

John Fogarty Seminar

AUSTRALIA – ARGENTINA

A comparative analysis since the mid-seventies



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### A comparative analysis since the mid-seventies

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#### 1. Introduction

Between April 26th and 27th of the current year, the First Session of the Seminar "*John Fogarty. A comparative analysis between Australia and Argentina since the mid-seventies*" was held at the Boardroom of the Argentine Industrial Union. It meant continuing in practice with the work started in the 70s at the Di Tella University by professors John Fogarty and Tim Duncan from the University of Melbourne, and Ezequiel Gallo, Héctor Dieguez, and Guido di Tella, among other Argentine professors. On this occasion, the Seminar was jointly organized by the University of Buenos Aires (UBA), the Australian National University (ANU) and the Centre for International Economy (CEI) of the Argentine Ministry of Foreign Affairs, International Trade and Worship, under the auspices of the Economic Commission for Latin America and the Caribbean (ECLAC–United Nations) and the Argentine Industrial Union (UIA). It was coordinated and chaired by Professor John Gage, Vice Dean of the Australian National University School of Economics, and the CEI Director, Ambassador Néstor E. Stancanelli, who, apart from having a degree in political economy from the University of Buenos Aires, is Doctor Honoris Causae in Law from the Australian National University. The intense discussions held made it possible to continue updating the work done in the 70s, on the basis of several papers submitted by the participants. It could be observed *prima facie* that, after an almost 25-year period of strong divergences, from the mid-seventies to the first two years of this century, both countries, according to what the economic and social indicators from the last five years show, are at present evidencing a closer approach or slow convergence, obviously from a much lower starting point in the case of Argentina. The question still is whether this process will be as sustainable as was the evolution of both countries from the mid 1800s to 1930, when their societies were among the most prosperous in the world.



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## 2. Background

The First Session of the Seminar "John Fogarty. A comparative analysis between Australia and Argentina since the mid-seventies" was held in late April. It was meant to be one of the activities scheduled for the Work Programme undersigned between the Australian National University and the University of Buenos Aires in August 2005. Together with the second part, which will be held in Australia in 2008, it is aimed at resuming and updating the comparative study of both countries done by remarkable academics from the University of Melbourne, the Di Tella University, and the University of Buenos Aires in the 70s. Such study will be concluded with a publication updating the important work dating from those years, condensed in the book "Australia and Argentina on Parallel Paths" written by John Fogarty and Tim Duncan in 1985.

The activities were inaugurated by Luis González Estévez, Executive Director of the Argentine Industrial Union; Hernán Piotti López, representing the UBA President, Rubén Hallú; the Deputy President of the Australian National University, Professor Malcolm Gillies; and The Australian Ambassador to our country, Peter Hussin. Other remarkable Australian and Argentine academics took part, among whom, apart from Malcolm Gillies, it is worth mentioning Tim Duncan, John Gage, Bob Gregory, James Levy, Marian Simms and Glenn Withers. Roberto Battaglini, Alberto Belluci, Daniel Berrettoni, Martín Cicowiez, Aldo Ferrer, Pablo Gerchunoff, Silvina Gvirtz, Bernardo Kosacoff, Arturo O'Connell, Lucía Pacenza, Roberto Pons, Mario Rapoport, Néstor Stancanelli and Juan Carlos Tedesco were the Argentine participants. The UIA President, Héctor Méndez, and the Australian Ambassador chaired the closing ceremony.

The idea of organizing the John Fogarty Seminar, paying tribute to the Australian Professor so called, who died at the beginning of the 90s, arises from the academic interchange with the Australian National University (ANU) when Néstor Stancanelli was appointed as Argentine Ambassador there from 1998 to 2005. During all that period, the Ambassador took part in different academic activities at said University and taught at Professor John Gage's Chair of International Economy, and Professor Robert Campbell's Chair of Public Policies. An agreement was reached between the other Latin American Ambassadors and the Presidency of the University. It established the Centre for Latin American Studies of the ANU in 2001, and subsequently, the University Spanish Programme in 2005. In the same year, the Work Programme between the ANU and the UBA was undersigned.

It is worth highlighting that the academic exchanges of the 70s were reflected in the publications "*Argentina y Australia*" published in 1980 by the Torcuato Di Tella University; and in the abovementioned book, "*Australia and Argentina on parallel paths*", published by the University of Melbourne in 1985, which has not been translated into Spanish. Both works were driven by several previous investigations that were rich in trying to find explanations to the divergences that started to be seen in both countries' growth processes since the 30s. They intended to make an in-depth study of the institutional, economic and policy-related causes leading to parallelisms and divergences between both nations.

At present, we intend to resume those endeavours as a starting point to verify what took place in both countries since the last seventies, specifically covering the political, economic, social, educational and cultural chapters, and consequently, draw the conclusions over the perspectives on future convergences and divergences.

