

Title: The destruction of a currency by means of hyperdeflation: the Argentinian case

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Abstract

Historically monetary crises have been studied with reference to hyperinflation. Argentina represents a major case of a complete collapse of capitalist monetary circulation through hyperdeflationary policies enforced by international institutions and the national government. This paper will point out that at the theoretical level post-keynesian approaches (Toporovsky 2000, Parguez and Graziani, various years) can explain the disfunctional role - relatively to long term capitalist profitability - played by hyperdeflation. Yet, by analysing the class, industrial and financial alliances that marked the 1990-2001 period in Argentina, we can understand why the disfunctionality is hardly perceived as such by the relevant players. It follows that the issue is political in a classical marxist sense and cannot be addressed by means of an enlightened Keynesian vision of the world economy. The paper will then conclude with some thoughts about Samir Amin's view of delinking the South from the North especially in the light of the impossibility of repeating populist strategies of economic development.