

# Argentina

**2016 Country Review**

**COUNTRY WATCH**

<http://www.countrywatch.com>

# Table of Contents

Chapter 1	1
Country Overview	1
Country Overview	2
Key Data	3
Argentina	4
South America	5
Chapter 2	7
Political Overview	7
History	8
Political Conditions	10
Political Risk Index	46
Political Stability	61
Freedom Rankings	76
Human Rights	88
Government Functions	91
Government Structure	92
Principal Government Officials	100
Leader Biography	106
Leader Biography	106
Foreign Relations	114
National Security	120
Defense Forces	122
Chapter 3	125
Economic Overview	125
Economic Overview	126
Nominal GDP and Components	131
Population and GDP Per Capita	133
Real GDP and Inflation	134
Government Spending and Taxation	135
Money Supply, Interest Rates and Unemployment	136
Foreign Trade and the Exchange Rate	137
Data in US Dollars	138
Energy Consumption and Production Standard Units	139

Energy Consumption and Production QUADS	141
World Energy Price Summary	142
CO2 Emissions	143
Agriculture Consumption and Production	144
World Agriculture Pricing Summary	147
Metals Consumption and Production	148
World Metals Pricing Summary	151
Economic Performance Index	152
Chapter 4	164
Investment Overview	164
Foreign Investment Climate	165
Foreign Investment Index	168
Corruption Perceptions Index	181
Competitiveness Ranking	192
Taxation	201
Stock Market	202
Partner Links	202
Chapter 5	203
Social Overview	203
People	204
Human Development Index	205
Life Satisfaction Index	209
Happy Planet Index	220
Status of Women	229
Global Gender Gap Index	233
Culture and Arts	242
Etiquette	245
Travel Information	246
Diseases/Health Data	255
Chapter 6	261
Environmental Overview	261
Environmental Issues	262
Environmental Policy	263
Greenhouse Gas Ranking	264
Global Environmental Snapshot	275
Global Environmental Concepts	287

International Environmental Agreements and Associations	301
Appendices	325
Bibliography	326

# Chapter 1

## Country Overview

---

## Country Overview

### ARGENTINA

Europeans arrived in what is now Argentina in 1502. Spain established a permanent colony on the site of Buenos Aires in 1580, and the Spanish further integrated Argentina into their empire following the establishment in 1776 of the Vice-Royalty of Rio de la Plata. Buenos Aires formally declared independence from Spain on July 9, 1816. Much of Argentina's history up until about the mid-20th century was dominated by periods of internal political conflict between civilian and military factions. After World War II, an era of Peronist populism and direct and indirect military interference in subsequent governments was followed by a military junta that took power in 1976. Serious economic problems and defeat by the United Kingdom in 1982 after an unsuccessful Argentine attempt to forcibly take control of the Falklands/Malvinas Islands combined to discredit and discourage the military regime, leading the country toward democratic rule. With a population of about 40 million, Argentina is one of South America's largest economies. A severe economic crisis in 2001-2002 left more than half the population living in poverty and triggered unrest, and the country struggled with record debt defaults and currency devaluation. The crisis was over by 2005 but the country still faces many challenges. Of note has been the criticisms by pro-free market voices regarding the Fernandez de Kirchner presidency -- in power since 2007 regarding the stewardship of the economy. It was to be seen if the 2015 elections would usher in a new approach.

## Key Data

Key Data	
<b>Region:</b>	South America
<b>Population:</b>	43431888
<b>Climate:</b>	Mostly temperate; arid in southeast; subantarctic in southwest.
<b>Languages:</b>	Spanish (official) English Italian German French Arabic Japanese indigenous languages such as Guarani, Quechuan and Mataco
<b>Currency:</b>	1 Argentine peso (ARP\$) = 100 centavos
<b>Holiday:</b>	Revolution Day is 25 May (1810), Independence Day is 9 July, San Martin Day is 17 August
<b>Area Total:</b>	2766890
<b>Area Land:</b>	2736690
<b>Coast Line:</b>	4989

## Argentina

### Country Map





---

## South America

### Regional Map

---





# **Chapter 2**

## **Political Overview**

---

## History

Europeans arrived in what is now Argentina with the 1502 voyage of Amerigo Vespucci. The Spanish navigator Juan Diaz de Solias visited the region in 1516. Spain established a permanent colony on the site of Buenos Aires in 1580. The Spanish further integrated Argentina into their empire following the establishment in 1776 of the Vice-Royalty of Rio de la Plata, and Buenos Aires became a flourishing port.

Buenos Aires formally declared independence from Spain on July 9, 1816. In this regard, Argentines revere General Jose de San Martin, who campaigned in Argentina, Chile and Peru, as the hero of their national independence. After the defeat of the Spanish, centralist and federalist groups waged a lengthy conflict to determine the future of the nation. National unity was established and the constitution promulgated in 1853.

Two forces combined to create the modern Argentine nation in the late 19<sup>th</sup> century. They were the introduction of modern agricultural techniques and the integration of Argentina into the world economy. Foreign investment and immigration from Europe aided this economic revolution. The investment, primarily British, came in such fields as railroads and ports. The migrants who worked to develop Argentina's resources came from throughout Europe, but mostly from Italy and Spain.

Conservative forces dominated Argentine politics until 1916, when their traditional rivals, the Radicals, won control of the government through a democratic election. The Radicals, with their emphasis on fair elections and democratic institutions, opened their doors to Argentina's expanding middle class as well as to the elite previously excluded from power for various reasons. The Argentine military forced the aging Radical president, Hipolito Yrigoyen, from power in 1930 and ushered in another decade of Conservative rule.

Using fraud and force when necessary, the governments of the 1930s attempted to contain forces for economic and political change that eventually helped foster the rise of Juan Domingo Peron. New social and political forces were seeking political power. These included the modern military and the labor movement that emerged from the growing urban working class.

The military ousted Argentina's constitutional government in 1943. Peron, then an army colonel, was one of the coup d'etat's leaders, and soon became the government's dominant figure as

minister of labor. Elections carried him to the presidency in 1946. He aggressively pursued policies aimed at giving an economic and political voice to the working class and greatly expanded the number of unionized workers.

In 1947, Peron announced the first five-year plan based on nationalization and industrialization. He presented himself as a friend of labor and assisted in establishing the powerful General Confederation of Labor, or CGT. Peron's dynamic wife, Eva Duarte de Peron, known as Evita (1919-1952), was an integral force in the development of her husband's appeal to labor and women's groups. During the Peronist era, specifically, in 1947, women obtained the right to vote.

Peron won re-election in 1952, but the military deposed him in 1955. He went into exile, eventually settling in Spain. In the 1950s and 1960s, military and civilian administrations traded power. They tried, with limited success, to deal with diminished economic growth and continued social and labor demands. When military governments failed to revive the economy and suppress escalating terrorism in the late 1960s and early 1970s, the way was open for Peron's return.

On March 11, 1973, Argentina held general elections for the first time in ten years. Peron was prevented from running, but voters elected his stand-in, Dr. Hector J. Campora, to the presidency. Peron's followers also commanded strong majorities in both houses of the National Congress, which came into session on May 25, 1973. Campora resigned in July 1973, paving the way for new elections. Peron won a decisive victory and returned as president in October 1973 with his third wife, Maria Estela Isabel Martinez de Peron, as vice president. (His previous wife, the popular "Evita," had since died of cancer.)

During this period, extremists on the left and right carried out terrorist acts with a frequency that threatened public order. The government resorted to a number of emergency decrees, including the implementation of special executive authority to deal with violence. This authority allowed the government to imprison persons indefinitely without charge.

Peron died on July 1, 1974. His wife succeeded him in office, but economic problems, Peronist intra-party struggles, and growing terrorism from both left and right undermined her administration. A military coup removed her from office on March 24, 1976. Until Dec. 10, 1983, the armed forces formally exercised power through a junta composed of the three service commanders. The armed forces applied harsh measures against terrorists and their sympathizers. They silenced armed opposition and restored basic order. What came to be known as the "Dirty War" was costly in terms of lives lost and basic human rights violated.

Serious economic problems and defeat by the United Kingdom in 1982 after an unsuccessful Argentine attempt to forcibly take control of the Falklands/Malvinas Islands combined to discredit and discourage the military regime. Furthermore, public revulsion in the face of severe human rights abuses and mounting charges of corruption only made things worse. This situation prompted

a period of gradual transition and led the country toward democratic rule.

Acting under public pressure, the junta lifted bans on political parties and restored other basic political liberties. In this way, Argentina experienced a generally successful and peaceful return to democracy.

Note on History: In certain entries, open source content from the State Department Background Notes and Country Guides have been used. A full listing of sources is available in the Bibliography.

---

## Political Conditions

### The 1980s

In 1982, a period of gradual transition led the country toward democratic rule. Acting under public pressure, the ruling junta lifted bans on political parties and restored other basic political liberties. In this way, Argentina experienced a generally successful and peaceful return to democracy.

On Oct. 30, 1983, Argentines went to the polls to choose a president, vice president, and national, provincial and local officials in elections international observers found to be fair, open and honest. The country returned to constitutional rule after Raul Alfonsin, candidate of the UCR, or Radical Civic Union, received 52 percent of the popular vote for president. He began a six-year term of office on Dec. 10, 1983.

In 1985 and 1987, large turnouts for mid-term elections demonstrated continued public support for a strong and vigorous democratic system. The UCR-led government took steps to resolve some of the nation's most pressing problems, including accounting for those who disappeared during military rule, establishing civilian control of the armed forces, and consolidating democratic institutions.

Nevertheless, constant friction with the military, failure to resolve widespread economic problems, and an inability to maintain public confidence undermined the Alfonsin government's effectiveness. Ultimately, the regime left office six months early after the Partido Justicialista (PJ) Peronist candidate, Carlos Saul Menem, won the 1989 presidential elections.

### Peronist Resurgence: The Menem Years

After years of political instability, Argentina became a functioning democracy during President Carlos Menem's first term (1989-1995). Menem dramatically reordered Argentina's foreign and domestic policies. Large-scale structural reforms dramatically reversed the role of the state in Argentine economic life. A decisive leader pressing a controversial agenda, Menem did not hesitate to use the presidency's extensive powers to issue decrees advancing modernization when the Congress was unable to reach consensus on his proposed reforms.

Almost immediately upon assuming the presidency in 1989, Menem initiated a rapid and extensive process of orthodox economic reforms. Argentine markets were opened to foreign competition, state-run industries were privatized, and legislation was passed that pegged the peso to the United States (U.S.) dollar. With the fixing of the peso to the dollar, Menem's economic team, led by non-party economist Domingo Cavallo, eliminated the critical problem of hyperinflation and significantly curbed overall inflation, as well.

Another of the Menem administration's major achievements was its initiative in the 1991 formation of the South American Common Market, more commonly known as MERCOSUR. Consisting of members Argentina, Brazil, Paraguay and Uruguay, MERCOSUR was, in the 1990s, the fastest growing trade bloc in the world.

Meanwhile, organized labor (largely tied to Menem's Peronist Party) and the armed forces had historically played significant roles in national life. The political power of unions was significantly weakened by Menem's market reforms, only to emerge from the disarray in the beginning of the 21<sup>st</sup> century, and the armed forces were brought firmly under civilian control. The Argentine military was also affected, becoming a slimmed-down, all-volunteer force focused largely on international peacekeeping. This was due to a number of factors including repudiation by the public after the 1976-83 period of military rule, widespread and brutal human rights violations, economic decline, and military defeat in the 1982 Falkland-Malvinas Islands war.

Despite such sweeping changes, the reform agenda remained incomplete at the end of his first term in office, with major improvements needed in the judicial system and in provincial administration. The president's executive powers were curtailed somewhat when the constitution was reformed in 1994 as a result of the Olivos Pact with the opposition Radical Party. That arrangement opened the way for Menem to seek and win re-election with 50 percent of the vote in the three-way 1995 presidential race.

Menem's overwhelming re-election in May 1995, despite hardships caused by economic restructuring and exacerbated by the Mexican peso crisis, provided a mandate for his free-market economic strategy and also his foreign policy.

The 1995 election also saw the emergence of the moderate left FREPASO political alliance. This alternative to the traditional two main political parties in Argentina gained particular strength in Buenos Aires, but still lacked the national infrastructure of the Peronist and Radical parties. In an important development in Argentina's political life, all three major contestants in the 1995 race adopted free-market economic policies.

In August 1997, UCR and FREPASO formed a coalition called the Alliance for Work, Justice, and Education. Smaller parties occupied various positions on the political spectrum, many of them active only in certain regions of the country.

Then, Argentina held mid-term congressional elections in October 1997. The opposition FREPASO alliance, along with Radical Civic Union (UCR) made major gains in the number of seats it held and deprived the Peronists of an absolute majority. The results showed that President Menem's party won 51 seats, followed by the alliance with 46. The remaining seats were split among various smaller parties and one non-partisan.

The elections were widely seen as setting the stage for the December 1999 presidential race. The government's pro-market policies remained unchallenged, but continued high unemployment and growing public concern over perceived corruption hurt the government's standing in public opinion polls.

As time passed during Menem's decade-long presidency, the shortcomings of his economic reforms became more apparent to the Argentine people, and large-scale opposition to his policies arose. While Argentina in the aggregate enjoyed economic stability and growth, little prosperity ever reached the majority of people, especially the poor. In fact, many had suffered from the blows that Argentine industry experienced when Menem's policies opened domestic markets to foreign competition.

At the same time, public spending increased by almost 50 percent throughout the 1990s, and public debt more than doubled. Interest rates increased, raw material prices declined (with the exception of oil), the dollar became stronger, and credit markets for developing nations contracted. In June 1998, Argentina fell into a recession that continued throughout 1999 and into 2000.

Additional economic difficulties arose in Argentina when the devaluation of Brazil's currency in January 1999 adversely affected Argentine industries and stirred conflict within MERCOSUR. With the Brazilian real worth less and less, Brazilian products became cheaper in the international market, and Argentina began losing much of its business. With both of MERCOSUR's main countries in economic recession, trade between the two countries declined dramatically, a serious blow to Argentina since Brazil was its major export market.

Meanwhile, trade disputes increased. Brazil threatened to take Argentina to the World Trade



Organization over import quotas it had imposed against textile exports. The governor of the Buenos Aires province placed sanctions on firms that he claimed were closing factories in Argentina and rushing to open new ones in Brazil. The future of MERCOSUR was in danger.

Although Brazil's President Fernando Cardoso and Argentina's President Carlos Menem met and came to an agreement, the issues under dispute were not permanently resolved. Institutional problems of the Common Market came to light during the crisis, namely the fact that it needed a stronger internal mechanism to deal with such disputes. Commissions under the guidance of MERCOSUR dedicated to resolving contentious issues within the trade bloc would increase efficiency, decrease conflict, and disassociate trade functions from the political strategies of MERCOSUR member countries' presidents.

### Peronist Defeat

When the time came for the 1999 elections to take place, Menem attempted to have the constitution amended so that he could run for a third term as president. His initiative failed, and in June 1999, Eduardo Duhalde secured the Peronist party's candidacy for president. Fernando de la Rúa, of the UCR party, achieved victory in the primary of the alliance made up of UCR and FREPASO, and thus become the alliance's presidential candidate.

During the campaign, Duhalde encountered problems stemming from three main issues. First, he was identified with the Menem administration's economic reforms, which by then were unpopular among many Argentines. Moreover, though he carried the banner of the Peronist party, Duhalde in fact lacked the support of several prominent Peronists. Menem, for example, showed only half-hearted support, since he had tried to avoid relinquishing power. The biggest blow to Duhalde's campaign came when he made a statement in support of a one-year moratorium on Argentine debt repayments. The statement scared investors, and on July 12, the stock market dropped nine percent, the biggest one-day fall in nearly six months.

Alliance candidate Fernando de la Rúa benefited a great deal from the intra-party conflicts and political mistakes of the Duhalde campaign. While the Alliance candidate's platform consisted merely of vague statements about ending unemployment, crime, and corruption, it lacked obvious mistakes. In a time of recession, the Argentine people wanted change, but they did not want to risk a relapse into economic instability or political chaos. After ten years of President Menem's flashy ways and numerous corruption charges, moderate, middle-class, clean, even "boring" candidate de la Rúa seemed to appeal to the Argentines.

On Oct. 24, 1999, Fernando de la Rúa and Carlos Alberto (Chacho) Alvarez from the FREPASO alliance were elected to the presidential and vice presidential offices, respectively, with 48.5 percent of the vote. Duhalde took in 38.1 percent of the vote, and third-party candidate Domingo Felipe

Cavallo earned 10.1 percent.

Despite de la Rúa's significant lead in the election results, it was with questionable power that he stepped into the presidential office on Dec. 10. The Peronist party maintained hold of the majority of seats in the Senate and of a large group of seats in the lower house of Congress, where the Alliance coalition remained four seats short of a majority. Opposing parties also held the majority of control in the provinces; out of the 24 provincial governorships, 14 governors were of the Peronist party, and two were independents. The opposition that President de la Rúa was likely to face from the Senate and Congress posed a great challenge for his government, particularly given Argentina's dire economic situation.

### A Mounting Economic Crisis

The first main issue that the president had to tackle was the overgrown fiscal deficit that he inherited from Menem's administration. In a deliberate effort to show the country and the international community that he was serious about confronting Argentina's fiscal problems, de la Rúa named well-respected economists to four of his 12 cabinet seats. He named Jose Luis Machinea finance minister; Adalberto Rodriguez Giavarini, minister of foreign affairs; Ricardo Lopez Murphy, minister of defense; and Juan Jose Llach, minister of education.

Another major issue that the new government addressed was the then-rocky relationship between Argentina and Brazil in relation to MERCOSUR. De la Rúa acknowledged the importance and urgency of the resolution of the problems with MERCOSUR by meeting with Brazilian president Fernando Henrique Cardoso almost immediately upon entering office.

At the end of 1999, stock prices were rising and falling on an almost weekly basis. In late December, only weeks after his inauguration, de la Rúa was busy deliberating with Congress and the Senate over spending, trying to pass a new budget for the year 2000 that would cut the fiscal deficit while keeping in place the rigidly fixed exchange rate on the Argentine peso. At the end of negotiations, the de la Rúa administration raised taxes and cut spending in order to reduce the fiscal deficit, at the risk of exacerbating the economic recession. The Alliance also struck a deal with provincial officials that put a cap on federal cash transfers to the provinces.

The de la Rúa administration pledged to eliminate the fiscal deficit by 2003, under a "fiscal responsibility law" passed near the end of Menem's presidency. With tough fiscal policies, de la Rúa hoped to increase foreign investment. With the peso fixed to the U.S. dollar and the majority of Argentina's debt financed in foreign markets, the growth of the Argentine economy was dependent upon foreign investment. The competitiveness of Argentine products had to be boosted and business costs driven down.

In February 2000, the Alliance's actions were rewarded when the government reached a new agreement with the IMF. The agreement offered Argentina a very large contingency credit of \$7.4 billion.

Despite the fact that part of the Alliance's platform in the 1999 election was to fight corruption, de la Rúa made only modest moves in that direction during his first months in office. The president was limited by the fact that he was dependent on the many Peronists in the legislature to get his policies passed.

In April 2000, the foreign and finance ministers of Argentina and Brazil met in Buenos Aires and came to an agreement to re-launch MERCOSUR. They set a timetable for a set of economic convergence targets similar to those of the European Union's Maastricht Treaty that led to the euro, the single currency of Europe's Economic and Monetary Union. The shorter-term targets would address inflation, government borrowing, and public debt, and the long-term goal was the creation of a common currency. In regard to the issue of solving trade disputes within MERCOSUR, Argentina and Brazil agreed to assemble a duty roster of judges, who would serve on panels for around two years at a time.

In April 2000, the Senate approved an amended version of a labor-reform bill proposed by the de la Rúa government. Bitterly opposed by labor unions, the bill made labor contracts more flexible and enabled collective bargaining at the company level. Protests by transport workers ensued on May 5, leading to a major strike against the new government.

On May 7, 2000, the Buenos Aires city council election was held, a race that was deemed an important early test of public support of the de la Rúa government. Anibal Ibarra of de la Rúa's Alliance won, with 49.4 percent of the vote. The election was, overall, a success for the Alliance, but it did carry warning signs: the Alliance gained 5 percent less votes than in the 1999 presidential elections and while it still won the most seats in the city council, it lost its overall majority. Likewise, President de la Rúa remained very popular, but his rating fell ten points from January to May.

In mid-May 2000, the Argentine government announced another budget cut, this time of \$600 million, in order to reach the deficit reduction target agreed upon with the IMF. In response to the cut, de la Rúa's pressure to reduce local spending, and years of local misgovernment, violent protests arose in eight provinces. The demonstrators consisted mainly of Argentina's suffering poor and lower-middle classes, and the protests were the most heated in the provinces where the disparity of income was greatest between legislators and the average wage.

On May 29, 2000, the government implemented a number of public spending cuts, totaling around \$938 million per year. Almost two-thirds were in the form of wage cuts of at least 12 percent for public employees, and the rest were cuts in special pensions of former state employees and in cash

for state enterprises. Other adjustments made on May 29 were further de-regulation of the health system from union-run policies, lower future pensions, and talks with the provinces to further reduce the funding they received from the central government.

The mandates of the IMF were a major factor in the imposition of such drastic economic adjustments. On May 31, 2000, upon the arrival of a visiting IMF delegation, 40,000 demonstrators gathered in front of the presidential palace in Buenos Aires to protest the Fund's demands for fiscal austerity. On June 9, 2000, millions of workers held a one-day national strike against de la Rúa's IMF-driven economic policies and the unemployment rate of over 15 percent. The greatest challenge to de la Rúa's reforms yet, the strike was also Argentina's largest in four years.

Figures released by the economy ministry on June 14 showed that the budget deficit had grown. As the year unfolded, President de la Rúa continued to face serious economic challenges, and consequently, political challenges as well. After significant struggle, the government was able to meet the fiscal targets laid out by the IMF for the first half of the year.

### Political Challenges

To achieve its fiscal goals, the government needed to implement even more drastic reforms, such as cutting cash transfers to the provinces, reducing the severance payments required for sacked workers, and eliminating phantom government employees who remained on payrolls without working. In order to maintain political support, reforms in state spending needed to be far-reaching, money had to be redirected into more efficient public services, and business costs needed to be reduced. The development of institutions like education and the judicial system was paramount to Argentina's success.

In June, MERCOSUR member countries, along with associate members Chile and Bolivia, established a series of agreements. The agreements included free-trade pacts with Mexico and South Africa, as well as measures on macroeconomic coordination, dispute resolution, trade and competition safeguards, foreign relations, judicial regulations and a letter of commitment signed by the member countries.

In August and September 2000, a scandal arose in the Argentine government when several Peronist senators and a few Alliance senators were accused of accepting bribes in favor of the April labor reforms. While the charges were made anonymously, and no evidence was presented, the accusations caused conflict within the government and distrust by the Argentine people. Divisions within the Alliance widened, but in the heat of the bribery scandal, the Senate passed an anti-tax evasion law and an economic "emergency" bill.

A judge proceeded in an investigation of 11 senators for the alleged bribes, but the transparency of the judicial system was highly questioned. One development that was expected to reduce cronyism, however, was that the upper house, until then chosen by provincial legislators, would be directly elected for the first time in 2001.

On Oct. 5, 2000, President de la Rúa carried out a reshuffling of the government ministries in order to produce a "confidence shock" that, he claimed, would make for a more effective government. New appointments were made for the ministries of justice and labor and for the post of chief-of-staff, and the ministries of economy and housing and infrastructure were merged.

Prior to the cabinet changes, Vice President Chacho Alvarez had called for the resignation of Labor Minister Alberto Flamarique and Fernando de Santibañes of the State Intelligence Secretariat, both of whom were allegedly involved in the Senate bribes. In an attempt to secure and display his strength and authority, President de la Rúa responded by appointing Flamarique presidential chief of staff and confirming Santibañes in his post. On October 6, Alvarez resigned from the vice presidency to protest de la Rúa's appointments and his handling of the bribery scandal, and Argentina plunged into political crisis. Estranged from his fellow FREPASO members and tainted by corruption charges, Flamarique resigned from the post of chief of staff only 24 hours after assuming it. Senate leader Jose Genoud and an opposition senator who had allegedly accepted bribes resigned on October 8.

Alvarez's resignation exacerbated the divisions in the already weak FREPASO Alliance. On October 10, four members of Congress left the alliance, hoping to pull others with them. The future of FREPASO looked bleak. Outside interests in breaking up the alliance included Peronists on one hand, and former Menem ministers Domingo Cavallo and Gustavo Beliz on the other, who had formed a grouping of their own that supported the stances of Alvarez and the modernizing wing of the alliance. A restructuring of Argentina's political map seemed to be in the making.

### Economic Woes

The political infighting occurring in Argentina made investors weary, and in November 2000, Argentine bond rates rose sharply. Protests ensued in October and November 2000 in dissent of Argentina's depressed economy. Unemployed people gathered by the thousands and blocked a highway outside of Buenos Aires for weeks, until the government finally conceded to an increase in the number of people eligible for unemployment benefits on November 4. On November 13, Argentina's largest labor union called for a 36-hour, nationwide general strike to protest worker layoffs and to demand a boost in the economy.

Also in November, Economy Minister Jose Luis Machinea implemented limited tax cuts in an effort to get investment going. President de la Rúa announced a series of economic reforms in an

aggressive effort to prevent an economic crisis in Argentina. The measures were focused on industry, with the intentions of increasing productivity and creating more jobs. De la Rúa secured the support of the opposition Peronists for his market reforms by agreeing to implement new social assistance programs for the poor and unemployed.

In December 2000, debates arose in the government over suggestions by some that Argentina defer interest payments on its foreign debt, but Machinea and de la Rúa announced their commitment to keeping up with the payments. Fears that Argentina would default on its debt grew so much that Machinea was obliged to negotiate a \$39.7 billion credit line with the IMF at that time.

President de la Rúa's approval ratings plummeted from 70 percent in December 1999 to 23 percent at the end of 2000. In January 2001, the stagnant economy, falling tax revenues, and unexpectedly high public spending led to a fiscal deficit of \$940 million.

On March 2, 2001, Jose Luis Machinea unexpectedly resigned from his position as economy minister, and President de la Rúa named Ricardo Lopez Murphy to the post a few days later. Although the new economy minister was popular with investors, he lacked the support of FREPASO and of the more conservative members of his own Radical Civic Union party. On March 22, President de la Rúa replaced him with Domingo Cavallo, who held the position for five years during Menem's presidency.

Upon taking office, Cavallo introduced some new taxes that would raise an estimated \$3 billion and called for cuts of about \$900 million to public spending. The IMF announced its support for Cavallo's actions, and investment banks engaged in talks with Argentine officials about debt restructuring.

In early June 2001, the Argentine government succeeded in exchanging \$29.5 billion in mostly short-term debt for newly issued bonds with expiration dates after 2005, thus reducing its risk of defaulting. The exchange was the largest-ever voluntary debt refinancing by a government. Hopes were that such a "swap" would foster growth by lowering short-term borrowing rates for firms, consumers, and the government. The price paid was that interest rates on the new bonds averaged about 15 percent, compared to an average of nine to 12 percent on the previous bonds. The success of the refinancing effort depended on a swift recovery of the economy to a minimum of five percent per year. While this did not seem likely, the government continued to promise reforms that would increase public finances and strengthen Argentine businesses.

With the threat of eventual default still looming, Economy Minister Cavallo announced a new reform package on June 15, 2001, that would have the effect of introducing a floating exchange rate for foreign trade. The package, which included a system of subsidies for imports and tariffs on exports, was extremely unpopular in the international market. Its aim, however, was to boost domestic moral.



In July and August 2001, Argentina's foreign reserves had fallen sharply, and a seven percent fall in bank deposits reflected the Argentine people's waning confidence in the financial system. With the intention of borrowing the least amount of foreign money possible, the Argentine parliament passed emergency austerity measures in July aimed at achieving a zero deficit for the year. The government also persuaded provincial governors to carry out similar budget cuts and local banks to exchange short-term domestic debt for longer maturities. Still, in order to restore public confidence and prevent the downward spiral of a banking crisis, debt default, and currency collapse, Argentina was in dire need of a large foreign loan.

In the midst of the financial and economic crisis, United States President Bush's administration sent a series of mixed signals in July and August as to whether it would back a new support package through the IMF. After 12 days of negotiations in Washington between Argentina's economic team and the IMF, the IMF finally announced on August 22 that it would offer Argentina an additional \$US8 billion dollars in loans.

In return for the re-financing, the Argentine government pledged that it would fully implement the austerity measures passed in July 2001. The government's stance was that the measures in combination with the IMF refinancing would increase investors' confidence and reduce interest rates. While this seemed plausible in theory, the danger for Argentina lay in that even with the tight fiscal policy in place, the budget cuts were likely to deepen the recession and be received with much opposition from the Argentine people, thus scaring investors away.

Although approval of the new IMF package was a temporary sigh of relief for Argentina, whether or not the loans would prevent an economic collapse remained to be seen. Financial markets needed an influx of money right away in order to be out of the dark, but the IMF was opting for the approach of disbursing the loans over the course of a year, provided that Argentina followed through with politically controversial fiscal spending cuts.

Almost immediately, the new IMF package came up against the risk of falling through when the government encountered resistance regarding the reduction of federal funds received by the provinces. With many of the provinces already in financial crisis, cuts in the disbursement of federal tax revenues - a main source of provincial revenue - could cause a total collapse.

### Effects of the Economic Crisis on the Political Landscape

On the political front, de la Rúa's popularity hit all-time lows in the middle of his second year in office, and he faced great opposition in trying to implement cuts in public-sector wages and pensions. Support for the president was weak even in his own party, and the FREPASO alliance was in shambles. Amid much disarray, the Peronist party, too, was undergoing difficulties. With its

titular leader, former-President Carlos Menem, on house arrest for charges of arms smuggling, PJ members lacked a leader and disagreed on policy.

In July 2001, financial market confidence began to deteriorate seriously in the face of the uncertain political situation. Many provinces complained they lacked the money to pay civil service salaries and mid-year bonuses. As the situation deteriorated, Argentina was no longer able to raise funds in the international markets and even domestic confidence in the financial system was eroding badly.

In August 2001, protestors blocked 33 roads throughout the country, and formed a demonstration in Buenos Aires protesting the cuts and advocating a default on the loans reached 25,000 in number. While overall the protests were fairly small, polls showed that four out of five Argentines opposed the government's policies. Indeed, Argentina's desperate recession resulted in massive escalations in the prices of basic goods, such as bread, which, in turn, spurred public hysteria, voluminous withdrawals of cash from the country's banking system, as well as street violence and public protests.

As the prospect of abandonment of the currency board appeared more likely, the government feared runs on the banking system. The imposition of limits on the amount of cash Argentines could withdraw from local banks during a month to which the government resorted in late fall 2001 were deeply unpopular.

Finally, in December, street protests spilled over into rioting and looting, resulting in 28 deaths. On December 20, President De la Rúa resigned and it was apparent that the end of Argentina's determination to maintain the one-to-one peso-dollar peg and to work through its debt crisis without default was near. In late December, Argentina missed interest payments on its international debt, leading to the largest debt default in history.

### Leadership Shifts

Adolpho Rodriguez Saa was named as the new interim president and upon taking office, he declared that Argentina would suspend its international debt payments. Protests over Rodriguez Saa's appointment of officials perceived as being corrupt, his decisions to institute banking restraints, as well as a lack of support from within his own party, led to Saa's resignation only a week later. In his place, Peronist party veteran Eduardo Duhalde was named as the new president.

### Duhalde Attempts to Resolve the Economic Crisis

Duhalde lost little time in announcing a 29 percent devaluation of the peso in January 2002. The new government's plan was to hold the peso-dollar peg at 1.4 pesos per dollar for most



merchandise trade account transactions, while transitioning to a freely floating exchange rate regime over the course of the next few months. It was hoped that these measures would give Argentina back its monetary policy weapons for use in combating the long-running recession. The government also stated that it would continue the limits on bank withdrawals of cash, but, to appease average citizen-voters, announced that small U.S. dollar-denominated debts would be converted to pesos while dollar-denominated bank deposits would remain in dollars.

Another bout of rioting occurred in mid-January 2002 in response to these monetary measures. President Duhalde continued to call for unity and also blamed free market measures for failing to close the gap between the wealthy and impoverished segments of society in the last decade.

In late April 2002, President Duhalde named Argentina's ambassador to the European Union, Roberto Lavagna, as the new economy minister. Lavagna was the sixth Argentine economy minister in the last twelve months, following Jorge Remes Lenicov who resigned in mid-April.

Lavagna's major challenge was to persuade the International Monetary Fund to resume its lending program with Argentina by demonstrating that cuts in spending, as well as reforms in the economic structure and the legal infrastructure, would be actualized. The way in which he navigated these imperatives would be of interest not only to the Argentinian population, which would be directly affected by such measures, but also to the international bodies that administer economic development aid, as well as the broader global community, which has been interested in seeing how Argentina would respond to this crisis.

Restoring confidence in the Argentine economy would, inevitably, be a formidable challenge. Although President Duhalde's commitment to enact the requisite cost-cutting schemes as well as legal reforms must be regarded as promising developments, his idea to anchor the peso to the U.S. dollar only a few short months after Argentina moved away from this fixed exchange rate paradigm was regarded more doubtfully. Indeed, it could well be viewed negatively by the IMF and as such, it risked creating further barriers to the acquisition of much needed IMF assistance. Nevertheless, it was hoped that it would prevent the kinds of street violence and public protest that periodically erupted on the streets of Buenos Aires during that period. Meanwhile, it was hoped that Lavagna's pro-business stance would mitigate against doubts and speculation from outside interest groups on these issues.

In need of economic support from the IMF, Argentina was required to comply with certain conditions for funding set forth by the IMF. These changes included the abolition of an economic subversion law and the enactment of spending cuts. Until recently, Argentina's President Eduardo Duhalde received very little support in making these necessary changes, making it less likely the country would secure funding. In May 2002, Duhalde said he would resign if various factions from his Peronist party did not offer much needed cooperation in these regards. Following a meeting in the Argentine town of La Pampa, provincial governors finally agreed to back his measures. It was

hoped this measure of encouragement would steer Argentina in the direction of economic recovery from its worst economic crisis in its history, by acquiring much-needed financial assistance from the IMF.

### Election 2003

2003 saw Argentina's first election since the collapse of the country's economy in 2001. Carlos Menem garnered 24.3 percent of the votes cast, while Nestor Kirchner garnered 22 percent. Despite winning a plurality of votes, there was no clear majority and so Menem was to face a run-off election with Kirchner on May 18, 2003.

Menem, a Peronist, had been Argentina's president in the 1990s (as discussed in this review). According to polls, a majority of Argentines did not think favorably of Menem and said they would not vote for him. Many Argentines also said they believed Menem to be responsible for the economic downturn. Regardless, his promises to repay the country's debt and to implement structural reforms of the International Monetary Fund made him the favorite in Argentina's business community.

Kirchner was a provincial governor and an ally of the outgoing President Duhalde. He did not embody a similarly flamboyant style as Menem, and instead employed a pragmatic approach. He drew attention to the years of Menem's stewardship, which were characterized by debt and economic hardship. His message was expected to resonate with Argentines because more than half the country was living in poverty and unemployment stood at an astronomical rate of 20 percent.

Interestingly, however, the issue of distinctive economic policies was not the focus of the election campaign. Rather, the election was characterized by differences in personality between the two men and the question of who would be better suited to move Argentina out of its economic morass. In this way, although a majority of Argentines did not think favorably of Menem, they believed that he possessed no shortage of personal strength and influence. As such, certain experts suggested that his personality might win out over Kirchner's efficient pragmatism. Some analysts, however, predicted that anti-Menem factions would unite against him in the run-off.

Meanwhile, in 2003, Argentina and Brazil were considering the introduction of a common currency. Because the Argentinean peso and the Brazilian real have both been valued at about the same rate, and because the two countries are major players in the Latin American trading bloc, MERCOSUR, the measure has been viewed as one which would improve the functions of the trading bloc by reducing currency fluctuations. Further developments in this regard were suspended until a new president took office.

In May 2003, former president and presidential candidate in the 2003 presidential election, Carlos

Menem, withdrew from the election race shortly before the second round. Nestor Kirchner, thus, won by default and took office on May 25, 2003.

#### Developments from 2003 through 2004

In August 2003, legal confusion marred attempts to prosecute members of Argentina's former military junta accused of offenses during its regime in the late 1970s and early 1980s. In one case, 40 former officials who had been detained under a Spanish international arrest warrant were released. In the other case, investigations of alleged murder and torture by almost 80 former officials were re-opened. The second case effectively challenged Argentina's amnesty laws, which until recently have protected members of the former military junta from prosecution. The Argentine Congress, however, overturned these amnesty laws. Still, there seems to be confusion about their status, leading legal experts to call for a definitive ruling by the Supreme Court declaring the laws to be invalid. Such a measure would facilitate the process of prosecution. In this regard, Argentina's new President Nestor Kirchner called for "an end to impunity."

Note: The military junta, which ruled Argentina from 1976 to 1983, was responsible for what became known as the "Dirty War" in which up to 30,000 people were killed, and many more "disappeared."

In April 2004, a judge issued an international arrest warrant for Argentina's former President Carlos Menem. The charges were issued on the grounds of fraud.

Then in August 2004, officials from the International Monetary Fund (IMF) met with Argentina's leadership over the country's financial situation. IMF officials urged President Kirchner and Finance Minister Roberto Lavagna to provide for debt payments. For his part, Kirchner noted that such provisions would hardly be likely.

Meanwhile, outside of the meetings in the streets of the capital city of Buenos Aires, protestors led demonstrations that involved occasional altercations with police. The protestors, largely reflecting public opinion, claimed that Argentina's financial collapse a few years prior was a direct result of the IMF's structural adjustment edicts.

In September 2004, the case against several suspects accused of bombing a Jewish center in 1994, in which 85 people died, ended in acquittal. Because of several irregularities in the case, the actual verdict was not terribly surprising. That said, the fact that no one has had to face punishment for one of the most well-known crimes in recent history left people outraged. Indeed, thousands of Argentines protested in the capital city of Buenos Aires in a rally orchestrated by the country's substantial Jewish community.

## Elections in 2005

On Oct. 23, 2005, Argentina held its legislative elections in which voters chose representatives for half of the Argentine lower Chamber of Deputies and a third of the Senate.

Among those seeking office was President Kirchner's wife, Cristina Kirchner, who was running for a senate seat in the province of Buenos Aires. Polling data indicated that Kirchner would likely claim victory over her opponent -- the wife of former president Eduardo Duhalde, Hilda Duhalde. Kirchner and Duhalde have been respectively allied with rival contingents of the ruling Peronist Party.

The mid-term election was particularly significant for a number of reasons, all of which centered around the Kirchner presidency. First, Kirchner needed to determine what type of popular support he could command at the polls, and as such, the mid-term election was viewed as a preview of the 2007 presidential election. Second, if his candidates prevailed at the polls during the mid-term elections, the conventional wisdom was that such an outcome would improve Kirchner's own re-election chances in 2007. Third, a victory for his own candidates would also function to shore up his own governing mandate in the interim.

Not surprisingly, in the period leading up to election day, Kirchner encouraged the people of Argentina to support his efforts at economic restoration in the aftermath of the events of 2002.

After the election, it appeared that Kirchner had strengthened his support by winning control of the Senate and holding a strong position in the lower house, albeit not a majority. Election results gave Kirchner's allies control over the Senate with 40 of the 72 seats in that chamber, and between 85 and 100 seats in the lower house of 257.

Included in the victory was the Senate seat sought by Cristina Kirchner who was elected overwhelmingly -- 25 percentage points ahead of her rival. Argentina's complex voting system, however, provides for the possibility of more than one candidate being able to hold a Senate seat so there was speculation that Hilda Duhalde would also become a legislator in the upper chamber. Former President Menem was also expected to take a seat in the Senate.

## Special Report: Summit of the Organisation of American States (OAS) in 2005

The leaders of 34 nations from across the Americas convened in the Argentine resort town of Mar del Plata on Nov. 3 and 4, 2005, to discuss consolidating free trade across the hemisphere. The talks, however, failed to reach any significant resolution on the matter of creating The United States-backed proposal for a regional free trade zone. The United States was faced with strong

opposition from five Latin American countries -- Brazil, Argentina, Venezuela, Uruguay, Paraguay - who said that the free trade zone plan could damage their economies. They also cautioned that they wanted to see how various trade-related issues transpired at the upcoming World Trade Organization meeting in Hong Kong. The 29 remaining countries said they would resume talks on a Free Trade Area of the Americas (FTAA) in 2006.

For United States President George W. Bush, the summit was sometimes a rather discomfoting event. At one point, he had to listen to his host, Argentine President Nestor Kirchner, publicly attribute his country's economic woes to American-backed economic policies of structural adjustment. In addition to that, he was faced with opposition from Venezuela's President Hugo Chavez, who said Latin America was "standing like a rock" against the idea of the free trade area. Chavez also led a peaceful anti-Bush rally of about 40,000 people at a football stadium in the resort town. During the rally, Chavez characterized as Bush's foreign policy agenda as a neo-imperialist creation. Argentine soccer legend, Diego Maradona, also participated in the rally at the start of the summit. A demonstration by far-left activists later in the day resulted in violent riots. Still, Bush responded with good humor to his less than warm reception. At one point, he noted, "It's not easy to host all these countries. It's particularly not easy to host - perhaps - me."

### Developments in 2006

In April 2006, several thousand people gathered in the Argentine town of Gualeguaychu for a massive environmental rally. The demonstrators were hoping to stop the construction of two paper pulp mills on the Uruguayan side of the river that separates the two countries. Demonstrators, activists and environmental groups have warned that the mills will pollute the river despite claimed by the builders that the use of the latest technology would prevent such an end. Among Uruguayans, there is a different sentiment. Instead, they support the project as a source of employment and investment.

The dispute was ongoing for over a year and has had an effect on the two normally-friendly countries. Indeed, relations between the governments in Buenos Aires and Montevideo went downhill rapidly and spurred the concern of neighboring countries. In addition to grass-roots efforts by demonstrators, the Argentine government also took action. It has accused Uruguay breaking a treaty governing the protection of the waters and, as such, it took the case to the International Court of Justice in the Hague. But Argentina's hopes were dashed when the court at The Hague ruled that the construction of the mill was permissible.

In October 2006, Argentines launched protests against the construction of pulp mill across the border in neighboring Uruguay. On October 11, 2006, the World Bank said that the plant complied with environmental standards and so it intended to go forward with the project. This announcement by the World Bank sparked the latest bout of demonstrations. About 300 protestors

blocked road links between the two countries on October 13, 2006, including roads leading to a bridge across the Uruguay River into the town of Gualeguaychu. Other protestors also blocked a cross-border bridge near the town of Colon.

Meanwhile, Argentina's former President Raul Alfonsin appeared in court in late August 2006. Alfonsin had been called to court to function as the only witness for the defense in a second trial (retrial) of former Police Chief Miguel Etchecolatz, who had been sentenced in the 1980s to 23 years in jail for crimes against humanity but who was quickly released as a result of an amnesty. He was being retried after the amnesty was disbanded due a ruling in 2005 on its unconstitutionality. Alfonsin testified before the court for the purpose of defending the controversial legislation, which allowed individuals who committed murder and torture during the time of the former military government to be released into freedom.

Findings of unconstitutionality also resulted in the ruling by a judge in September 2006 to revoke the pardons granted to two former government ministers. Former Economy Minister Jose Alfredo Martinez de Hoz and former Interior Minister Albano Harguindeguy, in addition to a number of military officers, had been tried, found guilty and imprisoned on charges of kidnapping, torture and mass killings committed during Argentina's violent and repressive years, known as the "Dirty War." When civilian government returned to Argentina, subsequent governments in the 1990s, such as that of former leader Carlos Menem, granted pardons and amnesties to individuals found guilty of "Dirty War" crimes, thus allowing them to walk free. This recent ruling paved the way for the two former ministers to be re-tried for past crimes, such as the kidnapping of two businessmen.

### Developments in 2007

Reynaldo Bignone, one of the last of Argentina's military rulers who came to power in 1982, was arrested in March 2007 in conjunction with an investigation of human rights abuses. Bognone has denied any involvement in the disappearance of tens of thousands of people during the time that came to be known as "the Dirty War."

September 2007 saw Argentina's former President Carlos Menem charged with the illegal sale of weapons to Croatia and Ecuador. Authorities in Argentina ordered Menem to surrender his passport and they froze his assets, which were estimated to be worth around \$120 million.

The allegations against Menem involved the sale of rifles, cannons, anti-tank rockets and ammunition to Ecuador and Croatia between 1991 and 1995. During that period, Ecuador was embroiled in a conflict with Peru and Croatia -- one of the former Yugoslav states -- was entrenched in the bloody dissolution of that country. The case suggests that Menem and others were involved in falsifying statements suggesting that the destinations of the weaponry were



Panama and Venezuela rather than Ecuador and Peru. Also at issue was the fact that several millions of dollars were allegedly spent in bribes to further the illegal transactions.

For his part, Menem denied any wrongdoing. Six years prior, he was faced with related charges. However, a panel of judges (including judges he appointed during his presidency which lasted from 1989 to 1999) ruled in his favor and he was released. It was not known if he would enjoy such an outcome in this case since the political climate in Argentina had changed. Of particular note has been his decreased popularity due to public distaste for the corruption and scandal that have now come to be associated with his tenure in office.

In November 2007, the disagreement with Uruguay over the aforementioned pulp mills to be built on the Uruguayan side of the river separating the two countries returned to the forefront of the political agenda. Tens of thousands of Argentines marched to the border with Uruguay to protest the construction of a pulp paper mill. Protestors were said to have taken to the streets and even onto the water in boats, while waving banners emblazoned with the words "No to the paper plant." The announcement by Uruguayan President Tabare Vazquez that work could commence at a mill appeared to have sparked the latest protests. Argentine President Nestor Kirchner responded to the news by saying that his Uruguayan counterpart had punched Argentina in the back. The issue brought devolving bilateral relations into sharp relief.

### Elections of 2007

In mid-2007, it was announced that Cristina Kirchner, the wife of Argentina's President Nestor Kirchner, would contest the presidential election set for Oct. 28, 2007, rather than her husband. There was little conclusive information as to why Cristina Kirchner, and not Nestor Kirchner, would be contesting the election as the candidate of the ruling party. There was some speculation about health problems by the male Kirchner. However, there were reports that some poor outcomes in local elections spurred the need for some degree of change. Regardless of the rationale for the decision, the official campaign of Cristina Kirchner was set to be launched later in July 2007. Polling data consistently showed that her campaign promised to be successful, with a first round victory indicated to be in the offing. Should a second round be necessitated, it was expected to be held on Nov. 25, 2007.

On Oct. 28, 2007, voters went to the polls in Argentina to cast their ballots for the presidency of the country. In addition to the presidential race, voters were also casting their ballots for eight provincial governors, a third of the upper legislative chamber, the Senate, and half of the lower house, the Chamber of Deputies. Polling stations had to be kept open for an extra hour to accommodate a surge of voters in the early evening. The two main issues in the pre-election period were the economy and crime.

In addition to First Lady Cristina Kirchner, there were 13 other candidates contesting the presidential election. The main contenders included: Kirchner, who had served as the Senator for the province of Buenos Aires and was the candidate of her husband's center-left Front for Victory (FPV); former beauty pageant queen Elisa Carrio, who was the candidate of the left-leaning Civic Coalition, which was composed of politicians from several parties; former Economy Minister (under outgoing President Kirchner), Roberto Lavagna, who was the candidate for the centrist Coalition for an Advanced Nation (UNA); and former cabinet minister (holding the portfolios for both Economy Ministry and Defense Ministry) and free market economist, Ricardo Lopez Murphy, who was the candidate of the center-right.

On policy, Cristina Kirchner campaigned on a platform of extending her husband's economic policies, and increased engagement on the international stage. Carrio's campaign platform focused in fighting corruption and reducing the chasm between rich and poor. Lavagna, largely regarded as the architect of the economic model that carried Argentina out of its 2001 economic crisis and orchestrated the rescheduling of \$100 billion in debt in 2005, focused on the economy. He argued that the administration he had once served within had strayed off course, and argued that the government was not providing correct statistics about inflation. Lopez Murphy's campaign focused on job creation and the government's inability to deal with crime.

Exit poll data showed that Kirchner won the necessary plurality of votes cast to avoid a second round. Early election results appeared to be in line with exit poll data and showed that Kirchner won 42 percent of the vote share. That lead accelerated to 44.9 percent as the vote count continued. Under Argentina's system, a candidate needs either 45 percent of the vote share, or, 40 percent of the vote share in addition to a 10 point advantage. Her closest rivals were Carrio who garnered 23 percent and Lavagna who was in third place with 17 percent.

At her campaign headquarters in Argentina's capital city of Buenos Aires, Kirchner claimed victory in the presidential election in the first round saying, "We've won by a wide margin." She also promised to continue the efforts of her husband's administration, particularly in the aftermath of the 2001 economic crisis that gripped Argentina, but which since then had seen the country return to not only stability but prosperity. To these ends, she said, "We have repositioned the country, fought poverty and unemployment, all these tragedies that have hit Argentines."

The vote counting was incomplete and the results were yet to be formalized. Nevertheless, the trend indicated that Kirchner was, indeed, set to become the new head of state of Argentina. Cristina Fernandez de Kirchner -- the new president -- was inaugurated on Dec. 10, 2007.

*Editor's Note:* In succeeding her husband as president, Cristina Kirchner was not the first woman in Argentina, or the first "First Lady" to become president. Isabel Peron, the widow of President Juan Domingo Peron, led Argentina for a short time in the 1970s. Peron's previous wife, Evita Peron, was perhaps more well-known as a leading figure on the Argentine political scene in the



1940s and 1950s. Because of her credentials as an experienced politician and Senator, Cristina Kirchner has, at times, been identified with United States Senator and former First Lady Hillary Clinton. She dismissed the comparison saying, "There's nothing better than being yourself." Regardless, Cristina Kirchner was set to make history. She holds the distinction of being the first woman elected as president of Argentina.

### Key Developments of 2008:

In mid-July 2008, Argentine President Cristina Fernandez de Kirchner cancelled controversial tax increases on agricultural exports, known as the "farm tax." Instead, export taxes were expected to revert to the fixed rates that were in place earlier in the year. The move came after the Senate rejected the government proposal of the farm tax by a narrow vote.

The farm tax caused much public consternation and sparked mass protests that lasted for several months. Farmers were particularly enraged by the prospects of the tax increase, saying it would be destructive to the farming sector. However, the government argued that the tax increase was needed to deal with poverty alleviation and to fund infrastructure projects. The issue took a particularly negative turn when farmers went on strike to register their discontent, thus leading the food shortages that affected various parts of the country.

July 2008 also saw a former Argentine army chief, Luciano Benjamin Menendez, sentenced to life in prison. Along with seven other individuals, Menendez was found guilty of the 1977 kidnapping, torture and killing of four left-wing activists -- Hilda Palacios, Carlos Laja, Ruben Cardozo and Humberto Brandalisi -- at a time when the country was subject to repressive military rule. Prosecutors argued that the four activists were confined in a clandestine center where they were tortured and later executed. Their bodies were later deposited on the street. Menendez, who commanded the regional Third Army Corps, gained notoriety as one of the most feared military leaders during what has been largely regarded as the darkest chapter in modern Argentine history or the "Dirty War." For his part, Menendez has remained strongly unrepentant for his crimes and said that he acted against communist subversives. Before being sentenced, he said, "Argentine society was involved in a war provoked by international Marxists, the same people that still persist in their obscure aim."

See "Editor's Note" below on the "Dirty War."

### Elections of 2009

On June 28, 2009, Argentines went to the polls to vote in mid-term parliamentary elections. Results indicated that President Cristina Fernandez de Kirchner's ruling Peronist party had lost its majority control of both houses of Congress. In a particularly personal blow, the president's

husband, Nestor Kirchner, conceded after losing in Buenos Aires province -- normally a stronghold for Peronists. To that end, his loss in Buenos Aires was to a dissident Peronist, Francisco de Narvaez. Kirchner said, "We have lost by one-and-a-half or two points and we have no problem recognizing it."

President Cristina Fernandez de Kirchner succeeded her husband, former President Kirchner, in 2007. In the last two years, her political fortunes have been on a downward slide as Argentina has been beset by economic woes, complaints of governmental incompetence, as well as increasing crime. Doubts about the president were not helped by an ongoing contretemps between the Kirchners and the country's agricultural sector over the issue of taxes. Accordingly, the election losses delivered an unwelcome message to the powerhouse couple on their popularity, as well as what some saw as their confrontational style of politics.

To that end, analysts said that President Fernandez would be forced to take a more conciliatory tone in her interactions with member of the new Congress, many of whom were tied to the farming industry. At issue were likely moves to decrease state intervention in the private sector, and particularly in the agricultural realm. But those new representatives would not take their seats until December 2009. As such, the president had several months still at the helm of a majority in the legislative body.

Yet to be seen was whether or not there would be a power struggle within the Peronist party ahead of the 2011 presidential elections. One key player on the scene was Senator Carlos Reutemann -- a Peronist centrist who forged positive ties with the farming community. Another Peronist was Vice-President Julio Cobos, who also enjoyed good relations with the farming community and even voted in the Senate against the bill on agricultural taxes, which was supported by the president and her husband. Either of these two individuals could become credible candidates to lead the party, which was now embroiled in a power chasm thanks to the resignation of Nestor Kirchner as party leader on June 30, 2009.

Meanwhile, in the aftermath of the election losses for her Peronist party, President Cristina Fernandez de Kirchner carried out a cabinet shuffle.

