

Making Peronism Work: Prospects for Argentina's Run-Off Election

***By: Robie Mitchell, Research Associate
Council on Hemispheric Affairs***

Argentina's run-off elections on November 22 will not only be a test for outgoing President Cristina Fernandez de Kirchner and her mission to see if she can successfully coronate Daniel Scioli of the *Partido Justicialista* (PJ) as her heir, but the elections also represent a test for the Peronist movement. Since the fall of the military junta in 1983, Peronism has dominated the political arena. Political newcomers such as the center-right *Propuesta Republicana* (PRO) party have begun to challenge Peronists' historic dominance. Notably, there is a fundamental split between left-wing Peronism of the PJ and the right-wing Peronism of the *Frente Renovador* (FR). Regional and class divisions have long existed within the Peronist movement, but President Kirchner's attempt to raise export tariffs in 2008 on agricultural products set the powder keg alight and made leaving the PJ a compelling move for rural Argentines.¹ The Dissident Peronist party FR was created in the still-relevant aftermath of this aborted tax hike. Preventing the Argentinian Peso from further decreasing in value, keeping foreign reserves from falling, dealing with high inflation, and making debt payments on time will keep whoever wins the presidential election well-occupied, be it Daniel Scioli of the PJ or Mauricio Macri of the PRO.² Past leaders of an ideology as inconsistent and all-encompassing as Peronism, including Juan Peron himself, have had enough trouble governing Argentina without having to worry about these heightened internal and external political threats.

Accordingly, Argentina's need for a strong leader with a clear vision and a stable party would not have boded well for any Peronist winner, whether it had been Scioli or the farther right Sergio Massa of the FR, as the broad ideological struggles over the depth and type of proper government intervention in the market undermines their movement and serves as a distraction to actual governance. The difference of opinion between fellow Peronists is far less than that of any given Peronist and non-Peronist politicians like Macri; compromise between the PJ and FR should come naturally. However, history complicates this seemingly simple picture of an ideology that is fracturing itself.

Scioli narrowly won last Sunday on October 25. Due to a split within Peronism that divided votes between Scioli and Massa the margin of victory could have been substantially higher and sufficient to avoid a run-off election. Notwithstanding the recent victory and Scioli's attractive odds for winning again on November 22, staying relevant in the 21st century will require Peronists to move back towards the center of the political spectrum and start consolidating their ideology. The tightness of the race reveals the challenges faced by Peronism. In spite of Cristina Fernandez de Kirchner's endorsement, Scioli failed to garner 45 percent of the popular vote and win the election outright.³ In a remarkably

close preliminary election with 84 percent of the polling stations reporting, Scioli won 35.7 percent of the vote and Macri took 35.3 percent.⁴

Defining Peronism

Current Peronist leaders, who share a common political mythos, define Peronism in a variety of ways. Broadly speaking, it is the populist ideology that fought back against foreign imperialism in the mid twentieth century before its founder Juan Peron was overthrown by the military. Agreeing on its details can prove to be a contentious process. Yet, across the board some commonalities remain, including the social classes and regions that they can count on for their support. Carlos Menem's conservative platform in 1995 and Kirchner's liberal platform in 2011 drew heavily from the same base.⁵ Both Menem and Kirchner won landslide victories around the industrial belts of Rosario, Córdoba, and Buenos Aires. Poorer, conservative, and rural interior provinces have also gone for Peronists consistently for the past thirty years.⁶ Edward L. Gibson has described the Peronists as a "two-headed party with a progressive urban and a more conservative rural base."⁷ The redistribution that has characterized Kirchner's two terms in office, which was a carryover from her husband's 2003 presidential term, has required high levels of public spending.⁸ While these policies have increased Kirchner's popular political support, especially when they are coupled with Kirchner's devaluation of the peso they have also brought the threat of uncontrollable inflation. Kirchner's distinctly leftist twist on Peronism is the main source of the ongoing split between mainstream Peronism and Dissident Peronism.

