

## THE END OF KIRCHNERISM

**T**HE FIRST MONTHS of Cristina Fernández's tenure as Argentinian president have shattered previous expectations of a smooth conjugal succession from her husband, Néstor Kirchner. After her landslide victory in October 2007—scoring 45 per cent to her nearest rival's 23 to become the first woman to be elected leader of the country<sup>1</sup>—it was widely assumed that Fernández would preside over business as usual, with no obvious shifts in policy. The reality has been more turbulent: the announcement in March 2008 of increased levies on agricultural exports sparked four months of protests that drew in not only large-scale agribusiness concerns and small to medium farmers, but also the middle classes in several major cities, who once again staged 'cooking-pot' demonstrations—*cacerolazos*—as they had during the crisis of 2001–02.

Amid substantial urban protests—a 200,000-strong march was held in May in the city of Rosario, for example—and roadblocks aimed at cutting off grain exports, the new president's approval ratings plummeted, from 56 per cent in January to barely 20 per cent by the middle of the year. In July, the government's attempt to get Congressional approval for the tax hike was dramatically defeated in the upper house: the 72 senators split evenly, and the decisive vote against the bill was cast by Fernández's own vice-president, Julio Cobos. This high-level defection confirmed a string of others, as the government's Frente para la Victoria coalition began to fragment, long in advance of the next parliamentary elections, due in October 2009.

The rapid escalation of tensions on the domestic scene is all the more surprising given the essential continuity in policy between Kirchner husband and wife: the new president made almost no changes to the cabinet in her first six months, for instance. But events since March

of this year have brought the evaporation of the political and symbolic capital accumulated by Néstor Kirchner during his four years in power, thanks to his success in leading the country back to economic recovery. In that sense, Fernández's difficulties seem to indicate the opening of a new period in Argentina, as the modes of rule set in place under her predecessor give way to a more unstable configuration. Much will depend on the wider economic conjuncture, and on how Fernández responds to recent setbacks. But an assessment of the legacies of Kirchner's period in office furnishes a basis from which to gauge the country's longer-term prospects.

Providing a balance sheet of Kirchnerism is not a straightforward task. While clearly far from being the recasting of Argentina's political culture proclaimed by its partisans, neither was it a mere prolongation of the 1990s dispensation. In what follows, I will outline Kirchnerism's characteristic features, noting both where it marked a break with the past and the elements of strong continuity. For if Kirchner can point to some genuine economic achievements and certain policy initiatives that qualitatively separate him from earlier administrations, his government otherwise presided over widening income inequalities and an increasing trend towards precarious forms of labour. His political praxis, meanwhile, was marked by repeated recourse to tactics of co-optation and clientelism, suggesting that the old order supposedly swept aside by the crisis of 2001–02 has clung to life, in altered guise; and that it may yet make a full recovery.

### *Out of the abyss*

Néstor Kirchner came to power in 2003, in the wake of a deep economic crisis that had severely shaken the foundations of Argentine society. Thanks to the policy of peso-dollar convertibility adopted under Carlos Menem, the downturn on Wall Street after 2000 had an immediate and magnified impact on Argentina; capital flight intensified and the deficit grew, until by late 2001 default loomed. When President De la Rúa insisted on sticking to convertibility, and had his Finance Minister block withdrawals from savings accounts by imposing the *corralito*—‘little

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<sup>1</sup> The only previous female head of state, María Estela Martínez de Perón, was elected vice-president in 1973 as the running mate of her husband, Juan Perón; she became president on his death in 1974, and was then overthrown by military coup two years later.

fence’—protests rapidly escalated. At the end of December, De la Rúa was forced to flee the Casa Rosada by helicopter, to be succeeded by four interim presidents in the space of twelve days. The tasks of abandoning convertibility and defaulting on Argentina’s debt—the largest sovereign default in history—were left to the caretaker government of Eduardo Duhalde, the Peronist candidate defeated in 1999.

The devaluation and default caused GDP to fall by 16 per cent in the first quarter of 2002; unemployment reached a peak of 23 per cent and real wages shrank by 24 per cent. Before the year was out, poverty levels had risen to 54 per cent in the *villas miseria* of the Gran Buenos Aires conurbation, and conditions worsened still further in already depressed provinces such as Tucumán, where the poverty rate was 71 per cent.<sup>2</sup> This was a devastating collapse for what had formerly been one of South America’s most prosperous countries. The entire political class had been discredited to such an extent that the dominant refrain of the mass mobilizations of 2002 became *¡que se vayan todos!*—‘out with the lot of them!’ Argentina turned into a laboratory for new forms of collective action, including *piquetero* organizations mobilizing the unemployed, neighbourhood *asambleas* and worker-led takeovers of bankrupt factories; there was also a proliferation of the most varied cultural groups.

