THE FOREIGN POLICY OF ARGENTINA
DURING THE FERNANDEZ ADMINISTRATION

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Abstract

When Cristina Fernandez became president in December 2007, the socio-economic situation of Argentina was different to previous years. During Kirchner's presidency the country had experienced a continued recovery and had overcome many of the constraints of the 2001-2002 crisis. Therefore, the government of Fernandez had generated great expectations in Argentinean society about the possibility of consolidating the recovery and developing a more active foreign policy and a better insertion of the Argentinean State. However the international project of Fernandez administration had to face the impact of the global financial crisis, and a number of domestic factors that were eroding its political power, especially an electoral defeat and the conflict with farmers. The objective of this paper is to characterize the foreign policy of the Fernandez administration in the period 2007-2010. This contribution argues that: i) the policy in the public debt trouble, the international promotion of domestic achievements in Human Rights, a political conception of South America, the consolidation of the bilateral relationship with Venezuela, an a moderate position in the relationship with the U.S. were the main definitions of the foreign policy of the Fernandez administration; ii) the domestic tensions did not influence on the direction of the Argentinean foreign policy of this period but limited the high international profile international than expected of the Fernandez administration.

Keywords: Argentina - Foreign Policy – Fernandez administration

I. Introduction

When Cristina Fernandez became president in December 2007, the socio-economic situation of Argentina was different to previous years. During Kirchner's presidency the country had experienced a continued recovery and had overcome many of the constraints of the 2001-2002 crisis. Therefore, the period beginning with the government of Fernandez generated great expectations in Argentinean society about the possibility of consolidating the recovery and developing a more active foreign policy and a greater role to ensure better insertion of the Argentinean State.
The foreign policy of the Kirchner administration had developed in a context defined by constraints. In the domestic, Kirchner's government had to confront its fragile initial legitimacy. In the presidential elections of April 2003 Kirchner had obtained only the 22.4% of the votes. For this situation the government had to build consensus within civil society in Argentina. In this way the kirchnerismo focused, after the electoral process, in the construction of political authority. It was gradually materialized through the adoption and implementation of policies of strong impact in the community and through the leadership within the Peronist party. Also the Kirchner administration had to contain and integrate the excluded sectors of the society. For this reason the government implemented broad social policies.

On the external front, the government had to tackle the problem of default with private creditors, and the negotiations with the IMF. The international image of the country was greatly damaged, its relations with some important players were not the best, and the possibilities of access to external financing were markedly reduced.

During this period, besides to the economic recovery, the Kirchner government resolved the problem of default and paid the debt with the IMF. The defence of Human Rights through the trial of military personnel involved in Human Rights violations committed during the last dictatorship (1976-1983) and the reduction of unemployment were achievements of the government. However, a substantial improvement in the redistribution of wealth was a matter pending at the end of the mandate.

As an official candidate through the political alliance “Frente Para la Victoria” (Front For Victory), Cristina Fernandez won the presidential elections in October 2007. Favoured by the fragmentation of the political opposition and the achievements of the government of her husband, Fernandez scored a comfortable victory. Her ideological orientation, her membership of the left wing of the Peronist party, her position in the defence of Human Rights and her interpretation of the role of the State in the economy, ensured a continuity of the model Kirchner.

The good economic situation of the country and the qualities of Fernandez encouraged ambitious interpretations about Argentina’s foreign policy in the new period. The relevance of foreign affairs in her election campaign, suggested that Fernandez could develop a foreign policy of higher profile and could introduce a different style in Argentinean foreign relations.

Fernandez begins her government with a parliamentary majority, with a substantial fiscal surplus and a good image in Argentinean society. Policies on many issues had been clarified since the previous period. But still had a number of issues to resolve. In the area of domestic policy, the government should strengthen the institutions, make effectives efforts to reduce unemployment, reduce social exclusion, combating insecurity and control the inflation. In the area of the foreign relations, was necessary to provide clarity on the country's links with other international actors and define a criterion on certain topics on its agenda. In particular, the government of Argentina should improve its relationship with the U.S., the EU, some South American countries and contribute to the strengthening of integration. In addition, the foreign policy of the Fernandez administration should temper the negative effects that her relationship with Caracas could generate in her relations with Washington and Brasilia. The government of Fernandez directed its action towards these objectives. However, in the period, the international project of Fernandez administration had to face the impact of the global
The objective of this paper is to characterize the foreign policy of the Fernandez administration in the period 2007-2010. For this reason, it tries to answer the following questions: What were the main definitions of the foreign policy of the Fernandez administration? Was the foreign policy of Fernandez administration influenced by domestic tensions of this period? This contribution argues that the policy in the public debt trouble, the international promotion of domestic achievements in Human Rights, a political conception of South America, the consolidation of the bilateral relationship with Venezuela, an a moderate position in the relationship with the U.S. were the main definitions of the foreign policy of the Fernandez administration. The domestic tensions did not influence on the direction of the Argentinean foreign policy of this period but limited the high international profile international than expected of the Fernandez administration.

