



Friday, March 9, 2018

Buenos Aires is number one: Te lo juro



BA, Buenos Aires, Big Apple was selected by the Expert's Choice Awards as the "Best Destination in South America" in 2018, based on reviews from 85 publications. That was welcome news for Argentina, where the capital city represents 60 percent of the country's critical tourism sector.

Last year, Argentina's National Institute of Statistics and Census (INDEC) reported that over 2.6 million visitors arrived in Argentina by plane – a four percent increase from 2016. Among these visitors, about half traveled for pleasure, one-quarter visited friends or family (not always pleasurable) and one-quarter traveled for business. Whatever their motives, they contributed mightily to Argentina's economy. Tourism in 2016 accounted for 10 percent of GDP, and it was projected to increase by four percent last year, according to the World Travel and Tourism Council.

In his remarks at the opening of congress on March 1, President Mauricio Macri spoke at length about the tourism sector. "*Se viene una revolución en el país con el turismo,*" he said, "*y les propongo que nos organicemos para recibir cada vez a más turistas.*" In Buenos Aires, despite the international recognition, the local authorities are also not satisfied. The city government, for example, has tried to support tourists through the development of smartphone applications, such as BA Tours, BA Planner, BA Turismo, BA Ecobici and, of course, a favorite virtual city guide, Como Llego. On any given Sunday afternoon, you can now stroll through Palermo and Recoleta and hear English-speaking tourists debate the best bar to watch the Champions League. In fact, more and more, it seems foreigners can manage the entirety of their stay without speaking *ni una palabra de castellano*.

For gangland Rosario: Lessons from Colombia



Drug violence in Rosario claimed [50 lives](#) last month alone, as the city's violence continued to fuel broader concerns about organized crime and public security in Argentina. Two drug trafficking organizations have been feuding in Rosario since 2012, bringing the city's homicide rate to worrying levels. Santa Fe, where Rosario is located, recorded 10.7 homicides per 100,000 inhabitants in 2016, the highest murder rate in Argentina, according to official data. In his March 1 speech, Mr. Macri said "*seguridad y la lucha contra el narcotráfico son dos de las demandas más grandes de los argentinos.*"

To address violent crime in Rosario, the authorities should consider the Colombian experience, [according](#) to Juan Carlos Garzón, a Colombian researcher and Wilson Center fellow, who recommends better coordination between local and national law enforcement agencies. That message is no doubt welcomed by Mr. Macri, who recently introduced a new security [doctrine](#) that emphasizes information sharing and national coordination to fight organized crime.

In fact, security has been a central tenet of Mr. Macri's agenda since his 2015 campaign. Shortly after taking office, he [declared](#) a national security emergency and promised an overhaul of Argentina's law enforcement institutions. His new strategy has produced results. Last year, cocaine seizures more than doubled. Nationwide, the murder rate fell by 10 percent, according to official data. Mr. Macri's security team has also earned support from the United States. During a recent [trip](#) to Washington, Argentina's security minister, Patricia Bullrich, met with senior officials at various U.S. law enforcement agencies to discuss joint operations and cooperation. (Not everyone is supportive; for months, human rights groups have been [criticizing](#) the government for *mano dura* policing.)

Holier-than-thou: Glass houses



Home to Roost



Gianfranco & Mariano Macri

- Brothers of President Mauricio Macri
- Under investigation for connections to organizations named in the Panama Papers linked to money laundering and tax evasion
 - Suspected of wrongdoing in the purchase and resale of six wind farms



Luis Caputo

- Finance Minister since January 2017
- Under investigation, by the national anti-corruption office, for failing to disclose offshore accounts in the Cayman Islands, and a Miami-based mutual fund



The Macri administration was understandably proud of its improved performance on Transparency International's corruption index – a sign that Argentines believe public malfeasance is declining. Images of senior officials from the last government, including the former vice president, detained for corruption have helped cement the new government's squeaky clean image.

But that narrative has proved hard to maintain, as a handful of scandals has eroded the government's image as an antidote to Kirchner perfidy. Two of the president's brothers are linked to shady companies exposed by the Panama Papers. The finance minister failed to disclose foreign assets. And another senior official, Valentín Díaz Gilligan, resigned last month amid accusations of money laundering related to an undisclosed Andorran bank account with \$1.2 million. Now, even more serious allegations have come to light. Brazilian authorities have implicated the head of the Argentine intelligence services, Gustavo Arribas, of playing a role in the sprawling *lava jato* corruption case, pointing to a suspicious \$85,000 money transfer. (He denies wrongdoing, and the government has stood by him.)

These cases should be reassuring to observers who feared that only *kirchneristas* would face justice under the Cambiemos government. Still, that's cold comfort for anti-corruption campaigners who had hoped the country had finally cleaned up its act.