However, by early 2003 the momentum had drained from many of these initiatives, and hopes for a reordering of political life ‘from below’ gave way to demands for a return to order. Kirchner’s electoral campaign sought to capture this message with slogans such as ‘For a Serious Country, for a Normal Country’. Governor of the Patagonian province of Santa Cruz since 1991, Kirchner had in the 1970s been a member of Juventud Peronista, a left-Peronist youth movement set up to oppose the dictatorships between the 60s and 70s. Previously little known on the national scene, he came to prominence in the midst of a serious institutional crisis which had led to the collapse of much of the Argentine party system; a handful of left minority groupings and a drastically divided Peronist party were virtually the sole survivors. Kirchner was one of three Peronist candidates for the presidency in April 2003, and thanks to the divisions within the Partido Justicialista and the weakness of the opposition, he finished second in the first round of voting, with 22 per cent. Two points ahead of him was Menem who, tainted by

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<sup>2</sup> ‘Child hunger deaths shock Argentina’, *Guardian*, 25 November 2002; Instituto Nacional de Estadística y Censos (INDEC).

association with the convertibility policies, privatizations and corruption of the 1990s, was so clearly going to lose in the second round that he withdrew—handing the presidency to Kirchner by default.

One might have expected a president with such a weak mandate to be hamstrung by the need to secure support within a fragmented political scene. However, events subsequently demonstrated once more Peronism's capacity to redefine the political landscape, forcing all other actors to reposition themselves in relation to the apparent ruptures it has enacted. Having advanced the policies of the Washington Consensus in the 1990s, under Kirchner the Partido Justicialista was able to present itself as a left-of-centre, anti-neoliberal force. Adoption of a critical line on neoliberalism, appropriating the common theme of the mass mobilizations of 2002, coincided with a strengthening trend towards centre-left governments across Latin America—Chávez had been re-elected in 2000, Lula won in 2002; Tabaré Vázquez was to follow in Uruguay in 2004. Kirchner's anti-neoliberal rhetoric, targeted at privatized concerns now owned by multinationals and particular sectors of the economy (notably, agricultural producers), thus chimed with a broader change in the ideological climate.

In the realm of institutional politics, too, Kirchner began by making notable breaks with the past, which had a highly positive impact on public opinion. Firstly, he appointed a new Supreme Court. The previous bench had been closely linked to the regimes of the 1990s, and their replacement by figures renowned for their competence and integrity was well received.<sup>3</sup> Second, Kirchner adopted an entirely new policy towards the military, replacing its top ranks and unequivocally condemning the atrocities committed by the dictatorship of 1976–83. This sharply distinguished him from Alfonsín and from Menem, who in 1989 had granted presidential pardons to those charged with crimes against humanity. Kirchner went so far as to beg society's forgiveness, in the name of the Argentine state, for the two decades of impunity sanctioned by civilian governments. Laws preventing cases from being pursued were annulled

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<sup>3</sup> This move to strengthen the independence of the judiciary was rather undermined in February 2006 by a law increasing political representation—and government control—in the Consejo de Magistratura (Judicial Council), a panel responsible for selecting, disciplining and dismissing judges.

between 2003–05, and dozens of members of the armed forces were finally brought to trial.<sup>4</sup>

### *Clientelism and co-optation*

But Kirchner also displayed a strong tendency to govern by decree—very much in line with the practice of his predecessors. As in other Latin American countries, neoliberal reforms in Argentina had concentrated authority in the office of the president, accentuating the local tradition of populist hyper-presidentialism. If anything, Kirchner actually reinforced presidential power by consolidating the ‘decisionist’ model, confining discussion of policy to a small group of advisors. Promises of a ‘new politics’ were further belied by the failure to remove governors and other officials tainted by their records in the 1990s, and by the reappearance of old-style clientelism—most blatantly in the suburbs of Buenos Aires, home to around a third of Argentina’s total population of 39 million, where political patronage was systematically accelerated at election time. This became especially notable in Gran Buenos Aires during campaigning for the 2005 mid-term congressional elections, marked by a continuing internal struggle within Peronism between supporters of Kirchner and the section of the party headed by former president Eduardo Duhalde. The poorer households in the de-industrialized belt of the Conurbano Bonaerense were showered with domestic appliances and subsidies, and local officials were courted en masse by the contending party hierarchs.

