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Argentine Rural Producers Maneuvering Ahead of Legislative Elections

by LADB Staff

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Argentina's rural producers, who have been at odds with the government of President Cristina Fernandez de Kirchner since early 2008, have taken the unusual step of setting up a training school aimed at political formation of its members with the objective of finding potential leaders who could run for a seat in Congress.

It is the first time that an association has attempted to set up its own voting bloc in the legislature dedicated to drafting laws and policies that defend its sectoral interests. Once a week, teachers drawn from among well-known figures on the right visit towns and cities outside the capital to give classes in civic education.

The costs of the initiative are being covered by the Sociedad Rural Argentina (SRA), a powerful association of large landowners involved in cattle raising, agriculture, and dairy farming. Until now it was common, especially in the governing Partido Justicialista-peronista (PJ), to give institutional or legislative positions to leaders suggested by labor unions, but business groups strongly criticized the practice.

The SRA not only discouraged but prohibited its members from participating in party politics. "Anyone who decided to join a party had to resign any leadership position or request permission, but now that has changed, and those who want to actively participate in party politics and run for any national, provincial, or municipal elective office will have our backing," said Hugo Biolcati, SRA president. It was always understood, however, that rural producers helped finance the campaigns of local caudillos and rightist parties.

Opposition banks on agribusiness help

Rural business leaders have made this move at a critical political juncture. This year half the congressional seats are at stake in legislative elections, and, since the confrontation between the producers and the government began, the major press outlets and the center and rightist political parties have mounted a systematic opposition. The economic and social power of the rural businesspeople can bring in many votes, especially in rural towns where agriculture is the major employer.

To win over the SRA and other smaller producer groups that are, nonetheless, equally antagonistic toward the government, opposition parties unconditionally support their demands generous credit policies, subsidies, and above all, eliminating the export tax on soy and grains, which the government uses to finance many of its social programs and infrastructure-construction projects. They try to attract agricultural leaders who have gained greater media attention and, consequently, more popularity during the prolonged conflict (see NotiSur, 2009-02-20).

While February ended with an agricultural lockout similar to last year's, but shorter no grains were exported and no cattle were sold for domestic meat consumption for five days March began with the opening of the civic-formation school. That was accompanied by a call to all opposition parties to form a broad alliance with an economic program to the liking of the business associations and politically oriented toward "dealing the government a humiliating defeat" in the upcoming legislative elections, said Eduardo Buzzi, head of the Federacion Argraria Argentina (FAA).

In this context, producer groups have organized small demonstrations around the country in front of the homes of governing-party legislators or in public places restaurants, concert halls, schools to reproach them, sometimes violently, for failing to convert their demands into laws. Many could not withstand the pressure and resigned from the PJ. Within a few days, the president lost 20 crucial votes in Congress.

Demonstrators become more aggressive

Backed by major press outlets and opposition parties, the rural associations felt empowered to unleash their extremism, going beyond mere rhetoric. In the eastern province of Entre Rios, 250 km from Buenos Aires on the Uruguayan border, a group of producers occupied a bank for two days. They demanded that Banco de Entre Rios revise its credit policy and lower interest rates on loans made to the producers in 2007 and 2008.

Never before had the country seen such an incident. The rural business groups backed this direct action. The four associations that head the anti-government opposition said in a communique, "The action is justified because the producers' situation is difficult and has seen aggravated by government policies and a prolonged drought."

Although the Asociacion de Bancos and former SRA president Luciano Miguens condemned the occupation, the press buried that news on the inside pages, and the opposition parties played down the importance of the direct action or out and out supported it. "I think political leaders have the obligation to criticize things like this and point out that opposition actions have a limit; nothing criminal is valid," said former governor of Entre Rios Jorge Busti on Feb. 26.

The following day, Busti had to leave a restaurant where he was dining with his wife, a governing-party deputy, when some 20 producers surrounded his table and demanded that the waiters not serve them. Extremism has also spread to some major political leaders. Elisa Carrio, former deputy and presidential candidate, leader of the Coalicion Civica (CC), and promoter of a political front that includes the entire opposition, from the center to the extreme right, accused former President Nestor Kirchner (2003-2008), husband of the president, of "leading a mafia band." She said the government "is corrupt," insinuating that the president has an alliance with drug trafficking that "has us living like we were in Mexico or Colombia."

Though she offered no proof, the media reported her allegations. In a statement rejecting the government proposal to move the October legislative elections up to June 28, former President Raul Alfonsin (1983-1989) said the country "is suffering from some worrisome institutional issues."

Alfonsín did not say what the worrisome issues were, and the executive, legislative, and judicial branches are functioning normally and the daily life in the country goes on without any difficulties. However, the CC and Alfonsín's Union Cívica Radical (UCR) filed a motion in electoral court asking that, for the first time in the political history of the country, the Organization of American States (OAS) be called on to "supervise" the legislative elections.

In the motion, the UCR said, "It is public knowledge that the transparency of the last electoral processes was under a cloud of suspicion." At least since 1983, when Argentina emerged from the bloody dictatorship that began in 1976, there have been no claims of electoral fraud. The legal petition by the CC and the UCR also did not give details on the alleged incidents.

Relentless opposition undermines government

The opposition campaign has taken its toll on the government and not just with the desertion of the 20 legislators. The government enjoys an excellent international image, but, in domestic polls, its voter-preference percentage has dropped and now fluctuates between 20% and 30%. It has not lost the political initiative, but it sometimes seems to vacillate, especially when addressing agricultural leaders' demands. "The country is going in the right direction. Despite the international crisis, the economy has not shown signs of slowing, institutions function normally, and the government has strong legislative and social backing.

But the criticisms, often unfounded, have been chipping away at the president's image, and that is very serious with two and a half years to go in her term," said socialist and former Cabinet member Jorge Rivas, in a newspaper article. These vacillations were evident on two occasions.

First, when the government resumed the dialogue with the rural associations, it shelved a proposal to reduce export duties. Had the proposal been accepted, it would have noticeably eased tensions, and, had it been rejected, it would have exposed corporate agriculture's destabilizing intentions.

Second, the government did not approve a proposal to regulate the agriculture market by creating a state agency "charged with stabilizing prices, avoiding distortions in the distribution of income among the sectors of the production and marketing chain favoring producers and guaranteeing food security for the population." Although the proposal satisfies opposition sectors that defend institutionality and also have conflicts with corporate agriculture, the government failed to send it to Congress.

"[The administration] has the necessary votes but fears the reaction of the opposition aligned with the large landowners," said Deputy Eduardo Macaluse, leader of Solidaridad e Igualdad, an opposition party defending institutionality. In a surprise move on March 19, the government announced it would transfer to provincial and municipal administrations 30% of revenue from the export tax on agricultural products.

The following day, the rural associations responded by calling a week-long lockout in protest. For seven days, they will not send cattle to the slaughterhouses or export soy and other grains. In that way, they are punishing the people, who are left without meat the staple of the Argentine diet and

the government, which is left without important resources for its social projects and infrastructure works.

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