

Weekly Asado



W|Wilson Center

Argentina Project

Friday, February 1, 2019



Photo by Mónica Martínez

Buenos Aires Province: Desdoblar o no desdoblar?

After months of speculation, Buenos Aires Governor María Eugenia Vidal has [decided](#) not to move up the date of the gubernatorial election. The decision was a victory for President Mauricio Macri, Ms. Vidal's political mentor, whose approval rating is deep under water thanks to a severe recession and stubbornly high inflation. By keeping the provincial election on the same day as the presidential election, Mr. Macri could benefit from Ms. Vidal's popularity to pull him over the line.

No matter what, this October's election promises to be hard-fought, as the country battles its worst recession in a decade. In 2015, Mr. Macri narrowly beat his Peronist opponent, former Buenos Aires Province Governor Daniel Scioli, in the second round. In the Province of Buenos Aires, the result was perhaps even more surprising: in the traditional stronghold of Peronism, home to 40 percent of the national population, Ms. Vidal unexpectedly beat

kirchnerista loyalist Aníbal Fernández, known as “The Walrus” for his bushy moustache.

In 2017, with a growing economy, Cambiemos *increased* its electoral gains in the province, narrowly defeating popular former President Cristina Fernández de Kirchner in a high-profile Senate contest. At the time, analysts wondered whether Peronism was losing its grip on the vote-rich *conurbano*. But the next year, Argentina fell into a severe economic crisis, leading the government to sign up for a controversial International Monetary Fund bailout. The peso lost half its [value](#) and inflation reached 48 percent – the highest level since 1991. The number of poor increased by 2.2 million, reaching the [highest total](#) in at least eight years. It goes without saying, as Ms. Vidal seeks reelection, Mr. Macri’s economic management will not be a campaign asset. Instead, Ms. Vidal’s image as a compassionate, but tough leader will be providing Mr. Macri coattails.

Ms. Vidal has the highest approval rating of any major political figure in the country, thanks to her investments in infrastructure; tough negotiations with teacher unions; anti-corruption campaign; and increased social spending. Her fans have speculated about a secret “Plan V” to nudge Mr. Macri off the ticket. But Mr. Macri’s economic struggles have complicated Ms. Vidal’s own reelection prospects. Indeed, Ms. Vidal may face a more competitive electoral landscape than Mr. Macri. In 2015, she won the governorship with only 39 percent of the vote. This time around, she will bear the burdens of her party’s struggles – the flip side of Mr. Macri’s desire to campaign jointly.

The fact that the Propuesta Republicana – until recently a personalist party, confined to the capital city – has a good chance of retaining Peronist dominated Buenos Aires Province is remarkable. But the *desdoblar* debate showed Cambiemos’s deep sense of vulnerability following a tumultuous year.



Rep. Michael McCaul (R-Texas)



Re-elected!

Rep. Eliot Engel (D-N.Y.)



Re-elected!

Rep. Joaquín Castro (D-Texas)



Re-elected!

Rep. Paul Cook (R-Calif.)



Re-elected!

Rep. Henry Cuellar (D-Texas)



Re-elected!

Rep. Carlos Curbelo (R-Fla.)



Lost re-election

Rep. Jeff Duncan (R-S.C.)



Re-elected!

Rep. Alcee Hastings (D-Fla.)



Re-elected!

Rep. Gregory Meeks (D-N.Y.)



Re-elected!

Rep. Ed Royce (R-Calif.)



Retired

Rep. Albio Sires (D-N.J.)



Rep. Steve Womack (R-Ark.)



Mo (Venezuelan) money: Mo problems

Argentina's January 10 [statement](#) condemning Venezuelan President Nicolás Maduro did not settle for criticizing his disputed reelection and reiterating calls for the International Criminal Court to investigate Mr. Maduro for crimes against humanity. Rather, apparently for the first time, Argentina publically promised to hunt down any money that Venezuela's government had squirreled away in Argentina.

To pressure Mr. Maduro and his corrupt regime, the United States has long urged Latin American governments to purge their financial systems of Venezuelan assets. Now, Argentina's

Financial Intelligence Unit is taking a first step to comply. The unit has warned Argentines of the risks of transacting with businesses tied to the Venezuelan government, and it now requires the disclosure of any such relationship.

Limiting access to its financial markets represents an escalation in Argentina's Venezuela response. Like most Latin American countries, Argentina has been willing to criticize Mr. Maduro, but [hesitant](#) to take firm action. Though the Lima Group has [called for sanctions](#), Panama is the only Latin American country to [carry out that threat](#). It now looks like Argentina is moving in that direction, but it is not clear how Argentine banks will respond to the government's announcement. Some might overcomply with the alert, and halt operations with Venezuelan firms. But without strict guidelines, it might be business as usual for many financial institutions.

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2018

Year in Review



Asado en serio: Beef is back

The annual quota of 20,000 tons of beef for the U.S. market is a political win for Mr. Macri, who has sought to demonstrate the tangible benefits of his dogged international reengagement. Economically, the renewed market access will help Argentina continue its recovery from a Kirchner-era collapse in its celebrated ranching sector.

Mind the gap: Macri promotes gender equality

In recent speeches, Mr. Macri has repeatedly highlighted gender issues. While not budging from his pro-life position, Mr. Macri said it was time for Argentina to have a “mature and responsible” debate over a proposed law that would legalize abortion within the first 12 weeks of pregnancy.

Broken road: 'Claros en el rumbo'

When it doesn't rain: It pours

Argentina is subject to a handful of odd economic curses, including recessions in even-numbered years and a full-blown crisis every decade. Now, it appears to be suffering from Murphy's law as well.

MACRI HABLA SOBRE EL FUTURO SOCIAL Y ECONÓMICO
CONFERENCIA DE PRENSA PRESIDENCIAL
17 DE JULIO 2018

Icon: Group of people
"Juntos queremos construir un país donde cada vez haya más oportunidades."

Icon: Globe
"Después de muchos años de aislamiento, creemos que tenemos que ingresar en el mundo."

Icon: Bar chart with upward arrow
"La inflación es la que más castiga a los que menos tienen, y sigue siendo una prioridad."

Icon: Group of people
"El camino del debate tiene que ser dentro del respeto, la capacidad de escuchar al otro, de entender la diversidad de opiniones."

Icon: Globe
"Estamos acá, claros en el rumbo, haciendo el esfuerzo correcto. Sabiendo que si persistimos y trabajamos juntos, el futuro va a ser realidad."

Icon: Bar chart with upward arrow
"Tenemos que dar un paso más adelante, con una ley de financiamiento de la política que sea moderna."

Uncle Sam: Can you spare a dime?

Given President Trump's apparent fondness for Mr. Macri, it is odd that the notion of direct U.S. support for Argentina is still regarded as a nonstarter.

A onetime White House and Wall Street darling, Argentina feels jilted by Bolsonaro buzz

Q&A with Leandro Serino, former Aerolíneas Argentinas executive

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