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## FEATURED Q&A

# Will Argentina's Foreign Policy See a Radical Shift?



Argentine President-elect Alberto Fernández and incoming Vice President Cristina Fernández de Kirchner take office next month and could take the country's foreign policy in a new direction. // File Photo: Fernández Campaign.

**Q** In his first foreign trip, Argentine President-elect Alberto Fernández met this month with leftist Mexican President Andrés Manuel López Obrador in Mexico City with the aim of strengthening ties. Meanwhile, tensions have been high between Fernández, a Peronist, and far-right Brazilian President Jair Bolsonaro, who have exchanged barbs in the media over ideological differences. What shape will Fernández's foreign policy take? Is his government likely to shy away from traditional partners such as Brazil, and what implications could that have for the Mercosur trade bloc? To what extent is a distancing from the United States likely, as was the case during the presidential administration of incoming Vice President Cristina Fernández de Kirchner?

**A** Shunko Rojas, partner at Quipu and former undersecretary of international trade at the Argentine Ministry of Production: "It is still early to say what form Alberto Fernández's foreign policy will take. The final composition of his team will have a great influence on Argentina's foreign policy. This comes with a complex international context, with a trade war that generates many uncertainties and affects global growth and a situation that is especially worrying at the regional level. Social protests in Ecuador, Chile and Bolivia show that, beyond the dynamics and policies of each country, there is an environment of low social tolerance and high political tensions. In this scenario of instability, risk and polarization, Argentina must implement a prudent, multilateral and depersonalized foreign policy, which must be built taking into account the country's enormous internal challenge-

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## TODAY'S NEWS

### POLITICAL

## Interim Bolivian President Calls for New Elections

Bolivia's caretaker president, Jeanine Áñez, said "clean and transparent elections" that are held as soon as possible are the only path forward for the country.

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### ECONOMIC

## China Eyes Major Investment in Brazilian Port

China is reportedly planning to make a billion-dollar investment in Brazil's port of São Luís. Brazil's economy minister has said the South American country wants stronger ties with China.

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### POLITICAL

## Chile Grappling Over Who Will Draft Constitution

Violent protests continued in Chile as politicians grapple over who will draft a new constitution to replace the one put in place during the country's dictatorship era. President Sebastián Piñera wants current legislators to draft it, but protesters want more input.

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Piñera // File Photo: Chilean Government.

## POLITICAL NEWS

## Interim Bolivian President Calls for New Elections

Interim Bolivian President Jeanine Áñez on Wednesday called for new elections and appointed a new army chief in an effort to fill a power vacuum left by Sunday's sudden resignation and exile of former President Evo Morales, The Wall Street Journal reported. Áñez, the former vice president of Bolivia's Senate, declared herself the country's president on Tuesday. The following day, she said the only option for the country is a new presidential election. "My mission, as the constitution states, is to call for clean and transparent elections with all the qualified political actors as soon as possible," she said in a televised address. "I will not accept any other path forward." Several countries, including the United States, Brazil and Britain, have recognized Áñez as Bolivia's new leader, but Morales' supporters accused her of illegally seizing power and vowed to help bring Morales back. In her first full day as Bolivia's caretaker president, Áñez swore in a new armed forces commander, Gen. Carlos Orellana, who called on Bolivians to end the violent protests that have wracked the country since its disputed Oct. 20 presidential election. Orellana replaced Gen. Williams Kaliman, who is a Morales ally but publicly recommended on Sunday that he resign. On Wednesday, riot police clashed in La Paz with Morales supporters, who marched toward the presidential palace in opposition of Áñez, BBC News reported. Some of the protesters armed themselves with metal sheets and wooden planks, and chants of "Now, civil war," were heard in the crowd, the Associated Press reported. Protests also occurred elsewhere in the country, including in El Alto and the coca-growing El Chapare region. Morales, Bolivia's first indigenous president, still retains strong support among the country's Aymara and Quechua Indians. Thousands of Morales supporters from El Alto marched to La Paz on Wednesday, some carrying the rainbow-colored indigenous flag, the wiphala, The Wall Street

Journal reported. Protesters vowed to make Bolivia ungovernable until Morales returns from Mexico, which granted him asylum. Demonstrators are vowing to block roads to stop food and other supplies from reaching the capital. Meanwhile, the military flew air force jets low over the protesters in a show of force. Under Bolivia's constitution, Áñez has 90 days to appoint an electoral council and organize new elections for president and legislators. Lawmakers' current terms expire Jan. 22.

