

## ARGENTINA

# Charting the Course

Argentina enters a new era with President Cristina Fernández de Kirchner taking the reins as the country's first elected female head of state in December 2007. But what lies in store for the new administration? After falling into a deep economic crisis in 2001–02, Argentina has experienced an annual GDP growth of more than 8 percent and seen its poverty rate drastically reduced. At the same time, memories of past collapses cast long shadows. In an exclusive interview, Professor Harley Shaiken, Chair of the Center for Latin American Studies at UC Berkeley, asks Foreign Minister Jorge Taiana about the state of Argentina today and the plans and goals of the new administration.

**Harley Shaiken:** What do you see as the major goals and central challenges for the new administration domestically?

**Jorge Taiana:** The goals remain the same as four years ago when Argentina was struggling to overcome the deepest economic and political crisis in its history. They could be summarized as the challenge of building a productive, modern and comprehensive Argentina, able to achieve the levels of social advancement and equity that characterized our country during most of the 20<sup>th</sup> century.

In this regard, it is important to continue working for the insertion of Argentina in the world's economy in an "intelligent" way, taking into account the close ties between a dynamic international insertion and sustainable development.

That is why, among the great challenges that Argentines face today, we must acknowledge the need to take advantage of opportunities in fields such as trade and investment, exercising control over the risks derived from closer ties with other economies. Consequently, promoting an intelligent insertion in the world's economy is vital for fully developing our potential. An intelligent insertion, as I understand it, will be comprehensive of the whole project for the country and its society.

As the government of Cristina Fernández de Kirchner understands it, there cannot be true development without a network of public health, education and employment. Therefore, we must continue to improve the results that our country has achieved during recent years — much to

the surprise of the rest of the world — based on sustained economic growth, with a stress on industry, and focused on a more equitable distribution of income.

In fact, our country holds first place in the UN Human Development Index for the region, occupying the 38th place in the world. Australia and Canada — two countries with which Argentina has been compared in the past — are, however, situated third and fourth respectively. In this sense, we are still way below the historic indexes for our country as well as our own goals.

To maintain an annual growth rate of 8 or 9 percent is the challenge today. Argentina has just achieved that goal after experiencing uninterrupted growth for the past five years — the longest period of sustained growth in the last 100 years. Besides continuing this rate of growth, Argentina is exerting itself to increase employment, aiming to meet the conditions that define "honest work" in the terms agreed upon at the 2005 Summit of the Americas in Mar del Plata.

In Argentina, access to education, and even more importantly, continuation in the educational system and the real possibility of enjoying healthcare, is deeply related to formal employment.

Regarding the educational sector, President Nestor Kirchner's goal of setting a budget for education at 6 percent of the GDP by 2010 will be achieved by the current administration. It is not just a quantification of expense; it also aims to improve the quality of education and the training of educators in the different levels of the system. To achieve this goal during the year of the bicentennial of the May Revolution, which initiated Argentina's struggle for independence, has a deeply symbolic meaning for us. Another challenge is to increase the added value and improve the quality of our products in order to increase our exports and win new markets. To achieve this goal, President Fernández de Kirchner created the Ministry of Science, Technology and Productive Innovation that will face the task of strengthening the interaction of the public and private sectors with the scientific world.

**HS:** President Fernández de Kirchner has spoken about "Argentina making a mark in the world." What are your central foreign policy goals, and what do you view as the major challenges?

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Les Eclaireurs Lighthouse, "The Lighthouse at the End of the World," Ushuaia, Argentina.  
Photo by Ricardo Martins.





Cristina Fernández de Kirchner at the opening of José Domeño Stadium in Bolívar, Buenos Aires Province.

**JT:** The challenge set by the President is related to the strengthening of our national identity and perception of ourselves. It is an appeal to raise our self-esteem which suffered considerably during the final years of the past century.

This notwithstanding, Argentines today are aware of being in a promising stage in the life of our nation. Overcoming the crisis demanded effort and sacrifice, and the road is still difficult. However, the immense energy of its people allowed Argentina to rise up again: institutions were reorganized and improved, the rule of law was strengthened, living standards were improved and the country became governable again.