The expansion of clientelistic relations went hand in hand with a massive roll-out of welfare. Duhalde’s provisional government of 2002–03 had instituted the Unemployed Heads of Household Plan (PJJHD), which vastly expanded unemployment benefits, the number of beneficiaries soaring from 700,000 to 2 million. The compensatory value of the benefits—the equivalent of \$50 per month—obviously declined as inflation rose. But Kirchner nonetheless increased the number of welfare programmes, widening the spread of recipients: by 2007, the total

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<sup>4</sup>The process suffered a setback in September 2006, however, with the disappearance of Julio López, a former *desaparecido* whose testimony had been crucial to the case against a police chief eventually sentenced to life imprisonment; López’s unknown fate highlights anew the persistent links between the repressive apparatus of the dictatorship and the present-day security forces, and casts doubt on the viability of further trials.

receiving one or other form of assistance was 2.6 million.<sup>5</sup> The impulse behind this was to enable Peronism to recover the territory it had lost to new social forces at grass-roots level—most notably the *piqueteros*. These mass organizations of the unemployed had first emerged in 1996–97 in the oil-producing states of Neuquén and Salta, as well as in areas of Gran Buenos Aires hardest hit by unemployment. Their principal activities were direct action, in the form of roadblocks or pickets; community organizing; and the establishment of popular assemblies at neighbourhood and other levels. Their numbers were swelled dramatically by the crisis of 2002—by the following year, it was estimated that there were around 30 *piquetero* groups, with some 150,000 members; today there may be as many as 200, though it is hard to evaluate the precise impact of recent tendencies towards fragmentation.<sup>6</sup>

The *piqueteros* were prominent actors on the political scene during the peak period of the country's radicalization, from 2000 to 2004. While the governments of De la Rúa and Duhalde had responded by alternating between negotiation and repression, Kirchner adopted a dual strategy of co-optation and judicial clampdown on social protest. On the one hand, there was an effective criminalization of the groups most active in confrontations with the authorities on the streets. On the other, welfare programmes such as the PJJHD provided a means of containing social conflict while undermining the *piqueteros'* collective project: benefits were linked to compulsory employment, and these work opportunities were offered on an individualized basis. The *piquetero* organizations were from the outset deeply ambivalent about such programmes, whose non-universalist character reinforced the assistential connotations of the welfare system, and bound recipients into a dependency on the state. The system itself, moreover, was brazenly manipulated by local officials in poorer districts, skewing distribution in line with clientelist goals.

Kirchner himself sought to isolate the more oppositional *piquetero* groups by redirecting resources to those better disposed towards his

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<sup>5</sup> According to INDEC figures, there were 1,028,770 beneficiaries of the PJJHD programme; 530,000 of the Plan de Pensiones; 410,000 of the Familias para la Inclusión Social; 575,000 on the Manos a la Obra (Let's Get to Work) scheme; and 32,000 registered for the Seguro de Capacitación y Empleo (Training and Employment Insurance).

<sup>6</sup> For more on this topic, see Maristella Svampa and Sebastián Pereyra, *Entre la ruta y el barrio. Las experiencias de las organizaciones piqueteras*, Buenos Aires 2003.

administration. His adoption of a discourse critical of neoliberalism enabled him to draw a substantial number of *piquetero* leaders into government departments charged with social policy, as well as into the Chancellery. In many cases, appointees found themselves working alongside former Menemist officials or representatives of an unreconstructed Peronism, precisely the people against whom they had previously considered themselves to be struggling. Several unemployed workers' collectives ended up supporting Kirchner's policies—and thus relinquishing their independence—while failing to expand their sphere of influence.

This process was accompanied, between 2003 and 2005, by a battle between the more militant *piquetero* groups and the government, unfolding principally in the streets and squares of the capital. *Piquetero* groups who had thrown their lot in with the authorities urged further institutionalization of the movement, and withdrawal from the streets—effectively endorsing an emergent anti-*piquetero* consensus. Stigmatization of the activist wing by politicians and in the media ultimately spread to cover the whole *piquetero* phenomenon, including those organizations that had joined the government.<sup>7</sup> The chorus of public disapproval revealed a breakdown of the solidary links formed during the 2001–02 crisis between the working classes and a radicalized middle class. These were now replaced by a repackaged form of the old antagonism between city and suburbs, between Buenos Aires and the outlying Conurbano Bonaerense—the permanent headquarters of the 'dangerous classes'.

