies 27 times its population between 1895 and 1991 - while Argentina did it 8 times - although the relative participation of the province's population in the total number of the country is of only 1% according to the national census of 1991.

By the way, international migrations have an important roll in population growth because as it shows the census of 1895 and the one of 1914, the local space has the 62.1% and 46.1% of foreigners respectively, percentages that almost double the Argentina's average. That has to do with the geographic and political situation of the territory and with initial years of its period of slow incorporation to the national setting.

Moreover, the urbanization process starting from the 70's - that generates a complexity and activation of society plus the economic activities that are developed in Neuquén - oil, gas, hydroelectricity - stimulate a great migration among provinces from Río Negro, Buenos

Aires, Córdoba and other provinces, and allow the 28 % of inhabitants (1991) to take part in the accelerated internal migration from those years onwards. That is the tendency of a pyramid characterized by a young population with a wide base and a narrow apex continues and strengthens, although after the 80's a slight widening of active population is observed<sup>14</sup>.

Strictly speaking, for the purpose of the central power decisions some matters - that allow us to describe the development of the population giving it particular dimensions - should be added, such as the constructions of dams and the installing of national enterprises for the exploitation of resources. This situation gives local society a strong dynamics, capacity, and articulation of the actors that compose it, allowing the construction of the action scaffolding from the advent of democracy in 1983. The matter of human rights coheres different sectors and gives unicity to the social heterogeneity however, the economic policies of the 90's even though they dissolve the horizontality relations, they operate in a parallel way in the efforts to shorten the spaces in which the actors can act and express themselves.

Now, due to the distributive policy of the enclave<sup>15</sup> economy and of the mobility canals typical of a border culture, a society that each time turns to be more heterogeneous, porous, and mobile is developed. Constituted by a high percentage of middle sectors, the use of the policy as a mean of social access has led them to a quick identification with leaders that came out from the bosom of the provincial party. Professionals, technicians, transferred employees, qualified workers, among others, due to the opportunities that the private sector offers

<sup>14</sup> Indec. Situación demográfica de la provincia del Neuquén. (Demographic situation of Neuquén province). Bs. As., Indec - Provincial Direction of Statistics, Census and Documentation, 1998, 12.

<sup>15</sup> Orietta Favaro and Mario Arias Bucciarelli: "Reflexiones sobre un populismo provincial (Reflexions about a provincial populism). Neuquén, Argentina, 1960 - 1990". In: *Nueva Sociedad* (New Society). Magazine of social sciences. Caracas, Venezuela, 2001, 172.

them or due to the connections with power, from the enriched middle sectors. In this order, a key factor of the credibility that the provincial party has it is the *formation* of Neuquén's society. The changes related to the population hereinbelow, either qualitative or quantitative, give rise to a complex social setting, which the MPN decodifies and it has been presented to the policy not as a summary of the power but as a historic project of society.

### **Neuquén's model**

Neuquén's model is questioned from the 90's when the menemismo (movement concerning the ex - Argentine president Carlos Menem) enforces the so-called State Reform. The model is questioned both, in its political formation: the MPN is a provincial party with a net of patronage and a strong popular basis, and in its economic strategy, exportation of energy to the humid pampas and the Argentine littoral. In Neuquén, the State Reform finds flexible governments to this policy that adhere to the privatizations in general, with consequences are social outbreaks and permanent uprisings<sup>16</sup>, among others, with a strong resistance directed by the state trade unions to the state retreat with respect to the economy and its management roll<sup>17</sup>.

Originally, according to the text of the constitution of 1958, the legislative power is unicameral and the representation in the chamber is of majority and minority. Thus the local party always obtains the major

<sup>16</sup> In two places near the capital of Neuquén, oil area par excellence, the privatization of YPF leaves around five thousand unemployed and the people of Plaza Huincul and Cutral Co demonstrate against national and provincial government in an intense way with violence. These facts are known as the "cutralquenses uprisings" characterized by the support of the inhabitants in the obstruction of routes and in the popular assembly.

