

Néstor Kirchner's Argentina: a journey from hell

Ivan Briscoe

A contrast between two events on successive days in Buenos Aires' central Plaza de Mayo in March 2005 reveals that two years of President Néstor Kirchner's economic boom and therapeutic bad temper have not healed Argentina's social wounds.

At the first, on March 23, Juan Carlos Blumberg led a service at the city cathedral in honour of his son, Axel, killed a year earlier following a botched kidnapping for ransom, and since then the face of a vigorous campaign against the lawless underclass. A day later, a much larger and recognisably Argentine multitude – middle-aged couples wearing Combative Classist Current headgear, youngsters in scrappy t-shirts, bereaved mothers in white headscarves – gathered to remember the military coup of 24 March 1976 which propelled into power the country's most brutal dictatorship. (The painted slogan on a nearby wall neatly summed up the hours of strident haranguing from the rally's PA system: "*They are the insecurity.*")

Between the two gatherings stretches Argentina's ageless political divide – fearing the state versus distrusting the poor. It is a gulf materialised in the ever-advancing fences around private estates (*country*s) in the richer suburbs of Buenos Aires, but it

is also one that the current president is proving miraculously (and perhaps momentarily) able to bridge.

Two years after being sworn into office on 25 May 2003, Kirchner stands high in the roll-call of Latin American left-wing leaders – Hugo Chávez, Luis Inácio Lula da Silva, Tabare Vazquez – who in their various ways are seeking to bring about the most significant feat of social reengineering on offer in the world today. But that is not all: he is also supported, according to opinion polls, by around 70% of the population – this in a country which in 2001-02 flirted with its own annihilation.

How has Néstor Kirchner managed it, and what does his achievement reveal about the kind of democracy that the structures of power in Argentina and Latin America make possible?

Kirchner's project

As the offspring of a strict Catholic mother in a windswept Patagonian outpost, it is perhaps no surprise that Kirchner invokes hell and the Passion to illustrate his undertaking: "we are coming out of the deepest crisis step by step in what has been and still is

Argentina's calvary," he told Congress in his 2005 state of the nation address.

Not unlike Venezuela's Hugo Chávez, Kirchner's most irascible spasms and snubs to protocol are aimed at those who can be blamed for leading the country into the pit. Target number one, which few Argentines would dispute, has been foreign business and finance. Thanks to the vast export potential of Argentina's land expanse following the devaluation of the *peso*, Kirchner and his economy minister, Roberto Lavagna, appear to have swiped three-quarters off the value of \$100 billion in private bonds (barring the 24% of holdouts), forced the renegotiation of over sixty contracts with privatised utilities, and reduced the International Monetary Fund (IMF) to a whimper. Kirchner even took the liberty of comparing IMF chief Rodrigo Rato to the devil hours before they met to review the debt burden in late 2004.

At the same time, the local architects and vested interests of the pre-Kirchner system (where, the president says, "genocide, theft and corruption proliferated") have been hauled off-stage – excluding, of course, the Argentine electorate that voted for Carlos Menem in 1989 and 1995. Kirchner, twice arrested for his Peronist youth movement affiliation during the "dirty war" of the 1970s, has thrown himself into the cause of justice for its victims; he dressed down the army at one gala dinner, and secured a repeal of the two bills (Full Stop and Due Obedience) that protected death squad officers from prosecution. Meanwhile, the Supreme Court, the army, the police and a feudal province were drained of their most notorious racketeers.

To anyone acquainted with the neighbourhood assemblies that sprouted across a cashless and pot-banging Buenos Aires in early 2002, these initiatives will sound somehow familiar. Then, tirades against corrupted, self-serving institutions were a staple of everyday communication, while the shuffle of presidents (five in a fortnight) and scramble for new economic policies conveyed the death of an entire political order. "What interests me is the nature of power and how to take power," Luis Zenko, coordinator of an assembly in the down-at-heel barriro of San Cristóbal explained at the time.

Three years on, Zenko has other things on his mind. "I've bought a house," he tells me proudly. "Economically, I'm doing very well out of the tourists, and I just don't have time for politics any more." Near the San Telmo market stall where Zenko displays his

paintings every Sunday afternoon, the Movement of Unemployed Workers, two of whose young *piquetero* (picketer) leaders were gunned down by police in a 2002 roadblock, exhibits its own produce: largely home-made jam.