### *Frontiers of insecurity*

Paradoxically, then, the crisis of 2001–02 presented Peronism with a historic opportunity—allowing it to take power after the discrediting of its opponents, and to reconstitute itself on the back of a welfare roll-out. This in turn enabled it to lay the foundations for a renewed clientelism, and effectively to incorporate into the state a range of oppositional social actors. On the economic front, too, Kirchner seemed to chalk

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<sup>7</sup> It must be said, however, that the *piquetero* organizations contributed to their own isolation and delegitimation—notably the Trotskyist groups, which portrayed Kirchner as a mere continuation of what went before, and thus failed to recognize Peronism's adaptability. Their calls for continued popular agitation in the end underestimated the vast asymmetry of forces between movements and government, as well as the vulnerability of the sectors they sought to mobilize.

up considerable successes—most notably paying off the country's IMF loans, totalling \$9.5bn, in 2005, and renegotiating much of its outstanding debt with private creditors. While foreign debt stood at 138 per cent of GDP in 2002, by 2006 it was 59.4 per cent.<sup>8</sup> The main enabling factors in this were high rates of economic growth—GDP expanding by 9 per cent per annum over 2003–07—and a fiscal surplus of between 3 and 4 per cent every year. These in turn came largely thanks to the recovery of industry after the devaluation, which brought unemployment down from 17.3 per cent in 2003 to 8.5 per cent in 2007, as well as high profits from agribusiness, amid buoyant global commodities prices.<sup>9</sup>

Kirchner's achievements need, moreover, to be set in context. The fact that he retained the services of Duhalde's finance minister, Roberto Lavagna, is the most obvious sign of continuity with earlier policies. Moreover, the IMF loans represented a mere 9 per cent of the total foreign debt, and though the government obtained reductions in the remaining sums owed, the time-frame for servicing the debt remains onerous, leaving little room for achieving a high primary fiscal surplus in the immediate future. More importantly, though the macroeconomic indicators are positive, growth has been distributed very unevenly: the economic and social disparities that opened up during the 1990s, and which widened after the precipitous withdrawal from peso-dollar convertibility, have become wider still. According to a 2007 study, 'of every \$100 generated by the process of economic growth [since 2003], \$62.5 went to the wealthiest 30 per cent, leaving \$37.5 to be shared out between the remaining 70 per cent of the population'; the poorest 40 per cent gained only \$12.8.<sup>10</sup> In the 1990s the wealthiest 10 per cent of the population earned 20 times more than the poorest 10 per cent; today, the richest earn 27 times more. Poverty, while cut from its 2003 level of 57 per cent to 34 per cent today, is still significantly higher than it was in the 1990s, when it stood at 24 per cent—suggesting that the 2001–02 crisis set a new standard against which to measure inequality.<sup>11</sup>

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<sup>8</sup> Data from [www.caserosada.gov.ar](http://www.caserosada.gov.ar).

<sup>9</sup> CEPAL, *Statistical Yearbook for Latin America and the Caribbean*, 2006. Unemployment figures do not include those enrolled in welfare programmes; if these are included, the 2007 figure is 9.8 per cent: INDEC.

<sup>10</sup> Claudio Lozano, Ana Rameri and Tomas Raffo, *Crecimiento y distribución. Notas sobre el recorrido 2003–2007*, Instituto de Estudios y Formación, Buenos Aires 2007.

<sup>11</sup> Lozano, 'Comportamiento de los sectores dominantes', paper presented at a conference on the Plan Fénix, Buenos Aires, September 2005; and 'La Argentina desigual', *Moreno*, no. 179, 7 December 2006.

Indeed, while Kirchner substantially expanded welfare provision, his failure to launch inclusive redistributive programmes to tackle social inequality in effect served to fortify the frontiers of exclusion. The period after 2004 was also marked by a steady increase in precarious forms of labour, indicating a further measure of continuity with preceding administrations. ‘Flexibilization’ had been implemented in the 1990s through the National Employment Law (24.013) of 1991, which sanctioned an expansion of insecurity in both private and public sectors. With rising unemployment serving as a disciplinary mechanism, the cost of labour dropped by 62 per cent over the course of the decade; contract types multiplied—self-employment, subcontracting, outsourcing, temporary hires—and rates of informal employment rose sharply, from 25 per cent in 1990 to 39 per cent in 2001.<sup>12</sup> The industrial sector and newly privatized companies felt the full impact of streamlining measures and threats of redundancy, with the result that labour militancy remained largely confined to the public sector—mostly defensive actions in the spheres of health and education. This remained the case even when further flexibilization was imposed in a revised labour law of 2000, which merely confirmed the asymmetry between capital and labour.<sup>13</sup>