In like manner, the changes in the Supreme Court of Justice allowed the Judiciary to become more independent. The country is thus moving to end impunity for the perpetrators of crimes against humanity. This action does not divide the society but strengthens our democracy and the rule of law. Unconstitutional norms that established privileges for certain citizens clearly responsible for human rights violations have been abolished, and these people can be now brought to justice.

If our country has made its mark in recent times, it

has been through its move to the vanguard of the defense of human rights. The courageous actions of our country on this subject are perhaps inversely proportional to the horror endured by the tortured, the exiled and the disappeared during the last dictatorship. Another mark that we may have made is to prove that autonomous growth can be achieved by decisions that safeguard the interests of the nation, regardless of the standard recipes pushed by international organizations such as the International Monetary Fund. The legacy of this kind of model was a level of extreme poverty never seen in our country, as well as an external debt equivalent to 160 percent of GDP. Today the poverty level has shrunk from 60 to 23 percent and the extreme poverty level from 27 to 8 percent. The external debt equates to 60 percent of the GDP.

On foreign policy we can say that we are traveling a different road, abandoning the “automatic alignment” policy of the 1990s. Our foreign policy is focused on our commitment to serve the national interest.

This point of view has properly reinstated in our agenda both historic claims and present needs. Within this framework we have engaged in a more active role in multilateral organizations. The interrelation between development, human rights and collective security are the

foundation of our international stance.

In the multilateral arena Argentina will continue to act to procure a more equitable and democratic set of rules for decision-making. The negotiations at the World Trade Organization are particularly significant to us because on them depend the liberalization of agricultural markets — a sector in which our country has comparative advantages — and the achievement of an adequate flexibility to exercise our industrial policy.

There are, of course, other long-standing and permanent objectives of Argentine foreign policy. I would like to mention, in particular, a permanent and unrenounceable objective of the Argentine people, which constitutes a true State policy enshrined in our National Constitution, and which is the recovery of the full exercise of Argentine sovereignty over the Malvinas, South Georgias and South Sandwich Islands and the surrounding maritime areas.

Argentina will not give up in pursuing the objective that the United Kingdom, which unlawfully occupies these parts of the Argentine national territory, desists from its rejection to find a negotiated settlement of the sovereignty dispute existing between the two countries and thus make it possible to comply with the obligation to find a just, peaceful and lasting solution. This obligation derives from the United Nations and is equally pending on both parties. The international community not only recognizes that this anachronistic colonial dispute exists and is still pending a solution but reiterates to both parties the obligation to find a negotiated solution as soon as possible. Therefore, Argentina reiterates its permanent willingness to resume the sovereignty negotiations and expects that the United Kingdom abandons its intransigence.

**HS:** The United States has recently signed free trade agreements with Peru, Colombia and Panama. President Fernández de Kirchner has spoken about strengthening Mercosur and deepening the relations among its members. Is there a conflict between these two directions? What do you view as the future of economic integration in the Americas?

**JT:** As the main strategic axis of our foreign policy, Mercosur is the framework in which we will work to increase our strength and pursue a greater leadership role in Latin America and the world.

Mercosur constitutes a state policy that, unlike others, has endured through the democratic era to the present. This was made possible thanks to the reassertion of bilateral ties with our neighbors. President Fernández de Kirchner wanted to make this point particularly clear by visiting Chile, Brazil



Photo courtesy of the Argentine Foreign Ministry.

**Jorge Taiana.**

and Paraguay immediately after being elected and even before taking office.

Mercosur must be deepened and enlarged. The full inclusion of Venezuela, currently in progress, will result in a block generating 75 percent of the South American Gross Product. The desired addition of Bolivia and Ecuador will make the region even more significant, improving its position with regard to other blocks and countries.

Complex and delicate as it is, there has been permanent progress in this effort. We are currently working to decrease the asymmetries between the member nations. As you well know, the relative size of the countries that form the block is very dissimilar. For that reason the larger partners — Brazil and Argentina — will concede differential advantages to the smaller partners, Paraguay and Uruguay.