From a methodological perspective, the paper combines the descriptive and exploratory types, because it examines a period of Argentina's foreign policy that hasn't got a generous literature. Its sources and its methods include the analysis of specific papers; the reading of Argentinean press and international press and the study of the government rhetoric. Its structure consists of: i) some considerations about the factors that limited the foreign policy of the government of Cristina Fernandez; ii) the analysis of the main definitions of the foreign policy of the Fernandez Administration; iii) and finally the exposition of a series of arguments as conclusions. The purpose of this paper is to provide a useful contribution to the study of the contemporary Argentinean foreign policy.

II. The domestic scene. The difficult task of retaining power.

The conditions that surrounded the arrival of Cristina Fernandez to the presidency, allowed anticipate that the transition, unlike previous years, would development into predictable channels without major stress factors that could insinuate abrupt changes in policy direction. The good image that the president had in Argentina society, reflected in the unquestionable victory in the presidential election, cleared the near horizon of assumptions about episodes of instability.

The institutional cycle that began, loomed like a stage of extension of the political work of the Kirchner administration; an instance to confirm directions and, in some cases, to adjust some courses of action. However, since the first months in office, arose some stressful situations, that would eventually characterize the years of the presidency of Fernandez as a period marked by disputes about the preservation of political power. These internal difficulties focused the attention of the government and diluted those expectations of a more active foreign policy, based on the profile of the official leadership, the personal qualities of the president and the economic situation of the country.

One of the events of high friction in the period was the conflict with farmers sectors, originated in changes to taxes on grain exports. In March 2008, just three months after
Fernandez taking office, the government, through the ministerial resolution 125/08, tried to impose sliding tax on grain exports. The official decision sparked the reaction of the rural producers. The principal associations and organizations, that represented the interests of farmers, formed a “link table” to unify positions and negotiate with the government. The reprobation mechanisms, adopted by the farmers, consisted in the blocks of national road and the repeated strikes, which caused a shortage of agricultural products.

The government characterized the rural problem like a struggle between two types of development models. In response to the protests, Cristina Fernandez said she would not be extortion, and called the roadblocks as the “pickets of the abundance”. The problem, that presented an extension of four months and generated the resignation of the economic minister who had made the new scheme in rural taxes, did not resolve through dialogue and was settled in the Senate.

In June the president announced that she had decided to send the bill of export rural taxes, for discussion, at the Congress. On 5 July the bill was approved by the House of Representatives but the Senate rejected it, on 17th of that month, in a historical definition. After a tie vote, the country’s Vice-President, Julio Cobos, in his condition as chairman of the Senate, adopted a contrary position to the presidency criterion (Briscoe, 2008), and issued his famous “vote not positive”.

The situation reached such a dimension that polarized the argentinean society and revealed the existence of a dispute between different interests in their social classes. But the conflict also had an additional cost to the political structure of the Fernandez administration. Besides the weakening of the government's image, the farmer incident deteriorated the network of alliances, that conformed the pillars of the transverse scheme of the “Frente para la Victoria”, which had contributed to the Kirchnerism could retain political power and thus to Fernandez took office. So, the Senate vote meant the loss of allied leaders and a showdown with the vice-president, who transformed into an opponent of the Fernandez presidency within the same government.

This process of power erosion experienced by the ruling party suffered another hit in the midterm elections of 2009 for renovation of congressists. Nestor Kirchner was presented as the first candidate of the “Frente para la Victoria” at the city of Buenos Aires. The leader of the Peronist party won the second place behind Francisco de Narváez, candidate of the PRO comunicado (the new conservative party). The results of the election showed that the ruling party had failed in a decisive instance in which was tested its legitimacy and its convening power.

An domestic episode that interfered with the decisions of the foreign agenda was the so-called “crisis of the reserves”. As a means to realize some measures of debt relief policy, the government projected in December 2009 the so-called “Debt Reduction Fund”, that affected the reserves of the Argentina's Central Bank to the payment of some topics of foreign debt. This initiative provoked a strong reaction of opposition politicians, but mainly the hard resistance of the Bank president, who argued that the official decision was risky for the national economy.

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1 PRO (“Republican Proposal”) is a right new party. Its leader is Mauricio Macri.
The situation caused judicial disputes and generated debates within the political class and the financial world about the direction of the economic policy and the mechanisms used by the government in the negotiation of the foreign debt. Despite his opposition, the president of the Central Bank did not resign. He was removed from office and replaced. The fund was constituted and those unfavorable economic forecasts did not happen.

Despite these difficulties and the loss of political power, the Fernandez administration continued to promote significant reforms that had harmony with their belief system and its progressive orientation. Many of the measures generated resistance in different sectors of the society. With arguments associated with the Human Rights cause, the government began to investigate the purchase of the company “Papel Prensa” which occurred during the last military dictatorship. Also promoted the enactment of a new “Media Law” which repealed the existing regulations also from the military regime. These two laws opened a front of struggle with the corporate media.

