

Examining Argentina's New Foreign Policy under Macri

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Argentina's isolation from global financial markets appeared to be total and long-lasting. Now the country is on the verge of ending its isolation: the injunctions preventing it from borrowing on international markets are set to be lifted (provided the Argentine Congress approves the deal with the holdout creditors) and Buenos Aires is opening the door to foreign investment. This is the most high-profile example of the rapid transformation effected by President Mauricio Macri since he took office in December. The new president is clearly planning to make further significant changes to Argentina's foreign policy and chart a new course for its relations with both its neighbours and the world's major powers.

Macri's government inherited a foreign policy short on vision and defined mainly by domestic concerns. His predecessors, Néstor Kirchner (2003–07) and then Cristina Fernández de Kirchner (2007–15), followed an ideological, confrontational foreign policy, declaring the US, Europe, International Monetary Fund (IMF) and the World Bank to be hostile to Argentine interests. The confrontational nature of their foreign policy was apparent in a number of different areas: the dispute with Uruguay over the pulp mill on the bank of the Uruguay River; the strained relations with the US over the so-called 'vulture funds' (those investors who rejected Argentina's plans to reorganise its debt); the diplomatic friction with Spain after the re-nationalisation of Repsol's stake in the oil company YPF; and the inconsistent approach towards Brazil and Mercosur.

Domestic politics and its negative side effects (like fabricating inflation figures, currency control and the nationalisation of companies) meant that Argentina gained an image as an unreliable partner on the world stage. Macri needs to change this image and to regain the trust of the international community. Indeed, a number of changes are expected and Macri seems determined to adopt a more conciliatory, rather than confrontational, foreign policy.

Macri's appointment to foreign minister of Susana Malcorra, a well-regarded former aide to UN Secretary-General Ban Ki-moon, signals his resolve to put Argentina back in the

corridors of multilateral diplomacy. Since its default in 2002 Argentina has reduced its contribution to UN peacekeeping operations, played only a modest role at the G20 and the UN climate-change conferences, refused to submit to an IMF review and failed to comply with dozens of World Bank international-dispute rulings. Macri's government has taken steps to reverse this. Part of this effort includes a discussion for an IMF Article IV consultation this year and a commitment to deliver humanitarian aid to Syrian refugees and troops to UN missions.

Despite Macri's awareness of the global shifts in economic and political power from West to East, he will first try to 'reset' Argentina's relations with the US and the EU before reaching out to Asia. Both the tone and content of the bilateral dialogue with the US will surely change. Although Cristina Kirchner co-operated with the US on terrorism, nuclear proliferation, and science and technology, her overall stance towards Washington was mainly tailored for domestic consumption and so it lacked coherence.

Relations hit rock bottom in September 2014 when Cristina Kirchner insinuated that the US was trying to overthrow her government, warning that if something were to happen to her, 'don't look to the Middle East, look to the North'. This was particularly damaging because Argentina had that year assumed – with the support of the US – the chair of the Nuclear Suppliers Group. Moreover, the month before it had approved the International Convention for the Suppression of Acts of Nuclear Terrorism, a legal instrument strongly promoted by the US.

Macri must therefore develop a more constructive relationship with the US. For Buenos Aires, the aim should not be to pursue a policy of 'bandwagoning'; rather, it should pursue a productive dialogue on those issues that need to be addressed. Macri must also improve Argentina's investment climate with the aim of attracting US capital. He is aware that the country's access to international credit markets has been seriously affected by the litigation in New York with the 'vulture funds'. After a month of negotiations the US district judge overseeing the litigation, Thomas Griesa, said on 2 March that he would be willing to lift the injunctions he had placed on Argentina because of the 'sincerity and good faith' it had shown, citing Macri's election as a key turning point. Macri's proposal still needs to be approved by Argentina's Congress (where he lacks a majority), but if it is approved then provided Argentina pays \$4.6 billion to the four biggest holdout creditors by 14 April, it will be able to borrow on international markets for the first time in over a decade; indeed, Argentina reportedly plans to raise some \$15 billion through bond issuance this year.

Regarding relations with the EU, Macri's triumph has been a game-changer. For too long Argentina was the main obstacle in Mercosur to a trade agreement with the EU – the bloc's first potential trading partner. Macri is now willing to give new impetus to stalled talks on such an agreement. But it will not be easy. This year, both parties will exchange offers on free trade, which may lead to further delays on both sides, partly because of the French veto – the country has a strong, protectionist agriculture lobby that is reluctant to open its market to South America – and partly because of domestic politics

both in Argentina (where, as already mentioned, Macri lacks a majority in Congress) and in Brazil (where President Dilma Rousseff faces a rebellion by parties in her coalition, some of which have called for her impeachment).

In terms of the Argentina–UK relationship, Macri has signalled his desire to adopt a less confrontational stance over the Malvinas/Falkland Islands dispute. His government is clearly willing to re-start dialogue and re-open relations with London by setting up a common positive agenda, hoping that the two countries can move forward and co-operate on various issues while retaining their respective positions regarding the islands. In addition to the central issue of sovereignty, another contested matter is how to accommodate islanders' interests. While the UK government believes that the islanders should have an important say in the dispute and enjoy the right to self-determination, Buenos Aires believes that the islanders should not have any veto power over new agreements, a belief that Macri will also likely hold. In Argentina, the islands have always been about domestic and identity politics. So public opinion – which tends to indicate a general reluctance to discuss any alternative to the 'drop the claim' line – will limit the extent to which Macri can adopt a more co-operative approach.