### Special Report

Death of Nestor Kirchner --

On October 27, 2010, Nestor Kirchner -- Argentina's former leader and husband of the current president -- died suddenly of a heart attack. Hailed for returning the country to some degree of stability from 2003 to 2007 following a period of grave economic instability, Nestor Kirchner was also appreciated for his regional sensibilities as the secretary general of the South American regional grouping, Unasur. Not surprisingly, leaders of the Americas were quick to express their

condolences. Despite his stewardship as governor of the energy-rich Santa Cruz province, his biggest support base was with trade unionists and other populists.

The former president was lying in state in the government palace, known as Casa Rosada, the day after his death. An official funeral was held on October 29, 2010 in the Argentine capital of Buenos Aires with thousands of citizens lining the streets and throwing flowers as the funeral procession progressed through Buenos Aires. That funeral procession was led by Argentine President Cristina Fernandez. Around the president, citizens waved flags, carried candles, chanted her name, and shouted tearful thanks to the late Nestor Kirchner for his service to the country. Later, Nestor Kirchner's body was flown to Patagonia for burial in the former president's home town of Rio Gallegos where he would be laid to rest following a private funeral ceremony at a local cemetery.

The sadness of the occasion aside, attention was also on the matter of political succession. The conventional wisdom had been that Cristina Fernandez would step aside ahead of the presidential election set for 2011 to give her husband a chance for to contest the vote for the country's top post. Now, with his passing, supporters were encouraging Cristina Fernandez to stand for re-election instead.

### Special Report:

#### Justice and Accountability --

In April 2010, 82-year old Reynaldo Bignone, a former Argentine military ruler, was sentenced to 25 years for human rights abuses committed almost close to three decades earlier. Indeed, he was found guilty of complicity in 56 cases of murder, torture and kidnappings. As the deputy chief of Argentina's notorious torture center, known as Campo de Mayo, Bignone reportedly ordered abductions and torture of victims in the period of 1978 to 1979. He then went on to function as the country's acting president from 1982 to 1983. That period of the late 1970s and early 1980s was known as Argentina's "Dirty War" during which approximately 30,000 people died or "disappeared" at the hands of the right-wing military dictatorship for alleged associations with the political left of the country. Along with Bignone, six other officials of the same time period also were subject to jail time.

On July 2, 2010, former Argentine dictator, Jorge Rafael Videla, was on trial for a number of human rights charges allegedly committed during the notorious "Dirty War" of the 1970s. Videla has held the dubious distinction of being one of the orchestrators of that dark chapter of Argentina's history.

In fact, in 1985, Videla was found guilty and jailed on a lifetime sentence for torture, murder and

other crimes during a landmark trial of the leaders of the military junta. However, he was pardoned just three years later by the leader at the time, President Carlos Menem. In response to accusations that his regime was responsible for the thousands of people who "disappeared" during rule by the military junta, Videla infamously said: "The disappeared do not exist."

Now on the stand at the close of the first week of July 2010, Videla defended his regime, took responsibility for being the orchestrator of the "Dirty War," and being behind the disappearance of the thousands of persons. Indeed, Videla said the actions were part of an "internal war against subversive forces."

Videla was among more than a score of political figures facing murder charges in a specific case involving the deaths of 31 political prisoners just after the military dictatorship took power in Argentina in 1976. Videla was no longer protected by presidential pardon following a decision by the Supreme Court in 2007 to strike down that provision. Indeed, the ruling cleared the way for other cases to be brought against him. In addition to this particular case, two further trials were scheduled for later in 2010; one case involved the dozens of babies who were born in captivity to prisoners and later killed. He also face charges in various European countries -- Spain, Italy, France and Germany -- for the murder of their citizens in Argentina. Videla was already serving a life sentence for the restored conviction noted above. Thus, guilty findings in these cases would not materially alter his fate; instead, the purpose was for justice to be served in the interests of the victims and their families.

In mid-April 2011, Reynaldo Bignone, a former Argentine military ruler, was sentenced to life in prison for the torture and murder of political opponents more than three decades ago, during the country's "Dirty War." At issue in this case were the abductions and murder of a series of left-wing activists in the town of Escobar. Among the victims were former congressman, Diego Muniz Barreto, and left-wing activist, Gaston Goncalves. Several other people, including a former army intelligence officer and the former mayor of Escobar, were also convicted and sentenced to life in prison for the complicity in these crimes.

Exactly a year earlier in April 2010, 82-year old Bignone (discussed above), was sentenced to 25 years for human rights abuses committed almost close to three decades earlier. In 2010, Bignone had been found guilty of complicity in 56 cases of murder, torture and kidnappings. As the deputy chief of Argentina's notorious torture center, known as Campo de Mayo, Bignone reportedly ordered abductions and torture of victims in the period of 1978 to 1979. Now, in 2011, Bignone's jail time had been exponentially increased with the latest conviction and the associated life sentence. He was yet to face justice for the systematic theft of the babies of political prisoners.

For his part, Bignone has argued that he was only doing what was necessary in the "war" against left-wing subversion. Moreover, Bignone has claimed that the civil court was not "competent"

enough to judge him. Nevertheless, the convictions and concurrent sentencing of Bignone was met by applause from the families of victims, as well as national and international human rights groups, who hailed this long-sought day of justice. Notably, Estela de Carlotto, the leader of the Grandmothers of the Plaza de Mayo human rights group, said: "This is a historic day for all Argentines of goodwill. Many countries are viewing Argentina with growing respect because we are carrying the banners of truth and justice on behalf of the 30,000."

See "Editor's Note" below on Argentina's "Dirty War."

### Primer on 2011 Elections in Argentina

(Oct. 23, 2011)

On May 16, 2011, it was announced that general elections in Argentina would be held on Oct. 23, 2011. Should a second round of voting be needed to determine the result of the presidential election, that vote would be held on Nov. 20, 2011. Note that at the parliamentary level, half of the seats in the legislative body would be up for election.

In the presidential race, incumbent President Cristina Fernandez de Kirchner made it clear that she would be seeking re-election. Indeed, in a televised national address on June 21, 2011, President Fernandez made her intent official saying, "How am I going to let up and not press forward?" The incumbent president entered the election contest as the clear front runner, with a good chance of claiming an outright victory in the first round.

Political analysts pointed to the disorganized opposition, which had not managed to cultivate an effective campaign message, noting that President Fernandez -- a Peronist -- would be the ultimate beneficiary. The incumbent president would also be helped by an economy showing fairly consistent growth under her stewardship, as well as the public's appreciation for the government's generous social welfare initiatives at a time when other countries were instituting harsh austerity measures. Cristina Fernandez has additionally presented a sympathetic figure as the grieving widow in the wake of the death of her husband -- former President Nestor Kirchner. President Fernandez' penchant for dressing in black appeared to have struck a chord with the Argentine people, evoking the memory of President Juan Domingo Peron who wore black arm bands after the death of his wife, Eva Peron, in 1952.

Polling data in May 2011 showed public sentiment in line with analysts' predictions. A survey by the Center of Public Opinion Studies found Fernandez garnering about 47 percent of the vote, followed by 15 percent for an opposition congressman, Ricardo Alfonsin, and seven percent for fellow Peronist, former President Eduardo Duhalde. The incumbent president's hand was strengthened in mid-August 2011 when she won a primary vote against Alfonsin and Duhalde, in

what was generally regarded as a preview of the general election. Fernandez garnered around 50 percent of the vote share in the primary election while her Alfonsin and Duhalde respectively trailed 38 percentage points behind her.

On election day -- Oct. 23, 2011 -- it was quickly made apparent that incumbent President Cristina Fernandez de Kirchner was headed for a clear victory, with a sizable lead over his closest rival, Hermes Binner . The question of the day was whether or not President Fernandez would be able to avoid a run-off or second round. Under the aegis of electoral law, a candidate who secures 45 percent of the votes, or 40 percent with a lead of at least 10 percentage points over the nearest rival, wins victory in a presidential election. Without meeting either of those criteria, the top two candidates in the initial round of the presidential contest would compete in a second round of voting.

For her part, Cristina Fernandez de Kirchner outperformed pre-election polling data by securing a landslide victory of 53 percent of the vote share -- a numerical and outright victory. Binner -- her closest rival -- trailed far behind with only 17 percent. It was the most substantial margin a presidential candidate has enjoyed in Argentina since the return to democracy in 1983. Supporters took to the streets and gathered at the Plaza de Mayo to celebrate the president's historic re-election victory, and the continued Peronist legacy at the helm of Argentina. In an address to her jubilant supporters, President Fernandez said, "Count on me to continue pursuing the project. All I want is to keep collaborating ... to keep Argentina growing." Paying tribute to her late husband, she added: "This is a strange night for me. This man who transformed Argentina led us all and gave everything he had and more ... Without him, without his valor and courage, it would have been impossible to get to this point."

Note that at the legislative level, early projections indicated that President Fernandez de Kirchner's broad coalition, known as the Front for Victory, was on track to increase their representation in the lower house from 87 seats to around 116 seats in the 257-seat chamber. In the Senate, the composition remained relatively the same with the president's Front for Victory holding on to about 30 seats of the 72 in that chamber; the Radical Union for Change would hold about 17 seats, and the rest of the seats would go to various other parties.

On Dec. 10, 2011, Cristina Fernandez de Kirchner was inaugurated into office for another term as Argentina's president. Cristina Fernandez de Kirchner promised to uphold her duties as president and also dedicated her service to the honor of her late husband, former President Nestor Kirchner who died suddenly in 2007. Speaking at the inauguration ceremony, she said: "Our national project will continue until not one poor person remains." She also promised to consolidate the country's economy and its expansion, saying: "Our model is one of growth. We believe in growing, working and social inclusion, and we are going to maintain the course."



## Special Entry

In October 2011, Argentina's state of national security came to the fore when United States law enforcement and intelligence agencies uncovered a conspiracy plot by Iranian agents working on behalf of the elite Iranian Quds Force. The plot included plans to assassinate the Saudi Arabian ambassador to the United States, and to bomb the Saudi and Israeli embassies in Washington D.C. and Buenos Aires. The White House has promised to hold Tehran responsible for its involvement in this elaborate plot of assassination and terrorism. Meanwhile, a connection between the Iranian agents and Mexican drug cartels (whom the Iranian agents were hoping to hire to carry out the assassination) has been uncovered, effectively complicating the already-tangled web of complex geopolitics.

## Update

On March 31, 2012, a judge ruled that former Argentine President Menem would be tried for obstructing an investigation into the 1994 bombing of a Jewish community center in Buenos Aires. The judge decided that Menem -- the son of Syrian immigrants who served as president of Argentina from 1989 to 1999 -- would face trial for allegedly protecting the Lebanon-based/Iran-aligned Islamic militant group, Hezbollah, for its role in the attack. It should be noted that the bombing killed 85 people, left hundreds others injured, and destroyed the building housing the Jewish Cultural Center.

Argentine prosecutors asserted that Iran was behind the planning and financing of the attack, while it was carried out by Hezbollah. As well, prosecutors alleged that Menem conspired with Hugo Anzorreguy, the country's former state intelligence chief, ex-police chief Jorge Palacios, among others to conceal the involvement of certain local accomplices with Middle Eastern ties in the attack. A number of other former Argentine officials would also face trial on the same allegations. While no one has yet been convicted for the bombing attack, several arrest warrants have been issued for Iranian government officials. Menem, who was now serving as a senator, would have to be impeached by his fellow senators in order to serve a prison sentence, even if he were to be found guilty of the stated charges.

In mid-April 2012, Argentine President Cristina Fernandez de Kirchner announced that Argentina would be taking over control of the Spanish-owned oil company, YPF. Spain reacted in a furor to YPF's nationalization thrust, and threatened retaliation. Indeed, the situation created something of a diplomatic dispute as Spain attempted to rally international support against Argentina's move. The outrage on the international scene was not matched in the same way at home. Instead, Argentines lauded and praised the president -- who has actively pursued nationalist policies -- for the move. They pointed to the fact that despite soaring inflation and capital flight, Argentina was enjoying

robust growth. Indeed, many Argentines recall vividly the calamitous economic collapse of the previous decade, which they blame on market-oriented policies of the 1990s.

On July 5, 2012, two of Argentina's former military leaders were found guilty of directing the theft of babies of political prisoners. At issue in this case was the removal of as many as 400 babies from their parents, who were being held in detention centers at the time of military rule.

It should be noted that more than 100 children given up for adoption to people with ties to the military or police have since been reunited with their biological families. This process has been helped by the work of "The Grandmothers of the Plaza de Mayo," which works to discover the identities of the children taken by the military authorities.

Jorge Videla and Reynaldo Bignone were sentenced by a court in Buenos Aires to 50 years in prison and 15 years in prison respectively. Videla received the maximum sentence because the court deemed him to be guilty of the "systematic abduction, detention and hiding of minors under the age of 10." Both men were already serving prison sentences for crimes committed during the brutal time of military rule between 1976 and 1983, known as Argentina's "Dirty War." Indeed, Videla had been sentenced to life imprisonment in 2010 for the torture, murder, and other crimes committed under his rule. Bignone was also given a life sentence in 2011 for the torture and murder of political opponents.

Editor's Note --

Known as the "Dirty War," this tragic period of Argentine history was marked by the kidnapping, torture and executions of tens of thousands of Argentines, as well as the military junta's takeover of unions and censorship of the media. Indeed, the late 1970s to the early 1980s was a period during which approximately 30,000 people died or "disappeared" at the hands of the right-wing military dictatorship for alleged associations with the political left of the country. The return to civilian rule after this dark chapter in Argentina's story came along with amnesty and pardons, which meant that those responsible for the rampant anti-leftist violence escaped prosecution. However, in recent times, those amnesties and pardons were ruled to be unconstitutional. These trials have been made possible as a result of the Supreme Court's decision in 2005 to overturn the amnesty laws, which protected "Dirty War" players from prosecution.

#### 2013 Parliamentary Elections Note:

Parliamentary elections were scheduled to be held in Argentina in October 2013. At stake would be the composition of the bicameral "Congreso Nacional" (National Congress), which consists of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado" (Senate), there are 72 seats and members are elected by direct vote; one-third of the members



elected are every two years to six-year terms. In the "Cámara de Diputados" (Chamber of Deputies), there are 257 seats and members are elected by direct vote; one-half of the members are elected every two years to four-year terms.

The main parties in Argentina can be understood as part of the following groupings --

- The ruling Front for Victory (FpV) -- a broad leftist and Peronist coalition, led by President Cristina Kirchner Nestor, which is officially aligned with the Justicialist Party (traditional Peronist, centrist Democrat)
- Dissident Peronists (PJ Disidente) or Federal Peronism (a sector of the Justicialist Party opposed to the Kirchners)
- Civic Coalition -- a center left party; supported by the centrist Civic Coalition ARI
- The Radical Civic Union (Union Cívica Radical in Spanish, or UCR) -- a social liberal and anti-Peronist political party
- Republican Proposal (Propuesta Republicana in Spanish, of PRO) -- a right-wing political party
- Socialist Party - a social democratic political party
- Broad Progressive Front - a center-left coalition
- Renewal Front (Frente Renovador in Spanish) -- a newly-formed party that can be considered a breakaway entity from the ruling Front for Victory (FpV)

In the last elections of 2011, most seats were won by the Front for Victory (FpV). It was to be seen if the president's bloc would again see success at the polls in 2013. To that end, in August 2013, President Fernandez de Kirchner's bloc was hit by a series of political setbacks. The primary issue was the disappointing performance of her bloc in election primary contests that typically hint towards the state of the political climate ahead of the mid-term elections.

A particular fly in the proverbial ointment for President Fernandez de Kirchner was Sergio Massa, the popular mayor of Tigre. Although he served in administrations of the president and her husband (the now-deceased President Nestor Kirchner), Massa was not a stalwart of the power couple. Now, rather than running on the party list for the FpV, Massa formed his own party, Frente Renovador (Renewal Front), which was backed by a cadre of mayors from Buenos Aires province, including the former Argentine Industrial Union president, Jose Ignacio de Mendiguren. Massa's strong primary performance in an affluent district of Buenos Aires was a sign that the president's FpV was not in a position of strength.

Despite being re-elected to power overwhelmingly in 2011, the president has seen plummeting approval ratings. Of significance for citizens in Argentina was President Fernandez de Kirchner's economic stewardship of the country. Specifically, the Argentine business class was displeased about her failure to control inflation, her protectionist economic policies, including the nationalization of companies, and also foreign exchange controls and import restrictions.

Also of particular concern for the public has been the accusation that her government manipulated economic and financial data regarding Argentina's economic performance, to the consternation of the International Monetary Fund and the World Bank. The issue caused the European Union to question trade arrangements with Argentina. Meanwhile, the failure to settle creditor claims incurred in the wake of Argentina's sovereign default in 2001 spurred the United States to withdraw trade privileges. That move by the United States caused the International Monetary Fund to withdraw its proposed support for Argentina in dealing with the defaulted debt issue discussed here.

At the same time, trade union leaders and farmers' associations have questioned the government's policies, arguing that they have yielded only difficulties, and that key sectors have been ignored. Outside the country, economic experts from the World Bank have pointed to the fact that Argentina's poverty alleviation programs have often failed in their objectives. As stated in a World Bank report, "Argentina is a relatively rich country. Yet despite this wealth, it is also a country with a relatively high level of poverty." The government of Argentina countered with the argument that the poverty rate in Argentina had dropped to 5.4 percent in 2012; however, critics were now regarding government statistics as unreliable.

As a consequence of these myriad factors, there was a rising tide of discontent among the citizenry over the government's policy agenda, as well as President Fernandez de Kirchner's handling of the country's economy and finances. At the same time, the chorus of criticism was growing louder regarding Argentina's standing in the world, in addition to the president's inability to assuage would-be partners abroad.

Irrespective of the political landscape, President Fernandez de Kirchner remained defiant and insisted that she would move forward with her political and economic agenda. She also dismissed the primary election results, casting them as irrelevant. She had particularly harsh words for Massa (mentioned above). The fact that Fernandez de Kirchner's eyes were trained on Massa at all suggested that she was aware that he could be a potential presidential contender in the future. His success in the primaries, as well as the perception of him as being a fresh face to the national scene, certainly indicated that some segments of the Argentinian citizenry were in the mood for change. It was to be seen if this mood would translate into anti-incumbent votes on election day in October 2013.

On election day -- Oct. 27, 2013 -- Argentines went to the polls to cast their ballots. Turnout was a healthy 75 percent and voting went off in a calm manner. When the polling stations closed, the process of counting the votes began. Once the votes were counted, the results were released.

As expected, the aforementioned Sergio Massa's Renewal Front had pulled off a sizable victory in the province of Buenos Aires. In fact, President Cristina Fernandez de Kirchner's Front for Victory secured only a third place finish in that province -- behind the congressional candidates of another rival party headed by Mayor Mauricio Macri's center-right. Ultimately, the president's Front for Victory lost in almost half the provinces, including major urban centers. That being said, the expectations that Fernandez de Kirchner's Front for Victory would lose a sizable portion of seats in Congress but not its overall majority came to pass. To that end, Fernandez de Kirchner's Front for Victory won 33 percent nationwide.

The conclusions from the 2013 parliamentary elections in Argentina were two-fold. First, despite the dissatisfaction felt towards Fernandez de Kirchner and the Front for Victory, the president's party was still able to hold onto the most seats in Congress. The president's party won enough parliamentary seats to show continued overall dominance but not what could be regarded as a "constitutional majority" needed to set the path for a third term in office. Stated differently, there were constitutional hurdles that had to be crossed for Fernandez de Kirchner to be able to contest a third term in office, which were no longer relevant since she did not secure a constitutional two-thirds majority. Second, Massa's Renewal Front was able to advance an impressive performance as an upstart party. Indeed, it was clear that the spotlight was falling favorably on Massa, who could credibly be viewed as a political powerhouse candidate for the presidency in 2015.

#### Special Entry: Argentina defaults on debt following failure of talks with bond holders

On July 31, 2014, for the second time in more than a dozen years, Argentina defaulted on its debt. The 2014 default was actually the extended outcome of an economic crisis in 2000, which was marked by 20 percent unemployment and a run on the banks. That crisis led to a number of rescue maneuvers, including a credit line from the International Monetary Fund (coupled by austerity measures), all aimed at avoiding default. Nevertheless, in December 2001 Argentina missed interest payments on its international debt, leading to the largest debt default in history.

In fact, Argentina has defaulted on its debt eight times in its history, but the 2001 episode stands as the most significant and was followed by the devaluation of the peso.

These moves -- while derided by financial mainstreamers who eschew default -- were actually actions of a responsible country aiming to avoid a deflationary spiral. While default certainly curtailed Argentina's access to international capital and gave the people of Argentina the heart ache of massive inflation, it did serve the particular purpose noted here. That being said, these moves

still allowed Argentina's economy to recover sufficiently, so that it was able in 2005 and 2010 to attempt to repay the holder of its defaulted debt at a rate of about 35 cents on the dollar of the original debt.

The vast majority of Argentina's bond holders agreed to new restructuring terms; however, a particular group of hedge funds, including Aurelius Capital Management, Elliot Management, and NML Capital, did not. Argentina's 2014 default stemmed from the refusal by this cadre of bond holders to assent to the new restructuring terms. Instead, they insisted that they could and should hold out for a better deal.

It should be noted that United States courts blocked payments to other the bond holders who were willing to be paid under restructured terms until an agreement with the "hold out" hedge fund investors could be forged. Thus, with the courts involved, a final effort to find a resolution was advanced in the form of a meeting in New York.

The 2014 default occurred after these talks with bond holders in New York ended in failure, with Argentina rejecting the proposal on the table. As intimated here, that proposal was not much of a compromise with the hedge funds demanding that the full amount of \$1.3 billion be paid on the bonds they (the investors) held. While Argentina was willing to repay its debt along restructured terms, it now had the choice to either pay all the bond holders -- including the hedge funds who were demanding full payment -- or to go down the road of default. Argentina chose the latter path. As noted by the court-appointed mediator, Daniel Pollack, "Unfortunately, no agreement was reached and the Republic of Argentina will imminently be in default."

For her part, Argentina's President Cristina Fernandez de Kirchner accused the United States hedge funds that bought Argentina's debt at cheap rates of operating like a "vulture fund," noting that they were reaping profits at the expense of Argentina's economic woes. It was certainly true that those hedge funds had gobbled up Argentina's defaulted debt from 2001 at cheap rates.

Meanwhile, the credit ratings agency Standard & Poor's (S&P) downgraded Argentina on the basis of the default, although it said a revision would be in order if Argentina found a way to make the payment.

#### Special Entry: Argentine prosecutor at the helm of Jewish center bombing case found shot to death

In January 2015, Alberto Nisman, the Argentine prosecutor at the helm of the Amia Jewish Center 1994 bombing case was found shot to death at his home. Nisman's body was discovered just hours before he was due to testify in Congress. He was in the public purview due to his investigation into the attack in Buenos Aires at the Jewish center that left 85 people dead in 1994. But he gained notoriety when he accused several senior government figures, including President

Cristina Fernandez de Kirchner and Foreign Minister Hector Timerman, of their involvement in a plot to cover up Iran's alleged role in the bombing.

Argentine authorities at first suggested Nisman's death was suicide but later admitted they could not foreclose the possibility of homicide. While President Fernandez de Kirchner had dismissed Nisman's claims against her as ridiculous, she nonetheless acknowledged that his untimely death was suspect and unlikely to be an act of suicide.

Meanwhile, Damian Pachter, the first journalist to report the death of Nisman announced he was fleeing the country due to safety concerns. Pachter said in an interview with the media, "I am leaving because my life is in danger." He added, "My phones have been extensively tapped."

In February 2015, as the Nisman controversy continued to swirl in Argentina, it was reported that a draft of an arrest warrant for Argentine President Cristina Fernandez de Kirchner was discovered at the home of the late prosecutor. The arrest warrant named not only the Argentine president, but also the foreign minister, Hector Timerman. The document was found in the garbage at Nisman's apartment and added to the sense of mystery surrounding his untimely death.

By mid-February 2015, it was determined that the investigation into the brewing controversy over a cover-up of allegations of Iran's role in the 1994 bombing would go forward. The case was now in the hands of State Prosecutor Gerardo Pollicita, who stated in a 60-page document that there was sufficient evidence to move ahead with Nisman's accusation against President Fernandez de Kirchner. The document read as follows: "An investigation will be initiated with an eye toward substantiating ... the accusations and whether those responsible can be held criminally responsible."

For her part, President Fernandez de Kirchner said she intended to stand strong in the midst of the allegations against her. In a speech at a hospital that was broadcast nationally, she said, "Some are amazed at how I can endure all I have to endure. I tell them it was here in Patagonia -- with the wind, the cold and the snow -- that I learned that I can endure anything. To live in southern Argentina you have to be tough."

At the end of February 2015, Judge Daniel Rafecas dismissed the criminal allegations against President Fernández de Kirchner that had been brought by Nisman, as discussed here. Judge Rafecas concluded that Nisman's criminal complaint did not contain sufficient grounds to pursue to the case against the president. A statement from the judiciary's information service read as follows: "The evidence gathered far from meets the minimal standard." State Prosecutor Pollicita, who took over the case from the late Nisman, then moved to appeal the decision, asserting that Judge Rafecas' ruling was "hasty and premature."

Meanwhile, according to Nisman's former wife, Sandra Arroyo Salgado, said that independent forensic tests on the body of the state prosecutor indicated that he did not die of natural causes. In

a news conference, Sandra Arroyo Salgado said, "Nisman didn't have an accident. He didn't commit suicide. They murdered him." Of note was the fact that official results from the autopsy performed by Argentine authorities had not yet been released at the time that Arroyo Salgado made her dramatic claim.

### Primer on 2015 presidential and parliamentary elections in Argentina

Presidential and parliamentary elections were expected to be held in Argentina in October 2015. Note that the first round of the presidential contest would be on Oct. 25, 2015, with the second round and the parliamentary contests to follow on Nov. 22, 2015.

In Argentina, the president is both the chief of state and the head of government, and is elected by popular vote for four-year terms; he or she is eligible for a second term. The incumbent president, Cristina Fernandez de Kirchner was elected to power in 2007 and re-elected in 2011. Because of term limits, she would not be eligible to contest the 2015 election, making it an open race.

The parliament in Argentina is the bicameral "Congreso Nacional" (National Congress), consisting of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado" (Senate), there are 72 seats and members are elected by direct vote; one-third of the members elected are every two years to six-year terms. In the "Cámara de Diputados" (Chamber of Deputies), there are 257 seats and members are elected by direct vote; one-half of the members are elected every two years to four-year terms. Because of mid-term contests, the last elections were held in 2013, with these fresh 2015 elections coinciding with the presidential contest.

It should be noted that in the 2013 elections, the president's Front for Victory suffered some significant losses but not its overall majority in Congress. It was to be seen if a similar performance would come to pass in 2015 with Fernandez de Kirchner no longer leading the ticket.

Since coming to power, outgoing President Fernandez de Kirchner has seen plummeting approval ratings. Of significance for citizens in Argentina was President Fernandez de Kirchner's economic stewardship of the country. Specifically, the Argentine business class was displeased about her failure to control inflation, her protectionist economic policies, including the nationalization of companies, and also foreign exchange controls and import restrictions.

Also of particular concern for the public has been the accusation that her government manipulated economic and financial data regarding Argentina's economic performance, to the consternation of the International Monetary Fund and the World Bank. The issue caused the European Union to question trade arrangements with Argentina. Meanwhile, the failure to settle creditor claims incurred in the wake of Argentina's sovereign default in 2001 spurred the United States to



withdraw trade privileges. That move by the United States caused the International Monetary Fund to withdraw its proposed support for Argentina in dealing with the defaulted debt issue discussed here.

At the same time, trade union leaders and farmers' associations have questioned the government's policies, arguing that they have yielded only difficulties, and that key sectors have been ignored. Outside the country, economic experts from the World Bank have pointed to the fact that Argentina's poverty alleviation programs have often failed in their objectives. As stated in a World Bank report, "Argentina is a relatively rich country. Yet despite this wealth, it is also a country with a relatively high level of poverty." The government of Argentina countered with the argument that the poverty rate in Argentina had dropped to 5.4 percent in 2012; however, critics were now regarding government statistics as unreliable.

As a consequence of these myriad factors, there was a rising tide of discontent among the citizenry over the government's policy agenda, as well as President Fernandez de Kirchner's handling of the country's economy and finances. At the same time, the chorus of criticism was growing louder regarding Argentina's standing in the world, in addition to the president's inability to assuage would-be partners abroad.

Amidst this background, various contenders for the presidency were staking out their own ground with all suggesting that they would dismantle the outgoing President Fernandez de Kirchner's economic regime.

Some of the main candidates were likely to include Sergio Massa, the popular mayor of Tigre. Although he served in administrations of the president and her husband (the now-deceased President Nestor Kirchner), Massa was not a stalwart of the power couple or the Front for Victory. Indeed, Massa formed his own upstart or dissident party, Frente Renovador (Renewal Front), which enjoyed notable success in the previous 2013 parliamentary polls. In 2015, he was contesting the presidency under the United for a New Argentina banner.

Another presidential contender included the main leftist candidate, Daniel Scioli, the likely candidate of the ruling Front for Victory, which was allied with the Justicialist Party. He was hoping to shepherd the leftist base faithful to President Fernandez de Kirchner and sympathetic to the Peronista legacy.

As well, the presidential contest would include the main pro-business candidate, Mauricio Macri, who was likely to be contesting the election on behalf of the right-wing Republican Proposal and its allies.

Note that polling data in the early spring of 2015 gave Scioli the advantage with 33 percent of support; Macri was in second place with 27 percent, and Massa was in third place with 20



percent. Other polls in May 2015 put Scioli and Macri in a dead heat with 33 percent and Massa slipping to 13 percent. In mid-2015, polling data showed Scioli holding onto his lead with more than 35 percent of support. Macri was in second place with 31 percent, and Massa retained his third place standing notably behind.

Primary contests in August 2015 gave an indication of where the presidential race stood ahead of the actual presidential contest to be held months later. Of note was the fact that Scioli, who ran an uncontested race for the nomination of the ruling Front for Victory party's ticket, took 38 percent - just short of the margin of victory needed to win election outright. To be clear, a presidential contender must secure 45 percent of the vote share, or 40 percent with a 10-point margin over the second-place candidate, to win the first round of the presidential election. With the main opposition candidate, Macri of the Let's Change opposition alliance securing 30 percent of votes, it was a sign that the presidential election in October 2015 could go to a second round. With such an eventuality in the offing, Scioli would have to moderate his message to attract undecided centrist voters who might be attracted to Macri's pro-business stances. The outcome of the presidential race would also be influenced by the splitting of the votes for the third place candidate, Massa.

At the end of August 2015 and into September 2015, polling data continued to give the lead to Scioli with 38-40 percent; Macri was in second place hovering around 30 percent, and Massa was holding onto third place with about 18 percent. As such, the prevailing dynamics remained in place auguring a round one win for Scioli, but ensuring he would have to defeat Macri in the second round since he remained short of the 45 percent threshold needed for an outright victory.

By the start of October 2015, polling data indicated that Scioli was consolidating his advantage and now moving slightly past the 40 percent marker and in pursuit of the coveted 45 percent threshold that would foreclose the need for a second round of elections. Macri continued to garner 30 percent of support while Massa was moving up to 20 percent of support. Only Scioli and Massa were showing signs of momentum at this point, while it was apparent that Macri was stalling in terms of his support. If Scioli was able to continue to build on this momentum, he could win outright victory in the first round. However, polling data was not the same as actual votes, and that would be determined on election day.

#### Political Parties:

The main parties in Argentina can be understood as part of the following groupings --

- The ruling Front for Victory (FpV) -- a broad leftist and Peronist coalition, led by President Cristina Kirchner Nestor, which is officially aligned with the Justicialist Party (traditional Peronist, centrist Democrat)

- Dissident Peronists (PJ Disidente) or Federal Peronism (a sector of the Justicialist Party opposed

to the Kirchners)

- Civic Coalition -- a center left party; supported by the centrist Civic Coalition ARI
- The Radical Civic Union (Union Cívica Radical in Spanish, or UCR) -- a social liberal and anti-Peronist political party
- Republican Proposal (Propuesta Republicana in Spanish, of PRO) -- a right-wing political party
- Socialist Party - a social democratic political party
- Broad Progressive Front - a center-left coalition
- Renewal Front (Frente Renovador in Spanish) -- a newly formed party that can be considered a breakaway entity from the ruling Front for Victory; somewhat converted to the banner "United for a New Argentina"

Election results:

Voters went to the polls in Argentina to vote for a new president on Oct. 25, 2015. The election was, as polls predicted, a contest between Scioli and Macri; however, the vote tally was shockingly close. Scioli garnered only 37 percent ahead of Macri who secured 34 percent. With Massa out of the equation, having taken only 21 percent and a distant third place finish, the presidential election in Argentina would go to a second round with Scioli looking to finally defeat Macri.

Ahead of the second round, Scioli was urging independents to vote for him. It was to be seen if his message would gain resonance and if Argentine voters would reward outgoing President Fernandez de Kirchner's hand-picked heir with their votes.

For her part, outgoing President Fernandez de Kirchner was rallying the party faithful, urging voters to protect her progressive social policies as she posed the following questions to her supporters: "Who is the candidate who can guarantee our policies continue? What's important is that our policies are carried on. Names are not important." She added, "I am not a candidate for anything. But when I leave, please God, I don't want to see ruined what it took us years to build!"

It was to be seen where Massa's support base would choose to move. If they moved in an ideologically consistent direction, then Scioli would be the beneficiary. Of note was Massa's excoriation of Macri's neo-liberal and free market policies. It was assumed that Massa's supporters shared his views hostile to market-driven policies and, as such, Scioli would provide them with more hospitable terrain to land. However, Massa seemed to be himself more driven by residual hostility to the president, with insiders reporting that while Massa would not expressly endorse

Macri, he would tacitly do so. It was to be seen if Massa's supporters would agree with him and abandon their ideology in favor of acrimonious personality politics.

By November 2015, in the weeks ahead of the run-off election, polling data indicated that Argentine voters were in the mood for change, and that perhaps the domination of the Peronists was over. Specifically, the Poliarquia's survey, published in the La Nacion newspaper, showed Macri attracting close to 49 percent of the vote share with Macri trailing notably behind, attracting only 42 percent of the vote.

On Nov. 22, 2015, voters in Argentina returned to the polls. After the votes were counted, it was apparent that the Macri lead held in place as the conservative candidate defeated his leftist rival. Scioli, effectively ending Peronist rule in Argentina. Election results gave Macri 52 percent while Scioli had 48 percent. Accordingly, a new day dawned in Argentina.

-- November 2015

Written by Dr. Denise Youngblood Coleman, Editor in Chief, [www.countrywatch.com](http://www.countrywatch.com); see Bibliography for research resources.

---

## Political Risk Index

### Political Risk Index

The **Political Risk Index** is a proprietary index measuring the level of risk posed to governments, corporations, and investors, based on a myriad of political and economic factors. The [Political Risk Index](#) is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on varied criteria\* including the following consideration: political stability, political representation, democratic accountability, freedom of expression, security and crime, risk of conflict, human development, jurisprudence and regulatory transparency, economic risk, foreign investment considerations, possibility of sovereign default, and corruption. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the highest political risk, while a

score of 10 marks the lowest political risk. Stated differently, countries with the lowest scores pose the greatest political risk. A score of 0 marks the most dire level of political risk and an ultimate nadir, while a score of 10 marks the lowest possible level of political risk, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater risk.

Country	Assessment
Afghanistan	2
Albania	4
Algeria	6
Andorra	9
Angola	4
Antigua	8
Argentina	4
Armenia	4-5
Australia	9.5
Austria	9.5
Azerbaijan	4

---

Bahamas	8.5
Bahrain	6
Bangladesh	3.5
Barbados	8.5-9
Belarus	3
Belgium	9
Belize	8
Benin	5
Bhutan	5
Bolivia	5
Bosnia-Herzegovina	4
Botswana	7
Brazil	7
Brunei	7
Bulgaria	6
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	3

---

---

Cambodia	4
Cameroon	5
Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4
Chile	9
China	7
China: Hong Kong	8
China: Taiwan	8
Colombia	7
Comoros	5
Congo DRC	3
Congo RC	4
Costa Rica	8
Cote d'Ivoire	4.5
Croatia	7
Cuba	4-4.5

---

Cyprus	5
Czech Republic	8
Denmark	9.5
Djibouti	4.5
Dominica	7
Dominican Republic	6
East Timor	5
Ecuador	6
Egypt	5
El Salvador	7
Equatorial Guinea	4
Eritrea	3
Estonia	8
Ethiopia	4
Fiji	5
Finland	9
Fr. Yugoslav Rep. Macedonia	5
France	9



Gabon	5
Gambia	4
Georgia	5
Germany	9.5
Ghana	6
Greece	4.5-5
Grenada	8
Guatemala	6
Guinea	3.5
Guinea-Bissau	3.5
Guyana	4.5
Haiti	3.5
Holy See (Vatican)	9
Honduras	4.5-5
Hungary	7
Iceland	8.5-9
India	7.5-8
Indonesia	6

Iran	3.5-4
Iraq	2.5-3
Ireland	8-8.5
Israel	8
Italy	7.5
Jamaica	6.5-7
Japan	9
Jordan	6.5
Kazakhstan	6
Kenya	5
Kiribati	7
Korea, North	1
Korea, South	8
Kosovo	4
Kuwait	7
Kyrgyzstan	4.5
Laos	4.5
Latvia	7

---

Lebanon	5.5
Lesotho	6
Liberia	3.5
Libya	2
Liechtenstein	9
Lithuania	7.5
Luxembourg	9
Madagascar	4
Malawi	4
Malaysia	8
Maldives	4.5
Mali	4
Malta	8
Marshall Islands	6
Mauritania	4.5-5
Mauritius	7
Mexico	6.5
Micronesia	7

---

Moldova	5
Monaco	9
Mongolia	5
Montenegro	6
Morocco	6.5
Mozambique	4.5-5
Namibia	6.5-7
Nauru	6
Nepal	4
Netherlands	9.5
New Zealand	9.5
Nicaragua	5
Niger	4
Nigeria	4.5
Norway	9.5
Oman	7
Pakistan	3.5
Palau	7

Panama	7.5
Papua New Guinea	5
Paraguay	6.5-7
Peru	7
Philippines	6
Poland	8
Portugal	7.5
Qatar	7.5
Romania	5.5
Russia	5.5
Rwanda	5
Saint Kitts and Nevis	8
Saint Lucia	8
Saint Vincent and Grenadines	8
Samoa	7
San Marino	9
Sao Tome and Principe	5.5
Saudi Arabia	6

Senegal	6
Serbia	5
Seychelles	7
Sierra Leone	4.5
Singapore	9
Slovak Republic (Slovakia)	8
Slovenia	8
Solomon Islands	6
Somalia	2
South Africa	7
Spain	7.5
Sri Lanka	5
Sudan	3.5
Suriname	5
Swaziland	5
Sweden	9.5
Switzerland	9.5
Syria	2

Tajikistan	4.5
Tanzania	6
Thailand	6.5
Togo	4.5
Tonga	7
Trinidad and Tobago	8
Tunisia	6
Turkey	7
Turkmenistan	4.5
Tuvalu	7
Uganda	6
Ukraine	3.5-4
United Arab Emirates	7
United Kingdom	9
United States	9.5
Uruguay	8
Uzbekistan	4
Vanuatu	7



Venezuela	4
Vietnam	5
Yemen	3
Zambia	4.5
Zimbabwe	3

### \*Methodology

The [Political Risk Index](#) is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. political stability (record of peaceful transitions of power, ability of government to stay in office and carry out policies as a result of productive executive-legislative relationship, perhaps with popular support vis a vis risk of government collapse)
2. political representation (right of suffrage, free and fair elections, multi-party participation, and influence of foreign powers)
3. democratic accountability (record of respect for political rights, human rights, and civil liberties, backed by constitutional protections)
4. freedom of expression (media freedom and freedom of expression, right to dissent or express political opposition, backed by constitutional protections)
5. security and crime (the degree to which a country has security mechanisms that ensures safety of citizens and ensures law and order, without resorting to extra-judicial measures)
6. risk of conflict (the presence of conflict; record of coups or civil disturbances; threat of war; threats posed by internal or external tensions; threat or record of terrorism or insurgencies)
7. human development (quality of life; access to education; socio-economic conditions; systemic concern for the status of women and children)
8. jurisprudence and regulatory transparency (the impartiality of the legal system, the degree of transparency within the regulatory system of a country and the durability of that structure)

9. economic conditions (economic stability, investment climate, degree of nationalization of industries, property rights, labor force development)
10. corruption ( the degree of corruption in a country and/or efforts by the government to address graft and other irregularities)

Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world.

North Korea, [Afghanistan](#), [Somalia](#), and [Zimbabwe](#) -- retain their low rankings.

Several Middle Eastern and North African countries, such as [Tunisia](#), [Egypt](#), [Libya](#), [Syria](#), [Iraq](#) and [Yemen](#) were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. The worst downgrades affected [Syria](#) where civil war is at play, along with the rampage of terror being carried out by Islamist terrorists who have also seized control over part of Syrian territory. [Iraq](#) has been further downgraded due to the rampage of Islamist terrorists and their takeover of wide swaths of Iraqi territory. [Libya](#) has also been downgraded further due to its slippage into failed state status; at issue in [Libya](#) have been an ongoing power struggle between rival militias. [Yemen](#) continues to hold steady with a poor ranking due to continued unrest at the hands of Houthi rebels, secessionists, al-Qaida in the Arabian Peninsula, and Islamic State. Its landscape has been further complicated by the fact that it is now the site of a proxy war between [Iran](#) and [Saudi Arabia](#). Conversely, [Tunisia](#) and [Egypt](#) have seen slight upgrades as these countries stabilize.

In Africa, [Zimbabwe](#) continues to be one of the bleak spots of the world with the Mugabe regime effectively destroying the country's once vibrant economy, and miring [Zimbabwe](#) with an exceedingly high rate of inflation, debilitating unemployment, devolving public services, and critical food shortages; rampant crime and political oppression round out the landscape. [Somalia](#) also sports a poor ranking due to the continuing influence of the terror group, al-Shabab, which was not operating across the border in [Kenya](#). On the upside, [Nigeria](#), which was ineffectively dealing with the threat posed by the terror group, Boko Haram, was making some strides on the national security front with its new president at the helm. [Mali](#) was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. But the [Central African Republic](#) was downgraded due to the takeover of the government by Muslim Seleka rebels and a continued state of lawlessness in that country. [South Sudan](#) -- the world's newest nation state -- has not been officially included in this assessment;

however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. [Burkina Faso](#), [Burundi](#) and [Guinea](#) have been downgraded due to political unrest, with [Guinea](#) also having to deal with the burgeoning Ebola crisis.

In Europe, [Ukraine](#) was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. [Russia](#) was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. Strains on the infrastructure of southern and eastern European countries, such as [Serbia](#), [Croatia](#), and [Hungary](#), due to an influx of refugees was expected to pose social and economic challenges, and slight downgrades were made accordingly. So too, a corruption crisis for the Romanian prime minister has affected the ranking of that country. Meanwhile, the rankings for [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#) were maintained due to debt woes and the concomitant effect on the euro zone. [Greece](#), another euro zone nation, was earlier downgraded due to its sovereign debt crisis; however, no further downgrade was added since the country was able to successfully forge a bailout rescue deal with creditor institutions. Cyprus' exposure to Greek banks yielded a downgrade in its case.

In Asia, [Nepal](#) was downgraded in response to continuous political instability and a constitutional crisis that prevails well after landmark elections were held. Both [India](#) and [China](#) retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability. Increasing violence and political instability in [Pakistan](#) resulted in a downgrade for this country's already low rating. Meanwhile, [Singapore](#) retained its strong rankings due to its continued effective stewardship of the economy and political stability.

In the Americas, ongoing political and economic woes, as well as crime and corruption have affected the rankings for [Mexico](#), [Guatemala](#), and [Brazil](#). [Argentina](#) was downgraded due to its default on debt following the failure of talks with bond holders. [Venezuela](#) was downgraded due to its mix of market unfriendly policies and political oppression. For the moment, the [United States](#) maintains a strong ranking along with [Canada](#), and most of the English-speaking countries of the Caribbean; however, a renewed debt ceiling crisis could cause the [United States](#) to be downgraded in a future edition. Finally, a small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. [www.countrywatch.com](http://www.countrywatch.com)

Updated:

2015

## Political Stability

### Political Stability

The **Political Stability Index** is a proprietary index measuring a country's level of stability, standard of good governance, record of constitutional order, respect for human rights, and overall strength of democracy. The [Political Stability Index](#) is calculated using an established methodology\* by CountryWatch's Editor-in-Chief and is based on a given country's record of peaceful transitions of power, ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse. Threats include coups, domestic violence and instability, terrorism, etc. This index measures the dynamic between the quality of a country's government and the threats that can compromise and undermine stability. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of political stability and an ultimate nadir, while a score of 10 marks the highest level of political stability possible, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater stability.

Country	Assessment
Afghanistan	2
Albania	4.5-5
Algeria	5
Andorra	9.5
Angola	4.5-5
Antigua	8.5-9

Argentina	7
Armenia	5.5
Australia	9.5
Austria	9.5
Azerbaijan	5
Bahamas	9
Bahrain	6
Bangladesh	4.5
Barbados	9
Belarus	4
Belgium	9
Belize	8
Benin	5
Bhutan	5
Bolivia	6
Bosnia-Herzegovina	5
Botswana	8.5
Brazil	7

Brunei	8
Bulgaria	7.5
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	4
Cambodia	4.5-5
Cameroon	6
Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4.5
Chile	9
China	7
China: Hong Kong	8
China: Taiwan	8
Colombia	7.5
Comoros	5
Congo DRC	3

Congo RC	5
Costa Rica	9.5
Cote d'Ivoire	3.5
Croatia	7.5
Cuba	4.5
Cyprus	8
Czech Republic	8.5
Denmark	9.5
Djibouti	5
Dominica	8.5
Dominican Republic	7
East Timor	5
Ecuador	7
Egypt	4.5-5
El Salvador	7.5-8
Equatorial Guinea	4.5
Eritrea	4
Estonia	9



Ethiopia	4.5
Fiji	5
Finland	9
Fr. Yugoslav Rep. Macedonia	6.5
France	9
Gabon	5
Gambia	4.5
Georgia	5
Germany	9.5
Ghana	7
Greece	6
Grenada	8.5
Guatemala	7
Guinea	3.5-4
Guinea-Bissau	4
Guyana	6
Haiti	3.5-4
Holy See (Vatican)	9.5

Honduras	6
Hungary	7.5
Iceland	9
India	8
Indonesia	7
Iran	3.5
Iraq	2.5
Ireland	9.5
Israel	8
Italy	8.5-9
Jamaica	8
Japan	9
Jordan	6
Kazakhstan	6
Kenya	5
Kiribati	8
Korea, North	2
Korea, South	8.5

Kosovo	5.5
Kuwait	7
Kyrgyzstan	5
Laos	5
Latvia	8.5
Lebanon	5.5
Lesotho	5
Liberia	3.5-4
Libya	2
Liechtenstein	9
Lithuania	9
Luxembourg	9.5
Madagascar	4
Malawi	5
Malaysia	8
Maldives	4.5-5
Mali	4.5-5
Malta	9

Marshall Islands	8
Mauritania	6
Mauritius	8
Mexico	6.5-7
Micronesia	8
Moldova	5.5
Monaco	9.5
Mongolia	6.5-7
Montenegro	8
Morocco	7
Mozambique	5
Namibia	8.5
Nauru	8
Nepal	4.5
Netherlands	9.5
New Zealand	9.5
Nicaragua	6
Niger	4.5

---

Nigeria	4.5
Norway	9.5
Oman	7
Pakistan	3
Palau	8
Panama	8.5
Papua New Guinea	6
Paraguay	8
Peru	7.5
Philippines	6
Poland	9
Portugal	9
Qatar	7
Romania	7
Russia	6
Rwanda	5
Saint Kitts and Nevis	9
Saint Lucia	9

---

Saint Vincent and Grenadines	9
Samoa	8
San Marino	9.5
Sao Tome and Principe	7
Saudi Arabia	6
Senegal	7.5
Serbia	6.5
Seychelles	8
Sierra Leone	4.5
Singapore	9.5
Slovak Republic (Slovakia)	8.5
Slovenia	9
Solomon Islands	6.5-7
Somalia	2
South Africa	7.5
Spain	9
Sri Lanka	5
Sudan	3

Suriname	5
Swaziland	5
Sweden	9.5
Switzerland	9.5
Syria	2
Tajikistan	4.5
Tanzania	6
Thailand	6
Togo	5
Tonga	7
Trinidad and Tobago	8
Tunisia	5
Turkey	7.5
Turkmenistan	5
Tuvalu	8.5
Uganda	6
Ukraine	3.5-4
United Arab Emirates	7

United Kingdom	9
United States	9
Uruguay	8.5
Uzbekistan	4
Vanuatu	8.5
Venezuela	4.5-5
Vietnam	4.5
Yemen	2.5
Zambia	5
Zimbabwe	3

### \*Methodology

The Political Stability Index is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. record of peaceful transitions of power ( free and fair elections; adherence to political accords)
2. record of democratic representation, presence of instruments of democracy; systemic accountability
3. respect for human rights; respect for civil rights
4. strength of the system of jurisprudence, adherence to constitutional order, and good governance
5. ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse (i.e. government stability versus a country being deemed "ungovernable")



6. threat of coups, insurgencies, and insurrection
7. level of unchecked crime and corruption
8. risk of terrorism and other threats to national security
9. relationship with regional powers and international community; record of bilateral or multilateral cooperation
10. degree of economic strife (i.e. economic and financial challenges)

Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world. The usual suspects -- North Korea, [Afghanistan](#), and [Somalia](#) -- retain their low rankings. The reclusive and ultra-dictatorial North Korean regime, which has terrified the world with its nuclear threats, has exhibited internal instability. Of note was a cut-throat purge of hundreds of high ranking officials deemed to be a threat to Kim Jung-un. Despite their attempts to recover from years of lawlessness, war, and warlordism, both [Afghanistan](#) and [Somalia](#) continue to be beset by terrorism and turmoil. In [Afghanistan](#), while international forces have seen success in the effort against the terror group, al-Qaida, the other Islamist extremist group, the Taliban, continues to carry out a vicious insurgency using terrorism. In [Somalia](#), while the government attempts to do the nation's business, the terror group, al-Shabab continues to make its presence known not only in [Somalia](#), but across the border into [Kenya](#) with devastating results/ Also in this category is [Iraq](#), which continues to be rocked by horrific violence and terrorism at the hands of Islamic State, which has taken over wide swaths of Iraqi territory.

Syria, [Libya](#), and [Yemen](#) have been added to this unfortunate echelon of the world's most politically unstable countries. [Syria](#) has been mired by the twin hazards of 1. a civil war as rebels oppose the Assad regime; and 2. the rampage of terror being carried out by Islamic State, which also seized control over vast portions of Syrian territory. Meanwhile, the post-Qaddhafi landscape of [Libya](#) has devolved into chaos as rival militias battle for control -- the elected government of the country notwithstanding. Rounding out this grim triad is [Yemen](#), which was dealing with a Houthi rebellion, secessionists in the south, as well as the threat of terrorism from al-Qaida in the Arabian Peninsula as well as Islamic State, while also being the site of a proxy war between Shi'a [Iran](#) and Sunni [Saudi Arabia](#).

Meanwhile, several Middle Eastern and North African countries, such as [Tunisia](#), [Egypt](#), and

[Bahrain](#) were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. All three of these countries have stabilized in recent years and have been upgraded accordingly. In [Bahrain](#), the landscape had calmed. In [Egypt](#), the secular military-backed government has generated criticism for its crackdown on the Muslim Brotherhood; however, the country had ratified the presidency via democratic elections and were on track to hold parliamentary elections as the country moved along the path of democratization. Perhaps the most impressive story was coming out of [Tunisia](#) -- the country whose Jasmine Revolution sparked the entire Arab Spring -- and where after a few years of strife, a new progressive constitution was passed into law and a secular government had been elected to power. [Tunisia](#), [Egypt](#), and [Bahrain](#) have seen slight upgrades as these countries stabilize.

In Africa, the [Central African Republic](#) was downgraded the previous year due to the takeover of the government by Muslim Seleka rebels. Although the country has been trying to emerge from this crisis, the fact of the matter was that it was difficult to halt the precipitous decline into lawlessness in that country. [Zimbabwe](#) has maintained its consistently poor ranking due to the dictatorial regime of Mugabe, who continues to hold a tight grip on power, intimidates the opposition, squashes dissent, and oppresses the white farmer population of the country. Moving in a slightly improved direction is [Nigeria](#), which has sported abysmal ratings due to the government's fecklessness in dealing with the threat posed by the Islamist terror group, Boko Haram. Under its newly-elected government, there appears to be more of a concerted effort to make national security a priority action item. [Mali](#) was also slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Political instability has visited [Burkina Faso](#) and [Burundi](#) as the leaders of those countries attempted to side-step constitutional limits to hold onto power. In [Burundi](#), an attempted coup ensued but quelled, and the president won a (questionable) new term in office; unrest has since punctuated the landscape. In [Burkina Faso](#), the political climate has turned stormy as a result of a successful coup that ended the rule of the president, and then a putsch against the transitional government. These two African countries have been downgraded as a result.

It should be noted that the African country of South [Sudan](#) -- the world's newest nation state -- has not been officially included in this assessment; however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. [Guinea](#) has endured poor rankings throughout, but was slightly downgraded further over fears of social unrest and the Ebola heath crisis.