Under Kirchner the dynamics of precariousness continued, despite the economic recovery and annual growth rates of 8–9 per cent. A number of factors were in play here: an increase in informal employment; expansion of the service sector—for example, call centres, marketing and transport workers—triggered by the devaluation; and the persistence of a large pool of temporary state employees. Between 2003 and 2005, although 2.5m paid jobs were created, 1.8m were informal—70 per cent of the total. By mid-2007, informal labour accounted for 43.2 per cent of all jobs.<sup>14</sup> This includes, of course, the last link in the chain of labour insecurity—the ‘slave’ labour common in the construction and textile industries, which typically recruit from among immigrants to Argentina from neighbouring

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<sup>12</sup> Figures from INDEC.

<sup>13</sup> The April 2000 Law is known as the ‘Banelco Law’, after the chain of ATMs of the same name: at the time, many suspected the UCR government of bribing Peronist legislators to vote in favour of it, a fact which was later confirmed. The Law was repealed in 2004.

<sup>14</sup> Claudio Lozano et al., ‘Clandestinidad y precarización laboral en la Argentina de 2006’, Instituto de Estudios y Formación, 2006; *Clarín*, 14 June 2007, citing INDEC data.

countries; in 2006 around 4,000 Bolivian nationals were estimated to be employed in sweatshops in the Argentine capital alone.<sup>15</sup>

### *Fat cats and militants*

Labour disputes have in recent years focused predominantly on the question of pay, rather than contractual problems or union representation. In part this is a function of economic growth and rising inflation—official estimates for the latter falling notoriously short of the true rate, due to government interference at the National Institute of Statistics to massage the figures.<sup>16</sup> Efforts at wage restructuring began in 2005, a process from which the formal private sector has benefited most—although even here, pay rises did not restore the income levels obtaining before the crisis. The same year also saw the greatest number of industrial disputes—824—since neoliberal reforms were first enacted in 1990, more than trebling the total for 2004.<sup>17</sup>

A significant influence has also been exerted by the closer relations that have developed between the government and a resurgent CGT (General Labour Confederation)—the officialist union popularly known as the ‘Gordos’, the fat cats. Headed since 2003 by Hugo Moyano, the CGT was able to combine its entrepreneurial slant with a capacity to put pressure on the government. The Casa Rosada’s relationship to the CTA (Argentinian Workers’ Central), which had played an oppositional role in the 1990s, was more ambiguous. Despite the support given him by various of the CTA’s leaders, in April 2005 Kirchner refused to grant it representative status in the wage bargaining round—leaving this as a monopoly of the CGT. Already internally divided, thanks to the support of many of its leading figures for government policy, the CTA has since gone into decline.<sup>18</sup>

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<sup>15</sup> In March 2006, a fire in an illegal workshop in the Buenos Aires port area killed six Bolivian immigrants, most of them minors—sparking a campaign against all such sweatshops. *La Nación*, 24 June 2006.

<sup>16</sup> The official rate for 2007, for example, stood between 8 and 9 per cent, whereas most analysts estimated it to be between 18–20 per cent; by June 2008 the official annualized rate was 9.3 per cent, but others put it as high as 25 per cent.

<sup>17</sup> Data from Centro de Estudios Nueva Mayoría. Though the figure dropped to 501 in 2006, in the year to March 2008 the number was up to 638.

<sup>18</sup> The CGT, meanwhile, has split in the wake of the 2008 farm protests: Hugo Moyano supporting the government, and a ‘dissident’ faction led by Luis Barrionuevo—sacked by Menem from the Social Works Administration for declaring that ‘no Argentine makes money by working’—backing the demands of the farmers.

There are nonetheless fragments of autonomous labour militancy, including, most notably, the Movimiento Intersindical Clasista (Intersyndical Classist Movement), formed in December 2005 from independent committees of rail and subway workers, public-sector and healthcare employees, among others. This followed the success of the Buenos Aires subway-workers' strike, which won a pay rise of 44 per cent in February 2005. Moreover, we should recall that there are still a large number of factories under worker management in Argentina—around 170, employing some 12,000 people. The majority of such enterprises are in Buenos Aires province and the federal capital—totalling 113 and 29 in these areas respectively.<sup>19</sup> But only in a handful of cases have permanent expropriations taken place; the rest are temporary, effected by local or provincial legislation. The Kirchner government 'never raised factory takeovers to the status of an official policy . . . The lack of a national expropriation policy was precisely what left worker-managed firms to the whim of local governments [and] the discretion of judges'.<sup>20</sup> In fact, several 'recuperated' factories will find themselves under repossession orders once the expropriation period has expired—as in the case of the most renowned of the factory takeovers, the former Zanón factory in northern Patagonia, now run by the FASINPAT Cooperative (short for 'Fábrica Sin Patrón': Factory Without a Boss). Moreover, as with the *piquetero* groups, some of the largest 'recuperated' factories have entered a phase of institutionalization.

