

2018 ARGENTINA: HAUNTED BY INSTABILITY ONCE AGAIN

Argentina 2018: acechada por la inestabilidad una vez más

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ABSTRACT

2018 was a rocky year for Argentina. Economic instability put it on the brink of crisis again and eroded the government's credibility. This article provides an analysis of the main social, political and economic events affecting Argentina's domestic politics and foreign policy. It accounts for selected issues, with an emphasis on changes in public policies and implications for the upcoming years. The argumentative thread focuses on the consequences of Argentina's being haunted by the spectre of another debacle. Within changes in public policies, the focus is on the end of a gradual approach to structural changes and initiatives related to population and human mobility across borders—a policy area that has required increasing attention and resources of late.

Key words: Argentina, domestic politics, international affairs, public policies, human mobility

RESUMEN

2018 fue un año difícil para Argentina. La inestabilidad económica puso al país al borde de la crisis nuevamente y erosionó la credibilidad del gobierno. Este artículo provee un análisis de los principales eventos sociales, políticos y económicos que afectaron la política doméstica y exterior de Argentina en dicho año. Presenta una explicación de algunos hechos seleccionados, enfatizando los cambios en las políticas públicas que conllevaron y las implicancias para los próximos años. El hilo conductor se centra en las consecuencias de que el país esté acechado por el espectro de una nueva debacle. Respecto de las políticas públicas, el análisis se concentra en el fin de un enfoque gradual a los cambios estructurales propuestos y en iniciativas relacionadas con población y movilidad humana más allá de las fronteras, siendo este último tema un área de política pública que suele pasar inadvertido en el debate político y público pero que ha requerido cada vez más atención y recursos en los últimos años.

Palabras clave: Argentina, política doméstica, asuntos internacionales, políticas públicas, movilidad humana

I. INTRODUCTION

Argentina entered 2018 with a number of pending tasks and open questions. The Macri administration (inaugurated in December 2015) continued to build on its main slogan and identifier: the idea of change. Capitalizing on its electoral success in the 2017 mid-term legislative elections, *Cambiamos* (the coalition led by Macri) got off to a good start in the new year, anticipating that it would play a leadership role in regional and international affairs and portraying positive forecasts as an “acknowledgment of the change” the country was undergoing. However, some of the signs of change proved to be arduous work in progress or too fragile to address structural problems properly. The main socio-economic and political developments of 2018 showed that in Argentina instability has become chronic and largely intractable.

This study provides an account of the main events that shaped Argentina’s domestic and international politics in 2018. It is not meant to be a fully comprehensive account. It rather aims at presenting selected highlights with an emphasis on changes in public policies that such events triggered and implications for the upcoming years. The thread that links arguments is reflected in the title: in 2018 Argentina was haunted by the spectre of another debacle.

The next section is divided in three: the first sub-section addresses the socio-political context, in which old and new issues moulded public debates and the government’s agenda; the second sub-section focuses on the economic situation, with special emphasis on how concerns with inflation, exchange rate and fiscal balance revived the ghost of a new crisis and redefined expectations and public policies; the third one relates the main issues in Argentina’s foreign policy agenda. This is followed by a section on changes in public policies, namely the end of a gradual approach to structural changes and initiatives related to population and human mobility across borders—a policy area that has required increasing attention and resources of late. This is meant to highlight a new area of state interventionism that has been relatively neglected in the analysis of Argentine politics. The last section provides a general assessment of the state of the economy, democracy and social perceptions in the country, followed by the conclusion.

II. MAJOR SOCIO-ECONOMIC AND POLITICAL DEVELOPMENTS IN ARGENTINA DURING 2018

Socio-Political Context

The Argentine socio-political context in 2018 was shaped by two main developments. The first was the debate about legislative reform to de-penalize abortion. The initiative triggered intense social mobilization and, more broadly, raised the visibility of gender issues and related social mobilization. The second was the release of new information on corruption networks involving former public officials and business firms. Proving fund appropriation and money

laundering revived debates about the relative autonomy of the judiciary, the politicization in the administration of justice, and the existence of accountability mechanisms in Argentine democracy. Below is a concise account of these events and their implications.