In October 2010 the Fernandez administration went through one of its most difficult times with the death of Néstor Kirchner. The defunct former president was veiled in the hall of Latin American patriots of the “Casa Rosada” (Pink House). A crowd that appeared spontaneously in the streets said him the last goodbye. Kirchner had been a central actor in the national political scene. The political class and the society Argentina had lost a great politic; the ruling party its strategist.

III. Main definitions of the foreign policy of Cristina Fernandez

a) The external debt. The same problem; the same direction.

The official position in the public debt problem was another area that defined the foreign insertion of the Fernandez administration. The terms articulated and the goals delineated in this stage reflect the continuity with the lines that characterized the approach to this problem during the previous presidency. Further, the place and the importance of this topic in the respective agendas of the successive administrations, and the measures taken in this area also show it was one of the main definitions of the foreign policy since 2003.

The purpose of the debt policy in this period presented an aspect more offensive than that observed during the precedent administration. During Kirchner presidency some debt components were heavy constraints that restricted the degree of autonomy of the country and challenged the political stability. In part, the government had staked much of its future capital in the debt management. In contrast, in the years of Fernandez the indebtedness could be analysed from a clear horizon. Many of the initiatives focused on the goal of generating more alternatives for attracting investment. Also it represented the possibility of take the last steps in a problem that the previous government had adopted as one of the fundamental topics of its external profile.
So, the Fernandez era supposed continuity in this field. However there was a style difference between the two presidencies. During the Kirchner administration, the economy minister in a sort of "economic diplomacy", mitigated with a dynamic presidential presence, managed the debt. In fact, Nestor Kirchner had played an active role, with a greater level of exposure, in the negotiations, which contributed to build the government international profile. Many times, this position used confrontation rhetoric with the multilateral financial agencies and especially to the IMF.

This feature of the presidential action should coordinated, in the earlier part of the presidency, with the successful work of Roberto Lavagna, the minister of economy that Kirchner's government had inherited from the Duhalde administration, and that enjoyed a very good image in the society and had presidential aspirations. But then that character of the president shared scene with ministers of economy with a lower profile. In the Cristina Fernandez period, the approach to the indebtedness presented other notes. An “economic diplomacy” exercised by successive finance ministers dominated the negotiations. With a reduced confrontation discourse, the action of the presidential figure was moderate.

The debt problem offered to President Fernandez a room for manoeuvre broader than the situation of previous years. The restrictive challenge of the default was channelled during the precedent management. The Kirchner presidency had restructured much of the defaulted debt through the “Buenos Aires Offer”. With the use of free reserves of the Central Bank of Argentina had paid the country debt to the IMF. It had also refinanced a debit with the Spanish State. It had also taken the first steps to rectify the situation with the Paris Club.

But despite this positive scene, Fernandez resumed this trend a few months after she took office. In a context defined by the confrontation with the farm sector and the first signs of global financial crisis, the ruling party announced a series of measures designed to cancel and refinance some international financial commitments. So, in September 2008 the Argentine government expressed its decision to resolve the indebtedness with the “Club of Paris”. The origin of this credit was previous to the democracy restoration. However the president called this debt as “genuine”, because had granted the export activities. The projected scheme consisted in the total debt cancellation with free reserves of the BCRA, mechanism that generated refutations of the political opposition. In line with the position of the Kirchner Presidency, Fernandez administration rejected to the IMF’s intervention in the negotiations.

In those days, the government also disclosed that was exploring the possibility of reopening the exchange on behalf of those holders who had refused to accept the 2005 proposal (holdouts). At first, the Fernandez administration, coinciding with the view of the Kirchner presidency, rejected the possibility of making a new offer to the holdouts. However the necessity of pulling down the negative image of the default, rid the stigma of the 2001-2002 crisis and generate a propitious climate to the arrival of foreign investment, led to a change of position.

Also the possibility of refinancing the so-called “Préstamos Garantizados” (Secured Loans) was included in the advertisements of debt reduction measures. The “Préstamos Garantizados” were public bonds created in 2001, during the presidency of De la Rua, that were purchased by institutional investors (banks, pension funds) into the context of the “Megacanje” (“mega-swap”) and had maturities in 2009, 2010, 2011 and 2012.
However, the emergence of the global financial crisis and the difficulty to anticipate its duration imposed a compulsory review of plans. In this way the government decided to wait and postponed the negotiations with the Paris Club and the possibility of making a new offer to holdouts. The government only completed the refinancing of the “Préstamos garantizados” (secured loans) in January and February 2009. The operation consisted of a proposed of replacement of “Préstamos Garantizados” (loans secured) by other bonds: the Bonar 2014, with a five years maturity, with a fixed interest rate of 15.4% in the first year and a variable interest rate subject to “Badlar”, plus an additional 2.75 points from the second year until maturity (Torres: 2009).