### *Economic models*

Kirchner's administration began by making partial adjustments to the country's economy, by encouraging a resuscitation of industry. As a result, manufacturing output grew by an average of 11 per cent from 2003–06, led by suppliers to the domestic market, though exports of cars to Brazil also increased significantly. In line with his anti-neoliberal rhetoric, Kirchner also mounted attacks against certain privatized companies. Public services that had been sold off in the 1990s were in some cases called to account for failing to fulfil contract terms, and even re-nationalized: for example, the water and sewage company, formerly run by French multinational Suez, the postal service and the San Martín railway. But beyond these progressive moves, the reality was one of substantial support for the private sector: the main measure adopted to

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<sup>19</sup> According to 2007 data from the Ministry of Labour.

<sup>20</sup> Julián Rebón, *La empresa de la autonomía. Trabajadores recuperando la producción*, Buenos Aires 2007.

counter rising energy costs and prevent price rises was to shore up privatized companies with large subsidies. In the first nine months of 2007, for example, these amounted to 10,470m pesos—some 40m pesos, the equivalent of \$15m, per day.<sup>21</sup>

The main plank of Kirchner's economic strategy, in fact, was the consolidation and expansion of an extractive, export-driven model centred on agribusiness and the mining and energy sectors—a 'neo-developmentalism' that amply illustrates the division of labour in contemporary capitalism, and the widening breach between wealthy countries and the global South. In this his policies once again offered continuity with those of his predecessors. Open-cast mining, mega-dam projects and the extension of monoculture have given rise, however, to a new cartography of resistance, as countless citizens' assemblies have sprung up, especially in the long mountainous strip of the Andes, to protest the environmental damage being caused. The preferred technique has been the roadblock, which before the farm-tax dispute of 2008 had predominantly been carried out by local groups and trade unions.<sup>22</sup> The government has largely ignored such actions, with the sole exception of the blockades from 2005 onwards against the establishment of a pulp mill on the border with Uruguay at Gualaguaychú in Entre Ríos province. But here Kirchner's intervention on the side of the protestors failed to prevent the mill from starting operations in 2008, and instead shifted the debate onto jingoistic terrain—pitting Argentina against its smaller neighbour, rather than prompting discussion of alternative models of development.

The agricultural component of Argentina's export model has, of course, been the source of serious tensions in recent months. Since the late 1990s, a new agrarian model has been introduced into the country, predicated on the direct sowing of genetically modified seeds. Its successful development has turned Argentina into one of the world's leading exporters of transgenic crops. Spreading not only across the Pampas but also into the formerly marginal northern and coastal areas, this new form of agriculture now occupies a total of 18m hectares, 90 per cent of which is devoted to soybean. The profitability of farming was boosted by

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<sup>21</sup> *La Nación*, 1 February 2008.

<sup>22</sup> Of the 593 roadblocks reported for 2007, for example, 52 per cent were by local people, students and retailers, with trade unions responsible for 23 per cent; *piquetero* organizations accounted for only 3 per cent, illustrating the scale of their decline. Figures from Centro de Estudios Nueva Mayoría.

devaluation and the worldwide surge in commodity prices. But the new model's expansion is also a function of its ability to incorporate a range of economic actors: the production chain involves not only transnationals such as Monsanto and Cargill, but also providers of equipment, contractors who administer seed pools or investment funds, and of course small and medium landowners, many of whom have become rentiers, hiring out their land for soybean cultivation.

