

Populist approach drives agenda

PROFILE OF HE CRISTINA FERNÁNDEZ DE KIRCHNER

PRESIDENT OF THE ARGENTINE REPUBLIC

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As the saying goes, comparisons are odious. But with her good looks, fiery speeches, and chic fashion sense it was little wonder that the Argentine media initially dubbed Cristina Kirchner a latter day Evita Perón, the iconic figure who still casts a long shadow over Argentine life, more than half a century after her death. And while both women may have influenced their presidential husbands and drawn support from Argentina's working classes, the comparisons end there.

President Kirchner, though never far from her husband, has built a career on her own merit. "I don't want to inherit anything from Eva, or from my husband," she has said, adding: "Everything I have is a result of my own achievements, and my own defects too."

Born into a middle class family in Buenos Aires, she attended law school in the capital in the early 1970s, where she met her husband, Néstor Kirchner. They married in 1975 and have two children: Maximo and Florencia. After many left-wing students - including friends - were kidnapped during the disappearances of the 1976-83 military regime, the couple moved from Buenos Aires to the southern tip of the Argentine mainland, setting up a property law office in Río Gallegos. Mr Kirchner became mayor, then governor. Cristina moved up through local legislatures before running for the national senate. Which is where the second comparison comes in: Cristina Kirchner has also been dubbed Argentina's Hillary Clinton and she and her husband have proved a formidable political team. As senator, Mrs Kirchner drove her husband's legislative agenda through Congress and helped him lobby the courts to prosecute atrocities of the dictatorship. She also became active in causes of her own, especially in defending women's rights.

But unlike Hillary Clinton, President Kirchner is also a member of the Council of Women World Leaders, an international network of current and former women presidents and prime ministers whose mission is to mobilize the highest-level women leaders globally for collective action on issues of critical importance to women and equitable development. During her husband's presidential term, between 2003-07, Cristina Kirchner became a roving ambassador for his government, her bellicose speeches again prompting media comparisons with Eva Perón. President Kirchner later said that she identified herself "with the Evita of the hair in a bun and the clenched fist before a microphone" (the typical image

of Eva Perón during public speeches) more than with the "miraculous Eva" of her mother's time, who had come "to bring work and the right to vote for women".

Upcoming key vote

On 28th June, Argentinian President Cristina Kirchner faces crucial legislative elections that will be a referendum on the 18 months of her four-year term in office.

Nobody would deny that Argentina's first elected female president has had a stormy time of it so far. She won a historic landslide in December 2007 on the promise of consolidating an economic recovery that had restored Argentine pride and optimism. Expectations were high, perhaps unrealistic: she was expected to maintain annual growth rates of 9 per cent, and to keep unemployment at around 8 per cent. The reality was an economy weaker than it seemed, while analysts said inflation was perhaps triple the official rate of 9 per cent.

President Kirchner also faced union demands for higher salaries, the need to attract private investment in key areas, lack of institutional credibility (exemplified by the controversy surrounding the national statistics bureau, INDEC), utility companies demanding authorisation to raise their fees, low availability of cheap credit to the private sector, and negotiations on the defaulted foreign debt with the Paris Club.

As first the United States and then Europe were gripped by financial crisis, Argentina soon began to feel the pinch. Faced with declining economic growth, diminishing reserves, and a worsening international financial crisis, President Kirchner reacted quickly and launched a massive public works programme to try to kick start the economy by promoting employment, increasing output, and boosting consumer confidence.

Her first efforts to fund the anti-crisis plan led the President into confrontation with farmers after she increased export taxes at a time when the agricultural sector was benefiting from high prices for commodities such as soya. After three months of protests, her own vice-president voted against the legislation, with the Senate following suit.

But by the end of her first year, President Kirchner had succeeded in introducing sweeping reforms to stimulate the economy that included the nationalisation of the private pension system introduced 14 years earlier by her predecessor Carlos Menem. This released some US\$29 billion into the State's coffers. She has

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also pressed hard for the repatriation of previously unreported capital worth an estimated US\$170 billion. Instead of the 10-35 per cent taxes required by law, repatriated funds will only be charged between 1-8 per cent, with the lesser percentage applied to those willing to invest the funds locally. A US\$21 billion public-works component of the plan was launched in December. The government reckons it will double the number of public-sector jobs from 362,000 to 770,000.

President Kirchner also says she is determined to boost the government's tax revenue in the long term. In the short term this means providing incentives for small and medium-size companies to hire and put on the books workers who currently are paid under the table. Firms will be pardoned back taxes and will only have to pay 50 per cent of related labour taxes the first year and 75 per cent the second year.

Populist approach

As a lifelong member of the Justicialist Party, the broad-based movement created by Juan Perón in the 1940s, there is a strong populist streak to her politics. "We are witnessing the First World – which at one point had been painted as a Mecca we should strive to reach – popping like a bubble," she told the United Nations assembly in late 2008.

Referring to her government's early response to the crisis by implementing a massive public works program and injecting public money into the economy – measures that Washington and London subsequently implemented, she said: "They told us South Americans that the market would solve everything, that the State wasn't necessary, that interventionism was mere nostalgia. Nonetheless, we're now seeing the most formidable act of state intervention in living memory, in precisely the place where they'd been telling us that the State was unnecessary."

Sadly, Argentina is no stranger to economic crises. Eight years ago, the country went through the biggest sovereign debt default in history, plunging the economy into a devastating recession. But perversely, that catastrophe helped protect Argentina from the worst of the fallout in the current crisis. The domestic banking sector was left in tatters after the 2001 crash, and even today, public trust in banks is fragile. The limited use of credit in local markets prevented local banks from the reckless lending of US and European banks over the past few years.

Argentina's exposure to the crisis is also limited by the country's financial 'quarantine' over the past seven years. In 2005, around 75 per cent of those still holding defaulted debt accepted a 'take it or leave it' settlement by then-President Nestor Kirchner. However, as long as outstanding claims against the government existed, the threat of legal action prevented Argentina from accessing international financial markets.

Despite the global downturn, direct foreign

investment in Argentina in 2008 totalled just under US\$8 billion, a 23 per cent gain on the year, although investment is expected to fall this year.

President Kirchner has taken a high-profile approach to her mandate, and has been active in pushing for a bigger role for emerging economies like Argentina's on the global stage, particularly in the wake of the global financial crisis. She was invited to the prestigious Summit on Financial Markets and the World Economy in Washington DC, on 15th November 2008 by President George W. Bush. During her stay in Washington, she held meetings with Brazilian leader Luiz Inácio Lula da Silva and Madeleine Albright (representing US President-elect Barack Obama). She then attended the G20 meeting in London on 2nd April 2009 and was given a place of honour at the dinner held the night before at 10 Downing Street, when she was seated across from President Obama.

It's too early to say whether President Kirchner will run for a second term in office. For the moment, she has a demanding domestic and international agenda, and her political future will depend in large part on the mandate she is given in the 28th June legislative elections. And at the risk of stretching the comparisons with Evita Perón, President Kirchner's political opponents might do well to remember the words of Argentina's most popular female politician: "I know that, like every woman of the people, I have more strength than I appear to have." **F**

