

THE OPPENHEIMER REPORT

A Kirchner may win, but glory days are over

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BUENOS AIRES -- Argentina's political winds are changing. Unlike the last time I visited here last year, left-of-center President Néstor Kirchner no longer looks like the almighty leader who will head this country -- directly or behind the scenes -- well into the next decade.

Only a few months ago, the conventional wisdom in this capital was that Kirchner's wife, Sen. Cristina Fernandez de Kirchner -- helped by four consecutive years of strong economic growth and her husband's high popularity ratings -- would run in the Oct. 28 presidential elections, and win by a landslide.

The idea, people close to Kirchner's inner circle said, was that Cristina Fernandez de Kirchner would serve one four-year term, then allow her husband to run for either one or two consecutive terms. This would have allowed the Kirchners to rule until 2015, perhaps even 2019.

But a series of recent political setbacks suggest that the "K-phenomenon" -- as pro-government media referred to Kirchner's 70 percent popularity ratings after he won the 2003 election with only 22 percent of the vote -- has already peaked, and is losing steam.

CHANGED HORIZON

While pollsters expect the president or his wife to win the October elections -- it's not yet clear which of the two will run -- few are willing to bet that the Kirchners will be able to hold as much power as they have over the past four years.

"Ninety days ago, we all thought we would have Kirchners in power for the next 16 years," says Rosendo Fraga, a leading political analyst who heads the Center for a New Majority. "Today, we think that one of them will be elected, but will face a very difficult time in office. The political horizon has changed."

Indeed, Kirchner -- whose foreign policy over the past two years has moved increasingly closer to Venezuela's narcissist-Leninist President Hugo Chávez -- suffered a major political defeat earlier this month.

Despite Kirchner's enthusiastic support for his education minister, Daniel Filmus, in the June 3 first-round election for the politically important job of mayor of Buenos Aires, Filmus was trounced in the polls. Center-right opposition

candidate Mauricio Macri, president of the Boca Juniors soccer club, won the first round by a 22-percentage-point margin, and is expected to easily win in the second-round vote next Sunday.

OTHER SETBACKS

Also on June 3, Kirchner's candidate for governor of the southern Neuquén province lost by 13 percentage points. In October, in what was seen as Kirchner's first major political defeat, the government lost a key state constitution referendum in the northern province of Misiones.

In addition, corruption scandals -- including bribes apparently paid by executives of the Swedish construction giant Skanska to government officials -- are for the first time reaching the president's closest aides. And power outages are raising public questions over whether the government is taking advantage of the country's economic recovery -- due to record international prices for Argentina's commodity exports -- to fix basic problems.

Over the past two months, the president's approval rating in this capital has fallen to 35 percent, and his wife's to 25 percent, the daily La Nación quoted an anonymous pollster as saying last week.

Roberto Lavagna, a former Kirchner economy minister who is running as an opposition candidate in October's presidential elections, told me in an interview that Kirchner's days of glory are over. Now, the president's strategy is to keep any serious opposition candidate from capitalizing on the growing public discontent, he said.

FOE'S CLAIMS

According to Lavagna, the government is putting pressure on television networks to keep him off the air, because he is the only opposition candidate with a nationwide political machine. I called two close Kirchner aides for a comment, but they didn't call back.

"I've spent three months without being able to appear in prime-time television," Lavagna said. "The degree of government pressure on the media is greater than at any time since 1983."

My opinion: One of the Kirchners will probably win the October presidential elections, and Argentina may have four more years of low-intensity Chávez-style populism. But Kirchner has lost his aura of invincibility. Pro-globalization, pro-investment candidates are likely to win key city and state elections, changing the country's political horizon for the first time in several years.