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Financial Crisis

Crisis. What Crisis? Argentine Media in View of the 2008 International Financial Crisis

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The premise of this article is that the reaction of the Argentine mass media system to the 2008 international financial crisis exhibits peculiar features due to the country's history over the last three decades, when economic crises became part of the "Argentine normalcy" rather than the exception. To present the argument for this premise, the article points out relevant events in Argentine history over the last 35 years, emphasizing the sequence of economic, political, and social crises, the structure of Argentina's mass media system, its main actors, the process of concentration of ownership, which is considered of "conglomerate nature," and the characteristics of the news coverage of the 2008 international financial crisis by the main media groups. On the threshold of this crisis, the Fernández administration promoted a media reform bill, which led to a major clash with the most important mass media owners. The law, passed by Congress in October 2009, stirred up criticism directed by large media groups against the government — criticism that had started during the international financial crisis.

Introduction

In a country like Argentina, where the concept of "crisis" is etched onto the skin of its recent past, the action of the media and the setting of the public agenda on the latest international financial crisis have displayed a set of unique characteristics.

First, the Argentine media coverage of the 2008 financial crisis inscribed itself within a news sequence on "crises." This sequence explains the political and economic problems that befell Argentina in the last decades, basically due to inner causes and behaviors rather than to external factors (Seman, 2008). The international financial crisis was no exception, even if its epicenter was located in the mortgage and financial markets of core countries. In Argentina, information was subordinated to its

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related inner crises, where the international financial crisis had the greatest impact. Thus, this most recent financial crisis became a new chapter in the narrative sequence of Argentina's own history of crises of the last three-and-a-half decades.

The origin of the news coverage on crises can be traced back to the shift in the socioeconomic paradigm that has been taking place in Argentina since 1975. This shift was described by Eduardo Basualdo (2001) as the violent replacement of the old pattern of accumulation whose main features were import substitution industrialization and a social pact between capital and labor (alluded to by Portantiero [1977] as a "hegemonic draw"), with a new pattern of accumulation, based on the appreciation of finances, being made possible through the social disciplining executed by the military dictatorship (1976–1983).

In Argentina, the numerous successions of economic crises from 1975 through the present, with cyclical downturns and sporadic slight macroeconomic improvements, have meant that society has become used to understanding crises as routine. Specifically, between 1989 and 2001, Argentina faced the outbreak of two socioeconomic crises, which had a direct impact on political outcomes, with drastic consequences for the system of institutional representation (a dimension that includes the mass media), as well as a deep impact on income distribution, employment, the value of the currency, and the general productive structure.

The "farm crisis," which should be included in this series of crises, broke out in March 2008, and its leading instigators were the Fernández de Kirchner administration and the employers' and producers' associations of the farming sector. The farm crisis shook the country's political context and eroded the legitimacy of a government that had won the election by a wide margin only four months earlier in December 2007 (see Rebossio, 2008).

Consequently, the first feature of the news coverage by Argentine media is the acknowledgment that "crisis" is part of the news routine, and as such it is not considered meaningful news when referring to domestic issues. In contrast, crises in more developed economies are indeed assigned the attribute of unexpected events. Thus, the leading news coverage by the major print and audio-visual media, such as Clarin Group (*Clarín*, *La Voz del Interior* and *Los Andes* newspapers, TN cable news signal, Canal 13), *La Nación* (newspaper), and Vila-Manzano Group (*Uno* and *La Capital* newspapers, América TV, and América cable news signal), ranged between focusing on the impact of the crisis on the economy of core countries and criticism against the national government that was seen as having underestimated the impact of the initial stages of the crisis in Argentina. Exemplifying this trend is this quote from President Fernández de Kirchner, which appeared in *La Nación*, the leading national newspaper:

We are witnessing how the First World, once described to us as the Mecca we should reach, is crumbling like a bubble; and here we Argentines are, unassuming and humble with our own national project, standing steadfast in the midst of tidal waves. (*La Nación*, 2008)

Second, in order to understand some of the distinguishing features of national media coverage, we should indicate how these stories reflect a growing antagonism between the state administration and the leading media conglomerates. Indeed, the close ties between the different Argentine administrations and the major media organizations have resulted in a regulatory environment benefitting the largest media conglomerates; for example, tax measures that supported the corporatist needs of mass media players (Becerra, 2009). In March 2008, for the first time in recent history, this favorable regulatory environment was redefined by part of the Fernández administration, triggering a conflict that was reinforced by the farm crisis and has continued until today.

As in many other countries, the corporatist demands by media conglomerates came in the form of requests for economic support and financial relief from the State, whether through direct subsidies or through the easing of market regulations that might challenge the level of concentration of media ownership and control. Before moving on to our discussion of the media landscape, we first need to address the larger political- economic context.