The restructuring deal involved two successive stages: i) a local market for secured loans; and ii) another for international holders. At the local, government made two announcements. The first obtained a 97% acceptance. With the purpose to convince the reluctant bondholders, the Fernandez administration within the exchange reopened thus able to increase adherence to 99.5%. After the offer at the local level, the government made the deal to international investors, which received a level of acceptance that exceeded 40%. In the two instances of the operation, were exchanged $ 9.100 million of the $ 23.800 million in “Préstamos Garantizados” (loans secured) that could be restructured2. Through the negotiation, the government postponed scheduled maturities in 2009, and obtained a rebate of 2%. However with the new bonds is forced to higher interest rates because the secured loan rate stood around 12%.

In the atmosphere of uncertainty about the international financial crisis, the Argentine government also offered to anticipate, in June 2009, the payment of the interest of the “Bodem 2012”, which maturity was scheduled for August and amounted to 2.251 billion dollars. The operation involved the anticipate payment in exchange for a discount from 3% to 5%. Only 2% of investors opted to participate in the bidding for an anticipate payment of bonus.

The possibility of a new deal to the holdouts reappeared on the government agenda in 2010. Consequently, in May of that year, the Fernandez administration decided to make a new offer to the mass of bondholders who had refused to participate in the country's debt restructuring of 20053. This required a legal reform, because during the Kirchner President a specific law, that authorized the deal, also created a “lock” that prohibited the reopening of the bond restructuring, as a sort of punishment for recalcitrant bondholders who had not acceded to the 2005 proposal of Argentina.

The operation, which excluded the so-called “vulture funds” that had opted for the judicial claim of the 100% value of each bond, consisted of two lines of action: the one, for the institutional investors and the other for the retailers4. The proposal to institutional investors included three instruments: i) Discount Bonds with a nominal removes 66.3 % of the capital, ii) GDP-linked coupon, whose profits depended of the growth of the economy; iii) Global 2017 bonds for interest fallen since 2003, that would pay a rate of 8.75% annually, but the new capital would be paid at maturity. The deal to retail holders contained two instruments: i) “Par Bonds” until 2.000 million dollars, without removes, but with a lower interest than the institutional investors interest; ii) GDP-coupons with the same conditions as those offered to the institutional holders, but

2 See: “El Gobierno canjeó 42.6% de los bonos”, La Nación, 02/28/2009.
3 See: “Boudou da el puntapié inicial de visitante”, Página 12, 05-03-2010.
4 The retailers are those investors who hold bonds worth less than 50,000 dollars.
with the additional incentive of a cash payment for interest accrued since 2003 (160 million dollars).

Of a total of 8.300 million dollars in bonds that could be refinanced, the deal was successful in restructuring 12.067 million dollars, which represented 66% of that total\(^5\). Considering the restructuring, both the 2005 and the 2010 year, the Argentinean state refinanced the 92.4% of the total of defaulted debt in 2001. When the government announced the final data of this second stage of exchange, President Fernandez, as a sign of conformity with the result obtained, said: “today is the day of debt reduction”\(^6\)

After the close of the deal, the Argentine government didn't want to propose a new offer. But, the purpose to achieve a better rehabilitation of the country in the international financial system impelled the government to review its position. The Fernandez administration tried to restructure the remnant of bonds that were in default, which amounted to 6,100 million dollars. So, in December 2010, before year's end, the government, decided to reopen the restructuring again. The official decision offered to the investors three types of bonds: i) the “Dec Bonds” with maturity in 2033, ii) “Global Bond” with maturity in 2017; and values linked to GDP, with maturity in December 2035\(^7\).

b) The Human Rights cause. Resolving the debt with the past

The claim and defence of Human Rights was another course of action of the Kirchner presidency that had a projection in Fernandez stage. This issue had a fundamental significance for the Kirchner administration and contributed to the construction of its identity, shaping its political profile and build consensus in society in Argentina. Thus, so solid was the identification of kirchnerismo with the Human Rights cause that, unlike what happened with other issues, did not need a ratification or check in the Fernandez administration to determine this trend had been one of the defining characteristics of the Kirchner presidency.

The Kirchner administration had made an historic progress in the struggle for valorisation of Human Rights. Shortly after beginning his term of office, decided to tackle this problem without previous evidence. The Argentinean society knew the political origin of Kirchner within the ranks of the “Peronist Youth” (JP) in the seventies, which represented the expression of the “Peronist left”. But during the electoral campaign in early 2003 there not were suspicions that those ideological leanings of the candidate of the Duhalde administration could emerge and, neither, that the issue of Human Rights could be revised. As former president Kirchner (2006) revealed\(^8\):

> In the days before the take office, many came to see me saying ’so you have more space to govern would be good to declare the constitutionality of the

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\(^6\) Idem.

\(^7\) See: “Argentina reabrió el canje de la deuda en default”, *La Gaceta*, edición del 12-23-2010.

