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Photo: Casa Rosada

## Follow the Money

Issues of transparency and corruption are front and center in this year's presidential election in Argentina, with former President Cristina Fernández de Kirchner, who is running for the vice presidency, embroiled in a number of corruption prosecutions. President Mauricio Macri has prioritized government transparency, though the private sector backgrounds of some senior officials have raised questions about potential conflicts of interest.

To increase transparency, Laura Alonso, the head of Argentina's Anticorruption Office, has promoted changes to the Law of Public Ethics (*Ley de Ética Pública*), including to vague requirements governing asset disclosure by Argentine lawmakers.

The law was last modified in 2013, under Ms. Fernández de Kirchner – a reform that actually *reduced* transparency. For example, public officials were no longer required to list the assets of their spouses or children, a loophole that apparently helped Ms. Fernández de Kirchner hide stolen funds. (Ms. Fernández de Kirchner’s son and daughter both face corruption charges, as they co-owned hotels suspected of involvement in money laundering. Her daughter, Florencia, is in Cuba, purportedly for medical care, while her son enjoys congressional immunity and is running for reelection.)

Ms. Alonso says the new version of the *Ley de Ética Pública* would promote better transparency and facilitate public watchdogging. The proposed reforms, for example, would reinstate the requirement that officials list properties belonging to close relatives, and obligate them to report financial activities over the previous three years, versus one year under current law. It also proposes restrictions on nepotism, and requires every federal agency to open a public ethics office.

Nonetheless, the proposed changes have shortcomings, according to transparency advocates. For example, the reform does not require officials to include the dates they obtained assets. It also appears to weaken protections against conflicts of interest.

Meanwhile, it is not clear the reforms will even advance anytime soon, as the Argentine legislature is deep in an election-year slumber.

Michelle Volpin, of Directorio Legislativo, which helped shape the legislation, tells us the bill is unlikely to gain traction this year. The next administration, meanwhile, is more likely to focus on economic issues than public ethics, and it is not clear which lawmakers will champion the legislation going forward, she says.

In the United States, the asset disclosure regime is largely unchanged since 1978, when congress passed the Ethics in Government Act. Congress passed the law under President Jimmy Carter in the aftermath of Watergate, when confidence in public institutions was deeply shaken. It mandated that public officials annually disclose personal financial information. In 2012, Congress approved the STOCK Act, which increased reporting requirements and expanded public access to the information.

Nevertheless, the U.S. system remains imperfect. Notably, Congress has failed to obtain President Donald Trump’s personal financial records – including his federal tax returns – despite concerns about potential conflicts of interest involving his businesses. Last year, Transparency International downgraded its U.S. ranking, booting the United States from its top 20 list for the first time since 2011.

# FOLLOW THE MONEY

The wealthiest legislators in Argentina and the United States

Argentina



United States

Sen. José Alperovich  
Justicialista



1



Rep. Greg Gianforte  
Republican

Sen. Roberto Basualdo  
Frente Producción y Trabajo



2



Rep. Michael McCaul  
Republican

Dip. Eduardo Costa  
Unión Cívica Radical



3



Sen. Mark Warner  
Democrat

Dip. Atilio Benedetti  
Unión Cívica Radical



4



Rep. Vern Buchanan  
Republican

Sen. Juan Carlos Romero  
Frente Popular Salteño



5



Sen. Richard Blumenthal  
Democrat

By Emma Sarfity

Sources: Business Insider, La Nación



## Home Field Advantage

In politics, incumbents often enjoy important electoral advantages, ranging from free publicity to the use of government funds and public works for campaign purposes. Yet this leg up violates basic principles of fairness that should orient democratic politics.

In a 2014 paper in the *Journal of Democracy*, Javier Corrales and Michael Penfold examined 125 presidential elections in 18 countries in Latin America between 1953 and 2012, and found that 90 percent of incumbents seeking consecutive reelection successfully held on to power.

In the United States, the Hatch Act seeks to level the playing field. The law limits executive branch employees from engaging in partisan politics. The rules have tripped up several Trump administration officials. But the law is relatively lenient compared to Argentina's electoral laws.

Argentina's National Electoral Code, for example, bans the inauguration of public works or any new programs beginning 25 days before an election. But enforcement of election laws have proved controversial, as it is itself often subject to charges of partisanship.

A report by Argentina's top good government research organization, CIPPEC, raised concerns that enforcement is in the hands of the Dirección Nacional Electoral, which is part of the executive branch. Lacking autonomy, enforcement of the law has been lax. For example, a 2011 [study](#) found that from 2000 to 2010, the Kirchner governments oversaw a steep increase in publicly funded advertising, which rose *from 16 million to 1.2 billion pesos*. In addition, President Cristina Fernández de Kirchner was often criticized for using the public airwaves to engage in campaigning.

For Ms. Fernández de Kirchner's successor, Mauricio Macri, the advantages of incumbency do not appear to be of much use. In the August [primaries](#), he attracted only 32 percent of the vote – a dismal performance that reflects the country's economic troubles throughout his presidency, and the politically toxic loan conditions imposed by the International Monetary Fund, including deep budget cuts and tight monetary policy that are uncommon in an election year.

Still, while Mr. Macri might not feel secure in his hold on the Casa Rosada, Argentine presidents, like their counterparts throughout the region, continue to enjoy an electoral leg up on opponents, despite legislative efforts to counterbalance an incumbent's advantages.



## Voces del Interior



“ Yo sostengo que, el día que nos empecemos a aburrir cuando analicemos la política, la Argentina va a empezar a crecer.”

Woodrow Wilson International Center for Scholars,  
September 18, 2019

Juan Manuel Urtubey  
Governor of Salta

“Así que una vez más agradecerle al Wilson Center, una de las instituciones más importantes y que más valoramos por el aporte y el estudio que hacen siempre de



estudio que hacen siempre de América y de Argentina.”

Woodrow Wilson International Center for Scholars,  
September 16, 2019

Juan Manzur  
Governor of Tucumán



“Debemos volver a creer en este valor trascendente de la inversión privada que debe ser promovida por el sector público.”

Woodrow Wilson International Center for Scholars,  
April 8, 2019

Sergio Uñac  
Governor of San Juan

“Difícilmente una economía regional del interior, como es el de la provincia de Mendoza, pueda escapar a la situación macro del país.”

Woodrow Wilson International Center for Scholars,  
February 12, 2019

Alfredo Cornejo  
Governor of Mendoza



By: Claudia Gago



Nicolás Saldías authored, “[The curse of resources, even in Argentina](#),” for *Global Americans*



Benjamin Gedan is quoted in, “[La eventual relación de Alberto Fernández con el FMI abre serios interrogantes en Washington](#),” for *Infobae*

Nicolás Saldías is quoted in, “[La economía de Alberto Fernández: la hoja de ruta urgente que abordará si es presidente](#),” for *Todo Noticias*

Nicolás Saldías is quoted in, “[Who has the Edge Ahead of Uruguay’s Presidential Vote?](#),” for *the Latin America Advisor*

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