21st Century Argentina

Argentina's first shaky steps into the 21st century were accompanied by the outbreak of a structural crisis that expelled millions of workers from the productivity matrix and raised poverty rates to over 50% in 2002. A prior decade of neoliberal administrations collapsed in December 2001, after two consecutive terms held by President Carlos Menem (1989–1995 and 1995–1999) and the short-lived and convoluted presidency of Fernando de la Rúa (1999–2001), who was forced to resign when protesters demonstrating in the streets against unpopular economic measures were met with violent repression, leading to the death of at least 35 people. From that moment in 2001 on, there was a succession of five interim presidents within a single month; the last of whom, Eduardo Duhalde, would call for elections to be held in March 2003. This election was eventually won by Néstor Kirchner (2003–2007), predecessor of the current head of state, his wife, Fernández de Kirchner (see Novaro, Cherny, & Feierherd, 2008).

In late 2001, as a consequence of the inability to meet its foreign debt payments, Argentina defaulted on its international financial obligations, except for those with the International Monetary Fund. One of the main reasons for the country's extreme indebtedness was its currency overvaluation, the result of a 1991 law that pegged the Argentine currency to the U.S. dollar. Thus, the Argentine economy lost competitiveness against its American counterpart and kept a strong deficit in its balance of trade while keeping the value of the general equivalent. The only way then to uphold the economy was through the inflow of loans at increasing interest rates. To attract capital inflows, Argentina issued bonds offering a much higher yield in pesos than the average international bond. Because Argentine currency was equivalent to the dollar (a system of one-to-one parity), the financial yield in U.S. dollars was extraordinarily high (as long as the bonds could eventually be cashed). By late 2001, it was evident that the economy was totally disjointed, and Fernando de la Rúa's government fell, creating a significant political crisis on top of the economic crisis (Novaro et al., 2008).

The next administration, under Eduardo Duhalde, set a new course for the economy. It relied on the primary and industrial sectors to dislodge the hegemony of the financial sector and of privatized

companies providing public services. Duhalde's chief economic measure was a strong devaluation of the currency, which would later peak at 400% only a few months later. This measure was accompanied by import duties on primary products, initially fixed at 15%. Under these terms, producers made comparatively large profits thanks to the devaluation of the currency, so they did not put up much resistance to the import duties at the time. In turn, the government was able to generate foreign currency revenues while also moderating the effects of devaluation on domestic prices. The situation also revealed the profitability of the Argentine farming sector, which can compete at international levels, despite export duties levied by its own State (Scaletta, 2006).

After Néstor Kirchner was elected president in 2003, his administration took the preceding model a few steps further, increasing duties and government spending as part of a neo-Keynesian policy of economic recovery, which was accompanied by a rise in real wages. From 2003 to 2008, the Argentine economy rebounded significantly, reaching an average annual growth rate of 8% and 9% (Damill & Frenkel, 2009). During this period, Argentina paid off its debt with the International Monetary Fund and successfully renegotiated debt relief with 80% of the lenders with whom it was still in default. One of the key measures used to keep such policies in place was to increase duties on the primary sector, which rose from 15% to 35% (Damill & Frenkel, 2009). Unsurprisingly, after five years of strong economic growth, struggles over distribution would naturally reappear.

Between 2003 and 2007, the effects of the 2001 crisis began to materialize at the macroeconomic level, but within the framework of the aforementioned isolation, which meant less dependence on foreign indebtedness and a lack of communication with institutional actors in international financial capitals like New York, Tokyo, and London. The new model was based on a productive system founded on the export of commodities at competitive prices, thanks to the devaluated currency, to ever-increasing international prices (particularly for soybeans), and to duties on export profits, control of domestic prices, and the rebirth of the industrial sector aided by the devaluation. (Damill, Frenkel, & Repetti, 2005). Along with these shifts, there was a notable change in terms of state intervention. Though it played far less of a leading role than it had during the import substitution industrialization period (1930–1975), the Argentine state did assume the role of arbitrator in social struggles that was qualitatively different than that imposed during the neoliberal decade from 1989 to 2001 (see Svampa, 2004; Murillo, 2000). The main efforts of this new era of state intervention were devoted to the constant generation of taxes as well as to a current account surplus. During the period following 2003, the surplus was managed by the Executive Power at its sole discretion, thanks to the "superpowers" granted it by Congress, which meant a greater relative bargaining power in relation to the provinces (Novaro et al., 2008).

The Argentine Media System

In absolute terms, Argentina ranks third in size in terms of the Latin America media market, behind Brazil and Mexico (Wan, 2009; Fox & Waisbord, 2002; Becerra & Mastrini, 2009). In relative terms, it is the country (together with Chile and Uruguay) that offers the best access to newspapers, magazines, broadcast and cable TV, the Internet, and mobile phones per capita (see Figure 1), even if some of these numbers are far less than those recorded in developed countries (WAN, 2009).