<sup>17</sup> About this subjects see Orietta Favaro: "Neuquén. La sociedad y el conflicto. Viejos actores y nuevas prácticas sociales". ("Neuquén. Society and conflict. Old actors and new social practices"). In: *Realidad Económica* (Economy Reality). IADE, Bs. As., 2002, 185.



number of representatives and controls the chamber by putting fifteen out of twenty five of the elected legislators. This is modified in 1994, in the context of the inner fight of the local party as a result of the internal factions that fight initially for spaces of power<sup>18</sup>, and then they turn into two reconversion economic projects of the province due to the crisis of the accumulation regime in the 90's<sup>19</sup>.

MPN politicians are essentially pragmatic. Thus, in 1994, Sobisch's proposal is the modification of the constitution with the incorporation of the proportional system suggesting the extension of the representation to thirty-five legislators. Today in the frame of the national request and of the popular pressure as regards "lowering political costs", the local network "...tries to put into practice from the perspective that points to supply the opposition with a purgative - for the time an important pruning of expenses is promised. Its hegemony points out perhaps to the fact of deciding who can continue playing and who cannot"<sup>20</sup>.

It is clear that the provincial model is complex, dense, and characterizes Neuquén's political culture. On the one hand it is precisely

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<sup>18</sup> The two groups are: sapaguistas or yellow and sobischistas or white. The former is led by Felipe Sapag, founder of the party and five times governor of Neuquén. The latter is led by Jorge Sobisch, present governor, son of one of the founders of the party networks, and installs - from the coming of democracy in 1983 - discussions, new ideas, etc. Some of them are successful, others not successful. Does the sapaguista line disappear today? This could be possible due to the age of the leader the end of fifth term of office, his absence as candidate in new elections his displacement in the party internal by Sobisch, etc. About this subject see: Orietta Favaro and Mario Arias Bucciarelli: "El sistema político neuquino. Vocación hegemónica y política fraccional en el partido gobernante". ("Neuquén's political system. Fractional policy and hegemonic vocation in the governing party"). In Orietta Favaro (ed): Neuquén. La construcción de un orden estatal. (Neuquén. The construction of a state order). Universidad Nacional del Comahue - Cehepyc/Clacso. Neuquén, 1999.

<sup>19</sup> For more information see Orietta Favaro, Mario Arias Bucciarelli and Graciela Luorno: "Estrategias del estado neuquino en el escenario de la globalización. Propuestas para la reconversión económica de un espacio mediterráneo". ("Strategies of Neuquén's state in the globalization setting. Proposals for the economic reconversion of a mediterranean space"). In: *EURE. Revista Latino-Americana de Estudios Urbanos Regionales*. (Latin American magazine of Regional Urban Studies). Institute of Urban Studies. Santiago, Chile, 2000, 78.

<sup>20</sup> Río Negro news paper. Gral. Roca (Río Negro), 3 February, 2002, page 13.

to note that "...the MPN can be ideologically placed in the coordinates of central parties, immersed in the dependent capitalism with hopes of operating correctively in the system, in order to lower the intensity of the tensions as a result of asymmetrical relations that emerge from the binomial capital - work. Implicitly we could find lineaments linked to an economic tendency related to development that keeps the distributional style for the subordinated sectors obtaining them from the state that promotes and gives services. It could be stated that it is a debtor of peronismo with respect to the style of doing politics and of conceiving social conflict..."<sup>21</sup>. The nets of patronage, central practice of this party, should be understood as favors among them all, the plaintiff - popular and middle sectors - and the party / state are constituted as a central part of people's every day life and who have material privations, problems of subsistence, inequality, unemployment, irregularity in their relations between salary and job, etc. Nowadays, this modality not only continues but also acquires new forms in the context of the rampant social situation in which some sectors require protection and security - more than ever - although it is not possible to claim that this modality will form a purely utilitarian relation.