If mainstream Kirchnerist Peronism and Dissident Peronism cannot reconcile their differences soon, by the next election cycle their public split could open the path for non-Peronist parties to dominate Argentinian politics. The presumption that Scioli, who Kirchner endorsed as her successor and the nominee of the PJ, will win and will preserve Peronism in the short-term is a safe one, given the lead that he enjoyed in the polls throughout the summer and his performance on Sunday.⁹ On the other hand, Macri (a non-Peronist) and Massa (the leader of the Dissident Peronists) have been consistently polling in second and third place, respectively, which is exactly how they performed in the preliminary election. Essentially, between polling data collected over the past year and the candidates' actual performance in the recent election, the electoral math still favors the PJ for November 22. A broader look at Argentinian politics, however, shows that growing support for Macri and his *Propuesta Republicana* is correlated with intensified divisions among Peronists. Further, Scioli's performance on Sunday does not come close to the outright victory that Kirchner had in 2011, with 54 percent of the vote.¹⁰ It is plausible that the run-off could have been avoided had Scioli and Massa not competed for support from a similar base. Any Scioli victory will almost certainly lack the popular mandate that Kirchner had in both of her elections, signifying the growing problems that both Peronist parties will have as newer parties emerge to exploit their conflicts. Governing will also prove to be more challenging without the bully pulpit that a clear victory provides. A return to the pre-2005 political order, where Peronists were united in a single party, might be too much to expect. Without some political consolidation, prospects for continued Peronist domination of Argentina are murky, but are still a possibility.



Peronism's Historical Track Record

Now that Peronists are experiencing historically unprecedented infighting, why should Argentines, as well as international observers, desire continued Peronist influence? For one, there is a reason why Peronists have won nine out of eleven open Argentinean elections (which military leaders have not barred them from participating in) since 1946. Rapid changes in Argentina's economic and social order in the aftermath of the Great Depression necessitated new political thinking. In the midst of World War II, industrial growth intensified and over a million Argentines moved from rural areas greater Buenos Aires.¹¹ Debates over the role of the state in the economy were a natural consequence of a mobilized labor force that drove growth in the industrial and commercial sectors.¹² Peron rejected laissez-faire liberalism in the 1940s and criticized it as an outdated ideology that would leave many Argentines out of the economic boom that was starting during World War II.¹³ In his first term, President Peron fought the landed elites to finance industrialization and to promote social reforms¹⁴. An essential component of Peron's industrialization was that it was nationalist. After the coup against Peron, foreign capital came to dominate Argentina.¹⁵ The course that the military charted condemned Argentina to industrial dependency. When Peron returned from exile in 1973 to begin a third term, mass mobilizations were used to carry out reforms.¹⁶ Peron led a political program supported by a diverse coalition that championed the workers, earned profits for Argentinean businesses, and combated foreign imperialism.¹⁷ Peronism faces the challenge of keeping foreign monopolistic capital from dominating the Argentinean economy as well as keeping the country's working classes interested in a symbiotic relationship with domestic Argentinean businesses.¹⁸

Critics cast the economic state intervention that is championed by Peronists as a stepping stone towards authoritarianism, arguing that one cannot have political freedom without economic freedom.¹⁹ But whose freedom is being restrained by Peronist policies of market intervention? Corporations, more often than individuals, have been the targets for Peronist measures that limit economic freedom. Peronist ambivalence towards unrestricted capitalism is not unfounded within the context of Argentinean history. Even though Argentina opportunistically served as the breadbasket for the Allies during World War II, prosperity failed to trickle down to working class Argentines. In Juan Peron's first term Peronist agencies distributed millions of consumer goods, from sewing machines to toys.²⁰ Between 1946 and 1952 the number of hospital beds in Argentina doubled and more than 100,000 units of public housing were constructed.²¹ Funding these welfare programs did require higher taxes on corporations. Juan Peron enacted stricter controls over freedom of expression in order to mold a consensus that these taxes were justified.²²