After President Macri encouraged debate on abortion when opening the annual parliamentary sessions in 2018, legislators from the coalition in government submitted a bill to the Chamber of Deputies to end punishment of induced abortion and make it possible for pregnant women to have access to free abortion in public clinics within the first 14 weeks of pregnancy. The initiative built on long-standing concerns with the implications of illegal abortions, the difficulties of enforcing regulations, and women's rights. The demand for approval of "legal, safe, and free abortion" soon became intertwined with women's rights, gender and transgender inequality, and activism (Sutton and Borland 2018). It touched upon broader inequality issues, as it is common knowledge that the risks associated with illegal abortion disproportionately affect poorer women, who cannot afford procedures under appropriate sanitary conditions. One of the most vulnerable groups is adolescents, whose pregnancies often are the result of rape by family members. Based on data from the Argentine Ministry of Health, 2,493 live births in 2017 were to girls under 15, and more than 91,500 births were to girls aged 15 to 19 (The Guardian 2019, March 16). The World Health Organization (n.d.) highlights that this is a pressing worldwide problem: complications in pregnancy and childbirth are the biggest killers of girls aged 15-19. Legal cases and academic studies on abortion also confirm the relationship between political dynamics (at both federal and subnational levels) and inequalities in the protection of women's rights (e.g., Ruibal 2018).

The project triggered an intense debate in Argentina. Positions were divided within and across political parties. Conservative political/social forces and the Catholic Church opposed the initiative, invoking the need to defend life from the moment of conception. Others argued for a policy that would "save both lives." Advocates emphasized a woman's right to choose and the physical and emotional implications of illegal abortion, as well as the ethical considerations involved in cases of rape, grave fetal malformations, and mental and physical risk of the woman. NGOs built upon years of activism on this matter (Tarducci 2018), and, together with social media, greatly contributed to mobilizing supporters of the bill. Public opinion polls showed majority support for the change. Ironically, although the government kicked off the process, around two thirds of its legislators opposed the bill; in contrast, within the opposition, most legislators from the *Frente para la Victoria* (the former government) supported it (Centenera 2018, June 14). After long and heated debates, the project was endorsed by the Chamber of Deputies in late June but voted down in the Senate in early August (The Guardian 2018, August 9).

Right afterwards, in mid-August, a new corruption scandal emerged. The existence of the so-called "corruption notebooks" was revealed by the press and a federal judge intensified an ongoing investigation into the organized system

of bribes involving former high-level public officials, prominent businessmen, top advisors, and others, including former presidents Néstor and Cristina de Kirchner. The exchange of favors and money within such embezzlement networks was recorded in detailed notes made by a chauffeur who helped collect and deliver illicit funds (Financial Times 2018, August 13). Testimonies have been added since then, mostly confirming the written records and providing details of the mechanisms used for the appropriation of millions of dollars over a decade. The participation of the *arrepentidos* (“remorseful criminals” acting as cooperating witnesses) allowed for the accumulation of further evidence.

Corruption scandals in Argentina are not new, and the issue has been part of a tense agenda between the Executive and the Judicial powers under Macri (Vommaro and Gené 2017:241-243). It has been argued that despite dramatic changes in policies and rhetoric, corruption at the governmental level remains a constant in Argentine politics mainly because the Executive branch has the capacity to undermine checks and balances and, therefore, accountability mechanisms (Manzetti 2014). Corruption scandals typically tend to be related to political competition, especially when a strong opposition does not exist or is divided into factions, as in Argentina (Balán 2011). Arguments about the rise of corruption under neo-populist regimes which beg for money to implement costly media-driven campaigns and expand or reduce state interventionism also apply to the Argentine case, as Weyland (1998) shows. Yet, the existence of concrete evidence worked as an explosive revelation in 2018 Argentina. These bribery allegations unsettled markets again. Since doubts about judges’ competence and autonomy from politics have been a persistent feature of Argentine politics, the allegations also revived concerns with the judiciary’s capacity and commitment to take the necessary actions –a feature in which the rule of law in Argentina gets the lowest score in the Freedom House Index (n.d.). Even if the answer to this question is out of the scope of this article, the repercussions are worth mentioning: this issue may affect upcoming elections in Argentina, where corruption has been studied in relation to electoral behaviour, confirming that the political and economic consequences of corruption are not independent but clearly linked in citizens’ minds (Manzetti and Wilson 2006). Thus, two observations stand out from the 2018 records. On the one hand, given parallel corruption scandals in Brazil and financial instability in Turkey, the above developments raised a red flag to investors about Argentina. On the other hand, for disgruntled Argentine citizens, who have seen too many corruption scandals and impunity, such developments contributed to eroding confidence on the promise of change.