More and more properties are occupied, more villas are formed or even neighborhoods that grow and they constitute a place where to live. It is a space of survival in which the mediator establishes who are the clients and how the interchanges are done. Denominated social promoters, they dispute the presidencies of the neighborhood commissions of the main conglomerates in the capital city and in the most important populations of the interior of the province and from that place the "social action" is done, that is to say, the concession of food,

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<sup>21</sup> Demetrio Taranda and Mónica Ocaña: "El estado de la provincia del Neuquén, sus políticas públicas: un ejemplo de mediación". ("Neuquén's state, its public policies: a mediation example"). I: Orietta Favaro et al (comp): *Estado, capital y régimen político*. (State, capital and political regime). Neuquén, Universidad Nacional del Comahue, 1993, p. 36.

building materials, gas, scholarships for children, working plans, etc.<sup>22</sup>. The mediators do whatever it is possible to show that they are the only ones who can guarantee the continuation of the services flow under the shape of “social assistance programs<sup>23</sup>”.

Likewise, it is significant the presence of women, - in a process of increase of their participation that has been taking place since the 80's - in a context of representation in party and government tasks related to the social action<sup>24</sup>. Women have a central roll in the neighborhoods dinning halls where boxes of food are received and where the food for the inhabitants and the kids of the neighborhood is cooked. From this place the main “social promoters” or women political mediators of the provincial party arise.

In the health and social action programs of the province the aims of compensating, repairing and compensating are present. Except in health, where the preventive indicators appear, the rest of the social policy aims at working on the effects without any structural modification that are produced by social problems. Besides, in the social action area is where part of the patronage aspect of these actions or estate commissions is materialized - expression of the public policies. This has to do with the deterioration of the policies and programs not only because of lack of structure of the consolidated public policies, but also because of the dismantling that exist in a poorly way. Focalized programs that work as new ways of patronage substitute them<sup>25</sup>.

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<sup>22</sup> Oral testimony. Hibepa neighborhood 16 / 10 / 2001.

<sup>23</sup> Javier Auyera (comp.): ¿Favores por votos? (Favours for votes?) *Estudios sobre clientelismo político contemporáneo*. (Studies about contemporary political patronage). Bs. As., Losada, 1997, p. 182.

<sup>24</sup> Javier Auyero: *La política de los pobres. Las prácticas clientelísticas del peronismo*. (The policy of the poor. The patronage practices of peronismo). Bs. As., Manantial, 2001, pages 165 - 196.

<sup>25</sup> About this subject consult Orietta Favaro and María Elizabeth Vaccarisi: “Poder político y políticas sociales en Neuquén, 1983 - 1999” (Political power and social policies in Neuquén, 1983 - 1999) This work was presented at the First National

Housing given by the province by means of agreements with construction companies near the center of the capital city or in the inner part of the province, direct social help, the payment of lightening and gas invoices in the time of elections, the provision of bags with food, sheets for houses' roofs, the concession of properties after they have been occupied, and of subsidies, jobs, etc. form a part of the objectification of the policy towards the poor, in other words they form a part of the practices or favors for votes of the emepenismo.

The strong presence of neighborhood commissions with political mediators exerts a significant influence during election times, due to the fact that these leaders are the ones who know the people and move them. The situation is accepted by the opposition -which not only confines itself to bringing up criticism against the hegemony system at the legislative chamber, but also makes little effort to enter neighborhoods controlled by the provincial party (most neighborhoods). One of the militants says that the MPN does not discriminate: all colors are in, the other parties "struggle for the second place, they don't want to be first."<sup>26</sup> Therefore, the other parties show themselves to society as a legislative power minority rather than a political opposition, without getting the extended consent of society. A society trying to debate the political model, to make it more democratic, and to take corruption from it.