The days when the outcry surrounding those murders could force the then president, Eduardo Duhalde, to cut short his presidential mandate are long gone. "For the last year, the government has insisted that we can't carry out any more road-blocks, especially in the capital," declares Axel Castellano, one of the movement's activists, who explains that the government has forged alliances with the more moderate picketers so as to isolate and cripple the more radical. "We can no longer grow by demanding more unemployment subsidies. It's virtually impossible now to sustain the struggle."

Two consecutive years of 9% economic growth, combined with a public sector surplus unprecedented in recent Argentine history (at around 4% of GDP in the first five months of 2005), have certainly laid the groundwork for a pacification of society. As poverty rates have fallen to around 40% of the population (from 57% in late 2002) the clamour of people on the verge of destitution has subsided: no longer do the middle classes sell their possessions,

or the poor huddle so assiduously around giant stew cauldrons. The sediments of economic collapse are still visible – tiny children living in city streets, wafer-thin scavengers searching through rubbish – but there is some hope that the promising economic trends may one day trickle down to their depths.

"Obviously there's still a long way to go," argues Luis D'Elía, head of one of the largest picketer groups, the Federation of Land and Housing (FTV), which claims 150,000 members, and is now closely tied to Kirchner after years spent harassing the state for food and homes. "But in contrast to the 1990s, we feel we're on the right path. And if we stay on this path, in eight or ten years we'll get back to what Argentina once was."

Under other leaders, a boom of these proportions might have induced complacency, or at least spurred reconciliation with foreign lenders. But Kirchner is intransigently proactive: commentators in the Argentine press speak frequently of his regular scrutiny of opinion polls, his obsessive interference in ministerial minutiae, or his lust for "opening new battlefronts." No sooner had the debt swap been settled in early March, for instance, than Kirchner

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publicly berated price rises at Shell and Esso service stations; within hours, picketers belonging to D'Elia's federation had occupied several of their service stations, and the day's news was decided.

A source from the president's close circles, quoted in the magazine *Veintitrés*, offers a strategic insight: "Power is consensus and authority. Kirchner needs to be centre stage as a matter of survival. Once he has imposed his authority and has the people's backing, then he negotiates." One crucial electoral fact helps account for this: Kirchner won only 22% at the ballot box in April 2003, coming second to "fellow" Peronist Carlos Menem. A week later, Menem withdrew from the second round of voting as opinion polls revealed that his core vote – an alliance of the very rich and very poor, demanding public order and cheap dollars – would be thrashed by a landslide majority clinging desperately to Kirchner, who thus became president by default.

What kind of president?

Yet explaining the Kirchner regime through its supposed lack of legitimacy – similar to many analyses made of Zapatero's post-11 March administration in Spain – fails to do justice to Argentina's rich, recondite and utterly exceptional political culture. Ideologically, Kirchner is widely regarded as progressive, nationalist and a supporter of tougher state intervention: as he put it to Congress, "we are once again giving the state the neurons that have been taken away from it." But he is first and foremost a Peronist, a member of that party's warring nomenclature, and a *caudillo* from Patagonia who governed his province of Santa Cruz – where there are more square kilometres than inhabitants – as if it was his back garden. Many in the business community are even said to admire him for spiriting \$500 million out of province coffers and into Switzerland just months before devaluation.

To his critics, Kirchner is therefore a shining example of that authoritarian tradition excoriated by Domingo Sarmiento in his classic work on the tyranny of Juan Manuel de Rosas, *Facundo* (1845): the vastness and vanishing horizons of Argentina gives rise to "a well of poetry," but also to "the dominance of brute force, preponderance of the strongest, authority without limits."

And just as Menem effected almost all his privatisations without consulting Congress, Kirchner is accused of rolling out the state, *his* state, without noticing those who believe differently: "He only wants to concentrate power," argues Sergio Berensztein, a political scientist from Torcuato Di Tella University.

"He takes decisions alone, or with a very limited group of people. He doesn't have cabinet meetings or engage in dialogue with other political leaders. He has no disciples or teachers."

For those who stand to benefit, of course, little harm is done. In the Brukman textile factory, whose struggle for workers' control starred in Naomi Klein & Avi Lewis' film *The Take*, they recall the president's intervention vividly. "He put his big arm on my shoulder and said: 'what can I do to sort this out'" recounts one of the seamstresses, Mathilde Adorno. "Three days later, the padlocks on the door of the plant had been removed." The same tactile behaviour – slapping backs, grasping shoulders – is said to have enjoyed less favour with Roberto Lavagna, who allegedly demanded that the manhandling cease.

