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Macri Government Riding High after Congressional Primaries in Argentina

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The government of President Mauricio Macri emerged as the clear winner in Argentina's recent parliamentary primary elections, a process it had presented to the public as a referendum on its first 20 months in power. The results put Macri and his Cambiemos (Let's Change) coalition in strong position to expand their base in Congress.

On Aug. 13, Argentina's slightly more than 33 million eligible voters (over the age of 16) chose among candidates from all of the political parties to determine who will compete in midterm congressional elections scheduled for Oct. 22. At stake are a third (24) of the country's Senate seats and half (128) of the seats in the Chamber of Deputies, the lower house of Congress. Senate terms last six years in Argentina. Deputies are elected to four-year terms.

The results of the *Primarias Abiertas Simultáneas y Obligatorias* (Simultaneous and Obligatory Open Primaries, PASO), as the August elections were officially known, suggest that if opinions hold steady in Argentine society over the next two months, the governing coalition may be able to gain a congressional majority. In that case, for the second half of its term, the Macri government would have the numbers it needs to impose laws that don't require a special majority.

Cambiemos was the biggest vote-getter in the PASO, averaging 37% of the votes in the country's various districts. It was also the only group to present a single candidate list in the different precincts, a strategy that allowed it to avoid internal competition and, more importantly, project an image of unity under the banner "Vamos juntos" (Let's go together).

In an interview with *El Economista*, political analyst Julio Burdman, director of the Observatorio Electoral Consultores (Electoral Observatory Consultants), said the strong showing by Cambiemos boosts the chances of Argentina having a full eight years of Macrismo, should the president be reelected in 2019. "The group that backs Macri went from being just a coalition to a party, with votes that are its own, not borrowed," he said. Macri, currently in his first term as president, is a powerful businessman who already served two terms (eight years) as chief of the government of the Autonomous City of Buenos Aires, as Argentina's federal capital is formally known ([NotiSur, Dec. 4, 2015](#)).

Counting controversy

The PASO process was also marked by the political reappearance of Macri's predecessor in the presidency, Cristina Fernández de Kirchner (2007-2015), who proved to be both relevant and influential still, even though the major media outlets and the government have harassed her constantly with corruption allegations and legal proceedings. She is hoping to win one of three available Senate seats for the province of Buenos Aires—the country's largest voting district with nearly 37% of all eligible voters—and in the PASO process narrowly defeated Esteban Bullrich, a former education minister and graduate of the Kellogg School of Management at Northwestern University, in the US.

The contest proved to be highly controversial. Early reports had Bullrich well ahead. But as counting continued into the wee hours of the morning, Fernández de Kirchner closed the gap, finishing just shy of her rival to earn a “technical tie.” Fewer than 7,000 votes out of approximately 9 million cast separated the candidates, according to the provisional count.

Fernández de Kirchner cried foul, noting that there were still votes to be counted when the provisional results went public, and predicting that a final recount would show she actually won the contest. She was right. Official results released Aug. 30 proved she beat Bullrich, albeit barely. The former president and her allies say the confusion was no accident, and accuse the government of deliberately manipulating the counting process to influence media coverage—to make it seem like Bullrich was winning (by a lot at one point). Critics accuse the government of playing similar numbers games in the province of Santa Fe, the country’s fourth biggest in terms of eligible voter numbers.

Controlling the narrative

Leading up to the primaries, only Macri and Cambiemos felt optimistic about their chances. In retrospect, it’s clear that the country’s political analysts and party leaders underestimated just how much influence the forces supporting the government—the major media outlets and business sectors that have benefited from Macri’s policies—wield.

That influence also explains why none of the parties that focused on defending co-operativism, female representation in government, or the environment (by criticizing large-scale mining, for example) managed to win more than 1.5% of the votes, the minimum needed to participate in the October midterms. Focused as they were on socio-economic indicators that seem to reflect badly on the government, no one knew how to interpret the reality that had been created by the government’s friends.