The rapid development of the new model required, however, the complete overhaul of existing farming systems, triggering a crisis in the countryside. Between 1988 and 2002, a total of 103,405 farms vanished, while in the last twenty years the average area of holdings increased from 243 hectares to 538. Direct planting techniques have reduced demand for agricultural labour by some 28 to 37 per cent, provoking a mass exodus of the rural population. Indeed, despite the agrarian boom, Argentina employs far fewer agricultural workers than any other Latin American country, as a proportion of total economic activity: 0.8 per cent, compared to Brazil's 18.6 per cent or Paraguay's 31.1 per cent—both countries likewise heavily invested in soybean cultivation.<sup>23</sup> The flood of profits has accentuated the tendency to monoculture, accelerated deforestation and encouraged blanket use of herbicides, adding environmental concerns to anxieties about the loss of food security and technological independence occasioned by reliance on commodity exports.

### *Inheritance of the presidenta*

Kirchner's period in office was, then, defined by a persistent dualism. On the one hand, anti-neoliberal rhetoric and attacks on privatized companies; on the other, large subsidies to the private sector and the expansion of informal and precarious labour. Despite a hike in welfare spending, the government did little to counter the widening of income inequalities, and while promising a 'new politics' it resumed traditional Peronist forms of co-optation and clientelism. In institutional terms, progressive gestures on human rights and the Supreme Court were counterbalanced by the reinforcement of hyper-presidentialism—and by the adoption in June 2007, under US pressure, of 'anti-terrorist' legislation which, in

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<sup>23</sup> Pierre Salama, 'Argentine: le choc de la hausse des matières premières', manuscript, July 2008; Grupo de Estudios Rurales, '17 de Abril: Día Internacional de la Lucha Campesina', *Realidad Económica*, 2004, p. 112; CEPAL, *Statistical Yearbook for Latin America and the Caribbean*, 2007.

the absence of armed conflict, could potentially serve as a further instrument for criminalizing popular protest.

This dual discourse has now given way to conjugal co-government. Kirchner's decision in July 2007 not to stand for re-election took everyone by surprise, still more the nomination of his wife as the candidate to succeed him. Cristina Fernández was by no means a political newcomer: she had served first as a provincial legislator in Santa Cruz, then as one of the province's Congressional deputies, before becoming its Senator in 2001; in 2005 she was elected Senator for Buenos Aires. She had been a member of the Peronist youth movement, along with her husband, in the 1970s; in the 1990s, when she acquired a reputation on the national stage, she was in fact better known than him. In the eyes of the public, then, the nepotistic nature of her ascent to power—and it should be borne in mind that none of the parties held primary elections—was mitigated by the fact that Fernández was widely seen and accepted as a figure of national standing.

With the general election approaching, and the Peronist party still riven between supporters of the president and factions around Duhalde, the Kirchners moved to seal an alliance with elements of the UCR. The latter, Argentina's oldest political party—founded in 1891 and historically the main competitor to Peronism—appealed principally to the urban middle classes. Discontent with *menemismo* won the Radicals the presidency in 1999 under De la Rúa, but they ran aground on the shoals of the 2001 convertibility crisis, which caused the party's virtual collapse, amid a broader crisis of political representation. Several of its leaders left to form new parties, and the UCR's candidate for the presidency in 2003 scored a miserable 2.3 per cent—largely thanks to votes drawn away to the left by the former UCR deputy Elisa Carrió, and to the right by the former De la Rúa minister Ricardo López Murphy. In the 2007 presidential elections, the UCR backed Roberto Lavagna—for the first time in its history supporting a candidate from outside the party—who came third with 17 per cent, behind Carrió, who scored 23 per cent with a discourse that was visibly more conservative than before. Although the UCR's presence in parliament was reduced to a combined total of 40 deputies and senators, it remains the second largest parliamentary bloc.

With the UCR as with others, the Kirchners sought to co-opt those inclined to be sympathetic to government policy—known as the 'K Radicals'—the

most prominent of them being Julio Cobos, who joined Fernández's ticket as vice-presidential candidate. The two stood as representatives of the Frente para la Victoria (Front for Victory), the flexible alliance that had brought Kirchner to power in 2003, and whose composition varied from district to district, adding dissident Radicals, socialists, communists or Christian Democrats to a core of Kirchnerites. The 2007 election campaign was one of the most apathetic in Argentine history; the 72 per cent turnout on election day in October was the lowest in a presidential poll since the resumption of democratic rule in 1983—and still more striking in view of the fact that, under Argentine law, non-voters can be fined. The 45 per cent of the vote Fernández obtained was arguably as much the product of party loyalty as of goodwill created by her husband's record. There was also a marked correlation between income levels and votes for the incumbent party, the Peronist candidate sweeping the board in the most deprived districts, but scoring less well in relatively prosperous areas, such as the cities of Buenos Aires, Córdoba and Santa Fe. Despite the consumer boom, the urban middle classes seemed to have turned their backs on *kirchnerismo*.