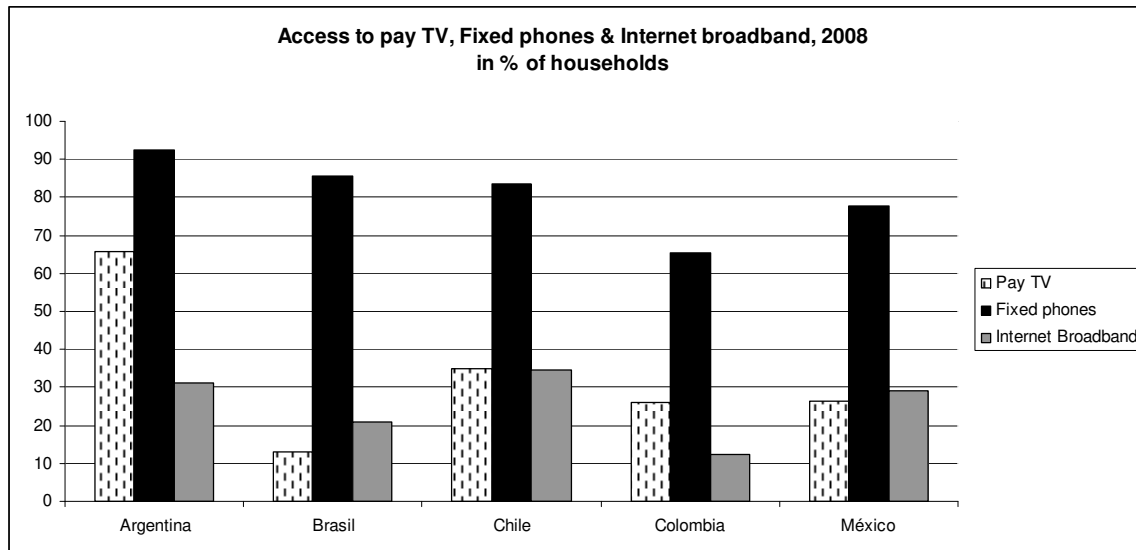


Figure 1. Access to pay TV, fixed phones & Internet broadband, 2008.

Source: Becerra and Mastrini, 2009.

The largest circulation newspapers in Argentina are *Clarín*, *La Nación*, and *Diario Popular*, with provincial and/or regional journals collectively representing 45% of the total market share that reaches an annual revenue of about US\$722 million (Wan, 2009; Becerra & Mastrini, 2009). On the other hand, radio broadcasting shows significant levels of geographic centralization at its main sites of production in the Buenos Aires metropolitan area. This trend has deepened in the last decade. In terms of media access, 100% of all households in Argentina own a radio receiver, and over 96% own a TV set. The television market totals an annual revenue of US\$830 million. In addition, Argentina has seen much development in cable television services, with seven million household subscribers, representing over 60% of the population. Paid television generates about US\$1 billion in annual revenue (Becerra & Mastrini, 2009).

Argentina is one of the few Latin American countries where print media revenues are almost equal to those of free-to-view television, which means that compared to other countries in the region, Argentina's newspaper outreach and consumption levels are above the average. The most important television broadcast networks attracting the highest audience shares and advertising revenues are run by the country's leading multimedia conglomerates: Channel 11 managed by Telefónica Group and Channel 13 by Clarín Group. The remaining major television networks are related to other media conglomerates, such as Vila-Manzano-De Narváez (Channel 2) and Angel González (Channel 9). Cable television is also controlled by two conglomerates: Clarín operating through its companies, Multicanal and Cablevisión, and Vila-Manzano through Supercanal (Becerra & Mastrini, 2009).

All 5,000 radio stations in Argentina (including AM and FM stations) have an annual turnover of less than US\$50 million in advertising revenues; thus radio constitutes one of the cultural industries with

the lowest incidence in the country's economy. However, the major media conglomerates' interest in the highest rated radio stations triggered an increasing concentration of ownership that started in the 1980s and deepened in the last decade. In fact, only four out of the more than 70 total AM radio stations in the metropolitan area (Buenos Aires) make profits for their license holders, underlining the strategic importance of having a share of the radio broadcasting sector. The objective for media conglomerates is not the profits that can be expected from managing a station but rather their positioning themselves within the media and in relation to the rest of the economy (Becerra & Mastrini, 2009).

Argentina regained a system of constitutional government in 1983. However, despite the growth of media due to technological convergence, the expansion of FM radio stations, the massive growth of cable TV, and the expansion of urban Internet access has happened in the context of expanding media concentration. Media conglomerates have been invigorated by a regulatory framework that had earlier been the subject of legal control decreed by the military dictatorship in 1980 (Mastrini, 2005).