In Europe, [Ukraine](#) was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. [Russia](#) was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. [Serbia](#) and [Albania](#) were slightly downgraded due to eruptions of unrest, while [Romania](#) was slightly downgraded on the basis of

corruption charges against the prime minister. [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#) were downgraded due to debt woes and the concomitant effect on the euro zone. [Greece](#), another euro zone nation, was downgraded the previous year due to its sovereign debt crisis; however, the country successfully forged a rescue deal with international creditors and stayed within the Euro zone. Greek voters rewarded the hitherto unknown upstart party at the polls for these efforts. As a result, [Greece](#) was actually upgraded slightly as it proved to the world that it could endure the political and economic storms. Meanwhile, [Germany](#), [France](#), [Switzerland](#), the [United Kingdom](#), the [Netherlands](#), and the Scandinavian countries continue to post impressive ranking consistent with these countries' strong records of democracy, freedom, and peaceful transfers of power.

In Asia, [Nepal](#) was downgraded in response to continuous political instability well after landmark elections that prevails today. [Cambodia](#) was very slightly downgraded due to post-election instability that has resulted in occasional flares of violence. Despite the "trifecta of tragedy" in [Japan](#) in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both [India](#) and China retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability. Increasing violence and political instability in [Pakistan](#) resulted in a downgrade for this country's already low rating.

In the Americas, [Haiti](#) retained its downgraded status due to ongoing political and economic woes. [Mexico](#) was downgraded due to its alarming rate of crime. [Guatemala](#) was downgraded due to charges of corruption, the arrest of the president, and uncertainty over the outcome of elections. [Brazil](#) was downgraded due to the corruption charges erupting on the political landscape, the stalling of the economy, and the increasingly loud calls for the impeachment of President Rousseff. [Argentina](#) was downgraded due to its default on debt following the failure of talks with bond holders. [Venezuela](#) was downgraded due to the fact that the country's post-Chavez government is every bit as autocratic and nationalistic, but even more inclined to oppress its political opponents. [Colombia](#) was upgraded slightly due to efforts aimed at securing a peace deal with the FARC insurgents. A small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States. Meanwhile, the [United States](#), [Canada](#), [Costa Rica](#), [Panama](#), and most of the English-speaking countries of the Caribbean retain their strong rankings due to their records of stability and peaceful transfers of power.

In the Pacific, [Fiji](#) was upgraded due to its return to constitutional order and democracy with the holding of the first elections in eight years.

In Oceania, [Maldives](#) has been slightly downgraded due to the government's continued and rather relentless persecution of the country's former pro-democracy leader - former President Nasheed.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. [www.countrywatch.com](http://www.countrywatch.com)

Updated:

2015

---

## Freedom Rankings

### Freedom Rankings

#### Freedom in the World

Editor's Note: This ranking by Freedom House quantifies political freedom and civil liberties into a single combined index on each sovereign country's level of freedom and liberty. The initials "PR" and "CL" stand for Political Rights and Civil Liberties, respectively. The number 1 represents the most free countries and the number 7 represents the least free. Several countries fall in the continuum in between. The freedom ratings reflect an overall judgment based on survey results.

Country	PR	CL	Freedom Status	Trend Arrow
Afghanistan	6 ?	6	Not Free	
Albania*	3	3	Partly Free	
Algeria	6	5	Not Free	

Andorra*	1	1	Free	
Angola	6	5	Not Free	
Antigua and Barbuda*	3 ?	2	Free	
Argentina*	2	2	Free	
Armenia	6	4	Partly Free	
Australia*	1	1	Free	
Austria*	1	1	Free	
Azerbaijan	6	5	Not Free	
Bahamas*	1	1	Free	
Bahrain	6 ?	5	Not Free ?	
Bangladesh*	3 ?	4	Partly Free	
Barbados*	1	1	Free	
Belarus	7	6	Not Free	
Belgium*	1	1	Free	
Belize*	1	2	Free	
Benin*	2	2	Free	
Bhutan	4	5	Partly Free	
Bolivia*	3	3	Partly Free	

Bosnia-Herzegovina*	4	3	Partly Free	
Botswana*	3 ?	2	Free	
Brazil*	2	2	Free	
Brunei	6	5	Not Free	
Bulgaria*	2	2	Free	
Burkina Faso	5	3	Partly Free	
Burma	7	7	Not Free	
Burundi*	4	5	Partly Free	↑
Cambodia	6	5	Not Free	↓
Cameroon	6	6	Not Free	
Canada*	1	1	Free	
Cape Verde*	1	1	Free	
Central African Republic	5	5	Partly Free	
Chad	7	6	Not Free	
Chile*	1	1	Free	
China	7	6	Not Free	
Colombia*	3	4	Partly Free	
Comoros*	3	4	Partly Free	

Congo (Brazzaville )	6	5	Not Free	↓
Congo (Kinshasa)	6	6	Not Free	↓
Costa Rica*	1	1	Free	
Cote d'Ivoire	6	5	Not Free	
Croatia*	1 ?	2	Free	
Cuba	7	6	Not Free	
Cyprus*	1	1	Free	
Czech Republic*	1	1	Free	
Denmark*	1	1	Free	
Djibouti	5	5	Partly Free	
Dominica*	1	1	Free	
Dominican Republic*	2	2	Free	↓
East Timor*	3	4	Partly Free	
Ecuador*	3	3	Partly Free	
Egypt	6	5	Not Free	
El Salvador*	2	3	Free	
Equatorial Guinea	7	7	Not Free	
Eritrea	7	7 ?	Not Free	

Estonia*	1	1	Free	
Ethiopia	5	5	Partly Free	↓
Fiji	6	4	Partly Free	
Finland*	1	1	Free	
France*	1	1	Free	
Gabon	6	5 ?	Not Free ?	
The Gambia	5	5 ?	Partly Free	
Georgia	4	4	Partly Free	
Germany*	1	1	Free	
Ghana*	1	2	Free	
Greece*	1	2	Free	
Grenada*	1	2	Free	
Guatemala*	4 ?	4	Partly Free	
Guinea	7	6 ?	Not Free	
Guinea-Bissau*	4	4	Partly Free	
Guyana*	2	3	Free	
Haiti*	4	5	Partly Free	
Honduras	4 ?	4 ?	Partly Free	



Hungary*	1	1	Free	
Iceland*	1	1	Free	
India*	2	3	Free	
Indonesia*	2	3	Free	
Iran	6	6	Not Free	↓
Iraq	5 ?	6	Not Free	
Ireland*	1	1	Free	
Israel*	1	2	Free	
Italy*	1	2	Free	
Jamaica*	2	3	Free	
Japan*	1	2	Free	
Jordan	6 ?	5	Not Free ?	
Kazakhstan	6	5	Not Free	↓
Kenya	4	4 ?	Partly Free	
Kiribati*	1	1	Free	
Kosovo	5 ?	4 ?	Partly Free ?	
Kuwait	4	4	Partly Free	
Kyrgyzstan	6 ?	5 ?	Not Free ?	

Laos	7	6	Not Free	
Latvia*	2	1	Free	
Lebanon	5	3 ?	Partly Free	
Lesotho*	3 ?	3	Partly Free ?	
Liberia*	3	4	Partly Free	
Libya	7	7	Not Free	
Liechtenstein*	1	1	Free	
Lithuania*	1	1	Free	
Luxembourg*	1	1	Free	
Macedonia*	3	3	Partly Free	↑
Madagascar	6 ?	4 ?	Partly Free	
Malawi*	3 ?	4	Partly Free	
Malaysia	4	4	Partly Free	
Maldives*	3 ?	4	Partly Free	
Mali*	2	3	Free	
Malta*	1	1	Free	↓
Marshall Islands*	1	1	Free	
Mauritania	6	5	Not Free	

Mauritius*	1	2	Free	
Mexico*	2	3	Free	
Micronesia*	1	1	Free	
Moldova*	3 ?	4	Partly Free	
Monaco*	2	1	Free	
Mongolia*	2	2	Free	↑
Montenegro*	3	2 ?	Free ?	
Morocco	5	4	Partly Free	↓
Mozambique	4 ?	3	Partly Free	
Namibia*	2	2	Free	
Nauru*	1	1	Free	
Nepal	4	4	Partly Free	
Netherlands*	1	1	Free	
New Zealand*	1	1	Free	
Nicaragua*	4	4 ?	Partly Free	
Niger	5 ?	4	Partly Free	
Nigeria	5	4	Partly Free	↓
North Korea	7	7	Not Free	↓

Norway*	1	1	Free	
Oman	6	5	Not Free	
Pakistan	4	5	Partly Free	
Palau*	1	1	Free	
Panama*	1	2	Free	
Papua New Guinea*	4	3	Partly Free	
Paraguay*	3	3	Partly Free	
Peru*	2	3	Free	
Philippines	4	3	Partly Free	↓
Poland*	1	1	Free	
Portugal*	1	1	Free	
Qatar	6	5	Not Free	
Romania*	2	2	Free	
Russia	6	5	Not Free	↓
Rwanda	6	5	Not Free	
Saint Kitts and Nevis*	1	1	Free	
Saint Lucia*	1	1	Free	
Saint Vincent and Grenadines*	2	1	Free	

Samoa*	2	2	Free	
San Marino*	1	1	Free	
Sao Tome and Principe*	2	2	Free	
Saudi Arabia	7	6	Not Free	
Senegal*	3	3	Partly Free	
Serbia*	2 ?	2	Free	
Seychelles*	3	3	Partly Free	
Sierra Leone*	3	3	Partly Free	
Singapore	5	4	Partly Free	
Slovakia*	1	1	Free	↓
Slovenia*	1	1	Free	
Solomon Islands	4	3	Partly Free	
Somalia	7	7	Not Free	
South Africa*	2	2	Free	
South Korea*	1	2	Free	
Spain*	1	1	Free	
Sri Lanka*	4	4	Partly Free	
Sudan	7	7	Not Free	

Suriname*	2	2	Free	
Swaziland	7	5	Not Free	
Sweden*	1	1	Free	
Switzerland*	1	1	Free	↓
Syria	7	6	Not Free	
Taiwan*	1 ?	2 ?	Free	
Tajikistan	6	5	Not Free	
Tanzania	4	3	Partly Free	
Thailand	5	4	Partly Free	
Togo	5	4 ?	Partly Free	
Tonga	5	3	Partly Free	
Trinidad and Tobago*	2	2	Free	
Tunisia	7	5	Not Free	
Turkey*	3	3	Partly Free	↓
Turkmenistan	7	7	Not Free	
Tuvalu*	1	1	Free	
Uganda	5	4	Partly Free	
Ukraine*	3	2	Free	

United Arab Emirates	6	5	Not Free	
United Kingdom*	1	1	Free	
United States*	1	1	Free	
Uruguay*	1	1	Free	
Uzbekistan	7	7	Not Free	
Vanuatu*	2	2	Free	
Venezuela	5 ?	4	Partly Free	
Vietnam	7	5	Not Free	↓
Yemen	6 ?	5	Not Free ?	
Zambia*	3	4 ?	Partly Free	
Zimbabwe	6 ?	6	Not Free	

Methodology:

PR and CL stand for political rights and civil liberties, respectively; 1 represents the most free and 7 the least free rating. The ratings reflect an overall judgment based on survey results.

? ? up or down indicates a change in political rights, civil liberties, or status since the last survey.

↑ ↓ up or down indicates a trend of positive or negative changes that took place but that were not sufficient to result in a change in political rights or civil liberties ratings of 1-7.

\* indicates a country's status as an electoral democracy.

Source:

This data is derived from the latest edition of Freedom House's Freedom in the World 2010 edition.

Available at URL: <http://www.freedomhouse.org>

Updated:

Reviewed in 2015

---

## Human Rights

### Overview of Human Rights in Argentina

Argentina is a federal constitutional republic. Despite a recent economic upturn, poverty and unemployment remain abnormally high, especially in rural areas. While human rights are generally respected in Argentina, there are still some violations that have yet to be properly addressed.

The country has been dealing with the aftermath of the country's "Dirty War," \* in which at tens of thousands of people were killed, kidnapped and/or tortured. In June 2005, the Supreme Court of Justice decided the two amnesty laws passed in the 1980's -- "Full Stop" and "Due Obedience" -- were unconstitutional and therefore halted immunity granted to the perpetrators of the torture, killings and disappearances during the 1976-83 military rule. Since 2005, a number of federal judges have struck down presidential pardons issued by President Menem in 1989 and 1990 in to former officials who were either convicted of human rights abuses, or awaiting trial on the basis of human rights violations. In 2006, two police officers were finally convicted for "disappearances." These represented the first such convictions since the Supreme Court of Justice struck down the "Full Stop" and "Due Obedience" laws noted here. Since that time, Argentina has moved forward with action against a number of key figures of that time including former military leader, Reynaldo Bignone, and former dictator, Jorge Rafael Videla.

In recent years, ill-treatment and torture by law enforcement officials by detainees has been deemed especially poor. In 2005, official reports indicated that three prisoners were killed every week. At the same time, prison overcrowding and inmate violence was at peak levels. Due to these issues, the Supreme Court of Justice stated in May 2005 that all prisons had to abide by the United National Standard Minimum Rules for the Treatment of Prisoners. Since then, there has been some easing of the conditions in prisons.

\* Editor's Note --



Known as the "Dirty War," this tragic period of Argentine history was marked by the kidnapping, torture and executions of tens of thousands of Argentines, as well as the military junta's takeover of unions and censorship of the media. Indeed, the late 1970s to the early 1980s was a period during which approximately 30,000 people died or "disappeared" at the hands of the right-wing military dictatorship for alleged associations with the political left of the country. The return to civilian rule after this dark chapter in Argentina's story came along with amnesty and pardons, which meant that those responsible for the rampant anti-leftist violence escaped prosecution. However, in recent times, those amnesties and pardons were ruled to be unconstitutional.

**Human Development Index (HDI) Rank:**

See full listing of the Human Development Index located in the Social Overview of this report for this country's current rank.

**Human Poverty Index Rank:**

Not ranked

**Gini Index:**

Not Ranked

**Life Expectancy at Birth (years):**

76.8 years

**Unemployment Rate:**

11.1%

**Population living on \$1 a day (%):**

3.3%

**Population living on \$2 a day (%):**

14.3%

**Population living beneath the Poverty Line (%):**

38.5%

**Internally Displaced People:**

N/A

Note- 4,000 refugees currently reside in Argentina

**Total Crime Rate (%):**

61.1%

**Health Expenditure (% of GDP):**

Public: 4.5%

**% of GDP Spent on Education:**

4.0%

**Human Rights Conventions Party to:**

- International Convention on the Prevention and Punishment and Punishment of the Crime of Genocide
- International Convention on the Elimination of All Forms of Racial Discrimination
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- Convention on the Elimination of All Forms of Discrimination against Women
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
- Conventions on the Rights of the Child
- Convention relating to the Status of Refugees
- Rome Statute of the International Criminal Court

\*Human Development Index (HDI) is a composite index that measures the level of well-being in 177 nations in the world. It uses factors such as poverty, literacy, life-expectancy, education, gross domestic product, and purchasing power parity to assess the average achievements in each nation. It has been used in the United Nation's Human Development Report since 1993.

\*Human Poverty Index Ranking is based on certain indicators used to calculate the Human Poverty Index. Probability at birth of not surviving to age 40, adult literacy rate, population without sustainable access to an improved water source, and population below income poverty line are the indicators assessed in this measure.

\*The Gini Index measures inequality based on the distribution of family income or consumption. A value of 0 represents perfect equality (income being distributed equally), and a value of 100 perfect inequality (income all going to one individual).

\*The calculation of the total crime rate is the % of the total population which has been effected by property crime, robbery, sexual assault, assault, or bribery (corruption) related occurrences.

---

## Government Functions

### Constitution

The constitution of 1853, as revised in 1994, mandates a separation of powers into executive, legislative and judicial branches at the national and provincial levels. Each province also has its own constitution roughly mirroring the national constitution in structure. Overall, the country's legal system is based on a mixture of United States and West European legal systems.

### Executive Authority

The president and vice president were traditionally elected indirectly by an electoral college to a single six-year term. They were not allowed to seek re-election immediately. Constitutional reforms adopted in August 1994 reduced the presidential term to four years; abolished the electoral college in favor of direct election; and limited the president and vice president to two consecutive terms. The president and vice president may stand for a third term or more after an interval of at least one term. The constitution grants the president considerable power, including a line-item veto. The president also appoints the cabinet ministers.

### Legislative Authority

Provinces traditionally sent two senators, elected by provincial legislatures, to the upper house of Congress (the Senate). In the past, voters in the federal capital of Buenos Aires elected an electoral college which then elected the city's senators. The constitution now mandates that members are elected by direct vote. The revised constitution reduces senatorial terms from nine to six years in

office, with one-third of the Senate standing for re-election every two years. Members of the lower house, the Chamber of Deputies, are directly elected to four-year terms. Voters elect half of the deputies every two years through a system of proportional representation.

Other important changes to the constitutional system included the creation of a senior coordinating minister to serve under the president and greater autonomy for the city of Buenos Aires, which now popularly elects its own mayor.

### Judiciary

The constitution establishes the judiciary as a separate and independent entity of government. The president appoints members of the Supreme Court with the consent of the Senate. The president appoints other federal judges based on the recommendation of the magistrates' council, a special judicial commission. The Supreme Court has the power, first asserted in 1854, to declare legislative acts unconstitutional.

### Political Parties

The two largest political parties are the "Partido Justicialista" or Peronist Party, which evolved out of Juan Peron's efforts to expand the role of labor in the political process in the 1940s, and the "Unión Cívica Radical," also known as the UCR or Radical Civic Union, founded in 1890. Traditionally, the UCR has had more urban middle-class support and the Peronist Party has received more labor support. Support for both parties is broadly based. A grouping of mostly left parties and former Peronists, the "Frente del País Solidario," or Front for a Country in Solidarity, or FREPASO, has emerged in the 1990s as a serious political contender, especially in the federal capital.

---

## **Government Structure**

### **Names:**

*conventional long form:*

Argentine Republic

*conventional short form:*

Argentina

*local long form:*

Republica Argentina

*local short form:*

Argentina

**Type:**

Republic

**Executive Branch:**

Chief of State and Head of Government:

Incoming conservative Mauricio Macri won the 2015 presidential election in Argentina and was set to succeed outgoing President Cristina Fernandez de Kirchner (served from 2007-2015). See 2015 Election Primer for details.

Note:

The president is both the chief of state and head of government; the president is elected by popular vote for four-year terms (eligible for a second term)

Cabinet:

Appointed by the president

Elections:

Last held in 2015; see Election Primer below for details.

**Legislative Branch:**

Bicameral "Congreso Nacional" (National Congress):

Consists of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies)

"Senado" (Senate):

72 seats; members are elected by direct vote; presently one-third of the members elected every two years to a six-year term

"Cámara de Diputados" (Chamber of Deputies):

257 seats; members are elected by direct vote; one-half of the members elected every two years to a four-year term

Note on 2013 elections:

Parliamentary elections were scheduled to be held in Argentina in October 2013. At stake would be the composition of the bicameral "Congreso Nacional" (National Congress), which consists of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado" (Senate), there are 72 seats and members are elected by direct vote; one-third of the members elected are every two years to six-year terms. In the "Cámara de Diputados" (Chamber of Deputies), there are 257 seats and members are elected by direct vote; one-half of the members are elected every two years to four-year terms.

On election day -- Oct. 27, 2013 -- Argentines went to the polls to cast their ballots. Turnout was a healthy 75 percent and voting went off in a calm manner. When the polling stations closed, the process of counting the votes began. Once the votes were counted, the results were released.

Sergio Massa's Renewal Front had pulled off a sizable victory in the province of Buenos Aires. In fact, President Cristina Fernandez de Kirchner's Front for Victory secured only a third place finish in that province -- behind the congressional candidates of another rival party headed by Mayor Mauricio Macri's center-right. Ultimately, the president's Front for Victory lost in almost half the provinces, including major urban centers. That being said, the expectations that Fernandez de Kirchner's Front for Victory would lose a sizable portion of seats in Congress but not its overall majority came to pass. To that end, Fernandez de Kirchner's Front for Victory won 33 percent nationwide.

The conclusions from the 2013 parliamentary elections in Argentina were two-fold. First, despite the dissatisfaction felt towards Fernandez de Kirchner and the Front for Victory, the president's party was still able to hold onto the most seats in Congress. The president's party won enough parliamentary seats to show continued overall dominance but not what could be regarded as a "constitutional majority" needed to set the path for a third term in office. Stated differently, there were constitutional hurdles that had to be crossed for Fernandez de Kirchner to be able to contest a third term in office, which were no longer relevant since she did not secure a constitutional two-thirds majority. Second, Massa's Renewal Front was able to advance an impressive performance as an upstart party. Indeed, it was clear that the spotlight was falling favorably on Massa, who could credibly be viewed as a political powerhouse candidate for the presidency in 2015.

Note on 2015 elections in Argentina

See primer below for details.

**Primer on 2015 Presidential and parliamentary elections in Argentina:**

First round Oct. 25, 2015; second round Nov. 22, 2015 --

Presidential and parliamentary elections were expected to be held in Argentina in October 2015.

---

Note that the first round of the presidential contest would be on Oct. 25, 2015, with the second round and the parliamentary contests to follow on Nov. 22, 2015.

In Argentina, the president is both the chief of state and the head of government, and is elected by popular vote for four-year terms; he or she is eligible for a second term. The incumbent president, Cristina Fernandez de Kirchner was elected to power in 2007 and re-elected in 2011. Because of term limits, she would not be eligible to contest the 2015 election, making it an open race.

The parliament in Argentina is the bicameral "Congreso Nacional" (National Congress), consisting of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado" (Senate), there are 72 seats and members are elected by direct vote; one-third of the members elected are every two years to six-year terms. In the "Cámara de Diputados" (Chamber of Deputies), there are 257 seats and members are elected by direct vote; one-half of the members are elected every two years to four-year terms. Because of mid-term contests, the last elections were held in 2013, with these fresh 2015 elections coinciding with the presidential contest.

It should be noted that in the 2013 elections, the president's Front for Victory suffered some significant losses but not its overall majority in Congress. It was to be seen if a similar performance would come to pass in 2015 with Fernandez de Kirchner no longer leading the ticket.

Since coming to power, outgoing President Fernandez de Kirchner has seen plummeting approval ratings. Of significance for citizens in Argentina was President Fernandez de Kirchner's economic stewardship of the country. Specifically, the Argentine business class was displeased about her failure to control inflation, her protectionist economic policies, including the nationalization of companies, and also foreign exchange controls and import restrictions.

Also of particular concern for the public has been the accusation that her government manipulated economic and financial data regarding Argentina's economic performance, to the consternation of the International Monetary Fund and the World Bank. The issue caused the European Union to question trade arrangements with Argentina. Meanwhile, the failure to settle creditor claims incurred in the wake of Argentina's sovereign default in 2001 spurred the United States to withdraw trade privileges. That move by the United States caused the International Monetary Fund to withdraw its proposed support for Argentina in dealing with the defaulted debt issue discussed here.

At the same time, trade union leaders and farmers' associations have questioned the government's policies, arguing that they have yielded only difficulties, and that key sectors have been ignored. Outside the country, economic experts from the World Bank have pointed to the fact that Argentina's poverty alleviation programs have often failed in their objectives. As stated in a World Bank report, "Argentina is a relatively rich country. Yet despite this wealth, it is also a country with

a relatively high level of poverty." The government of Argentina countered with the argument that the poverty rate in Argentina had dropped to 5.4 percent in 2012; however, critics were now regarding government statistics as unreliable.

As a consequence of these myriad factors, there was a rising tide of discontent among the citizenry over the government's policy agenda, as well as President Fernandez de Kirchner's handling of the country's economy and finances. At the same time, the chorus of criticism was growing louder regarding Argentina's standing in the world, in addition to the president's inability to assuage would-be partners abroad.

Amidst this background, various contenders for the presidency were staking out their own ground with all suggesting that they would dismantle the outgoing President Fernandez de Kirchner's economic regime.

Some of the main candidates were likely to include Sergio Massa, the popular mayor of Tigre. Although he served in administrations of the president and her husband (the now-deceased President Nestor Kirchner), Massa was not a stalwart of the power couple or the Front for Victory. Indeed, Massa formed his own upstart or dissident party, Frente Renovador (Renewal Front), which enjoyed notable success in the previous 2013 parliamentary polls. In 2015, he was contesting the presidency under the United for a New Argentina banner.

Another presidential contender included the main leftist candidate, Daniel Scioli, the likely candidate of the ruling Front for Victory, which was allied with the Justicialist Party. He was hoping to shepherd the leftist base faithful to President Fernandez de Kirchner and sympathetic to the Peronista legacy.

As well, the presidential contest would include the main pro-business candidate, Mauricio Macri, who was likely to be contesting the election on behalf of the right-wing Republican Proposal and its allies.

Note that polling data in the early spring of 2015 gave Scioli the advantage with 33 percent of support; Macri was in second place with 27 percent, and Massa was in third place with 20 percent. Other polls in May 2015 put Scioli and Macri in a dead heat with 33 percent and Massa slipping to 13 percent. In mid-2015, polling data showed Scioli holding onto his lead with more than 35 percent of support. Macri was in second place with 31 percent, and Massa retained his third place standing notably behind.

Primary contests in August 2015 gave an indication of where the presidential race stood ahead of the actual presidential contest to be held months later. Of note was the fact that Scioli, who ran an uncontested race for the nomination of the ruling Front for Victory party's ticket, took 38 percent - - just short of the margin of victory needed to win election outright. To be clear, a presidential



contender must secure 45 percent of the vote share, or 40 percent with a 10-point margin over the second-place candidate, to win the first round of the presidential election. With the main opposition candidate, Macri of the Let's Change opposition alliance securing 30 percent of votes, it was a sign that the presidential election in October 2015 could go to a second round. With such an eventuality in the offing, Scioli would have to moderate his message to attract undecided centrist voters who might be attracted to Macri's pro-business stances. The outcome of the presidential race would also be influenced by the splitting of the votes for the third place candidate, Massa.

At the end of August 2015 and into September 2015, polling data continued to give the lead to Scioli with 38-40 percent; Macri was in second place hovering around 30 percent, and Massa was holding onto third place with about 18 percent. As such, the prevailing dynamics remained in place auguring a round one win for Scioli, but ensuring he would have to defeat Macri in the second round since he remained short of the 45 percent threshold needed for an outright victory.

By the start of October 2015, polling data indicated that Scioli was consolidating his advantage and now moving slightly past the 40 percent marker and in pursuit of the coveted 45 percent threshold that would foreclose the need for a second round of elections. Macri continued to garner 30 percent of support while Massa was moving up to 20 percent of support. Only Scioli and Massa were showing signs of momentum at this point, while it was apparent that Macri was stalling in terms of his support. If Scioli was able to continue to build on this momentum, he could win outright victory in the first round. However, polling data was not the same as actual votes, and that would be determined on election day.

#### Political Parties:

The main parties in Argentina can be understood as part of the following groupings --

- The ruling Front for Victory (FpV) -- a broad leftist and Peronist coalition, led by President Cristina Kirchner Nestor, which is officially aligned with the Justicialist Party (traditional Peronist, centrist Democrat)
- Dissident Peronists (PJ Disidente) or Federal Peronism (a sector of the Justicialist Party opposed to the Kirchners)
- Civic Coalition -- a center left party; supported by the centrist Civic Coalition ARI
- The Radical Civic Union (Union Cívica Radical in Spanish, or UCR) -- a social liberal and anti-Peronist political party
- Republican Proposal (Propuesta Republicana in Spanish, of PRO) -- a right-wing political party

- Socialist Party - a social democratic political party
- Broad Progressive Front - a center-left coalition
- Renewal Front (Frente Renovador in Spanish) -- a newly formed party that can be considered a breakaway entity from the ruling Front for Victory; somewhat converted to the banner "United for a New Argentina"

Election results:

Voters went to the polls in Argentina to vote for a new president on Oct. 25, 2015. The election was, as polls predicted, a contest between Scioli and Macri; however, the vote tally was shockingly close. Scioli garnered only 37 percent ahead of Macri who secured 34 percent. With Massa out of the equation, having taken only 21 percent and a distant third place finish, the presidential election in Argentina would go to a second round with Scioli looking to finally defeat Macri.

Ahead of the second round, Scioli was urging independents to vote for him. It was to be seen if his message would gain resonance and if Argentine voters would reward outgoing President Fernandez de Kirchner's hand-picked heir with their votes.

For her part, outgoing President Fernandez de Kirchner was rallying the party faithful, urging voters to protect her progressive social policies as she posed the following questions to her supporters: "Who is the candidate who can guarantee our policies continue? What's important is that our policies are carried on. Names are not important." She added, "I am not a candidate for anything. But when I leave, please God, I don't want to see ruined what it took us years to build!"

It was to be seen where Massa's support base would choose to move. If they moved in an ideologically consistent direction, then Scioli would be the beneficiary. Of note was Massa's excoriation of Macri's neo-liberal and free market policies. It was assumed that Massa's supporters shared his views hostile to market-driven policies and, as such, Scioli would provide them with more hospitable terrain to land. However, Massa seemed to be himself more driven by residual hostility to the president, with insiders reporting that while Massa would not expressly endorse Macri, he would tacitly do so. It was to be seen if Massa's supporters would agree with him and abandon their ideology in favor of acrimonious personality politics.

By November 2015, in the weeks ahead of the run-off election, polling data indicated that Argentine voters were in the mood for change, and that perhaps the domination of the Peronists was over. Specifically, the Poliarquia's survey, published in the La Nacion newspaper, showed Macri attracting close to 49 percent of the vote share with Scioli trailing notably behind, attracting only 42 percent of the vote.

On Nov. 22, 2015, voters in Argentina returned to the polls. After the votes were counted, it was apparent that the Macri lead held in place as the conservative candidate defeated his leftist rival. Scioli, effectively ending Peronist rule in Argentina. Election results gave Macri 52 percent while Scioli had 48 percent. Accordingly, a new day dawned in Argentina.

**Judicial Branch:**

"Corte Suprema" (Supreme Court); the nine Supreme Court judges appointed by the president with the approval of the Senate

**Constitution:**

Promulgated May 1, 1853; revised August 1994

**Legal System:**

A mixture of United States and West European legal systems; has not accepted compulsory ICJ jurisdiction

**Administrative Divisions:**

23 "provincias, " singular - "provincia" (provinces) and one "distrito federal"\* (federal district): Buenos Aires;\* Catamarca; Chaco; Chubut; Cordoba; Corrientes; Distrito Federal; Entre Rios; Formosa; Jujuy; La Pampa; La Rioja; Mendoza; Misiones; Neuquen; Rio Negro; Salta; San Juan; San Luis; Santa Cruz; Santa Fe; Santiago del Estero; Tierra del Fuego, Antartida e Islas del Atlantico Sur; Tucuman

**Political Parties:**

Civic Coalition or CC (a coalition loosely affiliated with Elisa CARRIO)

Dissident Peronists (PJ Disidente) or Federal Peronism (a sector of the Justicialist Party opposed to the Kirchners)

Front for Victory or FpV (a broad coalition, including elements of the PJ, UCR, and numerous provincial parties) [Cristina FERNANDEZ DE KIRCHNER]

Peronist (or Justicialist) Party or PJ [Eduardo FELLNER]

Radical Civic Union or UCR [Ernesto SANZ]

Republican Proposal or PRO [Mauricio MACRI]

Socialist Party or PS [Hermes BINNER]

Renewal Front (Frente Renovador) [Sergio MASSA]

numerous provincial parties

**Suffrage:**

18 years of age; universal

---

## Principal Government Officials

### Government of Argentina

**Executive Branch:**

Chief of State and Head of Government:

Incoming conservative Mauricio Macri won the 2015 presidential election in Argentina and was set to succeed outgoing President Cristina Fernandez de Kirchner (served from 2007-2015). See 2015 Election Primer for details.

Note:

The president is both the chief of state and head of government; the president is elected by popular vote for four-year terms (eligible for a second term)

Cabinet:

Appointed by the president

Elections:

Last held in 2015; see Election Primer below for details.

**Legislative Branch:**

Bicameral "Congreso Nacional" (National Congress):

Consists of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies)

"Senado" (Senate):

72 seats; members are elected by direct vote; presently one-third of the members elected every two years to a six-year term

"Cámara de Diputados" (Chamber of Deputies):

257 seats; members are elected by direct vote; one-half of the members elected every two years to a four-year term

Note on 2013 elections:

Parliamentary elections were scheduled to be held in Argentina in October 2013. At stake would be the composition of the bicameral "Congreso Nacional" (National Congress), which consists of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado" (Senate), there are 72 seats and members are elected by direct vote; one-third of the members elected are every two years to six-year terms. In the "Cámara de Diputados" (Chamber of Deputies), there are 257 seats and members are elected by direct vote; one-half of the members are elected every two years to four-year terms.

On election day -- Oct. 27, 2013 -- Argentines went to the polls to cast their ballots. Turnout was a healthy 75 percent and voting went off in a calm manner. When the polling stations closed, the process of counting the votes began. Once the votes were counted, the results were released.

Sergio Massa's Renewal Front had pulled off a sizable victory in the province of Buenos Aires. In fact, President Cristina Fernandez de Kirchner's Front for Victory secured only a third place finish in that province -- behind the congressional candidates of another rival party headed by Mayor Mauricio Macri's center-right. Ultimately, the president's Front for Victory lost in almost half the provinces, including major urban centers. That being said, the expectations that Fernandez de Kirchner's Front for Victory would lose a sizable portion of seats in Congress but not its overall majority came to pass. To that end, Fernandez de Kirchner's Front for Victory won 33 percent nationwide.

The conclusions from the 2013 parliamentary elections in Argentina were two-fold. First, despite the dissatisfaction felt towards Fernandez de Kirchner and the Front for Victory, the president's party was still able to hold onto the most seats in Congress. The president's party won enough parliamentary seats to show continued overall dominance but not what could be regarded as a "constitutional majority" needed to set the path for a third term in office. Stated differently, there were constitutional hurdles that had to be crossed for Fernandez de Kirchner to be able to contest a third term in office, which were no longer relevant since she did not secure a constitutional two-thirds majority. Second, Massa's Renewal Front was able to advance an impressive performance as an upstart party. Indeed, it was clear that the spotlight was falling favorably on Massa, who could credibly be viewed as a political powerhouse candidate for the presidency in 2015.

Note on 2015 elections in Argentina

See primer below for details.

**Primer on 2015 Presidential and parliamentary elections in Argentina:**

First round Oct. 25, 2015; second round Nov. 22, 2015 --

Presidential and parliamentary elections were expected to be held in Argentina in October 2015. Note that the first round of the presidential contest would be on Oct. 25, 2015, with the second round and the parliamentary contests to follow on Nov. 22, 2015.

In Argentina, the president is both the chief of state and the head of government, and is elected by popular vote for four-year terms; he or she is eligible for a second term. The incumbent president, Cristina Fernandez de Kirchner was elected to power in 2007 and re-elected in 2011. Because of term limits, she would not be eligible to contest the 2015 election, making it an open race.

The parliament in Argentina is the bicameral "Congreso Nacional" (National Congress), consisting of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado" (Senate), there are 72 seats and members are elected by direct vote; one-third of the members elected are every two years to six-year terms. In the "Cámara de Diputados" (Chamber of Deputies), there are 257 seats and members are elected by direct vote; one-half of the members are elected every two years to four-year terms. Because of mid-term contests, the last elections were held in 2013, with these fresh 2015 elections coinciding with the presidential contest.

It should be noted that in the 2013 elections, the president's Front for Victory suffered some significant losses but not its overall majority in Congress. It was to be seen if a similar performance would come to pass in 2015 with Fernandez de Kirchner no longer leading the ticket.

Since coming to power, outgoing President Fernandez de Kirchner has seen plummeting approval ratings. Of significance for citizens in Argentina was President Fernandez de Kirchner's economic stewardship of the country. Specifically, the Argentine business class was displeased about her failure to control inflation, her protectionist economic policies, including the nationalization of companies, and also foreign exchange controls and import restrictions.

Also of particular concern for the public has been the accusation that her government manipulated economic and financial data regarding Argentina's economic performance, to the consternation of the International Monetary Fund and the World Bank. The issue caused the European Union to question trade arrangements with Argentina. Meanwhile, the failure to settle creditor claims incurred in the wake of Argentina's sovereign default in 2001 spurred the United States to withdraw trade privileges. That move by the United States caused the International Monetary Fund to withdraw its proposed support for Argentina in dealing with the defaulted debt issue discussed here.

At the same time, trade union leaders and farmers' associations have questioned the government's policies, arguing that they have yielded only difficulties, and that key sectors have been ignored. Outside the country, economic experts from the World Bank have pointed to the fact that Argentina's poverty alleviation programs have often failed in their objectives. As stated in a World

Bank report, "Argentina is a relatively rich country. Yet despite this wealth, it is also a country with a relatively high level of poverty." The government of Argentina countered with the argument that the poverty rate in Argentina had dropped to 5.4 percent in 2012; however, critics were now regarding government statistics as unreliable.

As a consequence of these myriad factors, there was a rising tide of discontent among the citizenry over the government's policy agenda, as well as President Fernandez de Kirchner's handling of the country's economy and finances. At the same time, the chorus of criticism was growing louder regarding Argentina's standing in the world, in addition to the president's inability to assuage would-be partners abroad.

Amidst this background, various contenders for the presidency were staking out their own ground with all suggesting that they would dismantle the outgoing President Fernandez de Kirchner's economic regime.

Some of the main candidates were likely to include Sergio Massa, the popular mayor of Tigre. Although he served in administrations of the president and her husband (the now-deceased President Nestor Kirchner), Massa was not a stalwart of the power couple or the Front for Victory. Indeed, Massa formed his own upstart or dissident party, Frente Renovador (Renewal Front), which enjoyed notable success in the previous 2013 parliamentary polls. In 2015, he was contesting the presidency under the United for a New Argentina banner.

Another presidential contender included the main leftist candidate, Daniel Scioli, the likely candidate of the ruling Front for Victory, which was allied with the Justicialist Party. He was hoping to shepherd the leftist base faithful to President Fernandez de Kirchner and sympathetic to the Peronista legacy.

As well, the presidential contest would include the main pro-business candidate, Mauricio Macri, who was likely to be contesting the election on behalf of the right-wing Republican Proposal and its allies.

Note that polling data in the early spring of 2015 gave Scioli the advantage with 33 percent of support; Macri was in second place with 27 percent, and Massa was in third place with 20 percent. Other polls in May 2015 put Scioli and Macri in a dead heat with 33 percent and Massa slipping to 13 percent. In mid-2015, polling data showed Scioli holding onto his lead with more than 35 percent of support. Macri was in second place with 31 percent, and Massa retained his third place standing notably behind.

Primary contests in August 2015 gave an indication of where the presidential race stood ahead of the actual presidential contest to be held months later. Of note was the fact that Scioli, who ran an uncontested race for the nomination of the ruling Front for Victory party's ticket, took 38 percent -



- just short of the margin of victory needed to win election outright. To be clear, a presidential contender must secure 45 percent of the vote share, or 40 percent with a 10-point margin over the second-place candidate, to win the first round of the presidential election. With the main opposition candidate, Macri of the Let's Change opposition alliance securing 30 percent of votes, it was a sign that the presidential election in October 2015 could go to a second round. With such an eventuality in the offing, Scioli would have to moderate his message to attract undecided centrist voters who might be attracted to Macri's pro-business stances. The outcome of the presidential race would also be influenced by the splitting of the votes for the third place candidate, Massa.

At the end of August 2015 and into September 2015, polling data continued to give the lead to Scioli with 38-40 percent; Macri was in second place hovering around 30 percent, and Massa was holding onto third place with about 18 percent. As such, the prevailing dynamics remained in place auguring a round one win for Scioli, but ensuring he would have to defeat Macri in the second round since he remained short of the 45 percent threshold needed for an outright victory.

By the start of October 2015, polling data indicated that Scioli was consolidating his advantage and now moving slightly past the 40 percent marker and in pursuit of the coveted 45 percent threshold that would foreclose the need for a second round of elections. Macri continued to garner 30 percent of support while Massa was moving up to 20 percent of support. Only Scioli and Massa were showing signs of momentum at this point, while it was apparent that Macri was stalling in terms of his support. If Scioli was able to continue to build on this momentum, he could win outright victory in the first round. However, polling data was not the same as actual votes, and that would be determined on election day.

#### Political Parties:

The main parties in Argentina can be understood as part of the following groupings --

- The ruling Front for Victory (FpV) -- a broad leftist and Peronist coalition, led by President Cristina Kirchner Nestor, which is officially aligned with the Justicialist Party (traditional Peronist, centrist Democrat)
- Dissident Peronists (PJ Disidente) or Federal Peronism (a sector of the Justicialist Party opposed to the Kirchners)
- Civic Coalition -- a center left party; supported by the centrist Civic Coalition ARI
- The Radical Civic Union (Union Cívica Radical in Spanish, or UCR) -- a social liberal and anti-Peronist political party
- Republican Proposal (Propuesta Republicana in Spanish, of PRO) -- a right-wing political party



- Socialist Party - a social democratic political party
- Broad Progressive Front - a center-left coalition
- Renewal Front (Frente Renovador in Spanish) -- a newly formed party that can be considered a breakaway entity from the ruling Front for Victory; somewhat converted to the banner "United for a New Argentina"

Election results:

Voters went to the polls in Argentina to vote for a new president on Oct. 25, 2015. The election was, as polls predicted, a contest between Scioli and Macri; however, the vote tally was shockingly close. Scioli garnered only 37 percent ahead of Macri who secured 34 percent. With Massa out of the equation, having taken only 21 percent and a distant third place finish, the presidential election in Argentina would go to a second round with Scioli looking to finally defeat Macri.

Ahead of the second round, Scioli was urging independents to vote for him. It was to be seen if his message would gain resonance and if Argentine voters would reward outgoing President Fernandez de Kirchner's hand-picked heir with their votes.

For her part, outgoing President Fernandez de Kirchner was rallying the party faithful, urging voters to protect her progressive social policies as she posed the following questions to her supporters: "Who is the candidate who can guarantee our policies continue? What's important is that our policies are carried on. Names are not important." She added, "I am not a candidate for anything. But when I leave, please God, I don't want to see ruined what it took us years to build!"

It was to be seen where Massa's support base would choose to move. If they moved in an ideologically consistent direction, then Scioli would be the beneficiary. Of note was Massa's excoriation of Macri's neo-liberal and free market policies. It was assumed that Massa's supporters shared his views hostile to market-driven policies and, as such, Scioli would provide them with more hospitable terrain to land. However, Massa seemed to be himself more driven by residual hostility to the president, with insiders reporting that while Massa would not expressly endorse Macri, he would tacitly do so. It was to be seen if Massa's supporters would agree with him and abandon their ideology in favor of acrimonious personality politics.

By November 2015, in the weeks ahead of the run-off election, polling data indicated that Argentine voters were in the mood for change, and that perhaps the domination of the Peronists was over. Specifically, the Poliarquia's survey, published in the La Nacion newspaper, showed Macri attracting close to 49 percent of the vote share with Scioli trailing notably behind, attracting only 42 percent of the vote.

On Nov. 22, 2015, voters in Argentina returned to the polls. After the votes were counted, it was apparent that the Macri lead held in place as the conservative candidate defeated his leftist rival. Scioli, effectively ending Peronist rule in Argentina. Election results gave Macri 52 percent while Scioli had 48 percent. Accordingly, a new day dawned in Argentina.

-- as of 2015

---

## Leader Biography

### Leader Biography

#### Executive Branch:

##### Chief of State and Head of Government:

Incoming conservative Mauricio Macri won the 2015 presidential election in Argentina and was set to succeed outgoing President Cristina Fernandez de Kirchner (served from 2007-2015). See 2015 Election Primer for details.

##### Note:

The president is both the chief of state and head of government; the president is elected by popular vote for four-year terms (eligible for a second term)

##### Cabinet:

Appointed by the president

##### Elections:

Last held in 2015; see Election Primer below for details.

**Legislative Branch:**

Bicameral "Congreso Nacional" (National Congress):

Consists of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies)

"Senado" (Senate):

72 seats; members are elected by direct vote; presently one-third of the members elected every two years to a six-year term

"Cámara de Diputados" (Chamber of Deputies):

257 seats; members are elected by direct vote; one-half of the members elected every two years to a four-year term

Note on 2013 elections:

Parliamentary elections were scheduled to be held in Argentina in October 2013. At stake would be the composition of the bicameral "Congreso Nacional" (National Congress), which consists of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado" (Senate), there are 72 seats and members are elected by direct vote; one-third of the members elected are every two years to six-year terms. In the "Cámara de Diputados" (Chamber of Deputies), there are 257 seats and members are elected by direct vote; one-half of the members are elected every two years to four-year terms.

On election day -- Oct. 27, 2013 -- Argentines went to the polls to cast their ballots. Turnout was a healthy 75 percent and voting went off in a calm manner. When the polling stations closed, the process of counting the votes began. Once the votes were counted, the results were released.

Sergio Massa's Renewal Front had pulled off a sizable victory in the province of Buenos Aires. In

fact, President Cristina Fernandez de Kirchner's Front for Victory secured only a third place finish in that province -- behind the congressional candidates of another rival party headed by Mayor Mauricio Macri's center-right. Ultimately, the president's Front for Victory lost in almost half the provinces, including major urban centers. That being said, the expectations that Fernandez de Kirchner's Front for Victory would lose a sizable portion of seats in Congress but not its overall majority came to pass. To that end, Fernandez de Kirchner's Front for Victory won 33 percent nationwide.

The conclusions from the 2013 parliamentary elections in Argentina were two-fold. First, despite the dissatisfaction felt towards Fernandez de Kirchner and the Front for Victory, the president's party was still able to hold onto the most seats in Congress. The president's party won enough parliamentary seats to show continued overall dominance but not what could be regarded as a "constitutional majority" needed to set the path for a third term in office. Stated differently, there were constitutional hurdles that had to be crossed for Fernandez de Kirchner to be able to contest a third term in office, which were no longer relevant since she did not secure a constitutional two-thirds majority. Second, Massa's Renewal Front was able to advance an impressive performance as an upstart party. Indeed, it was clear that the spotlight was falling favorably on Massa, who could credibly be viewed as a political powerhouse candidate for the presidency in 2015.

#### Note on 2015 elections in Argentina

See primer below for details.

#### **Primer on 2015 Presidential and parliamentary elections in Argentina:**

First round Oct. 25, 2015; second round Nov. 22, 2015 --

Presidential and parliamentary elections were expected to be held in Argentina in October 2015. Note that the first round of the presidential contest would be on Oct. 25, 2015, with the second round and the parliamentary contests to follow on Nov. 22, 2015.

In Argentina, the president is both the chief of state and the head of government, and is elected by popular vote for four-year terms; he or she is eligible for a second term. The incumbent president, Cristina Fernandez de Kirchner was elected to power in 2007 and re-elected in 2011. Because of term limits, she would not be eligible to contest the 2015 election, making it an open race.

The parliament in Argentina is the bicameral "Congreso Nacional" (National Congress), consisting of the "Senado" (Senate) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado" (Senate), there are 72 seats and members are elected by direct vote; one-third of the members elected are every two years to six-year terms. In the "Cámara de Diputados" (Chamber of Deputies), there are 257 seats and members are elected by direct vote; one-half of the members are elected every two years to four-year terms. Because of mid-term contests, the last elections were held in 2013, with these fresh 2015 elections coinciding with the presidential contest.

It should be noted that in the 2013 elections, the president's Front for Victory suffered some significant losses but not its overall majority in Congress. It was to be seen if a similar performance would come to pass in 2015 with Fernandez de Kirchner no longer leading the ticket.

Since coming to power, outgoing President Fernandez de Kirchner has seen plummeting approval ratings. Of significance for citizens in Argentina was President Fernandez de Kirchner's economic stewardship of the country. Specifically, the Argentine business class was displeased about her failure to control inflation, her protectionist economic policies, including the nationalization of companies, and also foreign exchange controls and import restrictions.

Also of particular concern for the public has been the accusation that her government manipulated economic and financial data regarding Argentina's economic performance, to the consternation of the International Monetary Fund and the World Bank. The issue caused the European Union to question trade arrangements with Argentina. Meanwhile, the failure to settle creditor claims incurred in the wake of Argentina's sovereign default in 2001 spurred the United States to withdraw trade privileges. That move by the United States caused the International Monetary

Fund to withdraw its proposed support for Argentina in dealing with the defaulted debt issue discussed here.

At the same time, trade union leaders and farmers' associations have questioned the government's policies, arguing that they have yielded only difficulties, and that key sectors have been ignored. Outside the country, economic experts from the World Bank have pointed to the fact that Argentina's poverty alleviation programs have often failed in their objectives. As stated in a World Bank report, "Argentina is a relatively rich country. Yet despite this wealth, it is also a country with a relatively high level of poverty." The government of Argentina countered with the argument that the poverty rate in Argentina had dropped to 5.4 percent in 2012; however, critics were now regarding government statistics as unreliable.

As a consequence of these myriad factors, there was a rising tide of discontent among the citizenry over the government's policy agenda, as well as President Fernandez de Kirchner's handling of the country's economy and finances. At the same time, the chorus of criticism was growing louder regarding Argentina's standing in the world, in addition to the president's inability to assuage would-be partners abroad.

Amidst this background, various contenders for the presidency were staking out their own ground with all suggesting that they would dismantle the outgoing President Fernandez de Kirchner's economic regime.

Some of the main candidates were likely to include Sergio Massa, the popular mayor of Tigre. Although he served in administrations of the president and her husband (the now-deceased President Nestor Kirchner), Massa was not a stalwart of the power couple or the Front for Victory. Indeed, Massa formed his own upstart or dissident party, Frente Renovador (Renewal Front), which enjoyed notable success in the previous 2013 parliamentary polls. In 2015, he was contesting the presidency under the United for a New Argentina banner.

Another presidential contender included the main leftist candidate, Daniel Scioli, the likely

candidate of the ruling Front for Victory, which was allied with the Justicialist Party. He was hoping to shepherd the leftist base faithful to President Fernandez de Kirchner and sympathetic to the Peronista legacy.

As well, the presidential contest would include the main pro-business candidate, Mauricio Macri, who was likely to be contesting the election on behalf of the right-wing Republican Proposal and its allies.

Note that polling data in the early spring of 2015 gave Scioli the advantage with 33 percent of support; Macri was in second place with 27 percent, and Massa was in third place with 20 percent. Other polls in May 2015 put Scioli and Macri in a dead heat with 33 percent and Massa slipping to 13 percent. In mid-2015, polling data showed Scioli holding onto his lead with more than 35 percent of support. Macri was in second place with 31 percent, and Massa retained his third place standing notably behind.

Primary contests in August 2015 gave an indication of where the presidential race stood ahead of the actual presidential contest to be held months later. Of note was the fact that Scioli, who ran an uncontested race for the nomination of the ruling Front for Victory party's ticket, took 38 percent - - just short of the margin of victory needed to win election outright. To be clear, a presidential contender must secure 45 percent of the vote share, or 40 percent with a 10-point margin over the second-place candidate, to win the first round of the presidential election. With the main opposition candidate, Macri of the Let's Change opposition alliance securing 30 percent of votes, it was a sign that the presidential election in October 2015 could go to a second round. With such an eventuality in the offing, Scioli would have to moderate his message to attract undecided centrist voters who might be attracted to Macri's pro-business stances. The outcome of the presidential race would also be influenced by the splitting of the votes for the third place candidate, Massa.

At the end of August 2015 and into September 2015, polling data continued to give the lead to Scioli with 38-40 percent; Macri was in second place hovering around 30 percent, and Massa was holding onto third place with about 18 percent. As such, the prevailing dynamics remained in place

auguring a round one win for Scioli, but ensuring he would have to defeat Macri in the second round since he remained short of the 45 percent threshold needed for an outright victory.

By the start of October 2015, polling data indicated that Scioli was consolidating his advantage and now moving slightly past the 40 percent marker and in pursuit of the coveted 45 percent threshold that would foreclose the need for a second round of elections. Macri continued to garner 30 percent of support while Massa was moving up to 20 percent of support. Only Scioli and Massa were showing signs of momentum at this point, while it was apparent that Macri was stalling in terms of his support. If Scioli was able to continue to build on this momentum, he could win outright victory in the first round. However, polling data was not the same as actual votes, and that would be determined on election day.

Political Parties:

The main parties in Argentina can be understood as part of the following groupings --

- The ruling Front for Victory (FpV) -- a broad leftist and Peronist coalition, led by President Cristina Kirchner Nestor, which is officially aligned with the Justicialist Party (traditional Peronist, centrist Democrat)
- Dissident Peronists (PJ Disidente) or Federal Peronism (a sector of the Justicialist Party opposed to the Kirchners)
- Civic Coalition -- a center left party; supported by the centrist Civic Coalition ARI
- The Radical Civic Union (Union Cívica Radical in Spanish, or UCR) -- a social liberal and anti-Peronist political party
- Republican Proposal (Propuesta Republicana in Spanish, of PRO) -- a right-wing political party



- Socialist Party - a social democratic political party
- Broad Progressive Front - a center-left coalition
- Renewal Front (Frente Renovador in Spanish) -- a newly formed party that can be considered a breakaway entity from the ruling Front for Victory; somewhat converted to the banner "United for a New Argentina"

Election results:

Voters went to the polls in Argentina to vote for a new president on Oct. 25, 2015. The election was, as polls predicted, a contest between Scioli and Macri; however, the vote tally was shockingly close. Scioli garnered only 37 percent ahead of Macri who secured 34 percent. With Massa out of the equation, having taken only 21 percent and a distant third place finish, the presidential election in Argentina would go to a second round with Scioli looking to finally defeat Macri.