Socio-Economil Context

The Argentine economy has been dogged by problems for some time. For some years, GDP growth has been modest, with a tendency to decline, and it contracted again in 2018, ending the year at -2.6% (IMF n.d.). The external sector

has also exhibited problems. The current account, usually taken as an important indicator of an economy's health, shows mixed, underwhelming trends. On the trade side, exports remain relatively stable and imports have been growing. Foreign direct investment has been erratic and elusive, and certainly lagging behind the Macri government's high expectations. Foreign debt remains similar to pre-2001 crisis levels (around 50% of GDP). Public debt in relation to GDP in Argentina has averaged 63.57% from 1997 until 2017, reaching an all-time high of 166% in 2002 and a record low of 34.50 % in 1997. In addition, one of Macri's major concerns has been fiscal deficit, which had decreased from 4.3% of GDP in 2016 to 3.8% of GDP in 2017, but both figures were still below official fiscal targets (World Bank n.d.). Inflation also continued to be a recurrent issue and hit a new record in 2018. The devaluation of the currency also continued and accelerated towards mid-2018 (see details below), reviving the old practice of depreciating the *peso* and the consequent primacy of the dollar as a parameter to adjust expectations in electoral times and domestic politics more broadly.

Against this backdrop, when conditions in the international markets changed and investors pulled out of emerging markets, the government's ability to resolve long-standing problems was in question (Melimopoulos 2018, September 16). The Argentine economy was shaken again around mid-2018 when a run against the local currency took place. Thus, the government resorted to the International Monetary Fund (IMF) to gain financial liquidity and credibility. On 20 June, a stand-by agreement for US\$50 billion was signed on the condition that monetary and fiscal adjustment be made in a three-year period. Projections for GDP growth were adjusted downward accordingly for upcoming years, and the projected inflation rate was also changed. The agreement also incorporated an unprecedented clause to protect vulnerable sectors of society: monitoring social indicators and adjusting public spending in case the economy would not grow as expected and the government considered it necessary to increase social welfare programmes such as the existing Universal Child Allowance, which received additional support for expansion only two years before (World Bank 2016). However, external support did not manage to tame the currency depreciation (in the first half of 2018 the *peso* had lost more than 40% of its value against the dollar) and rampant inflation. Thus, the Argentine government requested an early disbursement in August in an attempt to guarantee policy implementation, reduce uncertainty, and regain confidence of domestic and international markets (BBC 2018, August 30). The credit sum was amended in September 2018 to US\$57.1 billion—the largest loan ever in the IMF's history, according to its Director (Goñi 2018, September 27)—this time under stricter conditions, including a commitment to meet zero deficit for 2019.

The second review of the agreement, completed in December 2018, permitted the expected disbursement and approved the Argentine authorities' request for a modification of the performance criteria. While the review acknowledges some progress towards stability, it also highlights the need for structural reforms not only to boost investment and productivity, but also to improve employment and

support to the poor and to specific groups like women and the youth. Overall, the assessment on the economic front is positive, stating that:

There are early signs that the redesigned economic reform program, including a new monetary policy framework, is yielding results. The peso has stabilized and inflation, though still high, has started to decline, as the pass-through from past peso depreciation is waning. Nevertheless, the Argentine economy is still contracting and remains vulnerable to shifts in market sentiment. Economic activity is expected to start recovering in the second quarter of 2019 (IMF 2018, December 19).

Nonetheless, these changes in economic policy were interpreted as the end of the gradual approach embraced by Macri at the outset of his mandate. Negotiations with the IMF exhibited intra-government dissent and prompted a cabinet reshuffle. The acceptance of financial conditions was criticised by political forces in the opposition and the unions on the basis of nationalist arguments and social cost considerations. Adjustment had repercussions in the public mood as continued inflation, devaluation of the peso and the rise in utility prices affected purchasing power and family budgets. This is because, although unemployment and poverty decreased in the previous decade, and income at the bottom 40% of society increased, 28.6% of Argentines still live in poverty, while 6.2% live in extreme poverty, which is considered a structural feature (World Bank n.d.). Recession is now affecting all sectors alike. Therefore, all eyes shifted towards the government's capacity to live up to its economic promises, namely, capturing foreign investments, attaining sustained growth, and preserving and improving social welfare. Looking forward, these developments are casting doubts on Macri's chances of winning re-election in 2019.