Since 1989, the different constitutional governments had legally accepted the cross-ownership of media — print media firms becoming part of the audio-visual market — within the framework of the state reform process and specifically in the name of the successive economic crises, notably the effects of recession and the 2001 and 2002 crises. In this period, the State allowed foreign capital investment, the establishment of corporations, and the assignment of media ownership to financial capitals. It also allowed the proliferation in the number of media that could be managed by the same corporation, authorized the operation of networks with headquarters in the Buenos Aires metropolitan area, and granted licenses and rights extensions, which were not always issued by the relevant competent authority, to existing media conglomerates. The State protected media corporations through clauses that prevented their declaration of bankruptcy and granted a series of tax benefits considered exceptional for other economic activities and ventures (see Loreti & Zommer, 2007). As Silvio Wasibord points out, "[M]edia pluralism remains weak in Latin American democracies," (2008, p. 2) due to this legacy, and ". . . [the] press and democracy has simultaneously been plagued by both 'market capture' and state 'capture'" (2008, p. 4). Argentina is no exception to this legacy.

This brief summary reflects the unprecedented levels of capital concentration in the history of Argentine mass media. The most evident consequences have been the decline in the diversity of sources, a tendency toward the homogenization of the news agenda, technological modernization in production organization, precarious employment, (and the ensuing informal practices and fragile labor contracts), and the geographic centralization of content production (Mastrini & Becerra, 2006; Becerra & Mastrini, 2009). Within this framework and throughout different constitutional administrations since 1983, the State has facilitated the operation of commercial media, reinforcing these trends (Loreti & Zommer, 2007) by providing economic support usually, though not solely, made available by executive decrees.

From the economic perspective, the Argentine media market is unstable and shows continuity problems, even though the country's macroeconomic growth was accompanied by the expansion of the local media system during the 2003–2008 period. During that time, the system benefitted from active State intervention through different bailout plans in 2002 and 2003, as well as through promotion plans beginning in 2004. These were granted to the main local media organizations and companies, cultural

industries, and information and communication industries, through the sanctioning of legal measures that exempted them from the "cram down" provision of the Bankruptcy Law, favoring them with license renewals that sought no compensation and granting tax relief to audio-visual media (see Loreti & Zommer, 2007).

As a result of the State intervention benefitting the most powerful players of the media system, the media market structure ends up being highly concentrated in terms of three levels of analysis.

First, the index of concentration of ownership of the main media shows the high concentration of mass media markets (free-to-view TV, cable television, print media, and radio) whose top four operators own, on average, 78% of each of those markets (Mastrini & Becerra, 2006). Market concentration levels in Argentina go well beyond accepted standards. According to Albarran and Dimmick (1996), concentration is considered high when the top four operators control an average of 50% of the market share, and the top eight operators own about 75%. In Argentina, the top four operators exceed these percentages. Moreover, these same top four operators — and at times just two of them — surpass the high concentration estimate stipulated for eight companies. This is the case of Open TV, where the four main channels — two of them managed by Clarin Group and Telefonica Group — control 96% of the audience. In the Internet domain, the four largest operators dominate 94% of the market. The press industry is also concentrated, with the two main newspapers, *Clarín* and *La Nación*, owning 45% of this sector.

Second, there is the issue of the nature of conglomerate concentration. Unlike other countries in the Latin American region — Chile and even Mexico, for example — the main media groups in Argentina and Brazil are conglomerates, participating across almost all sectors of the economy. For example, the Clarín Group (Argentina) and Globo (Brazil) own free-to-view TV stations, cable TV service providers, radio stations, newspapers, and Internet news sites, among other activities they manage directly. Argentina's market concentration in conglomerates, combined with high rates of market control in the hands of the top operators, maximizes the influence of a small number of groups across almost the entire media landscape.

Finally, there is the issue of geographic centralization of content production. This is exemplified by the excessive content produced by audio-visual media in the metropolitan area of Buenos Aires, the country's capital city, for later rebroadcast by the rest of the media in the country. A study by the Federal Broadcasting Committee (COMFER) revealed that 70% of the country's broadcasting content comes from Buenos Aires city channels, and that except for those five TV channels, not a single minute of programming is produced elsewhere (COMFER, 2009).

The large media conglomerates in Argentina have exploited the unique characteristics of the region: for example, the lack of public service state policies and of antitrust control, among other aspects that differentiate the Latin American regulatory tradition from the European one.

The concentration of ownership is reinforced by these media conglomerates no longer prevailing in just one sphere (such as the press), but in their simultaneous cross-ownership of several industries. Thus, one of the main telephone market operators, Telefónica, holds the license for Canal 11, one of the

two leading broadcast networks in terms of ratings and advertising revenues. At the same time, the editor of the highest circulation newspaper, *Clarín*, controls more than half of the subscriptions to the profitable market of cable TV and is a partner, with the State, in Papel Prensa, the company that produces newsprint paper — a critical need for the publishing market — among other diverse interests. These groups' predominance exhibits levels of control that constitute entry barriers for competitors, even for those considered strong trade operators, such as the Cable TV operator, Telecentro, or the editorial group, Perfil.

