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Argentina’s New Government Issues Controversial Decrees

by Andrés Gaudín

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For the first time in its democratic history, Argentina, South America’s number-two power, is under the leadership of a right-wing government. The new administration was sworn in Dec. 10 following transparent elections that ended the dozen-year tenure of the Frente para la Victoria (FPV), an updated version of the traditional Partido Justicialista (Peronism), which was formed in the mid-1940s in opposition to the neoliberal tendencies that prevailed during the first half of the 20th century (NotiSur, Dec. 4, 2015).

Although the elections left the country divided in almost equal parts—the candidates were separated by approximately 600,000 votes out of nearly 26 million cast—President Mauricio Macri came into office determined to undo everything that the three previous FPV governments had accomplished. The FPV came into power in 2003 under the late Néstor Kirchner (2003-2007), who was succeeded by his wife, two-term President Cristina Fernández de Kirchner (2007-2015). One of Macri’s first moves was to issue executive orders imposing policies that had long been debated in the legislature—but never agreed upon—such as the authority to down planes suspected of involvement in drug trafficking. As of Jan. 19, the authority to carry out that most sensitive of actions rests in the hands of the military, whose power vis-à-vis the other institutions of state had purposely been whittled down during the previous 17 years.

In his first days as president, Macri rescinded key laws, censored journalists and media outlets, laid off some 60,000 public employees, devalued the national currency by 43% and, in a move only previously seen in dictatorships, used an executive order to designate two judges to the Corte Suprema de Justicia (CSJ). He signed 72 such decrees in just his first three days on the job. In recent years, Ecuadoran President Rafael Correa has warned of a possible “right-wing restoration” in the region (NotiSur, Sept. 19, 2014). Argentina, according to Eugenio Zaffaroni, a former CSJ judge who recently joined the Inter-American Court of Human Rights, is now the first country to put that concept into practice. “It has become a testing ground for what will be the dictatorships of the 21st century,” he said during a Jan. 17 rally in Buenos Aires.

Corporate Cabinet

After winning the election, Macri waited just hours to announce the names of his new Cabinet ministers, most of whom had worked until just the day before as top-level business executives for the various multinational corporations that operate in the country. Later—and with a heavy dose of irony—opposition Deputy Máximo Kirchner, the son of Argentina’s last two presidents, said the new administration won’t be “DEMocratic but rather CEOcratic.”

The new finance minister is Alfonso Prat-Gay, previously a strategy director with J.P. Morgan. Macri appointed Mario Quintana, ex-CEO of Grupo Pegasus, an investment firm, and Gustavo Lopetegui, former CEO of the Argentine affiliate of the Chilean airline LAN, as vice Cabinet chiefs. The Ministerio de Producción is now headed by Francisco Cabrera, the founder and former CEO of Máxima, a pension fund, who also held executive positions with Hewlett Packard, the HSBC banking group, and La Nación, a leading Buenos Aires newspaper. Macri’s energy minister is Juan
José Aranguren, former president of the Argentine affiliate of Royal Dutch Shell. The new foreign affairs minister is Susana Malcorra, a former Chef de Cabinet to the Executive Office at the United Nations, who previously worked with IBM and later as CEO of Telecom Argentina. And control of Aerolíneas Argentinas, the country’s 100% state-owned airline, is now in the hands of Isela Costantini, former managing director of General Motors for Argentina, Uruguay, and Paraguay. The airline’s new leadership cadre also includes former LAN executives Diego Maggi and Diego Sanguinetti.

The new president assigned private-sector people to other key government posts as well, including the Unidad de Investigación Financiera (UIF), which is responsible for pursuing money launderers. The unit’s new president is Mariano Federici, formerly a senior attorney with the International Monetary Fund (IMF) who also works with Marteau Abogados, a law firm handling the defense of J.P. Morgan and the newspaper Clarin in a tax-evasion and money-laundering case involving some US$5 billion. The new vice president of the UIF is María Eugenia Talerico, an HSBC lawyer involved in a case in which the origins of more than 4,000 Swiss bank accounts held by Argentine citizens and companies are being investigated (NotiSur, June 5, 2015). Talerico also works with Marteau Abogados, as do the new justice minister, Germán Garavano, and the president of the state-run Banco Provincia, Juan Curutchet.