\(^8\) Translation of the author.
laws’. I never said it, I mean here, and I did not know how to achieve the necessary time to take office and impeded it, then I said “please wait, we do it when I have to take office” Is clearly that my thought was quite different. But somehow believed, some honest and most do not honestly, that the solution of Argentina, the economic opportunity, the Argentina's recovery, consisted in close, putting a cover over the past, as the say. And is not the past, is the past when it was resolved, here is a large debt: justice, memory and truth, not impunity. Past will be when the justice can resolve all issues under

Thus, the Kirchner government, without many rhetorical arguments that might anticipate this policy, and with a strong political will, undertook the complex task to provide a solution to the problem pending of the investigation of Human Rights violations committed during the military dictatorship (1976-1983). But the government promoted this review of the issue of Human Rights when it still had a slim margin of legitimacy, because this reform began a few months after the start of the Kirchner period. For this, the government characterized the repressors as perpetrators of genocide and defined the new policies as a break with a past conserved by both civil and military sectors since the late eighties.

About this Kirchner (2006) said: “There was a time when Argentina's political class, from 1988/90 until I had arrived to the presidency, worked hard to make a civil-military pact to consolidate impunity”. Besides, the policy in Human Rights contributed to the formation of the government's progressive profile and generated a point of contact with the ideological convictions of many of his figures. Expressed Kirchner (2003):

I'm part of a generation beaten (...) Punished by painful absences. We arrived without rancor, but with memory. Memory not only about the errors and horrors of the other, but also is a memory about our own mistakes. Memory without rancor that is political learning, historical balance and current challenge of government

This trend of repair was confirmed by a relevant legal reform, with the objective to remove the obstacles that hindered the trials of Human Rights violations that occurred primarily in the “leaden years” of the last military regime. So, the Kirchner administration proceeded to repeal the Decree 1581/2001 of the Fernando De la Rua Presidency, that prohibited the extradition of military repressors to be investigated abroad for Human Rights crimes. Also, promoted the annulment of the laws of “Final Point”[11](Law 23.492 of the year 1986) and “Due Obedience” (Law 23.521 of the year 1987) that had impeded the progress of the trial.

For Kirchner these laws were sanctioned under threat of a coup. These legal instruments are complemented by a series of official events of profound significance as the recognition of the struggle of the “Mothers and Grandmothers of Plaza de Mayo” and the removal of the paintings of de facto presidents of the Military School walls (Gallo, 2004). The goals achieved in the domestic sphere were incorporated into the international discourse and highlighted by the government in the multilateral forum.

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9 See also: Algañaraz, Juan Carlos, “Discurso, memoria y una versión nueva sobre las leyes del perdón”, Clarín, 06-24-2006.
10 Translation of the author.
11 Known as “laws of forgiveness”.
The international diffusion of the domestic achievements in this area that had opened the previous government was deepened by the Fernandez presidency. With the purpose of strengthening the country's external image the Fernandez administration tried to convert the fight in favour of Human Rights in one of its distinctive political flags. For this, sought to reassert the strong commitment of the government in safeguarding freedoms and fundamental rights and therefore characterized the Argentinean State as a “leading country in terms of respect for Human Rights and exercise of justice” (Fernandez, 2010 b), which is “in the world today an example in the field of values, in the respect for Human Rights, in its high and worthy sense” (Fernandez, 2010 a).

These continuities not only consisted in the coincidence of guidelines, but also reflected into domestic concrete actions and initiatives. So, were initiated and continued military trials for suspected of Human Rights violations and were also promoted some relevant reforms. Against the resistance of some conservative sectors of the Argentinean society the government impelled the enactment of the “Law of Equal Marriage”, which extended the civil marriage to gay couples.

Also was reviewed and explored the acquisition of the company “Papel Prensa” that occurred during the last dictatorship in conditions that shaped, in the opinion of the government, a case of Human Rights violation. The Mothers and Grandmothers of Plaza de Mayo received again the official recognition for their tireless work. But despite the affirmation of that commitment, and the connection of the policy in this area with the belief system of the leadership Fernandez, that referred to the years of youth activism in the seventies within the ranks of the “Peronist Youth”, the ruling party sought to clean the defence of Human Rights of every ideological perspective. So, President Fernandez (2010 d) said:

It's a different Argentina, is an Argentina that we have built together, respecting the memory, truth and justice. (...) And I'm not going to tire of repeating that Human Rights are neither left nor right, are simply -nothing more and nothing less- Human Rights, which distinguish the human condition and what makes us respect life and personal and moral integrity of every citizen and every citizen under the Constitution and laws12.

