

The eruption of a model



The social and economic system prevailing in Argentina for the last 25 years erupted on 19 and 20 December 2001, the most tragic days the country has experienced since its return to a democratic system in 1983.

The December 2001 events

The profound economic, political and social crisis led to a general uprising, characterised by the presence of diverse social sectors. Thousands took to the streets. Their objectives differed, but they shared repudiation of the Alianza¹ government headed by Fernando de la Rúa and of the ruling class in general.

The middle class from the City of Buenos Aires showed its discontent outside the National Congress and Government House to the sound of “cacerolazos,”². In the Province of Buenos Aires and in various cities inland, supermarkets were ransacked by citizens whose basic food needs were unsatisfied.

The political and institutional result of these social manifestations of despair was the resignation of the Minister of Finance, Domingo Cavallo; later, when the situation became untenable, the President himself resigned.

The spontaneous civil demonstrations that took place across Argentina revealed the legitimate demands of people who have been harmed by adjustment policies and growing social exclusion. For years now, this situation has met with a single response – systematic repression – and protests were considered crimes.

The absence of a rapid and adequate institutional reaction to the people's claims has threatened the validity of the democratic state and ultimately precipitated the end of the Fernando de la Rúa government, which, in a gesture of absolute incapacity, unconstitutionally decreed a state of siege.

In the streets the consequences were tragic. At the beginning of January 2002 about 30 people were killed and at least 54 others shot in the city of Buenos Aires. More than 4,500 people were arrested. Acts of violence were triggered within the framework of a state of emergency decreed by a government offering indiscriminate repression as its only reaction to social discontent.

The brutal repression that cost the lives of various people and injuries to hundreds of others cannot be explained on the basis of isolated excesses, but of a systematic and prolonged task. The violent actions of some groups can never justify the brutal reaction of those whose institutional mission is to impose respect for the law and protect citizen's rights.

The resignation of Fernando de la Rúa opened the way – according to constitutional mandate – for the election by the Legislative Assembly (both houses of parliament) of Adolfo Rodríguez Saa, a member of the Justicialista Party (PJ) and governor of the Province of San Luis. Rodríguez Saa's mandate was to continue until new elections in March 2002. However, the political support that made his election possible, in particular from his own party, began to evaporate as the days went by. For their part, middle class social sectors, again self-convened, repeated their repudiation of the election of highly questionable people, many suspected of corruption, to key government posts. Rodríguez Saa was soon forced to resign.

Two days later, the Legislative Assembly was called again. They elected Eduardo Duhalde, who also belongs to the Justicialista Party, as new president to serve from January 1, 2002, until the end of the mandate of the resigning Fernando de la Rúa in December 2003.

Considering this background, there is no doubt that the government's agenda for transition will have to respond to the demands for change so dramatically expressed by the people. The obviously unconstitutional policies of the outgoing government must be abolished. These include the prohibition to freely dispose of bank deposits and the Zero Deficit Law, which caused reductions in salaries, pensions and the loss of social security. The lawlessness of these regulations was directly related to the social discontent that accelerated the crisis.

Addressing social issues must occupy a foremost position on the transition agenda. The new economic policies must be decided on the basis of political consensus; the needs of hungry people must become a priority. No economic measure is valid if it cannot be sustained in social terms. Public policies must aim at fighting poverty, not from the perspective of public assistance, but through a redistribution of income and strict respect for social rights. The recent events have shown that rehabilitation of social citizenship is an essential condition for the validity of a democratic state. The government must adopt measures directed at fulfilling the obligations taken on by virtue of ratification of the International Covenant on Economic, Social and Cultural Rights and assert these principles before the multilateral credit bodies, such as the World Bank and the International Monetary Fund. Those institutions, in turn, should respect Argentina's right to pursue these goals.

In extreme situations, the protection of human rights demands that democracy be strengthened, not weakened.

1 The “Alianza” is a coalition formed by the Radical Civic Union (UCR) and the Country Front for Solidarity (FREPASO).

2 The “cacerolazos” are demonstrations of public repudiation by the people. They consist of banging kitchen utensils and metal objects in the streets. They have been frequent in Latin America since the 1980s, when they were used in the struggle against the dictatorships in the Southern Cone.

Adjustment and repression

Argentina is in its fifth consecutive year of economic recession. The population living below the poverty line has continued to grow and the gap between the poor and the rich has grown at a fast pace. The government has insisted on implementing economic plans characterised by drastic reduction in public expenditure and consequent cutbacks in essential public services. These policies have only widened the income gap and increased the numbers of the people in crisis.

For example, in May 2001, 32.7% (3,959,000 people) of the population were considered “poor” in the City of Buenos Aires and in Greater Buenos Aires and 10.3% (1,247,000 people) were called “extremely poor” according to official statistics.³ If this data were extrapolated to the whole country, over 15 million people, 41% of the population, would be living in poverty.⁴

Insufficient social planning, cronyism and lack of transparency in distribution methods—as well as the permanent cuts in social spending mandated by the adjustment process—have worked together to keep people poor.