## 3. Reasons and points of comparison

As already stated, there is a long tradition of comparing both countries that can be traced back to Domingo Faustino Sarmiento's presidency, and to the last years of Australia's colonial life. In both cases, the first concerns that motivated the comparison were related to the agricultural production competition in the international market, especially the British one, which was then the main world importer.

It is not curious then, that the pieces of writing should scrutinize the geography, factors endowment, climate and population evolution, effects of economic cycles, international relations, and institutional strengths and weaknesses. There was no other work as comprehensive as the one that resulted in John Fogarty and Tim Duncan's book. Quite recently, Pablo Gerchunoff and Pablo Fajgelbaum undertook a research work entitled *"Por qué Argentina no fue Australia"*, adapted to the recent present, on the issues dealt with in such book. Néstor Stancanelli also worked on that issue in his paper "Australia–Argentina: Convergences and Divergences. Long-Term Trend and Recent Evolution" published in the CEI Journal No. 6.

To summarize, the comparative analysis has evolved from the concerns related to agricultural competition to a comprehensive, and, consequently, more complex view that demands research on institutional issues, especially on aspects like federal organization of both states, the presidential system, the parliamentary regime, public administration quality, free and compulsory education, public healthcare systems, population policies and international integration. From the point of view of the economy, macro and microeconomic policies, exchange rate and external integration, sectoral policies and economic and social indicators, among them per capita GDP, external position, both countries' placement in human development indices and income distribution. The role of the State regarding education, health, welfare and the role of culture in the whole evolution process also constitute important points of analysis.

#### 4. Structure of the Seminar

According to each society's complexity and the characteristics of their evolution, the seminar's agenda was organized on the basis of four areas of discussion: institutional, economic, social, and educational and cultural policies. We were certain that if any of these areas was left aside, the analysis would have been limited and consequently, it would have lost richness and depth.

In terms of institutional policy, the game of the political forces, the role of federalism, the State as social referee, the strength of institutions and the action of corporations and unions were analysed.

Regarding the economic variable, both countries' macroeconomic policies were analysed, as well as their evolution in the last 30 years, the role of fiscal balance and monetary stability, international integration, foreign trade and the balance of payments; savings and investment, and microeconomic and regional policies.

As for the social variable, the stress was placed on income distribution, the impact of unemployment on social cohesion, human resources quality and the government performance in terms of investment in infrastructure, health, social care and education.

Regarding educational and scientific issues, aspects relating to educational budget were raised, as well as education centralization and decentralization, the dilemmas between national or provincial curricula, the debate over curricula design and the assessment of results; the need for teachers and professors' training, investment in research and development, and the relation between the educational system and the relevant sectors in society.

As for the cultural aspect, each country's cultural budget was analysed, together with the impact of communications on national culture, the dilemma between cultural activities freedom and regulation, music, literature and the fine arts.

Due to the wide range of topics covered by the agenda, a core issue was the need not to lose depth in the analysis. Even though this session constituted the first one, which will be followed by a second meeting next year in Australia, and which, as a consequence, shall be able to focus on the most transcendental aspects, special care was taken so as to have a clear topic, a precise agenda for discussion and a group of highly qualified specialists in each of the areas we have referred to. The quality of the speakers guaranteed a deep discussion over the issue of comparing both societies, not trying to find similarities but rather trying to identify them through an open-minded approach—if they arose from the investigations—or stressing the divergences if that was the case.

It was of special satisfaction to us that some academics like Aldo Ferrer, Pablo Gerchunoff, Bernardo Kosacoff, José María Ghío, Arturo O'Connell and Mario Rapoport joined our efforts in politics, economy and economic history; that the Secretary of Education; Juan Carlos Tedesco and Silvina Gvirtz contributed in matters of science and education; and that architect Guillermo Bellucci and sculptress Lucía Pacenza spoke about culture. We were also honoured by the participation of the Vice Dean of the Australian National University, Malcolm Gillies; Tim Duncan, who was co-writer of the *book Australia and Argentina on Parallel Paths* with John Fogarty; John Gage, who co-directed the debate with the author; James Levy; Bob Gregory and other qualified professionals who endowed the discussion with prestige and quality.

## 5. Summary of the Presentations

### A- The general comparison

#### Ezequiel Gallo

Professor Gallo mentioned the comparative work, stating that it should be dealt with carefully, given the tendency to consider similarities and differences without going deeply into any of them. He pointed out that within the similarities, there are important differences, whereas within the differences, in many cases, there are aspects that are not as relevant as they are thought to be. Another issue he mentioned was the extrapolation of conditions between periods, as if they were the same, when in fact it is reality what modifies societies. He stated that the comparative method should be used to guide and control the investigation, although no results should be demanded from it since it is in no condition to do so. In those words, he remarked the factors that fostered research during the sixties and seventies, and highlighted the active role that mainly John Fogarty, Tim Duncan, Aldo Ferrer and Héctor Dieguez had.

He considered the present continuation of the activities started more than three decades ago of high interest, and he stated it would become a valuable aid for those who do research into the history of each of these two countries.

