

Weekly Asado



Wilson Center

Argentina Project

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Other people's money: Drawing board



Argentina's political swings have produced radically diverse policy experiments, from Perón's **import substitution industrialization** to Menem's **neoliberalism** to Cristina Fernández de Kirchner's **Declaración Jurada Anticipada de Importación**.

To be fair, it is natural for elections to bring about policy changes, sometimes of the 180-degree variety. But Argentina's gyrations are notable not only for their regularity and drama, but also for the frequent repudiation of the past. Sometimes it is cultural, such as President Mauricio Macri's [removal](#) of Mr. Perón's portrait from the Casa Rosada and his reported plans to [rename](#) the Centro Cultural Kirchner, the immaculately restored former Palacio de Correos, where Mr. Macri hosted a state dinner for President Barack Obama in 2016. Sometimes, however, it is *contractual*, such as post-1983 questioning of the legitimacy of debts incurred by Argentina's spendthrift military dictatorship.

Now, the question on the minds of investors – and one probably keeping Christine Lagarde up at night – is whether Argentina’s election next year will bring about a significantly new [approach](#) to the International Monetary Fund.

Should Mr. Macri triumph, it seems likely he would adhere to the [terms](#) of the \$57 billion bailout – the largest loan in IMF history. After all, the onetime prophet of *gradualismo* is now such a martyr for fiscal adjustment that observers are quietly speculating he might forswear reelection after politically painful budget cuts and let an ally take his place on the ballot. (In its last survey, Synopsis polled about a potential contest between Ms. Fernández de Kirchner and Buenos Aires Governor María Eugenia Vidal, who served as Mr. Macri’s deputy mayor in the City of Buenos Aires.)

But the future of the IMF program under a Peronist government is far less certain. That’s why the critical remarks on Monday by opposition figure Sergio Massa – in an event we [hosted](#) in Washington – made waves in Buenos Aires. (“*Massa dijo que el próximo gobierno deberá renegociar el acuerdo con el FMI,*” *Ámbito Financiero* reported. “*En Washington, Sergio Massa dijo que fue un error recurrir al FMI,*” Infobae observed.) At the Wilson Center, Mr. Massa assailed the “horrible” IMF deal, lamented the country’s stratospheric interest rates and threatened to renegotiate the IMF conditions should he defeat Mr. Macri. Mr. Macri’s government did not waste any time in reacting. The finance minister, Nicolás Dujovne, [called](#) Mr. Massa’s remarks “irresponsible.” Despite Argentina’s history, Mr. Dujovne said any future government should honor Argentina’s commitments. “*El acuerdo que está teniendo la Argentina con el Fondo Monetario Internacional es de un país, no es un acuerdo de Cambiemos,*” he said.

Argentina’s imperial presidency: DNUs

Executive Orders In Argentina*

Decretos de Necesidad y Urgencia (DNU)

Néstor Kirchner

May 25, 2003 – Dec. 10, 2007

239 DNUs

Average **4.5** DNUs per month

Fernando de la Rúa

Dec. 10, 1999 – Dec. 21, 2001

59 DNUs

Average **2.5** DNUs per month

Carlos Menem

July 8, 1989 – Dec. 10, 1999

282 DNUs

Average **2.3** DNUs per month

Mauricio Macri

Dec. 10, 2015 – Present**

43 DNUs

Average **1.3** DNUs per month

Cristina Fernández de Kirchner

Dec. 10, 2007 – Dec. 9, 2015

82 DNUs

Average **0.9** DNUs per month

Peronists in the Palacio: Perils of reapportionment

The Argentine National Electoral Commission (Cámara Nacional Electoral) has [ruled](#) that Argentina's Lower House of congress must reapportion its seats to fulfill the constitutional requirement that its membership represent the nation's population. The ruling states that the distribution of seats established in 1983, based on the 1980 census, is "anachronistic." The court was agonistic regarding the technical cure: Congress could award new seats to regions that have experienced significant population growth, or reassign seats.

For now, neither option is likely, according to Ernesto Calvo, a political science professor at the University of Maryland, who said the country's [economic troubles](#) are crowding out other issues. "In the current political

environment, it is very unlikely that congress will act on the court decision before the current emergency situation is resolved,” he told us.

Eventually, however, Argentina’s congress will have to address the court’s decision, and *the political implications may be consequential*.

According to Article 45 of the Argentine constitution, the apportionment of seats in the Lower House is determined by the population of each province – similar to the U.S. system. That determination is supposed to be done following every national census. But the last time the country changed the composition of seats was in 1983, the last year of the “Dirty War” dictatorship (1976-1983). Worse yet, the last time seats in Argentina’s Lower House were reapportioned under a democratic government was 1949, following the 1947 census, though Argentina has carried out three censuses since the return to democracy (1991, 2001 and 2010), according to Javier Zelanik, a political science professor at the Universidad Di Tella.

Though the congress’s failure to adjust its composition regularly is surprising, it is also understandable, given the political sensitivities. Over time, Argentina has experienced a high degree of urbanization. *If the congressional makeup reflected those demographic changes, the country’s smaller provinces would lose a great deal of legislative clout*. The opposite is true of Argentina’s major population centers. Consider the Province of Buenos Aires: It is home to the sprawling suburbs of the capital City of Buenos Aires, and its share of Argentina’s total population increased from 27 percent in 1947 to 39 percent in 2010, without any change to its congressional representation.

As in the U.S. system, Argentina’s Senate guarantees equal representation to every province, no matter how scarcely populated. For that reason, the three senators from Tierra del Fuego (population 127,205) each represent 42,402 constituents, whereas a senator from Córdoba (population 3,308,876) represents 1,102,959 constituents.

Nevertheless, the congress’s failure to reflect the country’s changing demographics has made it difficult to modernize the Lower House’s structure, at least all at once. After all, a straight reform would give Argentina’s four largest provinces and the capital city – Buenos Aires, Córdoba, Santa Fe and the City of Buenos Aires – 62 percent of seats, up from 51 percent. That would outrage the smaller provinces, and raise complex questions about fairness and representation. For that reason, a more likely outcome of any legislative negotiations will be a compromise that preserves the disproportionate influence of Argentina’s smaller provinces in both houses of congress. For example, the 1983 reform, carried out by Argentina’s military dictatorship, assured every province at least five seats in the Lower House, and made sure that no province ended up with fewer seats over all.

Importantly, the reapportionment issue does not only imply changes to the relative power of provinces in Argentina's legislature. It would also impact the relative power of the country's *political parties*. Traditionally, the Peronist Party has dominated the smaller provinces and the Province of Buenos Aires, whereas President Mauricio Macri's Cambiemos coalition, which includes the Radical Party, is popular in urban areas. (In the 2017 midterms, Cambiemos finished first in the country's top five population centers.) That means that a straightforward reapportionment would require a Peronist-controlled congress to hand over seats to its political rivals.

Yet not even Cambiemos might be fully on board with a reform that adheres strictly to population data, Prof. Zelanik told us. That is because the Radicals' base is largely in the smaller provinces, so the reform would further strengthen the power of their Propuesta Republicana (PRO) coalition partners. Given those divisions, it is unlikely any reform will happen prior to next year's election. But when a reform does occur, it could reshape the contours of Argentine politics.

Must love citations: Seeking research assistants



Argentina Project

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