



# Argentina's politics shift in a surprising presidential election

Without a conclusive electoral mandate, Néstor Kirchner seeks federal-provincial co-operation and supporters in the new Parliament.

BY GABRIEL PURICELLI

**When** Néstor Kirchner assumed the presidency of Argentina on May 25, it ended a period of profound political crisis that began a year and a half ago and continued right through to the presidential election itself. Kirchner's victory arose from a series of dramatic firsts in Argentine politics, in which he "won" the presidency despite placing second on the only ballot with just 22 per cent of the popular vote. The leading candidate, former president Carlos Menem, withdrew from the subsequent run-off election, thereby denying Kirchner the opportunity to gather a majority of votes and the strong electoral mandate that he surely would have achieved (see Table 1). His new administration now faces fundamental challenges that suggest the political instability may not be over yet.

Kirchner must deal with his nation's enormous economic problems, including the need to strengthen the incipient economic recovery, combat very high unemployment and reorganize the foreign debt with private creditors. His inaugural speech indicates that he will also work to establish a federal standard for the provinces' educational systems and adopt a new federal-provincial revenue sharing law. The success of his ambitious agenda and his new administration now depend on federal-provincial negotiations and the results of further elections over the remainder of this year.

## A crisis begins

The Argentine Republic's 17-month political-economic crisis was sparked on December 20, 2001, by Fernando De la Rúa's sudden resignation as president. His startling departure began a whirlwind series of events over the course of a week: the early resignation of a president-elect, which was followed by a series of four replacements, the suspension of payments on the public debt and the devaluation of the currency. The political developments prompted public protests, triggering governmental repression that caused more than thirty deaths. There were also millions of pesos in individual losses as a result of massive looting in large city centres.

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This violent explosion eventually gave way to an interim administration headed by Eduardo Duhalde, a senator who belonged to the party that had lost the 1999 presidential elections against De la Rúa. Duhalde's months in office were marked by social upheaval led by the holders of financial fixed-term notes, originally in American dollars, that were returned to investors in Argentine pesos after the devaluation. At the same time, masses of unemployed people expressed their anger by picketing and disrupting the country's roads and highways.



Néstor Kirchner, the new President of Argentina.

## The debt and the provinces

Argentina's huge public debt presents a fundamental challenge for any new government. During the previous Menem administration, from 1989 to 1999, the debt grew exponentially, a total of 123%, reaching \$146 billion US. And this only accounts for the federal government debt – the total debt is much worse. Most of the 24 jurisdictions that make up the Argentine federation also have significant financial problems. Their combined debt grew during the same period from \$15 billion to \$37 billion US. This has caused the International Monetary Fund (IMF) to scrutinize not only the federal government's balance sheet, which is the only one connected to the Fund, but also those of the provinces.

The situation is worsened by the absence of a federal-provincial revenue sharing law, which the 1994 federal constitution required be approved before the end of 1996. There has been growing tension between the federal administration and the provinces because of the distribution of the fiscal adjustments required by the IMF. Then in 1999, when the federal government was taken over by a political party that was different than that which administered the majority of the provinces, federal-provincial relations were further soured. During De la Rúa's term, the federal-provincial tensions created an ongoing, intense competition. The governors, mostly Peronists, began to provide a more effective opposition to the Radical Party administration than their party's own legislators in the nation's Parliament.

De la Rúa's replacement by Duhalde, a Peronist, resulted in an improved federal-provincial relationship, due not only to matching political colours but also to the improved fiscal performance at both levels of government brought on by currency devaluation.

Table 1: The vote for president in 2003

Candidate	Party	Vote ( % )
Carlos Menem	Loyalty Front (Peronist)	24.45
Néstor Kirchner	Victory Front (Peronist)	22.24
Ricardo López Murphy	Recreate Federal Movement	16.37
Adolfo Rodríguez Saá	National People's Movement (Peronist)	14.11
Elisa Carrió	Alternative for a Republic of Equals	14.05

## Kirchner and the split in Peronism

Now Néstor Kirchner, one of those Peronist governors, is moving to Buenos Aires to head the federal government. Kirchner gained valuable insight running the Santa Cruz provincial government and understands well the dynamics of federal-provincial relations. Although he inherits the improved situation, the redesigned federal political scene raises questions about the governors' future behaviour in their relationship with the presidency.