#### Tim Duncan

Like professor Gallo, Tim Duncan remembered the role Professor John Fogarty had in the work done in the 1970s, and he went through the main arguments in that debate. Among those arguments, he accentuated the validity of the comparison and what it is supported on, and he mentioned some of the concerns that came up in the discussion, among which are Argentina's dependence on trade in commodities and its institutional weaknesses, the need to encourage an analysis of the sectoral policies in research, and the deep differences in cultures, alliances and colonial traditions.

In the second part of his presentation, Duncan referred to the changes Australia experienced during the 90s, when growth and economic stability were strengthened, as opposed to Argentina's evolution during that decade. He deemed it important to preserve the validity of the debate so as to state clearly why policies that were so similar have yielded so different results from country to country.

#### Aldo Ferrer

Aldo Ferrer gave special relevance to national density, understood as the set of circumstances that determine the quality of the responses each nation gives to the challenges and opportunities offered by globalisation. He founded the divergences that have been noticed on Australia's and Argentina's evolution on the different national densities. He added that Argentina has not yet been able to guarantee the accumulation process leading to sustained development, which depends on the creation and channelling of domestic savings towards investment, and on the creation and propagation of knowledge and technologies to be incorporated

into the economic activity as a whole and into social relations. He then stated that a country's integration into the international context, based on the exogenous factors dependent solely on their own dynamics can only disarticulate the national space and structure it again around extra-national decision-making centres, thus frustrating the accumulation process and, as a consequence, development as well.

He stated that Argentina constitutes a remarkable case of repeated interruption of the accumulation process in its broad sense. In that respect, he stated that the 1930 *coup d'état* put an end to the 70-year period of institutional and political stability accumulation. Another example is national universities' takeover in 1966, which dismantled an important part of the accumulation of knowledge in the national system of science and technology. A third case is that of the 1976 *coup d'état* that demolished the industrial capacity and the set and emerging networks in several sectors of the economy, including cutting-edge sectors such as electronics and computer-related capital goods production. He differentiated those interruptions from institutional stability in Australia, from the permanent investment in and respect for education and research autonomy in Universities, and from the stability of the rules of the game directed at the economic agents. He remarked the evolution in recent years and the possibility of reversing the instability cycles that characterized Argentina. In relation to Australia, he said it is of prime importance to face the so-called Dutch disease, when the exchange rate, overvalued by the price of resources and the capital flow, has a negative impact on other productive sectors of the economy.

### **John Gage**

Professor John Gage pointed out that there have been important changes in Australia since the 1980s. They have somehow broken with the policies that used to prevail from the post-war period until the 70s, and which gave rise to modifications in the Australian society's political relation and economic evolution. He pointed out that from the 80s, and especially in the 90s, significant adjustments in economic policy were adopted, which continue being supported by the two main political currents that have alternated in ruling the country since the Independence in 1900. Those changes are related to exchange rate float, the economic openness by means of tariff and non-tariff barrier reduction, fiscal surplus, the transformation of the tax collection system and of the tax revenue-sharing system between states, and the growing commercial relation with Asia. He assumed that such decisions led to sustained economic growth and to a stronger role of the state in defence and social expenditure, especially the one directed to education, health and pensions, and assistance for the lower income sectors. However, he highlighted that the changes in tendency in the Australian history are suggestive of the fact that no result is definite and that it will be necessary to continue debating and updating the investigations.

### **Pablo Gerchunoff**

Professor Gerchunoff bases the fundamentals of the comparison on two core factors. In the first place, both countries have historically presented an "urban coalition" whose popular sectors had protectionist interests of a re-distributionist type; and in the second place, both countries underwent "national misadventures"—i.e. they specialised in productions whose participation in international trade decreased all through the 20th century. Deriving from this argumentative axis, Professor Gerchunoff analysed convergence and divergence times. During convergence, a period of institutional and technological improvement was foreseen in Argentina, boosted by the "educational convergence". Whereas, after 1930, the divergence was the result of a multi-cause phenomenon understood as a relation between institutions, politics, geography and luck, which implied that the rupture of the urban coalition in Argentina during the seventies represented a distributive trauma; while in Australia, the rupture of the coalition did not bring about any trauma at all.

### **Néstor Stancanelli**

Néstor Stancanelli focused his analysis on the evolution that the Argentine and Australian societies have had in the last 30 years. He pointed out that, historically, there has been a noticeable difference at the economic level and at the level of institutional quality, since both countries' geneses themselves, related both to the importance of the mining sector and the agricultural sector in Australia, and to the introduction and consolidation of the parliamentary government regime in that country, as well. He made reference to the fact that the differences between Australia's and Argentina's economic evolutions were not strong until the beginning of the 70s, when they became more pronounced. One of the most distinguishing features is the institutional deterioration that took place until the restoration of democracy in 1983. This fact originated a substantial change in the economic policy and a serious retrocession of the productive sector, particularly industry, which led to a process of strong divergence between both societies, as a result of the persistence of the economic policies instrumented by the military government ruling the country between 1976 and 1983, until the beginning of the present decade. He then observed that with the change in economic policy taking place in Argentina as from 2002, those divergences seem to be reversing, as can be inferred from the economic and social indicators of the last 5 years. However, the latter, due to being so new, needs yet to be confirmed by the future evolution and the consistency of the policies instrumented.