But besides this view about the Human Rights cause was transferred to other areas as a criterion to interpret some situations and challenges of the international reality. So in the dilemma of international terrorism, Fernandez diplomacy suggested that the measures to combat it should ensure the respect and observance of Human Rights. In this position of the Argentinean government can be seen an indirect criticism about some practices of U.S. foreign policy:

In the tension that often exists in the world between the fight against international terrorism and on the other hand, Human Rights or political rights, I think that Argentina also has an important role, because no one can doubt our commitment to the fight against terrorism, and no one can doubt our commitment to the observance of Human Rights, political rights (...) moreover, the right to truth is a right that was built on the basis of jurisprudence in Argentina. So I believe that we begin to combine this, that security should not involve violation of Human Rights and vice versa13 (Fernandez, 2010 c)

12 Translation of the author.
13 Translation of the author.
c) A political perception of the neighbourhood

When Cristina Fernandez took office, the regional scene presented definite trends. In previous years, the Kirchner administration was dedicated to rebuilding and strengthening links with regional players, which had accumulated difficulties since the late nineties and had deteriorated further because of the crisis of 2001-2002. For this, the Kirchner presidency interpreted the possibilities could offer the region from a political and strategic sense.

This closer position to the region and the political convictions of the Argentinean leadership contributed to the establishment of an instance of cooperative dialogue between countries ideologically close. The relationship with Brazil was conceived with an strategic significance and the government also generated a historical approach to the Venezuela of Hugo Chavez, criticized by the political opposition sectors. However, the period was not free of tension. The country had to face various differences with their neighbors.

So, the government of Cristina Fernandez inherited a regional policy with precise directions and with links preferred. This continuity about the guidelines of Kirchner's foreign policy was affirmed by the President when declared in Caracas in March 2008 that “since the May 25, 2003, Argentina finally returned to his place, to our common place and our house which is Latin America” (Fernandez, 2008 a).

Besides, the South American context provided a favorable political and ideological landscape. A few months before the presidential election, Cristina Fernandez, who already appeared as the natural candidate of the Kirchnerism, had recognized the validity of these political trends. In this direction, in a speech in Ecuador in March 2007 Fernandez mentioned allegorically “new winds are blowing in Latin America” (Fernandez, 2007:5). On that occasion she had also emphasized her belief in the benefits of the regional integration:

We are at a unique moment in the history of Latin America where the integration is a must. It is the great challenge we have all those with institutional responsibilities. With different instruments. We integrate with Brazil and Venezuela also has joined Mercosur. But it is important to note that each of our countries, each of our economies, have a degree of complementarity which should be exploited and deepened in a world that debates between foreign policy of confrontation or subordination, propose a model of integration for complementarity and solidarity in Latin America must be a turning point14 (Idem).

This ideological sintony was also present in the election campaign. South American leaders belonging to the left or center-left had given its support to the candidate of the Kirchnerism. The level of political dialogue and the convergence of goals and interests with some neighboring players suggested that the South American space might be one of the areas where could materialize those expectations of an active international role, that generated the Fernandez image. So the stage was an opportunity to confirm or, in some cases, moderate courses in the regional insertion.

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14 Translation of the author.
The Fernandez administration continued the political and functional reading of regional linkages made by Kirchner. According with this approach, MERCOSUR recived a political interpretation that complemented the traditional economic view of the integration process. The government supported the entry of Venezuela to the regional block and assigned to this country a great importance in the energy supply of the member countries. In her inauguration speech Cristina Fernandez said that con the incorporation of Venezuela is closed the energy equation (Fernandez, 2007).

The strategic nature of the relationship with Brazil was again reaffirmed. The government used its political vision of the South American context as an element of distinction with the past. In this sense, the presidency charcaterized the foreign policy deployed in the nineties as contrary and detrimental to the partnership with Brazil and regional integration and noted, as a confirmation of continuity with the Kirchner project, that this approach to the region and Brazil received its impulse in 2003. About this Fernandez said that the country in the nineties “did not take decisions in pursuit of integration, but it adopted economic policies that deepened the process, that began in 1976, of deterioration of the industry”, adding "this obstacle we started to get down in May 2003, first affirming that our identity is here and the best partners are our neighbors”.

Bilateral trade has experienced some disagreements that have deepened with the international financial crisis. The differences were originated in the resurgence of fears and suspicions about the possible adoption of protectionist positions in the administrations of both countries (Candelaresi, 2009). But there were also significant advances in this field. So, in September 2008, both countries agreed to use the Peso and the Real as currencies in the reciprocal trade, and excluded the Dollar (Veiras, 2008).

The emergence of the Global Financial Crisis also offered an opportunity for the two states could unify positions and organize joint action programs. But despite of initial hints about the possibility of working cooperatively and devising a plan for containment the effects of the crisis, they failed to coordinate common policies long range. The action in the multilateral forum reflected the different realities that crossed the two countries. While Brazil was exercising his role as a global player and demanded recognition of its development and its importance for regional stability, Argentina still battling with the aftermath and derivations of the 2001-2002 crisis. The neighbours had different junctures; however the brazilian aspirations faced to resistance of Buenos Aires. Since some years ago, Argentina diplomacy proposes a reform of the Security Council of United Nations consisting of a regional semi-permanent seat with rotating character. Itamaraty, instead, pursue its own and permanent seat on the Security Council.

