

# IMF policy kills Argentine retirees

by Gerardo Terán Canal

On Oct. 27, the Buenos Aires daily *El Clarín* published the shocking report that during the previous 60 days, over 26 retirees had committed suicide. Of those 26, nine had occurred in the previous 10 days. These grisly statistics bring to over 500 the number of retirees who have committed suicide in Argentina during the past year, out of desperation over the economic conditions in which they were forced to live. Twenty of the last 26 were men, six were women, and most of them were over 80 years old.

*Clarín* reported that "some shot themselves in the head, others threw themselves in front of trains or subway cars; four hanged themselves with sheets and ropes, and two jumped off buildings. . . . Several left written notes and others died holding their last pension check stub." Neighbors of one man who had killed himself told the paper, "There's nothing to investigate in Don Felipe's death. He killed himself before hunger and sadness killed him. He didn't even have money to buy an aspirin."

## Suit charges Menem and Cavallo with murder

The cause of this rash of suicides—more accurately, genocide—is found in the economic austerity policies of the International Monetary Fund (IMF), which the government of President Carlos Menem and his Finance Minister Domingo Cavallo have so mercilessly applied over the past three years.

The government's cold-blooded manner of dealing with pensioners has driven Dr. Walter Beveraggi Allende, a prominent lawyer and nationalist, to file a criminal suit against President Menem and Finance Minister Cavallo for what he defines as "*preter-intentional homicide*"—that is, homicide resulting from application of their economic policy regardless of stated intentions. The suit was filed on behalf of an Army non-commissioned officer who killed his six children, his wife, and then himself, and 17 retirees who, "in acts of desperation, ended their lives."

According to the Oct. 27 *La Prensa*, Dr. Beveraggi charges in his suit that "the basis for my accusation consists in the fact that the government, led by Menem and Cavallo, lacking the fitness required by the national Constitution, has

formulated an economic 'adjustment' policy which translates into desperation, misery, hunger, and unemployment for millions of people; and, because of its permanence and acuteness, causes mental perturbations which cause its victims to make fatal decisions, such as suicide, often accompanied by elimination of their families, as a complement to that tragic decision."

As one retiree commented to *Clarín* during a protest demonstration, "You don't have to be a psychologist to realize that people kill themselves because the President has betrayed them." Pedro Furtivo, vice president of the Republican Confederation Representing Retiree Organizations, stated on Sept. 11 that "there are many people on the verge of suicide. . . . Many retired couples can't even pay for a shack in a slum. . . . *Many more people are dying than what the press reports.*"

## A deliberate policy

There are two key aspects to the pensioner problem in Argentina. One is an enormous accumulated debt of the pension system built up over the last several years, which now amounts to \$7 billion; second, the average pension amounts to \$150 in a country where the average monthly market basket costs \$900.

As it has done in all other areas of social policy, the government has subordinated pensioner needs to conditionalities set by foreign creditors. In December 1991, it postponed bonus payments that were supposed to go to some 3.2 million pensioners, in order to "balance the books" and guarantee the budget surplus which the IMF had demanded.

In January of this year, the government promised to pay some of the accumulated debt through issuance of special state bonds known by the term Bocon, to mature in five years. Many pensioners would be long buried before they could cash in the bonds, and today, these are negotiated in the market at less than 50% of their nominal value.

In April, the government decided to deal with the problem by promising to take 15% of the budgeted funds which the central government shares with the provinces, and increase monthly pension payments by an average of 70-80%. In August, the provincial governments decided to impose the necessary austerity to make the 15% available. But then the Menem government suddenly announced that only 1.2 million pensioners of the total 3.2 million would be eligible for the increase, callously excluding the remaining 2.1 million.

Sixty-nine percent of the country's pensioners are considered to be "elderly." The government reasons that the 82% increase in fact translates into an average increase of 30-50%. This means that retired state workers will only receive \$180 monthly, while retired industrial or commercial workers, whose pensions come from a separate fund, will get \$200. Organizations representing pensioner interests es-

time that a minimum of \$450 monthly is required for physical survival.