Regional and International Affairs

Regarding regional and international affairs, 2018 was a very active year for Argentina. As explained above, in an effort to highlight contrasts with the previous government and expand its base of support, change has been the key slogan of the coalition in government, which tellingly called itself *Cambiamos* (let's change). In foreign policy, two ideas have summarized the agenda since President Macri took office in December 2015: "re-joining the international community" (*volver al mundo*), and adopting pragmatism (*des-ideologizar*). In other words, Argentina has been attempting to resume its historical goals, principles and roles, open and integrate itself with the world, and pursue what officials call an "intelligent" and "mature" position in world affairs. The underlying goal has been to re-establish other countries' confidence, presumably lost in the past decade due to confrontational rhetoric and conflictive actions mostly inspired by economic and political nationalism. An opportunity to test the new approach presented itself in late 2018, when Argentina hosted the summit of the G-20 (30 November - 1 December).

Analysts pointed out that this opportunity found Argentina embracing a pro-globalization approach even as liberalization is being questioned and protectionist policies are enacted by superpowers. By all accounts, ongoing tensions and rifts were evident during the summit regarding the presence of the Saudi Arabian prince and the meetings between leaders of China and the USA, and Russia and the USA (Mander 2018, November 29). Overall results were assessed as modest, with an emphasis on the confirmation that negotiations were still possible in such a complex scenario (Merke 2018, December 1). Notwithstanding criticisms, this was an opportunity to showcase to the world the new, pro-business climate. The main gain for Argentina was to raise its international visibility. The government opted for an agenda based on building consensus, the future of work/employment, and sustainable development.¹ This might be understood as a sign of a mature move for a country with an erratic economic past and still struggling with the legacies of previous crises. The summit, as usual, played more than one symbolic role. In the middle of a new cycle of instability, the gathering was also a means to signpost to domestic actors that the government counted on broad support from big international players.

At the regional level, relations with regional partners continued to be tainted by the ongoing crisis in Venezuela. In the last few years, in clear contrast with the Kirchners' alliance with Chavez and Maduro, President Macri had forcefully requested the liberation of political prisoners, denounced violations of human rights, and was in favour of not allowing Venezuela to take over the pro-tempore presidency in July 2016. He was keen on "passing from rhetoric to action" and even applying the Organization of American States' Democratic Clause. This position finally prevailed within the bloc: on 5 August 2017, MERCOSUR applied the 1998 Ushuaia's Protocol, suspending rights and obligations of Venezuela as member state indefinitely (i.e., "until the democratic order is restored"). Finally, in 2018, the breakdown of regional consensus was evident in the crisis of UNASUR. Divided and paralyzed by disagreements for some time, unable to fill vacant posts and deliver concrete results, this institution started to be dismantled. In April of last year six countries (Argentina, Brazil, Chile, Colombia, Peru, and Chile) finally suspended their membership. Colombia and Ecuador withdrew from this organization later, while Brazil's new president announced intentions to do so, too. The fracture reinforced incentives for Argentina to revisit its regional integration strategy and seek a diversification of partnerships and alliances (Binetti and Raderstorf 2018, 25 April). It also allowed a reassertion of Argentina's critical stance towards the Maduro administration: Macri's rhetoric became strident in late 2018 as he accused Maduro of running a dictatorship and announced that Argentina would not recognize the results of the upcoming election (MercoPress 2018, January 29). As the crisis in Venezuela

¹ For more details, see the contributions to the special issue of *Pensamiento Propio*, edited by Merke and Zaccato (2018).

continues, it is worth underlining its repercussion on other dimensions and policies beyond foreign policy. The next section expands this point.