Major policy pivots

Among the new government’s more jarring moves since taking over was the annulment of three laws that the previous administration had passed to better guarantee freedoms of the press, expression and information. The first of the three, the so-called Ley de Medios (media law), assured a plurality of voices in the audiovisual spectrum and put an end to the sector’s dominance by the Clarín and La Nación multimedia groups. The 2009 law was a unique piece of legislation in that it enjoyed broad multi-party support (196 out of 202 deputies and 48 of 68 senators voted in favor) and was passed after three-and-a-half years of public debate (NotiSur, Nov. 13, 2009).

With regards to foreign affairs, Marci talks about strengthening ties with Brazil, though not necessarily through the framework of the Mercado Común del Sur (MERCOSUR), the trade bloc that both countries share with Uruguay, Paraguay, Venezuela, and Bolivia (whose application for full participation is currently under review). The new president has not yet made any comments on the subject of the Unión de Naciones Suramericanas (UNASUR) and the Comunidad de Estados Latinoamericanos y Caribeños (CELAC), Latin America’s two large regional integration platforms. But he has shown a strong interest in joining the Alianza del Pacífico (AP), an economic association created by Chile, Peru, Colombia, and Mexico as a counterweight to MERCOSUR.

“What we have here is a clear neoliberal project that shuns sovereignty and falls back instead on the AP in keeping with the old Washington Consensus concept [the set of economic policy measures pushed forward in the 1990s by the IMF and the World Bank] that so excites the continent’s political right and representatives of neoliberalism,” Argentina’s previous foreign affairs minister, Héctor Timerman, told reporters.

In a few cases, the new administration has already had to acknowledge and rectify mistakes. One day after taking power, it fired 2,035 Senate workers on the grounds that they were FPV party loyalists. Days later, however, the Macri government had to give half of those people their jobs back because they were either handicapped—and had been hired in accordance with a law designed to protect them—or were pregnant women.
Another high-profile mistake was the designation of Carlos Manfroni as an undersecretary with the Ministerio de Seguridad. Manfroni had to resign amid allegations that he harbors anti-democratic ideas. In October 2014, in an article published by La Nación, he argued that “democracy and freedom are inventions of the stinking French Revolution” and that “progressivism is an infectious disease that carries the stigma of Judaic and Masonic doctrine.”

‘Walking a thin line’

Opposition leaders, in the meantime, have all but disappeared from the political stage, in part because of the wear-and-tear they suffered during the drawn-out campaign, which ended, for the first time, in a runoff, but also because of the year-end legislative recess. In contrast, civil society organizations and labor groups, whose constituents have been hit hard by the currency devaluation and by public sector layoffs, have spoken out against the new government.

One of the few independent voices to make itself heard in recent weeks comes from a group of Catholic priests. On Jan. 17, the “group of priests in support of the poor” issued a document titled “At this Crucial Moment in the Country.” The priests were highly critical of the new government and called on Catholic bishops to also make their opinions known. “We feel that our social peace is threatened, that the life of the working people is at risk, especially the poor,” the priests wrote. “We see in many leaders an attitude of class revenge, including in President Mauricio Macri himself.”

The group went on to make a dramatic diagnosis. “We sense a striking disregard for the institutions, with maneuvers that are in some cases illegal and in many cases anti-democratic. And in the annulment, for example, of the Ley de Medios, which was put together federally, approved by both chambers of Congress and ratified by the Supreme Court, [we see] a strong indifference toward the agreement and consensus that parliamentary debate represents,” the group wrote. “How can a law approved with so much consensus be eliminated by decree?

The letter also criticized the “arrogant” Macri administration for using decree power to appoint (for clearly partial reasons) a pair of judges to the high court, an institution, incidentally, that is supposed to administer impartial justice. “[The new government] is walking a thin line,” the priests wrote. “It is one step away from immorality, putting many ministries in the hands of business leaders who, until yesterday, were working for the companies they’re now supposed to regulate.”

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