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Turbulent Piquetero Protests Continue

by LADB Staff

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Violence at protests by jobless Argentines has caused concern on both sides of the demonstrations, straining links between President Nestor Kirchner and the movement of poor and unemployed people known as piqueteros. Business groups and members of Kirchner's administration have called for a harder hand against piqueteros, while the group has alleged police involvement in the recent murder of one of its leaders.

The piquetero protests, which have blocked highways and led to scuffles (see NotiSur, 2004-03-12), come on top of large-scale marches against crime in Buenos Aires, where massive numbers of marchers showed their discontent with the government's failure to contain criminal activity like murder and kidnapping.

Jobless demand justice in murder of piquetero leader

Organizations of the unemployed, human rights groups, and trade unions in Argentina called a march for July 2 to protest the recent murder of a social activist, and they alleged there were attempts to create a climate of violence and destabilization in the country. They termed the June 25 killing of Martin Cisneros a "political murder" and announced a strike and a march "for life and to stop the attempts to create a climate of violence and destabilization" in Argentina.

"We will continue working, to deepen the changes promoted by the government [of Kirchner] and to build a broad front of organizations that represent the new majority," activist Luis D'Elia, with the Federacion Tierra y Vivienda (FTV), said at a press conference. The remains of piquetero leader Cisneros, killed in his home in the early morning hours of June 26 by a drug trafficker who was detained shortly after the killing, were laid to rest the following day in Buenos Aires. Cisneros worked in a solidarity kitchen and in other projects for the most needy in the southern part of the capital city.

At the same time as the burial, federal Judge Norberto Oyarbide began an investigation into the FTV's occupation of the police headquarters in the La Boca neighborhood of Buenos Aires. A group of piqueteros who support the Kirchner administration took over the police station for more than ten hours to repudiate the killing of Cisneros.

In the police station, the piqueteros found photographs in which federal police appeared together with naked prostitutes as well as free passes to local night spots, materials that were delivered to the undersecretary of security of the nation.

After the occupation of the police station, Justice Minister Gustavo Beliz ordered the immediate resignation of the heads of the La Boca police headquarters. The same day, thousands of jobless people occupied the Puente Pueyrredon, which joins the federal capital and surrounding

metropolitan area, and marched to the Plaza de Mayo to commemorate the second anniversary of the police killing of two activists during a demonstration on the bridge.

The piqueteros accused former President Eduardo Duhalde, who governed Argentina between 2002 and 2003, of being "politically responsible" for the police killings of activists Maximiliano Kosteki and Dario Santillan, in a text read at the Plaza de Mayo.

FTV leader D'Elia said that "Duhaldismo [followers of Duhalde] is capable" of being involved in the death of his group's activist. D'Elia accused the drug trafficker, Juan Carlos Duarte, of being guilty of Cisneros' death and also accused the police of being connected with the murder. The previous week, about fifty demonstrators from the radical leftist group Quebracho went over the barricades at the principal seat of the general headquarters of the Army in Buenos Aires and began a protest at the Patio de Armas against sending troops from Argentina to Haiti as part of UN peacekeeping forces.

Kirchner rejects calls for greater force

Businesspeople have called for "pacification" of the jobless protests, saying escalations in violence were creating tensions that would stymie the incipient economic recovery in the country (see NotiSur, 2004-02-27) and cause withdrawal of foreign investment. The concern among business leaders increased when social protests at the end of June cut transportation routes as jobless people called for food and social-assistance plans.

"The economy is recovering greatly, but the permanence of this violent situation can effect the rhythm," said the president of the Asociacion de Bancos de la Argentina, Mario Vicens.

President Kirchner, traveling officially in China in the last week of June to build trade relations with the Asian country, questioned declarations made by Economy Minister Roberto Lavagna and Defense Minister Jose Pampuro, who both made statements about violence in the country. "The laws must be activated," said Lavagna, referring to the protests, although he later said he was referring to the application of the laws "in the economic aspect."

Pampuro said on June 25 that Argentina "has become a violent country," but he later retracted the statement, saying he had not wanted to say that but rather that "there are groups that act in a violent manner."

"We are not going to repress the social protests with this trigger-happy policy," said Kirchner responding to the sectors that call for limits on the protests to be implemented through force.

"They accuse us of being violent, but we are burying our dead in this economic model of misery and death implanted in Argentina," said D'Elia after the burial of Cisneros.

More than 4.6 million people in Argentina who perform informal labor receive an average monthly income of less than 348 pesos (US\$120), the amount that defines indigence, according to a report

from the Instituto de Estadísticas y Censos. Half the 4.6 million informal laborers get an income of less than 150 pesos per month (US\$51), while the average salary received by "black-market" workers is 343.1 pesos (US\$118).

President Kirchner signs fiscal austerity law

Although Kirchner has repeatedly defied the International Monetary Fund (IMF) and international debt holders (see NotiSur, 2004-01-16), earning him some support from groups like the FTV, he has recently signed a fiscally restrictive policy.

In mid-June, Kirchner signed a law to limit public spending and the degree to which the government can build up debt. He signed the Fiscal Responsibility Law just as the IMF began a review of its agreement with Argentina. The Fiscal Responsibility Law, which forms part of the pact with the IMF, prohibits the federal and provincial governments from increasing their spending at a level greater than economic growth, except in periods of recession. It also states that budgets must maintain financial equilibrium and that the total of debt payments cannot exceed 15% of the current net resources obtained through tax revenues.

Provinces with a high level of indebtedness will have to show a surplus in their public accounts, said Economy Minister Lavagna, announcing the project on June 14. He also foresaw the creation of the Federal Council on Fiscal Responsibility, composed of economic officials, who will sanction those provinces that don't comply with the fixed austerity guidelines.

"A sanction could be the refusal of the nation [federal government] to give the necessary guarantees for a province to ask an international organism for credit," said Lavagna. He said the government foresees the law going into effect at the start of 2005, when it is hoped that Congress and the provincial legislatures will have approved it. The legal norms, along with the promotion of a new law on federal co-participation in taxation, are one of the commitments Argentina has made with the IMF, whose delegates came to Buenos Aires in mid-June to work on the third review of the accord signed in September of last year.

The mission from the financial group will also analyze the progress on government negotiations to refinance a total of US\$100 billion in public bonds, including capital and interest, which have been in default since the end of 2001.

Argentina has surpassed the public-savings goals agreed upon with the IMF for the first half of the year, but debt holders have rejected the latest offer to refinance the debt, and debate on the new co-participation on taxation has stagnated because of disagreements between the federal government and the provincial governments.

The majority of debt holders have rejected the Argentine proposal to drop the repayment of owed capital by 75% by means of an exchange for new long-term bonds and reductions of capital or interest, calling the offer "insufficient" and "unacceptable," though the offer formed part of the "improved" proposition that the Argentine government made at the beginning of June.

Regarding bonds for US\$81.2 billion in default for 30 months, Argentina additionally proposed payment without removal of back interest (about US\$19 billion), although the current figure will depend on the level of acceptance that the offer receives. In this sense, the back interest will be made current up to last December if the degree of acceptance among debt holders is less than 70%, but if it exceeds that threshold, the adjustment will apply to the end of June 2004.

The refinancing proposal also includes the payment of additional interest in the event that Argentine GDP grows more than 3% annually. This offer is the second Argentina has made to get out of default, the largest default in history, and Kirchner and Lavagna have said that it will be "the last" offer debt holders will receive.

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