

A Sinking Feeling in Argentina

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By Arturo C. Porzecanski



Massive and noisy street protests against the government of President Cristina Fernández de Kirchner are planned for Thursday, November 8, in downtown Buenos Aires as well as in many provincial capitals in Argentina—and, on a much smaller scale, in front of Argentina’s embassies and consulates in foreign cities with Argentine communities such as Berlin, London, Paris, Miami, and even Washington DC.

The protests have been organized using social media (Twitter, Facebook and other sites) by the umbrella group known as the “8-N” (for 8 de Noviembre) movement, which draws support from conservatives and members of the urban upper-middle class. The upcoming demonstration has been endorsed by leading opposition figures such as the mayor of Buenos Aires, Mauricio Macri; dissident union leaders Luis Barrionuevo and Hugo Moyano; the governor of Córdoba province, Juan Manuel de la Sota; and Congressman Francisco De Narváez—but it is not sponsored by political parties. It will be the second such protest. The first (“13-S”) took place on September 13 and it was spontaneous, featuring pot-banging mainly in the capital city of Buenos Aires. The 8-N is demanding “democracy without corruption and paternalism, with personal security and true inclusion” and opposing any attempt to amend the Argentine constitution to allow President Cristina Kirchner to run for a third term in 2015.

The 8-N movement is fueled by discontent over allegations of corruption and influence-peddling, such as the case involving the former economy minister and now Vice

President Amado Boudou; unchecked perceived rise in violent street and property crimes; the decay of public services, most notably railways plagued by delays, overcrowding and accidents the last of which took the lives of 51 people; and the government's growing web of controls on the economy—price, import and capital controls, for the most part. Matters are not helped by the fact that the economy has entered a recession and inflation continues to run at double-digit rates for the fifth year in a row.

The lightning rod for the discontent is President Fernández de Kirchner herself, because she has not taken responsibility for many obvious problems and even seems to deny their existence, as when she claims that dollars can be bought and sold freely or that inflation is in fact in single digits. On the contrary, she has been fighting critics and political adversaries such as the Mayor of Buenos Aires, refusing to share tax revenues, and by reducing allocations. Also, she has been intimidating the press and is trying to break up the large media company Grupo Clarín.

Fernández de Kirchner and her administration have also been buffeted by policy defeats outside of Argentina. In September, International Monetary Fund head Christine Lagarde warned it would face sanctions unless it starts delivering credible economic statistics, and it gave the government until mid-December to correct the situation. In October, Ghana's high court ordered the Argentine navy's showcase frigate, "Libertad" (Liberty) detained, in response to a claim for payment filed by Argentina's creditors—a national embarrassment. In New York, the U.S. Court of Appeals for the Second Circuit recently ruled that Argentina could not keep paying its obligations to a majority of investors who had capitulated to its unilateral, less-than-30 cents-on-the-dollar debt exchange offer back in 2005 – while simultaneously failing to make any payments to the investors who had not consented to that offer. Given Fernández de Kirchner's track record of disregarding foreign court and arbitration rulings against Argentina, her defiant attitude has now raised the specter of a renewed default and has consequently had adverse repercussions in the domestic financial market.

Indeed, popular sentiment has changed so drastically, that the fact that the president won a landslide reelection in October of last year seems almost irrelevant to her political future. Her popularity has plunged from 64 percent a year ago to 24 percent nowadays, and according to a recent poll by Poliarquía, 40 percent of those interviewed feel that she is losing control of her administration while 20 percent say that she has already lost control.

In sum, this would be a good time for Fernández de Kirchner to make a course correction to salvage her presidency and legacy, as well as that of her predecessor and late husband, Néstor Kirchner. However, Argentina's history is replete with instances when demagoguery trumped common sense—at least until social unrest led to the resignation or removal of the sitting president.

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