However, in the political arena the relationship had some progress and there were some convergences. Brasília supported the Argentine claim about the sovereignty of Malvinas. Both countries recognized to Palestine as a free and independent state within the borders of 1967 year. Besides, that ideological harmony and the set of pre-existing common interests and goals between the South American political leaders were able to

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16 Idem
materialize in the UNASUR. This block, which is a regional process with an essentially political nature, originated in a project with a strong Brazilian influence and it has, as an antecedent, the South American Community of Nations (Brieguer, 2010).

Further of the difficulties in the development of the regional trade, the South American context also provided episodes of tension. During this period, the Fernandez administration had to bear the adverse ruling of the International Court of Justice in the case of the paper company installed in Fray Ventos. In the relationship with Chile there were also differences caused in the Fernandez administration's refusal to extradite a Chilean citizen who lived with his family in Argentina. This man was investigated in Santiago for the murder of a right politician.

In some Latin American issues, the Argentine diplomacy seeks to play an ambitious role. The government wanted to development a high profile performance in the liberation of Ingrid Betancourt. Buenos Aires also criticized the military incursion of Colombian army into Ecuadorian territory to pursue the leader of the FARC. Like others Latin American countries, the Argentine government disapproved the coup occurred in Honduras in June 2009. With its partners of UNASUR, the Fernandez administration condemned the attempt to destabilize the democracy in Ecuador in 2010. On that occasion, Fernandez argued that while she was “President, Argentina does not recognize any government that not emerges from the popular will in free elections”\textsuperscript{18}. She also said that summoned the leaders of UNASUR to unify positions in this problem: “Honduras was away, but now the shots rang out around the neighborhood, so do not hesitate a moment to call the presidents and meet here to support the democratic process in Ecuador”\textsuperscript{19}.

One of the most relevant aspects of the Latin American policy of Fernandez Presidency was the consolidation of the bilateral link with Venezuela. During the preceding stage, the Argentine government had developed a close relationship with the administration of Hugo Chávez based in both ideological and pragmatic foundations. The tie with the Chavez leadership contributed to delineate the left party profile of the Kirchnerism and meant, at the same time, a partner in trade negotiations and a source of external financing.

The presidency of Cristina Fernandez confirmed this course of action. Again, the bilateral relationship was based on ideological and political line of both leaderships. But also it was reflected in the conclusion of trade negotiations, motivated by the complementary nature of their economies. In addition to the resistance generated in the political oposition, the link also presented some episodes of friction.

The so-called “affair of the suitcase” (“suitcase gate”) continued its impact, especially during the first months of the period. The nationalization, ordered by the Chavez government, of companies of the Argentine group Techint, generated complaints of the Argentinean industrial sectors (Colombo, 2010) and critiques of the political opposition about the external direction and the type of partnerships that the Fernandez administration pursued. Another scandal known as “the parallel diplomacy” appeared in

\textsuperscript{18} See: “CFK: ‘La Argentina no reconocerá a ningún gobierno que no surja de la voluntad popular’”, Página 12, 10-1-2010.
\textsuperscript{19} Ibídem.
2010, when a former Argentine ambassador in Caracas declared that some companies of Argentinean groups had paid bribes to sell its products in Venezuela.

**d) The relationship with the U.S. A period without extreme positions**

The position observed by the Fernandez administration in the bilateral relations with the U.S. is another theme where can found a continuous line of action respect to the foreign policy of Kirchner presidency. This characteristic has relevance because the continuity confirmed the abandonment of the practice of the alignment almost automatic or unconditional, which represented the fundamental axis of international relations of the country during the nineties. The principal notes of this position, despite some hints of change and some shades of intensity, were also present during the presidency of the “Alianza”.

The interim administration of Eduardo Duhalde, into the context of the crisis, had taken the first steps in the distension of unconditional alignment, through its policy of multiple points of contact in the developed world. However the Kirchner administration consolidated this trend. In the first official speech as president, Kirchner declared that couldn’t be expected of Argentina, any type of automatic alignment alignments (Rohter, 2003).

For this, the Kirchner administration associated the multilateralism with the decision of not adopt an automatic alignment with one of the great powers. As a corollary, sought to restore relations with European countries deeply damaged by the economic and financial consequences of default and the output of the convertibility plan in 2002 under the government of Duhalde. With this objective, tried to improve trade opportunities in China for some items of Argentine exports. One element that can be included in this new approach was the vote at the United Nations, against the U.S. position, on the issue of Human Rights in Cuba. This orientation of the vote had the antecedent of the vote of the Duhalde administration during its second year.

But despite this shift in the vision on the relations with US, Kirchner presidency did not practice a policy of confrontation. The criticisms that could be attached to principles or ideas supported and encouraged by the U.S., consisted mainly of reprobation to economic neo liberalism and the role of international financial institutions, especially the IMF. The Argentine government searched the recognition by the IMF of its part of responsibility in the collapse of 2001-2002. One of the few occasions when the measured speech was replaced by a more aggressive rhetoric, occurred at the Summit of the Americas in the seaside town of Mar del Plata in 2005, meeting at which the American countries were betting the last letters to the project FTAA. On that occasion the Argentine president, despite their host status, criticized the international vision of the White House in the presence of President Bush.