In other words, Neuquén is a border area in which the social and economic practices of the inhabitants develop with no restrictions. These are the 'landmarks' of the local political culture. It is like a way of life,

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Congress of Social Policies, Universidad Nacional de Quilmes, 2002, CD.

<sup>26</sup> Oral testimony. Barrio Hibepa (neighborhood), 16/10/2001.

implying the existence of a subject and a political system. It involves social and cultural diversity, actions and identities. It is the social process built up from everyday life as a privileged space where significance levels of symbolic action interweave. Political culture is ruled by the tradition of a hegemony party, not regarded as a part but spreading a vision impregnated with the idea of totality. In this way, it (re) presents the majority of the members of society -individual and collective performers of the actions-, who are consulted and become interlocutors of the representative.

The origins of the local party, the MPN, show a conflict that is solved in the seventies with its predominance in the political system and the -unhurried but forceful- withdrawal from the structure of the peronist party, rather than from its essential points. This network of parties that is not equal to itself and hence joins together heterogeneous and fragmented interests, is part of a popular social basis, middle sectors, and bourgeois portions born of commercial and service sectors. It has active members, and significant resources for State-apparatus control through programs and programmatic discursive changes inwards and outwards.

We should remember that Neuquén's State had a distribution role and is part of a territory, not only disjointed by the sixties but also uninhabited and lacking basic infrastructure. This area of late integration to the capitalist development enters the home market through the supply of hydrocarbon and hydroelectric resources, which resulted from the setting of national companies (during the sixties and seventies) and the presence of the central instance since territory times and growing stronger during province decades. This fact gives certain specificity to the accumulation and the political models. As it is known, extraction activities do not improve the quality of life of Neuquén's inhabitants.

Thus, the MPN invests in public works that affect the social reproduction system: health, housing, education encouraging more internal migrations, and private investments. This “beneficent State” took part, until the eighties, in order to maintain full employment. The reason for this intervention was to compensate for the low dynamism of the private sector. It implies a substantial intervention of the State in political economy and social structures because, somehow similar to advanced democracies<sup>27</sup>, criteria different from that of the market are incorporated. These criteria refer to the social utility of public property, and the necessity of education and health –that, once spread and reinforced for over twenty years, becomes a right assimilated and strongly defended by the people-, among others. The influence of those rights affects society welfare as consumer and producer, because it benefits as well as working for that form of State. The implant of rights is so efficient that it provides ideological and institutional support, because they are connected to social structures themselves and consumption and production processes. Therefore, a political culture that favors the existence and development of welfare policies is formed. To this effect, it is logical for employees to support this State: it represents their job opportunity and it also allows the existence of officials essential for public politics construction, such as the professional technicians of the Copade (Planning and Development Council)<sup>28</sup>.

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<sup>27</sup> We should remember that, even though Welfare State is typical of advanced democracies in central capitalism, in periphery countries and Argentine provinces, there are some features characterizing this kind of State, as it is the case we are studying. For further information on the topic see Desmond S. King: “El Estado y las estructuras sociales del bienestar en las democracias industriales avanzadas.” in M. H. Tavares, f. De Oliverira, A. Przeworskui, et al: *¿Hacia un nuevo estado de malestar?*. Cuadernos de Ciencias Sociales, FLACSO, Costa Rica, 1989, 27, pp. 49-80.

<sup>28</sup> Copade is a planning organization created by the MPN in 1964. It operates as a ‘generator’ of proposals for public policies to the provincial executive power.

As regards social groups, bourgeois sectors are formed -through political and economical alliances- by contractors from Neuquén who are connected to the State expenses. There are very few workers because there are no industries (except from the oil industry), and commercial sectors -alike to the ones at national level- show a behaviour characterized by strong extraction patterns, little competitiveness, and operation under local protection. An enclave economy is therefore developed because its geographical location prevents relationships among sectors and connections with the productive 'hinterland'. The profits made from the extraction of Neuquén's resources do not remain there, only (royal) prerogatives remain.