III. SIGNIFICANT CHANGES IN PUBLIC POLICIES

In general terms, the Argentine government has made significant efforts to project a new image of the country abroad, that of a trustworthy partner working hard to overcome its structural problems. The narrative also includes an emphasis on dialogue, building consensus, and team-work. As explained above, foreign policy actions were instrumental to that goal. Domestically, the Macri administration aimed at differentiating its approach from predecessors by avoiding a confrontational style and draconian measures; it rather bet on compromises, engaging others in long-term commitments, and gradual steps to produce lasting results. However, as Argentina's economy faced mounting challenges in mid-2018, the most significant change in public policies was the abandonment of gradualism. The accord with the IMF marked that turning point. For that reason, for some observers, the return to instability is not merely a manifestation of long-standing troubles but also a failure of Macri's strategy. In other words, the gradual approach to change seemed to have reached a limit in terms of social support and effectiveness by his mid-term in office (Freytes and Niedzwiecki 2018); since then, the feasibility of *Cambiamos's* project appears to be in question, thus prompting further policy changes.

Other issues also implied an adaptation of policy orientation. In particular, questions related to demographic changes, human mobility, and regional instability prompted new initiatives. The deepening of the crisis in Venezuela mentioned above, and the consequent exodus of its citizens towards other countries in South America, intensified in 2018. It has been argued that these developments exacerbated security concerns throughout the region. Massive inflows of Venezuelans in Colombia and Brazil, as well as increasing numbers of Venezuelans in transit in Peru and Ecuador in their way to the Southern Cone, triggered policy challenges for transit and immigration countries alike. Governments had to attend not only to the regulation of transit, immigration and re-settlement, but also broader security concerns related to Venezuela's role as a source of instability and growing transnational criminal activities spreading throughout the region (Burgess 2018, May 3). Argentina participated in regional meetings to address the problem in 2018. These efforts are, in fact, part of a migration-related agenda the country has developed in the 21st century. This issue fits now with a focus on public security and, at a discursive level, a link between migration and crime. Thus, it is worth analyzing how these developments interplayed to induce changes in public policies in this realm.

It is worth noting that population and human mobility issues do not generally rank highly in terms of public debate in Argentina. Neither do they feature prominently in political parties' programmatic agendas or electoral campaigns.

Therefore, they tend to fly under of analysts' radar, so to speak, even though the country has been the main receiver of intra-regional migration flows since the 1990s and the source of significant emigration flows at the turn of the century. As mentioned above, in the last few years the crisis in Venezuela has prompted an exodus of its citizens, and, to some extent, a questioning of regional accords on free circulation that Argentina had encouraged since the early 2000s. Attending to these new developments has put human mobility back on the Argentine government's agenda. Other, perhaps less resonant but equally relevant issues (especially for Argentine domestic politics) paved the way for revisiting and transforming public policies. In what follows, I identify a few relevant points regarding these policies.

First, security concerns have become a driving force. As some studies point out, national and regional norms in the area of human mobility have reflected tensions between human rights considerations and social order and security concerns across administrations (Domenech 2011; Margheritis 2013). Even though Argentina's discourse under Macri's predecessor emphasized the former, in practice policies combined a relative liberalization of immigration and residency procedures with attempts to regulate mobility and tighten border controls. Discourses and actions changed under Macri, thus presenting security concerns as a priority on the government's agenda. Aware of the fact that, in citizens' minds, unemployment and crime have been consistently among the top concerns since the early 2000s (the latter often associated to state incapacity to control borders and guarantee safety within its territory) (Latinobarómetro n.d.), the current Argentine government portrayed new measures as an attempt to tackle the expansion of transnational drug cartels, which have lately contributed to violent crime and insecurity. It has also engaged in improving state capacity to control borders and illicit activities not only at the federal but also the state (province) level.