## B. Politics and Institutions

### Marian Simms

Within the session on Political and Institutional Evolution, Professor Simms referred to the numerous national and international transformations Australia has undergone since the 70s and, especially, to the capacity it has shown to incorporate political, social and economic changes to its institutional fabric. Nevertheless, she stated that the system of political parties has remained unchanged notwithstanding the challenges globalisation poses. In order to confirm her argument, she made use of concepts like those of social identification of political parties, the parties' consolidated system and their interaction at different levels. She also made reference to the role of the State in the economy, defining it as "post protectionist". Similarly, she mentioned different challenges for the social weave, among which can be found the impact of immigration, Australian youths' little interest in politics, the situation of aborigines and the political representation of ethnic minorities.

### José María Ghio

He considered that the differences in the political evolution of both countries are remarkable and that they are partly responsible for the results obtained in economic issues. He stressed the little degree of commitment of the political class in Argentina, as compared to the relative homogeneity in policies evidenced by both currents of opinion in Australia, which have remained permanent and representative throughout the whole historical period. He also expressed that the differences in Argentina have sometimes been settled in a violent way, with the subsequent breaking of a prolonged civil war until institutional consolidation was reached, and subsequently, last century, the regular presence of military governments in office. While in Australia, the coincidences over the role of the State prevailed, in Argentina policies have oscillated according to the political forces in power. Even the same forces executed opposing policies depending on the moment they were to rule, which has been the root of the lack of predictability that affected the investment rate and, as a consequence, economic growth.

### Jorge Battaglino

He focused his analysis on the institutional differences existing since colonial times and the creation of the different nationalities. He considered that the democratic tradition was transmitted in Australia according to the Westminster tradition within a scenario of no major conflicts, and in the framework of a peaceful handing over of power from the delegated government to the independent government. On the other hand, he pointed out that from the very beginning the different social groups integrated themselves to the colonial parliamentary government, what made it possible for the different political components of the society to have access to the management of the institutions and feel part of it. In such way, changes were sought through dialogue and political argument rather than by confrontation. At the same time, the British and Irish homogeneous immigration determined an international alignment that remained quite unchanged throughout the country's historic evolution, firstly in close association with Great Britain and later with the United States. Such evolution is in contrast with that of Argentina, which was a warlike one against the colonial power and one of struggles between the different provincial leaders or *caudillos* after independence was reached. The period of national reorganization and institutionalisation, by means of a federal presidential regime, and which was finally consolidated in the second half of the 19<sup>th</sup> century, underwent, since 1930, repeated interruptions that were characterized by alternated civil and military rules that made the state of conflict remain latent within society. It was only in the last thirty years that a slow democracy evolution and consolidation started to be noticed within a framework of institutional flaws. Those two different evolutions will surely affect the degrees of divergence in terms of policies, international integration and economic growth that have characterized both countries.

## C. Economy

### **Arturo O' Connell**

During the session dealing with economy, Arturo O'Connell spoke about the policies adopted by Argentina in the last quarter of the century, especially those implemented during the 1990s. He made reference to the economic consequences of the different crises our country underwent, particularly the one originated in 1998 with the fall in production levels and deflation followed by the financial crash of 2001. He also referred to the change in the world balance originated by the growing presence of China, India and other Asian countries, which more directly affects Australia, and particularly Latin America and Argentina as well. He stressed that the world is no longer driven by a spark plug, but rather by multiple forces that generate new scenarios and perspectives. He also described the difference in terms of our country's growth and development before and after 1975, analysing the influence exerted by such factors as institutional instability, changes in economic policies, debt accumulation and other economic crises, like the Mexican. Lastly, he discussed the Argentine idiosyncrasy as to how the country embraced neoliberalism, opened the economy, and started the deepest privatisation process ever seen, without the necessary regulatory framework. He then compared this process with the Australian experience, referring to the need to thoroughly analyse the effect of the increase in raw material prices on both economies, under circumstances in which their policies differ. He quoted the example of the orthodox monetary policies that focus on curbing inflation, to the detriment of the foreign exchange variable behaviour and the subsequent evolution of the relative prices between tradable and non-tradable goods and services.

