Political crisis deepens in Argentina after De la Rua's fall

Rafael Azul
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A mass upsurge developed in Argentina on Wednesday and Thursday when the working class and a radicalized section of the middle class took to the streets and toppled the government of President Fernando De la Rua.

The latest figures indicate that seven demonstrators were killed at the Plaza de Mayo, across from the Government House in Buenos Aires, where intense battles took place with police. Another 18 died across the country in confrontations with security forces and business owners during attacks on supermarkets. Two shopkeepers committed suicide after their stores were emptied of goods. Property damage included the destruction of markets and stores, some Buenos Aires' banks and many ATM machines. About one thousand were injured and some 1,500 arrested in the clashes.

Many of the dead were bystanders, victims of acts of brutality by the police. In the city of Corrientes, a worker relaxing after work two blocks away from the protests was gunned down by police. Similar attacks against bystanders occurred in Rosario and Santa Fe.

De la Rua suspended the state of siege before he resigned on Thursday. The new government re-imposed it on Buenos Aires Province on Friday afternoon.

The initial demonstrations at the Plaza de Mayo represented a range of political views, including right-wing nationalist groups, the Plaza de Mayo grandmothers, and supporters of left-wing parties. Toward noon, they were joined by thousands of workers and middle class people from all over Buenos Aires. In the vicinity of Congress, a more middle-class crowd marched in the early morning hours of Thursday, entire families banging pots and chanting anti-De la Rua slogans. They also fought the police.

Undoubtedly, the masses were fed up with three-and-a-half years of economic contraction. However, the economic impact of the crisis has not been the same for everyone. An entire layer of Argentine society has done quite well for itself. In August, the Buenos Aires daily newspaper *Clarin* indicated that between 1996 and 2001 the bottom 85 percent of Argentines saw their purchasing power fall by as much as 40 percent. By contrast, the top 5 percent saw their real income rise spectacularly.

In terms of social inequality worldwide, Argentina ranks fifteenth from the bottom. Whereas in the 1970s the top 20 percent earned roughly 8 times the income of the bottom 20 percent, the multiple is now 14 times. The bulk of the change took place during the 1990s. Currently Argentina's income inequality is more extreme than in Mexico, Costa Rica, Malaysia, Spain and most of Eastern Europe. For instance, while in Spain the top 20 percent earn roughly the same as in Argentina, the bottom 20 percent earn four times as much. Up until the 1980s Argentina had one of the most equitable distributions of income in Latin America.

What sparked the rebellion of December 19 was the imposition of controls on bank deposits, an eleventh-hour attempt to salvage bank reserves and preserve the wealth of the rich. The most popular chant—"Argentina, Argentina," amidst a sea of Argentine flags—is an indication of the lack of a perspective in the working class to resolve the economic crisis. The working class proved itself strong enough to remove a president, but unable to come to power in defense of its own class interests. Power passed from De la Rua's Radical Party to the Peronist opposition of the Justicialista Party.

Both De la Rua's Radicals and the main opposition party, the Justicialistas, are loyal representatives of the social elite. In reality, the economic policies of the regimes of former president Carlos Menem (Peronist)

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and Fernando De la Rua (Radical) were oriented toward protecting the wealth of a privileged layer that has enriched itself twice-over—once from the liquidation of government monopolies and again from gouging Argentine consumers forced to pay outrageous utility, gasoline, telephone and toll-road bills.

The new president, Ramon Puerta, a right-wing Peronist, is typical of this strata. He is close to a very conservative rural wing of the Justicialista Party. Like Menem, he has built a reputation as a super-rich playboy, with his personal fortune exceeding $6 billion. Puerta announced that he would remain as president for 48 hours while Congress decides on a permanent candidate.

There is no doubt that an incoming Peronist regime will continue to impose measures defending the interests of the native ruling elite and the multinationals at the expense of the broad mass of Argentine working people.

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