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Argentine President Carlos Menem Suffers Political Reverses

by LADB Staff

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Argentine President Carlos Saul Menem suffered a significant political setback May 9, when the Partido Justicialista-peronista (PJ) chose Vice President Carlos Ruckauf as its candidate for governor of Buenos Aires. The following week, Menem was forced to rescind spending cuts that had set off massive demonstrations and a nationwide education strike. The two defeats show Menem's power weakening in his last months in office.

Ruckauf had the backing of the man who hopes to succeed Menem, Buenos Aires Gov. Eduardo Duhalde. Duhalde had said he would withdraw from the race for the PJ's presidential nomination if Ruckauf lost. In the lopsided victory, Ruckauf took almost 80% of the vote to defeat Menem's choice, Sen. Antonio Cafiero, who received less than 18%. Menem hoped that a strong showing by Cafiero would enable him to play a decisive role in the July 4 primary to select the PJ presidential candidate. Many thought a Cafiero victory might even have encouraged Menem to resume his efforts to run for a third term, which is prohibited by the Constitution.

The daily Buenos Aires *Economico* called Cafiero's defeat "crushing" and said it consolidates Duhalde's place in the party structure and ends any possibility that the "Menemists" would succeed in bringing about a Menem candidacy. Even Cafiero recognized that the Ruckauf victory was also a victory for Duhalde in his long war with Menem to be the undisputed Peronist leader. "Duhalde is at the head of the most powerful political machine that the Peronists have anywhere in the country," said Cafiero.

PJ improves standing in polls

The PJ has made a surprising recovery in recent opinion polls, running even with the opposition Alianza. Some have suggested that the power struggle between Menem and Duhalde has even improved the party's standing. "The Alianza used to be attractive because it was the way to get rid of Menem," said analyst Felipe Noguera. "Now this role of eliminating Menem has been taken over by Duhalde, so the constant fighting between the two has become rather useful for the Peronists."

Other analysts also say Duhalde has climbed in the polls by marketing himself as the person who stopped Menem's re-election bid. "The Alianza made a major political mistake," said journalist Horacio Verbitsky. "They focused on fighting Menem's re-election bid, forgetting that their real adversary was Duhalde." "Right now, the Justicialistas are clearly ahead," pollster Manuel Mora Araujo told *The Miami Herald*. "Public opinion wants change, but moderate change. A change of people, but not a major change in policies. And Duhalde has positioned himself very well to meet these expectations."

Polls indicate that crime is a major concern for many Argentine voters, especially those in large cities such as Buenos Aires. Public distrust of the police, who have a reputation for corruption and

abuse, adds to citizens' security concerns. Both the PJ and the Alianza are making crime a campaign issue along with corruption and unemployment. In Buenos Aires province, with the worst crime levels and a police force with an appalling record of involvement in some of most notorious crimes in recent years, Duhalde has been forced to dismantle the police force he once called "the best in the world." He promises, if elected, to build "30 or 40 new jails.

In four years, there will be a cell for every criminal." The opposition charges that the rise in crime is linked to an increase in unemployment and a growing divide between rich and poor. "Ninety percent of people in the prisons of Buenos Aires province have not completed primary education, which shows crime is a social problem," said Federico Storani, a deputy for the Union Radical Civica (UCR), part of the Alianza.

The administration dismisses the connection, and Menem accuses the Alianza of "confusing the dignity of poverty with the pathology of crime." The Alianza in turn accuses the PJ of "returning to the darkest periods in our country's history" with bills proposing draconian powers for the police. Administration forced to reverse spending cuts In Menem's second defeat in a week, on May 13, following a student strike and a threat to end university classes early, the government backed down on education spending cuts of US\$280 million ordered to meet International Monetary Fund (IMF) targets.

As thousands of students marched on the presidential palace during the nationwide day of protest, Education Minister Manuel Garcia Sola said cuts would be made elsewhere in the budget. "This reorganization will allow the education system to function normally," said Garcia Sola. Economy Minister Roque Fernandez's cuts in late April prompted the resignation of Education Minister Susana Decibe, which contributed to the anger in the educational community that led to the protests and strike (see NotiSur, 1999-05-07).

The rector of the University of Buenos Aires Argentina's largest with 185,000 students had said if the cuts went ahead he would be forced to end the academic year two months early. That would have closed the school in October, leaving university students without classes just before the elections. Menem partially reversed the education cuts on May 11, reinstating US\$150 million. Fernandez said the government had tentative approval from the IMF to increase its 1999 fiscal- deficit target by US \$150 million. "It's not enough," said teachers' union head Marta Maffei, demanding that Congress overturn the spending-cut decree.

On May 12, members of the Alianza and Duhalde supporters in the lower house joined forces to restore the entire US\$280 million that Menem cut. The action could mean a complete revision of the budget and is a serious blow to Fernandez. The reinstatement still has to be passed by the Senate, where Menem has greater influence than in the lower house. Most PJ delegates in the lower house answer to Duhalde, who says Menem's free-market economic policies have neglected social spending.

Duhalde has said the IMF committed "serious errors," and charges that the economic model is worn out. "The IMF has to understand that a country cannot continue adjusting, adjusting, adjusting," said Duhalde, underscoring his difference with Fernandez and the administration. Even if the

education funds are reinstated, other battles loom as farmers threaten another strike. And, despite the opposition of Congress and the secretary of social security, Fernandez promised the IMF that before the end of July he would sent Congress a bill to reduce benefits for future retirees by between 11% and 21%. [Sources: Inter Press Service, 05/10/99; Reuters, 05/10/99, 05/11/99; Notimex, 05/11/99, CNN, 05/09/99, 05/12/99; Associated Press, 05/11/99, 05/14/99; The Miami Herald, The New York Times, 05/14/99; El Nuevo Herald (Miami), 05/04/99, 05/06/99, 05/10/99, 05/11/99, 05/15/99; Spanish news service EFE, 05/16/99; Clarin (Argentina), 04/27/99, 05/10/99, 05/13/99, 05/17-19/99]

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