### **Bernardo Kosacoff**

Bernardo Kosacoff spoke about the factors that have determined economic growth in Argentina from 1980 to date. He highlighted production and export concentration in few firms and products, the specialization in natural resources and basic inputs, the strong participation of trans-national corporations and the bridging of the technological gap in said sectors. He referred to the challenges facing Argentina at present, which are related to the creation of an investment-friendly environment, the search for more value-added exports, and the development of a foreign trade policy favouring growth and diversification of the productive structure. He stressed the need to overcome a series of obstacles so as to develop new comparative advantages in aspects such as the educational system's shortcomings, the difficulty in creating new sustainable ventures—mainly in the SMEs sector—and the weak technological innovation, among others.

### **Glen Withers**

He discussed the features Argentina and Australia have in common, with special emphasis on how distant they are from the rest of the world. He analysed the effect of that distance on Australia's economic development, taking into account that as a result of Asia's growth, that distance moved favourably towards Australia, reducing isolation and improving economies of scale. He also spoke about the Dutch disease by which a rise in the price of commodities affects the exchange rate, and the competitive disadvantages it originates in the highest value-added sectors, such as industry. As fundamental topics for reform in order to gain competitiveness, he focused on those policies aimed at increasing human resources supply and quality, investment in infrastructure, transport, communications and energy, and the increase in education expenditure and the fostering of business investment in technology innovation.

### **Mario Rapoport**

He reviewed the regional and bilateral agreements, and how advantageous it is for Argentina's economic growth to belong to the Southern Common Market (MERCOSUR). He underscored the exploitation of

economies of scale and of the competitive advantages offered by the free circulation of goods within the bloc. He discussed the differences between the MERCOSUR process and other options, like the Free Trade Area of the Americas (FTAA) and the MERCOSUR-European Union negotiation. He stated that the differences with the United States and the main European Union countries regarding relative development make MERCOSUR the logical area for the country's integration, compatible with its long-term development. He broadly based the latter argument on how reluctant developed countries are to cut agricultural protectionism, on the threat for local industries implied in an erosion of regional preferences, and on the fact that exports to MERCOSUR have historically shown a greater value-added content than those from the MERCOSUR to the rest of the world. Furthermore, he pointed out that Australia follows a different model of bilateral relations, subscribing free trade agreements with industrially more developed countries, thus giving priority to its resource industries to the prejudice of the manufacturing sector.

### **Roberto Pons**

Roberto Pons highlighted the importance of consistency in macro and microeconomic policies in the development process. He considered that those policies had been inconsistent in the last thirty years in Argentina. As an example, he introduced the negative effects that the policies of exchange rate appreciation and free capital flow had had on the industrial weave, and on employment and income distribution during the past decade. He stated that those policies had already shown their negative impact on the development process during the 1976-1983 military government, when a severe de-industrialization process started, stemming from unrestrictive economic openness, exchange rate appreciation, a lack of fiscal discipline and the use of indebtedness to finance budget imbalances. He coincided with other participants' presentations when he differentiated Argentina's cyclical instability from its institutional stability, from the economic policies' consistency along time, and from the role of the state in the development of the Australian society.

### **Daniel Berrettoni**

During his presentation, Daniel Berrettoni stated that, from the macroeconomic point of view, Argentina's international integration shows some positive signs if compared to the past. In the first place, Argentina's economy has achieved growth, together with current account surplus since 2003. In the second place, the multilateral real exchange rate shows a distinct stability, one third higher than the average in the last thirty years. From the sectoral point of view, he pointed out that Argentina possesses a more diversified export structure, with a bigger number of products showing comparative advantages, which constitutes a specialization that is independent from exports to the Brazilian market. Lastly, regarding the geographic pattern of Argentine exports, it showed indicators presenting a widening "gap" from developed countries and a greater "closeness" to developing countries, thus augmenting the dispersion of Argentine exports and diminishing the concentration of destinations, which can eventually become a weakness if the macroeconomic instability evidenced in the past is repeated, as in the case of the 1999 Brazilian devaluation.

## **D. Society**

### **Bob Gregory**

Professor Bob Gregory referred to the relation between economic growth and an improved standard of living in the Australian society as a whole. He analysed the asymmetric impact of economic growth on the labour market for both skilled and unskilled workers, who were distinguished by gender. Likewise, he discussed the social and economic implications of unemployment subsidies granted to single mothers and pensions granted to the disabled. He pointed out that such subsidies are prejudicial to formal employment. He also referred to the historic situation of the labour market that ensured permanent job creation and full employment before 1970. He also highlighted the functioning of labour institutions preventing conflict and ensuring good

communication between businessmen, workers and the government. He remarked that technological evolution in Australia made it possible to accompany an increase in productivity over the guaranteed minimum wage, so that very few people would need social assistance. Similarly, he indicated that the schooling system guaranteed appropriate education to integrate millions of new immigrants and provide them with adequate training so that they can preserve their jobs. The abovementioned situation was modified in the following three decades with a fall in marginal productivity of labour, precisely in low-income sectors, which are the least qualified ones.