Peron should have been able to sell his expansion of the Argentinean system of social welfare on its merits alone, without using coercive measures. If modern Peronists like Kirchner and Scioli seek to draw parallels with the benefits of their namesake leader Juan Peron, then it is only fair that they get stuck with the drawbacks of that association. It goes too far to imply that Peronism leads to authoritarian rule, but for some leaders it is a very short leap to go from reining in corporate excess to reining in democratic opposition. Peronist leaders have another incentive to become authoritarian in



that they are sometimes tempted to control their wily coalitions with state power; Juan Peron himself was guilty of giving in to this temptation in his later years. Future Peronist leaders like Scioli, hopefully, can make that crucial distinction between appropriate constraints on corporate power and inappropriate limits on the necessary annoyances of democracy, like a tabloid media, while favoring the power of persuasion over that of decree.

Tension between different factions of Peronists is not a new phenomenon, but it is new in its scope. Despite economic progress under Peron's first and second terms, tension between the left and right within the Peronist movement had been barely contained. It came to a boil several months before Peron's brief third term as president when a gunfight erupted in June 1973 between fellow Peronists. At least 16 people were killed by right-wing Peronists in the Ezeiza Massacre upon Juan Peron's return from his long exile back to Argentina. The official death toll continues to be highly contentious, but there is no question that the horrific act of violence was perpetrated upon left-wing Peronists in an attempt to remove then-President Hector Campora.²³ This intra-Peronist tension was arguably the inevitable result of managing what was in fact a foreign-capitalist dependent economy.²⁴ Without Peron's magnetism, the ideological contradictions inherent in getting diverse Argentinian groups to cooperate revealed themselves. Reconciliation was possible during previous splits among Peronists and is likely possible again. Unfortunately, it was the military coup and a subsequent absence from Argentinian politics that eventually allowed Peronists to present a unified front against the Church, military, and the traditional parties that had ousted their leader from power.²⁵ The Ezeiza Massacre shows how fragile their unified front was.

While Peronists were biding their time on the sidelines, the military mismanaged the economy. By 1970, Argentina was more fragmented socially than ever before, suffering high inflation, heavy taxation, frequent bankruptcies in the private sector, while witnessing the deterioration of health and education programs.²⁶ A combination of Scioli's leadership and cooperation within the Peronist movement can lead to differences being sorted out before far-right forces can take over both the legislature and the presidency. Ascension to the upper echelons of government by a far-right party would undoubtedly cause Argentina's government to bow to foreign capital. If that happens, similar problems to those of the 1970s could arise before Peronists can remind the public of the upsides of appropriate state intervention in the economy and a developed welfare system funded by a strong export sector, key aspects of Juan Peron's legacy.

Peron's past management of an internal Argentinian class struggle can inform current Peronist leaders who seek party unification, or at least ideological coalescence between the PJ and the FR, what that process might look like. Indeed, Peron went beyond merely accepting the class struggle inherent in his movement, and went on to exploit it to better both his political odds and the well-being of Argentinians. When Peron was in exile, he built his new coalition from below, with recruits motivated by desperation that the military leaders who had ousted Peron caused them to experience²⁷. Peronism ditched its former top-down recruitment strategy, which was made possible by the prosperity displayed in 1950s Argentina, and took on the tone of a liberation movement.²⁸ The nationalist and imperialist cleavages that Juan Peron exploited to win his first two terms were replaced, in part through a changed



coalition building strategy, by proletariat and bourgeois ones²⁹. Scholars such as Alberto Ciria think that a direct focus on class might make national liberation without socialist revolution impossible, but that assertion remains to be proved. Instead of ignoring the class fight inherent in Peronism, Peronists need to embrace it. Instead of fearing that this class fight will inevitably lead to unfettered socialism, they need to keep championing a third way.