Ahead of the second round, Scioli was urging independents to vote for him. It was to be seen if his message would gain resonance and if Argentine voters would reward outgoing President Fernandez de Kirchner's hand-picked heir with their votes.

For her part, outgoing President Fernandez de Kirchner was rallying the party faithful, urging voters to protect her progressive social policies as she posed the following questions to her supporters: "Who is the candidate who can guarantee our policies continue? What's important is that our policies are carried on. Names are not important." She added, "I am not a candidate for anything. But when I leave, please God, I don't want to see ruined what it took us years to build!"

It was to be seen where Massa's support base would choose to move. If they moved in an ideologically consistent direction, then Scioli would be the beneficiary. Of note was Massa's excoriation of Macri's neo-liberal and free market policies. It was assumed that Massa's supporters shared his views hostile to market-driven policies and, as such, Scioli would provide them with

more hospitable terrain to land. However, Massa seemed to be himself more driven by residual hostility to the president, with insiders reporting that while Massa would not expressly endorse Macri, he would tacitly do so. It was to be seen if Massa's supporters would agree with him and abandon their ideology in favor of acrimonious personality politics.

By November 2015, in the weeks ahead of the run-off election, polling data indicated that Argentine voters were in the mood for change, and that perhaps the domination of the Peronists was over. Specifically, the Poliarquia's survey, published in the La Nacion newspaper, showed Macri attracting close to 49 percent of the vote share with Macri trailing notably behind, attracting only 42 percent of the vote.

On Nov. 22, 2015, voters in Argentina returned to the polls. After the votes were counted, it was apparent that the Macri lead held in place as the conservative candidate defeated his leftist rival. Scioli, effectively ending Peronist rule in Argentina. Election results gave Macri 52 percent while Scioli had 48 percent. Accordingly, a new day dawned in Argentina.

---

## Foreign Relations

### General Relations

In recent years, Argentina has had a strong partnership with the United States. Argentina was the only Latin American country to participate in the Gulf war and all phases of the Haiti operation. It has contributed to United Nations peacekeeping operations worldwide, with Argentine soldiers and police serving in Guatemala, Ecuador-Peru, Western Sahara, Angola, Cyprus, Kosovo, Bosnia, Haiti and East Timor.

In recognition of its contributions to international security and peacekeeping, the U.S. Government designated Argentina as a major non-NATO ally in January 1998. Argentina has also been an enthusiastic supporter of the Summit of the Americas process.

In November 1998, Argentina hosted the United Nations conference on climate change, and in

October 1999 in Berlin, became one of the first nations worldwide to adopt a voluntary greenhouse-gas emissions target.

Eager for closer ties to industrialized nations, Argentina left the Non-Aligned Movement in the early 1990s and has pursued a relationship with the OECD. It has become a leading advocate of nonproliferation efforts worldwide.

In October 2004, Argentina, Japan, Denmark, Greece and Tanzania were elected by the United Nations General Assembly as the new members of the Security Council with two-year terms beginning in January 2005.

### Regional Relations

Argentina is a member of the Organization of American States, the Rio Group, the Southern Cone Common Market, the Economic Commission for Latin America and the Caribbean, the Group of 11, the Latin American Economic System, and the Latin American Integration Association. Argentina is also a member of the Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean.

- The Organization of American States, or OAS, was established April 30, 1948, to promote regional peace and security as well as economic and social development. The OAS has 35 members and 31 observers.

- The Rio Group, formerly known as "el Grupo de los Ocho," was established in December 1986 to consult on regional Latin American issues. The Rio Group includes Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela.

- The Southern Cone Common Market, also known as "Mercado Comun del Cono Sur" or MERCOSUR, was established March 26, 1991, to increase regional economic cooperation among its members, which were originally Argentina, Brazil, Paraguay, and Uruguay, with Chile later becoming an associate member.

- The Economic Commission for Latin America and the Caribbean was established Feb. 25, 1948 as the Economic Commission for Latin America to promote economic development as a regional commission of the U.N.'s Economic and Social Council. ECLAC has 41 members and seven associate members.

- The Group of 11, also known as the Cartagena Group, was established June 22, 1984, in Cartagena, Colombia to provide a forum for the largest debtor nations in Latin America: Argentina, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Mexico, Peru, Uruguay and

Venezuela.

- The Latin American Economic System, also known as "Sistema Económico Latinoamericana," was established Oct. 17, 1975, to promote economic and social development through regional cooperation. Members include: Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay and Venezuela.

- The Latin American Integration Association, also known as "Asociación Latinoamericana de Integración," was established Aug. 12, 1980, to promote freer regional trade. Members include Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

- The Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean, also known as "Organismo para la Proscripción de las Armas Nucleares en la América Latina y el Caribe," was established Feb. 14, 1967, to encourage the peaceful uses of atomic energy and prohibit nuclear weapons. Members include Antigua and Barbuda, Argentina, the Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

A strong proponent of enhanced regional stability in South America, Argentina has revitalized its relationship with Brazil; settled lingering border disputes with Chile; served with the United States (U.S.), Brazil, and Chile as one of the four guarantors of the Ecuador-Peru peace process; and restored diplomatic relations with the United Kingdom (U.K.). In September 1995, Argentina and the U.K. signed an agreement to promote oil and gas exploration in the Southwest Atlantic, defusing a potentially difficult issue and opening the way to further cooperation between the two nations. In 1998, former-President Menem traveled to the U.K. in the first official visit by an Argentine president since the 1960s.

In October 2001, when Argentina and Brazil agreed upon safeguards to compensate exchange imbalances within MERCOSUR, Uruguay's President Batlle expressed disapproval, stating that safeguards were not a good instrument.

In June 2002, relations between Uruguay and Argentina became further strained when President Batlle described all Argentines as being "a pack of thieves." The remark was apparently made in reference to Argentina's financial and economic crisis, and the lack of support for Argentina's President Duhalde in this regard. Batlle subsequently flew to the Argentine capital of Buenos Aires to apologize personally to Duhalde for the thoughtless thrust of his remarks, noting that they came

from his own personal frustration over Argentina's crisis.

In 2003, Argentina and Brazil were considering the introduction of a common currency. Because the Argentinean peso and the Brazilian real have both been valued at about the same rate, and because the two countries are major players in the Latin American trading bloc, MERCOSUR, the measure has been viewed as one which would improve the functions of the trading bloc by reducing currency fluctuations. Further developments in this regard were suspended until a new president took office.

From 2005 to 2006, relations between Argentina and Uruguay centered on the construction of paper mills on the Uruguayan side of the river that separates the two countries. In April 2006, several thousand people gathered in the Argentine town of Gualeguaychu for a massive environmental rally. The demonstrators were hoping to stop the construction of the two paper pulp mills. Demonstrators, activists and environmental groups have warned that the mills will pollute the river despite claimed by the builders that the use of the latest technology would prevent such an end. Among Uruguayans, there is a different sentiment. Instead, they support the project as a source of employment and investment.

The dispute was ongoing for over a year and has had an effect on the two normally-friendly countries. Indeed, relations between the governments in Buenos Aires and Montevideo went downhill rapidly and spurred the concern of neighboring countries. In addition to grass-roots efforts by demonstrators, the Argentine government also took action. It has accused Uruguay breaking a treaty governing the protection of the waters and, as such, it took the case to the International Court of Justice in the Hague. But Argentina's hopes were dashed when the court at The Hague ruled that the construction of the mill was permissible.

In October 2006, Argentines launched protests against the construction of pulp mill across the border in neighboring Uruguay. On October 11, 2006, the World Bank said that the plant complied with environmental standards and so it intended to go forward with the project. This announcement by the World Bank sparked the latest bout of demonstrations. About 300 protestors blocked road links between the two countries on October 13, 2006, including roads leading to a bridge across the Uruguay River into the town of Gualeguaychu. Other protestors also blocked a cross-border bridge near the town of Colon.

### Other Significant Relations

The positive bilateral relationship between the United States and Argentina is based on many common strategic interests, including non-proliferation, counternarcotics, counterterrorism, science cooperation, the fight against human trafficking, and issues of regional peace and stability, as well as the strength of commercial ties.

Argentina is a participant in the Three-Plus-One regional mechanism (Argentina, Brazil, Paraguay, and the U.S.), which focuses on coordination of counterterrorism policies in the tri-border region where Argentina, Brazil, and Paraguay meet. Argentina supports the Container Security Initiative to ensure that cargo bound for the United States is secure, and it operates a Trade Transparency Unit with support from the U.S. Department of Homeland Security/Immigration and Customs Enforcement (ICE) to identify trade-based money laundering.

In 2004, Argentina signed a letter of agreement with the Department of State opening the way for enhanced cooperation with the U.S. on counternarcotics issues and enabling the U.S. to begin providing financial assistance to the Government of Argentina for its counternarcotics efforts.

In recognition of its contributions to international security and peacekeeping, the U.S. Government designated Argentina as a major non-NATO ally in January 1998. The Office of the Secretary of Defense and the Argentine Ministry of Defense hold an annual bilateral working group meeting, alternating between Argentina and Washington, DC. Furthermore, the two nations exchange information through alternating annual joint staff talks, military educational exchanges, and operational officer exchange billets. The U.S. Department of State and the Argentine Foreign Ministry also convene a senior-level bilateral working group, normally on an annual basis.

U.S.-Argentine cooperation also includes science and technology initiatives in the fields of space, peaceful uses of nuclear energy, and the environment. The first of what is expected to be annual bilateral joint science and technology working group meetings was held in September 2010.

In June 2007, the U.S. and Argentina modernized a bilateral civil aviation agreement to update safety and security safeguards and allow a significant increase in flight frequencies between the two countries, which hold excellent potential for increased tourism and business travel. An active media, together with widespread interest in American culture and society, make Argentina a receptive environment for the information and cultural exchange work of the U.S. Embassy. The Fulbright scholarship program has more than tripled the annual number of U.S. and Argentine academic grantees since 1994, and the U.S. Embassy is actively working to increase other education exchanges.

The United States and Argentina enjoyed a close bilateral relationship during the Clinton years, which was highlighted by former United States President Bill Clinton's visit to Argentina in October 1997 and President De la Rúa's visit to Washington in June 2000.

The efforts of the Menem and De la Rúa administrations to open Argentina's economy and realign its foreign policy contributed to the improvement in these relations, and the interests and policies of the two countries coincided on many issues.

Argentina and the United States often vote together in the United Nations and other multilateral fora. Argentina has participated in many multilateral forces deployments mandated by the United Nations Security Council, including recent missions to Haiti and the former Yugoslavia. Argentina was designated a major non-NATO ally in 1998.

Since the collapse of the Argentine economy in recent years, criticisms regarding United States-backed structural reforms have strained relations to some degree. Indeed, this factor was mentioned by President Kirchner during a visit by then-United States President Bush to Argentina for the Summit of the Americas in 2005.

Although foreign policy initiatives by the United States under the Bush administration proved to be unpopular in Argentina, actual bilateral ties remained strong. Relations between the administration of United States President Barack Obama and that of Argentine President Cristina Kirchner have been strong and positive.

#### Special Report: Summit of the Organisation of American States (OAS) in 2005

The leaders of 34 nations from across the Americas convened in the Argentine resort town of Mar del Plata on Nov. 3 and 4, 2005, to discuss consolidating free trade across the hemisphere. The talks, however, failed to reach any significant resolution on the matter of creating The United States-backed proposal for a regional free trade zone. The United States was faced with strong opposition from five Latin American countries -- Brazil, Argentina, Venezuela, Uruguay, Paraguay - who said that the free trade zone plan could damage their economies. They also cautioned that they wanted to see how various trade-related issues transpired at the upcoming World Trade Organization meeting in Hong Kong. The twenty-nine remaining countries said they would resume talks on a Free Trade Area of the Americas (FTAA) in 2006.

For United States President George W. Bush, the summit was sometimes a rather discomfoting event. At one point, he had to listen to his host, Argentine President Nestor Kirchner, publicly attribute his country's economic woes to American-backed economic policies of structural adjustment. In addition to that, he was faced with opposition from Venezuela's President Hugo Chavez, who said Latin America was "standing like a rock" against the idea of the free trade area. Chavez also led a peaceful anti-Bush rally of about 40,000 people at a football stadium in the resort town. During the rally, Chavez characterized as Bush's foreign policy agenda as a neo-imperialist creation. Argentine soccer legend, Diego Maradona, also participated in the rally at the start of the summit. A demonstration by far-left activists later in the day resulted in violent riots. Still, Bush responded with good humor to his less than warm reception. At one point, he noted, "It's not easy to host all these countries. It's particularly not easy to host - perhaps - me."



## Special Entry

In October 2011, Argentina's state of national security came to the fore when United States law enforcement and intelligence agencies uncovered a conspiracy plot by Iranian agents working on behalf of the elite Iranian Quds Force. The plot included plans to assassinate the Saudi Arabian ambassador to the United States, and to bomb the Saudi and Israeli embassies in Washington D.C. and Buenos Aires. The White House has promised to hold Tehran responsible for its involvement in this elaborate plot of assassination and terrorism. Meanwhile, a connection between the Iranian agents and Mexican drug cartels (whom the Iranian agents were hoping to hire to carry out the assassination) has been uncovered, effectively complicating the already-tangled web of complex geopolitics.

Written by Dr. Denise Youngblood Coleman, Editor in Chief at CountryWatch.com. See Bibliography for general research sources.

---

## National Security

### External Threats

Argentina is engaged in several territorial disputes. In 1982 Argentina fought and lost a brief war with Great Britain over sovereignty of the Falkland Islands (Islas Malvinas), as well as South Georgia and the South Sandwich Islands (located approximately 620 miles east of the Falklands). Though they lost, Argentina still claims the islands in its constitution. In 1995, however, the Argentine government rescinded the right to use armed force as a means to assert that claim. Papal mediation facilitated the resolution of a dispute between Argentina and Chile over the Beagle Channel Islands (located south of Tierra del Fuego) in 1984. Chile was granted possession. Since the 1992 discovery of oil there, hostilities between the two nations over the matter have resurfaced and escalated to periodic armed confrontations, however, they have since subsided. Argentina is one of seven nations that claim portions of the Antarctic region. Argentina's claim overlaps that of Chile and the United Kingdom.

### Crime



Argentina continues to wrestle with the unwelcome presence of a significant criminal element within and on the fringe of its borders. Petty crime undermines public safety, particularly in urban areas. The unruly, tri-border region between Argentina, Brazil and Paraguay, a hotbed of illicit activities that range from money laundering to terrorism, poses a major national security concern. The narcotics trade has also taken root in Argentina.

The United States (U.S.) Department of State reports that petty crime is prevalent throughout Argentina. Muggers, pickpockets, and purse-snatchers operate on the streets and at bus and train stations. Crimes of a more serious nature, including, armed bank robberies and invasions of restaurants, shops, and residences, are also common. Though kidnapping for ransom has declined, it still occurs in certain sectors.

The tri-border region between Argentina, Brazil and Paraguay has long been a hotbed of criminal activity. The Argentine city of Puerto Iguazu lies within the zone, as do Foz do Iguazu, Brazil and Ciudad del Este, Paraguay. The area has a total population of roughly 600,000 inhabitants. It has been used as a staging ground the trafficking of arms, narcotics and contraband, document and currency fraud and money laundering, in addition to terrorism (see below). Argentina is known to be used by drug traffickers as a transshipment point for cocaine bound for Europe and the U.S.

### **Insurgencies**

There were no organized armed opposition groups operating inside or outside of Argentina that seek to undermine the authority of its central government in recent years. Argentina has suffered from bouts of politically motivated violence in the past.

### **Terrorism**

Argentina has played an integral role in combating global terrorism. The Argentine government has actively participated in multinational initiatives to prevent future attacks. It has also stepped up efforts to address the terrorist threat emanating from a region on its border with Brazil and Paraguay. Argentine authorities continue to investigate domestic terrorist attacks against the Jewish community that took place in 1992 and 1994. The absence of anti-terrorism legislation, however, poses an impediment to its ability to combat terrorism.

Argentina has been an active participant in multinational initiatives to combat global terrorism. It served as the vice-chair of the Inter-American Committee Against Terrorism. The Argentine government has been particularly responsive to requests to freeze the financial holdings of global terrorists. Argentina is party to eight of the 12 United Nations conventions pertaining to terrorism.

Argentina has taken an active role in confronting the specific terrorist threat based in the tri-border region. In addition to a host of other illicit enterprises affiliated with the region, the zone between Argentina, Brazil and Paraguay is closely linked to global terrorism. It has traditionally been a regional hub for Hezbollah and Hamas fundraising efforts. There were uncorroborated reports of an al-Qaida presence there in 2002. In 2002 Argentina played host to officials from Brazil, Paraguay and the United States to discuss means to better address the terrorist threat emanating from the tri-border region. The meeting led to the promise of increased cooperation between the participants, including the sharing of information.

Argentine authorities continue to investigate two domestic terrorist attacks that targeted the Jewish community. In 1992 a suicide bomber drove an explosive-laden truck into the Israeli embassy. Similar tactics was used to attack the Argentina-Israeli Community Center (AMIA) in 1994. Fifteen of the twenty suspects on trial for the AMIA bombing were former local police officers.

Argentina currently lacks anti-terrorism laws that could serve to facilitate the investigation and prosecution of terrorists. The excesses of former military regimes have left the Argentine public wary of increasing judicial and/or police powers. That being said, Argentina is a participant in the Three-Plus-One regional mechanism (Argentina, Brazil, Paraguay, and the U.S.), which focuses on coordination of counterterrorism policies in the tri-border region where Argentina, Brazil, and Paraguay meet. Argentina supports the Container Security Initiative to ensure that cargo bound for the United States is secure, and it operates a Trade Transparency Unit with support from the U.S. Department of Homeland Security/Immigration and Customs Enforcement (ICE) to identify trade-based money laundering.

Note--

In October 2011, Argentina's state of national security came to the fore when United States law enforcement and intelligence agencies uncovered a conspiracy plot by Iranian agents working on behalf of the elite Iranian Quds Force. The plot included plans to assassinate the Saudi Arabian ambassador to the United States, and to bomb the Saudi and Israeli embassies in Washington D.C. and Buenos Aires. The White House has promised to hold Tehran responsibility for its involvement in this elaborate plot of assassination and terrorism. Meanwhile, a connection between the Iranian agents and Mexican drug cartels (whom the Iranian agents were hoping to hire to carry out the assassination) has been uncovered, effectively complicating the already-tangled web of complex geopolitics.

---

## Defense Forces

## **Military Data**

### **Military Branches:**

Argentine Army, Navy of the Argentine Republic (includes Naval Aviation and Marines), Argentine Air Force (Fuerza Aerea Argentina, FAA)

### **Eligible age to enter service:**

18

### **Mandatory Service Terms:**

no conscription

### **Manpower in general population-fit for military service:**

males age 16-49: 10,038,967

females age 16-49: 9,959,134

### **Manpower reaching eligible age annually:**

males age 16-49: 339,503

females age 16-49: 323,170

### **Military Expenditures:**

0.91%



# **Chapter 3**

## **Economic Overview**

---

## Economic Overview

### *Overview*

Argentina is one of South America's largest economies. Endowed with rich natural resources, the country also benefits from a well-educated workforce, an export-oriented agricultural sector, and a diversified industrial base. Although the agricultural sector represents less than 10 percent of GDP, Argentina is one of the world's largest exporters of soybeans, wheat and meat. The services sector accounts for over 60 percent of GDP, supported by a growing number of financial and tourism enterprises. The industrial sector accounts for around 30 percent of GDP, including food processing, oil refining, machinery and equipment, textiles, chemicals and petrochemicals.

In the 1990s Argentina was Latin America's economic star, with GDP growing at an annual average rate of 6.1 percent between 1991 and 1997. But in the late 1990s, inflexible economic policies and a failure to deepen structural reforms left the country vulnerable to external shocks, and its economy slid into a deep recession. The economic situation worsened in 2001 with massive withdrawals from the banks and a further decline in consumer and investor confidence. As a result, Argentina experienced one of the worst economic crises in its history in 2001 and 2002, with real GDP contracting over 15 percent in these two years; inflation rose sharply; the exchange rate plunged; and in late 2001 the government announced the largest debt default in history.

While the economy recovered strongly after 2003, progress on structural reforms to address long-term vulnerabilities has been limited. Moreover, the government's discretionary and interventionist policies are weighing on private investment and contributing to the erosion of fiscal and current-account surpluses. Price controls and distortions have resulted in electricity shortages and other problems, and at the same time inflationary pressures have picked up. The current global economic crisis, combined with domestic interventionist economic policies, has weakened trade conditions and investment. As a result, real GDP growth in Argentina slowed sharply in 2009 but rebounded strongly to record growth in 2010. Growth was expected to still be strong in 2010. However, the government continues to rely on expansionary fiscal and monetary policies, which could exacerbate already high inflation and negative interest rates. In late August 2011, credit ratings agency Moody's lowered its outlook for Argentina's banking sector to "negative" from "stable." While the move upset the country's banking industry and central bank, Moody's defended the move by saying that Argentinean banks were becoming more dependent on "unsustainable" government policies. Indeed, growth slowed sharply in 2012. By June 2012, the World Bank was projecting that Argentina's economy would slow to 2.2 percent for the year compared with nearly 9 percent in 2011. Some independent economists claimed that even that figure was optimistic, and that the

country could actually end the year with a recession. Meanwhile, Argentina's unemployment rate climbed to 7.6 percent in the third quarter of 2012, up from 7.2 percent in the same period of 2011.

Similar to President Hugo Chavez in Venezuela, Argentinian President Fernández de Kirchner's government has given away massive subsidies in its quest to win elections – a move that leaves a country vulnerable to bankruptcy when world commodity prices stop growing. Roberto Lavagna — the former economy minister under Nestor Kirchner who is known for resurrecting Argentina's economy after the country's 2001 default on its foreign debts — estimates that government subsidies for transportation and energy surged to US\$19 billion in 2011 compared with US\$1.2 billion at the end of 2005, according to The Miami Herald. Also in June, President de Kirchner announced a plan to give out 400,000 low-interest mortgages and build 400,000 homes over the next four years using money borrowed from the country's Social Security system. While the government claimed the plan would create 100,000 construction jobs, skeptics feared the money would just end up in the hands of corrupt officials.

The government expanded state intervention in the economy throughout 2012. In May the Congress approved the nationalization of the oil company YPF from Spain's Repsol. The government expanded formal and informal measures to restrict imports during the year, including a requirement for pre-registration and pre-approval of all imports. In July the government also further tightened currency controls in an effort to bolster foreign reserves and stem capital flight. Overall, for 2012, expansion was modest and limited by weak global demand, a grain harvest impacted by drought, high inflation and the negative impact of currency controls on investment.

In February 2013, Argentina was censured by the IMF for failure to improve the accuracy of its inflation and GDP data. Analysts have accused Argentina's government of under-reporting inflation since early 2007 for political gain and to reduce debt payments.

By October 2013, the Argentine government was reporting that economic activity grew 4 percent in August over the same month in 2012 – a performance that far exceeded market expectations. Overall, the government was predicting that GDP would expand 5.1 percent for the year.

In November 2013, the IMF said it planned to meet in December to review a fund report about Argentina's economic data following the concerns about the quality of official figures. IMF head Christine Lagarde last Sunday said the country had made “positive progress” in reforming its data. If it failed to make progress, the IMF could potentially impose sanctions, barring Argentina from voting on IMF policies and accessing financing. Meanwhile, central bank reserves had sunk 24 percent to \$33 billion by November 2013. Not exactly supported by the global bond market, government officials use the bank to pay government debts, finance the Treasury and prop up an overvalued currency.

In 2013, the government continued with a mix expansionary fiscal and monetary policies and foreign exchange and imports controls to limit the drain in Central Bank foreign reserves, which

nevertheless dropped US \$12 billion during the year. GDP grew and inflation remained steady, according to private estimates. In October 2013, the government settled long-standing international arbitral disputes (including with three US firms) dating back to before and following the 2002 Argentine financial crisis. In early 2014, the government embraced a series of more orthodox economic policies. It devalued the peso 20 percent, substantially tightened monetary and fiscal policies, and took measures to mend ties with the international financial community, including: engaging with the IMF to improve its economic data reporting, reaching a compensation agreement with Repsol for the expropriation of YPF, and presenting a proposal to pay its arrears to the Paris Club.

However, in July 2014, Standard & Poor's declared Argentina in default after the government missed a deadline for paying interest on \$13 billion of restructured bonds. It was the country's second default in 12 years. (See below for more details) Argentina's rating was cut from CCC- because "the grace period expired with bondholders not receiving their payment," according to a statement from S&P. Meanwhile, Argentine President Cristina Fernandez de Kirchner said in a televised speech that the country wasn't in default on its obligations because her government had duly sent the \$539 million payment to a trustee bank before it was blocked by a judge. So essentially, the government denied that it was in default.

In October 2014, the IMF in its World Economic Outlook report said it expected Argentina's economy to contract by 1.7 percent in 2014, and 1.5 percent in 2015. The IMF had revised down its estimates for Argentine growth due to what it described as "deepening macroeconomic and policy imbalances that are manifesting themselves as high inflation, negative growth, and a rising differential between the parallel and official exchange rates."

The country's government disagreed with the IMF's conclusions, predicting the country's economy would grow 0.5 percent in 2014, and 2.8 percent in 2015.

During 2014, the government continued with expansionary fiscal and monetary policies and foreign exchange and imports controls. Between 2011 and 2013, Central Bank foreign reserves had dropped \$21.3 billion from a high of \$52.7 billion. In July 2014, Argentina and China agreed on an \$11 billion currency swap; the Argentine Central Bank has received the equivalent of \$3.2 billion in Chinese yuan, which it counts as international reserves.

In 2014, the government also took some measures to mend ties with the international financial community, including engaging with the IMF to improve its economic data reporting, reaching a compensation agreement with Repsol for the expropriation of YPF, and agreeing to pay \$9.7 billion in arrears to the Paris Club over five years, including \$606 million owed to the United States. In July 2014, Argentina made its first payment to Paris Club creditors since the country's 2001 financial crisis. At the same time, the Argentine government in July 2014 entered a technical default on its external debt after it failed to reach an agreement with holdout creditors in the US. The government's delay in reaching a settlement and the continuation of interventionist and



populist policies are contributing to high inflation and a prolonged recession, according to private analysts.

Argentina's economic recovery was expected to gather pace in 2016 as domestic consumption strengthened, investments picked up and export flows increased, according to a budget bill presented by Argentina's economy minister, Axel Kicillof, in September 2015.

A copy of the draft bill seen by Reuters as Kicillof began presenting the measure to Congress stated, "The prudent administration of exchange rate policies, together with income and investment policies, will guarantee economic stability and ensure an improvement in jobs and salaries."

A new government was slated to take office on Dec. 10, 2015, and that seemed to be driving optimism in the country, according to CNN Money. Argentina's Merval stock market was up 45 percent for the year, more than Europe's performance and significantly more than the S&P 500. And, the country's consumer confidence index was up over 40 percent from a year prior, according to Torcuato di Tella University, a private university in Buenos Aires. Kicillof had also recently announced that Argentina had sold \$1.4 billion in government debt.

"The economy seems to not be falling anymore," says Eugenio Aleman, an Argentine and senior economist at Wells Fargo Securities, was quoted by CNN Money as saying in September 2015. "There are a little bit more positive vibes going around."

### ***Special Update:***

Argentina defaults on debt following failure of talks with bond holders in New York --

On July 31, 2014, for the second time in more than a dozen years, Argentina defaulted on its debt. The 2014 default was actually the extended outcome of an economic crisis in 2000, which was marked by 20 percent unemployment and a run on the banks. That crisis led to a number of rescue maneuvers, including a credit line from the International Monetary Fund (coupled by austerity measures), all aimed at avoiding default. Nevertheless, in December 2001 Argentina missed interest payments on its international debt, leading to the largest debt default in history.

In fact, Argentina has defaulted on its debt eight times in its history, but the 2001 episode stands as the most significant and was followed by the devaluation of the peso.

These moves -- while derided by financial mainstreamers who eschew default -- were actually actions of a responsible country aiming to avoid a deflationary spiral. While default certainly curtailed Argentina's access to international capital and gave the people of Argentina the heart ache of massive inflation, it did serve the particular purpose noted here. That being said, these moves still allowed Argentina's economy to recover sufficiently, so that it was able in 2005 and 2010 to

attempt to repay the holder of its defaulted debt at a rate of about 35 cents on the dollar of the original debt.

The vast majority of Argentina's bond holders agreed to new restructuring terms; however, a particular group of hedge funds, including Aurelius Capital Management, Elliot Management, and NML Capital, did not. Argentina's 2014 default stemmed from the refusal by this cadre of bond holders to assent to the new restructuring terms. Instead, they insisted that they could and should hold out for a better deal.

It should be noted that United States courts blocked payments to other the bond holders who were willing to be paid under restructured terms until an agreement with the "hold out" hedge fund investors could be forged. Thus, with the courts involved, a final effort to find a resolution was advanced in the form of a meeting in New York.

The 2014 default occurred after these talks with bond holders in New York ended in failure, with Argentina rejecting the proposal on the table. As intimated here, that proposal was not much of a compromise with the hedge funds demanding that the full amount of \$1.3 billion be paid on the bonds they (the investors) held. While Argentina was willing to repay its debt along restructured terms, it now had the choice to either pay all the bond holders -- including the hedge funds who were demanding full payment -- or to go down the road of default. Argentina chose the latter path. As noted by the court-appointed mediator, Daniel Pollack, "Unfortunately, no agreement was reached and the Republic of Argentina will imminently be in default."

For her part, Argentina's President Cristina Fernandez de Kirchner accused the United States hedge funds that bought Argentina's debt at cheap rates of operating like a "vulture fund," noting that they were reaping profits at the expense of Argentina's economic woes. It was certainly true that those hedge funds had gobbled up Argentina's defaulted debt from 2001 at cheap rates.

Meanwhile, the credit ratings agency Standard & Poor's (S&P) downgraded Argentina on the basis of the default, although it said a revision would be in order if Argentina found a way to make the payment.

### *Economic Performance*

From early 2003, the economy began to recover, supported by a combination of political stability, prudent macroeconomic policies, and favorable external conditions. The smooth political transition following the May 2003 presidential elections and the firm implementation of fiscal and monetary policies were critical in rebuilding consumer and business confidence. With financial markets stabilized and interest rates steadily reduced, confidence increased gradually, and consumption and investment rebounded. As a result, real GDP expanded at an annual average rate of about 8 percent from 2003 to 2008, underpinned by strong domestic demand, favorable terms of trade,

and a competitive currency. After slowing sharply in 2009, growth recovered nicely in 2010 and 2011 before slowing in 2012.

According to CountryWatch estimated calculations for 2014:

Real GDP growth rate was: 2.8 percent

Inflation was measured at: 20.2 percent

The fiscal deficit/surplus as percent of GDP (%) was: -3.8 percent

*Updated in 2015*

*\*Please note that the figures in our Economic Performance section are estimates or forecasts based on IMF-based data that are formulated using CountryWatch models of analysis.*

*Supplementary Sources: Roubini Global Economics, Bloomberg, CNN Money, MiamiHerald.com and Reuters*

## Nominal GDP and Components

Nominal GDP and Components					
	2011	2012	2013	2014	2015
Nominal GDP (LCU billions)	2,312.01	2,765.58	3,406.27	4,388.83	5,235.52
Nominal GDP Growth Rate (%)	27.677	19.618	23.167	28.846	19.292
Consumption (LCU billions)	1,496.31	1,829.26	2,246.15	2,828.04	3,464.13
Government Expenditure (LCU billions)	323.401	417.136	530.763	690.402	845.689
Gross Capital Formation (LCU billions)	456.326	470.387	631.796	859.468	909.776

---

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Exports of Goods & Services (LCU billions)	406.075	428.120	487.913	651.794	739.159
Imports of Goods & Services (LCU billions)	370.103	379.327	490.361	640.868	723.237

---



---

**Population and GDP Per Capita**

Population and GDP Per Capita					
	2011	2012	2013	2014	2015
Population, total (million)	41.261	41.733	42.203	42.643	43.096
Population growth (%)	1.160	1.144	1.126	1.043	1.062
Nominal GDP per Capita (LCU 1000s)	56,033.75	66,268.31	80,711.44	102,920.39	121,484.99

---

---

**Real GDP and Inflation**

Real GDP and Inflation					
	2011	2012	2013	2014	2015
Real Gross Domestic Product (LCU billions 2005 base)	837.791	844.507	868.874	868.254	876.498
Real GDP Growth Rate (%)	8.386	0.8017	2.885	-0.0714	0.9495
GDP Deflator (2005=100.0)	275.965	327.478	392.032	505.478	597.322
Inflation, GDP Deflator (%)	17.798	18.666	19.712	28.938	18.170

## Government Spending and Taxation

Government Spending and Taxation					
	2011	2012	2013	2014	2015
Government Fiscal Budget (billions)	732.914	936.155	1,206.29	1,683.13	2,111.59
Fiscal Budget Growth Rate (percentage)	36.810	27.731	28.855	39.530	25.456
National Tax Rate Net of Transfers (%)	29.751	31.491	33.417	35.647	35.480
Government Revenues Net of Transfers (LCU billions)	687.845	870.912	1,138.26	1,564.47	1,857.55
Government Surplus(-) Deficit(+) (LCU billions)	-45.0690	-65.2430	-68.0230	-118.6570	-254.0440
Government Surplus(+) Deficit(-) (%GDP)	-1.9493	-2.3591	-1.9970	-2.7036	-4.8523

## Money Supply, Interest Rates and Unemployment

Money Supply, Interest Rates and Unemployment					
	2011	2012	2013	2014	2015
Money and Quasi-Money (M2) (LCU billions)	530.131	714.732	908.133	1,179.18	1,406.67
Money Supply Growth Rate (%)	26.032	34.822	27.059	29.847	19.292
Lending Interest Rate (%)	14.088	14.061	17.147	24.009	16.250
Unemployment Rate (%)	7.150	7.200	7.075	7.250	6.914



## Foreign Trade and the Exchange Rate

Foreign Trade and the Exchange Rate					
	2011	2012	2013	2014	2015
Official Exchange Rate (LCU/\$US)	4.138	4.552	5.476	8.082	9.047
Trade Balance NIPA (\$US billions)	8.692	10.720	-0.4470	1.352	1.760
Trade Balance % of GDP	1.556	1.764	-0.0719	0.2490	0.3041
Total Foreign Exchange Reserves (\$US billions)	46.266	43.223	30.534	31.411	50.820

---

**Data in US Dollars**

Data in US Dollars					
	2011	2012	2013	2014	2015
Nominal GDP (\$US billions)	558.681	607.596	622.054	543.061	578.705
Exports (\$US billions)	98.125	94.058	89.103	80.651	81.703
Imports (\$US billions)	89.433	83.338	89.550	79.299	79.943

## Energy Consumption and Production Standard Units

Energy Consumption and Production Standard Units					
	2011	2012	2013	2014	2015
Petroleum Consumption (TBDP)	696.415	709.940	744.396	602.037	628.506
Petroleum Production (TBDP)	763.553	717.839	705.158	701.631	704.825
Petroleum Net Exports (TBDP)	67.138	7.899	-39.2377	99.593	76.319
Natural Gas Consumption (bcf)	1,629.08	1,632.97	1,694.77	1,695.92	1,896.65
Natural Gas Production (bcf)	1,370.50	1,333.59	1,305.34	1,233.82	1,291.63
Natural Gas Net Exports (bcf)	-258.5830	-299.3798	-389.4261	-462.1069	-605.0208
Coal Consumption (1000s st)	1,828.78	1,615.99	2,848.96	2,808.46	2,925.51
Coal Production	97.314	83.077	240.121	346.970	347.433

---

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
(1000s st)					
Coal Net Exports (1000s st)	-1731.4651	-1532.9113	-2608.8426	-2461.4880	-2578.0802
Nuclear Production (bil kwh)	5.894	5.903	5.730	5.256	5.060
Hydroelectric Production (bil kwh)	31.248	28.992	31.934	32.198	32.521
Renewables Production (bil kwh)	2.543	2.750	2.846	3.008	3.182

## Energy Consumption and Production QUADS

Energy Consumption and Production QUADS					
	2011	2012	2013	2014	2015
Petroleum Consumption (Quads)	1.487	1.516	1.589	1.286	1.342
Petroleum Production (Quads)	1.630	1.543	1.511	1.532	1.203
Petroleum Net Exports (Quads)	0.1432	0.0273	-0.0789	0.2469	-0.1391
Natural Gas Consumption (Quads)	1.662	1.666	1.729	1.730	1.935
Natural Gas Production (Quads)	1.397	1.356	1.329	1.277	1.128
Natural Gas Net Exports (Quads)	-0.2651	-0.3098	-0.3999	-0.4533	-0.8070
Coal Consumption (Quads)	0.0366	0.0323	0.0570	0.0562	0.0585
Coal Production (Quads)	0.0020	0.0018	0.0050	0.0069	0.0063
Coal Net Exports (Quads)	-0.0346	-0.0306	-0.0519	-0.0492	-0.0522
Nuclear Production (Quads)	0.0589	0.0590	0.0573	0.0526	0.0506
Hydroelectric Production (Quads)	0.3125	0.2899	0.3193	0.3220	0.3252
Renewables Production (Quads)	0.0254	0.0275	0.0285	0.0301	0.0318

---

---

## World Energy Price Summary

World Energy Price Summary					
	2011	2012	2013	2014	2015
Petroleum-WTI (\$/bbl)	95.054	94.159	97.943	93.112	48.709
Natural Gas-Henry Hub (\$/mmbtu)	3.999	2.752	3.729	4.369	2.614
Coal Thermal-Australian (\$/mt)	121.448	96.364	84.562	70.130	57.511

---

**CO2 Emissions**

CO2 Emissions					
	2011	2012	2013	2014	2015
Petroleum Based (mm mt C)	33.222	33.867	35.510	28.719	29.982
Natural Gas Based (mm mt C)	26.430	26.493	27.496	27.515	30.771
Coal Based (mm mt C)	1.048	0.9261	1.633	1.610	1.677
Total CO2 Emissions (mm mt C)	60.700	61.286	64.639	57.844	62.430

## Agriculture Consumption and Production

Agriculture Consumption and Production					
	2011	2012	2013	2014	2015
Corn Total Consumption (1000 metric tons)	7,999.40	5,951.71	12,052.63	12,013.51	12,010.37
Corn Production (1000 metric tons)	23,755.72	23,727.45	31,988.35	33,504.82	31,226.72
Corn Net Exports (1000 metric tons)	15,756.32	17,775.74	19,935.72	21,491.31	19,216.35
Soybeans Total Consumption (1000 metric tons)	38,081.37	33,951.90	41,528.32	46,945.41	45,562.75
Soybeans Production (1000 metric tons)	48,952.64	40,027.49	49,007.20	52,533.84	48,943.55
Soybeans Net Exports (1000 metric tons)	10,871.27	6,075.59	7,478.87	5,588.43	3,380.80



	2011	2012	2013	2014	2015
Rice Total Consumption (1000 metric tons)	1,624.38	1,539.99	1,557.46	1,538.46	1,499.69
Rice Production (1000 metric tons)	1,749.25	1,567.95	1,562.76	1,581.19	1,490.54
Rice Net Exports (1000 metric tons)	124.876	27.952	5.308	42.730	-9.1426
Coffee Total Consumption (metric tons)	28,747.00	31,942.00	33,379.00	34,202.34	34,936.63
Coffee Production (metric tons)	0.0000	0.0000	0.0000	0.0000	0.0000
Coffee Net Exports (metric tons)	-28747.0000	-31942.0000	-33379.0000	-34202.3410	-34936.6333
Cocoa Beans Total Consumption (metric tons)	451.000	484.000	253.000	217.903	205.166
Cocoa Beans Production (metric tons)	0.0000	0.0000	0.0000	0.0000	0.0000
Cocoa Beans Net Exports	-451.0000	-484.0000	-253.0000	-217.9025	-205.1655

---

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
(metric tons)					
Wheat Total Consumption (1000 metric tons)	6,089.39	6,444.47	6,799.56	11,924.92	10,865.53
Wheat Production (1000 metric tons)	14,468.30	8,067.48	9,173.95	13,976.01	11,892.93
Wheat Net Exports (1000 metric tons)	8,378.91	1,623.00	2,374.39	2,051.09	1,027.40

---



---

**World Agriculture Pricing Summary**

World Agriculture Pricing Summary					
	2011	2012	2013	2014	2015
Corn Pricing Summary (\$/metric ton)	291.684	298.417	259.389	192.881	169.750
Soybeans Pricing Summary (\$/metric ton)	540.667	591.417	538.417	491.771	390.417
Rice Pricing Summary (\$/metric ton)	458.558	525.071	473.989	425.148	386.033
Coffee Pricing Summary (\$/kilogram)	5.976	4.111	3.076	4.424	3.526
Cocoa Beans Pricing Summary (\$/kilogram)	2.980	2.392	2.439	3.062	3.135
Wheat Pricing Summary (\$/metric ton)	316.264	313.242	312.248	284.895	203.177

## Metals Consumption and Production

Metals Consumption and Production					
	2011	2012	2013	2014	2015
Copper Consumption (1000 mt)	28,740.16	26,976.59	26,218.35	27,432.23	26,002.79
Copper Production (1000 mt)	15,876.73	15,849.14	15,911.96	17,046.51	15,005.71
Copper Net Exports (1000 mt)	-12863.4371	-11127.4580	-10306.3906	-10385.7221	-10997.0754
Zinc Consumption (1000 mt)	43,712.60	39,692.52	36,274.46	38,929.18	38,249.46
Zinc Production (1000 mt)	44,948.01	40,257.80	39,183.20	38,020.20	36,114.35
Zinc Exports (1000 mt)	1,235.40	565.279	2,908.74	-908.9779	-2135.1109
Lead Consumption (1000 mt)	63,914.70	70,497.37	62,900.19	63,265.87	58,096.23
Lead Production (1000 mt)	83,907.51	89,413.89	83,239.43	88,655.96	84,583.15

	2011	2012	2013	2014	2015
Lead Exports (1000 mt)	19,992.81	18,916.52	20,339.24	25,390.09	26,486.92
Tin Consumption (1000 mt)	785.478	752.056	882.123	540.835	544.804
Tin Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Tin Exports (1000 mt)	-785.4780	-752.0560	-882.1230	-540.8348	-544.8041
Nickel Consumption (1000 mt)	902.406	719.037	792.462	434.018	378.521
Nickel Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Nickel Exports (1000 mt)	-902.4060	-719.0370	-792.4620	-434.0180	-378.5210
Gold Consumption (kg)	0.0000	0.0000	0.0000	0.0000	0.0000
Gold Production (kg)	72,869.07	68,761.32	65,477.56	63,050.35	60,356.52
Gold Exports (kg)	72,869.07	68,761.32	65,477.56	63,050.35	60,356.52

---

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Silver Consumption (mt)	737,355.25	845,846.25	819,771.00	771,986.68	694,260.27
Silver Production (mt)	775,163.04	826,862.51	781,562.76	788,027.26	725,323.73
Silver Exports (mt)	37,807.79	-18983.7426	-38208.2407	16,040.58	31,063.47

---



---

**World Metals Pricing Summary**

World Metals Pricing Summary					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Copper (\$/mt)	8,828.19	7,962.35	7,332.10	6,863.40	5,510.46
Zinc (\$/mt)	2,193.90	1,950.41	1,910.26	2,160.97	1,931.68
Tin (\$/mt)	26,053.68	21,125.99	22,282.80	21,898.87	16,066.63
Lead (\$/mt)	2,400.81	2,064.64	2,139.79	2,095.46	1,787.82
Nickel (\$/mt)	22,910.36	17,547.55	15,031.80	16,893.38	11,862.64
Gold (\$/oz)	1,569.21	1,669.52	1,411.46	1,265.58	1,160.66
Silver (\$/oz)	35.224	31.137	23.850	19.071	15.721

## Economic Performance Index

### Economic Performance Index

The Economic Performance rankings are calculated by CountryWatch's editorial team, and are based on criteria including sustained economic growth, monetary stability, current account deficits, budget surplus, unemployment and structural imbalances. Scores are assessed from 0 to 100 using this aforementioned criteria as well as CountryWatch's proprietary economic research data and models.

	Bank stability risk	Monetary/ Currency stability	Government Finances	Empl./ Unempl.	Econ.GNP growth or decline/ forecast
	0 - 100	0 - 100	0 - 100	0 - 100	%
<b>North Americas</b>					
Canada	92	69	35	38	3.14%
United States	94	76	4	29	3.01%
<b>Western Europe</b>					
Austria	90	27	30	63	1.33%
Belgium	88	27	19	23	1.15%
Cyprus	81	91	16	80	-0.69%
Denmark	97	70	45	78	1.20%
Finland	89	27	41	33	1.25%



France	87	27	18	27	1.52%
Germany	86	27	22	21	1.25%
Greece	79	27	5	24	-2.00%
Iceland	90	17	2	34	-3.04%
Italy	85	27	37	24	0.84%
Ireland	92	27	11	10	-1.55%
Luxembourg	99	27	28	66	2.08%
Malta	77	27	41	51	0.54%
Netherlands	91	27	26	74	1.30%
Norway	98	44	10	76	1.08%
Portugal	77	27	13	20	0.29%
Spain	83	27	9	3	-0.41%
Sweden	94	72	54	32	1.23%
Switzerland	97	86	55	77	1.53%
United Kingdom	85	12	9	37	1.34%
<b>Central and Eastern Europe</b>					
Albania	44	60	33	6	2.30%
Armenia	45	59	49	30	1.80%

Azerbaijan	56	4	84	99	2.68%
Belarus	59	21	83	98	2.41%
Bosnia and Herzegovina	34	68	69	N/A	0.50%
Bulgaria	58	75	88	49	0.20%
Croatia	69	68	94	9	0.18%
Czech Republic	80	89	29	70	1.67%
Estonia	72	90	66	92	0.80%
Georgia	36	60	53	56	2.00%
Hungary	70	66	26	54	-0.16%
Latvia	67	100	65	44	-3.97%
Lithuania	65	91	87	79	-1.65%
Macedonia (FYR)	53	69	56	2	2.03%
Moldova	23	36	81	67	2.50%
Poland	74	74	38	12	2.72%
Romania	62	56	70	62	0.75%
Russia	73	18	90	8	4.00%
Serbia	48	49	52	5	1.97%

Montenegro	39	27	73	1	-1.70%
Slovak Republic	80	62	30	14	4.06%
Slovenia	81	27	36	65	1.12%
Ukraine	41	11	57	N/A	3.68%
Africa					
Algeria	57	18	96	7	4.55%
Angola	49	1	97	N/A	7.05%
Benin	19	91	20	N/A	3.22%
Botswana	68	58	76	N/A	6.33%
Burkina Faso	16	91	13	N/A	4.41%
Burundi	2	91	6	N/A	3.85%
Cameroon	26	91	91	N/A	2.58%
Cape Verde	52	87	4	N/A	4.96%
Central African Republic	9	91	32	N/A	3.18%
Chad	22	91	89	N/A	4.42%
Congo	52	87	87	N/A	12.13%
Côte d'Ivoire	25	91	82	28	2.98%
Dem. Republic					

Congo	4	91	47	N/A	5.44%
Djibouti	31	76	50	N/A	4.47%
Egypt	37	20	24	69	5.01%
Equatorial Guinea	82	91	85	N/A	0.94%
Eritrea	1	3	1	18	1.81%
Ethiopia	6	45	8	N/A	6.96%
Gabon	64	91	96	N/A	5.36%
Gambia	8	48	86	N/A	4.82%
Ghana	9	11	69	N/A	4.50%
Guinea	10	7	91	N/A	3.03%
Guinea-Bissau	5	91	46	N/A	3.47%
Kenya	20	41	59	N/A	4.11%
Lesotho	13	40	12	N/A	2.98%
Liberia	12	73	74	N/A	5.92%
Libya	73	2	94	N/A	5.22%
Madagascar	4	22	24	N/A	-1.02%
Malawi	7	25	55	N/A	5.96%
Mali	20	91	82	N/A	5.12%

Mauritania	15	13	93	N/A	4.58%
Mauritius	65	52	56	55	4.10%
Morocco	37	72	48	26	3.23%
Mozambique	12	23	71	N/A	6.45%
Namibia	40	39	62	N/A	1.70%
Niger	10	91	21	N/A	4.41%
Nigeria	30	6	61	N/A	6.98%
Rwanda	21	40	68	N/A	5.39%
Sao Tome & Principe	1	61	100	N/A	3.40%
Senegal	24	91	63	N/A	3.44%
Seychelles	60	67	97	N/A	4.01%
Sierra Leone	5	10	39	N/A	4.77%
Somalia	2	38	59	N/A	3.19%
South Africa	61	37	70	N/A	2.59%
Sudan	16	5	73	N/A	5.52%
Swaziland	32	44	79	N/A	1.09%
Tanzania	15	45	32	N/A	6.17%
Togo	8	91	92	N/A	2.56%

Tunisia	50	61	44	39	4.00%
Uganda	11	17	54	N/A	5.59%
Zambia	29	20	49	N/A	5.84%
Zimbabwe	0	8	16	N/A	2.24%
<b>South and Central America</b>					
Argentina	66	3	80	36	3.50%
Belize	47	76	80	N/A	1.00%
Bolivia	32	51	61	81	3.99%
Brazil	71	47	78	11	5.50%
Chile	78	25	92	73	4.72%
Columbia	47	52	34	47	2.25%
Costa Rica	60	42	39	57	3.45%
Ecuador	43	76	75	64	2.51%
El Salvador	35	76	67	N/A	1.04%
Guatemala	46	59	58	N/A	2.52%
Honduras	27	47	58	N/A	2.00%
Mexico	69	42	52	61	4.07%
Nicaragua	23	49	42	N/A	1.75%

Panama	66	76	72	45	5.00%
Paraguay	35	46	66	16	5.27%
Peru	59	66	75	22	6.33%
Suriname	58	26	81	59	4.02%
Uruguay	70	26	27	N/A	5.71%
Venezuela	55	1	28	13	-2.63%
<b>Caribbean</b>					
Antigua & Barbuda	72	76	15	N/A	-2.01%
Bahamas	74	76	45	87	-0.50%
Barbados	67	76	33	15	-0.50%
Bermuda	N/A	N/A	N/A	N/A	N/A
Cuba	45	76	18	95	0.25%
Dominica	53	76	65	N/A	1.40%
Dominican Republic	54	39	43	4	3.50%
Grenada	63	76	48	N/A	0.80%
Guyana	28	56	17	N/A	4.36%
Haiti	11	27	89	N/A	-8.50%
Jamaica	42	9	85	19	-0.28%

St Lucia	55	76	67	N/A	1.14%
St Vincent & Grenadines	49	76	95	N/A	0.50%
Trinidad & Tobago	82	37	77	72	2.13%
<b>Middle East</b>					
Bahrain	84	76	62	91	3.48%
Iran	51	19	40	58	3.01%
Iraq	48	9	8	N/A	7.27%
Israel	87	62	12	48	3.20%
Jordan	41	51	3	N/A	4.10%
Kuwait	96	4	99	N/A	3.10%
Lebanon	63	54	2	N/A	6.00%
Oman	76	16	88	N/A	4.71%
Qatar	99	16	83	N/A	18.54%
Saudi Arabia	76	8	98	N/A	3.70%
Syria	61	24	40	N/A	5.00%
Turkey	75	23	27	60	5.20%
United Arab Emirates	96	24	98	94	1.29%



Yemen	28	2	78	N/A	7.78%
<b>Asia</b>					
Afghanistan	17	70	74	N/A	8.64%
Bangladesh	13	43	25	N/A	5.38%
Bhutan	24	55	5	N/A	6.85%
Brunei	78	19	99	75	0.48%
Cambodia	18	67	42	N/A	4.77%
China	54	90	19	68	11.03%
Hong Kong	89	76	14	82	5.02%
India	31	38	34	35	8.78%
Indonesia	42	46	37	31	6.00%
Japan	88	89	6	71	1.90%
Kazakhstan	62	13	76	42	2.40%
Korea North	18	65	23	N/A	1.50%
Korea South	83	63	22	85	4.44%
Kyrgyz Republic	24	15	84	88	4.61%
Laos	17	54	7	N/A	7.22%
Macao	91	76	14	82	3.00%

Malaysia	68	65	44	90	4.72%
Maldives	44	55	17	N/A	3.45%
Mongolia	33	5	77	93	7.22%
Myanmar	3	41	72	N/A	5.26%
Nepal	3	14	25	N/A	2.97%
Pakistan	19	15	31	41	3.00%
Papua New Guinea	75	50	11	N/A	7.96%
Philippines	30	48	53	43	3.63%
Singapore	93	75	63	40	5.68%
Sri Lanka	38	22	10	N/A	5.50%
Taiwan	84	88	35	89	6.50%
Tajikistan	6	6	60	97	4.00%
Thailand	56	64	90	96	5.46%
Turkmenistan	51	53	68	N/A	12.00%
Uzbekistan	40	10	60	100	8.00%
Vietnam	25	12	20	N/A	6.04%
<b>Pacific</b>					
Australia	96	63	31	46	2.96%

Fiji	46	53	3	N/A	2.06%
Marshall Islands	27	76	46	N/A	1.08%
Micronesia (Fed. States)	N/A	N/A	N/A	N/A	N/A
New Caledonia	96	73	51	52	2.00%
New Zealand	98	73	51	52	2.00%
Samoa	34	88	64	N/A	-2.77%
Solomon Islands	14	71	1	N/A	3.36%
Tonga	26	57	38	N/A	0.60%
Vanuatu	33	58	47	N/A	3.80%

Source:

CountryWatch Inc. [www.countrywatch.com](http://www.countrywatch.com)

Updated:

This material was produced in 2010; it is subject to updating in 2012.

div style='margin-top:40%;padding-top:40%>

# Chapter 4

## Investment Overview

---

## Foreign Investment Climate

### Background

Argentina benefits from rich natural resources, a highly literate population, an export-oriented agricultural sector, and a diversified industrial base. Although one of the world's wealthiest countries 100 years ago, Argentina suffered during most of the 20th century from recurring economic crises, persistent fiscal and current account deficits, high inflation, mounting external debt, and capital flight. A severe depression, growing public and external indebtedness, and a bank run culminated in 2001 in the most serious economic, social, and political crisis in the country's turbulent history. Interim President Adolfo RODRIGUEZ SAA declared a default - the largest in history - on the government's foreign debt in December of that year, and abruptly resigned only a few days after taking office. His successor, Eduardo DUHALDE, announced an end to the peso's decade-long 1-to-1 peg to the US dollar in early 2002. The economy bottomed out that year, with real GDP 18% smaller than in 1998 and almost 60% of Argentines under the poverty line. Real GDP rebounded to grow by an average 8.5% annually over the subsequent six years, taking advantage of previously idled industrial capacity and labor, an audacious debt restructuring and reduced debt burden, excellent international financial conditions, and expansionary monetary and fiscal policies. Inflation also increased, however, during the administration of President Nestor KIRCHNER, which responded with price restraints on businesses, as well as export taxes and restraints, and beginning in early 2007, with understating inflation data. Cristina FERNANDEZ DE KIRCHNER succeeded her husband as President in late 2007, and the rapid economic growth of previous years began to slow sharply the following year as government policies held back exports and the world economy fell into recession. The economy has rebounded strongly from the 2009 recession, but the government's continued reliance on expansionary fiscal and monetary policies risks exacerbating already high inflation.

