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Runoff Between Menem and Kirchner

by LADB Staff

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In Argentina's April 27 presidential election, former President Carlos Saul Menem (1989-1999) finished first and will face Santa Cruz Gov. Nestor Kirchner in the May 18 runoff. The winner will take office May 25. A year after the economic crisis prompted thousands of angry Argentines to march through the streets chanting, "Throw them all out!" they went to the polls resigned that little was going to change. Three of the top five among the 19 candidates battling for their support Menem, Kirchner, and Adolfo Rodriguez Saa were from the governing Partido Justicialista-peronista (PJ), which had been unable to settle on one candidate (see NotiSur, 2003-02-14).

"All people want is a president who can restore sanity to the economy," said political analyst James Neilson. "The problem is nobody knows who that person is." Menem received 24.34% of the vote to Kirchner's 21.99%. Ricardo Lopez Murphy of the Movimiento Federal para Recrear el Conocimiento (Recrear) came in third with 16.34%, Elisa Carrio of the Afirmacion para una Republica de Iguales (ARI) received 14.15%, and Rodriguez Saa received 14.12%.

Despite early indications that public indifference would keep many of the country's 25.7 million registered voters at home, the tight race convinced many that their vote could have an impact, pushing participation to about 80%. Pollster Ricardo Rouvier, who had predicted that Lopez Murphy who jumped in the polls just ahead of the election would end up in the runoff, said that in the last few days "many people were alarmed by the possibility of a runoff between Menem and Lopez Murphy, both seen as right-wing, and they changed their vote."

Argentine electoral law requires a runoff if no candidate wins more than 45% of the vote or has 40% with at least a 10- point lead over the nearest challenger. With 19 candidates, none with widespread support, a runoff was never in doubt. Election a battle for party control President Eduardo Duhalde, whom Congress named to the post in January 2002 following weeks of political upheaval, was supposed to serve until December 2003. Last year, however, he moved the presidential election forward by six months (see NotiSur, 2002-07-12).

Legislative elections will take place in October as originally scheduled. As soon as he decided on early elections, Duhalde, a bitter enemy of Menem, began looking for a strong candidate to back, one who might defeat Menem. He tried to convince Santa Fe Gov. Carlos Reutemann to run, but when that failed, finally settled on Kirchner (see NotiSur, 2002-09-06, 2003-02-14).

"In these elections, Duhalde and Menem are fighting for control of the party as well as of the country," said Andrew Graham-Yooll of the Buenos Aires Herald newspaper. "They have both benefitted from Peronism enormously in the past, and there is no ideological difference between them, but there is a lot of animosity and both desperately want to win."

Analyst Felipe Noguera said Kirchner "has reaped the benefit of his association with Duhalde but has managed to keep Duhalde at arm's length and is seen as his own man." Kirchner dismissed both Menem and Lopez Murphy as "Thatcherites" and puppets of the banks and multinational corporations that he holds responsible for the economic crisis. "The financial sector wants a manager, but Argentina wants a president," Kirchner said before the election. Kirchner has described his position as similar to that of Brazilian President Luiz Inacio Lula da Silva, representing the nationalist moderate left, and he has promised to modernize, cleanse, and "renew" the PJ from within.

Runoff pits two images of Menem

The runoff is expected to focus on the two candidates' differences regarding the economy, but it will likely focus even more on Menem and his record. Public-opinion polls have consistently indicated that Menem is rejected by the highest percentage of voters, with almost 60% saying they would not vote for him under any circumstances.

Analyst Herman Schiller said that, rather than a contest between Menem and Kirchner, the runoff would be more a vote for or against Menem. "There are Argentines who will never forget what Menem did for this country," said journalist and author Horatio Verbitsky. "And there are Argentines who will never forgive what Menem did to this country."

Many Argentines blame Menem for having pushed the country into the abyss with policies that led to economic meltdown. His presidency was marked by rampant corruption, irresponsible borrowing, privatization of state enterprises, and massive layoffs. He maintained parity between the peso and the US dollar long after it was obvious that the policy was no longer viable, the foreign debt doubled, and government spending skyrocketed out of control.

While Argentina enjoyed unprecedented growth under Menem, by the time he left office, it was clear that the day of reckoning was coming. When the IMF cut off further loans, the country quickly went from being the pet of the global banking community to a financial pariah (see NotiSur, 2002-03-15).

But Menem blames those who followed him for the economic disaster, saying that everything would have been fine if they had just continued his policies. He says that per capita income rose to US \$8,500 when he was president and that the number of Argentines living in poverty has more than doubled since he left office. Menem spent months under house arrest in 2001 in connection with illegal arms sales to Croatia and Ecuador while he was president (see NotiSur, 2001-11-30).