Sign me up: International Criminal Court



On February 28, Argentina agreed to two additional cooperation arrangements with the International Criminal Court, becoming the *first country* to sign all four pacts.

Argentina’s ambassador to The Netherlands, H.E. Horacio Salvador, signed the agreements, which he said “reaffirms its strong support” for the ICC. Among other commitments, Argentina expressed its willingness to accept individuals acquitted by the court.

Whereas the United States has never joined the ICC, Argentina has championed systems of international accountability since the end of its military dictatorship in 1983. Indeed, Luis Moreno Ocampo, an Argentine lawyer who helped prosecute “Dirty War”-era human rights abusers in Argentina, later served as the ICC’s first chief prosecutor.

Feast or famine: Drought

The U.S. threat to dynamite the North American Free Trade Agreement was supposed to handicap U.S. farmers and buoy their Argentine counterparts, as Mexico [turns south](#) to diversify its food sources. Indeed, the plodding NAFTA renegotiation has spurred the first serious discussions about linking the Pacific Alliance and Mercosur.

For now, however, it is U.S. farmers profiting at the expense of their South American peers. A severe drought in Argentina’s breadbasket has reduced the country’s projected soybean production this year to 47 million tons, *down 18 percent*, from 57.5 million tons, in 2017. Argentina’s weather troubles have sparked fears of a global shortfall, speeding grain purchases worldwide and pushing up prices. Jazzed about the unexpectedly high prices, U.S. farmers are rushing their corn and soybeans to market. In recent weeks, U.S. exporters sold 12.5 million tons of corn to foreign buyers, the fastest clip in 23 years, Reuters [reported](#).

Cheap seats: Absentee voting

Expatriate Voting Rights in South America

	Argentina	Brazil	Bolivia	Chile	Colombia	Ecuador	Paraguay	Peru	Uruguay	Venezuela
Expats voting rights	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓
Expat vote mandatory	✗	✓	✗	✗	✗	✗	✗	✓	✗	✗
Expat voting rights granted	1991	1988	1984	2016	1961	2002	2011	1998	N/A	1999

Source: Americas Society/Council of the Americas and Servicio Electoral de Chile

Argentines overseas have had the right to vote since 1991. But that was not the case in neighboring Chile until last year's presidential election. In 2016, the Chilean legislature [passed a law](#) that enfranchised all voting age Chileans overseas. In all, 900,000 Chileans live abroad, compared to 18 million living in Chile. Turnout was low at overseas polling stations; in the first round, [11 percent](#) of eligible voters cast ballots in 62 countries. In the second round, turnout was [even lower](#). The preferred candidate of the Chilean diaspora was overwhelmingly center-left Alejandro Guillier, who lost to his conservative opponent, Sebastián Piñera, in the election. (It isn't just overseas Chileans who are sitting out elections; since making voting voluntary, turnout inside Chile has fallen.)

Chile joins a long list of countries that let citizens vote overseas, 115 as of 2007. South America is a global leader: Argentina, Bolivia, Brazil, Colombia, Ecuador, Peru, Paraguay and Venezuela let citizens vote abroad. For Brazil and Peru, voting remains [mandatory](#) for citizens overseas. Uruguay is the *only South American country* to [deny citizens](#) abroad the right to vote. In 2009, voters rejected a referendum calling for expatriate voting rights, with the “No” vote backed by 63 percent of Uruguayans. That seems odd, at first blush; after all, Uruguay is considered the most democratic nation in the hemisphere. But for Uruguay, granting suffrage to overseas citizens would have a massive political impact. As with Chile, Uruguayans abroad are seen as more likely to vote for leftist candidates. Unlike with Chile, Uruguayans abroad would presumably vote in large numbers, since voting in Uruguay is compulsory. Most importantly, the number of Uruguayans abroad is high relative to its population, with [530,000 Uruguayans abroad](#) and only 3.4 million at home. In the 2014 election, the margin of victory for the Frente Amplio's candidate, Tabaré Vázquez, was only 287,000 votes.

CYA: CBO

In just two years, Mr. Macri has tweaked the national budget more times than his two immediate predecessors combined, according to Argentina's Association of Budget and Public Financial Administration (ASAP). That was probably necessary, since those budgets relied upon questionable projections for economic growth and inflation – a common maneuver in many countries, including the United States.

Now, Argentina is trying to add a dose of science to its budgeting and legislating. The legislature recently established a Budget Office of the National Congress, akin to the nonpartisan Congressional Budget Office in the United States. It appears to be a serious undertaking. Its first general director, Marcos Makón, is the former ASAP vice president, and the new congressional committee that will oversee the office is chaired by Esteban Bullrich, Mr. Macri's former education minister. It is expected to be fully operational by September, when Mr. Macri prepares the 2019 budget.

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