Argentina: Coming to A Boil

After more than three years of implementing a World Bank/IMF-approved structural adjustment program, popular discontent in Argentina is beginning to boil over. In July, tens of thousands of public-sector workers, pensioners, students, family farmers, merchants, human rights activists and artists gathered in Buenos Aires to demonstrate against the government’s economic program. That protest was followed by a general strike in August which, despite being declared illegal by the government, was a huge success. State worker Alicia Mayal, quoted in the New York Times, said, “President Menem says things are getting better all the time, but for us in the provinces, things are getting worse all the time. We are poorer now than we were three years ago, and we have fewer jobs.”

President Menem insists that the structural adjustment program will continue, citing its success in lowering inflation from more than 5,000 percent in 1989 to less than 5 percent today, while the economy grew more than 25 percent between 1991 and 1993. At the same time, however, the country’s trade deficit has skyrocketed and official unemployment has increased to nearly 11 percent while wages have fallen. The social and economic impact has been especially severe in the provinces.

These protests come just as President Menem is gearing up for his re-election campaign. He will be challenged by candidates from former President Raul Alfonsio’s UCR party, and from the Broad Front, a new coalition party that will base its campaign on criticism of the social costs of the structural adjustment program and corruption in the Menem Administration. Elections are scheduled for May 1995.

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Agrarian Woes In Ecuador

In June, Ecuadorian indigenous groups led nearly two weeks of massive public demonstrations, including roadblocks, to protest a proposed agrarian reform law that would have effectively ended the country’s communal land system. The InterAmerican Development Bank requested changes in the country’s agrarian and water laws as conditions for a pending agricultural sector loan. In response to the protest, the Ecuadorian government declared a state of emergency, sent troops into several towns, and temporarily closed three local radio stations. Luis Macas, President of the Ecuadorian Confederation of Indigenous Nationalities (CONAIE) and a recent winner of the Goldman Environmental Prize, stated that the protests would continue in spite of the military intervention. “It is preferable to die with dignity than to starve to death,” he said.

Despite President Sixto Duran Ballen’s insistence that he would not revise the law because it was “what the country needs,” his Administration later entered into a dialogue with indigenous, church, business and congressional leaders. The proposed Agrarian Development Law would have introduced specified that only agricultural businesses could hold title to farm lands. The new compromise law, approved by Congress in August, revised that requirement to include ownership by individuals, families, communities and associations.

The Duran Ballen Administration has been implementing a structural adjustment program with World Bank and IMF funding since 1992. According to World Bank documents, the program is geared towards “reducing the role of the state in the economy, improving the investment climate through the reduction of labor market rigidities, facilitating foreign investment, liberalizing the trade regime and reforming the financial sector.” Recent government measures to raise public utility prices and privatize state-owned enterprises have also been met with public protests from local indigenous groups and labor unions.

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