Kirchnerism, serving as a third way of sorts, still ignored fiscal realities and lacked the unifying force of 1950s Peronism in three ways. Firstly, the agricultural tariff debacle of 2008, where Kirchner attacked agricultural exporters and her rural constituents, exemplifies her shortcomings compared to Peron. Whereas Peron went after the rich landed aristocratic class with his agricultural reforms, Kirchner attempted tax hike would have hurt the poor. Her second economic shortcoming compared with Peron is that she turned the Argentinian economy towards extraction and away from sustainability. Europe's devastation presented a unique opportunity to Peron to export Argentina's wares and industrialize in his first two terms. Similarly, growing demand from Asian economies presented an opportunity for Kirchner during her two terms in office to sustainably grow Argentina's economy. Yet, she did not take this as an opportunity to diversify the Argentinian economy. Third of Kirchner's economic failures is her divisive programs of redistribution that are driven by inflationary monetary policies. They are not in line with the coalition building approach taken by Peron himself that took the interests of domestic producers into account. The increasingly hard line that she has used to deal with legislators and the media is also troublesome, given the history that Argentina has had with military strongmen. There is a fine line between being a strong leader and being an authoritarian that she gets dangerously close to. Kirchner did not deviate from Peron's legacy in this regard; both leaders are equally guilty of a tendency to lean too heavily on authoritarian and unilateral action.

Applying theoretical lessons from Peron's experience in reforming Argentine institutions to contemporary politics is paramount to the success of future Peronist leaders. After all, it was his initial reforms that allowed him to return to Argentina and secure a third term. Peron was a steward of economic growth and brought out common interests between domestic industrialists and laborers. Kirchner, while a Peronist in name, is not always a Peronist in either her governing style or her policies. Polls suggest that Scioli will win the run-off election and that he will have a majority in the legislature to help him pass his moderate agenda, which harkens back to the early days of Juan Peron, with gradual changes. In the face of problems such as social unrest and rising inflation that are similar to those of the early 1970s that unseated the military and restored Peronism, Scioli will need to lead with a large coalition and speak for competing interests, just like Juan Peron. Learning from Kirchner's mistakes will be essential in guiding Argentina out of the choppy waters that surround it.

Scioli: Puppet or Prophet?

Barring an endorsement of Macri from Massa, a victory for Scioli seems likely. So long as a Macri-Massa alliance does not emerge in the coming weeks, Scioli is almost assured an ascent to the presidency. As president it will be up to him to be a unifying force in these divisive days within his country and his party. Eliminating the divide within the Peronist movement so that Peronist solutions



can be used to tackle Argentina's economic crises in the long-term will require political independence for Scioli, something that he might be lacking. Frequently, Argentinian voters see Scioli as Kirchner's puppet.³⁰ Kirchner's backing helped Scioli secure his left flank and gain popularity among the working classes, but it could serve as a double-edged sword. Both Massa and Macri, Scioli's main rivals for the presidency, have accused him of owing a massive political debt to Kirchner that will impinge on his freedom to make his own decisions³¹.

Consequently, this would-be reformer of Peronism could run out of political capital quite early on in his term. And if Scioli bucks Kirchner's control and attempts to bring Peronism back to the center by liberalizing the Argentinian economy, reducing subsidies, and reining in the heavy spending that has led to inflation, then there is a possibility that she will run for president in the next election cycle. She could legally choose to do this because Argentinian election laws only forbid holding the presidency for more than two consecutive terms, allowing her a separate third term. It is with this threat hanging over him that Scioli must make his reforms that will bring his party closer to Peron's original political platform and away from the Kirchnerist interpretation of Peronism that has sown divisions among the PJ. The run-off could be the last electoral chance for Peronists to show the Argentinian people that they can present a unified ideological front. Without unification it will be difficult for the party to maintain the people's trust for future elections. On top of this, the fracturing of the party will only weaken the Peronists' political capital and thus reduce their ability to effectively govern if elected. And without Peronists in power, the influence of foreign vulture funds and other forms of foreign investment capital over Argentina will continue to increase, making a resolution for Argentina's economic malaise ever less likely.

End Notes

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