The other free trade agreements that certain Latin American countries have signed — Chile for instance — concern circumstances and economic structures that regard those states. It is true that such a structure is incompatible with the economic integration of those countries as full members of Mercosur. However they can join as associated members, as in the case of Chile, Colombia and Peru. This noncommercial dimension of Mercosur deals with such fundamental issues as the integration of policies on immigration, education, health, security, etc. and currently involves 10 South American countries.





Photo from Associated Press.

An Argentine peacekeeper deployed in Haiti.

**HS:** Some observers have pointed to a political continuum of governments on the left in Latin America from President Chávez on one end to President Lula on the other. Is this perception correct and, if so, what place does Argentina occupy?

**JT:** We must be aware that to label a government as leftist can lead to oversimplification. If the point of reference is the neoliberal model of the 90s, then clearly the majority of the governments in the region are on the left. If making sovereign decisions regardless of the dictates of international financial organizations is to be leftist, then we are on the left. However, in Argentina we prefer to define ourselves as a government clearly committed to democratic values and the defense of the national interest, in other words, to the well-being of its citizens. We understand that the economy must be at the service of the people. Therefore we place the state as the regulator of the injustices that can be generated by a market subject to forces devoid of any ethical values. This position is intimately linked to our conception of human rights in a wide sense that includes social and economic rights. Such rights become imperative at the moment of effectively

exercising civic and political rights, which otherwise would become empty husks. We are convinced that the context in which human rights can truly be exercised and respected is the context of democracy. Argentines cannot split democracy from human rights. These form a binomial that leads to liberty and social justice.

The idea of development, as has been said before, is also central to our position. To achieve it, we consider the role of innovative and productive companies to be vital, as opposed to pure capital speculation. The national government permanently supports and assists such industries, counseling and representing them all over the world for instance, as we do at my own ministry. The Argentine government, like others in the region, may be branded as leftist by those who assign labels to simplify reality. I would say that the region is looking to defend its national interests. By that we mean nothing less than the well-being of our citizens, always within the context of respect for international law.

**HS:** What role would you like to see the United States play in Latin America?

**JT:** The United States and Latin America have strong cultural and economic bonds that have matured over time. For example, until a very few years ago the idiomatic difference was a gap. Today, notwithstanding the traditional expansion of the English language in the world, the importance of Spanish in your country is remarkable. Culture becomes thus a privileged bridge.

Our country has undertaken some actions in conjunction with the United States. Among the best known is the fight against illegal trafficking. Also, we have taken part in several joint peace-keeping operations within the framework of the UN, in particular in Haiti, with the participation of several other Latin American countries.

On this matter it has to be remarked that Argentina understands that multilateralism is the most efficient instrument to win the war against hunger, poverty, exclusion and environmental degradation and rejects unilateral actions in situations that may disturb the peace and international security.

For Argentina, good economic results for both countries are fundamental. In fact, American companies based in our country can bear witness to the economic recovery that we are undergoing. In foreign capitals it is well-known that today Argentina offers a combination of good qualities due to its healthy macroeconomic situation, the decision to back productive efforts and a favorable international context. North

Americans understand this because they have consistently increased their investments. Today we are working with them to continue to increase those investments.

We also wish to strengthen the exchange of technology and science with the U.S. in varied fields. The new Ministry of Science, Technology and Productive Innovation is thus a new venue for dialogue and cooperation between our countries.

These goals are based on the coincidence of well-established values in both societies, such as the consolidation of democracy, human rights, civil liberties, international security, nonproliferation and the fight against international terrorism, organized crime and narcotrafficking.

**Jorge Taiana is the Foreign Minister of Argentina.**

**Harley Shaiken is Class of 1930 Professor of Letters and Science. He is Professor in the Graduate School of Education and the Department of Geography and serves as Chair of the Center for Latin American Studies at UC Berkeley.**

**The Center would like to thank Héctor Timerman, Argentina's Ambassador to the United States, for facilitating this interview.**

**Cristina Fernández de Kirchner concludes her presidential campaign at an October 2007 rally.**



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