At the end of the seventies, YPF discovers the field of Loma de la Lata (1977), 80 km towards the northwest of Neuquén city (Departments of Añelo and Confluencia). This field alone represents 50% of the total number of country reserves, and places itself among the major gas fields of the world. That is to say that, even when starting ten years before, only by the eighties we could see a definition of the development strategies in the province of Neuquén. As the years went by, some changes started being observed: quantity changes as regards oil and gas, in the discovering of fields as wells as production volumes, (royal) prerogatives, and the resulting entrance of the province into the national market as an energy resources supplier.

In this way, a growing mode essentially based on the benefits originating from the national exploitation of its natural resources and the concomitant expansion of local activities, construction, and services linked to the activity, is stated. A global description of the main economic activities shows the evident dependence of provincial economy on decisions made by big national enterprises, and the high

incidence of extra regional markets on the thrust behind the productive process.

During the eighties, when hydroelectric plants are fully operating, oil production is intensified, and oil production shows a sustained increase. The provincial government exerts more pressure over the central power, claiming Neuquén's ownership of subsoil, and the need for an economy diversification coming from the industrial development.

The "beneficent State" of Neuquén explodes within the frame of the adoption of the neoliberal model in Argentina, and the beginning of the social conflict shows it. Privatization policy is launched: Yacimientos Petrolíferos Fiscales, Gas del Estado, and Hidronor -state companies in charge of the exploitation of the main resources- are sold. The lack of regularization of the activity, and a strategy that gives priority to exportation in the current dynamics of exploitation and commercialization -even when tripling oil production and doubling gas production-, do not bring many benefits for the province. The main reason is that, industrialization at the natural resources origins (which has never taken shape) is left out.

Modifications made at the different levels result in a restatement of hydrocarbon trade. The -exporting- energy profile in full force does not imply an increase in fiscal incomes because the liquidation of (royal) prerogatives is linked to the variation of the international price of crude oil, without any kind of compensatory mechanism.

At the same time, hydrocarbon exploitation is an activity with a low rate of labor force related to high levels of investments and production, a situation that is clearly verified by the privatization of state companies, whose service areas, support and administrative sectors are drastically



reduced. The State withdrawal alters the localization pattern, and the claims and uses of the territory in a significant way. Migrations from different places of the province towards the capital city of Neuquén emphasize the tendency to a macrocephaly, with the resulting enlargement and consolidation of “new poor” groups.

Because of the uprising of the inhabitants of Cutral Co, the debate about the financial model is installed in the setting of the province of Neuquén. The government policy of Felipe Sapag that took on in 1995 discusses the necessity of changing the profile of energy exportation, for an economic axis sustained in the agro forester exportation and in the production of low-contamination food, alongside tourism, the energy and the mining industry (*Neuquén 2020 Program*). Four years later, the provincial party with Sobisch, goes back to the strategy of development in the assertion of the energy profile and in harmony with the national policy. It also establishes the renegotiation of contracts with the oil industry so as to activate the validity of the hydrocarbon industry model; searches for investments offering old and new projects to countries of America and Europe, stating the trend to consider the competition since the private exploitation of the natural resources and the operation of a transport system that offers infrastructure services and turns Neuquén city into a place in which passes by people and goods.

It is very important to take into account that the eighties determine the production of hydrocarbons in Neuquén, starting from the discovery of many oil fields, which nowadays are crucial for the supply of oil and gas both for the national and international market<sup>29</sup>. Hence, since

<sup>29</sup> Neuquén provides approximately 50% of the oil and 60% of the gas to the national market. Oil activity, exploited by private companies, counts on 11.000 employees from the province and represents 25 million pesos (monthly) on salaries.