An increase in unemployment can also be understood in this light. The unemployment rate continues to rise; it is presently at 18.3% and the underemployment rate is an additional 16.3%. Compared with October 2000, there are 505,000 more unemployed people. The total of unemployed is 4.8 million excluding the rural population. Nearly 1,400 people lose their jobs each day.⁵

Non-registered workers are also on the increase. According to Ministry of Labour data,⁶ 41.1% of salary earners (3,744,497 people) are moonlighters who are outside the social security system.

This trend toward increased joblessness, which deprives many of their social rights, goes hand in hand with the concentration of wealth in a very small portion of society. While the great majority of Argentines grows poorer, a small fraction becomes steadily richer.

This trend has continued without interruption over the past decade. Argentina is now among the worst 15 countries in the world with regard to distribution of wealth and heads the list for social inequality among countries with economies having relatively high standards of living.⁷

Taking into account measurements made over the past 25 years—in particular as from the mid-nineties—the income of people of lesser resources has been atomized, to the extent that the richest 20% of the population, which earned 7.8 times more than the poorest 20% in 1974, now receives 14.6 times more. According to the consulting company Equis, this figure represents the worst gap in the distribution of income ever registered, even greater than that recorded during the hyper-inflationary waves in 1998 and 1990 and during the Tequila crisis in 1995.⁸

The government’s response in 2001 of greater cuts in public spending and systematic repression of opposition was bound to make this situation worse.

The Zero Deficit Law

In July 2001, the so-called Zero Deficit Law (Law No. 25,453) substantially changed the rationale for the use of public funds. Numerous budgetary cuts resulted that have affected both social expenditure and the totality of civil servant pensions and salaries. These are only paid when sufficient funds are available in the public coffers, meaning that the government has given itself the ability to lower, unilaterally and without any contractual obligation, pensions and salaries in the whole public sector. This has spurred the economic recession and increased poverty and extreme poverty.

While this situation affects all workers who depend on the national government, the situation in the provinces is much more serious. In Buenos Aires, Jujuy, Tucumán, Entre Ríos and Río Negro, for example, where the main source of employment is the civil service, measures for the reduction of salaries have been combined with payment in treasury bills that do not have the value of legal currency and that are rated at less than their nominal value. The result is a substantial drop in the quality of life of the citizens involved.

The Zero Deficit Law has also caused a drastic cut in allocations to social programmes such as food aid and sanitation, which aim to alleviate, at least partially, the deficiencies suffered by the more vulnerable sectors of the population.

The structural adjustment process has also affected the right to health care, sending many to public hospitals that are unable to care for them, weakened as they are by budgetary cuts in the public sector. It has also resulted in drug shortages; some drugs are totally out of reach for HIV/AIDS patients and pensioners. With regard to the latter, *Obra Social* (Social Work),⁹ which provides them with medical coverage (PAMI), has virtually ceased providing services, meaning that approximately 3 million senior citizens have lost or could lose their medical coverage.

Protest becomes a criminal offence

Confronted by demonstrations of discontent, frustration and despair caused by deterioration in the socio-economic situation and withdrawal of economic, social and cultural rights, the government continues its practices of repression and criminal prosecution of demonstrators. This repression has resulted in hundreds of people being prosecuted, seriously injured and even killed. Withdrawal of social rights has come full circle with the government’s repressive action.¹⁰

In June 2001, during a people’s demonstration of a considerable size in the city of General Mosconi, Salta province, two people lost their lives. The government illegally repressed the protest and took many protestors to court, although their actions were protected by the right to petition and the right of expression. So far the injuries and deaths caused by government’s repressive actions have not been diligently investigated.

The culmination of this repressive spiral came on 19 and 20 December 2001, the most tragic days the country has experienced since its return to a democratic system in 1983. ■

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3 INDEC, EPH, total for urban agglomerations, May 2001.

4 Cf. *Clarín* newspaper of 17 August 2001.

5 Cf. latest measurement by INDEC, EPH, October 2001.

6 Cf. *Clarín* newspaper 14 July 2001.

7 Cf. Equipos de Investigación Social (Equis). *Estudio Distribución del Ingreso y brecha entre ricos y pobres. Participación en el Producto Bruto Interno (PBI) y disponibilidad de ingreso anual y diario para la población total desagregados por decil de hogares. Comparación con países seleccionados según datos PNUD/ONU y entre provincias. Evolución de los últimos 25 años.* November 2001.

8 *Ibid.*

9 A corporate-based institution providing health services.

10 A case against Argentine government abuses was submitted for consideration of the UN Human Rights Committee and the OAS Inter-American Commission for Human Rights by the Centre for Justice and International Law (CEJIL), the Centre for Legal and Social Studies (CELS), and the Legal Action Committee (CAJ) of the Argentine Workers Central Union (CTA), in March 2001. See also *Social Watch 2001*, Argentina report, p. 82.