These profound changes in the Argentine media landscape provide the background to assess the relationship between media coverage and the ensuing domestic, as well as global, economic crises. The next section discusses the significance of the domestic farm crisis.

The “Farm Crisis”

Macroeconomic growth continued up until 2008 in Argentina. But the turning point in the upswing cycle did not take place in September, with the international financial crisis, but occurred earlier in March, due to endogenous causes. In March 2008, the government issued a decree to increase export duties on farming products, a sector that had contributed significantly to the macroeconomic recovery. This measure, implemented without prior discussion between the State and farming employers' and producers' associations, triggered the biggest political crisis in Argentina since 2001. The executive decree was discussed in Congress, but ultimately rejected when the country's Vice President, Julio Cobos, who became a key figure of the opposition, voted against it.

The resulting political crisis also brought about the replacement of the Minister of Economy, the resignation of Chief of Staff Alberto Fernández (also a key figure of the Kirchnerite political articulation), and the revival of the opposition forces, which had been soundly defeated in the 2007 October elections.

The subsequent distributive struggle was ignited by the sectors related to foreign trade and to the productivity matrix of post-devaluation Argentina. By rejecting the increase on export duties, Argentine farming producers and employers took a set of political positions that were unthinkable for the government (Svampa, 2008). It is worth noting that the 2008 soybean harvest was exceptional, and that its price per ton had reached historically high levels by mid-year (Svampa, 2008; Semán, 2008). In light of the extraordinary profits, the clash between the government and large farmers (or agribusiness) led to a wasted opportunity, as farmers would not market their products, resorting to a form of lockout. (Semán, 2008). Thus, the government lost the opportunity to receive foreign capital that could have been useful to cope with the international financial crisis that would soon be at its doorstep. In turn, agribusiness interests missed the opportunity to sell their products at the highest market value, as the advent of the financial crisis would later pull down international prices (Dabat, 2009).

It could therefore be said that Argentina's domestic conflicts, which preceded the international financial crisis, became more meaningful than the crisis itself. Precisely because it was outside the foreign exchange market, the international credit crunch had little impact on Argentina. The crisis's greatest impact was the decline in international prices of raw materials, and in particular, of food commodities

(Dabat, 2009). In fact, the government seized the opportunity to minimize the effects of the crisis on the national economy. Later, the opposition and the leading media conglomerates denounced this reaction and reproached the government for not acting responsibly and taking necessary preventative measures. Moreover, the main effect of the financial crisis on the Argentine economy was characterized by the cooling economy of Brazil, Argentina's main trade partner (2009).

The national media played an active role during the Argentine political crisis over the domestic farm crisis that unfolded between March and August 2008. A fracture in Argentine society divided those who supported the government's agricultural policy from those who tenaciously opposed it; the media reflected a similar alignment. While big media groups, such as Clarín, La Nación, Cadena 3, and Vila-Manzano Group supported the claims of the farming sector, the government turned to small print and state-owned broadcasting such as the Spolsky Group and Canal 7 (the government's TV channel) to make their case to the public.¹ The State framed this issue first as a lukewarm fiscal response that then became more reliant on the rhetoric of income distribution by the end of the conflict (*Diario sobre diarios*, 2008a). Society split into two opposing grounds of dichotomous positions. This split was also reflected in the arena of digital media and personal communication through the use of mobile phones and the Internet and the circulation of thousands of e-mails in support of both positions (Falduto, 2008; Gallo, 2008).²

The major media conglomerates, including Clarín, Vila-Manzano, and the *La Nación* newspaper — the second largest newspaper in the country, which has traditionally represented the position of landowners and agricultural producers — as well as radio networks from the country's interior (Cadena 3) and the vast majority of the provinces' print media aligned themselves with the farming associations' claims, becoming their virtual spokespersons (see *Diario sobre diarios*, 2008b). We have argued elsewhere (Becerra & López, 2009) that the major media blocked any meaningful diversity of sources. We found that over 50% of the news about the conflict between the government and the employers' and producers' associations lacked any sources, or that it merely reflected the viewpoints of those protesting against the government. For instance, *Clarín*, the most important newspaper in Argentina, published 72 articles about the farm crisis from May 29 to June 2. Approximately 33% of the news articles cited only one source, and 30% cited none. Only 24% of the news articles over this period cited two sources, and the rest of the articles had more than two (Becerra & López, 2009).

In turn, the metropolitan daily *Página 12*, which has a limited circulation, but symbolic prestige among intellectuals and is owned by a media conglomerate (headed by businessman Sergio Spolsky) with diverse, but limited outreach, provided an outlook that was clearly aligned with the position of the government. Similarly, the state-owned broadcasting network (Canal 7 and Radio Nacional) offered a range of opinions in its coverage, but within a general editorial tone of explicit support of the government. Its influence, at least in the city of Buenos Aires, where rating records are kept, was clearly lower than that of private media (COMFER, 2009; Becerra & López, 2009; Bossi, 2009; Becerra & Mastrini, 2009).