He also mentioned that more than two million Australians, that is to say 10% of the total country population, are receiving government support. Contrarily, at the highest segment of the labour market, highly skilled workers have increased their productivity and diversified their skills in such a way that they do not access the trade union system, which is losing its members. For that reason, the traditional fundamentals of the Labor Party and the emphasis on social aspects and labour protection that characterized its actions until recent times have been deteriorated. He considered that although institutional changes have been taking place slowly, they are now inevitable. It is for that reason that within market conditions, Australia is undergoing a process of minimum wage reduction and tougher regulations for social welfare access, given the difficulty in finding budget resources, decentralized or company-level labour negotiations, and changes in the rate of return and pension schemes. Such tendency affects the direction of institutions for which reason the question is whether it will be possible to educate the new generation of Australians out of the trap of living off benefits, especially through high-quality education for their children.

### **Jim Levy**

Professor Jim Levy referred to the likely causes of divergence between Argentina and Australia in terms of human development, taking into account that a century ago both countries presented numerous similarities as they both were agricultural commodity exporting economies, and that Argentina had certain advantages in terms of natural resources, fertile lands, proximity to European markets, a growing production capacity and attraction to immigrants. He concluded that the greatest difference between Argentina's and Australia's development between 1890 and 1960 was state investment in resources or human assets. He mentioned that until "peronism" took office, the central government's and provincial states' public expenditure was concentrated on the armed forces, the police, justice, the public administration, education and some infrastructure works such as ports and roads. Social issues were left to private negotiation. On the other hand, Australian governments, apart from investing in the previously mentioned aspects, also played an active role in public health, housing, and social welfare matters. The "peronist" government built greater commitment with human capital investment. However, it did so without matching its Australian counterpart, not even in educational expenditure aspects. As a consequence, Australia offered its population better living conditions in terms of education, health, housing and safety. In his view, investment in human capital stimulated production and led to higher development. It also contributed to build up the nation, since the Australian citizenship felt it had control over the State and an interest in its preservation. Nevertheless, this was not the case in Argentina, at least until the advent of "peronism", which raised more awareness of the importance of the state in achieving social balance. However, the policies adopted by the different governments, especially after the military authoritarianism, neglected that change in the state's performance. He wondered whether the recent policy modifications would change that long-term divergence.

### **Martín Cicowiez**

He commented on the socio-economic situation in Argentina, making reference to a paper prepared at the *Centro de Estudios Distributivos Laborales y Sociales (CEDLAS)* of the National University of La Plata. He pointed out that for the elaboration of that paper, several distributive, labour, and social statistics were used, calculated from data contained in the "Encuesta Permanente de Hogares" (Permanent Household Survey) carried out by the National Institute of Statistics and Censuses from 1992 to 2006. He expressed that the

distributive, labour and social conditions in Argentina have substantially changed during the last three decades. In that period, the evolution of the social indicators in Argentina was unfavourable when compared to the rest of the countries in the region. The social situation has greatly improved since the 2002 crisis. However, poverty and inequality are still in levels that can be compared to those recorded during the nineties.

## E. Education

### **Michael Gallagher**

Malcolm Gillies, who focused on certain characteristics of the Australian educational system, commented on Michael Gallagher's work. He stated that primary and secondary education are a fundamental responsibility of the states or provinces, each of which has its own programme and different educational characteristics. Likewise, he stated that one of the federal government goals is to provide national coherence and compatibility in educational aspects. He also stated that the distinction between public and private education becomes blurred. Regarding higher education, even though most universities are state-run, most of the funding derives from the federal government, which has an impact on the responsibility and control over university education. He also explained that, although most universities are public, the phenomenon of education privatisation can be observed. He put the stress on three significant changes in Australian education taking place in the last two decades: a) substantial growth of students from abroad; b) stronger pressure for a common curricula or programme; and c) larger and more organized loans for students. As a whole, even though there is some criticism of the Australian educational system for not being absolutely connected with the real productive needs of the Australian economy, it is said to be sound and able to easily respond to the demands of a national and international economy undergoing a process of continuous adjustments.

### **Juan Carlos Tedesco**

The Argentine Secretary of Education, Licenciado Tedesco put special emphasis on a historic vision of Argentine education, focusing on the importance of the political-ideological variable and on the role of education in the construction of the Argentine Nation-State. He pointed out that primary school is in charge of socializing and educating the whole of the population by transmitting general and national values; whereas secondary and university education are intended to educate the country's political class. The lack of clearly delimited powers led to certain historic tension between the role of the nation and that of the provinces in educational matters, which still remains unsolved. Other kinds of pressures within the system are related with the debate over laicism—appearing as a discourse capable of integrating immigrants—and private education. He stated that the national discourse had, from the very beginning, very different socialization messages due to those limitations, which led to misinterpreting the notion of culture with messages containing strong bookish content typical of certain learned elites of the society that, in turn, made those left aside adopt an anti-intellectual and anti-cultural position. Partly, the latter was reflected in the peronism–antiperonism antinomy that took place in the 50s. He agreed with Jim Levy and Bob Gregory on the importance of the role of the state in achieving social balance and providing quality education to the least favoured sectors of the population, so as to successfully face its labour market integration and reduce disparities.