Cristina Fernandez continued with the shafts, which ordered the official position on the relationship during the preceding stage. In this way, the Argentine government had to face the reduced interest that the country generated for the decision makers in international affairs of Washington. However, despite the efforts of its diplomacy, the
Fernandez administration could not overcome the climate of indifference that surrounded the relationship. As an extension of the previous stage, continued the criticism about neoliberalism and the functioning of international financial institutions and the censorship about the economic prescriptions recommended and promoted by these agencies. The global economic crisis further stimulated the claims of Argentine presidency about the necessity of revise of the global financial system foundations.

In this regard, at the Council on Foreign Relations in September 2008, Cristina Fernandez said:

I believe -and of course, this is an opinion that has a lot to do with my own views as political leader- I think the distortion of the financial system has been to think that without producing services, goods and knowledge, merely by adopting sophisticated instruments, you could reproduce money. That is not the logic of capitalism. The logic of capitalism is to produce money or rather to earn money by producing goods, services and knowledge demanded by society through technological innovation or other means. But that is the rationale (...) It's good to try and take a look at some of the issues that are our concern today. One of them is the lack of regulation of financial assistance that developed with no controls literally. And consider this. Central banks around the world exercise strict control over their own operation, well, the Basel rules and so on, what we all know about. But in parallel, you get to see the emergence of mutual funds that, subject to no regulation or control, enter and exit countries. And I'm not talking only about financial institutions but also certain activities and commodities and energy. And a lot of distortions are created in the basic fundamentals of economics (...) We need to reconsider and rethink instruments, economic instruments that may allow us to go back to a more real economy, in which work and production again become the central basis to build up wealth20 (Fernandez, 2008 b).

The Argentine government also had to face the adverse impact that the linking with Venezuela could generate on the relationship with the U.S. and other important global players. But, despite the criticism of the Fernandez administration about the neoliberal economic trends; the bilateral trade negotiations with Venezuela; the political affinities between the Venezuelan and Argentinean authorities; the ideological similarities between the two leaders were not absolute. Cristina Fernandez did not use an anti-imperialist rhetoric like the Hugo Chavez's style and not adopted a position of confrontation against Washington. In response to the critiques about the relationship with the Chavez government, Fernandez presidency associated the country’s ability to choose its allies with the exercise of autonomy.

Away from alignment with the White House, the Fernandez diplomacy developed a flexible policy with variables positions according to the agenda item. So, in the problem of international terrorism, the government implemented a position with some convergences with U.S. The White House supported Argentina’s claim against Iran to provide judicial research assistance for the AMIA bombing21. Precisely in various multilateral forums, Fernandez’s government requested to Iran the extradition of its citizens that were investigated in judgments in Argentina by the attack22. In contrast, in

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20 Translation of the author.
21 See: “Hillary apoyó el pedido argentino a Irán por atentado a la AMIA”, Clarín, edición del 08-11-2010.
the Cuban question and in the situation of the coup in Honduras, the Argentinean Chancellery presented differences with Washington (Baron, 2010).

IV. Conclusions

Cristina Fernandez began his administration with a domestic scene and an international situation that did not offer hard obstacles to the continuity of the external axes of the Kirchner project. The results of the 2007 presidential election showed that Fernandez had a good image and that the argentinean society accepted and confirmed the work of the Kirchner government. The candidate of the “Frente Para La Victoria” achieved a comfortable win in the elections and, unlike the previous government, did not have to deal with initial problems of legitimacy. Instead, the governments of Duhalde and Kirchner respectively were conditioned by their fragile legitimacy of origin.

The characteristics of the international system and the global relations of power were clearly defined. Besides, many of the changes in the external direction of the country were adopted during the Kirchner Presidency, which had also established its position in global dilemmas such as international terrorism, regional trends as the resistance to the effects of neoliberalism in South America and trade integration initiatives. Moreover, the regional context allowed the deployment of some criterion enrolled in the ideological orientation of the Fernandez administration.

However, the Fernandez administration had to face a series of domestic events that revealed a dispute about the control of the political power. Some of these facts weakened the image of the president and deteriorated the system of political alliance of the “Frente Para la Victoria”. The difficult domestic context influenced on the foreign policy and restricted those initials expectative of a high external profile and an active role that the image of Fernandez and the situation of the country had insinuated.

But this limitations that constrained the intensity of the external action of the country, did not generate changes on the international axes. Consequently, the foreign policy of Fernandez administration confirmed some international guidelines of the Kirchner presidency. In this period the government tried to deepen the process of reduction of the external debt and advanced in the Human Rights cause and its process of “international diffusion” of the domestic achievements. Also, the Fernandez presidency sought to describe a moderate position in the relationship with US and interpreted the Latin American region with a political meaning. In this field the governmentn consolidated its link with the Hugo Chavez Venezuela.

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