### *Autumn of discontent*

This diagnosis was confirmed in early 2008, as protests erupted after the March hike in agricultural taxes. The measure, which raised to 44 per cent rates that had formerly varied in line with international prices, made no distinction between small and large producers, and was peremptorily enacted by presidential decree. The high-handedness was a typical component of the Kirchner *modus operandi*, but in this case it prompted an aggressive stand-off between the government and a range of organizations, uniting farmers and the urban middle classes. Though the protests were freighted with issues of class and race—including visceral middle-class rejection of Peronism, traditionally associated with the lower orders—they also voiced concerns about the concentration of political power in the presidential couple and a small coterie of associates. Indeed, the rapid escalation of the conflict exposed the new government's lack of flexibility, and in the process undermined the *presidenta's* authority.

Former president Kirchner now strode back into the limelight, adding to the sense of dual power at the country's political summit. Government spokesmen interpreted the farm dispute as exemplifying a supposed polarization between the oligarchical right and a nationalist-popular

administration. In reality—demonstrating once again a knack for dual discourses—while verbally attacking them, Kirchner had adopted measures favouring the agricultural corporations the Casa Rosada was now criticizing. Legislation allowing seed pools to negotiate favourable deals on leases and inputs was firmly kept in place; in 2003, Kirchner handed private companies licenses to run 7,500 km of major transport routes, raking in tolls without contributing the slightest investment.<sup>24</sup> As tensions increased in the early months of this year, Fernández nonetheless appealed to populism, emphasizing the importance of the agricultural levies to the implementation of notional redistributive policies, and to attempts to keep domestic prices down.

It was only the intervention of the Supreme Court, which in June announced it would examine whether the farm-tax increase was constitutional, that persuaded Fernández to submit a bill for Congressional approval in early July. The fact that it barely squeaked through the lower house, by 129 votes to 122, with 18 government supporters voting against, should have been ample warning of what was to come in the Senate—a defeat inflicted by Fernández's own vice-president. In its wake, the *presidenta* was forced to withdraw the original tax plan, fixing the rate of the levy at 35 per cent. She can no longer count on a majority in Congress, as several Peronists and K Radicals have deserted the government's side. No doubt reeling from these blows, Fernández shunted aside the Agriculture Minister and, more significantly, accepted the resignation of her cabinet chief and closest ally Alberto Fernández (no relation). In a further attempt to signal a degree of change, the *presidenta* even held a press conference on 2 August—her husband never held a single one. Beyond these cosmetic operations, however, it remains to be seen whether the government will make any substantive alterations to its policies.

The conflict with the countryside had a paradoxical result: on the one hand, it brought onto the political stage different social and economic actors, linked to the agribusiness model, while strengthening the positions of the most conservative and reactionary sectors. On the other hand, its denouement has imposed political limits on the government which probably signal the end of the 'K Era'—at least in the configuration that has obtained since 2003, combining appeals for a 'new politics' and

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<sup>24</sup> Claudio Katz, 'El agrocapitalismo de la soja', Argenpress.info, July 2008. In June, in the midst of the crisis, Fernández put forward a revised scheme for the licenses, due to expire in October.

hopes of constructing a cross-party centre-left force with a heightened concentration of power in the executive branch and the instrumental use of allies, even within the ruling bloc. This style of government, effective in reshaping the political scene during the first years of Kirchner's mandate, is now being questioned by a significant portion of society—above all the middle classes—who reject the authoritarianism of the presidential couple, disbelieving its promises of renewal and demanding that power be further democratized.

There are three principal challenges facing Fernández today: to re-establish presidential authority, badly shaken by the farm protests and subsequent defeat in the legislature; to forge a distinctive political identity of her own, notwithstanding the omnipresence of her husband and predecessor; and, in the economic sphere, to develop an effective price-control policy to counter rising inflation—a task that will surely be further complicated by the next round of wage negotiations with the unions in early 2009. In the longer run, she will also need a more effective political base than the Frente para la Victoria. The Peronist party's election of Néstor Kirchner as its chairman in May 2008 may be a key part of this: not only as a means of giving the ex-president an official public role, but as a first step towards the reconsolidation of the Partido Justicialista—which, thanks to Kirchner's changeling strategies, has ridden out the storms of devaluation more successfully than any other political force in the country. The situation as it stands is likely to mark the end of the K Era and its timid experiments with building a centre-left coalition—clearing the way for the traditional system of Peronist domination to return with a vengeance.