¹ There is an analysis of these divided positions in *Diario sobre diarios*, 2008a.

² The use of chain e-mails, social networks, and mass SMS messages on mobile phones to call for demonstrations in the context of the crisis was part of the communication plan developed by the farming sector (Fujiwara, 2009). The phenomenon was also raised by Falduto (2008) and Gallo (2008).

In general, the media construction emphasized the need to reach a consensus between the opposing parties so as not to miss an opportunity for economic growth, but held the government responsible for wasting an historic opportunity and being unable to find the channels for dialog (Van der Kooy, 2008; *La Nación*, 2008). At the same time, most media coverage minimized the impact of agricultural producers blocking roads, which caused supply shortages in some cities (Becerra & López, 2009). There was also careful editing out of the forceful measures taken by rural employers' and producers' associations so as to avoid a comparison with the "traffic chaos" and problems brought about by street demonstrations of subordinate social groups, many of which were politically allied to the government's positions (Alabarces, 2008).

As a privileged setting for conflict negotiation — which also brought the Congress, the highways, and the streets back into the limelight — the dominant media perspective actually displaced the rhetoric of objectivity as their traditional resource, and became an active constituent in this conflict. As Becerra and López (2009) have argued,

Without it implying a conclusive judgment, since there have been different positions in the media system; the media has been relinquishing the virtual representation of the conflict to assume the role of stakeholder. The content analysis of the main journals confirms that the type of priority assigned to the conflict, the most-cited sources in news stories, the media bias in them when dealing with actors in contention, and the choice of themes — which also means the omission of others — related to the news agenda, have contributed to establishing the media as stakeholders in the conflict, threatening a breach of the reading contract that has prevailed in general-interest media, which precisely upholds its distancing from political contests; eroding the effect of truth in the dichotomous account of the 'farm crisis.' (pp. 12–13)

The implications of the conflict on social or economic sectors quite distant from the farming sector, the depth of the impact of the protest among those more directly involved, and the time span of the conflict, call for an interpretation of events within the framework of the deep changes that took place in the Argentine productive structure over the last decades. The structure of media ownership in Argentina reflects these changes. In fact, the convergence of direct and indirect economic interests among news companies and farming production sectors should be noted as one of the factors in Argentina's recent metamorphosis in production.

Reactions and Agenda: The Government and the Media in View of the Global Financial Crisis

In September 2008, when the sub-prime mortgage bubble burst in the U.S. economy, the first reaction of Fernández's government was to consider Argentina immune against the international financial collapse. The isolation invoked by the government at the time could be traced back to the outbreak of the last major Argentine crisis in December 2001, when the macroeconomic recovery of the country was based on protectionist policies and on the absence of ties to international financial markets.

Eduardo Van der Kooy, political columnist of *Clarín*, criticized the government's perspective, accusing the head of state of "making a frivolous analysis of the world economic disaster with the epicenter in the United States" and of "disregarding the inevitable consequences that sooner or later the crisis will spill over to Latin American nations as well." In Van der Kooy's view, Fernández' initial response to the crisis was flawed: "[Fernández] . . . entrenched herself in a political speech which only highlighted the supposed benefits of the Argentine economic model. As if this model were an island in the universe of globalization" (2008).

Moreover, following the political defeat of the farm crisis, the government tried to frame the international crisis through a domestic lens, pointing to advantages of the country's relative isolationism from financial markets, whose most emblematic institutions had been merciless with Argentina's political and economic leadership. On the eve of the international financial crisis, Lehman Brothers analysts would qualify the Argentine administration as "immobilized, stagnant and frozen," forecasting discouraging scenarios in view of their own financial evaluations (Campanario, 2008, p. 19). When, in September 2008, Lehman Brothers went into bankruptcy, Fernández was able to retaliate: "[S]ome call them gurus, I just call them parrots since they repeat concepts unaware of what they are saying; they should take care of their own accounts instead of looking out at other countries" (2008, p. 19).

While the government was wrong about Argentina's insulation from the international financial crisis, it is necessary to also critically evaluate the role of the dominant Argentine media in this period. Reacting to the government's position on the crisis, on the heels of their earlier confrontation with the Fernández administration, news about the international financial crisis reflected two central themes: First, there was general criticism about the lack of strategy reflected in about the Argentine government's reaction to the international crisis; and second, there was the account of the most dramatic aspects of the crisis's impact on core countries, such as stories about the unemployed or covering the rise in social vulnerability.