## ECONOMIC NEWS

## China Eyes Billion-Dollar Investment in Brazilian Port

China is set to make a billion-dollar investment in the Brazilian port of São Luís through China Communications Construction Company, Reuters reported Wednesday, citing two sources with direct knowledge of the matter. The sources said the announcement will be made at the summit of leaders of Brazil, Russia, India, China and South Africa, the so-called BRICS group of emerging markets. They are holding a two-day summit in Brasília, which



Guedes // File Photo: Brazilian Government.

started on Wednesday. The deal will be part of the largest foreign direct investment into Brazil this year, one of the sources said, without providing any figures. Brazilian Economy Minister Paulo Guedes said on Wednesday that Brazil is looking to strengthen ties with China, its number-one trading partner, not only in terms of trade but also investments. "We had a giant trade agenda, but not so much investment

## NEWS BRIEFS

## Chile Grappling Over Who Will Draft Constitution as Violent Protests Continue

Politicians in Chile are grappling over who will draft a new constitution as violent protests continue raging in the South American country. On Wednesday, police said they had recorded 348 serious incidents since the previous day. Protesters are demanding a new constitution, but, while President Sebastián Piñera wants current legislators to draft it, the opposition wants more input from citizens.

## Spain's King Voices Support for Democracy, Rights in Cuba Speech

In a speech Wednesday in Havana, Spanish King Felipe VI defended democracy and human rights, El País reported. At a dinner with Cuban President Miguel Díaz-Canel, Felipe talked about the need for institutions "to represent the diverse and plural reality" of society and to respect citizens' rights, including the right "to freely express their ideas, freedom of association and assembly." In an unscheduled speech, Díaz-Canel responded by defending Cuban sovereignty and the independence of Cubans to decide their own changes. However, the exchanges reportedly remained friendly.

## Pemex Won't Pay \$5 Mn Ransom Demanded by Hackers: Energy Minister

Mexican state oil company Pemex will not pay a ransom demanded by suspected cyber attackers who hacked into the firm's computer systems earlier this week, Energy Minister Rocío Nahle told reporters on Wednesday, Reuters reported. Nahle, who is also the chair of Pemex's board, said the attack targeted the company's administrative headquarters in Mexico City and that its "plants and wells" continued to operate. Hackers have demanded some \$5 million in bitcoin from Pemex.

flows. [Now] investment flows are increasing, too," one of the sources told Reuters. The transaction will not involve an acquisition of a Brazilian company, but it may involve equity stakes changing hands, the source added. The annual BRICS summit began Wednesday with Chinese President Xi Jinping and his Russian counterpart, Vladimir Putin, slamming what they called politically motivated protectionism at a time of a global economic slowdown, Deutsche Welle reported.

## BUSINESS NEWS

# Rappi Facing Probe in Colombia Over Regulatory Orders

On-demand delivery app Rappi is facing a new investigation in Colombia for allegedly failing to comply with regulatory orders to improve its response to customer complaints, the country's commerce watchdog said on Wednesday, El Tiempo reported. The Superintendency of Industry and Commerce said in a statement that it "has formulated an investigation against Rappi S.A.S. for an alleged unfulfillment" of its orders several months ago to comply with electronic commerce laws, Reuters reported. The regulator in September said it had opened a probe of the company after receiving hundreds of customer complaints. Rappi is a delivery service for items from food and tobacco products to concert tickets. The company is majority-owned by SoftBank, which injected \$1 billion into the company this year. The company allegedly failed to comply with requirements including to modify terms and conditions, solve problems with changes to the prices of some goods and implement a proper complaint system, Reuters reported. Rappi could face "successive fines" of as much as 1,000 minimum monthly salaries, nearly \$244,700 each, if found guilty. Rappi co-founder Simón Borrero said the company wanted an open dialogue with regulators, saying "the claims are about things that are not the reality of our business," the wire service reported.