### Foreign Investment Assessment

The Argentine government generally promotes foreign investment. Precipitated to a large degree by a longstanding policy to maintain a fixed exchange rate, the 1998 recession undermined the confidence of foreign investors; so did many of the measures that the Argentine government took to address it. Continuing legal uncertainties have further tarnished the country's attractiveness to foreign investors. The country's economy is showing clear signs of recovery, however.

## **Industries**

Food processing, motor vehicles, consumer durables, textiles, chemicals and petrochemicals, printing, metallurgy, steel

## **Import Commodities**

Machinery and equipment, motor vehicles, chemicals, metal manufactures, plastics

## **Import Partners**

Brazil 34%, US 16.4%, Germany 5.6%, China 5.2%

## **Export Commodities**

Edible oils, fuels and energy, cereals, feed, motor vehicles

## **Export Partners**

Brazil 15.8%, Chile 12%, US 10.6%, China 8.4%, Spain 4.7%

## **Ports and Harbors**

Bahia Blanca, Buenos Aires, Comodoro Rivadavia, Concepcion del Uruguay, La Plata, Mar del Plata, Necochea, Rio Gallegos, Rosario, Santa Fe, Ushuaia

## **Telephone System**

By opening the telecommunications market to competition and foreign investment with the "Telecommunications Liberalization Plan of 1998," Argentina encouraged the growth of modern telecommunication technology; fiber-optic cable trunk lines are being installed between all major cities; the major networks are entirely digital and the availability of telephone service is being improved; however, telephone density is presently minimal, and making telephone service

universally available will take time; Country Code - 54

### **Internet Users**

4.1 million

### **Labor Force**

14.92 million; agriculture, industry, services

### **Judicial System**

Combining elements of European and American legal systems, Argentine law generally provides for the efficient resolution of international commercial disputes. Argentina is a party to the International Center for the Settlement of Investment Disputes (ICSID) and the World Bank's Multilateral Investment Guarantee Agency (MIGA). Argentina generally adheres to the principle of international arbitration.

### **Corruption Perception Ranking**

See full list, as reported by Transparency International, elsewhere in this Country Review.

### **Cultural Considerations**

Generally conforms to standards of etiquette common throughout Latin America. Argentine humor may seem a bit strange to visitors, as it may include seemingly derogatory comments. They should be received in the most positive spirit as they suggest that your Argentine counterpart is becoming more comfortable with you.

### **Country Website (s)**

[www.congenargentiny.com](http://www.congenargentiny.com)

## Foreign Investment Index

### Foreign Investment Index

**The Foreign Investment Index** is a proprietary index measuring attractiveness to international investment flows. The Foreign Investment Index is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on a given country's economic stability (sustained economic growth, monetary stability, current account deficits, budget surplus), economic risk (risk of non-servicing of payments for goods or services, loans and trade-related finance, risk of sovereign default), business and investment climate (property rights, labor force and laws, regulatory transparency, openness to foreign investment, market conditions, and stability of government). Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of foreign investment viability, while a score of 10 marks the highest level of foreign investment viability, according to this proprietary index.

Country	Assessment
Afghanistan	2
Albania	4.5
Algeria	6
Andorra	9
Angola	4.5-5
Antigua	8.5
Argentina	5
Armenia	5



Australia	9.5
Austria	9-9.5
Azerbaijan	5
Bahamas	9
Bahrain	7.5
Bangladesh	4.5
Barbados	9
Belarus	4
Belgium	9
Belize	7.5
Benin	5.5
Bhutan	4.5
Bolivia	4.5
Bosnia-Herzegovina	5
Botswana	7.5-8
Brazil	8
Brunei	7
Bulgaria	5.5

Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	4
Cambodia	4.5
Cameroon	5
Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4
Chile	9
China	7.5
China: Hong Kong	8.5
China: Taiwan	8.5
Colombia	7
Comoros	4
Congo DRC	4
Congo RC	5
Costa Rica	8

Cote d'Ivoire	4.5
Croatia	7
Cuba	4.5
Cyprus	7
Czech Republic	8.5
Denmark	9.5
Djibouti	4.5
Dominica	6
Dominican Republic	6.5
East Timor	4.5
Ecuador	5.5
Egypt	4.5-5
El Salvador	6
Equatorial Guinea	4.5
Eritrea	3.5
Estonia	8
Ethiopia	4.5
Fiji	5

Finland	9
Former Yugoslav Rep. of Macedonia	5
France	9-9.5
Gabon	5.5
Gambia	5
Georgia	5
Germany	9-9.5
Ghana	5.5
Greece	5
Grenada	7.5
Guatemala	5.5
Guinea	3.5
Guinea-Bissau	3.5
Guyana	4.5
Haiti	4
Holy See (Vatican)	n/a
Hong Kong (China)	8.5
Honduras	5.5

Hungary	8
Iceland	8-8.5
India	8
Indonesia	5.5
Iran	4
Iraq	3
Ireland	8
Israel	8.5
Italy	8
Jamaica	5.5
Japan	9.5
Jordan	6
Kazakhstan	6
Kenya	5
Kiribati	5.5
Korea, North	1
Korea, South	9
Kosovo	4.5

Kuwait	8.5
Kyrgyzstan	4.5
Laos	4
Latvia	7
Lebanon	5
Lesotho	5.5
Liberia	3.5
Libya	3
Liechtenstein	9
Lithuania	7.5
Luxembourg	9-9.5
Madagascar	4.5
Malawi	4.5
Malaysia	8.5
Maldives	6.5
Mali	5
Malta	9
Marshall Islands	5

Mauritania	4.5
Mauritius	7.5-8
Mexico	6.5-7
Micronesia	5
Moldova	4.5-5
Monaco	9
Mongolia	5
Montenegro	5.5
Morocco	7.5
Mozambique	5
Namibia	7.5
Nauru	4.5
Nepal	4
Netherlands	9-9.5
New Zealand	9.5
Nicaragua	5
Niger	4.5
Nigeria	4.5

Norway	9-9.5
Oman	8
Pakistan	4
Palau	4.5-5
Panama	7
Papua New Guinea	5
Paraguay	6
Peru	6
Philippines	6
Poland	8
Portugal	7.5-8
Qatar	9
Romania	6-6.5
Russia	6
Rwanda	4
Saint Kitts and Nevis	8
Saint Lucia	8
Saint Vincent and Grenadines	7



Samoa	7
San Marino	8.5
Sao Tome and Principe	4.5-5
Saudi Arabia	7
Senegal	6
Serbia	6
Seychelles	5
Sierra Leone	4
Singapore	9.5
Slovak Republic (Slovakia)	8.5
Slovenia	8.5-9
Solomon Islands	5
Somalia	2
South Africa	8
Spain	7.5-8
Sri Lanka	5.5
Sudan	4
Suriname	5

Swaziland	4.5
Sweden	9.5
Switzerland	9.5
Syria	2.5
Tajikistan	4
Taiwan (China)	8.5
Tanzania	5
Thailand	7.5-8
Togo	4.5-5
Tonga	5.5-6
Trinidad and Tobago	8-8.5
Tunisia	6
Turkey	6.5-7
Turkmenistan	4
Tuvalu	7
Uganda	5
Ukraine	4.5-5
United Arab Emirates	8.5

United Kingdom	9
United States	9
Uruguay	6.5-7
Uzbekistan	4
Vanuatu	6
Venezuela	5
Vietnam	5.5
Yemen	3
Zambia	4.5-5
Zimbabwe	3.5

#### Editor's Note:

As of 2015, the global economic crisis (emerging in 2008) had affected many countries across the world, resulting in changes to their rankings. Among those countries affected were top tier economies, such as the [United Kingdom](#), [Iceland](#), [Switzerland](#) and [Austria](#). However, in all these cases, their rankings have moved back upward in the last couple of years as anxieties have eased. Other top tier countries, such as [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#), suffered some effects due to debt woes and the concomitant effect on the euro zone. Greece, another euro zone nation, was also downgraded due to its sovereign debt crisis; however, Greece's position on the precipice of default incurred a sharper downgrade than the other four euro zone countries mentioned above. Cyprus' exposure to Greek bank yielded a downgrade in its case. Slovenia and [Latvia](#) have been slightly downgraded due to a mix of economic and political concerns but could easily be upgraded in a future assessment, should these concerns abate. Meanwhile, the crisis in eastern [Ukraine](#) fueled downgrades in that country and neighboring [Russia](#).

Despite the "trifecta of tragedy" in [Japan](#) in 2011 -- the earthquake, the ensuing tsunami, and the

resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both [India](#) and [China](#) retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability.

There were shifts in opposite directions for [Mali](#) and [Nigeria](#) versus the [Central African Republic](#), [Burkina Faso](#), and [Burundi](#). [Mali](#) was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Likewise, a new government in [Nigeria](#) generated a slight upgrade as the country attempts to confront corruption, crime, and terrorism. But the [Central African Republic](#) was downgraded due to the takeover of the government by Seleka rebels and the continued decline into lawlessness in that country. Likewise, the attempts by the leaders of [Burundi](#) and [Burkina Faso](#) to hold onto power by by-passing the constitution raised eyebrows and resulted in downgrades.

Political unrest in [Libya](#) and [Algeria](#) have contributed to a decision to marginally downgrade these countries as well. [Syria](#) incurred a sharper downgrade due to the devolution into de facto civil war and the dire security threat posed by Islamist terrorists. [Iraq](#) saw a similar downgrade as a result of the takeover of wide swaths of territory and the threat of genocide at the hands of Islamist terrorists. [Yemen](#), likewise, has been downgraded due to political instability at the hands of secessionists, terrorists, Houthi rebels, and the intervention of external parties. Conversely, [Egypt](#) and [Tunisia](#) saw slight upgrades as their political environments stabilize.

At the low end of the spectrum, devolving security conditions and/or economic crisis have resulted in countries like [Pakistan](#), [Afghanistan](#), [Somalia](#), and [Zimbabwe](#) maintaining their low ratings.

The [United States](#) continues to retain its previous slight downgrade due to the enduring threat of default surrounding the debt ceiling in that country, matched by a conflict-ridden political climate. In the case of [Mexico](#), there is limited concern about default, but increasing alarm over the security situation in that country and the government's ability to contain it. In [Argentina](#), a default to bond holders resulted in a downgrade to that country. Finally, a small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States.

Source:

CountryWatch Inc. [www.countrywatch.com](http://www.countrywatch.com)

Updated:

2015

## Corruption Perceptions Index

Corruption Perceptions Index

**Transparency International: [Corruption Perceptions Index](#)**

### Editor's Note:

Transparency International's [Corruption Perceptions Index](#) is a composite index which ranks countries in terms of the degree to which corruption is perceived to exist among public officials. This index indicates the views of national and international business people and analysts about the levels of corruption in each country. The highest (and best) level of transparency is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

Rank	Country/Territory	CPI 2009 Score	Surveys Used	Confidence Range
1	New Zealand	9.4	6	9.1 - 9.5
2	Denmark	9.3	6	9.1 - 9.5
3	Singapore	9.2	9	9.0 - 9.4
3	Sweden	9.2	6	9.0 - 9.3
5	Switzerland	9.0	6	8.9 - 9.1
6	Finland	8.9	6	8.4 - 9.4
6	Netherlands	8.9	6	8.7 - 9.0
8	Australia	8.7	8	8.3 - 9.0

8	Canada	8.7	6	8.5 - 9.0
8	Iceland	8.7	4	7.5 - 9.4
11	Norway	8.6	6	8.2 - 9.1
12	Hong Kong	8.2	8	7.9 - 8.5
12	Luxembourg	8.2	6	7.6 - 8.8
14	Germany	8.0	6	7.7 - 8.3
14	Ireland	8.0	6	7.8 - 8.4
16	Austria	7.9	6	7.4 - 8.3
17	Japan	7.7	8	7.4 - 8.0
17	United Kingdom	7.7	6	7.3 - 8.2
19	United States	7.5	8	6.9 - 8.0
20	Barbados	7.4	4	6.6 - 8.2
21	Belgium	7.1	6	6.9 - 7.3
22	Qatar	7.0	6	5.8 - 8.1
22	Saint Lucia	7.0	3	6.7 - 7.5
24	France	6.9	6	6.5 - 7.3
25	Chile	6.7	7	6.5 - 6.9
25	Uruguay	6.7	5	6.4 - 7.1

27	Cyprus	6.6	4	6.1 - 7.1
27	Estonia	6.6	8	6.1 - 6.9
27	Slovenia	6.6	8	6.3 - 6.9
30	United Arab Emirates	6.5	5	5.5 - 7.5
31	Saint Vincent and the Grenadines	6.4	3	4.9 - 7.5
32	Israel	6.1	6	5.4 - 6.7
32	Spain	6.1	6	5.5 - 6.6
34	Dominica	5.9	3	4.9 - 6.7
35	Portugal	5.8	6	5.5 - 6.2
35	Puerto Rico	5.8	4	5.2 - 6.3
37	Botswana	5.6	6	5.1 - 6.3
37	Taiwan	5.6	9	5.4 - 5.9
39	Brunei Darussalam	5.5	4	4.7 - 6.4
39	Oman	5.5	5	4.4 - 6.5
39	Korea (South)	5.5	9	5.3 - 5.7
42	Mauritius	5.4	6	5.0 - 5.9
43	Costa Rica	5.3	5	4.7 - 5.9
43	Macau	5.3	3	3.3 - 6.9

45	Malta	5.2	4	4.0 - 6.2
46	Bahrain	5.1	5	4.2 - 5.8
46	Cape Verde	5.1	3	3.3 - 7.0
46	Hungary	5.1	8	4.6 - 5.7
49	Bhutan	5.0	4	4.3 - 5.6
49	Jordan	5.0	7	3.9 - 6.1
49	Poland	5.0	8	4.5 - 5.5
52	Czech Republic	4.9	8	4.3 - 5.6
52	Lithuania	4.9	8	4.4 - 5.4
54	Seychelles	4.8	3	3.0 - 6.7
55	South Africa	4.7	8	4.3 - 4.9
56	Latvia	4.5	6	4.1 - 4.9
56	Malaysia	4.5	9	4.0 - 5.1
56	Namibia	4.5	6	3.9 - 5.1
56	Samoa	4.5	3	3.3 - 5.3
56	Slovakia	4.5	8	4.1 - 4.9
61	Cuba	4.4	3	3.5 - 5.1
61	Turkey	4.4	7	3.9 - 4.9



63	Italy	4.3	6	3.8 - 4.9
63	Saudi Arabia	4.3	5	3.1 - 5.3
65	Tunisia	4.2	6	3.0 - 5.5
66	Croatia	4.1	8	3.7 - 4.5
66	Georgia	4.1	7	3.4 - 4.7
66	Kuwait	4.1	5	3.2 - 5.1
69	Ghana	3.9	7	3.2 - 4.6
69	Montenegro	3.9	5	3.5 - 4.4
71	Bulgaria	3.8	8	3.2 - 4.5
71	FYR Macedonia	3.8	6	3.4 - 4.2
71	Greece	3.8	6	3.2 - 4.3
71	Romania	3.8	8	3.2 - 4.3
75	Brazil	3.7	7	3.3 - 4.3
75	Colombia	3.7	7	3.1 - 4.3
75	Peru	3.7	7	3.4 - 4.1
75	Suriname	3.7	3	3.0 - 4.7
79	Burkina Faso	3.6	7	2.8 - 4.4
79	China	3.6	9	3.0 - 4.2

79	Swaziland	3.6	3	3.0 - 4.7
79	Trinidad and Tobago	3.6	4	3.0 - 4.3
83	Serbia	3.5	6	3.3 - 3.9
84	El Salvador	3.4	5	3.0 - 3.8
84	Guatemala	3.4	5	3.0 - 3.9
84	India	3.4	10	3.2 - 3.6
84	Panama	3.4	5	3.1 - 3.7
84	Thailand	3.4	9	3.0 - 3.8
89	Lesotho	3.3	6	2.8 - 3.8
89	Malawi	3.3	7	2.7 - 3.9
89	Mexico	3.3	7	3.2 - 3.5
89	Moldova	3.3	6	2.7 - 4.0
89	Morocco	3.3	6	2.8 - 3.9
89	Rwanda	3.3	4	2.9 - 3.7
95	Albania	3.2	6	3.0 - 3.3
95	Vanuatu	3.2	3	2.3 - 4.7
97	Liberia	3.1	3	1.9 - 3.8
97	Sri Lanka	3.1	7	2.8 - 3.4

99	Bosnia and Herzegovina	3.0	7	2.6 - 3.4
99	Dominican Republic	3.0	5	2.9 - 3.2
99	Jamaica	3.0	5	2.8 - 3.3
99	Madagascar	3.0	7	2.8 - 3.2
99	Senegal	3.0	7	2.5 - 3.6
99	Tonga	3.0	3	2.6 - 3.3
99	Zambia	3.0	7	2.8 - 3.2
106	Argentina	2.9	7	2.6 - 3.1
106	Benin	2.9	6	2.3 - 3.4
106	Gabon	2.9	3	2.6 - 3.1
106	Gambia	2.9	5	1.6 - 4.0
106	Niger	2.9	5	2.7 - 3.0
111	Algeria	2.8	6	2.5 - 3.1
111	Djibouti	2.8	4	2.3 - 3.2
111	Egypt	2.8	6	2.6 - 3.1
111	Indonesia	2.8	9	2.4 - 3.2
111	Kiribati	2.8	3	2.3 - 3.3
111	Mali	2.8	6	2.4 - 3.2

111	Sao Tome and Principe	2.8	3	2.4 - 3.3
111	Solomon Islands	2.8	3	2.3 - 3.3
111	Togo	2.8	5	1.9 - 3.9
120	Armenia	2.7	7	2.6 - 2.8
120	Bolivia	2.7	6	2.4 - 3.1
120	Ethiopia	2.7	7	2.4 - 2.9
120	Kazakhstan	2.7	7	2.1 - 3.3
120	Mongolia	2.7	7	2.4 - 3.0
120	Vietnam	2.7	9	2.4 - 3.1
126	Eritrea	2.6	4	1.6 - 3.8
126	Guyana	2.6	4	2.5 - 2.7
126	Syria	2.6	5	2.2 - 2.9
126	Tanzania	2.6	7	2.4 - 2.9
130	Honduras	2.5	6	2.2 - 2.8
130	Lebanon	2.5	3	1.9 - 3.1
130	Libya	2.5	6	2.2 - 2.8
130	Maldives	2.5	4	1.8 - 3.2
130	Mauritania	2.5	7	2.0 - 3.3

130	Mozambique	2.5	7	2.3 - 2.8
130	Nicaragua	2.5	6	2.3 - 2.7
130	Nigeria	2.5	7	2.2 - 2.7
130	Uganda	2.5	7	2.1 - 2.8
139	Bangladesh	2.4	7	2.0 - 2.8
139	Belarus	2.4	4	2.0 - 2.8
139	Pakistan	2.4	7	2.1 - 2.7
139	Philippines	2.4	9	2.1 - 2.7
143	Azerbaijan	2.3	7	2.0 - 2.6
143	Comoros	2.3	3	1.6 - 3.3
143	Nepal	2.3	6	2.0 - 2.6
146	Cameroon	2.2	7	1.9 - 2.6
146	Ecuador	2.2	5	2.0 - 2.5
146	Kenya	2.2	7	1.9 - 2.5
146	Russia	2.2	8	1.9 - 2.4
146	Sierra Leone	2.2	5	1.9 - 2.4
146	Timor-Leste	2.2	5	1.8 - 2.6
146	Ukraine	2.2	8	2.0 - 2.6

146	Zimbabwe	2.2	7	1.7 - 2.8
154	Côte d'Ivoire	2.1	7	1.8 - 2.4
154	Papua New Guinea	2.1	5	1.7 - 2.5
154	Paraguay	2.1	5	1.7 - 2.5
154	Yemen	2.1	4	1.6 - 2.5
158	Cambodia	2.0	8	1.8 - 2.2
158	Central African Republic	2.0	4	1.9 - 2.2
158	Laos	2.0	4	1.6 - 2.6
158	Tajikistan	2.0	8	1.6 - 2.5
162	Angola	1.9	5	1.8 - 1.9
162	Congo Brazzaville	1.9	5	1.6 - 2.1
162	Democratic Republic of Congo	1.9	5	1.7 - 2.1
162	Guinea-Bissau	1.9	3	1.8 - 2.0
162	Kyrgyzstan	1.9	7	1.8 - 2.1
162	Venezuela	1.9	7	1.8 - 2.0
168	Burundi	1.8	6	1.6 - 2.0
168	Equatorial Guinea	1.8	3	1.6 - 1.9
168	Guinea	1.8	5	1.7 - 1.8

168	Haiti	1.8	3	1.4 - 2.3
168	Iran	1.8	3	1.7 - 1.9
168	Turkmenistan	1.8	4	1.7 - 1.9
174	Uzbekistan	1.7	6	1.5 - 1.8
175	Chad	1.6	6	1.5 - 1.7
176	Iraq	1.5	3	1.2 - 1.8
176	Sudan	1.5	5	1.4 - 1.7
178	Myanmar	1.4	3	0.9 - 1.8
179	Afghanistan	1.3	4	1.0 - 1.5
180	Somalia	1.1	3	0.9 - 1.4

### Methodology:

As noted above, the highest (and best) level of transparency with the least perceived corruption is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

According to Transparency International, the [Corruption Perceptions Index](#) (CPI) table shows a country's ranking and score, the number of surveys used to determine the score, and the confidence range of the scoring.

The rank shows how one country compares to others included in the index. The CPI score indicates the perceived level of public-sector corruption in a country/territory.

The CPI is based on 13 independent surveys. However, not all surveys include all countries. The surveys used column indicates how many surveys were relied upon to determine the score for that country.

The confidence range indicates the reliability of the CPI scores and tells us that allowing for a margin of error, we can be 90% confident that the true score for this country lies within this range.

Note:

Kosovo, which separated from the Yugoslav successor state of [Serbia](#), is not listed above. No calculation is available for [Kosovo](#) at this time, however, a future corruption index by Transparency International may include the world's newest country in its tally. Taiwan has been listed above despite its contested status; while Taiwan claims sovereign status, [China](#) claims ultimate jurisdiction over Taiwan. Hong Kong, which is also under the rubric of Chinese sovereignty, is listed above. Note as well that Puerto Rico, which is a [United States](#) domain, is also included in the list above. These inclusions likely have to do with the size and fairly autonomous status of their economies.

Source:

Transparency International's Corruption Perception Index; available at URL: <http://www.transparency.org>

Updated:

Uploaded in 2011 using most recent ranking available; reviewed in 2015.

---

## **Competitiveness Ranking**

### Competitiveness Ranking

Editor's Note:

The Global Competitiveness Report's competitiveness ranking is based on the Global Competitiveness Index (GCI), which was developed for the World Economic Forum. The GCI is based on a number of competitiveness considerations, and provides a comprehensive picture of the competitiveness landscape in countries around the world. The competitiveness considerations are: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. The rankings are calculated from both publicly available data and the Executive Opinion Survey.



Country/Economy	GCI 2010 Rank	GCI 2010 Score	GCI 2009 Rank	Change 2009-2010
Switzerland	1	5.63	1	0
Sweden	2	5.56	4	2
Singapore	3	5.48	3	0
United States	4	5.43	2	-2
Germany	5	5.39	7	2
Japan	6	5.37	8	2
Finland	7	5.37	6	-1
Netherlands	8	5.33	10	2
Denmark	9	5.32	5	-4
Canada	10	5.30	9	-1
Hong Kong SAR	11	5.30	11	0
United Kingdom	12	5.25	13	1
Taiwan, China	13	5.21	12	-1
Norway	14	5.14	14	0
France	15	5.13	16	1
Australia	16	5.11	15	-1

Qatar	17	5.10	22	5
Austria	18	5.09	17	-1
Belgium	19	5.07	18	-1
Luxembourg	20	5.05	21	1
Saudi Arabia	21	4.95	28	7
Korea, Rep.	22	4.93	19	-3
New Zealand	23	4.92	20	-3
Israel	24	4.91	27	3
United Arab Emirates	25	4.89	23	-2
Malaysia	26	4.88	24	-2
China	27	4.84	29	2
Brunei Darussalam	28	4.75	32	4
Ireland	29	4.74	25	-4
Chile	30	4.69	30	0
Iceland	31	4.68	26	-5
Tunisia	32	4.65	40	8
Estonia	33	4.61	35	2
Oman	34	4.61	41	7

Kuwait	35	4.59	39	4
Czech Republic	36	4.57	31	-5
Bahrain	37	4.54	38	1
Thailand	38	4.51	36	-2
Poland	39	4.51	46	7
Cyprus	40	4.50	34	-6
Puerto Rico	41	4.49	42	1
Spain	42	4.49	33	-9
Barbados	43	4.45	44	1
Indonesia	44	4.43	54	10
Slovenia	45	4.42	37	-8
Portugal	46	4.38	43	-3
Lithuania	47	4.38	53	6
Italy	48	4.37	48	0
Montenegro	49	4.36	62	13
Malta	50	4.34	52	2
India	51	4.33	49	-2
Hungary	52	4.33	58	6

Panama	53	4.33	59	6
South Africa	54	4.32	45	-9
Mauritius	55	4.32	57	2
Costa Rica	56	4.31	55	-1
Azerbaijan	57	4.29	51	-6
Brazil	58	4.28	56	-2
Vietnam	59	4.27	75	16
Slovak Republic	60	4.25	47	-13
Turkey	61	4.25	61	0
Sri Lanka	62	4.25	79	17
Russian Federation	63	4.24	63	0
Uruguay	64	4.23	65	1
Jordan	65	4.21	50	-15
Mexico	66	4.19	60	-6
Romania	67	4.16	64	-3
Colombia	68	4.14	69	1
Iran	69	4.14	n/a	n/a
Latvia	70	4.14	68	-2

Bulgaria	71	4.13	76	5
Kazakhstan	72	4.12	67	-5
Peru	73	4.11	78	5
Namibia	74	4.09	74	0
Morocco	75	4.08	73	-2
Botswana	76	4.05	66	-10
Croatia	77	4.04	72	-5
Guatemala	78	4.04	80	2
Macedonia, FYR	79	4.02	84	5
Rwanda	80	4.00	n/a	n/a
Egypt	81	4.00	70	-11
El Salvador	82	3.99	77	-5
Greece	83	3.99	71	-12
Trinidad and Tobago	84	3.97	86	2
Philippines	85	3.96	87	2
Algeria	86	3.96	83	-3
Argentina	87	3.95	85	-2
Albania	88	3.94	96	8

Ukraine	89	3.90	82	-7
Gambia, The	90	3.90	81	-9
Honduras	91	3.89	89	-2
Lebanon	92	3.89	n/a	n/a
Georgia	93	3.86	90	-3
Moldova	94	3.86	n/a	n/a
Jamaica	95	3.85	91	-4
Serbia	96	3.84	93	-3
Syria	97	3.79	94	-3
Armenia	98	3.76	97	-1
Mongolia	99	3.75	117	18
Libya	100	3.74	88	-12
Dominican Republic	101	3.72	95	-6
Bosnia and Herzegovina	102	3.70	109	7
Benin	103	3.69	103	0
Senegal	104	3.67	92	-12
Ecuador	105	3.65	105	0
Kenya	106	3.65	98	-8

Bangladesh	107	3.64	106	-1
Bolivia	108	3.64	120	12
Cambodia	109	3.63	110	1
Guyana	110	3.62	104	-6
Cameroon	111	3.58	111	0
Nicaragua	112	3.57	115	3
Tanzania	113	3.56	100	-13
Ghana	114	3.56	114	0
Zambia	115	3.55	112	-3
Tajikistan	116	3.53	122	6
Cape Verde	117	3.51	n/a	n/a
Uganda	118	3.51	108	-10
Ethiopia	119	3.51	118	-1
Paraguay	120	3.49	124	4
Kyrgyz Republic	121	3.49	123	2
Venezuela	122	3.48	113	-9
Pakistan	123	3.48	101	-22
Madagascar	124	3.46	121	-3

Malawi	125	3.45	119	-6
Swaziland	126	3.40	n/a	n/a
Nigeria	127	3.38	99	-28
Lesotho	128	3.36	107	-21
Côte d'Ivoire	129	3.35	116	-13
Nepal	130	3.34	125	-5
Mozambique	131	3.32	129	-2
Mali	132	3.28	130	-2
Timor-Leste	133	3.23	126	-7
Burkina Faso	134	3.20	128	-6
Mauritania	135	3.14	127	-8
Zimbabwe	136	3.03	132	-4
Burundi	137	2.96	133	-4
Angola	138	2.93	n/a	n/a
Chad	139	2.73	131	-8

Methodology:

The competitiveness rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum



together with its network of Partner Institutes (leading research institutes and business organizations) in the countries covered by the Report.

Highlights according to WEF --

- The [United States](#) falls two places to fourth position, overtaken by [Sweden](#) and [Singapore](#) in the rankings of the World Economic Forum's Global Competitiveness Report 2010-2011
- The People's Republic of [China](#) continues to move up the rankings, with marked improvements in several other Asian countries
- [Germany](#) moves up two places to fifth place, leading the Eurozone countries
- [Switzerland](#) tops the rankings

Source:

World Economic Forum; available at URL: <http://www.weforum.org>

Updated:

2011 using most recent ranking available; reviewed in 2015.

---

## **Taxation**

### Corporate tax

The main rate corporate tax rate is 35 percent.

### Capital gains

Capital gains of companies tend to be included in taxable income and subject to normal corporate income tax. There are exceptions for gains from bonds and capital gains of individuals in most cases.

### Individual tax

Individual tax rates are progressive and include even income tax brackets ranging from seven to 35 percent.

### Indirect tax

A value-added tax (VAT) of 21 percent applies to most transactions. There are reduced rates (around 10.5 percent) that applied to some goods, livestock and public transport. On the other hand, a higher rate of 27 percent applies to some telecommunications and utilities services.

---

## **Stock Market**

The Buenos Aires Stock Exchange was established in 1929. By the end of the last decade, there were 129 listed companies on the stock exchange. All foreign investors are granted the same rights as domestic investors.

For more information on the Buenos Aires Stock Exchange, go to URL: <http://www.merval.sba.com.ar/>.

---

### **Partner Links**

Partner Links

# **Chapter 5**

## **Social Overview**

---

## People

### **Cultural Demography**

The Argentine population has one of Latin America's lowest growth rates at .98 percent; the total population is over 40 million. Over three-fourths of the population resides in urban areas of more than 2,000 and more than one-third of the population lives in the greater Buenos Aires area. This sprawling metropolis, the capital city, with more than 12 million inhabitants, serves as the focus for national life.

Argentines are a fusion of diverse national and ethnic groups. Descendants of Italian and Spanish immigrants dominate this country. Waves of immigrants from many European countries arrived in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries adding to the mix. Syrian, Lebanese and other Middle Eastern immigrants number about 500,000, mainly in urban areas, and further diversify the population. A number of Asians, including Japanese, are also represented. In addition, Argentina has the largest Jewish population in Latin America, about 250,000 strong. In recent years, there has also been a substantial influx of immigrants from neighboring Latin American countries. The native Indian population, now estimated at 50,000, is concentrated in the peripheral provinces of the north, northwest and south.

As a consequence of demographic trends set in motion by the arrival of the Spaniards, about 90 percent of Argentina's population are of European ancestry, with about 10 percent being indigenous, mestizo or from non-European groups, such as other Latin Americans, Asians and Arabs.

The predominant religion is Roman Catholicism, although less than 20 percent of nominal Roman Catholics are practicing. There are substantial minorities of Protestants and Jews.

Spanish is the major language - a legacy of the Spanish colonial history - but Italian, German, French and English are also widely spoken. Arabic, Japanese, and indigenous languages such as Guarani, Quechuan and Mataco are also spoken languages in Argentina.

### **Human Development**

---

Argentines enjoy comparatively high standards of living; half the population considers itself middle class. Argentina also boasts a very high standard of education. The literacy rate of Argentina's total population age 15 and above is estimated to be 97 percent. Males and females were found to be about equally literate. Indeed, Argentines are, perhaps, some of the most educated people in the southern cone of the Americas. Likewise, the country has a strong health and welfare system. According to recent estimates, Argentina's infant mortality rate is 11.11 deaths per 1,000 live births. Life expectancy rates were 76.8 years of age on average.

Argentina's high levels of health and welfare - in conjunction with the fact that the country is a functioning democracy - are impressive factors when one considers that from 1976 to 1983, the period known as the "Dirty War," Argentines were subject to a period of untold human rights abuses. Today, the Argentine people enjoy increased democratization and a stable social infrastructure, despite the market fluctuations that the entire region of Latin America has endured.

One notable measure used to determine a country's quality of life is the Human Development Index (HDI), which has been compiled annually since 1990 by the United Nations Development Programme (UNDP). The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, knowledge and education, as well as economic standard of living. In a recent ranking of 169 countries, the HDI placed Argentina in the high human development category, at 46th place.

Note: Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI, which is calculated and updated annually, offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators.

Written by Dr. Denise Youngblood Coleman, Editor in Chief at CountryWatch.com. See Bibliography for general research sources.

---

## **Human Development Index**

Human Development Index

### **Human Development Index (Ranked Numerically)**

The [Human Development Index](#) (HDI) is used to measure quality of life in countries across the world. The HDI has been compiled since 1990 by the United Nations Development Programme

(UNDP) on a regular basis. The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, education, and economic standard of living. Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators. For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this review.

<b>Very High Human Development</b>	<b>High Human Development</b>	<b>Medium Human Development</b>	<b>Low Human Development</b>
1. Norway	43. Bahamas	86. Fiji	128. Kenya
2. Australia	44. Lithuania	87. Turkmenistan	129. Bangladesh
3. New Zealand	45. Chile	88. Dominican Republic	130. Ghana
4. United States	46. Argentina	89. China	131. Cameroon
5. Ireland	47. Kuwait	90. El Salvador	132. Myanmar (Burma)
6. Liechtenstein	48. Latvia	91. Sri Lanka	133. Yemen
7. Netherlands	49. Montenegro	92. Thailand	134. Benin
8. Canada	50. Romania	93. Gabon	135. Madagascar
9. Sweden	51. Croatia	94. Suriname	136. Mauritania
10. Germany	52. Uruguay	95. Bolivia	137. Papua New Guinea
11. Japan	53. Libya	96. Paraguay	138. Nepal

12. South Korea	54. Panama	97. Philippines	139. Togo
13. Switzerland	55. Saudi Arabia	98. Botswana	140. Comoros
14. France	56. Mexico	99. Moldova	141. Lesotho
15. Israel	57. Malaysia	100. Mongolia	142. Nigeria
16. Finland	58. Bulgaria	101. Egypt	143. Uganda
17. Iceland	59. Trinidad and Tobago	102. Uzbekistan	144. Senegal
18. Belgium	60. Serbia	103. Micronesia	145. Haiti
19. Denmark	61. Belarus	104. Guyana	146. Angola
20. Spain	62. Costa Rica	105. Namibia	147. Djibouti
21. Hong King	63. Peru	106. Honduras	148. Tanzania
22. Greece	64. Albania	107. Maldives	149. Cote d'Ivoire
23. Italy	65. Russian Federation	108. Indonesia	150. Zambia
24. Luxembourg	66. Kazakhstan	109. Kyrgyzstan	151. Gambia
25. Austria	67. Azerbaijan	110. South Africa	152. Rwanda
26. United Kingdom	68. Bosnia and Herzegovina	111. Syria	153. Malawi
27. Singapore	69. Ukraine	112. Tajikistan	154. Sudan
28. Czech Republic	70. Iran	113. Vietnam	155. Afghanistan

29. Slovenia	71. The former Yugoslav Republic of Macedonia	114. Morocco	156. Guinea
30. Andorra	72. Mauritius	115. Nicaragua	157. Ethiopia
31. Slovakia	73. Brazil	116. Guatemala	158. Sierra Leone
32. United Arab Emirates	74. Georgia	117. Equatorial Guinea	159. Central African Republic
33. Malta	75. Venezuela	118. Cape Verde	160. Mali
34. Estonia	76. Armenia	119. India	161. Burkina Faso
35. Cyprus	77. Ecuador	120. East Timor	162. Liberia
36. Hungary	78. Belize	121. Swaziland	163. Chad
37. Brunei	79. Colombia	122. Laos	164. Guinea-Bissau
38. Qatar	80. Jamaica	123. Solomon Islands	165. Mozambique
39. Bahrain	81. Tunisia	124. Cambodia	166. Burundi
40. Portugal	82. Jordan	125. Pakistan	167. Niger
41. Poland	83. Turkey	126. Congo RC	168. Congo DRC
42. Barbados	84. Algeria	127. Sao Tome and Principe	169. Zimbabwe



	85. Tonga		
--	-----------	--	--

Methodology:

For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this Country Review.

Reference:

As published in United Nations Development Programme's Human Development Report 2010.

Source:

United Nations Development Programme's [Human Development Index](http://hdr.undp.org/en/statistics/) available at URL: <http://hdr.undp.org/en/statistics/>

Updated:

Uploaded in 2011 using ranking available; reviewed in 2015

---

## Life Satisfaction Index

Life Satisfaction Index

### Life Satisfaction Index

Created by Adrian G. White, an Analytic Social Psychologist at the University of Leicester, the "Satisfaction with Life Index" measures subjective life satisfaction across various countries. The data was taken from a metastudy (see below for source) and associates the notion of subjective happiness or life satisfaction with qualitative parameters such as health, wealth, and access to basic education. This assessment serves as an alternative to other measures of happiness that tend to rely on traditional and quantitative measures of policy on quality of life, such as GNP and GDP. The methodology involved the responses of 80,000 people across the globe.

Rank	Country	Score
------	---------	-------

1	Denmark	273.4
2	Switzerland	273.33
3	Austria	260
4	Iceland	260
5	The Bahamas	256.67
6	Finland	256.67
7	Sweden	256.67
8	Iran	253.33
9	Brunei	253.33
10	Canada	253.33
11	Ireland	253.33
12	Luxembourg	253.33
13	Costa Rica	250
14	Malta	250
15	Netherlands	250
16	Antiguaand Barbuda	246.67
17	Malaysia	246.67

18	New Zealand	246.67
19	Norway	246.67
20	Seychelles	246.67
21	Saint Kitts and Nevis	246.67
22	United Arab Emirates	246.67
23	United States	246.67
24	Vanuatu	246.67
25	Venezuela	246.67
26	Australia	243.33
27	Barbados	243.33
28	Belgium	243.33
29	Dominica	243.33
30	Oman	243.33
31	Saudi Arabia	243.33
32	Suriname	243.33
33	Bahrain	240
34	Colombia	240
35	Germany	240

36	Guyana	240
37	Honduras	240
38	Kuwait	240
39	Panama	240
40	Saint Vincent and the Grenadines	240
41	United Kingdom	236.67
42	Dominican Republic	233.33
43	Guatemala	233.33
44	Jamaica	233.33
45	Qatar	233.33
46	Spain	233.33
47	Saint Lucia	233.33
48	Belize	230
49	Cyprus	230
50	Italy	230
51	Mexico	230
52	Samoa	230
53	Singapore	230

54	Solomon Islands	230
55	Trinidad and Tobago	230
56	Argentina	226.67
57	Fiji	223.33
58	Israel	223.33
59	Mongolia	223.33
60	São Tomé and Príncipe	223.33
61	El Salvador	220
62	France	220
63	Hong Kong	220
64	Indonesia	220
65	Kyrgyzstan	220
66	Maldives	220
67	Slovenia	220
68	Taiwan	220
69	East Timor	220
70	Tonga	220
71	Chile	216.67

72	Grenada	216.67
73	Mauritius	216.67
74	Namibia	216.67
75	Paraguay	216.67
76	Thailand	216.67
77	Czech Republic	213.33
78	Philippines	213.33
79	Tunisia	213.33
80	Uzbekistan	213.33
81	Brazil	210
82	China	210
83	Cuba	210
84	Greece	210
85	Nicaragua	210
86	Papua New Guinea	210
87	Uruguay	210
88	Gabon	206.67
89	Ghana	206.67

90	Japan	206.67
91	Yemen	206.67
92	Portugal	203.33
93	Sri Lanka	203.33
94	Tajikistan	203.33
95	Vietnam	203.33
96	Bhutan	200
97	Comoros	196.67
98	Croatia	196.67
99	Poland	196.67
100	Cape Verde	193.33
101	Kazakhstan	193.33
102	South Korea	193.33
103	Madagascar	193.33
104	Bangladesh	190
105	Republic of the Congo	190
106	The Gambia	190
107	Hungary	190

108	Libya	190
109	South Africa	190
110	Cambodia	186.67
111	Ecuador	186.67
112	Kenya	186.67
113	Lebanon	186.67
114	Morocco	186.67
115	Peru	186.67
116	Senegal	186.67
117	Bolivia	183.33
118	Haiti	183.33
119	Nepal	183.33
120	Nigeria	183.33
121	Tanzania	183.33
122	Benin	180
123	Botswana	180
124	Guinea-Bissau	180
125	India	180



126	Laos	180
127	Mozambique	180
128	Palestinian Authority	180
129	Slovakia	180
130	Myanmar	176.67
131	Mali	176.67
132	Mauritania	176.67
133	Turkey	176.67
134	Algeria	173.33
135	Equatorial Guinea	173.33
136	Romania	173.33
137	Bosnia and Herzegovina	170
138	Cameroon	170
139	Estonia	170
140	Guinea	170
141	Jordan	170
142	Syria	170
143	Sierra Leone	166.67

144	Azerbaijan	163.33
145	Central African Republic	163.33
146	Republic of Macedonia	163.33
147	Togo	163.33
148	Zambia	163.33
149	Angola	160
150	Djibouti	160
151	Egypt	160
152	Burkina Faso	156.67
153	Ethiopia	156.67
154	Latvia	156.67
155	Lithuania	156.67
156	Uganda	156.67
157	Albania	153.33
158	Malawi	153.33
159	Chad	150
160	Côte d'Ivoire	150
161	Niger	150

---

162	Eritrea	146.67
163	Rwanda	146.67
164	Bulgaria	143.33
165	Lesotho	143.33
166	Pakistan	143.33
167	Russia	143.33
168	Swaziland	140
169	Georgia	136.67
170	Belarus	133.33
171	Turkmenistan	133.33
172	Armenia	123.33
173	Sudan	120
174	Ukraine	120
175	Moldova	116.67
176	Democratic Republic of the Congo	110
177	Zimbabwe	110
178	Burundi	100

Commentary:

European countries, such as [Denmark](#), [Iceland](#), [Finland](#), [Sweden](#), [Switzerland](#), [Austria](#) resided at the top of the ranking with highest levels of self-reported life satisfaction. Conversely, European countries such as [Latvia](#), [Lithuania](#), [Moldova](#), [Belarus](#) and [Ukraine](#) ranked low on the index. African countries such as Democratic Republic of Congo, [Zimbabwe](#) and [Burundi](#) found themselves at the very bottom of the ranking, and indeed, very few African countries could be found in the top 100. [Japan](#) was at the mid-way point in the ranking, however, other Asian countries such as [Brunei](#) and [Malaysia](#) were in the top tier, while [Pakistan](#) was close to the bottom with a low level of self-identified life satisfaction. As a region, the Middle East presented a mixed bag with Saudi Arabians reporting healthy levels of life satisfaction and Egyptians near the bottom of the ranking. As a region, Caribbean countries were ranked highly, consistently demonstrating high levels of life satisfaction. The findings showed that health was the most crucial determining factor in life satisfaction, followed by prosperity and education.

Source:

White, A. (2007). A Global Projection of Subjective Well-being: A Challenge To Positive Psychology? *Psychtalk* 56, 17-20. The data was extracted from a meta-analysis by Marks, Abdallah, Simms & Thompson (2006).

Uploaded:

Based on study noted above in "Source" ; reviewed in 2015

---

## Happy Planet Index

### Happy Planet Index

The Happy Planet Index (HPI) is used to measure human well-being in conjunction with environmental impact. The HPI has been compiled since 2006 by the New Economics Foundation. The index is a composite of several indicators including subjective life satisfaction, life expectancy at birth, and ecological footprint per capita.

As noted by NEFA, the HPI "reveals the ecological efficiency with which human well-being is delivered." Indeed, the index combines environmental impact with human well-being to measure

the environmental efficiency with which, country by country, people live long and happy lives. The countries ranked highest by the HPI are not necessarily the ones with the happiest people overall, but the ones that allow their citizens to live long and fulfilling lives, without negatively impacting this opportunity for either future generations or citizens of other countries. Accordingly, a country like the [United States](#) will rank low on this list due to its large per capital ecological footprint, which uses more than its fair share of resources, and will likely cause planetary damage.

It should be noted that the HPI was designed to be a counterpoint to other well-established indices of countries' development, such as Gross Domestic Product (GDP), which measures overall national wealth and economic development, but often obfuscates the realities of countries with stark variances between the rich and the poor. Moreover, the objective of most of the world's people is not to be wealthy but to be happy. The HPI also differs from the [Human Development Index](#) (HDI), which measures quality of life but not ecology, since it [HPI] also includes sustainability as a key indicator.

Rank	Country	HPI
1	Costa Rica	76.1
2	Dominican Republic	71.8
3	Jamaica	70.1
4	Guatemala	68.4
5	Vietnam	66.5
6	Colombia	66.1
7	Cuba	65.7
8	El Salvador	61.5
9	Brazil	61.0

10	Honduras	61.0
11	Nicaragua	60.5
12	Egypt	60.3
13	Saudi Arabia	59.7
14	Philippines	59.0
15	Argentina	59.0
16	Indonesia	58.9
17	Bhutan	58.5
18	Panama	57.4
19	Laos	57.3
20	China	57.1
21	Morocco	56.8
22	Sri Lanka	56.5
23	Mexico	55.6
24	Pakistan	55.6
25	Ecuador	55.5
26	Jordan	54.6
27	Belize	54.5

28	Peru	54.4
29	Tunisia	54.3
30	Trinidad and Tobago	54.2
31	Bangladesh	54.1
32	Moldova	54.1
33	Malaysia	54.0
34	Tajikistan	53.5
35	India	53.0
36	Venezuela	52.5
37	Nepal	51.9
38	Syria	51.3
39	Burma	51.2
40	Algeria	51.2
41	Thailand	50.9
42	Haiti	50.8
43	Netherlands	50.6
44	Malta	50.4
45	Uzbekistan	50.1

46	Chile	49.7
47	Bolivia	49.3
48	Armenia	48.3
49	Singapore	48.2
50	Yemen	48.1
51	Germany	48.1
52	Switzerland	48.1
53	Sweden	48.0
54	Albania	47.9
55	Paraguay	47.8
56	Palestinian Authority	47.7
57	Austria	47.7
58	Serbia	47.6
59	Finland	47.2
60	Croatia	47.2
61	Kyrgyzstan	47.1
62	Cyprus	46.2
63	Guyana	45.6



64	Belgium	45.4
65	Bosnia and Herzegovina	45.0
66	Slovenia	44.5
67	Israel	44.5
68	South Korea	44.4
69	Italy	44.0
70	Romania	43.9
71	France	43.9
72	Georgia	43.6
73	Slovakia	43.5
74	United Kingdom	43.3
75	Japan	43.3
76	Spain	43.2
77	Poland	42.8
78	Ireland	42.6
79	Iraq	42.6
80	Cambodia	42.3
81	Iran	42.1

82	Bulgaria	42.0
83	Turkey	41.7
84	Hong Kong	41.6
85	Azerbaijan	41.2
86	Lithuania	40.9
87	Djibouti	40.4
88	Norway	40.4
89	Canada	39.4
90	Hungary	38.9
91	Kazakhstan	38.5
92	Czech Republic	38.3
93	Mauritania	38.2
94	Iceland	38.1
95	Ukraine	38.1
96	Senegal	38.0
97	Greece	37.6
98	Portugal	37.5
99	Uruguay	37.2

100	Ghana	37.1
101	Latvia	36.7
102	Australia	36.6
103	New Zealand	36.2
104	Belarus	35.7
105	Denmark	35.5
106	Mongolia	35.0
107	Malawi	34.5
108	Russia	34.5
109	Chad	34.3
110	Lebanon	33.6
111	Macedonia	32.7
112	Republic of the Congo	32.4
113	Madagascar	31.5
114	United States	30.7
115	Nigeria	30.3
116	Guinea	30.3
117	Uganda	30.2

118	South Africa	29.7
119	Rwanda	29.6
120	Democratic Republic of the Congo	29.0
121	Sudan	28.5
122	Luxembourg	28.5
123	United Arab Emirates	28.2
124	Ethiopia	28.1
125	Kenya	27.8
126	Cameroon	27.2
127	Zambia	27.2
128	Kuwait	27.0
129	Niger	26.9
130	Angola	26.8
131	Estonia	26.4
132	Mali	25.8
133	Mozambique	24.6
134	Benin	24.6
135	Togo	23.3

136	Sierra Leone	23.1
137	Central African Republic	22.9
138	Burkina Faso	22.4
139	Burundi	21.8
140	Namibia	21.1
141	Botswana	20.9
142	Tanzania	17.8
143	Zimbabwe	16.6

**Source:** This material is derived from the Happy Planet Index issued by the New Economics Foundation (NEF).

**Methodology:** The methodology for the calculations can be found at URL: <http://www.happyplanetindex.org/>

---

## Status of Women

### Overview

Women in Argentina face discrimination on several levels. Issues such as economic, employment, and reproductive rights discrimination, are all areas in which women face challenges.

High levels of economic and employment discrimination against women exist in both urban and

rural areas of the country. Women hold a disproportionately high number of the lower-skilled and lower paying jobs than men. Estimates show that women earn 35 percent to 40 percent less on average than do men. While this practice is illegal under Argentine law, it persists throughout all industries.

Domestic violence affects at least one in four women in Argentina. While the law prohibits domestic violence, it does not set penalties unless there is a crime against "sexual integrity." When women do report crimes, such as rape or spousal abuse, they are often re-victimized by the authorities.

Argentine women also face discriminatory restrictions on their reproductive decisions in terms of access to contraceptives, as well as the ability to get an abortion. In seeking female sterilization, women are often told that they must have the permission of their spouse, be over 35-years-old, or already have at least three children. These restrictions prompt many women to choose between an illegal and possibly unsafe abortion, or, a dangerous and unwanted pregnancy.

In an effort to increase women's representation in politics, national law now stipulates that one-third of all seats in both the Chamber of Deputies and the Senate must be filled by women.

**Gender Related Development Index (GDI) Rank:**

34th out of 140

**Gender Empowerment Measure (GEM) Rank:**

20th out of 80

**Female Population:**

20 million

**Female Life Expectancy at birth:**

79.77 years

**Total Fertility Rate:**

2.4

**Maternal Mortality Ratio:**

70

**Total Number of Women Living with HIV/AIDS:**

19,000-64,000

**Ever Married Women, Ages 15-19 (%):**

12%

**Mean Age at Time of Marriage:**

23

**Contraceptive Use Among Married Women, Any Method (%):**

N/A

**Female Adult Literacy Rate:**

97.2%

**Combined Female Gross enrollment ratio for Primary, Secondary and Tertiary schools:**

99%

**Female-Headed Households (%):**

22%

**Economically Active Females (%):**

37.2%

**Female Contributing Family Workers (%):**

59%

**Female Estimated Earned Income:**

6,635

**Seats in Parliament held by women (%):**

*Lower or Single House:* 33.7%

*Upper House or Senate: 33.3%*

**Year Women Received the Right to Vote:**

1947

**Year Women Received the Right to Stand for Election:**

1947

\*The Gender Development Index (GDI) is a composite index which measures the average achievement in a country. While very similar to the Human Development Index in its use of the same variables, the GDI adjusts the average achievement of each country in terms of life expectancy, enrollment in schools, income, and literacy in accordance to the disparities between males and females.

\*The Gender Empowerment Measure (GEM) is a composite index measuring gender inequality in three of the basic dimensions of empowerment; economic participation and decision-making, political participation and decision-making, and power over economic resources.