Jorge Fontevicchia, the influential editor and owner of Editorial Perfil,³ devoted many articles to the analysis of the financial crisis's coverage conducted by *Clarín* and other dominant media, particularly in view of the approaches they employed, which did not seem to differ much from those of the government, even though they were on opposite sides. Fontevicchia critiques both *Clarín* and the government. Regarding the discussion of the new Broadcasting Law,⁴ the editor of *Perfil* stated that

Kirchner and *Clarín* do not only resemble each other in their use of boycotts in advertising, but in the use of menaces as a disciplining technique: many legislators complained they had received warnings from *Clarín* letting them know they were taking

³ He edits the Saturday and Sunday editions of the *Perfil* newspaper and *Noticias*, *Caras*, *Fortuna*, *Hombre*, and *Luz* magazines.

⁴ After 25 years of democracy, Argentina changed the Broadcasting Law. The law, approved October 10, 2009, "calls for the creation of a regulatory agency and spells out ownership rules regarding how many and what kind of outlets one company can hold" (CNN, 2009).

note of what each of them was saying so that they would bear the consequences when the conflict was over. (2009, p. 48)

The dominant media focused on the criticism of the administration as a peculiar “war of movement” (Buci-Gluksmann, 1979) led by the government and the main media groups. *Clarín*, the most widely read newspaper in the country, devoted its four Sunday editorials in September 2008 to press for anti-inflationary measures when, in fact, in a context of recession, inflation would no longer be an issue as it had already occurred. The editorials also criticized the government for its lack of interaction with Brazil in bilateral trade issues, and objected to its plan to pay off its Paris Club foreign debt. In other words, the editorials published by the leading newspaper tackled issues that the government offered as easy targets against the backdrop of the financial crisis, yet they failed to describe the main features of the crisis and its impact on the development model Argentina had been defending.

The narrative sequence of the crisis, with its endogamous tendency, was reinforced by the initiative taken by the Fernández administration to change the Broadcasting Law. The previous law had been promulgated in 1980, signed by former dictator Jorge Videla, and partially amended in the 1990s to allow higher levels of concentration of ownership.⁵ Halfway through Fernández’s term, after each political defeat brought about by the 2008 farm crisis and the electoral failure of the June 28, 2009 mid-term elections, her administration succeeded in twisting the fate of almost all constitutional presidents⁶ and in promoting the sanctioning of the new Broadcasting Law.⁷

The debate over the new law unfolded in a turbulent political context that had been previously transformed by both the farm crisis and the drawing of the international financial crisis into what we argue can be seen as a “war of movement” deployed on this occasion. The major media conglomerates flagrantly opposed the new law (Wiñazki, 2009; *Diario sobre diarios*, 2009). One of their strategies was to brand the

⁵ The concentrated media system was the product of a law promulgated by a dictatorship and later amended by other laws and Executive decrees during the democratic period following 1983, a period that provided even less democratic conditions in access and participation levels. Thus, during the Menem administrations (1989–1995 and 1995–1999), a neoliberal program was carried out, allowing the concentration and foreign ownership of media, in a context where the controlled imposed their conditions on the controllers. Among the main amendments to the 1980 law was the State Reform Law (1989), which created the regulatory framework to limit the role of the state, allowed the cross-ownership of media, and privatized Buenos Aires channels 11 and 13. Said act was subsequently accompanied by the following measures: the 1991 Decree 1771, which allowed the management of private networks on a semi-permanent basis, advertising within the shows, and inflows of foreign capital; the 1991 Treaty for the Reciprocal Protection of Investments, signed between Argentina and the United States and assigned constitutional status at the 1994 constitutional reform; and the 1999 Decree 1005, which increased the maximum number of licenses a single business group could hold from four to 24.

⁶ A study of the patchy history of Argentine democracy shows that Congress had sanctioned a Broadcasting Law on only one occasion, and that was in 1953 during Juan Perón’s second term of office (Mastrini, 2005).

⁷ The new Broadcasting Law n° 26522 is available at <http://www.comfer.gov.ar/web/indice-de-la-ley.php>

Argentine government as anachronistic by mislabeling the new regulation as a "gag law." They claimed it would threaten "freedom of expression" and be diametrically opposed to the examples set by the developed nations, editing news about the economic aid granted to the media system by their governments (CNN, 2009).

An example of the selective editorial slant, which did not fall short of praise for core country's governments, comparing them positively to President Fernández's administration, was the article published on the occasion of the President's public announcement of the Broadcasting Bill in October 2009. Miguel Wiñazki, editor of the media section of *Clarín*, wrote: "[L]awmakers in the United States and Spain are working on more flexible and modern broadcasting regulations to support the media in the context of the crisis. Here is the opposite" (2009). This appeared in an article whose sidebar was titled "Going in the Wrong Direction" and that pointed out the following:

In the United States, House Speaker Nancy Pelosi has expressed her support to media mergers, highlighting the need to uphold a sound and independent press to help keep eyes open and survey the action of the government. In Spain, they have just approved a decree and they are about to sanction the Broadcasting Law that goes along the same lines. Private television networks will be allowed to have common stockholders and even to merge, as long as three out of the existing six channels remain. In England, three of the main TV operators are analyzing a merger to get stronger in the face of the crisis. (Wiñazki, 2009)

The search for direct linkages between international coverage of the financial crisis (and its consequences) and Argentine reality should be examined in light of the hostile confrontation between the government and the main media conglomerates. This coverage deserves a second reading, since it not only symbolically intermediates, but also has overshadowed other social actors (landowners and farm employers) in the arena of conflict, thus eroding the claim of objectivity that used to be part of their most traditional social contract (Waisbord, 2008; Mastrini & Becerra, 2006; Fox & Waisbord, 2002).