### **Silvina Gvirtz**

Silvina Gvirtz stressed the origins, characteristics and the present state of education in Argentina. In this sense, she underscored the high state intervention in education matters and the national commitment to provide quality education for all inhabitants. In the first decades of the 20<sup>th</sup> century, an egalitarian and meritocratic education was established. The State occupied a quasi-monopolistic position, directing basic education, teachers' training, the academic profession and didactic material for students. She observed there have been numerous changes since the 1950s, characterized by privatisation of the educational sphere in

Argentina, where the State instead of being absent was highly participative through subsidy policies for private education. She also pointed out that, alongside with this process, the Argentine public education system has been deteriorating, especially after the educational reform that took place in the 90s. Since that moment, the national state has abandoned its role of education provider to start playing that of control agent excused by the decentralization of functions and educational autonomy. As a result, the gap between public and private education has widened, the latter being of a higher quality. She pointed out that in the last years, in an attempt to solve the disparity presented, the educational policy has been aimed at re-establishing the educational system of the 20<sup>th</sup> century, redefining many principles of the 90s' reform in accordance with that view. She added that we are facing a true process of re-nationalization. Besides, provided certain social conditions are present, schools must assume other functions: social support, shelter, food provider, family support, etc. She linked educational improvement to the country's growth and to resources availability, in such a way that social functions could be covered otherwise rather than through the educational system, which must aim at the population's cultural enrichment and creation of quality human resources.

### **Eduardo Zimmermann**

Eduardo Zimmermann reviewed Argentina's educational evolution and the vision of the governments originated after the National Constitution was sanctioned and the country's unity was consolidated under the 1870 federal system of government. He highlighted the importance of free-of-charge and compulsory education for the integration of the immigrant currents arriving in the country between the second half of the 19<sup>th</sup> century and 1930 into the Argentine society, apart from the role of education in the development of human resources. Most of the problems and divergences observed with relation to Australia were attributed to the institutional deficiencies and their impact on long-term growth and the availability of resources for education, and research and development. He considered that the agreements reached towards the sanctioning of a new education law, and the decision to increase education, and research and development budgets to 6% and 1% of the GDP by 2010 respectively constituted important progress. He stated that there is consensus in the country over the allotment of more resources to and the hierarchization of education and research and development, and that they are vital for the change in the productive structure and for the country's integration into the international economy, on the basis of a balanced value-added in the exchange of goods and services. He stressed that since colonial times, the vision of the ruling classes in Australia has been to give an outmost importance to education, which became effective in the long-term public policies enabled by institutional stability and consensus between the political forces.

## **F-. Culture**

### **Malcom Gillies**

Malcom Gillies made reference to culture in Australia, Argentina and other European and American countries. He defined the core and special elements constituting culture: the arts, sports and food among the first, depending on the special elements from each country, such as architecture, religion, education, languages, hobbies, tourism and recreation. He reflected upon the use of the word "culture" in different parts of the world, based on three case studies that reflect what is done, how it is done and why it is done, in relation to culture in Australia. The first of these studies goes over the percentage of subsidies the Australian government gives to the different cultural areas, as well as other forms of support like private philanthropy. At the same time, he focused the attention on how the funding is aligned with the national definition of high and low culture. The second study deals with the cultural policy of the different geographic locations of the Arts and analyses the distribution of subsidies in the different Australian states, in relation to their size and population. It states that Australia is not a cultural nation, but that rather it is mostly decentralized with a culture of the states. The third and last study reflects on the context and how the creative arts and the institutions thereby established (galleries, museums, dance companies) are frequently considered part of a highly unproductive sector that

never seems to justify the funding levels awarded by the government. However, he pointed out that the creative Arts constitute core elements of expression that are of vital importance within the context of modern societies. Regarding context, he stressed it is interesting enough that placing culture within the creative class tends to eliminate the distinctions between high culture and low culture. Finally, in his conclusion, he quoted Stuart Cunningham, president of the Council for Humanities, Arts and Social Sciences of Australia: *"It's time to rethink the view that creativity is a cost to the economy and pursue instead the sector's economic potential making the creative industries the sparkplugs of next generation post-industrial growth"*.