\*Total Fertility Rate (TFR) is defined as the average number of babies born to women during their reproductive years. A TFR of 2.1 is considered the replacement rate; once a TFR of a population reaches 2.1 the population will remain stable assuming no immigration or emigration takes place. When the TFR is greater than 2.1 a population will increase and when it is less than 2.1 a population will eventually decrease, although due to the age structure of a population it will take years before a low TFR is translated into lower population.

\*Maternal Mortality Rate is the number of deaths to women per 100,000 live births that resulted from conditions related to pregnancy and or delivery related complications.

\*Economically Active Females are the share of the female population, ages 15 and above, whom supply, or are able to supply, labor for the production of goods and services.

\*Female Contributing Family Workers are those females who work without pay in an economic enterprise operated by a relative living in the same household.

\*Estimated Earned Income is measured according to Purchasing Power Parity (PPP) in US dollars.



## Global Gender Gap Index

### Global Gender Gap Index

#### Editor's Note:

The Global Gender Gap Index by the World Economic Forum ranks most of the world's countries in terms of the division of resources and opportunities among males and females. Specifically, the ranking assesses the gender inequality gap in these four arenas:

1. Economic participation and opportunity (salaries and high skilled employment participation levels)
2. Educational attainment (access to basic and higher level education)
3. Political empowerment (representation in decision-making structures)
4. Health and survival (life expectancy and sex ratio)

	2010 rank	2010 score	2010 rank among 2009 countries	2009 rank	2009 score	2008 rank	2008 score	2007 rank
Country								
Iceland	1	0.8496	1	1	0.8276	4	0.7999	4
Norway	2	0.8404	2	3	0.8227	1	0.8239	2
Finland	3	0.8260	3	2	0.8252	2	0.8195	3
Sweden	4	0.8024	4	4	0.8139	3	0.8139	1
New Zealand	5	0.7808	5	5	0.7880	5	0.7859	5

Ireland	6	0.7773	6	8	0.7597	8	0.7518	9
Denmark	7	0.7719	7	7	0.7628	7	0.7538	8
Lesotho	8	0.7678	8	10	0.7495	16	0.7320	26
Philippines	9	0.7654	9	9	0.7579	6	0.7568	6
Switzerland	10	0.7562	10	13	0.7426	14	0.7360	40
Spain	11	0.7554	11	17	0.7345	17	0.7281	10
South Africa	12	0.7535	12	6	0.7709	22	0.7232	20
Germany	13	0.7530	13	12	0.7449	11	0.7394	7
Belgium	14	0.7509	14	33	0.7165	28	0.7163	19
United Kingdom	15	0.7460	15	15	0.7402	13	0.7366	11
Sri Lanka	16	0.7458	16	16	0.7402	12	0.7371	15
Netherlands	17	0.7444	17	11	0.7490	9	0.7399	12
Latvia	18	0.7429	18	14	0.7416	10	0.7397	13
United States	19	0.7411	19	31	0.7173	27	0.7179	31
Canada	20	0.7372	20	25	0.7196	31	0.7136	18
Trinidad and Tobago	21	0.7353	21	19	0.7298	19	0.7245	46
Mozambique	22	0.7329	22	26	0.7195	18	0.7266	43

Australia	23	0.7271	23	20	0.7282	21	0.7241	17
Cuba	24	0.7253	24	29	0.7176	25	0.7195	22
Namibia	25	0.7238	25	32	0.7167	30	0.7141	29
Luxembourg	26	0.7231	26	63	0.6889	66	0.6802	58
Mongolia	27	0.7194	27	22	0.7221	40	0.7049	62
Costa Rica	28	0.7194	28	27	0.7180	32	0.7111	28
Argentina	29	0.7187	29	24	0.7211	24	0.7209	33
Nicaragua	30	0.7176	30	49	0.7002	71	0.6747	90
Barbados	31	0.7176	31	21	0.7236	26	0.7188	n/a
Portugal	32	0.7171	32	46	0.7013	39	0.7051	37
Uganda	33	0.7169	33	40	0.7067	43	0.6981	50
Moldova	34	0.7160	34	36	0.7104	20	0.7244	21
Lithuania	35	0.7132	35	30	0.7175	23	0.7222	14
Bahamas	36	0.7128	36	28	0.7179	n/a	n/a	n/a
Austria	37	0.7091	37	42	0.7031	29	0.7153	27
Guyana	38	0.7090	38	35	0.7108	n/a	n/a	n/a
Panama	39	0.7072	39	43	0.7024	34	0.7095	38
Ecuador	40	0.7072	40	23	0.7220	35	0.7091	44

Kazakhstan	41	0.7055	41	47	0.7013	45	0.6976	32
Slovenia	42	0.7047	42	52	0.6982	51	0.6937	49
Poland	43	0.7037	43	50	0.6998	49	0.6951	60
Jamaica	44	0.7037	44	48	0.7013	44	0.6980	39
Russian Federation	45	0.7036	45	51	0.6987	42	0.6994	45
France	46	0.7025	46	18	0.7331	15	0.7341	51
Estonia	47	0.7018	47	37	0.7094	37	0.7076	30
Chile	48	0.7013	48	64	0.6884	65	0.6818	86
Macedonia, FYR	49	0.6996	49	53	0.6950	53	0.6914	35
Bulgaria	50	0.6983	50	38	0.7072	36	0.7077	25
Kyrgyz Republic	51	0.6973	51	41	0.7058	41	0.7045	70
Israel	52	0.6957	52	45	0.7019	56	0.6900	36
Croatia	53	0.6939	53	54	0.6944	46	0.6967	16
Honduras	54	0.6927	54	62	0.6893	47	0.6960	68
Colombia	55	0.6927	55	56	0.6939	50	0.6944	24
Singapore	56	0.6914	56	84	0.6664	84	0.6625	77
Thailand	57	0.6910	57	59	0.6907	52	0.6917	52

Greece	58	0.6908	58	85	0.6662	75	0.6727	72
Uruguay	59	0.6897	59	57	0.6936	54	0.6907	78
Peru	60	0.6895	60	44	0.7024	48	0.6959	75
China	61	0.6881	61	60	0.6907	57	0.6878	73
Botswana	62	0.6876	62	39	0.7071	63	0.6839	53
Ukraine	63	0.6869	63	61	0.6896	62	0.6856	57
Venezuela	64	0.6863	64	69	0.6839	59	0.6875	55
Czech Republic	65	0.6850	65	74	0.6789	69	0.6770	64
Tanzania	66	0.6829	66	73	0.6797	38	0.7068	34
Romania	67	0.6826	67	70	0.6805	70	0.6763	47
Malawi	68	0.6824	68	76	0.6738	81	0.6664	87
Paraguay	69	0.6804	69	66	0.6868	100	0.6379	69
Ghana	70	0.6782	70	80	0.6704	77	0.6679	63
Slovak Republic	71	0.6778	71	68	0.6845	64	0.6824	54
Vietnam	72	0.6776	72	71	0.6802	68	0.6778	42
Dominican Republic	73	0.6774	73	67	0.6859	72	0.6744	65
Italy	74	0.6765	74	72	0.6798	67	0.6788	84

Gambia, The	75	0.6762	75	75	0.6752	85	0.6622	95
Bolivia	76	0.6751	76	82	0.6693	80	0.6667	80
Brueni Darussalem	77	0.6748	77	94	0.6524	99	0.6392	n/a
Albania	78	0.6726	78	91	0.6601	87	0.6591	66
Hungary	79	0.6720	79	65	0.6879	60	0.6867	61
Madagascar	80	0.6713	80	77	0.6732	74	0.6736	89
Angola	81	0.6712	81	106	0.6353	114	0.6032	110
Bangladesh	82	0.6702	82	93	0.6526	90	0.6531	100
Malta	83	0.6695	83	88	0.6635	83	0.6634	76
Armenia	84	0.6669	84	90	0.6619	78	0.6677	71
Brazil	85	0.6655	85	81	0.6695	73	0.6737	74
Cyprus	86	0.6642	86	79	0.6706	76	0.6694	82
Indonesia	87	0.6615	87	92	0.6580	93	0.6473	81
Georgia	88	0.6598	88	83	0.6680	82	0.6654	67
Tajikistan	89	0.6598	89	86	0.6661	89	0.6541	79
El Salvador	90	0.6596	90	55	0.6939	58	0.6875	48
Mexico	91	0.6577	91	98	0.6503	97	0.6441	93

Zimbabwe	92	0.6574	92	95	0.6518	92	0.6485	88
Belize	93	0.6536	93	87	0.6636	86	0.6610	94
Japan	94	0.6524	94	101	0.6447	98	0.6434	91
Mauritius	95	0.6520	95	96	0.6513	95	0.6466	85
Kenya	96	0.6499	96	97	0.6512	88	0.6547	83
Cambodia	97	0.6482	97	104	0.6410	94	0.6469	98
Malaysia	98	0.6479	98	100	0.6467	96	0.6442	92
Maldives	99	0.6452	99	99	0.6482	91	0.6501	99
Azerbaijan	100	0.6446	100	89	0.6626	61	0.6856	59
Senegal	101	0.6414	101	102	0.6427	n/a	n/a	n/a
Suriname	102	0.6407	102	78	0.6726	79	0.6674	56
United Arab Emirates	103	0.6397	103	112	0.6198	105	0.6220	105
Korea, Rep.	104	0.6342	104	115	0.6146	108	0.6154	97
Kuwait	105	0.6318	105	105	0.6356	101	0.6358	96
Zambia	106	0.6293	106	107	0.6310	106	0.6205	101
Tunisia	107	0.6266	107	109	0.6233	103	0.6295	102
Fiji	108	0.6256	108	103	0.6414	n/a	n/a	n/a
Guatemala	109	0.6238	109	111	0.6209	112	0.6072	106

Bahrain	110	0.6217	110	116	0.6136	121	0.5927	115
Burkina Faso	111	0.6162	111	120	0.6081	115	0.6029	117
India	112	0.6155	112	114	0.6151	113	0.6060	114
Mauritania	113	0.6152	113	119	0.6103	110	0.6117	111
Cameroon	114	0.6110	114	118	0.6108	117	0.6017	116
Nepal	115	0.6084	115	110	0.6213	120	0.5942	125
Lebanon*	116	0.6084	n/a	n/a	n/a	n/a	n/a	n/a
Qatar	117	0.6059	116	125	0.5907	119	0.5948	109
Nigeria	118	0.6055	117	108	0.6280	102	0.6339	107
Algeria	119	0.6052	118	117	0.6119	111	0.6111	108
Jordan	120	0.6048	119	113	0.6182	104	0.6275	104
Ethiopia	121	0.6019	120	122	0.5948	122	0.5867	113
Oman	122	0.5950	121	123	0.5938	118	<a href="#">0.5960</a>	119
Iran	123	0.5933	122	128	0.5839	116	0.6021	118
Syria	124	0.5926	123	121	0.6072	107	0.6181	103
Egypt	125	0.5899	124	126	0.5862	124	0.5832	120
Turkey	126	0.5876	125	129	0.5828	123	0.5853	121
Morocco	127	0.5767	126	124	0.5926	125	0.5757	122



Benin	128	0.5719	127	131	0.5643	126	0.5582	123
Saudi Arabia	129	0.5713	128	130	0.5651	128	0.5537	124
Côte d'Ivoire*	130	0.5691	n/a	n/a	n/a	n/a	n/a	n/a
Mali	131	0.5680	129	127	0.5860	109	0.6117	112
Pakistan	132	0.5465	130	132	0.5458	127	0.5549	126
Chad	133	0.5330	131	133	0.5417	129	0.5290	127
Yemen	134	0.4603	132	134	0.4609	130	0.4664	128
Belarus	n/a	n/a	n/a	34	0.7141	33	0.7099	23
Uzbekistan	n/a	n/a	n/a	58	0.6913	55	0.6906	41

\*new country 2010

#### Commentary:

According to the report's index, Nordic countries, such as [Iceland](#), [Norway](#), [Finland](#), and [Sweden](#) have continued to dominate at the top of the ranking for gender equality. Meanwhile, [France](#) has seen a notable decline in the ranking, largely as a result of decreased number of women holding ministerial portfolios in that country. In the Americas, the [United States](#) has risen in the ranking to top the region, predominantly as a result of a decreasing wage gap, as well as higher number of women holding key positions in the current Obama administration. [Canada](#) has continued to remain as one of the top ranking countries of the Americas, followed by the small Caribbean island nation of Trinidad and Tobago, which has the distinction of being among the top three countries of the Americans in the realm of gender equality. [Lesotho](#) and South African ranked highly in the

index, leading not only among African countries but also in global context. Despite [Lesotho](#) still lagging in the area of life expectancy, its high ranking was attributed to high levels of female participation in the labor force and female literacy. The [Philippines](#) and [Sri Lanka](#) were the top ranking countries for gender equality for Asia, ranking highly also in global context. The [Philippines](#) has continued to show strong performance in all strong performance on all four dimensions (detailed above) of the index. Finally, in the Arab world, the [United Arab Emirates](#) held the highest-rank within that region of the world; however, its placement near the bottom of the global list highlights the fact that Arab countries are generally poor performers when it comes to the matter of gender equality in global scope.

Source:

This data is derived from the latest edition of The Global Gender Gap Report by the World Economic Forum.

Available at URL:

<http://www.weforum.org/en/Communities/Women%20Leaders%20and%20Gender%20Parity/Gende>

Updated:

Based on latest available data as set forth in chart; reviewed in 2014

---

## Culture and Arts

### Culture and Arts of Argentina

#### Music

Argentina has a rich musical tradition, and is best known for tango. Tango is said to have originally originated in the brothels, bars and port areas of Buenos Aires where waves of European traders and immigrants poured into the country, bringing with them various forms of music. That combination of European rhythms developed into the swinging milonga around 1900. The milonga quickly became a popular Buenos Aires dance that slowly evolved into modern tango. Since 1930, tango has changed from a dance-focused music to one of lyric and poetry, thanks to vocalists like Carlos Gardel, Roberto Goyeneche, Hugo del Carril, Tita Merello, Susana Rinaldi, Edmundo

Rivero and Ignacio Corsini. The period from 1930 to mid-1950s is considered the golden age of tango, featuring large orchestral tango groups led by Francisco Canaro, Julio de Caro, Osvaldo Pugliese, Anibal Troilo and Juan d'Arienzo.

## Art

Argentina has a rich history of painting and sculpture, but artistic production did not really flourish until after 1852. Several Argentine artists have left behind a realist heritage that holds influence to this day; these include Eduardo Schiaffino, Eduardo Sívori, Reynaldo Giudici, Emilio Caraffa and Ernesto de la Carcova.

Impressionism was not a leading style among Argentine artists until after 1900, and but still did not become such an influential force as it did in Europe. Still, there were several Argentine post-impressionists such as Martín Malharro, Ramón Silva, Cleto Ciocchini, Fernando Fader, Pío Collivadino and Cesareo Bernaldo de Quiros. Realism and aestheticism were significant styles informing Argentine painting and sculpture. Sculptor Lola Mora -- a student of the gifted August Rodin -- is especially noteworthy. A specialist in monumental sculpture, she led the way for other sculptors to gain in popularity in the period after 1900. Other noted monumental sculptors in the era include Erminio Blotta, Ángel María de Rosa and Rogelio Yrurtia. Futurists and cubists such as Xul Solar and Emilio Pettoruti also garnered a considerable following during this period as well. Traditional abstract painters like Romulo Maccio and Luis Felipe Noé coexisted with the more sentimental landscape and portrait painters of the day.

The Argentine interest in art and pottery should be noted since artists in this discipline worked to capture depictions of war, childhood memories, and everyday life. Prominent artists include Candido Lopez, Susana Aguirre, Aniko Szarbo and Gato Frias.

## Literature

In the middle of the 19th century José Mármol published the first Argentine novel, *Amalia* (1851–1852), a historical book set during the year of 1840 which mixed fictional characters (*Amalia*, Daniel Bello, Eduardo Belgrano) with actual people such as Juan Manuel de Rosas.

In the genre of essay, Domingo Faustino Sarmiento published his *Facundo: Civilization and Barbarism* (1845), a work of creative non-fiction contrasting civilization and barbarism as seen in early 19th-century Argentina.

In modern literary scene, Argentina has produced a number of internationally known writers such as Jorge Luis Borges, Julio Cortázar and Ernesto Sabato.

Jorge Luis Borges (1899-1986) was an Argentine short-story writer, essayist, poet and translator. His most famous books, *Ficciones* (1944) and *The Aleph* (1949), are compilations of short stories interconnected by common themes such as dreams, labyrinths, libraries, mirrors, animals, philosophy, religion and God.

Julio Cortazar (1914-1984) was an Argentine novelist, short story writer and essayist. Known as one of the founders of the Latin American Boom, Cortazar influenced an entire generation of Spanish-speaking readers and writers in the Americas and Europe. He has been called a “modern master of the short story.”

Ernesto Sabato (1911-2011) was an Argentine writer. His novel *On Heroes and Tombs* (Spanish: *Sobre héroes y tumbas*, 1961) is regarded as his masterpiece, and his essays cover topics as diverse as metaphysics, politics and tango. His writings have led to Sabato being the recipient of many international prizes, including the Legion of Honour (France), the Prix Médicis (Italy) and the Miguel de Cervantes Prize (Spain).

## Cuisine

The cuisine of Argentina is generally a blend of Mediterranean cooking with heavy Italian and Spanish influences. The Argentinean diet is high in protein, particularly from beef. Asado is the traditional dish of Argentina, which is a method of cooking meat over a grill similar to the American barbeque. Asado refers to both the custom of grilling and the grilled food itself. To cook an entire lamb over the outdoor camp fire is also a popular way for the meat dish. Chorizo, spicy sausage usually made from pork, is another popular meat dish.

Pasta is very popular in Argentina. It is normally served with a large amount of sauce, with pesto, cream and red meat sauces as the most common ones. Other popular dishes of Argentina include empanadas (small pies filled with all types of fillings, such as ham, cheese and meat); milanesas (thin breaded meat, similar to a German schnitzel); pizza (made with thick dough but not similar to what is found in Italy); fogaza (similar to Italian focaccia, but often served with cheese); and provoleta (a sizeable amount of fried melted cheese served with plenty of oregano).

[www.southamerica:](http://www.southamerica.cl)

<http://www.southamerica.cl/Argentina/Food/Guide.htm>

## Etiquette

### Cultural Dos and Taboos

1. A firm handshake with direct eye contact is the customary form of greeting. Men will need to wait for a woman to extend her hand first if she wants her hand shaken. Friends and relatives will often greet each other with a kiss and/or a hug. A pat on the shoulder is a sign of friendship.
2. Always address people by their title and last name until invited to do otherwise. Argentines are formal and respectful about such matters.
3. Sports (especially soccer which is called "futball" locally), culture, literature, dance (tango is Argentina's contribution to the world culture), music (opera especially), family and travel make excellent topics of conversation. The visitor may wish to avoid initiating topics that concern political relationships with Argentina's neighboring countries and the Falkland (Malvinas) War. It is also advisable that visitors avoid referring to Argentina's former leader, Peron, as a "dictator." Note that business is not usually discussed at social dinners, although business dinners at restaurants do occur frequently. Know the difference between a social occasion and a business lunch and expect differences in conversation accordingly.
4. The Argentine style of humor may seem a bit strange to visitors, as it may include seemingly derogatory comments about your wardrobe or weight. These comments should be received in the most positive spirit as they suggest that your Argentine counterpart is becoming more comfortable with you.
5. Yawning or coughing in public, especially while in conversation, is very rude. Always cover the mouth if you must yawn or cough. Eating in public is also not advised.
6. Never stand with your hands on your hips, as this will be perceived as a sign you are angry. While such aggressive stances are normal in North America, they do not translate well elsewhere.
7. If invited to dinner it is fine to bring a gift for the host or hostess. Exotic flowers, expensive and imported chocolates, cognacs, whiskey and other upper tier brands of liquor make fine gifts. Inappropriate gifts include knives (they symbolize the dissolution of a friendship) or wines and leather goods, which Argentina produces locally.
8. Dining is formal with diners keeping wrists on the table and elbows off the table. The fork should remain consistently in the left hand and the knife should be used in the right hand. The "fork flip-over" from left-to-right, common in North American usage, is inappropriate in Argentina.

9. Dinner is generally served later in the evening in Argentina (close to 10 pm). Coffee and snacks are often served in the late afternoon, akin to the British tendency to have late afternoon high teas.

10. Dress is generally casual but fashionable and one should always dress with good taste. Argentines are very conscious of self-presentation. Business attire is somewhat more orthodox, including suits for both men and women. Shorts should be confined to private homes and are not generally worn on the street.

---

## Travel Information

**Please Note: This is a generalized travel guide and it is intended to coalesce several resources that a traveler might find useful, regardless of a particular destination. As such, it does not include travel warnings for specific "hot spot" destinations.**

**For travel alerts and warnings, please see the United States Department of State's listings available at URL: <http://travel.state.gov/content/passports/english/alertswarnings.html>**

**Please note that travel to the following countries, based on these warnings, is ill-advised, or should be undertaken with the utmost precautions:**

**Afghanistan, Algeria, Burundi, Cameroon, Central African Republic, Chad, Colombia, Democratic Republic of Congo, Djibouti, El Salvador, Eritrea, Ethiopia, Guinea, Honduras, Iraq, Iran, Lebanon, Liberia, Libya, Mali, Mauritania, Mexico, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestinian Territories of West Bank and Gaza, Philippines areas of Sulu Archipelago, Mindanao, and southern Sulu Sea, Saudi Arabia, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Ukraine, Venezuela, and Yemen.**

## International Travel Guide

### Checklist for Travelers

1. Take out travel insurance to cover hospital treatment or medical evacuation. Overseas medical costs are expensive to most international travelers, where one's domestic, nationalized or even private health insurance plans will not provide coverage outside one's home country. Learn about "reciprocal insurance plans" that some international health care companies might offer.

2. Make sure that one's travel insurance is appropriate. If one intends to indulge in adventurous activities, such as parasailing, one should be sure that one is fully insured in such cases. Many traditional insurance policies do not provide coverage in cases of extreme circumstances.

- 3.** Take time to learn about one's destination country and culture. Read and learn about the place one is traveling. Also check political, economic and socio-cultural developments at the destination by reading country-specific travel reports and fact sheets noted below.
- 4.** Get the necessary visas for the country (or countries) one intends to visit - but be aware that a visa does not guarantee entry. A number of useful sites regarding visa and other entry requirements are noted below.
- 5.** Keep in regular contact with friends and relatives back at home by phone or email, and be sure to leave a travel itinerary.
- 6.** Protect one's personal information by making copies of one's passport details, insurance policy, travelers checks and credit card numbers. Taking copies of such documents with you, while leaving another collection copies with someone at home is also good practice for travelers. Taking copies of one's passport photograph is also recommended.
- 7.** Stay healthy by taking all possible precautions against illness. Also, be sure to take extra supplies of prescription drugs along for the trip, while also taking time to pack general pharmaceutical supplies, such as aspirin and other such painkillers, bandages, stomach ailment medication, anti-inflammatory medication and anti-bacterial medication.
- 8.** Do not carry illicit drugs. Understand that the punishment for possession or use of illegal drugs in some countries may be capital punishment. Make sure your prescription drugs are legal in the countries you plan to visit.
- 9.** Know the laws of one's destination country and culture; be sure to understand the repercussions of breaking those laws and regulations. Often the transparency and freedoms of the juridical system at home is not consistent with that of one's destination country. Become aware of these complexities and subtleties before you travel.
- 10.** For longer stays in a country, or where the security situation is volatile, one should register one's self and traveling companions at the local embassy or consulate of one's country of citizenship.
- 11.** Women should take care to be prepared both culturally and practically for traveling in a different country and culture. One should be sure to take sufficient supplies of personal feminine products and prescription drugs. One should also learn about local cultural standards for women, including norms of dressing. Be aware that it is simply inappropriate and unsafe for women to travel alone in some countries, and take the necessary precautions to avoid risk-filled situations.
- 12.** If one is traveling with small children, one should pack extra supplies, make arrangements with

the travel carrier for proper seating that would adequately accommodate children, infants or toddlers. Note also that whether one is male or female, traveling with children means that one's hands are thus not free to carry luggage and bags. Be especially aware that this makes one vulnerable to pickpockets, thieves and other sorts of crime.

**13.** Make proper arrangements for accommodations, well in advance of one's arrival at a destination. Some countries have limited accommodation, while others may have culturally distinctive facilities. Learning about these practicalities before one travels will greatly aid the enjoyment of one's trip.

**14.** Travel with different forms of currency and money (cash, traveler's checks and credit cards) in anticipation that venues may not accept one or another form of money. Also, ensuring that one's financial resources are not contained in one location, or by one person (if one is traveling with others) can be a useful measure, in the event that one loses a wallet or purse.

**15.** Find out about transportation in the destination country. In some places, it might be advisable to hire a local driver or taxi guide for safety reasons, while in other countries, enjoying one's travel experience may well be enhanced by renting a vehicle and seeing the local sights and culture independently. Costs may also be prohibitive for either of these choices, so again, prior planning is suggested.

### **Tips for Travelers**

- Some foreign citizens do not require a visa to enter Argentina as a tourist for stays of up to three months.
- Take out full insurance before you travel, including medical insurance.
- Check the your country's embassy, consulate or other government institution related to travel before traveling.
- Don't get involved with drugs. Penalties can be severe: minimum four and a half years prison sentence if caught.
- Bring enough money: payment directly in US dollars is permitted for almost all transactions. Most credit cards are accepted.
- Keep belongings in a safe place. Passports should be left in a hotel safe/security box except when being used as ID, e.g. changing money. Leave a photocopy of the details page with a contact your home country and carry one with you. Enter next of kin details into the back of your passport.



- Avoid carrying too much cash or wearing ostentatious jewelry.
- Beware of bag snatchers, pickpockets and poorly lit areas at night.
- Hail moving taxis rather than those waiting at the curbside.
- If hiring a car, ensure you keep the doors locked and windows closed at all times. Take particular care at traffic lights.

Note: This information is directly quoted from the United Kingdom Foreign and Commonwealth Office.

Sources: *United Kingdom Foreign and Commonwealth Office*

### **Business Culture: Information for Business Travelers**

As in many countries, executives intending to successfully do business in Argentina should take the time to develop a close personal relationship with their agent, representative, distributor or other business partner, and maintain it with regular visits.

Argentine customs are generally formal. Business dress, appearance and general approach and demeanor should be conservative. Politeness is very important, and efforts to rush a business deal will unlikely be met with success. To establish trust, time spent on social activities is fundamental to developing a solid business relationship. It is important to shake hands with everyone in the room upon arriving and leaving, and with women, it is customary to kiss once on the right cheek, or shake hands.

Contacts and introductions are important, therefore use the services of your embassy or other organizations, industry associations, or other contacts, as opposed to the direct "cold call" approach.

It is important to be prompt to business meetings, and always have a pre-arranged appointment. Be sure to have an ample supply of business cards. It is beneficial to have cards printed in Spanish as well as English, although not necessary.

One cultural consideration U.S. travelers should note is that the term "American" denotes someone from the Americas, North or South, not just from U.S. Saying you are from the United States (los Estados Unidos) is clearer.

Sources: *United States Department of State Commercial Guides*

## **Online Resources Regarding Entry Requirements and Visas**

Online Resources Regarding Entry Requirements and Visas

Foreign Entry Requirements for Americans from the United States Department of State

[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1765.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1765.html)

Visa Services for Non-Americans from the United States Department of State

[http://travel.state.gov/visa/visa\\_1750.html](http://travel.state.gov/visa/visa_1750.html)

Visa Bulletins from the United States Department of State

[http://travel.state.gov/visa/frvi/bulletin/bulletin\\_1360.html](http://travel.state.gov/visa/frvi/bulletin/bulletin_1360.html)

Visa Waivers from the United States Department of State

[http://travel.state.gov/visa/temp/without/without\\_1990.html](http://travel.state.gov/visa/temp/without/without_1990.html) - new

Passport and Visa Information from the Government of the United Kingdom

<http://www.bia.homeoffice.gov.uk/>

Visa Information from the Government of Australia

<http://www.dfat.gov.au/visas/index.html>

Passport Information from the Government of Australia

<https://www.passports.gov.au/Web/index.aspx>

Passport Information from the Government of Canada

[http://www.voyage.gc.ca/preparation\\_information/passport\\_passeport-eng.asp](http://www.voyage.gc.ca/preparation_information/passport_passeport-eng.asp)

Visa Information from the Government of Canada

[http://www.voyage.gc.ca/preparation\\_information/visas-eng.asp](http://www.voyage.gc.ca/preparation_information/visas-eng.asp)

Online Visa Processing by Immigration Experts by VisaPro

<http://www.visapro.com>

Sources: United States Department of State, United Kingdom Foreign and Commonwealth Office, Government of Australia: Department of Foreign Affairs and Trade, Government of Canada

---

## Department of Foreign Affairs and International Trade

### Useful Online Resources for Travelers

#### Country-Specific Travel Information from United States

[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1765.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1765.html)

#### Travel Advice by Country from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/>

#### General Travel Advice from Government of Australia

<http://www.smartraveller.gov.au/zw-cgi/view/Advice/General>

#### Travel Bulletins from the Government of Australia

<http://www.smartraveller.gov.au/zw-cgi/view/TravelBulletins/>

#### Travel Tips from Government of Australia

<http://www.smartraveller.gov.au/tips/index.html>

#### Travel Checklist by Government of Canada

[http://www.voyage.gc.ca/preparation\\_information/checklist\\_sommaire-eng.asp](http://www.voyage.gc.ca/preparation_information/checklist_sommaire-eng.asp)

#### Travel Checklist from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/staying-safe/checklist>

#### Your trip abroad from United States Department of State

[http://travel.state.gov/travel/tips/brochures/brochures\\_1225.html](http://travel.state.gov/travel/tips/brochures/brochures_1225.html)

#### A safe trip abroad from United States Department of State

[http://travel.state.gov/travel/tips/safety/safety\\_1747.html](http://travel.state.gov/travel/tips/safety/safety_1747.html)

#### Tips for expatriates abroad from United States Department of State

[http://travel.state.gov/travel/living/residing/residing\\_1235.html](http://travel.state.gov/travel/living/residing/residing_1235.html)

#### Tips for students from United States Department of State

[http://travel.state.gov/travel/living/studying/studying\\_1238.html](http://travel.state.gov/travel/living/studying/studying_1238.html) <http://travel.state.gov/travel/tips/broc>

#### Medical information for travelers from United States Department of State

[http://travel.state.gov/travel/tips/health/health\\_1185.html](http://travel.state.gov/travel/tips/health/health_1185.html)

### US Customs Travel information

<http://www.customs.gov/xp/cgov/travel/>

Sources: United States Department of State; United States Customs Department, United Kingdom Foreign and Commonwealth Office, Foreign and Commonwealth Office, Government of Australia; Government of Canada: Department of Foreign Affairs and International Trade

### Other Practical Online Resources for Travelers

#### Foreign Language Phrases for Travelers

<http://www.travlang.com/languages/>

<http://www.omniglot.com/language/phrases/index.htm>

#### World Weather Forecasts

<http://www.intellicast.com/>

<http://www.wunderground.com/>

<http://www.worldweather.org/>

#### Worldwide Time Zones, Map, World Clock

<http://www.timeanddate.com/>

<http://www.worldtimezone.com/>

#### International Airport Codes

<http://www.world-airport-codes.com/>

#### International Dialing Codes

<http://www.kropla.com/dialcode.htm>

<http://www.countrycallingcodes.com/>

#### International Phone Guide

<http://www.kropla.com/phones.htm>

#### International Mobile Phone Guide

<http://www.kropla.com/mobilephones.htm>

#### International Internet Café Search Engine

<http://cybercaptive.com/>

#### Global Internet Roaming

<http://www.kropla.com/roaming.htm>

World Electric Power Guide

<http://www.kropla.com/electric.htm>

<http://www.kropla.com/electric2.htm>

World Television Standards and Codes

<http://www.kropla.com/tv.htm>

International Currency Exchange Rates

<http://www.xe.com/ucc/>

Banking and Financial Institutions Across the World

<http://www.123world.com/banks/index.html>

International Credit Card or Automated Teller Machine (ATM) Locator

<http://visa.via.infonow.net/locator/global/>

<http://www.mastercard.com/us/personal/en/cardholderservices/atmlocations/index.html>

International Chambers of Commerce

<http://www.123world.com/chambers/index.html>

World Tourism Websites

<http://123world.com/tourism/>

Diplomatic and Consular Information

United States Diplomatic Posts Around the World

<http://www.usembassy.gov/>

United Kingdom Diplomatic Posts Around the World

<http://www.fco.gov.uk/en/about-the-fco/embassies-and-posts/find-an-embassy-overseas/>

Australia's Diplomatic Posts Around the World

<http://www.dfat.gov.au/missions/>

<http://www.dfat.gov.au/embassies.html>

Canada's Embassies and High Commissions

<http://www.international.gc.ca/ciw-cdm/embassies-ambassades.aspx>

Resources for Finding Embassies and other Diplomatic Posts Across the World

<http://www.escapeartist.com/embassy1/embassy1.htm>

## Safety and Security

Travel Warnings by Country from Government of Australia

<http://www.smartraveller.gov.au/zw-cgi/view/Advice/>

Travel Warnings and Alerts from United States Department of State

[http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_1764.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html)

[http://travel.state.gov/travel/cis\\_pa\\_tw/pa/pa\\_1766.html](http://travel.state.gov/travel/cis_pa_tw/pa/pa_1766.html)

Travel Reports and Warnings by Government of Canada

[http://www.voyage.gc.ca/countries\\_pays/menu-eng.asp](http://www.voyage.gc.ca/countries_pays/menu-eng.asp)

[http://www.voyage.gc.ca/countries\\_pays/updates\\_mise-a-jour-eng.asp](http://www.voyage.gc.ca/countries_pays/updates_mise-a-jour-eng.asp)

Travel Warnings from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/>

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/?action=noTravelAll#noTravelAll>

Sources: United Kingdom Foreign and Commonwealth Office, the United States Department of State, the Government of Canada: Department of Foreign Affairs and International Trade, Government of Australia: Department of Foreign Affairs and Trade

## Other Safety and Security Online Resources for Travelers

United States Department of State Information on Terrorism

<http://www.state.gov/s/ct/>

Government of the United Kingdom Resource on the Risk of Terrorism

<http://www.fco.gov.uk/servlet/Front?>

[pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1044011304926](http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1044011304926)

Government of Canada Terrorism Guide

<http://www.international.gc.ca/crime/terrorism-terrorisme.aspx?lang=eng>

Information on Terrorism by Government of Australia

<http://www.dfat.gov.au/icat/index.html>

FAA Resource on Aviation Safety

<http://www.faasafety.gov/>

In-Flight Safety Information for Air Travel (by British Airways crew trainer, Anna Warman)

<http://www.warman.demon.co.uk/anna/inflight.html>

Hot Spots: Travel Safety and Risk Information

<http://www.airsecurity.com/hotspots/HotSpots.asp>

Information on Human Rights

<http://www.state.gov/g/drl/hr/>

Sources: The United States Department of State, the United States Customs Department, the Government of Canada, the Government of United Kingdom, the Government of Australia, the Federal Aviation Authority, Anna Warman's In-flight Website, Hot Spots Travel and Risk Information

---

## **Diseases/Health Data**

**Please Note: Most of the entry below constitutes a generalized health advisory, which a traveler might find useful, regardless of a particular destination.**

**As a supplement, however, reader will also find below a list of countries flagged with current health notices and alerts issued by the Centers for Disease Control and Prevention (CDC).**

**Please note that travel to the following countries, based on these 3 levels of warnings, is ill-advised, or should be undertaken with the utmost precaution:**

**Level 3 (highest level of concern; avoid non-essential travel) --**

**Guinea - Ebola**

**Liberia - Ebola**

**Nepal - Earthquake zone**  
**Sierra Leone - Ebola**

**Level 2 (intermediate level of concern; use utmost caution during travel) --**

**Cameroon - Polio**  
**Somalia - Polio**  
**Vanuatu - Tropical Cyclone zone**  
**Throughout Middle East and Arabia Peninsula - MERS ((Middle East Respiratory Syndrome)**

**Level 1 (standard level of concern; use practical caution during travel) -**

**Australia - Ross River disease**  
**Bosnia-Herzegovina - Measles**  
**Brazil - Dengue Fever**  
**Brazil - Malaria**  
**Brazil - Zika**  
**China - H7N9 Avian flu**  
**Cuba - Cholera**  
**Egypt - H5N1 Bird flu**  
**Ethiopia - Measles**  
**Germany - Measles**  
**Japan - Hand, foot, and mouth disease (HFMD)**  
**Kyrgyzstan - Measles**  
**Malaysia -Dengue Fever**  
**Mexico - Chikungunya**  
**Mexico - Hepatitis A**  
**Nigeria - Meningitis**  
**Philippines - Measles**  
**Scotland - Mumps**  
**Singapore - Hand, foot, and mouth disease (HFMD)**  
**South Korea - MERS ((Middle East Respiratory Syndrome)**  
**Throughout Caribbean - Chikungunya**  
**Throughout Central America - Chikungunya**  
**Throughout South America - Chikungunya**  
**Throughout Pacific Islands - Chikungunya**

**For specific information related to these health notices and alerts please see the CDC's listing available at URL:**  
**<http://wwwnc.cdc.gov/travel/notices>**



## Health Information for Travelers to Argentina

Food and waterborne diseases are the number one cause of illness in travelers. Travelers' diarrhea can be caused by viruses, bacteria, or parasites, which are found throughout the region and can contaminate food or water. Infections may cause diarrhea and vomiting (*E. coli*, *Salmonella*, cholera, and parasites), fever (typhoid fever and toxoplasmosis), or liver damage (hepatitis). Make sure your food and drinking water are safe. (See below.)

Malaria is a preventable infection that can be fatal if left untreated. Prevent infection by taking prescription antimalarial drugs and protecting yourself against mosquito bites (see below). In Argentina, you are at risk for malaria only in northern rural areas bordering Bolivia and Paraguay. In Chile, the Falkland Islands, and Uruguay, there is no risk for malaria. Travelers to rural northern Argentina should take chloroquine to prevent malaria. For more detailed information about specific locations, see *Malaria in Temperate South America* (<http://www.cdc.gov/travel/regionalmalaria/temsam.htm>).

A certificate of yellow fever vaccination is not required for entry into the countries in this region. For detailed information, see *Comprehensive Yellow Fever Vaccination Requirements* (<http://www.cdc.gov/travel/yelfever.htm>).

Dengue, American trypanosomiasis (Chagas disease), and leishmaniasis are diseases carried by insects that also occur in this region. Protecting yourself against insect bites (see below) will help to prevent these diseases.

If you visit the Andes Mountains, ascend gradually to allow time for your body to adjust to the high altitude, which can cause insomnia, headaches, nausea, and altitude sickness. In addition, use sunblock rated at least 15 SPF, because the risk of sunburn is greater at high altitudes.

Because motor vehicle crashes are a leading cause of injury among travelers, walk and drive defensively. Avoid nighttime travel if possible and always use seat belts.

### **CDC Recommends the Following Vaccines (as Appropriate for Age):**

See your doctor at least 4-6 weeks before your trip to allow time for immunizations to take effect.

- Hepatitis A or immune globulin (IG).
- Rabies, if you might be exposed to wild or domestic animals through your work or recreation.
- Typhoid, particularly if you are visiting developing countries in this region.
- Yellow fever vaccination is recommended only if you are traveling outside urban areas in

Argentina.

- As needed, booster doses for tetanus-diphtheria and measles. Hepatitis B vaccine is now recommended for all infants and for children ages 11-12 years who did not complete the series as infants.

### **To Stay Healthy, Do:**

- Wash hands often with soap and water.
- Drink only bottled or boiled water, or carbonated (bubbly) drinks in cans or bottles. Avoid tap water, fountain drinks, and ice cubes. If this is not possible, make water safer by BOTH filtering through an "absolute 1-micron or less" filter AND adding iodine tablets to the filtered water. "Absolute 1-micron filters" are found in camping/outdoor supply stores.
- Eat only thoroughly cooked food or fruits and vegetables you have peeled yourself. Remember: boil it, cook it, peel it, or forget it.
- If you will be visiting an area where there is risk for malaria, take your malaria prevention medication before, during, and after travel, as directed. (See your doctor for a prescription.)
- Protect yourself from insects by remaining in well-screened areas, using repellents (applied sparingly at 4-hour intervals) and permethrin-impregnated mosquito nets, and wearing long-sleeved shirts and long pants from dusk through dawn.
- To prevent fungal and parasitic infections, keep feet clean and dry, and do not go barefoot.
- Always use latex condoms to reduce the risk of HIV and other sexually transmitted diseases.

### **To Avoid Getting Sick:**

- Don't eat food purchased from street vendors.
- Don't drink beverages with ice.
- Don't eat dairy products unless you know they have been pasteurized.
- Don't share needles with anyone.
- Don't handle animals (especially monkeys, dogs, and cats), to avoid bites and serious diseases (including rabies and plague).

### **What You Need To Bring with You:**

- Long-sleeved shirt and long pants to wear while outside whenever possible, to prevent illnesses carried by insects (e.g., malaria, dengue, filariasis, leishmaniasis, and onchocerciasis).
- Insect repellent containing DEET (diethylmethyltoluamide), in 30%-35% strength for adults and 6%-10% for children. Travelers who are not staying in air-conditioned or well-screened housing should purchase a bed net impregnated with the insecticide permethrin. (Bed nets can be purchased in camping or military supply stores.)
- Over-the-counter antidiarrheal medicine to take if you have diarrhea.
- Iodine tablets and water filters to purify water if bottled water is not available. See Do's above for

more detailed information about water filters.

- Sunblock, sunglasses, hat.
- Prescription medications: make sure you have enough to last during your trip, as well as a copy of the prescription(s).

### **After You Return Home:**

If you have visited an area where there is risk for malaria, continue taking your malaria medication weekly for 4 weeks after you leave the area. If you become ill after travel-even as long as a year after your trip-tell your doctor the areas you have visited.

### **For More Information:**

Ask your doctor or check the CDC web sites for more information about how to protect yourself against diseases that occur in Temperate South America.

### **For Information About Diseases:**

Carried by Insects  
Dengue, Malaria

Carried in Food or Water  
Cholera, *Escherichia coli*, diarrhea, Hepatitis A, Typhoid Fever

Person-to-Person Contact  
Hepatitis B, HIV/AIDS

For more information about these and other diseases, please check the Diseases (<http://www.cdc.gov/travel/diseases.htm>) section and the Health Topics A - Z (<http://www.cdc.gov/health/diseases.htm>).

*Note:*

*Argentina is located in the temperate South America health region.*

*Sources:*

*The Center for Disease Control Destinations Website:*  
<http://www.cdc.gov/travel/destinat.htm>



# **Chapter 6**

## **Environmental Overview**

---

## **Environmental Issues**

### **General Overview**

Although Argentina is a vast country with many natural resources, a diverse ecosystem and abundant bio-diversity, its population remains concentrated in urban centers. This urban density has had the far-reaching effects of air and water pollution, as well as waste disposal problems.

### **Current Issues**

- erosion resulting from inadequate flood controls and improper land use practices -soil degradation and erosion
- desertification
- air pollution in Buenos Aires and other major cities
- water pollution in urban areas
- rivers becoming polluted due to increased pesticide and fertilizer use
- inadequacy of protected areas system

### **Total Greenhouse Gas Emissions (Mtc)**

78.3

### **Country Rank (GHG output)**

24th

### **Natural Hazards**

- earthquakes in the Tucuman and Mendoza areas of the Andes

- pamperos (violent windstorms that can strike the Pampas and northeast)
- heavy flooding

---

## Environmental Policy

### Regulation and Jurisdiction:

The regulation and protection of the environment in Argentina is under the jurisdiction of the following:

- Secretaria de Recursos Naturales y Desarrollo Sustentable (Secretariat of Natural Resources and Sustainable Development)

### Major Non-Governmental Organizations:

- Ecobios
- The Ecological Systems Analysis Group
- The Foundation for the Defense of the Environment (FUNAM)
- The Fundación Amigos de la Tierra (Friends of the Earth Foundation)
- The Fundación Cruzada Patagonia (FCP)
- Fundación Sirena
- The Grupo de Educadores Ambientalistas (Environmental Educators Group)
- The Species Survival Commission (IUCN/SSC)-Veterinary Specialist Group
- TRAFFIC South America
- The Instituto Miguel Lillo, Universidad Nacional de Tucumán (a nonprofit, university-based organization dedicated to environmental education and research)

### International Environmental Accords:

*Party to:*

- Antarctic-Environmental Protocol
- Antarctic Treaty
- Biodiversity
- Climate Change
- Desertification

- Endangered Species
- Environmental Modification
- Hazardous Wastes
- Law of the Sea
- Marine Dumping
- Nuclear Test Ban
- Ozone Layer Protection
- Ship Pollution
- Wetlands

*Signed but not ratified:*

- Marine Life Conservation

*Kyoto Protocol Status (year ratified):*

2001

---

## **Greenhouse Gas Ranking**

Greenhouse Gas Ranking

## **GHG Emissions Rankings**

--	--



<b>Country Rank</b>	<b>Country</b>
1	United States
2	China
4	Russia
5	Japan
6	India
7	Germany
8	United Kingdom
9	Canada
10	Korea, South
11	Italy
12	Mexico
13	France
14	South Africa
15	Iran
16	Indonesia
17	Australia
18	Spain

19	Brazil
20	Saudi Arabia
21	Ukraine
22	Poland
23	Taiwan
24	Turkey
25	Thailand
26	Netherlands
27	Kazakhstan
28	Malaysia
29	Egypt
30	Venezuela
31	Argentina
32	Uzbekistan
33	Czech Republic
34	Belgium
35	Pakistan
36	Romania

37	Greece
38	United Arab Emirates
39	Algeria
40	Nigeria
41	Austria
42	Iraq
43	Finland
44	Philippines
45	Vietnam
46	Korea, North
47	Israel
48	Portugal
49	Colombia
50	Belarus
51	Kuwait
52	Hungary
53	Chile
54	Denmark

---

55	Serbia & Montenegro
56	Sweden
57	Syria
58	Libya
59	Bulgaria
60	Singapore
61	Switzerland
62	Ireland
63	Turkmenistan
64	Slovakia
65	Bangladesh
66	Morocco
67	New Zealand
68	Oman
69	Qatar
70	Azerbaijan
71	Norway
72	Peru

73	Cuba
74	Ecuador
75	Trinidad & Tobago
76	Croatia
77	Tunisia
78	Dominican Republic
79	Lebanon
80	Estonia
81	Yemen
82	Jordan
83	Slovenia
84	Bahrain
85	Angola
86	Bosnia & Herzegovina
87	Lithuania
88	Sri Lanka
89	Zimbabwe
90	Bolivia

---

91	Jamaica
92	Guatemala
93	Luxembourg
94	Myanmar
95	Sudan
96	Kenya
97	Macedonia
98	Mongolia
99	Ghana
100	Cyprus
101	Moldova
102	Latvia
103	El Salvador
104	Brunei
105	Honduras
106	Cameroon
107	Panama
108	Costa Rica

---

109	Cote d'Ivoire
110	Kyrgyzstan
111	Tajikistan
112	Ethiopia
113	Senegal
114	Uruguay
115	Gabon
116	Albania
117	Nicaragua
118	Botswana
119	Paraguay
120	Tanzania
121	Georgia
122	Armenia
123	Congo, RC
124	Mauritius
125	Nepal
126	Mauritius

---

127	Nepal
128	Mauritania
129	Malta
130	Papua New Guinea
131	Zambia
132	Suriname
133	Iceland
134	Togo
135	Benin
136	Uganda
137	Bahamas
138	Haiti
139	Congo, DRC
140	Guyana
141	Mozambique
142	Guinea
143	Equatorial Guinea
144	Laos



---

145	Barbados
146	Niger
147	Fiji
148	Burkina Faso
149	Malawi
150	Swaziland
151	Belize
152	Afghanistan
153	Sierra Leone
154	Eritrea
155	Rwanda
156	Mali
157	Seychelles
158	Cambodia
159	Liberia
160	Bhutan
161	Maldives
162	Antigua & Barbuda

---

---

163	Djibouti
164	Saint Lucia
165	Gambia
166	Guinea-Bissau
167	Central African Republic
168	Palau
169	Burundi
170	Grenada
171	Lesotho
172	Saint Vincent & the Grenadines
173	Solomon Islands
174	Samoa
175	Cape Verde
176	Nauru
177	Dominica
178	Saint Kitts & Nevis
179	Chad
180	Tonga

---

181	Sao Tome & Principe
182	Comoros
183	Vanuatu
185	Kiribati
Not Ranked	Andorra
Not Ranked	East Timor
Not Ranked	Holy See
Not Ranked	Hong Kong
Not Ranked	Liechtenstein
Not Ranked	Marshall Islands
Not Ranked	Micronesia
Not Ranked	Monaco
Not Ranked	San Marino
Not Ranked	Somalia
Not Ranked	Tuvalu

\* European Union is ranked 3rd  
Cook Islands are ranked 184th  
Niue is ranked 186th

---

## Global Environmental Snapshot

## **Introduction**

The countries of the world face many environmental challenges in common. Nevertheless, the nature and intensity of problem vary from region to region, as do various countries' respective capacities, in terms of affluence and infrastructure, to remediate threats to environmental quality.

Consciousness of perils affecting the global environment came to the fore in the last third or so of the 20<sup>th</sup> century has continued to intensify well into the new millennium. According to the United Nations Environment Programme, considerable environmental progress has been made at the level of institutional developments, international cooperation accords, and public participation. Approximately two-dozen international environmental protection accords with global implications have been promulgated since the late 1970s under auspices of the United Nations and other international organizations, together with many additional regional agreements. Attempts to address and rectify environmental problems take the form of legal frameworks, economic instruments, environmentally sound technologies and cleaner production processes as well as conservation efforts. Environmental impact assessments have increasingly been applied across the globe.

Environmental degradation affects the quality, or aesthetics, of human life, but it also displays potential to undermine conditions necessary for the sustainability of human life. Attitudes toward the importance of environmental protection measures reflect ambivalence derived from this bifurcation. On one hand, steps such as cleaning up pollution, dedicating parkland, and suchlike, are seen as embellishments undertaken by wealthy societies already assured they can successfully perform those functions deemed, ostensibly, more essential-for instance, public health and education, employment and economic development. On the other hand, in poorer countries, activities causing environmental damage-for instance the land degradation effects of unregulated logging, slash-and-burn agriculture, overgrazing, and mining-can seem justified insofar as such activities provide incomes and livelihoods.

Rapid rates of resource depletion are associated with poverty and high population growth, themselves correlated, whereas consumption per capita is much higher in the most developed countries, despite these nations' recent progress in energy efficiency and conservation. It is impossible to sequester the global environmental challenge from related economic, social and political challenges.

First-tier industrialized countries have recently achieved measurable decreases in environmental pollution and the rate of resource depletion, a success not matched in middle income and developing countries. It is believed that the discrepancy is due to the fact that industrialized

countries have more developed infrastructures to accommodate changes in environmental policy, to apply environmental technologies, and to invest in public education. The advanced industrialized countries incur relatively lower costs in alleviating environmental problems, in comparison to developing countries, since in the former even extensive environmental programs represent a rather minuscule percentage of total expenditures. Conversely, budget constraints, lagged provision of basic services to the population, and other factors such as debt service and militarization may preclude institution of minimal environmental protection measures in the poorest countries.

A synopsis for the current situation facing each region of the world follows:

### **Regional Synopsis: Africa**

The African continent, the world's second-largest landmass, encompasses many of the world's least developed countries. By global standards, urbanization is comparatively low but rising at a rapid rate. More heavily industrialized areas at the northern and southern ends of the continent experience the major share of industrial pollution. In other regions the most serious environmental problems typically stem from inefficient subsistence farming methods and other forms of land degradation, which have affected an increasingly extensive area under pressure of a widely impoverished, fast-growing population. Africa's distribution of natural resources is very uneven. It is the continent at greatest risk of desertification, especially in the Sahel region at the edge of the Sahara but also in other dry-range areas. Yet at the same time, Africa also harbors some of the earth's richest and most diverse biological zones.

#### **Key Points:**

Up to half a billion hectares of African land are moderately to severely degraded, an occurrence reflecting short-fallow shifting cultivation and overgrazing as well as a climatic pattern of recurrent droughts.

Soil degradation is severe along the expanse directly south of the Sahara, from the west to the east coasts. Parts of southern Africa, central-eastern Africa, and the neighboring island of Madagascar suffer from serious soil degradation as well.

Africa contains about 17 percent of the world's forest cover, concentrated in the tropical belt of the continent. Many of the forests, however, are severely depleted, with an estimated 70 percent showing some degree of degradation.

Population growth has resulted in continuing loss of arable land, as inefficient subsistence farming techniques affect increasingly extensive areas. Efforts to implement settled, sustainable agriculture have met with some recent success, but much further progress in this direction is needed.

Especially in previously uninhabited forestlands, concern over deforestation is intensifying.

By contrast, the African savanna remains the richest grassland in the world, supporting a substantial concentration of animal and plant life. Wildlife parks are sub-Saharan Africa's greatest tourist attraction, and with proper management-giving local people a stake in conservation and controlling the pace of development-could greatly enhance African economies.

Significant numbers of mammal species in parts of northern, southern and eastern Africa are currently threatened, while the biological diversity in Mauritania and Madagascar is even further compromised with over 20 percent of the mammal species in these two countries currently under threat.

With marine catch trends increasing from 500,000 metric tons in the 1950s to over 3,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Water resource vulnerability is a major concern in northeastern Africa, and a moderate concern across the rest of the continent. An exception is central Africa, which has plentiful water supplies.