One of the measures, for example, was the controversial presidential Decree No. 70/2017 of January 2017, with resonant repercussions in 2018. The decree introduced changes to the Migration Law (Law 25871 of 2004) and broadened the grounds for expedited deportation of foreigners, removal or termination of residency, and denial of entry to newcomers on the basis of criminal reasons. As a result, Argentina's relations with some countries were temporarily strained as public officials linked drug-related crime to the inflow of migrants from northern neighbour countries and revived issues of racial discrimination (Goñi 2017, February 3). Critiques to the decree pointed to a lack of evidence in support of the government's arguments about migrants' responsibility for the rise in crime and lack of valid reasons for using such extraordinary mechanisms (i.e., a presidential decree invoking urgent need to act). Critical voices interpreted the decision as a regression to authoritarian norms and discourses, with the decree serving as a backward step that undermines the progressive ideas embedded in the 2004 Law. Criticism revolved around the revival of racist and xenophobic views, the undermining of migrant rights, and the strengthening of a securitized

approach to migration. From a legal perspective, objections were raised on the basis of the violation to the guarantee of due process and right to a defence, as well as the risks associated with shortening expulsion procedures, increasing preventive detentions, the possibility of arbitrary detentions, and the impact on family reunion (see, for example: Monclús Masó 2017; García and Nejamkis 2018; Penchaszadeh and García 2018). Opposition from social activists and human rights associations gave rise to a long and heated debate (García 2017); several organizations initiated a judicial case in February 2017 (CELS 2018, March 23). As a result, in March 2018, the decree was declared unconstitutional. The judges' decision endorsed the objections above and underlined the fact that the new regulations would mostly affect vulnerable groups.² In April 2018, the Executive appealed to the Supreme Court (Bravo 2018, 12).

Further initiatives strengthened the security-centered approach the same year. By Decree 253/2018, the government modified 1944 legislation affecting security issues in border zones. The overarching goal was to combat illegal transnational activities of sorts. Local development was also targeted, and, therefore, migration-related agencies and processes were also implicated.³ On 24 July, the government launched the *Plan de Fronteras Protegidas* (Protected Borders Plan), with the first phase becoming effective in the Northern border of the country in August 2018. Here, the emphasis in the official discourse was once again on crime related to drug and human trafficking, the importance of enlisting the Armed Forces to implement the plan and, more broadly, the necessary efforts to reassert the presence of the state in strategic areas and improve security.⁴ The argument has generated controversy because, since the return to democracy, Argentina has aimed to limit the role of the Armed Forces to defence and avoid their intervention in domestic security issues that might revive their past role in intelligence, intervention in social conflicts, repression, and human right violations (MercoPress 2018, July 24).

Second, responding to the exodus of Venezuelans required increasing regional cooperation. This unexpected phenomenon tested the commitment to free circulation and migrants' rights, as well as the feasibility of multilateral approaches. The call for a coordinated action was heard transnationally in mid-2018. While, in general, Latin American countries showed solidarity and tried to provide support to displaced Venezuelans, some also implemented measures that set obstacles to migrants' circulation, access to legal status, and resettlement (i.e., the requirement of a passport, which is very costly and difficult to obtain in Venezuela nowadays) (HRW 2018, September 3). There were several regional meetings to discuss a coordinated approach. Argentina participated in these meetings (Freier and Parent 2019). Estimates indicate

² See full text of the decision at <https://www.cels.org.ar/web/wp-content/uploads/2018/03/fallo-ca-mara-migrantes.pdf>.

³ See Niebieskikwiat (2018, March 28). The full text of the norm is available at <https://www.argentina.gob.ar/normativa/nacional/decreto-253-2018-308249/texto>.

⁴ See EMCO (2019) and defensa.com (2018, October 31).

that the number of Venezuelans in Argentina went from under 13,000 in 2015 to 95,000 in 2018. Between January and May 2018, Argentinian authorities granted 19,281 residency permits to migrants from Venezuela, 2,642 of which were permanent and included mostly professionals with university degrees. The country continued to apply the norms of the Residency Agreement signed within MERCOSUR, but it also issued new measures to facilitate regularization and simplified procedures to validate university diplomas (Gómez Ramírez 2018:8).