Subsequently, the government introduced legislation to privatize the state oil company Yacimientos Petrolíferos Fiscales (YPF), which included a clause stating that part of the debt owed to pensioners 85 years of age and above, an amount totaling \$300 million, would be paid with a portion of funds derived from the privatization. However, after the Argentine Congress approved the legislation, President Menem vetoed that clause, alleging that "the state is in no condition to allocate \$300 million for the 240,000 pensioners above 85 years of age." The government then decided to use 30% of the funds resulting from the privatization to repurchase the Bocon bonds, and pay the retirees over 85 with these.

The State Social Security Administration, which is in charge of raising revenues for pensions, actually increased its revenues by 47% last year. Nonetheless, as reported by the Sept. 15 edition of the daily *Página 12*, the head of that entity, Arnal Cirilino, stated that "for now we've cleaned up the system financially . . . but the final stabilization will only be achieved in the year 2020." By then, today's pensioners will be dead.

### 'A damned dwarf'

For the past year, hundreds of retirees have gathered every Wednesday in front of the National Congress to protest this policy of genocide. Carrying drums and a huge crucifix, those people who helped build Argentina as a nation when they were working productively now confront the police with eggs, sticks, and stones. Police have cordoned off the area where the protesters gather to demand passage of legislation which could alleviate their anguished situation.

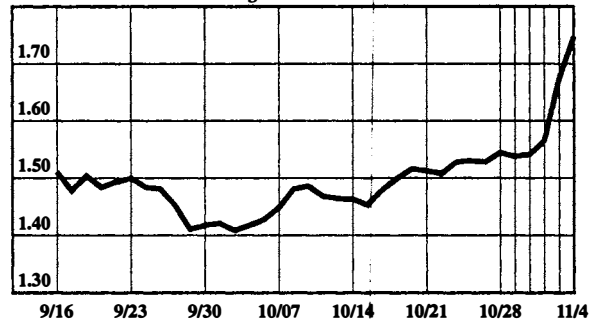
At the last demonstration on Oct. 21, over 3,000 people gathered carrying signs which read "Corrupt Menem, traitor, liar, damned dwarf. . . . Menem you're a traitor, a bastard. . . . No to genocide, we want to live with dignity. . . . Damned egomaniac, you'll never be granted mercy. . . . Caligula's [Menem's] dreams are fulfilled, the retirees are killing themselves."

This demonstration of rage has spurred the government into action, largely due to concern "over the political cost of the critical pensioner situation," according to the Oct. 28 issue of *Clarín*. Menem called an extraordinary cabinet meeting a day earlier in which he demanded "concrete answers" to what he characterized as "the government's greatest concern." However, the only solution presented thus far is the creation of a special secretariat which will deal with the problems of the "Third Age"—pensioners. A decision has been made to grant \$50—a pittance—to the poorest retirees, and pay Bocon bonds to the most elderly. Social Action Minister Julio César Araoz insisted that the President would name a person of "great social sensitivity" to run the agency.

## Currency Rates

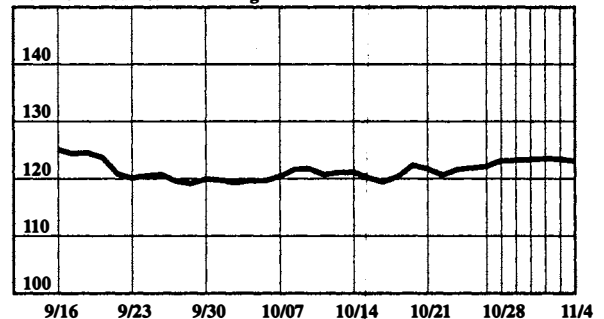
### The dollar in deutschemarks

New York late afternoon fixing



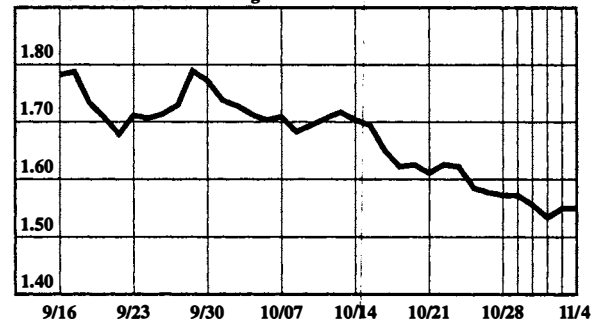
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