Many Africans lack adequate access to resources, not just (if at all) because the resources are unevenly distributed geographically, but also through institutional failures such as faulty land tenure systems or political upheaval. The quality of Africa's natural resources, despite their spotty distribution, is in fact extraordinarily rich. The infrastructure needed to protect and benefit from this natural legacy, however, is largely lacking.

### **Regional Synopsis: Asia and the Pacific**

Asia-earth's largest landmass-and the many large and nearly innumerable small islands lying off its Pacific shore display extraordinarily contrasting landscapes, levels of development, and degrees of environmental stress. In the classification used here, the world's smallest continent, Australia, is also included in the Asia-Pacific region.

The Asia-Pacific region is home to 9 of the world's 14 largest urban areas, and as energy use for utilities, industry and transport increases in developing economies, urban centers are subject to worsening air quality. Intense population density in places such as Bangladesh or Hong Kong is the quintessential image many people have of Asia, yet vast desert areas such as the Gobi and the world's highest mountain range, the Himalayas, span the continent as well. Forested areas in Southeast Asia and the islands of Indonesia and the Philippines were historically prized for their tropical hardwood, but in many places this resource is now severely depleted. Low-lying small island states are extremely vulnerable to the effects of global warming, both rising sea levels and an

anticipated increase in cyclones.

Key Points:

Asian timber reserves are forecast to be depleted in the next 40 years. Loss of natural forest is irreversible in some areas, but plantation programs to restore tree cover may ameliorate a portion of the resulting land degradation.

Increased usage of fossil fuels in China and other parts of southern Asia is projected to result in a marked increase in emissions, especially in regard to carbon dioxide. The increased usage of energy has led to a marked upsurge in air pollution across the region.

Acidification is an emerging problem regionally, with sulfur dioxide emissions expected to triple by 2010 if the current growth rate is sustained. China, Thailand, India, and Korea seem to be suffering from particularly high rates of acid deposition. By contrast, Asia's most highly developed economy, Japan, has effected substantial improvements in its environmental indicators.

Water pollution in the Pacific is an urgent concern since up to 70 percent of the water discharged into the region's waters receives no treatment. Additionally, the disposal of solid wastes, in like manner, poses a major threat in a region with many areas of high population density.

The Asia-Pacific region is the largest expanse of the world's land that is adversely affected by soil degradation.

The region around Australia reportedly suffers the largest degree of ozone depletion.

The microstates of the Pacific suffer land loss due to global warming, and the consequent rise in the levels of ocean waters. A high-emissions scenario and anthropogenic climate impact at the upper end of the currently predicted range would probably force complete evacuation of the lowest-elevation islands sometime in this century.

The species-rich reefs surrounding Southeast Asia are highly vulnerable to the deleterious effects of coastal development, land-based pollution, over-fishing and exploitative fishing methods, as well as marine pollution from oil spills and other activities.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of China and south-east Asia are currently threatened, while the biological diversity in India, Japan, Australia, the Philippines, Indonesia and

parts of Malaysia is even further compromised with over 20 percent of the mammal species in these countries currently under threat.

Water resource vulnerability is a serious concern in areas surrounding the Indian subcontinent.

### **Regional Synopsis: Central Asia**

The Central Asian republics, formerly in the Soviet Union, experience a range of environmental problems as the result of poorly executed agricultural, industrial, and nuclear programs during the Soviet era. Relatively low population densities are the norm, especially since upon the breakup of the U.S.S.R. many ethnic Russians migrated back to European Russia. In this largely semi-arid region, drought, water shortages, and soil salinization pose major challenges.

#### **Key Points:**

The use of agricultural pesticides, such as DDT and other chemicals, has contributed to the contamination of soil and groundwater throughout the region.

Land and soil degradation, and in particular, increased salinization, is mostly attributable to faulty irrigation practices.

Significant desertification is also a problem in the region.

Air pollution is prevalent, mostly due to use of low octane automobile fuel.

Industrial pollution of the Caspian Sea and the Aral Sea, as a result of industrial effluents as well as mining and metal production, presents a challenge to the countries bordering these bodies of water.

One of the most severe environmental problems in the region is attributable to the several billion tons of hazardous materials stored in landfills across Central Asia.

Uzbekistan's particular problem involves the contraction of the Aral Sea, which has decreased in size by a third, as a consequence of river diversions and poor irrigation practices. The effect has been the near-total biological destruction of that body of water.

Kazakhstan, as a consequence of being the heartland of the former Soviet Union's nuclear program, has incurred a high of cancerous malignancies, biogenetic abnormalities and radioactive contamination.

While part of the Soviet Union, the republics in the region experienced very high levels of

---



greenhouse gas emissions, as a consequence of rapid industrialization using cheap but dirty energy sources, especially coal.

By contrast, however, there have recently been substantial reductions in the level of greenhouse gas emissions, especially those attributable to coal burning, with further decreases anticipated over the next decade. These changes are partially due to the use of cleaner energy technologies, such as natural gas, augmented by governmental commitment to improving environmental standards.

### **Regional Synopsis: Europe**

Western Europe underwent dramatic transformation of its landscape, virtually eliminating large-scale natural areas, during an era of rapid industrialization, which intensified upon its recovery from World War II. In Eastern Europe and European Russia, intensive land development has been less prevalent, so that some native forests and other natural areas remain. Air and water pollution from use of dirty fuels and industrial effluents, however, are more serious environmental problems in Eastern than in Western Europe, though recent trends show improvement in many indicators. Acid rain has inflicted heavy environmental damage across much of Europe, particularly on forests. Europe and North America are the only regions in which water usage for industry exceeds that for agriculture, although in Mediterranean nations agriculture is the largest water consumer.

#### **Key Points:**

Europe contributes 36 percent of the world's chlorofluorocarbon emissions, 30 percent of carbon dioxide emissions, and 25 percent of sulfur dioxide emissions.

Sulfur and nitrogen oxide emissions are the cause of 30 to 50 percent of Central and Eastern Europe's deforestation.

Acid rain has been an environmental concern for decades and continues to be a challenge in parts of Western Europe.

Overexploitation of up to 60 percent of Europe's groundwater presents a problem in industrial and urban areas.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of western Europe, Eastern Europe and Russia are currently threatened, while the biological diversity on the Iberian Peninsula is even further

compromised with over 40 percent of the mammal species in this region currently under threat. As a result, there has been a 10 percent increase in protected areas of Europe.

A major environmental issue for Europe involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Some estimates suggest that up to 50 percent of the continent's fish species may be considered endangered species. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species.

Fortunately, in the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Recently, most European countries have adopted cleaner production technologies, and alternative methods of waste disposal, including recycling.

The countries of Eastern Europe have made air quality a major environmental priority. This is exemplified by the Russian Federation's addition to the 1995 "Berlin Mandate" (transnational legislation based on resolutions of the Rio Earth Summit) compelling nations to promote "carbon sinks" to absorb greenhouse gases.

On a relative basis, when compared with the degree of industrial emissions emitted by many Eastern European countries until the late 1980s, there has been some marked increase in air quality in the region, as obsolete plants are closed and a transition to cleaner fuels and more efficient energy use takes place.

### **Regional Synopsis: The Middle and Near East**

Quite possibly, the Middle East will exemplify the adage that, as the 20<sup>th</sup> century was a century fixated on oil, the 21<sup>st</sup> century will be devoted to critical decisions about water. Many (though far from all) nations in the Middle East rank among those countries with the largest oil and gas reserves, but water resources are relatively scarce throughout this predominantly dry region. Effects of global warming may cause moderately high elevation areas that now typically receive winter "snowpack" to experience mainly rain instead, which would further constrain dry-season water availability. The antiquities and religious shrines of the region render it a great magnet for tourism, which entails considerable economic growth potential but also intensifies stresses on the environment.

#### **Key Points:**

Water resource vulnerability is a serious concern across the entire region. The increased usage of, and further demand for water, has exacerbated long-standing water scarcity in the region. For instance, river diversions and industrial salt works have caused the Dead Sea to shrink by one-third from its original surface area, with further declines expected.

The oil industry in the region contributes to water pollution in the Persian Gulf, as a result of oil spills, which have averaged 1.2 million barrels of oil spilt per year (some sources suggest that this figure is understated). The consequences are severe because even after oil spills have been cleaned up, environmental damage to the food webs and ecosystems of marine life will persist for a prolonged period.

The region's coastal zone is considered one of the most fragile and endangered ecosystems of the world. Land reclamation, shoreline construction, discharge of industrial effluents, and tourism (such as diving in the Red Sea) contribute to widespread coastal damage.

Significant numbers of mammal species in parts of the Middle East are currently threatened.

Since the 1980s, 11 percent of the region's natural forest has been depleted.

### **Regional Synopsis: Latin America and the Caribbean**

The Latin American and Caribbean region is characterized by exceedingly diverse landforms that have generally seen high rates of population growth and economic development in recent decades. The percentage of inhabitants residing in urban areas is quite high at 73.4 percent; the region includes the megacities of Mexico City, Sao Paulo, and Rio de Janeiro. The region also includes the world's second-highest mountain range, the Andes; significant expanses of desert and grassland; the coral reefs of the Caribbean Sea; and the world's largest contiguous tropical forest in the Amazon basin. Threats to the latter from subsistence and commercial farming, mineral exploitation and timbering are well publicized. Nevertheless, of eight countries worldwide that still retain at least 70 percent of their original forest cover, six are in Latin America. The region accounts for nearly half (48.3 percent) of the world's greenhouse gas emissions derived from land clearing, but as yet a comparatively minuscule share (4.3 percent) of such gases from industrial sources.

#### **Key Points:**

Although Latin America is one of the most biologically diverse regions of the world, this biodiversity is highly threatened, as exemplified by the projected extinction of up to 100,000 species in the next few decades. Much of this loss will be concentrated in the Amazon area, although the western coastline of South America will also suffer significant depletion of biological diversity. The inventory of rainforest species with potentially useful commercial or medical

applications is incomplete, but presumed to include significant numbers of such species that may become extinct before they are discovered and identified.

Up to 50 percent of the region's grazing land has lost its soil fertility as a result of soil erosion, salinization, alkalinization and overgrazing.

The Caribbean Sea, the Atlantic Ocean, and the Pacific Ocean have all been contaminated by agricultural wastes, which are discharged into streams that flow into these major waters. Water pollution derived from phosphorous, nitrates and pesticides adversely affects fish stocks, contributes to oxygen depletion and fosters overgrowth of aquatic vegetation. Marine life will continue to be severely compromised as a result of these conditions.

Due to industrial development in the region, many beaches of eastern Latin America and the Caribbean suffer from tar deposits.

Most cities in the region lack adequate sewage treatment facilities, and rapid migration of the rural poor into the cities is widening the gap between current infrastructure capacity and the much greater level needed to provide satisfactory basic services.

The rainforest region of the Amazon Basin suffers from dangerously high levels of deforestation, which may be a significant contributory factor to global warming or "the greenhouse effect." In the late 1990s and into the new millennium, the rate of deforestation was around 20 million acres of rainforest being destroyed annually.

Deforestation on the steep rainforest slopes of Caribbean islands contributes to soil erosion and landslides, both of which then result in heavy sedimentation of nearby river systems. When these sedimented rivers drain into the sea and coral reefs, they poison the coral tissues, which are vital to the maintenance of the reef ecosystem. The result is marine degradation and nutrient depletion. Jamaica's coral reefs have never quite recovered from the effects of marine degradation.

The Southern Cone of Latin America (Argentina, Brazil, Chile, Paraguay, and Uruguay) suffers the effects of greatly increased ultraviolet-B radiation, as a consequence of more intense ozone depletion in the southern hemisphere.

Water resource vulnerability is an increasingly major concern in the northwestern portion of South America.

### **Regional Synopsis: North America**

North American nations, in particular the United States and Canada, rank among the world's most

---

highly developed industrial economies—a fact which has generated significant pollution problems, but also financial resources and skills that have enabled many problems to be corrected. Although efforts to promote energy efficiency, recycling, and suchlike have helped ease strains on the environment in a part of the world where per capita consumption levels are high, sprawling land development patterns and recent preferences many households have demonstrated for larger vehicles have offset these advances.

Meanwhile, a large portion of North America's original forest cover has been lost, though in many cases replaced by productive second-growth woodland. In recent years, attitudes toward best use of the region's remaining natural or scenic areas seem to be shifting toward recreation and preservation and away from resource extraction. With increasing attention on the energy scarcity in the United States, however, there is speculation that this shift may be short-lived. Indeed, the energy shortage on the west coast of the United States and associated calls for energy exploration, indicate a possible retrenchment toward resource extraction. At the same time, however, it has also served to highlight the need for energy conservation as well as alternative energy sources.

Despite generally successful anti-pollution efforts, various parts of the region continue to suffer significant air, water and land degradation from industrial, vehicular, and agricultural emissions and runoff. Mexico, as a middle-income country, displays environmental problems characteristic of a developing economy, including forest depletion, pollution from inefficient industrial processes and dirty fuels, and lack of sufficient waste-treatment infrastructure.

#### Key Points:

Because of significantly greater motor vehicle usage in the United States (U.S.) than in the rest of the world, the U.S. contribution of urban air pollution and greenhouse gas emissions, especially carbon dioxide, is disproportionately high in relation to its population.

Acid rain is an enduring issue of contention in the northeastern part of the United States, on the border with Canada.

Mexico's urban areas suffer extreme air pollution from carbon monoxide, nitrogen oxides, sulfur dioxide, and other toxic air pollutants. Emissions controls on vehicles are in their infancy, compared to analogous regulations in the U.S.

The cities of Mexico, including those on the U.S. border, also discharge large quantities of untreated or poorly treated sewage, though officials are currently planning infrastructure upgrades.

Deforestation is noteworthy in various regions of the U.S., especially along the northwest coastline. Old growth forests have been largely removed, but in the northeastern and upper midwestern sections of the United States, evidence suggests that the current extent of tree cover probably

surpasses the figure for the beginning of the 20<sup>th</sup> century.

Extreme weather conditions in the last few years have resulted in a high level of soil erosion along the north coast of California; in addition, the coastline itself has shifted substantially due to soil erosion and concomitant landslides.

Agricultural pollution-including nitrate contamination of well water, nutrient runoff to waterways, and pesticide exposure-is significant in various areas. Noteworthy among affected places are California's Central Valley, extensive stretches of the Midwest, and land in the Chesapeake Bay watershed.

Inland waterways, especially around the Great Lakes, have substantially improved their water quality, due to concentrated efforts at reducing water pollution by governmental, commercial and community representatives. Strict curbs on industrial effluents and near-universal implementation of sewage treatment are the chief factors responsible for this improvement.

A major environmental issue for Canada and the United States involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species. In the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Due to the decay of neighboring ecosystems in Central America and the Caribbean, the sea surrounding Florida has become increasingly sedimented, contributing to marine degradation, nutrient depletion of the ecosystem, depletion of fish stocks, and diseases to coral species in particular.

## **Polar Regions**

### **Key Points:**

The significant rise in sea level, amounting 10 to 25 centimeters in the last 100 years, is due to the melting of the Arctic ice sheets, and is attributed to global warming.

The Antarctic suffers from a significant ozone hole, first detected in 1976. By 1985, a British scientific team reported a 40 percent decrease in usual regeneration rates of the ozone. Because a sustained increase in the amount of ultraviolet-B radiation would have adverse consequences upon all planetary life, recent environmental measures have been put into effect, aimed at reversing ozone depletion. These measures are projected to garner significant results by 2050.

Due to air and ocean currents, the Arctic is a sink for toxic releases originally discharged thousands of miles away. Arctic wildlife and Canada's Inuit population have higher bodily levels of contaminants such as PCB and dioxin than those found in people and animals in much of the rest of the world.

---

## Global Environmental Concepts

### 1. Global Warming and Greenhouse Gases

#### **The Greenhouse Effect:**

In the early 19<sup>th</sup> century, the French physicist, Jean Fourier, contended that the earth's atmosphere functions in much the same way as the glass of a greenhouse, thus describing what is now understood as the "greenhouse effect." Put simply, the "greenhouse effect" confines some of the sun's energy to the earth, preserving some of the planet's warmth, rather than allowing it to flow back into space. In so doing, all kinds of life forms can flourish on earth. Thus, the "greenhouse effect" is necessary to sustain and preserve life forms and ecosystems on earth.

In the late 19<sup>th</sup> century, a Swedish chemist, Svante Arrhenius, noticed that human activities, such as the burning of coal and other fossil fuels for heat, and the removal of forested lands for urban development, led to higher concentrations of greenhouse gases, like carbon dioxide and methane, in the atmosphere. This increase in the levels of greenhouse gases was believed to advance the "greenhouse effect" exponentially, and might be related to the trend in global warming.

In the wake of the Industrial Revolution, after industrial development took place on a large scale and the total human population burgeoned simultaneously with industrialization, the resulting increase in greenhouse gas emissions could, many scientists believe, be significant enough to have some bearing on climate. Indeed, many studies in recent years support the idea that there is a linkage between human activities and global warming, although there is less consensus on the extent to which this linkage may be relevant to environmental concerns.

That said, some scientists have argued that temperature fluctuations have existed throughout the evolution of the planet. Indeed, Dr. S. Fred Singer, the president of the Science and Environment Policy Project has noted that 3,000-year-old geological records of ocean sediment reveal changes in the surface temperature of the ocean. Hence, it is possible that climate variability is merely a



normal fact of the planet's evolution. Yet even skeptics as to anthropogenic factors concur that any substantial changes in global temperatures would likely have an effect upon the earth's ecosystems, as well as the life forms that inhabit them.

### **The Relationship Between Global Warming and Greenhouse Gases:**

A large number of climatologists believe that the increase in atmospheric concentrations of "greenhouse gas emissions," mostly a consequence of human activities such as the burning of fossil fuels, are contributing to global warming. The cause notwithstanding, the planet has reportedly warmed 0.3°C to 0.6°C over the last century. Indeed, each year during the 1990s was one of the very warmest in the 20<sup>th</sup> century, with the mean surface temperature for 1999 being the fifth warmest on record since 1880.

In early 2000, a panel of atmospheric scientists for the National Research Council concluded in a report that global warming was, indeed, a reality. While the panel, headed by Chairman John Wallace, a professor of atmospheric sciences at the University of Washington, stated that it remained unclear whether human activities have contributed to the earth's increasing temperatures, it was apparent that global warming exists.

In 2001, following a request for further study by the incoming Bush administration in the [United States](#), the National Academy of Sciences again confirmed that global warming had been in existence for the last 20 years. The study also projected an increase in temperature between 2.5 degrees and 10.4 degrees Fahrenheit by the year 2100. Furthermore, the study found the leading cause of global warming to be emissions of carbon dioxide from the burning of fossil fuels, and it noted that greenhouse gas accumulations in the earth's atmosphere was a result of human activities.

Within the scientific community, the controversy regarding has centered on the difference between surface air and upper air temperatures. Information collected since 1979 suggests that while the earth's surface temperature has increased by about a degree in the past century, the atmospheric temperature five miles above the earth's surface has indicated very little increase. Nevertheless, the panel stated that this discrepancy in temperature between surface and upper air does not invalidate the conclusion that global warming is taking place. Further, the panel noted that natural events, such as volcanic eruptions, can decrease the temperature in the upper atmosphere.

The major consequences of global warming potentially include the melting of the polar ice caps, which, in turn, contribute to the rise in sea levels. Many islands across the globe have already experienced a measurable loss of land as a result. Because global warming may increase the rate of evaporation, increased precipitation, in the form of stronger and more frequent storm systems, is another potential outcome. Other consequences of global warming may include the introduction and proliferation of new infectious diseases, loss of arable land (referred to as "desertification"), destructive changes to existing ecosystems, loss of biodiversity and the isolation of species, and



concomitant adverse changes in the quality of human life.

### **International Policy Development in Regard to Global Warming:**

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.
2. To ensure and enable sustainable development and food production on a global scale.

\*\*\* See section on "International Environmental Agreements and Associations" for information related to international policies related to limiting greenhouse gases and controlling climate change emanating from historic summits at Kyoto, Copenhagen, Doha, and Paris. \*\*\*

## **2. Air Pollution**

Long before global warming reared its head as a significant issue, those concerned about the environment and public health noted the deleterious effects of human-initiated combustion upon the atmosphere. Killer smogs from coal burning triggered acute health emergencies in London and other places. At a lower level of intensity motor vehicle, power plant, and industrial emissions impaired long-range visibility and probably had some chronic adverse consequences on the respiratory systems of persons breathing such air.

In time, scientists began associating the sulfur dioxide and nitrogen oxides released from coal burning with significant acid deposition in the atmosphere, eventually falling as "acid rain." This phenomenon has severely degraded forestlands, especially in Europe and a few parts of the [United States](#). It has also impaired some aquatic ecosystems and eaten away the surface of some human

artifacts, such as marble monuments. Scrubber technology and conversion to cleaner fuels have enabled the level of industrial production to remain at least constant while significantly reducing acid deposition. Technologies aimed at cleaning the air and curtailing acid rain, soot, and smog may, nonetheless, boomerang as the perils of global warming become increasingly serious. In brief, these particulates act as sort of a sun shade -- comparable to the effect of volcanic eruptions on the upper atmosphere whereby periods of active volcanism correlate with temporarily cooler weather conditions. Thus, while the carbon dioxide releases that are an inevitable byproduct of combustion continue, by scrubbing the atmosphere of pollutants, an industrial society opens itself to greater insolation (penetration of the sun's rays and consequent heating), and consequently, it is likely to experience a correspondingly greater rise in ambient temperatures.

The health benefits of removing the sources of acid rain and smog are indisputable, and no one would recommend a return to previous conditions. Nevertheless, the problematic climatic effects of continually increasing emissions of carbon dioxide and other greenhouse gases pose a major global environmental challenge, not as yet addressed adequately.

### **3. Ozone Depletion**

The stratospheric ozone layer functions to prevent ultraviolet radiation from reaching the earth. Normally, stratospheric ozone is systematically disintegrated and regenerated through natural photochemical processes. The stratospheric ozone layer, however, has been depleted unnaturally as a result of anthropogenic (man-made) chemicals, most especially chlorine and bromide compounds such as chloroflorocarbons (CFCs), halons, and various industrial chemicals in the form of solvents, refrigerants, foaming agents, aerosol propellants, fire retardants, and fumigants. Ozone depletion is of concern because it permits a greater degree of ultraviolet-B radiation to reach the earth, which then increases the incidences of cancerous malignancies, cataracts, and human immune deficiencies. In addition, even in small doses, ozone depletion affects the ecosystem by disturbing food chains, agriculture, fisheries and other forms of biological diversity.

Transnational policies enacted to respond to the dangers of ozone depletion include the 1985 Vienna Convention on the Protection of the Ozone Layer and the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer. The Montreal Protocol was subsequently amended in London in 1990, Copenhagen in 1992 and Vienna in 1995. By 1996, 155 countries had ratified the Montreal Protocol, which sets out a time schedule for the reduction (and eventual elimination) of ozone depleting substances (OPS), and bans exports and imports of ODS from and to non-participant countries.

In general, the Protocol stipulates that developed countries must eliminate halon consumption by 1994 and CFC consumption by 1996, while developing countries must eliminate these substances by 2010. Consumption of methyl bromide, which is used as a fumigant, was to be frozen at the

1995 in developed countries, and fully eliminated in 2010, while developing countries are to freeze consumption by 2002, based on average 1995-1998 consumption levels. Methyl chloroform is to be phased out by 2005. Under the Montreal Protocol, most ODS will be completely eliminated from use by 2010.

#### **4. Land Degradation**

In recent decades, land degradation in more arid regions of the world has become a serious concern. The problem, manifest as both "desertification" and "devegetation," is caused primarily by climate variability and human activities, such as "deforestation," excessive cultivation, overgrazing, and other forms of land resource exploitation. It is also exacerbated by inadequate irrigation practices. Although the effects of droughts on drylands have been temporary in the past, today, the productivity and sustainability of these lands have been severely compromised for the long term. Indeed, in every region of the world, land degradation has become an acute issue.

#### **Desertification and Devegetation:**

"Desertification" is a process of land degradation causing the soil to deteriorate, thus losing its nutrients and fertility, and eventually resulting in the loss of vegetation, known as "devegetation." As aforementioned, "desertification" and "devegetation" are caused by human activities, yet human beings are also the greatest casualties. Because these forms of land degradation affect the ability of the soil to produce crops, they concomitantly contribute to poverty. As population increases and demographic concentrations shift, the extent of land subject to stresses by those seeking to wrest subsistence from it has inexorably risen.

In response, the United Nations has formed the Convention to Combat Desertification-aimed at implementing programs to address the underlying causes of desertification, as well as measures to prevent and minimize its effects. Of particular significance is the formulation of policies on transboundary resources, such as areas around lakes and rivers. At a broader level, the Convention has established a Conference of Parties (COP), which includes all ratifying governments, for directing and advancing international action.

To ensure more efficacious use of funding, the Convention intends to reconfigure international aid to utilize a consultative and coordinated approach in the disbursement and expenditure of donor funds. In this way, local communities that are affected by desertification will be active participants in the solution-generation process. In-depth community education projects are envisioned as part of this new international aid program, and private donor financing is encouraged. Meanwhile, as new technologies are developed to deal with the problem of desertification, they need to be distributed for application across the world. Hence, the Convention calls for international cooperation in

scientific research in this regard.

Desertification is a problem of sustainable development. It is directly connected to human challenges such as poverty, social and economic well-being and environmental protection as well. Broader environmental issues, such as climate change, biological diversity, and freshwater supplies, are indirectly related, so any effort to resolve this environmental challenge must entail coordinated research efforts and joint action.

### **Deforestation:**

Deforestation is not a recent phenomenon. For centuries, human beings have cut down trees to clear space for land cultivation, or in order to use the wood for fuel. Over the last 200 years, and most especially after World War II, deforestation increased because the logging industry became a globally profitable endeavor, and so the clearing of forested areas was accelerated for the purposes of industrial development. In the long term, this intensified level of deforestation is considered problematic because the forest is unable to regenerate itself quickly. The deforestation that has occurred in tropical rainforests is seen as an especially serious concern, due to the perceived adverse effects of this process upon the entire global ecosystem.

The most immediate consequence of deforestation is soil degradation. Soil, which is necessary for the growth of vegetation, can be a fragile and vital property. Organically, an extensive evolution process must take place before soil can produce vegetation, yet at the same time, the effects of natural elements, such as wind and rain, can easily and quickly degrade this resource. This phenomenon is known as soil erosion. In addition, natural elements like wind and rain reduce the amount of fertile soil on the ground, making soil scarcity a genuine problem. When fertile topsoil that already exists is removed from the landscape in the process of deforestation, soil scarcity is further exacerbated. Equally significant is the fact that once land has been cleared so that the topsoil can be cultivated for crop production, not only are the nutrient reserves in the soil depleted, thus producing crops of inferior quality, but the soil structure itself becomes stressed and deteriorates further.

Another direct result of deforestation is flooding. When forests are cleared, removing the cover of vegetation, and rainfall occurs, the flow of water increases across the surface of land. When extensive water runoff takes place, the frequency and intensity of flooding increases. Other adverse effects of deforestation include the loss of wildlife and biodiversity within the ecosystem that supports such life forms.

At a broader level, tropical rainforests play a vital role in maintaining the global environmental system. Specifically, destruction of tropical rainforests affects the carbon dioxide cycle. When forests are destroyed by burning (or rotting), carbon dioxide is released into the air, thus

contributing to an intensified "greenhouse effect." The increase in greenhouse gas emissions like carbon dioxide is a major contributor to global warming, according to many environmental scientists. Indeed, trees themselves absorb carbon dioxide in the process of photosynthesis, so their loss also reduces the absorption of greenhouse gases.

Tropical rainforest destruction also adversely affects the nitrogen cycle. Nitrogen is a key nutrient for both plants and animals. Plants derive nitrogen from soil, while animals obtain it via nitrogen-enriched vegetation. This element is essential for the formation of amino acids, and thereby for proteins and biochemicals that all living things need for metabolism and growth. In the nitrogen cycle, vegetation acquires these essential proteins and biochemicals, and then cyclically returns them to the atmosphere and global ecosystem. Accordingly, when tropical rainforest ecosystems are compromised, not only is vegetation removed; the atmosphere is also affected and climates are altered. At a more immediate level, the biodiversity within tropical rainforests, including wildlife and insect species and a wealth of plant varieties, is depleted. Loss of rare plants is of particular concern because certain species as yet unknown and unused could likely yield many practical benefits, for instance as medicines.

As a result of the many challenges associated with deforestation, many environmental groups and agencies have argued for government policies on the sustainable development of forests by governments across the globe. While many countries have instituted national policies and programs aimed at reducing deforestation, and substantial research has been advanced in regard to sustainable and regenerative forestry development, there has been very little progress on an international level. Generally speaking, most tropical rainforests are located in developing and less developed countries, where economic growth is often dependent upon the exploitation of tropical rainforests. Timber resources as well as wildlife hunting tend to be particularly lucrative arenas.

In places such as the Amazon, where deforestation takes place for the construction of energy plants aimed at industrialization and economic development, there is an exacerbated effect on the environment. After forests are cleared in order to construct such projects, massive flooding usually ensues. The remaining trees then rot and decay in the wake of the flooding. As the trees deteriorate, their biochemical makeup becomes more acidic, producing poisonous substances such as hydrogen sulphide and methane gases. Acidified water subsequently corrodes the mechanical equipment and operations of the plants, which are already clogged by rotting wood after the floodwaters rise.

Deforestation generally arises from an economically plausible short-term motivation, but nonetheless poses a serious global concern because the effects go beyond national boundaries. The United Nations has established the World Commission on Forest and Sustainable Development. This body's task is to determine the optimal means of dealing with the issue of deforestation, without unduly affecting normal economic development, while emphasizing the global significance of protecting tropical forest ecosystems.

## **5. Water Resources**

For all terrestrial fauna, including humans, water is the most immediate necessity to sustain life. As the population has increased and altered an ever-greater portion of the landscape from its natural condition, demand on water resources has intensified, especially with the development of industrialization and large-scale irrigation. The supply of freshwater is inherently limited, and moreover distributed unevenly across the earth's landmasses. Moreover, not just demand for freshwater but activities certain to degrade it are becoming more pervasive. By contrast, the oceans form a sort of "last wilderness," still little explored and in large part not seriously affected by human activity. However, coastal environments - the biologically richest part of the marine ecosystem-are experiencing major depletion due to human encroachment and over-exploitation.

### **Freshwater:**

In various regions, for instance the Colorado River in the western [United States](#), current withdrawals of river water for irrigation, domestic, and industrial use consume the entire streamflow so that almost no water flows into the sea at the river's mouth. Yet development is ongoing in many such places, implying continually rising demand for water. In some areas reliant on groundwater, aquifers are being depleted at a markedly faster rate than they are being replenished. An example is the San Joaquin Valley in California, where decades of high water withdrawals for agriculture have caused land subsidence of ten meters or more in some spots. Naturally, the uncertainty of future water supplies is particularly acute in arid and semi-arid regions. Speculation that the phenomenon of global warming will alter geographic and seasonal rainfall patterns adds further uncertainty.

Water conservation measures have great potential to alleviate supply shortages. Some city water systems are so old and beset with leaking pipes that they lose as much water as they meter. Broad-scale irrigation could be replaced by drip-type irrigation, actually enhancing the sustainability of agriculture. In many areas where heavy irrigation has been used for decades, the result is deposition of salts and other chemicals in the soil such that the land becomes unproductive for farming and must be abandoned.

Farming is a major source of water pollution. Whereas restrictions on industrial effluents and other "point sources" are relatively easy to implement, comparable measures to reform hydraulic practices at farms and other "nonpoint sources" pose a significantly knottier challenge. Farm-caused water pollution takes the following main forms:

- Nitrate pollution found in wells in intensive farming areas as a consequence of heavy fertilizer use



is a threat to human health. The most serious danger is to infants, who by ingesting high-nitrate water can contract methemoglobinemia, sometimes called "blue baby syndrome," a potentially fatal condition.

- Fertilizer runoff into rivers and lakes imparts unwanted nutrients that cause algae growth and eventual loss of oxygen in the body of water, degrading its ability to support fish and other desirable aquatic life.

- Toxic agricultural chemicals - insecticides, herbicides, and fungicides - are detectable in some aquifers and waterways.

In general, it is much easier to get a pollutant into water than to retrieve it out. Gasoline additives, dry cleaning chemicals, other industrial toxins, and in a few areas radionuclides have all been found in water sources intended for human use. The complexity and long time scale of subterranean hydrological movements essentially assures that pollutants already deposited in aquifers will continue to turn up for decades to come. Sophisticated water treatment processes are available, albeit expensive, to reclaim degraded water and render it fit for human consumption. Yet source protection is unquestionably a more desirable alternative.

In much of the developing world, and even some low-income rural enclaves of the developed world, the population lacks ready access to safe water. Surface water and shallow groundwater supplies are susceptible to contamination from untreated wastewater and failing septic tanks, as well as chemical hazards. The occurrence of waterborne disease is almost certainly greatly underreported.

### **Marine Resources:**

Coastal areas have always been desirable places for human habitation, and population pressure on them continues to increase. Many types of water degradation that affect lakes and rivers also affect coastal zones: industrial effluents, untreated or partially treated sewage, nutrient load from agriculture figure prominently in both cases. Prospects for more extreme storms as a result of global warming, as well as the pervasiveness of poorly planned development in many coastal areas, forebode that catastrophic hurricanes and landslides may increase in frequency in the future. Ongoing rise in sea levels will force remedial measures and in some cases abandonment of currently valuable coastal property.

Fisheries over much of the globe have been overharvested, and immediate conservation measures are required to preserve stocks of many species. Many governments subsidized factory-scale fishing fleets in the 1970s and 1980s, and the resultant catch increase evidently surpassed a sustainable level. It is uncertain how much of the current decline in fish stocks stems from

overharvesting and how much from environmental pollution. The deep ocean remains relatively unaffected by human activity, but continental shelves near coastlines are frequently seriously polluted, and these close-to-shore areas are the major biological nurseries for food fish and the smaller organisms they feed on.

## **6. Environmental Toxins**

Toxic chemical pollution exploded on the public consciousness with disclosure of spectacularly polluted industrial areas such as Love Canal near Buffalo, New York. There is no question that pollutants such as organophosphates or radionucleides can be highly deleterious to health, but evidence to date suggests that seriously affected areas are a localized rather than universal problem.

While some explore the possibilities for a lifestyle that fully eschews use of modern industrial chemicals, the most prevalent remediative approach is to focus on more judicious use. The most efficient chemical plants are now able to contain nearly all toxic byproducts of their production processes within the premises, minimizing the release of such substances into the environment. Techniques such as Integrated Pest Management (IPM) dictate limited rather than broadcast use of pesticides: application only when needed using the safest available chemical, supplemented as much as possible with nontoxic controls.

While heightened public awareness and growing technical sophistication suggest a hopeful outlook on limiting the damage from manmade environmental toxins, one must grant that previous incidents of their misuse and mishandling have already caused environmental damage that will have to be dealt with for many years to come. In the case of the most hazardous radioactive substances, the time scale for successful remediation actually extends beyond that of the recorded history of civilization. Moreover, in this era of high population density and rapid economic growth, quotidian activities such as the transport of chemicals will occasionally, seemingly inevitably result in accidents with adverse environmental consequences.

## **7. "Islandization" and Biodiversity**

With increased awareness regarding the adverse effects of unregulated hunting and habitat depletion upon wildlife species and other aspects of biodiversity, large-scale efforts across the globe have been initiated to reduce and even reverse this trend.

In every region of the world, many species of wildlife and areas of biodiversity have been saved from extinction. Nationally, many countries have adopted policies aimed at preservation and conservation of species, and one of the most tangible measures has been the proliferation of protected habitats. Such habitats exist in the form of wildlife reserves, marine life reserves, and



other such areas where biodiversity can be protected from external encroachment and exploitation.

Despite these advances in wildlife and biodiversity protection, further and perhaps more intractable challenges linger. Designated reserves, while intended to prevent further species decline, exist as closed territories, fragmented from other such enclaves and disconnected from the larger ecosystem. This environmental scenario is referred to as "islandization." Habitat reserves often serve as oversized zoos or game farms, with landscapes and wildlife that have effectively been "tamed" to suit. Meanwhile, the larger surrounding ecosystem continues to be seriously degraded and transformed, while within the islandized habitat, species that are the focus of conservation efforts may not have sufficient range and may not be able to maintain healthy genetic variability.

As a consequence, many conservationists and preservationists have demanded that substantially larger portions of land be withheld as habitat reserves, and a network of biological corridors to connect continental reserves be established. While such efforts to combat islandization have considerable support in the [United States](#), how precisely such a program would be instituted, especially across national boundaries, remains a matter of debate. International conservationists and preservationists say without a network of reserves a massive loss of biodiversity will result.

The concept of islandization illustrates why conservation and preservation of wildlife and biodiversity must consider and adopt new, broader strategies. In the past, conservation and preservation efforts have been aimed at specific species, such as the spotted owl and grizzly bear in North America, the Bengal tiger in Southeast Asia, the panda in [China](#), elephants in Africa. Instead, the new approach is to simultaneously protect many and varied species that inhabit the same ecosystem. This method, referred to as "bio-regional conservation," may more efficaciously generate longer-term and more far-reaching results precisely because it is aimed at preserving entire ecosystems, and all the living things within.

### **More About Biodiversity Issues:**

This section is directly taken from the United Nations Environmental Program: "[Biodiversity Assessment](#)"

The Global Biodiversity Assessment, completed by 1500 scientists under the auspices of United Nations Environmental Program in 1995, updated what is known (or unknown) about global biological diversity at the ecosystem, species and genetic levels. The assessment was uncertain of the total number of species on Earth within an order of magnitude. Of its working figure of 13 million species, only 13 percent are scientifically described. Ecological community diversity is also poorly known, as is its relationship to biological diversity, and genetic diversity has been studied for only a small number of species. The effects of human activities on biodiversity have increased so greatly that the rate of species extinctions is rising to hundreds or thousands of times the

background level. These losses are driven by increasing demands on species and their habitats, and by the failure of current market systems to value biodiversity adequately. The Assessment calls for urgent action to reverse these trends.

There has been a new recognition of the importance of protecting marine and aquatic biodiversity. The first quantitative estimates of species losses due to growing coral reef destruction predict that almost 200,000 species, or one in five presently contributing to coral reef biodiversity, could die out in the next 40 years if human pressures on reefs continue to increase.

Since Rio, many countries have improved their understanding of the status and importance of their biodiversity, particularly through biodiversity country studies such as those prepared under the auspices of UNEP/GEF. The [United Kingdom](#) identified 1250 species needing monitoring, of which 400 require action plans to ensure their survival. Protective measures for biodiversity, such as legislation to protect species, can prove effective. In the USA, almost 40 percent of the plants and animals protected under the Endangered Species Act are now stable or improving as a direct result of recovery efforts. Some African countries have joined efforts to protect threatened species through the 1994 Lusaka Agreement, and more highly migratory species are being protected by specialized cooperative agreements among range states under the Bonn Agreement.

There is an emerging realization that a major part of conservation of biological diversity must take place outside of protected areas and involve local communities. The extensive agricultural areas occupied by small farmers contain much biodiversity that is important for sustainable food production. Indigenous agricultural practices have been and continue to be important elements in the maintenance of biodiversity, but these are being displaced and lost. There is a new focus on the interrelationship between agrodiversity conservation and sustainable use and development practices in smallholder agriculture, with emphasis on use of farmers' knowledge and skills as a source of information for sustainable farming.

Perhaps even more important than the loss of biodiversity is the transformation of global biogeochemical cycles, the reduction in the total world biomass, and the decrease in the biological productivity of the planet. While quantitative measurements are not available, the eventual economic and social consequences may be so significant that the issue requires further attention.

\*\*\*\*\*

Specific sources used for this section:

Bendall, Roger. 1996. "Biodiversity: the follow up to Rio". *The Globe* 30:4-5, April 1996.

Global Environmental Change: Human and Policy Implications. 1995. Special issue on "People, Land Management and Environmental Change", Vol. 3, No. 4, September 1995.

Golubev, Genady N. (Moscow University) In litt. 29 June 1996.

Heywood, V.H. (ed.). 1995. *Global Biodiversity Assessment*. United Nations Environment Programme. Cambridge University Press, Cambridge.

Heywood, V.H. 1996. "The Global Biodiversity Assessment". *The Globe*, 30:2-4, April 1996.

Reaka-Kudla, Marjorie. 1996. Paper presented at American Association for Advancement of Science, February 1996. Quoted in Pain, Stephanie. "Treasures lost in reef madness". *New Scientist*, 17 February 1996.

Uitto, Juha I., and Akiko Ono (eds). 1996. *Population, Land Management and Environmental Change*. The United Nations University, Tokyo.

USFWS. 1994. U.S. Fish and Wildlife Service report to Congress, cited in news release 21 July 1994.

Online resources used generally in the Environmental Overview:

Environmental Protection Agency Global Warming Site. URL: <http://www.epa.gov/globalwarming>

Food and Agriculture Organization of United Nations: Forestry. URL: <http://www.fao.org/forestry/site/sofo/en/>

Global Warming Information Page. URL: <http://globalwarming.org>

United Nations Environmental Program. URL: [http://www.unep.org/GEO/GEO\\_Products/Assessment\\_Reports/](http://www.unep.org/GEO/GEO_Products/Assessment_Reports/)

United Nations Global Environmental Outlook. URL: <http://www.unep.org/geo/geo4/media/>

#### Note on Edition Dates:

The edition dates for textual resources are noted above because they were used to formulate the original content. We also have used online resources (cited above) to update coverage as needed.

#### Information Resources

For more information about environmental concepts, CountryWatch recommends the following resources:

The United Nations Environmental Program Network (with country profiles)

[<http://www.unep.net/>](http://www.unep.net)

The United Nations Environment Program on Climate Change

[<http://climatechange.unep.net/>](http://climatechange.unep.net)

The United Nations Environmental Program on Waters and Oceans

[<http://www.unep.ch/earthw/Pdepwat.htm>](http://www.unep.ch/earthw/Pdepwat.htm)

The United Nations Environmental Program on Forestry: "Forests in Flux"

[<http://www.unep-wcmc.org/forest/flux/homepage.htm>](http://www.unep-wcmc.org/forest/flux/homepage.htm)

FAO "State of the World's Forests"

[<http://www.fao.org/forestry/FO/SOFO/SOFO99/sofo99-e.stm>](http://www.fao.org/forestry/FO/SOFO/SOFO99/sofo99-e.stm)

World Resources Institute.

<http://www.wri.org/>

Harvard University Center for Health and the Global Environment

<http://www.med.harvard.edu/chge/the-review.html>

The University of Wisconsin Center for Sustainability and the Global Environment

<http://sage.aos.wisc.edu/>

---

## **International Environmental Agreements and Associations**

### **International Policy Development in Regard to Global Warming:**

#### **Introduction**

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.
2. To ensure and enable sustainable development and food production on a global scale.

Following are two discussions regarding international policies on the environment, followed by listings of international accords.

### ***Special Entry: The Kyoto Protocol***

The UNFCCC was adopted at the Rio Earth Summit in 1992, and entered into force in 1994. Over 175 parties were official participants.

Meanwhile, however, many of the larger, more industrialized nations failed to reach the emissions' reduction targets, and many UNFCCC members agreed that the voluntary approach to reducing emissions had not been successful. As such, UNFCCC members reached a consensus that legally binding limits were necessitated, and agreed to discuss such a legal paradigm at a meeting in Kyoto, [Japan](#) in 1997. At that meeting, the UNFCCC forged the Kyoto Protocol. This concord is the first legally binding international agreement that places limits on emissions from industrialized countries. The major greenhouse gas emissions addressed in the Kyoto Protocol include carbon dioxide, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and methane.

The provisions of the Kyoto Protocol stipulate that economically advanced nations must reduce their combined emissions of greenhouse gases, by approximately five percent from their 1990 levels, before the 2008-2010 deadline. Countries with the highest carbon dioxide emissions, such as the [United States](#) (U.S.), many of the European Union (EU) countries, and [Japan](#), are to reduce emissions by a scale of 6 to 8 percent. All economically advanced nations must show "demonstrable progress" by 2005. In contrast, no binding limits or timetable have been set on developing countries. Presumably, this distinction is due to the fact that most developing countries - - with the obvious exceptions of [India](#) and [China](#) -- simply do not emit as many greenhouse gases as do more industrially advanced countries. Meanwhile, these countries are entrenched in the process of economic development.

Regardless of the aforementioned reasoning, there has been strong opposition against the asymmetrical treatment assigned to emissions limits among developed and developing countries. Although this distinction might be regarded as unfair in principle, associations such as the Alliance of Small Island States have been vocal in expressing how global warming -- a result of greenhouse gas emissions - has contributed to the rise in sea level, and thus deleteriously affected their very existence as island nation states. For this reason, some parties have suggested that economically advanced nations, upon returning to their 1990 levels, should be required to further reduce their greenhouse gas emissions by a deadline of 2005. In response, interested parties have observed that even if such reductions were undertaken by economically advanced nations, they would not be enough to completely control global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming.

As such, the Protocol established a "Clean Development Mechanism" which permits developed

countries to invest in projects aimed at reducing emissions within developing countries in return for credit for the reductions. Ostensibly, the objective of this mechanism is to curtail emissions in developing countries without unduly penalizing them for their economic development. Under this model, the countries with more potential emissions credits could sell them to other signatories of the Kyoto Protocol, whose emissions are forecast to significantly rise in the next few years. Should this trading of emissions credits take place, it is estimated that the Kyoto Protocol's emissions targets could still be met.

In 1999, the International Energy Outlook projected that Eastern Europe, the former Soviet Union and Newly Independent States, as well as parts of Asia, are all expected to show a marked decrease in their level of energy-related carbon emissions in 2010. Nations with the highest emissions, specifically, the U.S., the EU and [Japan](#), are anticipated to reduce their emissions by up to 8 percent by 2012. By 2000, however, the emissions targets were not on schedule for achievement. Indeed, the U.S. Department of Energy estimates forecast that by 2010, there will be a 34 percent increase in carbon emissions from the 1990 levels, in the absence of major shifts in policy, economic growth, energy prices, and consumer trends. Despite this assessment in the U.S., international support for the Kyoto Protocol remained strong, especially among European countries and island states, who view the pact as one step in the direction away from reliance on fossil fuels and other sources of greenhouse gases.

In 2001, U.S. President, George W. Bush, rejected his country's participation in the Kyoto Protocol, saying that the costs imposed on the global economic system, and especially, on the US, overshadowed the benefits of the Protocol. He also cited the unfair burden on developed nations to reduce emissions, as another primary reasons for withdrawal from the international pact, as well as insufficient evidence regarding the science of global warming. Faced with impassioned international disapproval for his position, the U.S. president stated that his administration remained interested in dealing with the matter of global warming, but would endorse alternative measures to combat the problem, such as voluntary initiatives limiting emissions. Critics of Bush's position, however, have noted that it was the failure of voluntary initiatives to reduce emissions following the Rio Summit that led to the establishment of the Kyoto Protocol in the first place.

In the wake of the Bush administration's decision, many participant countries resigned themselves to the reality that the goals of the Kyoto Protocol might not be achieved without U.S. involvement. Nevertheless, in Bonn, [Germany](#), in July 2001, the remaining participant countries struck a political compromise on some of the key issues and sticking points, and planned to move forward with the Protocol, irrespective of the absence of the U.S. The key compromise points included the provision for countries to offset their targets with carbon sinks (these are areas of forest and farmland which can absorb carbon through the process of photosynthesis). Another compromise point within the broader Bonn Agreement was the reduction of emissions cuts of six gases from over 5 percent to a more achievable 2 percent. A third key change was the provision of funding for less wealthy countries to adopt more progressive technologies.



In late October and early November 2001, the UNFCCC's 7<sup>th</sup> Conference of the Parties met in Marrakesh, [Morocco](#), to finalize the measures needed to make the Kyoto Protocol operational. Although the UNFCCC projected that ratification of the Protocol would make it legally binding within a year, many critics noted that the process had fallen short of implementing significant changes in policy that would be necessary to actually stop or even slow climate change. They also maintained that the absence of U.S. participation effectively rendered the Protocol into being a political exercise without any substance, either in terms of transnational policy or in terms of environmental concerns.

The adoption of the compromises ensconced within the Bonn Agreement had been intended to make the provisions of the Kyoto Protocol more palatable to the U.S. In this regard, it failed to achieve its objective as the Bush administration continued to eschew participation in the international accord. Still, however, the Bonn Agreement did manage to render a number of other positive outcomes. Specifically, in 2002, key countries, such as [Russia](#), [Japan](#) and [Canada](#) agreed to ratify the protocol, bringing the number of signatories to 178. The decision by key countries to ratify the protocol was regarded as "the kiss of life" by observers.

By 2005, on the eve of a climate change conference in London, British Prime Minister Tony Blair was hoping to deal with the problems of climate change beyond the provisions set forth in the Kyoto Protocol. Acknowledging that the Kyoto Protocol could not work in its current form, Blair wanted to open the discussion for a new climate change plan.

Blair said that although most of the world had signed on to Kyoto, the protocol could not meet any of its practical goals of cutting greenhouse gas emissions without the participation of the United States, the world's largest polluter. He also noted that any new agreement would have to include India and China -- significant producers of greenhouse gas emissions, but exempt from Kyoto because they have been classified as developing countries. Still, he said that progress on dealing with climate change had been stymied by "a reluctance to face up to reality and the practical action needed to tackle problem."

Blair also touted the "huge opportunities" in technology and pointed toward the possibilities offered by wind, solar and nuclear power, along with fuel cell technology, eco-friendly biofuels, and carbon capture and storage which could generate low carbon power. Blair also asserted that his government was committed to achieving its domestic goal of reducing carbon dioxide emissions by 20 percent by 2010.

In the United States, President George W. Bush has said that global warming remained a debatable issue and despite conclusions reached by his own Environmental Protection Agency, he has not agreed with the conclusion that global warming and climate change are linked with human activities. Bush has also refused to ratify Kyoto on the basis of its economic costs.



Australia, an ally of the United States, has taken a similarly dim view of the Kyoto Protocol. Ahead of the November 2005 climate change meeting in Canada in which new goals for the protocol were to be discussed, Australia's Environment Minister, Ian Campbell, said that negotiating new greenhouse gas emission levels for the Kyoto Protocol would be a waste of time. Campbell said, "There is a consensus that the caps, targets and timetables approach is flawed. If we spend the next five years arguing about that, we'll be fiddling and negotiating while Rome burns." Campbell, like the Bush administration, has also advocated a system of voluntary action in which industry takes up new technologies rather than as a result of compelling the reduction of emissions. But the Australian Conservation Foundation (ACF) has called on its government to ratify the Kyoto Protocol, to establish a system of emissions trading, and to set binding limits on emissions. Interestingly, although it did not sign on to Kyoto, Australia was expected to meet its emissions target by 2012 (an 8 percent increase in 1990 levels in keeping with the country's reliance on coal). But this success has nothing to do with new technologies and is due to state-based regulations on land clearing.

Note: The Kyoto Protocol calls for developed nations to cut greenhouse emissions by 5.2 percent of 1990 levels by 2012.

### ***Special Entry: Climate Change Summit in Copenhagen (2009) --***

In December 2009, the United Nations Climate Change Summit opened in the Danish capital of Copenhagen. The summit was scheduled to last from Dec. 7-18, 2009. Delegates from more than 190 countries were in attendance, and approximately 100 world leaders, including British Prime Minister Gordon Brown and [United States](#) President Barack Obama, were expected to participate. At issue was the matter of new reductions targets on greenhouse gas emissions by 2020.

Despite earlier fears that little concurrence would come from the conference, effectively pushing significant actions forward to a 2010 conference in [Mexico](#) City, negotiators were now reporting that the talks were productive and several key countries, such as [South Africa](#), had pledged to reduce greenhouse gas emissions. The two main issues that could still lead to cleavages were questions of agreement between the industrialized countries and the developing countries of the world, as well as the overall effectiveness of proposals in seriously addressing the perils of climate change.

On Dec. 9, 2009, four countries -- the [United Kingdom](#), [Australia](#), [Mexico](#) and [Norway](#) -- presented a document outlining ideas for raising and managing billions of dollars, which would be intended to help vulnerable countries dealing with the perils of climate change. Described as a "green fund," the concept could potentially help small island states at risk because of the rise in sea level. [Bangladesh](#) identified itself as a potential recipient of an assistance fund, noting that as a country plagued by devastating floods, it was particularly hard-hit by climate change. The "green

fund" would fall under the rubric of the United Nations Framework Convention on Climate Change, for which developed countries have been committed to quantifying their emission reduction targets, and also to providing financial and technical support to developing countries.

The [United Kingdom](#), [Australia](#), [Mexico](#) and [Norway](#) also called for the creation of a new legal treaty that would replace the Kyoto Protocol. This new treaty, which could go into force in 2012, would focus largely on the reduction of greenhouse gas emissions by 2020. But [Australia](#) went even further in saying that the successor treaty to the Kyoto Protocol, should be one with provisions covering all countries. Such a move would be a departure from the structure of the Kyoto Protocol, which contained emissions targets for industrialized countries due to the prevailing view that developed countries had a particular historic responsibility to be accountable for climate change. More recently, it has become apparent that substantial reductions in greenhouse gas emissions demanded by scientists would only come to pass with the participation also of significant developing nation states, such as [China](#) and [India](#). Indeed, one of the most pressing critiques of the Kyoto Protocol was that it was a "paper tiger" that failed to address the impact of the actions of emerging economies like [China](#) and [India](#), with its focus on the developed economies.