Yet the thin line Kirchner has trodden between authority and authoritarianism has significance far beyond the anecdotal, and raises two vital structural concerns about the direction his rule is heading in.

First, the crisis of December 2001 manifested above all else that Argentina's institutions were in grave disrepair, and corroded by personal or partisan interests at almost all levels: how else could most of an \$8 billion financial injection into the country's financial system that August end up leaving once again as capital flight? But if these institutions are to be restored – and with them the public's faith in their neutrality and fairness – then can this be done by a hyperactive, hyper-interventionist head of state?

This quandary is all the more compelling now that the country's economy has effectively been restored to its pre-crisis level of 1998. Should Kirchner build on this economic achievement by seeking to accumulate political power – and he clearly hopes to acquire part of the Peronist party machine in Buenos Aires province in October's legislative elections – then the likelihood of disengaging the judiciary, the security forces and bureaucracy from their political masters would appear to be diminished, and the same crisis in Argentine society doomed to be repeated.

Yet should Kirchner dare to stand back and cultivate an independent state apparatus, he faces the dangers that it will fall into the hands of rivals or criminal networks (as happened recently to the airport police, infiltrated by drug-trafficking gangs). In this context, Kirchner's liking for the occasional institutional purge is understandable, even as it exacerbates the very tendencies it seeks to eradicate.

A second, closely related dilemma stems from Kirchner's own attacks on the errors of the past. His

declared aim is to steer the state toward a more social function, in which it can guarantee “dignity” and public services and impede the ever-widening breach in wealth. His avowed enemies include big business and the mass media, whose status is echoed by UNDP surveys on perceptions of the real power-holders in Latin America; Kirchner has accused them of forging the favourable deals and “easy earnings” of the Menem years of the 1990s, while the state withered on the branch.

True or not, the fact is that inequality, and with it the decline in public services, has yet to be reversed: indeed, the economic recovery has gone hand-in-hand with an even greater breach in income, while over half of the new jobs created in Argentina are on the black market. Pugnaciously redistributive Kirchner's rhetoric may be, but the country's economic vitality has rested on intensive agriculture, high-cost tourism and local industry protected behind a weak peso – none of which would appear suited to cure this failing, even if they have salvaged a bankrupt state.

No alternative?

These two concerns are bound to dog Kirchner and whoever succeeds him, just as they will most of the left-leaning cohort now governing the continent. But the president's immediate future is more likely to be determined by the evolution of a coalition that embraces almost all it sees – from Blumberg's “zero tolerance” to the picketer masses – at a time when the excuses of hellfire and national crisis may no longer bind everyone together.

A series of salary-related protests, unsurprising in a country where real wages have fallen on average 20% since 2001, have already mounted an inflation scare, and exposed the stark differences between economy

ministry orthodoxy and the clamour from what Lavagna calls “the populist sectors.”

D'Elía, for his part, is keen that the president decisively flushes out “the conservative elements and recalcitrant right in his government's entrails,” and is pledging that “the next fight” will be against the privatised utilities. “No way do I think we should renationalise companies or anything of the sort,” Lavagna tells the *Financial Times*. “Democracy or dictatorship of the market” respond the thousands of posters stacked up in D'Elía's campaign offices.

At some stage, economists warn, the recovery will end and new doses of foreign investment will be required, mandating an end to Kirchner's purple ire. In the meantime, the president's show will surely continue to draw from the wellspring of “populism”, patching over the conflicts that will not go away in the name of simple, nationalist, even bellicose leadership; the recent spat with supposed ally Brazil appears to have fitted the bill.

To be “populist,” in the eyes of the west, is to forsake what is sensible or desirable for what attracts popular support, muddle-headed as that may be; in the worst cases in Argentine history, such as 1982, it has led to war and disaster. But perhaps, in this case, the greater harm would have been done in the last three years by legal purity and democratic propriety. “When he rules like a one-man show, you have to see him as the child of his country,” argues sociologist Julio Godio. “He has two souls, and history will say which wins. But we have to support him all the same – otherwise we'd be on the edge of a precipice.” Imperfect, demagogic and obsessive: it would seem like an ideal combination for dictatorship, were it not also the best bet for a stable democracy in Argentina.

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