## **Lucía Pacenza**

Lucía Pacenza made a summary of Argentine culture and its development. She stressed how little we know about the Australian Arts in Argentina, and vice versa. She stated that cultural interchange should be further fostered for the benefit of both peoples. She commented on the fact that during the last three decades and, in spite of the recurrent crises, an intense intellectual and artistic activity could be observed in Argentina, integrating itself into the international currents of the different spheres. She pointed out that the country's cultural activities have determined its important participation in biennial congresses, art fairs, cinema, theatre, music festivals and other expressions. First she made reference to literature, and after mentioning the main writers and their works, she proceeded with the expressions of the plastic arts reflecting that they include working with different techniques, not only painting or sculpture, but also working with objects, videos, installations and photography, either combined or isolated; and that the 90s welcomed the arrival of the use of computers, the digital arts, photography, video-art, video installations, performances, objects, plastic and conceptual languages that live together in absolute freedom. She also made reference to the different artistic movements that have been taking place throughout the history of the Argentine arts, and stressed that, within this context, there is great freedom of expression that enables all of them to be in vogue up to the present day. In museums and galleries, you can see all sorts of exhibitions free of charge. She described some of the institutions giving frame to culture in our country: the National Library, the National Museum of Fine Arts, the Sívori Museum of Argentinean Arts, the Palace of the Arts, the National Academy of Fine Arts, the Museum of Latin-American Contemporary Arts (MALBA) and the Colón Theatre. She made reference to tango, the music par excellence of the City of Buenos Aires, and the way it is increasingly spread abroad, both as music and as a dance. She discussed the dissemination of culture and the fact that financial support is needed to give the artists' pieces of work international reach. She concluded by stating that "The cultural activity in Argentina has undergone different hardships and yet it has managed to survive. At present, we continue to work willing to be at the same level as the rest of the world. The new generations join the world of the Arts, which they can sometimes hardly afford; however, they always do so both enthusiastically and expectantly".

## **Alberto Bellucci**

Architect Bellucci mentioned the importance of museums in the country's cultural life. He mentioned that Argentina boasts approximately 600 museums belonging to different official jurisdictions (national, provincial, municipal and university ones, among others) as well as private ones. However, their greatest concentration is in Buenos Aires, evidencing the country's general structure and the growth of big cities' cultural expectations. The 80 museums in the city of Buenos Aires that were recorded in 1990 have been more than doubled to the present day. Among them can be found 40 arts museums, 28 history museums, 21 science museums, 15 university museums, and 9 military museums. Besides, there are museums of sports heritage, ecclesiastic heritage, theatre heritage, music heritage and miscellaneous heritage, the latter including puppets, scales and trains. He pointed out that museums are growing in Argentina and in the rest of the world as well, and that the eagerness to collect sets of testimonial objects goes hand in hand with the interest in expressing and turning them into objects of public appraisal. He stated he was certain the public of the growing virtual culture of our century, mainly the youth, will continue visiting museums as long as they are capable of preserving their own profile: quality in the museums' supply, diversity of proposals and adequate communication. He also related

the interest in museums with the importance of preserving and improving the level of education, which would imply a degree of social globalisation and the adoption of political and cultural decisions and strategies that go beyond the sphere of the Museum itself. He stated that the current situation is reflected by a State that, due to several circumstances, has lost its original capacity to guide, run and manage both the cultural and the private institutions that have imagination and resources but whose interests are frequently necessarily partial, or totally commercial. That is why there is a need to find effective and efficient interrelation systems so that the museums' profile, the integrity of their collections and their social scope can be strengthened in the face of the growing "virtuality" and the likely indifference of the emerging generations. The issue is difficult and complex, though in any case, it is much easier to solve than that of global education. The latter is incomparably more important and urgent to be dealt with, and demands expertise, conviction and effort on the part of the currently active generations. He advocated a greater interrelation between the Australian and Argentine institutions, particularly concerning museums and art galleries.

## **6. Lessons and conclusions**

At the beginning, when the sessions were started, all speakers wondered whether Australia and Argentina were in fact comparable between them, and if there had been any point in organizing the Seminar. Considering how the debates did in fact take place and the opinions derived therein, it results that it is worth making the analysis; all speakers and participants have found important coincidences that deserve deeper analysis in successive research.

No doubt the First Session of the John Fogarty Seminar was of enormous analytic richness: highly qualified and expert speakers took part, mainly with the aim of pursuing a first stage of debates regarding the last four decades, which have implied a severe breakage in the development policies Argentina pursued since the 1930 crisis until the mid-seventies. A fruitful academic interaction was generated, and it not only discussed institutional issues regarding macro and micro economic, social, educational and cultural policies, but also helped intensify the links between both countries' universities and institutions.

All participants agreed on the fact that the evolution of the respective societies basically depends on their long-term policies in development and international integration matters. Seen this way, the comparative analysis can help us understand the way each country has managed to face the challenge of greater interdependence between nations, how it has been able to profit from said interdependence, boost its growth, and make it result in greater social balance. A significant aspect that was not largely discussed has to do with bilateral relations and the processes of learning and profiting from each other's experiences. The fact that both countries have a common vision regarding several aspects of international trade, and that Argentine technology as well as the cooperation of Australia's and Argentina's scientists have enabled the construction of such an important venture as the research nuclear reactor inaugurated in March 2007 at Lucas Heights, near Sydney, represents a qualitative leap in bilateral relations that was un-thought of when both societies started to look at each other as simple competitors in the growing agricultural raw material international market at the beginning of the 20<sup>th</sup> century.

Those are other challenging and enriching aspects to be analysed next year in Australia.