<sup>30</sup> (Royal) prerogatives are the canon paid by the Nation to the provinces for the extraction of their resources. It is an appropriation of the hydrocarbon income on the

that time the (royal) prerogatives<sup>30</sup> are increasing together with the diminution of the federal co partnership. For example, in 1980, the final number of the (royal) prerogatives is 14.92 % of the provincial budget; in 1988 is 51.88%, at the same time the co partnership goes from 30.82% to 16.46% in the before mentioned years and in the same item<sup>31</sup>.

Due to the distributing effects of economy and the mobility means, typical of a heterogeneous unstable and porous society which, even when supporting the main party, keeps a behaviour showing an active involvement in the solution of the problems of certain sector of society. Society - symbolic and material space to legitimate identities and the ability of taking someone else's identity - identifies rapidly with those leaders from MPN party. With a simple configuration, - the one of the sixties - very egalitarian, it shifts into a complex composition, with a fast urbanization and rapid social differentiation.

May be, this is one of the reasons which, in this border space where the links with the State and between society should be weaker, in spite of the make-up of a pragmatic and individualistic culture, that shows the context and the collective action, the articulation of the areas of solidarity is kept. The political culture that is constructed in this border space, in which the dynamics, the interactions and the constrictions that the members of society develop, allows the articulation of speeches, actions, and practices; on the whole, it enables

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part of the receptor, and it is defined as the differential between the price received for the oil and gas, and the exploitation costs. Nowadays, private companies dealing with these activity shift between both instances.

<sup>3</sup>

<sup>31</sup> Mario Pilatti et al: *El régimen de coparticipación argentino*. Universidad Nacional del Comahue, Neuquén, 1990.

to accentuate the elements joined together as State-party-society. Thus, the protest and the social gap because of the State quasi withdrawal show the following members: teachers, professionals, and civil servants in general with a union basis; operate in society, spreading the borders of the State and of society itself.

The existence of personalist leaders, such as the present Governor and Head of MPN, Jorge Sobisch, means a bigger concentration of power in the network, and in the context of a general denial to the politicians a reconstitution of authenticity is producing. The Legislative Power is losing importance and the Executive Power becomes stronger and leads the institutional modifications and the tasks of ordering the society. Anyway, in this province as a matter of fact, the citizen is not separated of politics, and even though, the partisan proposals are becoming blurred, the parliamentary question to voters is still performed from the feelings, memories, facts that grant authenticity to the provincial party since four decades.

In other words, as Liliana De Riz says, in our country we can see "... a society at the mercy of the elements: economy, lacking social and politic control, separated from social claims. The State and society bifurcated and the integration of centrifugal powers, entrusted to the market, produced a fragmented society whose main element is the present that separates those who are inside the economic system from those who are outside..."<sup>32</sup>. Facing this situation, the description of which seems really fitting, how can we explain that in a provincial space of the north-Patagonia the State keeps on being the arena for discussing the

<sup>32</sup> Liliana De Riz: *"La política argentina: reflexiones para un debate."* En: *"Escenarios alternativos. Partidos y políticas de alianzas en la Argentina. Mucho ruido y pocas nueces"* Fundación para el desarrollo social. B.A., 1997, 1, p. 33.

problems? Why is it still the privileged actor, underneath political differences debating certain continuity of the “emepenismo”, without producing the galvanization of politics and politic, as it happens at a national level? The answer is on the political culture that is constructed in this border space, in which the dynamics, the interactions and the constrictions that the members of society develop, allows the articulation of speeches, actions, and practices; on the whole, it enables to accentuate the elements joined together as State-party-society. The development (Over more than two decades) of a State providing the population with welfare, originating on the importance gained by the provincial-national public work, enables us to integrate principles and institutions which become the main support sources of political culture. The *right* for education, health, a decent house, employment -which is not exercised as a commodity produced for interchange-; interpenetrated in society and taking a new meaning whenever it is necessary, are the factors centered on the State of Neuquén that supports the argument of state unions. This argument consists on the denial of withdrawal of their undelegable obligations.

# PROVINCIA DEL NEUQUEN

## SUBDIVISION EN DEPARTAMENTOS