Peronism, whose candidates have been Argentina's governing party almost exclusively since its foundation in 1946, was split among three candidates during the April 27 election: the winner Kirchner, ex-president Menem and ex-Governor of San Luis, Adolfo Rodríguez Saá. This split and the virtual extinction of Radicalism, the other traditional party, gave way to an unusually fragmented electoral picture. Only ten percentage points separated the first place candidate, Menem, from the progressive representative who placed fifth, Elisa Carrió. It is too soon to say whether this novel political scenario will be a permanent change in the political system or if it is a just a fleeting state. Peronism could easily be reunified behind the leadership of the new president, or its split could very well be reinforced with the emergence of three different parties having strong regional ties. Like never before in Argentina's democratic history, the citizens' voting patterns produced a political map strongly marked by regional support for different candidates (see Table 2).

When Menem decided to withdraw from the second round,

originally planned for May 18, it was the first time in the long history of the ballot system around the world where a candidate who won the first round pulled out before the second. His departure was undoubtedly aimed to weaken the legitimacy of Kirchner's mandate. Opinion polls suggested Kirchner would trounce Menem, with between 71% and 79% of the votes, when his opponent pulled out. Menem's decision could mark the end of his long political career, at 72 years of age, since he cannot harbour serious hopes of being a candidate again in 2007.

Rodríguez Saá's case may be different, as he is 10 years younger than Menem and is not burdened with strong rejection ratings like those that ended up convincing Menem to pull out of the race. If Rodríguez Saá retains significant support, then Peronism will remain divided.

## Running a province vs. running a country

Experience in running a provincial government has again proven itself to be an important career boost for candidates of Peronist origin: both Kirchner and Rodríguez Saá were governors when they launched their campaigns, as was Menem when he ran for the first time in 1989. Unlike other federal systems, Argentina's political parties have been structured from the national level downward. Therefore, each party's provincial branches operate as structures from which one can rise to federal leadership positions. However, this

pattern appears to be weakening, especially in the case of the UCR, the Radical Civic Union, whose presidential candidate received only 2.34% of the votes. Yet it still controls the government in five provinces and provides the only significant opposition in most of the other districts. Even if this party does not regain a relevant federal role in years to come, its provincial presence will most likely remain strong.

Another development that came out of these elections was the emergence of a new conservative political force, built on the basis of a confederation of exclusively provincial conservative parties, which served as a platform for ex-radical Ricardo López Murphy to obtain 16% of the votes. From a right-wing minority faction of the old Radical Party, this ex-minister of the De la Rúa administration successfully combined his own personal appeal to certain sectors of the urban middle classes with the organization provided by the aforementioned provincially-based parties.

## Changes ahead for the federal government

More changes to Argentina's political layout are scheduled after Kirchner's election. Every two years, there are elections for one-half of the House of Representatives for a four-year term, and one-third of the Senators for a six-year term. This year, elections will be held for one half of the federal House of Representatives and one third of the federal Senate. In all

likelihood, these elections will result in two houses of Parliament that look more like the sum of the electoral geographies of each province, rather than a genuine federal political geography. This is due to the transfer to each provincial government of the power to call elections for the federal legislators

for each electoral district (which in Argentina coincide with the provinces and the self-governing city of Buenos Aires). This decision by the 1990's Menem government sought to transfer the political results at the provincial level (where Menem's party was the strongest) to the federal level, where voting preferences were becoming unfavourable for Peronism.

Ironically, the concrete effect of staggering electoral dates for the federal Parliament will surely be the opposite of what large citizen protests demanded in late 2001 and early 2002. Then the public's favourite slogan was "All of you go away", a demand for a radical shake-up of the political elite. A series of 24 district elections will make electoral victories for those who currently control the provincial governments easier.

Regardless of when they are elected, one half of the 257 representatives and one third of the 72 federal senators will take their seats on December 10, 2003. The outcomes will affect Néstor Kirchner's ability to govern his country until the end of his mandate in December 2007. His relations with the new Parliament will determine, among other things, how feasible it will be to impose a single standard of educational quality in a country with highly different regions and how simple or winding the path will be toward a new federal-provincial revenue sharing system. Whatever Kirchner's strengths and achievements over the coming four years, neither of his promises will depend solely on him. ☺

**Table 2: How Peronist candidates fared**

Candidate	Region	Provinces	Regional %	Federal %
Kirchner	Patagonia (South)	Tierra del Fuego, Santa Cruz, Chubut, Río Negro, Neuquén	47.43	22.24
Menem	Northwest	La Rioja, Catamarca, Salta, Jujuy, Tucumán	45.24	24.45
Rodríguez Saá	Cuyo (Centre-West)	San Luis, Mendoza, San Juan	53.28	14.11