

# Austerity and repression overshadow Argentine elections

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Three candidates are virtually tied for first place in this Sunday's elections in Argentina. Voters are going to the polls to elect a new president, the first since Fernando de la Rúa resigned in December 2001. Whoever wins will be called upon by the International Monetary Fund and Wall Street to fully implement the budget cuts and austerity measures demanded by the IMF and confront the growing popular resistance to the deepening misery and mass unemployment.

Polls show that the top three candidates—Peronists Carlos Menem and Nestor Kirchner—and the candidate for the National Reconstruction Movement, Ricardo Lopez Murphy—are locked in a dead heat. Under Argentina's election law, it is virtually assured that no clear-cut winner will emerge from Sunday's balloting. A second contest between the top two candidates will take place on May 18. It is an absolute certainty that whoever finally wins will represent the small and privileged layer of the electorate whose interests are tied to international finance.

To win on the first round, a candidate has to obtain 45 percent of the vote. The latest polls give the front-runner, Menem, about 20 percent of the vote with Kirchner and Murphy within two or three percentage points.

Menem, 72, was president between 1989 and 1999. Under his presidency, which was marked by a high degree of personal corruption, an amnesty was granted to the leaders of the 1976 dictatorship, responsible for the "disappearances" and deaths of about 30,000 Argentines. Menem dismantled many of Argentina's state industries and utilities, selling them to private owners at bargain prices. He was also implicated in the illegal sale of arms to Croatia and Ecuador—in violation of Argentine law and international arms embargos—when both those nations were engaged in military conflicts.

Under Menem, Argentina's currency was pegged to the dollar on a one-to-one basis to control inflation. By the time he left office, the gap between rich and poor had

begun to widen, largely as a result of privatizations that made fortunes for the rich while wiping out jobs for the working class.

Murphy, 51, is an economist from the University of Chicago, an institution known for its doctrine of minimizing restrictions on big business. He was defense minister under de la Rúa. He briefly held the post of economics minister, but was forced out after calling for severe budget cuts to resolve the debt crisis. He has close ties to Chile's President Ricardo Lagos, to the leader of Chile's right, Joaquín Lavín, and to Spanish President José Aznar, all of whom defend the so-called Chilean model of economic growth based on unrestricted free enterprise and free trade.

Kirchner, 52, is the governor of the oil-producing province of Santa Cruz. Less popular with big business, he calls for an economic program based upon an import substitution model and has sought to win votes from the large numbers of Argentines who are angry at the banks and big business with rhetoric about national economic equality.

The differences between Murphy and Menem have more to do with the personalities of the candidates than with a political line. Murphy speaks bluntly about the need to cut wages and budgets in order to repay Argentina's debt to Wall Street, and declares that property rights must be upheld, regardless of the economic needs of the masses. Menem, on the other hand, presents himself as the savior of the nation, reminding voters of the relative boom years when he was in office and pretending that the economic catastrophe that he did so much to create can be overcome painlessly as long as he is in charge.

Menem and Murphy also agree on the need to step up repression by the army and police, using an increase in criminal activity throughout the country as a pretext for giving the state security forces greater powers against the

working class. They have both called for increased police powers to repress and interrogate. Murphy has suggested that youth as young as 14 be tried as adults.

According to a financial analyst, the stock market is poised for big gains if Menem and Murphy are the contenders in the second round.

Kirchner, a previously unknown candidate, has attempted to run as a “left” Peronist. He proposes to postpone debt payments and renegotiate Argentina’s obligations to the foreign banks. His brand of economic and social nationalism harkens back to the long-gone days of Juan Domingo Peron’s corporatist dictatorship (1943-55), when the state oversaw the distribution of the social surplus between workers and owners. He is alleged to have deposited his province’s money in foreign bank accounts before the economic implosion of December 2001. Other candidates have suggested that Kirchner would merely be a figurehead ruler, with current President Eduardo Duhalde remaining in charge.

When President de la Rúa resigned on December 20, 2001 amidst violent confrontations between enraged citizens and the police—seven people died in the Plaza de Mayo alone—the country was thrown into a social crisis from which it has yet to emerge. De la Rúa, a member of the Radical Party, was replaced by Duhalde, a Peronist, the party traditionally allied to the unions. Duhalde was brought to power with the expectation that he would discipline the working class, forcing it to accept the sacrifices demanded by the international banking community.

Since de la Rúa’s resignation, the working class and unemployed have been involved in continuous waves of protest marches and rallies, blocking roads and demanding jobs and decent living conditions. Scores of factories have been taken over by their workers.

The government has increasingly resorted to repressive measures. Last June, the police killed two young unarmed workers during a protest of the unemployed in Avellaneda. In the latest incident, on April 19, police violently expelled textile workers, most of them women, from the occupied Brukman plant in Buenos Aires. Three days later, a bloody battle ensued between police and Brukman workers and their supporters. Police chased fleeing workers through downtown Buenos Aires, pursuing some of them into a children’s hospital.

Undeterred by the repressive violence, on Tuesday 25,000 workers marched on the plant and set up a workers tent, laying siege around the factory building and demanding that the police leave. At the same time, at the

Buenos Aires Aeroparque Airport, hundreds of airline employees occupied the runways protesting the impending bankruptcy of LAPA airlines, Argentina’s main domestic carrier.

One thing that makes this election different is that each of the three factions of the Justicialista Party (official name of the Peronists) is running separate candidates. Three candidates—Menem, Kirchner and fourth-placed Adolfo Rodríguez Saa—all claim to be followers of the late dictator, while vehemently denouncing each other as impostors, frauds and demagogues.

The events of December 2001 that resulted in the collapse of the Radical Party of de la Rúa severely damaged Peronism as well. The corporatist state, in which a paternalistic government sought to impose some form of class harmony based on state intervention in the economy and protected national industries, has not been a realistic possibility for some time. Menem managed to keep the appearance of class harmony only by utilizing the proceeds from the sale of public assets and by increasing the foreign debt. All that is now over. Argentina’s creditors are currently suing for payment on \$60 billion.

On the eve of the election, the IMF made it clear that it is not prepared to compromise on its demands for austerity. It announced that it is sending a special nine-member mission to Buenos Aires on Monday to work inside the country’s Central Bank and to begin discussions with the two candidates who make it in to the presidential runoff. At the same time, the agency announced the appointment of a “resident representative” in Argentina, John Dodsworth, to monitor and intervene in Argentina’s economic policies.

The country is currently in default and no significant loans are on the horizon. The resistance of the working class stands in the way of the budget cuts that the IMF and banks now require. Faced with the unrelenting pressure of international finance, the winner of Sunday’s elections has no other choice but to confront that nation’s workers.



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