The response of the Argentine government to its conflict with the main media conglomerates has been complex. On the one hand, the State promoted the debate and the sanctioning of a new broadcast law, but on the other, it continued to provide the sector with economic support through debt forgiveness to the social security system and tax liabilities (Bossi, 2009). The State even promoted the unusual inclusion of the media in the Productive Recovery program (managed by the Ministry of Labor), which aids economic sectors (with alleged economic problems) to ensure job stability by subsidizing the payment of 600 pesos (US\$150) of workers' monthly salaries over a three- to six- month period (Liotti, 2009). These measures of economic relief — channeled through state coffers, lacking an equitable system of regulation, and shaped by the government administration and the media groups in the game of the existing political relations — are conspicuously overlooked by the editorial positions of the main media conglomerates.

Conclusions

In Argentina, the financial crisis, sparked by the troubled U.S. mortgage market since September 2008, accelerated and stressed a trend in news coverage about crises. These crises, caused by cracks in Argentina's economic structure and institutional representation since 1975, gave rise to a unique narrative style over the last two years, featuring specific actors and the editing out of certain issues, as long as they had an obvious moral continuity within the framework of the conflictual relations between the Fernández administration and the main players within the main media conglomerates.

Considering the history of severe convulsive cycles of Argentina's political system, its economic structure, and the fabric of its social and productive relations, the signifier of "crisis" as such bears a differential symbolic weight. It is likely, for this reason, that crisis in Argentina does not imply an exceptional newsworthy criterion as it does in other countries, whose history of the past three decades has been less determined by deep social, political, and economic conflicts. Therefore, even if surprise and the unexpected are considered constant newsworthy criteria by the media system (Martini, 2000) in Argentina, crisis can be associated with multiple connotations, but none of them makes reference to the unexpected.

Therefore, the familiarization with the crisis has moderated the priority assigned to the theme from the perspective of providing information and news. At the same time, though, the fact that the epicenter of the crisis was located in the world's major economies (most notably the United States) — generally referred to as "model economies" — should indeed be pointed out as the surprising angle of this story.

Different factors in the contemporary history of Argentine politics have contributed to the deterioration of relations between the government and media conglomerates since March 2008 — that is, even before the outbreak of the international financial crisis. In this way, the news agenda about the crisis was developed against the backdrop of a significant confrontation between the government and the main media conglomerates in Argentina. Therefore, the agenda was tainted by bias and shades of meaning, which actually reproduced a confrontational logic between the media and the government as rivals in other disputes.

Within this framework, the Argentine press assigned great relevance to the impact of the crisis in terms of the international media, specifically in terms of state support measures for media industries — such as those of France and Spain — intended to avoid a drop in newspaper sales and revenues, or a decline in TV advertising revenues (Bossi, 2009; Liotti, 2009; Becerra, 2009; Becerra & Mastrini, 2009). The Argentine media editorial position presented an obvious contradiction between the attitude of those developed nations toward their local media, and that of the Argentine government, generally portrayed as aggressive and ungenerous, given the critical circumstances traditional media were (and are) undergoing.

This type of editorial position ignores the sustained favorable regulatory measures passed by different governments, enabling the growing concentration of media industries and their influence across industrial sectors, as well as facilitating their geographic centralization.

The regulations upheld by the different constitutional administrations of the last two decades directly met the support requested by the most important media firms of Argentina to avert or limit the impact of the preceding crises in the country. Argentina's macroeconomic recovery during the 2003–2007 period served the business model of a media system well. They were able to take advantage of the rise in consumption, while being favored by the extension of radio and television broadcasting licenses, as well as by rulings that allowed this sector to deepen the concentration of ownership levels of the largest groups.

The change in the model of state intervention, but above all, a political crisis, triggered by the farm crisis prior to the outbreak of the international financial crisis, radically changed the logic of understanding between the governing politicians and the dominant Argentine media system. The sanctioning of a more progressive Broadcasting Law in October 2009 confirms that the long-standing cooperative relationship has been replaced by a more confrontational model that brought about changes in ties and stances, despite the heterodox orientation of President Fernández' government. The news editorial position that reflects the change in ties and positions of the main media conglomerates has taken all stakeholders by surprise.



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