As an example, the state-run Instituto Nacional de Estadística y Censos (National Census and Statistics Institute, INDEC) reported on July 21 that the unemployment numbers had risen in the first quarter of the year to 9.2%, and that the joblessness rate among women and men up to the ages of 29 was 20.1% and 17.2% respectively.

The opposition refrained from noting that the INDEC—by including people up to age 29 in its figures—underestimated the youth unemployment problem. The International Labor Organization (ILO), in contrast, defines youth unemployment as pertaining to people aged 15 to 24. By including young adults (aged 25 to 29), INDEC incorporates people who tend to have fewer employment problems and thus minimizes the youth employment problem.

‘Bond of the century’

Also in July, Finance Minister Luis Caputo revealed that he had secretly negotiated with four foreign banks—Citi, HSBC, Santander, and Nomura—to organize an unusual 100-year bond sale. The opposition dubbed it the “bond of the century” and pointed to it as “a symbol of how the country is being given over to foreign interests.” Critics also complained that the deal had been reached “in not very transparent conditions” (there was no offer prospectus, as it’s called, and the bonds sale was organized directly with approximately 100 major international investors). Even London’s Financial Times criticized the move, calling it “crazy.”

Experts who advised Fernández de Kirchner explained at the time that if Argentina were to change its mind on the “unusual sale” and withdraw the bonds, it would have to pay out US\$8.6 billion. The advisors said, furthermore, that Argentina didn’t receive US\$2.75 billion for the sale, as announced, but rather US\$2.47 billion, because the bonds were sold at a 10% discount. “For every US\$100, the investor paid US\$90,” they explained. They also said there was a difference between the real and reported yield on the bonds.

Argentina’s major media outlets kept that information hidden, which might explain why in polls taken before the PASO elections, the “bond of the century” didn’t register as a major concern among voters.

Earlier this month, just as campaigning for the primaries was coming to an end, the Monitor del Clima Social (Social Climate Monitor, MCS)—an inter-university body involving both public and private institutions—offered more evidence of worsening economic and social conditions. The MCS found that in certain parts of Buenos Aires, between 19% and 31% of residents have experienced “moments of hunger” in the past year—a new and dramatic reality. More than half say they’ve been forced to eat smaller portions of food, and a high number said that the labor situation has deteriorated and that they fear losing their jobs, according to MCS.

What’s more, six in 10 heads of household say their salaries don’t stretch, that they buy fewer products than before, or that they’ve switched to off-brand food items. The MCS, which includes the private Universidad Metropolitana para la Educación y el Trabajo (Metropolitan University for Education and Work) and the public Arturo Jauretche and Hurlingham universities, also found that in more than 40% of families, at least one person had lost his or her job. Cambiemos won in all 15 of the capital’s districts, earning between 38% and 42% of the vote, even in areas highlighted by the MCS for their serious economic problems.

A movement in the making?

Over the past 100 years, Argentina gave rise to two major popular movements, both with a political ideology akin to what is known today as social democracy. The first was the Unión Cívica Radical (Radical Civic Union), led in the early 20th century by Hipólito Yrigoyen, who was president twice, between 1916 and 1922, and between 1928 and 1930. The second was the Movimiento Nacional Justicialista (National Justicialist Movement) or Peronism, which lives on under different names and was established in 1945 by the thrice-elected President Juan Domingo Perón (1946-1955 and 1973-1974).

The right, in contrast, never had its own, lasting party. Instead, it turned time and again to the barracks, welcoming military coups that buried democracy and established dictatorships in which civilians served as technocrats and ministers. Now, with Macri, the right is governing without intermediaries for the first time in Argentine history. And it has almost all the media outlets helping package its ideology, plus the support of Argentina’s major business leaders.

Burdman doesn’t say so directly, but he insinuates that under Macri, a third Argentine political movement may be forming, only this time, the movement isn’t oriented toward social democracy but in association with certain conservative western leaders such as José María Aznar and Mariano Rajoy of Spain, Álvaro Uribe and Juan Manuel Santos of Colombia, Great Britain’s David Cameron and Theresa May, Peru’s Pedro Pablo Kuczynski, and Sebastián Piñera of Chile.

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