Third, while Argentina continues to focus on immigration, emigration issues remain stagnant, with few policy innovations. Even though emigration peaked in the early 2000s and received temporary attention, immigration, regularization of new immigrants' status, and security-related issues have been the main concerns. Thus, according to the UN Population Division, Department of Economic and Social Affairs⁵) attempts at reaching out to and engaging with its citizens abroad (977,200 in 2017), which started in early 2000s, have remained mostly based on assistance—that is, on facilitating certain solutions rather than expanding the scope of protection or building partnerships. In contrast to other South American countries, diaspora policies in Argentina still constitute a relatively new area of state intervention in which expertise is scarce and progress is still incipient and intermittent (Margheritis 2016). In other words, Argentina has implemented some measures to address the needs of its nationals abroad, though in a limited and selective fashion. There is little progress on social protection for that group of citizens, except for the area of pensions and social security. In the last three years, the most notable changes regarding emigrants are the extensive use of online means of communication to diffuse practical information of interest to nationals abroad, the opening of an online portal for registration in order to develop a comprehensive registry of nationals abroad, and facilitating procedures for voting from afar. However, turnout on elections has been historically low. The current government is keen on encouraging the political participation of emigrants, and this may have an effect on future elections. Since 2017, by Decree 403, citizens living in other countries whose current domicile abroad is properly recorded in their ID are automatically included in the Registry of Voters Residing Abroad, and can cast a ballot in the consular office with jurisdiction in their area of residency. Another recent innovation (implemented in the October 2017 elections) is the setting of an information stand at the main airport to inform nationals abroad of voting rights, requirements, and procedures (MREC 2017, October 19). There has also been a change of terminology to address those who reside abroad: rather than placing them “in the exterior” of the national borders, Argentine emigrants are today “in the world”—a linguistic nuance introduced by the Macri administration which might indicate simply geographical dispersion and/or an incipient attempt to foster inclusion in the country of origin (Margheritis 2017, forthcoming).

⁵ See Migration Data Portal (n.d.).

IV. GENERAL ASSESSMENT

The cost of increased uncertainty and instability in 2018 has been high. Yet another crisis in Argentina has cast doubts on the government's ability to overcome structural problems, succeed in its own strategy of change, and Macri's chances of re-election in 2019. Economic adjustment involves social costs to which the level of tolerance has decreased. Consequently, while Macri secured broad support from foreign leaders and organizations in 2018, his popularity deteriorated. As the year drew to a close, citizens' views reflected saturation and lack of hope: between January 2018 and January 2019, the confidence in government index fell from 2.28 to 1.63;⁶ the consumers' confidence index declined from 45.19 to 33.1;⁷ the citizens' optimism index exhibited a sharp decline and the prevalence of a pessimistic social mood up to date.⁸

On the economic side, inflation and devaluation of the local currency proved intractable: 47.6% inflation in 2018 set a record high since 1991 (Reuters 2019, January 15), while the peso, which lost around 50% of its value, was one of the world's worst-performing currencies that same year (Financial Times 2019, January 25). Although variables tended to stabilize in the last three months of 2018, the year ended with an underwhelming record on most economic indicators,⁹ thus exposing once again the fragility of Argentina's path to sustainable growth.

Economic uncertainty translated in political realignment and strategizing. Towards the end of 2018, public opinion surveys indicated that Macri had been able to stop the deterioration of his image (which dropped sharply in April/May, at the height of the crisis) putting him on par with the main potential contender in the upcoming elections (former president Cristina de Kirchner) (Bullrich 2018, September 30). Perhaps more telling is that over half of the population then thought that neither the government nor the opposition would be able to revert the unnerving scenario (Paladini 2018, December 2). As the next presidential election approaches rapidly, economic indicators are likely to shape voters' considerations. Disenchantment with economic performance might polarize preferences, even though leading candidates and options remain uncertain at the moment of writing (Suppo 2019, March 22).

Regarding social issues, the 2018 record is mixed. On the one hand, despite widespread public support, legislative changes to make abortion safe, legal and

⁶ In a scale of 0-5, the confidence in government index measures citizens' assessment of the government's image and overall performance, as well as its capacity to solve the country's problems and particular issues such as accountability, balance between general versus sectoral interests, and efficiency, see PoliarquíaConsultores (2016, July 12).

⁷ The consumers' confidence index aims at capturing the public's perception on the country's macroeconomic conditions, individual economic situation, and expectations in the short- and mid-term in a scale of 0-100, see PoliarquíaConsultores (2016, June 27).

⁸ The citizens' optimism index aims at measuring social mood, pondering public opinion on the current, retrospective and prospective situation of the country, see PoliarquíaConsultores (2016, July 19).