Turning to China, Macri will surely try to secure better trade deals. The appointment of Diego Guelar as the Argentine ambassador to Beijing shows that Macri's government considers China to be central to Argentina's growth. Guelar is a seasoned diplomat who has served as ambassador to both Brazil and the US. China is Argentina's third-largest trading partner behind the Mercosur bloc and the EU, and one of its main destinations for food exports. China's investments in Argentina are focused on hydroelectric power, railways, shipbuilding and a deal to build a nuclear plant – a pressurised heavy-water reactor. Macri will try to secure Beijing's investments in these projects, which were established during Cristina Kirchner's administration.

Yet there is more to relations than just trade between the two countries. In early 2015 Cristina Kirchner's government agreed with Beijing the building of a Chinese launch pad in the west of Argentina. The China Satellite Launch and Tracking Control General would be China's first space facility to be located outside its borders. Officially, the installation is designed to track Chinese missions to Mars and the moon, but there have been mounting concerns about its dual-use technology, exacerbated by the fact that the station takes its orders from a department within the Chinese People's Liberation Army. Last month Macri asked for reassurance from Beijing that the station would not be used for military purposes.

In South America, Argentina's interests are inextricably linked with Brazil and the other Mercosur members. Relations between Argentina and Brazil have been subdued, strained by trade disputes – involving the reduction of automatic import licenses by both sides – and diplomatic disagreements over issues like UN Security Council reform. Macri's meeting with President Rousseff on 4 December 2015 signalled his willingness to

remain close to Argentina's main trade partner. Both countries have a shared commitment to peace, democracy and free trade in Mercosur, so the need to put forward a common agenda is essential.

Beyond trade, human rights have ranked high on Macri's agenda for the region. During the electoral campaign, Macri affirmed that his policy on human rights would broadly follow the line put forward by the Kirchners. This became apparent when the conservative *La Nación* newspaper published an editorial the day after Macri's election victory calling for a halt to the trials of those people accused of carrying out political murders and disappearances during the right-wing dictatorship of the late 1970s and early 1980s. The popular outcry against the call to stop the trials, including from some of *La Nación's* own staff, was overwhelming; Macri's chief of staff, Marcos Peña, publicly rejected the proposal.

Despite Macri's intention to broadly follow the Kirchners' human-rights policy, he will probably depart from the past in some important ways. In spite of the region's progress toward political liberalisation in the 1980s, democracy has become a contested concept in Latin America over the past decade. Various left-of-centre leaders have put forward visions that challenge the dominant Western paradigm of liberal democracy. If Macri makes good on his recent statements, a renewed push to re-think and promote democracy and human rights in South America could be on the way.

To start with, Macri seems willing to abandon the reigning code of silence among Latin American countries by publicly condemning those left-wing governments that have eroded freedom of the press and other human rights. Take Cuba: the country is opening another chapter of reform and has come up with a number of gradual yet comprehensive institutional and economic reforms. Yet Macri has called on the country to do more. A few days before the election, Macri said that if the Cuban government did not continue to make progress in this area and normalise its relationship with the US, his government would be just as critical of Havana as it had been with Caracas, emphasising that he 'want[s] to seriously defend democratic values.'

Venezuela, however, is Macri's main concern in terms of democracy and human rights. At his first press conference as president-elect, Macri openly criticised Venezuela and the human-rights abuses of its Chavista government. He called for the suspension of Venezuela from Mercosur on the grounds that the country had broken the bloc's democracy clause. Macri said he would ask Mercosur members to press Venezuela to release high-profile opposition leaders like former Mayors Leopoldo López and Antonio Ledezma. In the meantime, Venezuela's mid-term congressional election in early December eased fears of electoral fraud by giving the opposition a majority of seats in the National Assembly. This was the worst-ever defeat for the Chavista movement. Despite this, President Nicolás Maduro quickly accepted the results, so Macri decided not to emphasise Mercosur's democracy clause and turned instead to human-rights abuses in the country.

Venezuela has numerous shortcomings on human rights. Between 1995 and 2012, the Inter-American Court of Human Rights – a principal organ of the Organization of American States (OAS) – condemned Venezuela sixteen times for cases of extrajudicial killings by police and soldiers, violations of freedom of speech and other human-rights abuses. Calling the OAS an instrument of American imperialism, Maduro withdrew Venezuela from the Inter-American Court and from the Inter-American Commission on Human Rights.

At the Mercosur Summit in Paraguay on 21 December 2015, Macri condemned human-rights abuses in Venezuela. This could be construed as an attempt to open up a regional venue to monitor human rights. Indeed, one of the outcomes of the Mercosur Summit was the signing of a declaration in defence of the ‘unrestricted support of human rights.’ The statement also included a call to establish a human-rights monitoring group at the Mercosur level.

President Macri may claim that human rights are part and parcel of his foreign policy. Yet a concern for human rights alone cannot be an effective guide on how to conduct foreign policy. Indeed, they have been long considered to be at odds with other international objectives. States continually have to square norms with material interests, political alliances and policy preferences. Thus, integrating human rights into foreign affairs brings to the surface the interplay of competing values, trade-offs and consistency problems. Here, as in so much else, Macri is just taking his first steps: there is still a long way to go before the outcomes of his new foreign policy can be examined in any greater depth.

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