

The Symbolic Power of the IMF: Looking through Argentina's New Period of Indebtedness

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Abstract : The research aims to analyse the symbolic power of the International Monetary Fund (IMF) in its relationship with a borrowing country, drawing upon Pierre Bourdieu's Field Theory. This theory of power, typical of constructivist structuralism, has been minor used in international relations. Thus, selecting this perspective offers a new understanding of how the IMF's power operates and is structured. The IMF makes periodic economic reviews in which the staff evaluates the Government's performance. It also offers "last instance" loans when private external credit is not accessible. This relationship generates great expectations in financial agents because the IMF's statements indicate the capacity of the Nation-State to meet its payment obligations (or not). Therefore, it is argued that the IMF is a legitimate actor for financial agents concerned about a government facing an economic crisis both for the effects of its immediate economic contribution through loans and the promotion of adjustment programs, helpful to guarantee the payment of the external debt. This legitimacy implies a symbolic power relationship in addition to the already known economic power relationship. Obtaining the IMF's consent implies that the government partially puts its political-economic decisions into play since the monetary policy must be agreed upon with the Fund. This has consequences at the local level. First, it implies that the debtor state must establish a daily relationship with the Fund. This everyday interaction with the Fund influences how officials and policymakers internalize the meaning of political management. On the other hand, if the Government has access to the IMF's seal of approval, the State will be again in a position to re-enter the financial market and go back into debt to face external debt. This means that private creditors increase the chances of collecting the debt and, again, grant credits. Thus, it is argued that the borrowing country submits to the relationship with the IMF in search of the latter's economic and symbolic capital. Access to this symbolic capital has objective and subjective repercussions at the national level that might tend to reproduce the relevance of the financial market and legitimizes the IMF's intervention during economic crises. The paper has Argentina as its case study, given its historical relationship with the IMF and the relevance of the current indebtedness period, which remains largely unexplored. Argentina's economy is characterized by recurrent financial crises, and it is the country to which the Fund has lent the most in its entire history. It surpasses more than three times the second, Egypt. In addition, Argentina is currently the country that owes the most to the Fund after receiving the largest loan ever granted by the IMF in 2018, and a new agreement in 2022. While the historical strong association with the Fund culminated in the most acute economic and social crisis in the country's contemporary history, producing an unprecedented political and institutional crisis in 2001, Argentina still recognized the IMF as the only way out during economic crises.

Keywords : IMF, fields theory, symbolic power, Argentina, Bourdieu

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