Now, in 2009, [China](#) -- as the world's biggest greenhouse gas emitter -- was responding this dubious distinction by vocalizing its criticism of the current scenario and foregrounding its new commitments. Ahead of the Copenhagen summit, [China](#) had announced it would reduce the intensity of its carbon emissions per unit of its GDP in 2020 by 40 to 45 percent against 2005 levels. With that new commitment at hand, [China](#) was now accusing the [United States](#) and the European Union of shirking their own responsibilities by setting weak targets for greenhouse gas emissions cuts. Senior Chinese negotiator, Su Wei, characterized the goals of the world's second largest greenhouse gas emitter -- the [United States](#) -- as "not notable," and the European Union's target as "not enough." Su Wei also took issue with [Japan](#) for setting implausible preconditions.

On Dec. 11, 2009, [China](#) demanded that developed and wealthy countries in Copenhagen should help deliver a real agreement on climate change by delivering on their promises to reduce carbon emissions and provide financial support for developing countries to adapt to global warming. In so doing, China's Vice Foreign Minister He Yafei said his country was hoping that a "balanced outcome" would emerge from the discussions at the summit. Echoing the position of the Australian government, He Yafei spoke of a draft agreement as follows: "The final document we're going to adopt needs to be taking into account the needs and aspirations of all countries, particularly the most vulnerable ones."

China's Vice Foreign Minister emphasized the fact that climate change was "a matter of survival" for developing countries, and accordingly, such countries need wealthier and more developed countries to accentuate not only their pledges of emissions reduction targets, but also their financial commitments under the aforementioned United Nations Framework Convention on Climate Change. To that end, scientists and leaders of small island states in the Indian Ocean, the Pacific Ocean and the Caribbean Sea, have highlighted the existential threat posed by global warming and

the concomitant rise in sea level.

China aside, attention was also on [India](#) -- another major player in the developing world and a country with an industrializing economy that was impacting the environment. At issue was the Indian government's decision to set a carbon intensity target, which would slow emissions growth by up to 25 percent by the 2020 deadline. This strong position was resisted by some elements in [India](#), who argued that their country should not be taking such a strong position when developed wealthy countries were yet to show accountability for their previous commitments to reduce greenhouse gas emissions. The matter grew so heated that the members of the opposition stormed out of the parliament in protest as Indian Environment Minister Jairam Ramesh defended the policy. But the political pressure at home in [India](#) was leaving the Indian delegation in Copenhagen in a state of chaos as well. In fact, India's top environmental negotiator refused to travel to Copenhagen in protest of the government's newly-announced stance.

China and [India](#) were joined by [Brazil](#) and [South Africa](#) in the crafting of a draft document calling for a new global climate treaty to be completed by June 2010. Of concern has been the realization that there was insufficient time to find concurrence on a full legal treaty, which would leave countries only with a politically-binding text by the time the summit at Copenhagen closed. But Guyana's leader, President Bharrat Jagdeo, warned that the summit in [Denmark](#) would be classified as a failure unless a binding document was agreed upon instead of just political consensus. He urged his cohorts to act with purpose saying, "Never before have science, economics, geo-strategic self-interest and politics intersected in such a way on an issue that impacts everyone on the planet."

Likewise, [Tuvalu](#) demanded that legally binding agreements emerge from Copenhagen. Its proposal was supported by many of the vulnerable countries, from small island states and sub-Saharan Africa, all of whom warned of the catastrophic impact of climate change on their citizens. [Tuvalu](#) also called for more aggressive action, such as an amendment to the 1992 agreement, which would focus on sharp greenhouse gas emissions and the accepted rise in temperatures, due to the impact the rise in seas. The delegation from [Kiribati](#) joined the call by drawing attention to the fact that one village had to be abandoned due to waist-high water, and more such effects were likely to follow. Kiribati's Foreign Secretary, Tessie Lambourne, warned that the people of [Kiribati](#) could well be faced with no homeland in the future saying, "Nobody in this room would want to leave their homeland." But despite such impassioned pleas and irrespective of warnings from the Intergovernmental Panel on Climate Change that the rise in sea level from melting polar ice caps would deleteriously affect low-lying atolls such as such as [Tuvalu](#) and [Kiribati](#) in the Pacific, and the [Maldives](#) in the Indian Ocean, the oil-giant [Saudi Arabia](#) was able to block this move.

Meanwhile, within the developed countries, yet another power struggle was brewing. The European Union warned it would only agree to raise its target of 20 percent greenhouse gas

emissions reductions to 30 percent if the [United States](#) demonstrated that it would do more to reduce its own emissions. It was unknown if such pressure would yield results. [United States](#) President Barack Obama offered a "provisional" 2020 target of 17 percent reductions, noting that he could not offer greater concessions at Copenhagen due to resistance within the [United States](#) Congress, which was already trying to pass a highly controversial "cap and trade" emissions legislation. However, should that emissions trading bill fail in the Senate, the [United States](#) Environment Protection Agency's declaration that greenhouse gases pose a danger to human health and the environment was expected to facilitate further regulations and limits on power plants and factories at the national level. These moves could potentially strengthen the Obama administration's offering at Copenhagen. As well, President Obama also signaled that he would be willing to consider the inclusion of international forestry credits.

Such moves indicated willingness by the Obama administration to play a more constructive role on the international environmental scene than its predecessor, the Bush administration. Indeed, ahead of his arrival at the Copenhagen summit, President Barack Obama's top environmental advisors promised to work on a substantial climate change agreement. To that end, [United States](#) Environmental Protection Agency Administrator Lisa Jackson said at a press conference, "We are seeking robust engagement with all of our partners around the world." But would this pro-engagement assertion yield actual results?

By Dec. 12, 2009, details related to a draft document prepared by Michael Zammit Cutajar, the head of the Ad-hoc Working Group on Long-Term Cooperative Action, were released at the Copenhagen climate conference. Included in the document were calls for countries to make major reductions in carbon emissions over the course of the next decade. According to the Washington Post, industrialized countries were called on to make cuts of between 25 percent and 40 percent below 1990 levels -- reductions that were far more draconian than the [United States](#) was likely to accept. As discussed above, President Obama had offered a provisional reduction target of 17 percent. The wide gap between the released draft and the United States' actual stated position suggested there was much more negotiating in the offing if a binding agreement could be forged, despite the Obama administration's claims that it was seeking greater engagement on this issue.

In other developments, the aforementioned call for financial support of developing countries to deal with the perils of climate change was partly answered by the European Union on Dec. 11, 2009. The European bloc pledged an amount of 2.4 billion euros (US\$3.5 billion) annually from 2010 to 2012. Environment Minister Andreas Carlgren of [Sweden](#) -- the country that holds the rotating presidency of the European Union at the time of the summit -- put his weight behind the notion of a "legally binding deal." Meanwhile, Yvo de Boer, a top United Nations climate change official, focused less on the essence of the agreement and more on tangible action and effects saying, "Copenhagen will only be a success if it delivers significant and immediate action that begins the day the conference ends."

---

The division between developed and developing countries in Copenhagen reached new heights on

Dec. 14, 2009, when some of the poor and less developed countries launched a boycott at the summit. The move, which was spurred by African countries but backed by [China](#) and [India](#), appeared to be geared toward redirecting attention and primary responsibility to the wealthier and more industrialized countries. The impasse was resolved after the wealthier and more industrialized countries offered assurances that they did not intend on shirking from their commitments to reducing greenhouse gases. As a result, the participating countries ceased the boycott.

Outside the actual summit, thousands of protestors had gathered to demand crucial global warming, leading to clashes between police and demonstrators elsewhere in the Danish capital city. There were reports of scattered violence across Copenhagen and more than 1,000 people were arrested.

Nevertheless, by the second week of the climate change summit, hopes of forging a strong deal were eroding as developed and developing nations remained deadlocked on sharing cuts in greenhouse gases, and particularly on the matters of financing and temperature goals. In a bid to shore up support for a new climate change, [United States](#) President Barack Obama joined other world leaders in Copenhagen. On Dec. 14, 2009, there was a standoff brewing between the [United States](#) and [China](#). At issue was China's refusal to accept international monitoring of its expressed targets for reducing greenhouse gas emissions. The [United States](#) argued that China's opposition to verification could be a deal-breaker.

By the close of the summit, the difficult process eventually resulted in some consensus being cultivated. A draft text called for \$100 billion a year by 2020 to assist poor nations cope with climate change, while aiming to limit global warming to two degrees Celsius compared with pre-industrial levels. The deal also included specific targets for developed countries to reduce greenhouse gas emissions, and called for reductions by developing countries as a share of their economies. Also included in the agreement was a mechanism to verify compliance. The details of the agreement were supported by President Barack Obama, Chinese Premier Wen Jiabao, Indian Prime Minister Manmohan Singh and Brazilian President Luiz Inacio Lula da Silva.

This draft would stand as an interim agreement, with a legally-binding international pact unlikely to materialize until 2010. In this way, the summit in Copenhagen failed to achieve its central objective, which was to negotiate a successor to the Kyoto Protocol on greenhouse gas emissions.

#### Editor's Note

In the background of these developments was the growing global consciousness related to global warming and climate change. Indeed, as the Copenhagen summit was ongoing, it was clear there was enormous concurrence on the significance of the stakes with an editorial on the matter of climate change being published in 56 newspapers in 45 countries. That editorial warned that without global action, climate change would "ravage our planet." Meanwhile, a global survey taken



by Globescan showed that concern over global warming had exponentially increased from 1998 -- when only 20 percent of respondents believed it to be a serious problem -- to 64 percent in 2009. Such survey data, however, was generated ahead of the accusations by climate change skeptics that some climate scientists may have overstated the case for global warming, based on emails derived in an illicit manner from a British University.

***Special Entry: Climate change talks in Doha in [Qatar](#) extend life of Kyoto Protocol (2012)***

December 2012 saw climate talks ensue in the Qatari city of Doha as representatives from countries across the world gathered to discuss the fate of the Kyoto Protocol, which seeks to minimize greenhouse gas emissions. The summit yielded results with decisions made (1) to extend the Kyoto Protocol until 2020, and (2) for wealthier countries to compensate poorer countries for the losses and damage incurred as a result of climate change.

In regards to the second matter, Malia Talakai of [Nauru](#), a leading negotiator for the Alliance of Small Island States, explained the necessity of the compensation package as follows: "We are trying to say that if you pollute you must help us."

This measure was being dubbed the "Loss and Damage" mechanism, and was being linked with [United States](#) President Barack Obama's request for \$60 billion from Congress to deal with the devastation caused by Hurricane Sandy months before. The sight of a hurricane bearing down on the northern Atlantic seaboard, along with the reality of the scope of reconstruction, appeared to have illustrated the economic costs of climate change -- not so much as a distant environmental issue -- but as a danger to the quotidian lives of people. Still, there was blame to be placed on the [United States](#) and European countries -- some of world's largest emitters -- for failing to do more to reduce emissions.

To that latter end, there was in fact little progress made on the central issue of reducing greenhouse gas emissions. Had those emissions been reduced, there would have been less of a need to financially deal with the devastation caused by climate change. One interpretation was that the global community was accepting the fact that industrialization was contributing to global warming, which had deleterious effects on the polar ice caps and concomitantly on the rise of sea level, with devastating effects for small island nations. Thus, wealthier countries were willing to pay around \$10 billion a year through 2020, effectively in "damages," to the poor countries that could be viewed as the "collateral damage" of industrial progress. But damages today could potentially be destruction tomorrow, leaving in place the existential challenges and burdens to be born by some of the world's smallest and least wealthy island countries.

Perhaps not surprisingly, the representative for the small island nation states at the Doha summit responded with ire, characterizing the lack of progress on reducing emissions as follows: "We see

the package before us as deeply deficient in mitigation (carbon cuts) and finance. It's likely to lock us on the trajectory to a 3,4,5C rise in global temperatures, even though we agreed to keep the global average temperature rise of 1.5C to ensure survival of all islands. There is no new finance (for adapting to climate change and getting clean energy) -- only promises that something might materialize in the future. Those who are obstructive need to talk not about how their people will live, but whether our people will live."

Indeed, in most small island countries not just in the Pacific, but also the Caribbean and Indian Ocean, ecological concerns and the climate crisis have been dominant themes with dire life and death consequences looming in the background for their people. Small island nations in these region are already at risk from the rise of sea-level, tropical cyclones, floods. But their very livelihoods of fishing and subsistence farming were also at risk as a result of ecological and environmental changes. Increasingly high storm surges can wipe out entire villages and contaminate water supplies. Accordingly, the very existence of island nations, such as [Kiribati](#) and [Tuvalu](#), are at severe risk of being obliterated from the map. Yet even with the existential threat of being wiped off the map in the offing, the international community has been either slow or restrictive in its efforts to deal with global warming, climate change, economic and ecological damage, as well as the emerging global challenge of environmental refugees.

A 2012 report from the United Nations Environment Program (UNEP) and the Pacific Regional Environment Program underlined the concerns of small island nations and their people as it concluded that the livelihoods of approximately 10 million people in Pacific island communities were increasingly vulnerable to climate change. In fact, low-lying islands in that region would likely confront losses of up to 18 percent of gross domestic product due to climate change, according to the report. The report covers 21 countries and territories, including [Fiji](#), [Kiribati](#), [Samoa](#) and [Tonga](#), and recommended environmental legislation intended to deal with the climate crisis facing the small island countries particularly. As noted by David Sheppard, the director general of the Pacific Regional Environment Program that co-sponsored this study: "The findings... emphasize the need more than ever to raise the bar through collective actions that address the region's environmental needs at all levels."

Regardless of the failures of the summit in [Qatar](#) (discussed above), the meeting did facilitate a process starting in 2015, which would bind both wealthy and poor countries together in the mission of forging a new binding treaty that would replace the Kyoto Protocol and tackle the central causes of climate change.

For more information on the threats faced in small island nations by climate change and the measures being undertaken to lobby for international action, please see the Alliance for Small Island States available online at the URL: <http://aosis.org/>

## *Special Report*

### ***COP 21 summit in Paris ends with historic agreement to tackle climate change; rare international consensus formed on environmental crisis facing the planet (2015) --***

In mid-December 2015, the highly-anticipated United Nations climate conference of parties (COP) in Paris, [France](#), ended with a historic agreement. In fact, it would very likely be understood as the most significant international agreement signed by all the recognized countries of the world since the Cold War. Accordingly, the Paris Agreement was being distinguished as the first multilateral pact that would compel all countries across the world to cut its carbon emissions -- one of the major causes of increasing greenhouse gas emissions, which contribute to global warming, and its deleterious effects ranging from the dangerous rise in sea level to catastrophic climate change.

The accord, which was dubbed to be the "Paris Agreement," was the work of rigorous diplomacy and fervent environmental advocacy, and it aimed to address the climate change crisis facing the planet. As many as 195 countries were represented in the negotiations that led to the landmark climate deal. Indeed, it was only after weeks of passionate debate that international concurrence was reached in addressing the environmental challenges confronting the world, with particular attention to moving beyond fossil fuels and reducing greenhouse gas emissions.

The success of the COP 21 summit in Paris and the emergence of the landmark Paris Agreement was, to some extent, attributed to the efforts of France's Foreign Minister Laurent Fabius who presided over the negotiations. The French foreign minister's experience and credentials as a seasoned diplomat and respected statesman paid dividends. He skillfully guided the delegates from almost 200 countries and interest groups along the negotiations process, with ostensibly productive results and a reasonably robust deal to show for it.

On Dec. 12, 2015, French Foreign Minister Fabius officially adopted the agreement, declaring: "I now invite the COP to adopt the decision entitled Paris Agreement outlined in the document. Looking out to the room I see that the reaction is positive, I see no objections. The Paris agreement is adopted." Once Foreign Minister Fabius' gavel was struck, symbolically inaugurating the Paris Agreement into force, the COP delegate rushed to their feet with loud and bouyant cheers as well as thunderous applause.

In general, the Paris Agreement was being hailed as a victory for enviromental activists and a triumph for international diplomats, while at the same time being understood as simply an initial -- and imperfect -- move in the direction of a sustainable future. China's chief negotiator, Xie Zhenhua, issued this message, saying that while the accord was not ideal, it should "not prevent us from marching historical steps forward."



United States President Barack Obama lauded the deal as both "ambitious" and "historic," and the work of strenuous multilateral negotiations as he declared, "Together, we've shown what's possible when the world stands as one." The [United States](#) leader acknowledged that the accord was not "perfect," but he reminded the critics that it was "the best chance to save the one planet we have. "

Former [United States](#) Vice President Al Gore, one of the world's most well known environmental advocates, issued a lengthy statement on the accomplishments enshrined in the Paris Agreement. He highlighted the fact that the Paris Agreement was a first step towards a future with a reduced carbon footprint on Planet Earth as he said, "The components of this agreement -- including a strong review mechanism to enhance existing commitments and a long-term goal to eliminate global-warming pollution this century -- are essential to unlocking the necessary investments in our future. No agreement is perfect, and this one must be strengthened over time, but groups across every sector of society will now begin to reduce dangerous carbon pollution through the framework of this agreement."

The central provisions of the Paris Agreement included the following items:

- Greenhouse gas emissions should peak as quickly as possible, with a move towards balancing energy sources, and ultimately the decrease of greenhouse gases in the second half of this century
- Global temperature increase would be limited to 1.5 degrees Centigrade above pre-industrial levels and would be held "well below" the two degrees Centigrade threshold
- Progress on these goals would be reviewed every five years beginning in 2020 with new greenhouse gas reduction targets issued every five years
- \$100 billion would be expended each year in climate finance for developing countries to move forward with green technologies, with further climate financing to be advanced in the years beyond

It should be noted that there both legally binding and voluntary elements contained within the Paris Agreement. Specifically, the submission of an emissions reduction target and the regular review of that goal would be legally mandatory for all countries. Stated differently, there would be a system in place by which experts would be able to track the carbon-cutting progress of each country. At the same time, the specific targets to be set by countries would be determined at the discretion of the countries, and would not be binding. While there was some criticism over this non-binding element, the fact of the matter was that the imposition of emissions targets was believed to be a major factor in the failure of climate change talks in Copenhagen, [Denmark](#), in 2009.

In 2015, the talks faced challenges as several countries, such as [China](#) and [India](#), objected to conditions that would stymie economic and development. In order to avoid that kind of landmine, a system Intended Nationally Determined Contributions (INDCs) was developed and formed the basis of the accord. As such, the Paris Agreement would, in fact, facilitate economic growth and development, as well as technological progress, but with the goal of long-term ecological

sustainability based on low carbon sources. In fact, the agreement heralded as "the beginning of the end of the fossil fuel era." As noted by Nick Mabey, the head of the climate diplomacy organization E3G, said, "Paris means governments will go further and faster to tackle climate change than ever before. The transition to a low carbon economy is now unstoppable, ensuring the end of the fossil fuel age."

A particular sticking point in the agreement was the \$100 billion earmarked for climate financing for developing countries to transition from traditional fossil fuels to green energy technologies and a low carbon future. In 2014, a report by the International Energy Agency indicated that the cost of that transition would actually be around \$44 trillion by the mid-century -- an amount that would render the \$100 billion being promised to be a drop in the proverbial bucket. However, the general expectation was that the Republican-controlled Senate in the [United States](#), which would have to ratify the deal in that country, was not interested in contributing significant funds for the cause of climate change.

A key strength of the Paris Agreement was the ubiquitous application of measures to all countries. Of note was the frequently utilized concept of "flexibility" with regard to the Paris Agreement. Specifically, the varying capacities of the various countries in meeting their obligations would be anticipated and accorded flexibility. This aspect presented something of a departure from the 1997 Kyoto Protocol, which drew a sharp distinction between developed and developing countries, and mandated a different set of obligations for those categories of countries. Thus, under Kyoto, [China](#) and [India](#) were not held to the same standards as the [United States](#) and European countries. In the Paris Agreement, there would be commitments from all countries across the globe.

Another notable strength of the Paris Agreement was the fact that the countries of the world were finally able to reach consensus on the vital necessity to limit global temperature increases to 1.5 degrees Centigrade. Ahead of the global consensus on the deal, and as controversy continued to surface over the targeted global temperature limits, the leaders of island countries were sounding the alarm about the melting of the Polar ice caps and the associated rise in sea level. Prime Minister Enele Sopoaga of [Tuvalu](#) issued this dismal reminder: "Tuvalu's future ... is already bleak and any further temperature increase will spell the total demise of [Tuvalu](#). No leader in this room carries such a level of worry and responsibility. Just imagine you are in my shoes, what would you do?" It was thus something of a victory for environmental advocates that the countries of the world could find consensus on the lower number -- 1.5 degrees rather than 2 degrees.

A significant weak point with regard to the Paris deal was a "loss and damage" provision, which anticipates that even with all the new undertakings intended to reduce greenhouse gas emissions and move to a low carbon future, there would nonetheless be unavoidable climate change consequences. Those consequences ranged from the loss of arable land for farmers as well as soil erosion and contamination of potable water by sea water, to the decimation of territory in coastal

zones and on small islands, due to the rise in sea level, with entire small island countries being rendered entirely uninhabitable. The reality was that peoples' homes across the world would be destroyed along with their way of life.

With that latter catastrophic effect being a clear and present danger for small island countries, the Association of Small Island States (AOSIS) demanded that the developed world acknowledge its responsibility for this irreversible damage.. Despite the fact that greenhouse gas emissions and the ensuing plague of global warming was, indeed, the consequence of development in the West (the [United States](#) and Europe) and the large power house countries, such as [Russia](#), [China](#) and [India](#), there was no appetite by those countries to sign on to unlimited liability. Under the Paris Agreement, there was a call for research on insurance mechanisms that would address loss and damage issues, with recommendations to come in the future.

The call for research was being regarded as an evasion of sorts and constituted the weakest aspect of the Paris Agreement. Not surprisingly, a coalition of small island nations demanded a "Marshall Plan" for the Pacific. Borrowing the term "Marshall Plan" from the post-World War II reconstruction effort, the coalition of Pacific island nation, which included [Kiribati](#), [Tuvalu](#), [Fiji](#), and the [Marshall Islands](#), called for an initiative that would include investment in renewable energy and shoreline protection, cultural preservation, economic assistance for economies in transition, and a plan for migration and resettlement for these countries as they confront the catastrophic effects of the melting of the Polar ice caps and the concomitant rise in sea level. The precise contours of the initiative remained unknown, unspecified, and a mere exercise in theory at the time of writing. Yet such an initiative would, at some point, have to be addressed, given the realities of climate change and the slow motion calamity unfolding each day for low-lying island nations across the world.

As noted by Vice President Greg Stone of Conservation International, who also functions as an adviser to the government of [Kiribati](#), "Imagine living in a place where you know it's going to go away someday, but you don't know what day that wave's going to come over and wash your home away." He added, "It's a disaster we know is going to happen." Meanwhile, the intervening years promised to be filled with hardship for small island nations, such as [Kiribati](#). Stone explained, "For every inch of sea-level rise, these islands lose 10 feet of their freshwater table to saltwater intrusion," Stone explained. "So it's not just about the day the water finally goes over the island; it's also about the day that there's just not enough water left and everyone has to move off the island." Presaging the future for island nations that could face submersion, Stone said, "If you look ahead 50 years, a country like [Kiribati](#) could become the first aqueous nation. possibility of migration. That is, they own this big patch of ocean, and they administer it from elsewhere."

Foreign Minister Minister Tony Debrum of the [Marshall Islands](#) emerged as the champion advocating on behalf of small island nation states and a loose coalition of concerned countries from

the Pacific to the Caribbean, but with support from the [United States](#). He addressed the comprehensive concerns of small island nations regarding the weaknesses of the deal, while simultaneously making clear that the Paris Agreement signified hope for the countries most at risk. In a formal statement, Debrum declared: "We have made history today. Emissions targets are still way off track, but this agreement has the tools to ramp up ambition, and brings a spirit of hope that we can rise to this challenge. I can go back home to my people and say we now have a pathway to survival." Debrum highlighted the imperatives of Pacific island nations, saying, "Our High Ambition Coalition was the lightning rod we needed to lift our sights and expectations for a strong agreement here in Paris. We were joined by countries representing more than half the world. We said loud and clear that a bare-bones, minimalist agreement would not fly. We instead demanded an agreement to mark a turning point in history, and the beginning of our journey to the post-carbon era."

Debrum of the [Marshall Islands](#) espoused the quintessential synopsis of the accord and its effects for those most likely to be affected by climate change as he noted, "Climate change won't stop overnight, and my country is not out of the firing line just yet, but today we all feel a little safer."

Editor's Entry on [Environmental Policy](#):

The low-lying Pacific island nations of the world, including [Kiribati](#), [Tuvalu](#), the [Marshall Islands](#), [Fiji](#), among others, are vulnerable to the threats posed by global warming and climate change, derived from carbon emissions, and resulting in the rise in sea level. Other island nations in the Caribbean, as well as poor countries with coastal zones, were also at particular risk of suffering the deleterious effects of climate change.

Political policy in these countries are often connected to ecological issues, which have over time morphed into an existential crisis of sorts. Indeed, ecological concerns and the climate crisis have also been dominant themes with life and death consequences for the people of island nations in the Pacific. Indeed, the very livelihoods of fishing and subsistence farming remain at risk as a result of ecological and environmental changes. Yet even so, these countries are threatened by increasingly high storm surges, which could wipe out entire villages and contaminate water supplies. Moreover, because these are low lying island nations, the sustained rise in sea level can potentially lead to the terrain of these countries being uninhabitable at best, and submerged at worst. Stated in plain terms, these countries are at severe risk of being obliterated from the map and their plight illuminates the emerging global challenge of environmental refugees. In these manifold senses, climate change is the existential crisis of the contemporary era.

Since the time of the 1997 Kyoto Protocol, there have been efforts aimed at extending the life of that agreement, with an eye on minimizing greenhouse gas emissions, and thus minimizing the effects of climate change. Those endeavors have largely ended in failure, as exemplified by the unsuccessful Copenhagen talks in 2009 and the fruitless Doha talks in 2012 respectively. The

success of the COP 21 talks in [France](#), with the adoption of the landmark Paris Agreement in 2015, was regarded as the first glimmer of hope. Not only did the Paris Agreement signify the triumph of international diplomacy and global consensus, but it also marked the start of the end of the fossil fuel era, with the path forward toward a low carbon future reliant on greener technologies. Most crucially, the Paris Agreement stood as the first significant response in recent times to the central challenge of climate change and its quotidian effects on the lives of real human beings across the world.

## **1. Major International Environmental Accords:**

### **General Environmental Concerns**

Convention on Environmental Impact Assessment in a Transboundary Context, Espoo, 1991.

### **Accords Regarding Atmosphere**

Annex 16, vol. II (Environmental Protection: Aircraft Engine Emissions) to the 1044 Chicago Convention on International Civil Aviation, Montreal, 1981

Convention on Long-Range Transboundary Air Pollution (LRTAP), Geneva, 1979

United Nations Framework Convention on Climate Change (UNFCCC), New York, 1992

Vienna Convention for the Protection of the Ozone Layer, Vienna, 1985 including the Montreal Protocol on Substances that Depleted the Ozone Layer, Montreal, 1987

### **Accords Regarding Hazardous Substances**

Convention on the Ban of the Import into Africa and the Control of Transboundary Movements and Management of Hazardous Wastes within Africa, Bamako, 1991

Convention on Civil Liability for Damage Caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD), Geneva, 1989

Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention), Basel, 1989

Convention on the Transboundary Effects of Industrial Accidents, Helsinki, 1992

Convention to Ban the Importation into Forum Island Countries of Hazardous and Radioactive Wastes and to Control the Transboundary Movement and Management of Hazardous Wastes within the South Pacific Region (Waigani Convention), Waigani, 1995

European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR), Geneva 1957

FAO International Code of Conduct on the Distribution and Use of Pesticides, Rome, 1985

## **2. Major International Marine Accords:**

### **Global Conventions**

Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter (London Convention 1972), London, 1972

International Convention for the Prevention of Pollution from Ships, 1973, as modified by Protocol of 1978 relation thereto (MARPOL 73/78), London, 1973 and 1978

International Convention on Civil Liability for Oil Pollution Damage 1969 (1969 CLC), Brussels, 1969, 1976, and 1984

International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1971 (1971 Fund Convention), Brussels, 1971

Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (HNS), London 1996

International Convention on Oil Pollution Preparedness, Response, and Co-operation (OPRC), London, 1990

International Convention Relation to Intervention on the High Seas in Cases of Oil Pollution Casualties (Intervention Convention), Brussels, 1969

United Nations Convention on the Law of the Sea (UNCLOS), Montego Bay, 1982

### **Regional Conventions**

---

Convention for the Prevention of Marine Pollution by Dumping from Ships and Aircraft (Oslo Convention), Oslo, 1972

Convention for the Prevention of Marine Pollution from Land-based Sources (Paris Convention), Paris, 1974

Convention for the Protection of the Marine Environment of the North East Atlantic (OSPAR Convention), Paris, 1992

Convention for the Protection of the Marine Environment of the Baltic Sea Area (1974 Helsinki Convention), Helsinki 1974

Convention for the Protection of the Marine Environment of the Baltic Sea Area (1992 Helsinki Convention), Helsinki 1992

Conventions within the UNEP Regional Seas Programme

Convention on the Protection of the Black Sea against Pollution, Bucharest, 1992

Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, Cartagena de Indias, 1983

Convention for the Protection, Management, and Development of the Marine and Coastal Environment of the Eastern African Region, Nairobi, 1985

Kuwait Regional Convention for Co-operation on the Protection of the Marine Environment from Pollution, [Kuwait](#), 1978

Convention for the Protection and Development of the Marine Environment and Coastal Region of the Mediterranean Sea (Barcelona Convention), Barcelona, 1976

Regional Convention for the Conservation of the Red Sea and Gulf of Aden Environment, Jeddah, 1982

Convention for the Protection of the Natural Resources and Environment of the South Pacific Region, Noumea, 1986

Convention for the Protection of the Marine Environment and Coastal Area of the South-East Pacific, Lima, 1981



Convention for Co-operation in the Protection and Development of the Marine and Coastal Environment of the West and Central African Region, Abidjan, 1981

### **3. Major Conventions Regarding Living Resources:**

#### **Marine Living Resources**

Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR), Canberra, 1980

International Convention for the Conservation of Atlantic Tunas (ICCAT), Rio de Janeiro, 1966

International Convention for the Regulation of Whaling (ICRW), Washington, 1946

#### **Nature Conservation and Terrestrial Living Resources**

Antarctic Treaty, Washington, D.C., 1959

Convention Concerning the Protection of the World Cultural and Natural Heritage (World Heritage Convention), Paris, 1972

Convention on Biological Diversity (CBD), Nairobi, 1992

Convention on the Conservation of Migratory Species of Wild Animals (CMS), Bonn, 1979

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Washington, D.C., 1973

Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention), Ramsar, 1971

Convention to Combat Desertification (CCD), Paris 1994

FAO International Undertaking on Plant Genetic Resources, Rome, 1983

International Tropical Timber Agreement, 1994 (ITTA, 1994), Geneva, 1994

#### **Freshwater Resources**

---



Convention on the Protection and Use of Transboundary Watercourses and International Lakes, Helsinki, 1992

#### **4. Major Conventions Regarding Nuclear Safety:**

Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (Assistance Convention), Vienna, 1986

Convention on Early Notification of a Nuclear Accident (Notification Convention), Vienna, 1986

Convention on Nuclear Safety, Vienna, 1994

Vienna Convention on Civil Liability for Nuclear Damage, Vienna, 1963

#### **5. Major Intergovernmental Organizations**

Commission on Sustainable Development (CSD)

European Union (EU): Environment

Food and Agriculture Organization (FAO)

Global Environment Facility (GEF)

International Atomic Energy Agency (IAEA)

International Council for the Exploration of the Sea (ICES)

International Fund for Agricultural Development (IFAD)

International Labour Organization (ILO)

International Maritime Organization (IMO)

International Monetary Fund (IMF)

International Oil Pollution Compensation Funds (IOPC Funds)

Organization for Economic Co-operation and Development (OECD), Environment Policy Committee (EPOC)

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific, and Cultural Organization (UNESCO)

United Nations Environment Programme (UNEP)

United Nations Industrial Development Organization (UNIDO)

United Nations Population Fund (UNFPA)

World Bank

World Food Programme (WFP)

World Health Organization (WHO)

World Meteorological Organization (WMO)

World Trade Organization (WTO)

## **6. Major Non-Governmental Organizations**

Atmosphere Action Network East Asia (AANE)

Climate Action Network (CAN)

Consumers International (CI)

Earth Council

Earthwatch Institute

Environmental Liaison Centre International (ELCI)

European Environmental Bureau (EEB)

Forest Stewardship Council (FSC)

Friends of the Earth International (FoEI)

Greenpeace International

International Chamber of Commerce (ICC)

International Confederation of Free Trade Unions (ICFTU)

International Planned Parenthood Federation (IPPF)

International Solar Energy Society (ISES)

IUCN-The World Conservation Union

Pesticide Action Network (PAN)

Sierra Club

Society for International Development (SID)

Third World Network (TWN)

Water Environment Federation (WEF)

Women's Environment and Development Organization (WEDO)

World Business Council for Sustainable Development (WBCSD)

World Federalist Movement (WFM)

World Resources Institute (WRI)

World Wide Fund For Nature (WWF)

## **7. Other Networking Instruments**

Arab Network for Environment and Development (RAED)

---

Global Legislators for a Balanced Environment (GLOBE)

Regional Environmental Center for Central and Eastern Europe (REC)

United Nations Non-Governmental Liaison Service (UN-NGLS)

# Appendices

---

## Bibliography

### **BIBLIOGRAPHY**

#### **Sources: Key Data**

Altapedia. URL: [http://www.atlapedia.com/online/country\\_index.htm](http://www.atlapedia.com/online/country_index.htm)

Ethnologue. URL: <http://www.ethnologue.com>

Geobase Global Statistics. URL: <http://www.geoba.se>

Infoplease. URL: <http://www.infoplease.com>

The Statesman's Year Book 2006. Barry Turner, ed. London: St. Martin's Press.

[United States](http://www.state.gov/www/background_notes/index.htm) Department of State, Background Notes. URL: [http://www.state.gov/www/background\\_notes/index.htm](http://www.state.gov/www/background_notes/index.htm)

[United States](http://www.cia.gov/cia/publications/factbook/index.html) Central Intelligence Agency, World Factbook. Washington, D.C.: Printing and Photography Group. URL: <http://www.cia.gov/cia/publications/factbook/index.html>

World Bank. URL: <http://www.worldbank.org/>

World Climate Data Online. URL: <http://www.worldclimate.com>

#### **Methodology Note for Demographic Data:**

The demographic numbers for cities and national populations listed in CountryWatch content are derived from the Geoba.se website, which analyzes data from the World Bank. The current demographic numbers displayed on the Countrywatch website are reflective of the latest available estimates.

The demographic information for language, ethnicity and religion listed in CountryWatch content is

derived from a mix of sources including the Altapedia, Central Intelligence Agency Factbook, Infoplease, and State Department Background Notes.

**Sources: Political Overview**

Agence [France](http://www.afp.com/en/) Presse. URL: <http://www.afp.com/en/>

BBC International News. URL: <http://news.bbc.co.uk/1/hi/world/> (Various editions and dates as cited in particular reviews)

Britannica Book of the Year. 1998-present. David Calhoun, ed. Chicago: Encyclopedia Britannica, Inc.

Britannica Online URL :<http://www.eb.com>

Britannica Year in Review. URL: <http://www.britannica.com/browse/year>

Chiefs of State and Cabinet Members of Foreign Governments. URL: <http://www.cia.gov/cia/publications/chiefs/index.html>

Christian Science Monitor. URL: <http://www.csmonitor.com/> (Various editions and dates as cited in particular reviews)

CNN International News. URL:<http://www.cnn.com/WORLD/> (Various editions and dates as cited in particular reviews)

Current Leaders of Nations. 1997. Jennifer Mossman, ed. Detroit: Gale Research

The Economist Magazine. (Various editions and dates as cited in particular reviews)

The Economist Country Briefings. URL: <http://www.economist.com/countries/>

Eldis Country Profiles. URL: <http://www.eldis.org/country/index.htm>

Elections Around the World. URL: <http://www.electionworld.org/>

Election Resources. URL: <http://electionresources.org/>

Europa World Yearbook 1999. Vols. I & II. 1999. London: Europa Publications Ltd.

Europe World Online. URL: <http://www.europaworld.com/pub/>

Financial Times. URL: <http://www.financialtimes.com>

Foreign Government Resources. URL: <http://www.lib.umich.edu/govdocs/foreign.html>

[Human Rights](http://www.hrw.org) Watch. URL: <http://www.hrw.org>

IFES Election Guide. URL: <http://www.electionguide.org>

International Institute for Democracy and Electoral Assistance. URL: <http://www.idea.int/>

International Who's Who 1997-1998, 61st Edition. 1997. London: Europa Publications Ltd.

Leadership Views, Chiefs of State Online. URL : <http://www.cia.gov/cia/publications/chiefs/index.html>

Library of Congress Country Studies. URL: <http://lcweb2.loc.gov/frd/cs/cshome.html>

New Encyclopedia Britannica. 1998. Chicago: Encyclopedia Britannica Inc.

New York Times. URL: <http://www.nytimes.com> (Various editions and dates as cited in particular reviews)

Patterns of Global Terrorism. n.d. [United States](#) Department of State. Washington D.C.: [United States](#) Department of State Publications.

Political Handbook of the World. n.d. Arthur S. Banks, Thomas C. Muller, ed. Binghamton, New York: CSA Publications.

Political Reference Almanac Online. URL: <http://www.polisci.com/almanac/nations.htm>

Reuters News. URL: <http://www.reuters.com/>

Rulers. URL: <http://rulers.org/>

The Guardian Online. URL: <http://www.guardian.co.uk/> (Various editions and dates as cited in particular reviews)

The Statesman's Year-Book 2006. Barry Turner, ed. London: St. Martin's Press.



United Nations Development Programme. URL: <http://hdr.undp.org>

United Nations Refugee Agency. URL: <http://www.unhcr.org>

[United States](#) Central Intelligence Agency, World Factbook. Washington, D.C.: Printing and Photography Group. URL: <http://www.cia.gov/cia/publications/factbook/index.html>

[United States](#) Department of State, World Military Expenditures and Arms Transfers (WMEAT) URL : [http://www.state.gov/www/global/arms/bureau\\_ac/reports\\_ac.html](http://www.state.gov/www/global/arms/bureau_ac/reports_ac.html)

United States Department of State, Country Reports on [Human Rights](#) Practices. URL: <http://www.state.gov/g/drl/rls/hrrpt/2002/18245.htm>

[United States](#) Department of State, Background Notes. URL : [http://www.state.gov/www/background\\_notes/index.html](http://www.state.gov/www/background_notes/index.html)

Virtual Library: International Relations Resources. URL: <http://www.etown.edu/vl/countgen.html>

World Bank: Governance Indicators. URL: <http://info.worldbank.org/governance>

-- See also list of News Wires services below, which are also used for research purposes. --

#### Note on Edition Dates:

The earlier edition dates are noted above because they were used to formulate the original Country Reviews and serve as the baseline for some of the information covered. Later editions have been used in some cases, and are cited as such, while other more recent online resources (cited above) contain recent and ever-updated data sets used for research.

#### **Sources: [Economic Overview](#)**

BP Statistical Review of World Energy. URL: <http://www.bp.com/genericsection.do?categoryId=92&contentId=7005893>

BP Statistical Review of World Energy, June 1998. 1998 to present. Page 1.C. London: The British Petroleum Company.

International Monetary Fund, Direction of Trade Statistics Yearbook. Washington, D.C.: International Monetary Fund Publication Services.

International Monetary Fund, International Financial Statistics. 1998 to present. Washington, D.C.: International Monetary Fund Publication Services.

International Monetary Fund, International Financial Statistics Yearbook. 1999 to present. Washington, D.C.: International Monetary Fund Publication Services.

International Monetary Fund, World Economic Outlook, May 1999. 1999 to present. Washington, D.C.: International Monetary Fund Publication Services.

International Labour Office, World Employment Report, 1998-99. 1998 to present. Geneva: International Labour Office.

United Nations Statistical Division Online. URL: <http://unstats.un.org/unsd/default.htm>

United Nations Statistics Division, Monthly Bulletin of Statistics (MBS On Line), November 1999 Edition. 1999 to present. New York: United Nations.

United Nations, Statistical Yearbook, 43rd Issue. 1999. 1999 to present New York: United Nations.

United Nations, Food & Agricultural Organization, FAOSTAT Database. URL : <http://apps.fao.org/>  
United Nations, Comtrade Data Base, <http://comtrade.un.org/>

United States Department of Energy, Country Analysis Briefs.  
URL:<http://www.eia.doe.gov/emeu/cabs/contents.html>

United States Department of Labor, Bureau of Labor Statistics Database

United States Geological Service, Mineral Information

United States Department of State, Country Commercial Guides. Washington, D.C. [United States](#) of America. URL:[http://www.state.gov/www/about\\_state/business/com\\_guides/index.html](http://www.state.gov/www/about_state/business/com_guides/index.html)

The World Bank, Global Development Finance, Country Tables. 1999 to present. Washington, D.C.: The World Bank.

The World Bank Group, World Development Indicators. 1999 to present. Washington, D.C.: The World Bank.

Yearbook of Tourism Statistics, World Tourism Organization. 1998 to present. Madrid: The World Tourism Organization.

#### Note on Edition Dates:

The earlier edition dates are noted above because they were used to formulate the original country reviews and serve as the baseline for some of the information covered. Later editions have been used in some cases, and are cited as such, while other more recent online resources (cited above) contain recent and ever-updated data sets used for research.

#### Methodology Notes for Economic Data:

Estimates by CountryWatch.com of GDP in dollars in most countries are made by converting local currency GDP data from the International Monetary Fund World Economic Outlook to US dollars by market exchange rates estimated from the International Monetary Fund International Financial Statistics and projected out by the CountryWatch Macroeconomic Forecast. Real GDP was estimated by deflating current dollar values by the US GDP Implicit Price Deflator.

Exceptions to this method were used for:

- Bosnia-Herzegovina
- Nauru
- Cuba
- Palau
- Holy See
- San Marino
- Korea, North
- [Serbia](#) & Montenegro
- Liberia
- Somalia
- Liechtenstein
- Tonga
- Monaco
- Tuvalu

In these cases, other data and/or estimates by CountryWatch.com were utilized.

#### **Investment Overview**

C o r r u p t i o n   a n d   T r a n s p a r e n c y   I n d e x .   U R L :  
<http://www.transparency.org/documents/cpi/2001/cpi2001.html#cpi>  
<<http://www.transparency.org/documents/>

Deloitte Tax Guides. URL: <http://www.deloittetaxguides.com>

---

Trade Policy Reviews by the World Trade Organization . URL: [http://www.wto.org/english/tratop\\_e/tpr\\_e/tp\\_rep\\_e.htm#bycountry](http://www.wto.org/english/tratop_e/tpr_e/tp_rep_e.htm#bycountry)

United States Department of Energy, Country Analysis Briefs. URL: <http://www.eia.doe.gov/emeu/cabs/contents.html>

United States Department of State, Background Notes. URL: [http://www.state.gov/www/background\\_notes/index.html](http://www.state.gov/www/background_notes/index.html)

United States Department of State, Country Commercial Guides. 1996-2006. Washington, D.C. U n i t e d S t a t e s o f A m e r i c a . U R L : [http://www.state.gov/www/about\\_state/business/com\\_guides/index.html](http://www.state.gov/www/about_state/business/com_guides/index.html)

World Bank: Doing Business. URL: <http://www.doingbusiness.org>

World Bank: Governance Indicators. URL: <http://info.worldbank.org/governance>

### **Social Overview**

Borden, G.A., Conaway, W.A., Morrison, T. 1994. *Kiss, Bow, or Shake Hands: How to do Business in Sixty Countries*. Holbrook, Massachusetts, 1994.

Center for Disease Control. URL: <http://www.cdc.gov>

Eldis Country Profiles. URL: <http://www.eldis.org/country/index.htm>

Ethnologue. URL: <http://www.ethnologue.com/>

Government of Australia Department of Foreign Affairs and Trade. URL: <http://www.dfat.gov.au/geo>

Government of Canada Foreign Affairs and International Trade. URL: [http://www.voyage.gc.ca/consular\\_home-e.htm](http://www.voyage.gc.ca/consular_home-e.htm)

Library of Congress Country Studies. URL: <http://lcweb2.loc.gov/frd/cs/cshome.html>

Lonely Planet. URL: <http://www.lonelyplanet.com/worldguide/>

Steve Kropla's Online Help For World Travelers. URL: <http://www.kropla.com/>

[United Kingdom](http://www.fco.gov.uk/) Ministry of Foreign and Commonwealth Office. URL: <http://www.fco.gov.uk/>

United Nations Human Development Report. URL: <http://www.undp.org/hdro>

UNICEF Statistical Database Online. URL: <http://www.unicef.org/statis/atoz.html>

[United States](http://www.cia.gov/cia/publications/factbook/index.html) Central Intelligence Agency, World Factbook. 2001. Washington, D.C.: Printing and Photography Group. URL: <http://www.cia.gov/cia/publications/factbook/index.html>

United States Department of State, Background Notes. URL: [http://www.state.gov/www/background\\_notes/index.html](http://www.state.gov/www/background_notes/index.html)

United States Department of State, Commercial and Business Affairs: Travel Tips. URL: [http://www.state.gov/www/about\\_state/business/cba\\_travel.html](http://www.state.gov/www/about_state/business/cba_travel.html)

United States Department of State, Bureau of Consular Affairs. URL: <http://travel.state.gov/>

World Health Organization. URL: <http://www.who.int/home-page/>

World News Connection, National Technical Information Service. Springfield, Virginia, USA.

Internet News Service, Xinhua News Agency (U.S.) Inc. Woodside, New York. URL: <http://www.xinhuanet.com/english/>

#### Note on Edition Dates:

The earlier edition dates are noted above because they were used to formulate the original country reviews and serve as the baseline for some of the information covered. Later editions have been used in some cases, and are cited as such, while other more recent online resources (cited above) contain recent and ever-updated data sets used for research.

#### Methodology Notes for the HDI:

Since 1990, the United Nations Development Programme, in concert with organizations across the globe, has produced the [Human Development Index](#) (or HDI). According to the UNDP, the index measures average achievement in basic human development in one simple composite index, and produces from this index a ranking of countries. The HDI is a composite of three basic components of human development: longevity, knowledge and standard of living. Longevity is measured by life expectancy. Knowledge is measured by combination of adult literacy and mean

years of schooling. Standard of living is measured by purchasing power, based on real GDP per capita (in constant US\$) adjusted for differences in international living costs (or, purchasing power parity, PPP). While the index uses these social indicators to measure national performance with regard to human welfare and development, not all countries provide the same level of information for each component needed to compute the index; therefore, as in any composite indicator, the final index is predicated on projections, predictions and weighting schemes. The index is a static measure, and thus, an incomplete measure of human welfare. In fact, the UNDP says itself the concept of human development focuses on the ends rather than the means of development and progress, examining in this manner, the average condition of all people in a given country.

Specifically, the index is calculated by determining the maximum and minimum for each of the three components (as listed above) and then measuring where each country stands in relation to these scales-expressed as a value between 0 and 1. For example, the minimum adult literary rate is zero percent, the maximum is 100 percent, and the reading skills component of knowledge in the HDI for a country where the literacy rate is 75 percent would be 0.75. The scores of all indicators are then averaged into the overall index.

For a more extensive examination of human development, as well as the ranking tables for each participating country, please visit: <http://www.undp.org>

#### Note on [History](#) sections

In some CountryWatch Country Reviews, open source content from the State Department Background Notes and Country Guides have been used.

#### **Environmental Overview**

Environmental Profiles: A Global Guide to Projects and People. 1993. Linda Sobel Katz, Sarah Orrick, and Robert Honig. New York: Garland Publishing.

The Environment Encyclopedia and Directory, 2nd Edition. 1998. London: Europa.

Environmental Protection Agency Global Warming Site. URL: <http://www.epa.gov/globalwarming>

Food and Agriculture Organization of United Nations: Forestry. URL: <http://www.fao.org/forestry/site/sofo/en/>

Global Warming Information Page. URL: <http://globalwarming.org>

Introduction to Global [Environmental Issues](#), 2nd Edition. 1997. Kevin Pickering and Lewis Owen.

London: Routledge.

Trends: Compendium of Data on Global Change. URL: [http://cdiac.esd.ornl.gov/trends/emis/em\\_cont.htm](http://cdiac.esd.ornl.gov/trends/emis/em_cont.htm)

United Nations Environmental Program. URL: [http://www.unep.org/GEO/GEO\\_Products/Assessment\\_Reports/](http://www.unep.org/GEO/GEO_Products/Assessment_Reports/)

United Nations Global Environmental Outlook. URL: <http://www.unep.org/geo/geo4/media/>

United States Department of Energy, Country Analysis Briefs. URL: <http://www.eia.doe.gov/emeu/cabs/contents.html>

World Climate Data Online. URL: <http://www.worldclimate.com>

World Directory of Country Environmental Studies. 1996. The World Resource Institute.

World Factbook. US Central Intelligence Agency. Washington, D.C.: Printing and Photography Group.

1998-1999 World Resources Guide to the Global Environment by the World Resources Institute. May, 1998.

1998/1999 Yearbook of International Cooperation on Environment and Development. 1998. London: Earthscan Publications.

#### Note on Edition Dates:

The earlier edition dates are noted above because they were used to formulate the original country reviews and serve as the baseline for some of the information covered. Later editions have been used in some cases, and are cited as such, while other more recent online resources (cited above) contain recent and ever-updated data sets used for research.

#### **Other Sources:**

General information has also been used in the compilation of this review, with the courtesy of governmental agencies from this country.

#### **News Services:**

CANA Daily Bulletin. Caribbean Media Agency Ltd., St. Michael, [Barbados](#).

Central and Eastern Africa Report, United Nations Office for the Coordination of Humanitarian Affairs - Integrated Regional Information Network for Central and Eastern Africa.

Daily News, Panafrican News Agency. Dakar, [Senegal](#).

PACNEWS, Pacific Islands Broadcasting Association. Suva, [Fiji](#).

Radio Free Europe/Radio Liberty. Washington D.C. USA.

Reuters News. Thomson Reuters. New York, New York. USA.

Southern Africa Report, United Nations Office for the Coordination of Humanitarian Affairs - Integrated Regional Information Network for Southern Africa.

Voice of America, English Service. Washington D.C.

West Africa Report, United Nations Office for the Coordination of Humanitarian Affairs - Integrated Regional Information Network for West Africa. 1998-1999

Note: Some or all these news services have been used to research various sections of this Country Review.

## **USING COUNTRYWATCH.COM AS AN ELECTRONIC SOURCE:**

### *MLA STYLE OF CITATION*

#### **Commentary**

For items in a "Works Cited" list, CountryWatch.com suggests that users follow recommended patterns for indentation given in the *MLA Handbook*, 4th edition.

#### **Individual Works**

**Basic form, using an Internet protocol:**



Author/editor. *Title of Print Version of Work*. Edition statement (if given). Publication information (Place of publication: publisher, date), if given. *Title of Electronic Work*. Medium. Available Protocol (if applicable):Site/Path/File. Access date.

**Examples:**

Youngblood-Coleman, Denise. *Country Review: France*. 2003. Houston, Texas: CountryWatch Publications, 2003. *Country Review:France*. Online. Available URL : [http://www.countrywatch.com/cw\\_country.asp?vCOUNTRY=61](http://www.countrywatch.com/cw_country.asp?vCOUNTRY=61) October, 12, 2003.

Note:

This is the citation format used when the print version is not used in the reference.

**Parts of Works**

**Basic form, using an Internet protocol:**

Author/editor. "Part title." *Title of Print Version of Work*. Edition statement (if given). Publication information (Place of publication: publisher, date), if given. *Title of Electronic Work*. Medium. AvailableProtocol (if applicable): Site/Path/File. Access date.

**Examples:**

Youngblood-Coleman, Denise. "People." *CountryWatch.com: France*. 2003. Houston, Texas: CountryWatch Publications, 2003. *CountryWatch.com: France*. Online. Available URL : [http://www.countrywatch.com/cw\\_topic.asp?vCOUNTRY=61&SECTION=SOCIAL&TOPIC=CLPEO&TYPE=TEXT](http://www.countrywatch.com/cw_topic.asp?vCOUNTRY=61&SECTION=SOCIAL&TOPIC=CLPEO&TYPE=TEXT). October 12, 2003.

Note:

This is the citation format used when the print version is not used in the reference.

***For further source citation information, please email:*** editor@countrywatch.com or education@countrywatch.com.

# CountryWatch

CountryWatch is an information provider for public and private sector organizations that operate globally. The management of CountryWatch has extensive international experience and has utilized this experience to provide a concise and useful set of political, economic, and business information for its clients in the form of Country Reviews, the Country Wire, CountryWatch Data, Elections Central, CountryWatch Videos and CountryWatch Forecast.

This Country Review is designed to provide accurate and authoritative information on the subject matter covered. It is sold with the understanding that the publication is not intended to provide legal, accounting, investment, or other professional advice.

CountryWatch believes that the information and opinions contained here in are reliable, but does not make any warranties, express or implied, and assumes no liability for reliance on or use of the information or opinions contained herein.

The offices of CountryWatch are located at:

CountryWatch, Inc.  
5005 Riverway Suite 220  
Houston, Texas 77056 U.S.A.  
Tel: 800-879-3885  
Fax: 713-355-3770  
Web address: <http://www.countrywatch.com>  
Email: [support@countrywatch.com](mailto:support@countrywatch.com)

ISBN: 1- 60523- 620-9

Argentina Country Review

2016

ISSN: 1- 60523- 893-5

Printed in the United States of America