An Iranian defector has accused him of accepting a US\$10 million bribe from Iranian government officials to cover up Iranian involvement in a 1994 bombing at a Jewish community center that killed 86 people (see NotiSur, 2002-09-06), and he faces charges that he has illegal, undeclared Swiss bank accounts. Menem insists he is innocent of these and other charges. While voters do not necessarily believe in his innocence, many prefer to remember the better economic situation they enjoyed when Menem was in office.

Analyst Rosendo Fraga said the evaluation of Menem's administration does not produce agreement since many of the poorest Argentines remember it as an excellent government that enabled them to buy things on time or to have more access to decent food. The middle class, however, blames Menem for all the country's problems, convinced he encouraged corruption and sold everything he could. Despite his legal problems, Menem campaigned as the law- and-order candidate, promising to get tough on street crime and the jobless demonstrators (piqueteros) who block intersections almost weekly. A fervent advocate of US free trade and free-market policies, Menem strongly backs the US- crafted Free Trade Area of the Americas (FTAA), scheduled to be in place by 2005, and unfettered foreign investment in Argentina.

Growing resentment among Argentines of the US and the Bush administration may also play a role in the runoff. Most Argentines adamantly opposed the US war against Iraq and increasingly resent the free-market policies promoted by the US, which have brought them few benefits. That resentment of the Bush administration works to Menem's disadvantage. During his terms in office, Menem forged a close relationship with US officials, especially President George H.W. Bush. Under Menem, the Argentine government signed a controversial multimillion-dollar contract with Enron.

An anti-Menem campaign poster reads, "Government by Menem; Power by Bush." Duhalde's refusal to join the US-led "coalition of the willing" in Iraq had strong popular support. Like Duhalde, Kirchner is critical of much of US policy and of Menem's privatizations in the 1990s. He is willing to anger Washington by making it a priority to forge closer ties with Brazil and deepen regional trade in South America ahead of an FTAA agreement. Kirchner's prescriptions include defending jobs and domestic industry first. "It should be clear there are two economic models here: one that drove Argentina into debt and one that restores jobs and dignity," Kirchner said.

He has promised to keep Economy Minister Roberto Lavagna, architect of an (IMF) deal, which could also help him. Menem, Kirchner looking for support from losing candidates Menem and Kirchner are already in high gear competing for the votes of the other 17 candidates, several of whom have said they will not endorse either candidate. While Carrio said she would not ask her supporters to follow her lead, she will vote for Kirchner since he is "the lesser of two evils." Not exactly a ringing endorsement, but a help to Kirchner.

In a poll by Analogias-Research International the day before the election, only 10% of respondents who voted for Lopez Murphy said they would vote for Menem in a runoff, while 70% said they would vote for Kirchner. Of those who voted for Rodriguez Saa, only 20% said they would vote for Menem and 60% said they would vote for Kirchner. And in two polls taken after the election, Kirchner showed a strong lead over Menem.

An OPSM poll gave Kirchner 65.4% to Menem's 12.8%, while the Equis poll gave Kirchner 59.2% to Menem's 24.1%. Both candidates said they would soon announce who would be in their Cabinet should they win. Kirchner hopes to reassure voters with his choices, especially Lavagna, while Menem wants to distance himself from collaborators linked to corruption. His image took a hit on election night when he was visited by a group of friends and associates, many of whom are under indictment for corruption.

Menem's campaign manager, Eduardo Bauza, resigned on April 29, and analysts said it was evidence of the deep divisions within the Menem camp regarding the campaign for the runoff. Although Menem came in first, his slight lead over Kirchner was considered by many to be a defeat. A sign of Menem's concern, despite his public bravado, were his charges that Kirchner would bring a "return of the violence of the 1970s," and Argentina would begin to resemble Cuba.

Next president will have to respond to poverty Argentina historically prided itself on its social balance, relatively small upper and lower classes, and an enormous middle class. But after four years of recession and the economy's staggering 11% decline last year, 58% of the 36 million Argentines live below the poverty line on less than US\$2 a day, 25% are indigent, and 25% are unemployed.

An Instituto Nacional de Estadísticas y Censos (INDEC) study said that, while poverty has been on the rise in Argentina since 1994, it took a "spectacular jump" beginning in 1998 when the recession began. Another event that contributed strongly was the social upheaval in December 2001, which brought with it an increase in prices, a reduction in buying power, and a rise in unemployment. The study said that in 2002, 25,000 Argentines fell into poverty each day. INDEC considers a family with less than US\$210 a month poor. "Extreme poverty has become a massive phenomenon," said the study.

At a recent rally, Menem vowed that if elected, he would raise salaries by 30%, create hundreds of thousands of jobs through a large-scale public works program, and work to reincorporate the Malvinas/Falkland Islands into Argentina. However, critics point out that, while he was president, salaries fell by 30% in real terms, unemployment doubled, and he signed a peace treaty with Britain despite having vowed that he would take back the islands with "blood and fire."

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