⁹ For a brief summary, see Walker and Palumbo (2018, September 9).

free did not pass. However, the debate marks a historic turning point. Ending the taboo on abortion was a step forward. It is clear that the issue gained momentum and it is expected that it will be revisited. On the other hand, the government's securitization of some migration issues is, as explained in the previous section, a source of serious concerns. Curtailing the human rights of vulnerable groups undermines the quality of democratic governance and exacerbates cleavages within society.

Looking beyond 2018, some public opinion surveys help to contextualize the figures and indicators above within long-term trends. According to the regional poll conducted annually by *Latinobarómetro*, lack of satisfaction with the functioning of democracy in Argentina has oscillated but raised again, with 60% of respondents indicating that they had "little" or "no" satisfaction in 2017 (the last year available in the online series). Support for democracy as the preferred form of government (at 67% in 2017), has been relatively stable since the mid-1990s (with a sharp decline in 2001 and again in 2008). Those who would accept an authoritarian regime have decreased in number, but the level of indifference to the type of political regime has increased over time, thus, it remains a source of concern from a democratic governance point of view. In particular, this is because such indifference is compounded by a persistent crisis of political representation, as the low confidence in political parties and the government illustrates.¹⁰ It is worth noting the context of these trends, which will bear on the next electoral cycle, too: party politics in Argentina have followed a more fluid dynamic in the last few years due not only to the rise of a new coalition but also the fragmentation of the Peronist camp, the increasing irrelevance of the Radical party, and the fluid realignment of political identities and territorial support at electoral time.¹¹

Two new elements stand out. One, the *Latinobarómetro* recently started to pose a new question about citizens' confidence in the IMF. Among the 60% of Argentines who answered the question, more than half indicated little or no confidence in the IMF in 2017, amounting to 38.7 of respondents (*Latinobarómetro* n.d.). Years of criticisms to financial conditionality, foreign interference, and the role of international organizations in Argentine crises –and, most notably, in the 2001 debacle—are thereby noted. Not surprisingly, domestic resistance to austerity measures continued throughout 2018 and the IMF's discourse emphasized the role of Argentine authorities (rather than its officers) in designing the agreement (IMF 2018, September 26). Two, the 2018 annual report for the entire region takes note of the rise in the number of persons and families who are considering the concrete possibility of moving to another country. The regional percentage increased from 22% in 2015 to 27% in 2018, and it was 15% for Argentina in the last year. The report argues that "Massive migration in Latin America is here to stay" (*Latinobarómetro* 2018: 79-80). It also calls for reflection on whether

¹⁰ See details at *Latinobarómetro* (n.d.).

¹¹ For details on how these dynamics played out the previous year, see Freytes and Niedzwiecki 2018.

countries are prepared to deal with the implications. As it was explained above, this warrants more attention to population and migration issues –an area in which Argentina has made progress but also exhibits inconsistencies and tensions.

V. CONCLUSION

2018 was a rocky year for Argentina. Being on the brink of another dramatic crisis again made structural problems and contrasts across policy areas more visible. Democratic mechanisms are still resilient and vibrant. The overall performance of the country continues to be good according to some international standards.¹² Contentious social issues, like abortion, were discussed openly last year. However, corruption scandals and the politicization of the judicial system hamper safeguards against corruption and affected credibility. Efforts to improve transparency and accountability seem to be insufficient. Meanwhile, serious engagement with citizens' rights is still lacking. As Roberto Gargarella suggested in several publications, a complex and ideologically-loaded interplay of constitutional design and political practices underlies this issue.¹³

In addition, the economy has had an overwhelming role in Argentine politics once again. Economic variables started to stabilize toward the end of the year, but they are far from being tamed. The outlook remains uncertain. The effects of one more cycle of instability translate into a negative public mood as Argentines are sick and tired of recurrent crises and adjustments.

This is the background against which the next presidential election will take place. Although the leading opposition candidates have yet to be nominated, electoral messages have already begun to take shape. It is difficult and perhaps too early to anticipate whether discourses will be able to raise expectations. As in the past, for some leaders and groups the issue is still an ideological dispute and the game is a zero-sum one. The goal is simply to defeat the other, or to tilt the balance towards *el mal menor* (the lesser evil), as some voters see it. In this respect, 2018 Argentina shows that history repeats itself and democracy is still weak.

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¹² See Freedom House (n.d.).

¹³ For a brief summary see Gargarella 2018, October 4.

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