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es—including its delicate macroeconomic situation, the need to continue international insertion by placing exports at the center of the development model and defending the values that have traditionally characterized our foreign policy. The relationships with traditional allies that today have similar governments, such as Mexico and Spain, will focus on multilateral areas in which Argentina can contribute, such as human rights, the environment and nuclear energy. Despite the lack of personal affinity between Bolsonaro and Fernández, Argentina will not seek a conflict with Brazil, a fundamental strategic partner. There is a common frontier, an important productive and commercial integration and deep political, social and cultural ties that have traditionally united the two countries beyond any government. Mercosur remains Argentina's main international commercial platform. I don't believe Argentina-U.S. relations will return to the dynamics that prevailed during the CFK presidency. The presidents are not the same—Fernández will have his own vision and imprint—and U.S. foreign policy has also changed significantly in recent years. The issues on the bilateral agenda have also changed. Argentina is in a delicate situation and has no room for ideological experiments or positions. It remains to be seen which of the different forces within Fernández's coalition will prevail in terms of influencing foreign policy—either taking more distant and confrontative positions or reinforcing the path of constructive dialogue and cooperation."

**A Andrés Asiain, director of the Scalabrini Ortiz Center for Economic and Social Studies (CESO) in Buenos Aires:** "The United States maintains an aggressive foreign policy in Latin America. It supports and was probably part of the coup against Evo Morales in Bolivia, previously favored the institutional coup against Dilma Rousseff and the imprisonment of Lula, which opened

the way to the neofascist government of Bolsonaro in Brazil, and it maintains a siege on Maduro's government in Venezuela—among so many examples. In Argentina, through the IMF, the United States financed Mauricio Macri's government and seeks to condition the next Peronist government's economic plan. Faced with such interference in the internal affairs of the countries of the region, it is natural that popular governments seek to preserve themselves. In that sense, the reconstruction of a democratic and progressive axis from Mexico to Buenos Aires seems to be the natural foreign policy of Alberto Fernández's government—an axis in which countries of the region that try to preserve their sovereignty against North American advancement can be allied. In this regard, if the United States continues with its aggressive foreign policy, it is likely that this new Latin American axis will weave strong alliances with Russia and China. In the case of Argentina, if the United States conditions the debt restructuring to adjustment programs incompatible with a just project, seeking Chinese and Russian financing and investment is a natural alternative. Alberto Fernández is not a politician who wants to face off with the United States. But if U.S. foreign policy continues with its current attitude, it is likely that Fernández will have no other alternative."

**A Laura Gómez-Mera, associate professor in the Department of Political Science at the University of Miami:** "Clearly, there will be a shift in the vision orienting Argentina's foreign policy and in the strategy of international insertion. Since the elections, Alberto Fernández has given clear signs of his intentions to strengthen ties with progressive leaders in the region and beyond. He has hinted his wishes to revive a more progressive or 'developmentalist' strategy of regional integration, based on the strengthening of Unasur, CELAC and the Grupo de Puebla. Yet, he has also shown

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prudence and moderation with regard to his right-wing counterparts in the United States and Brazil, two key countries for Argentina. Fernández has spoken about his intentions of developing 'mutual respect' and 'mature' relations with the United States. He has also pledged his commitment to Mercosur, despite charged exchanges with Brazilian President Jair Bolsonaro in recent weeks. This more pragmatic, moderate approach shows a realistic reading of Argentina's extremely vulnerable position in the global and regional structures of power and, in particular, the importance of securing U.S. support when renegotiating with the IMF. External indebtedness aside, Argentina's long-term national interest would be ill-served by a radicalized, ideologically driven foreign policy. A more pragmatic approach that builds economic ties with the United States, Europe and China, while also promoting a more developmentalist approach to regional cooperation in Latin America would be more promising. Ultimately, however, Fernández also faces strong domestic constraints and his international strategy will depend greatly on the balance of power within his governing coalition and the domestic economic situation."

**A** **Jenny Pribble, associate professor in the Department of Political Science at the University of Richmond:** "President-elect Alberto Fernández assumes office in a moment of extreme upheaval in Latin America. Since September, the region has seen widespread social and political unrest in Bolivia, Chile, Ecuador, Haiti and Peru. This scenario may grant Fernández a new stage to lead the region on issues of democracy and protection of human rights. It could also push world leaders, worried about instability in Latin America, to work more constructively with Argentina. This may allow Fernández to pursue a third-way policy that embraces

progressive ideals, while maintaining working relations with conservative governments. Fernández has not yet announced his foreign policy team, but early signals suggest he is pragmatic and will prioritize Argentina's economic crisis, while rebuilding progressive regional organizations. Despite

“**Fernández has not yet announced his foreign policy team, but early signals suggest he is pragmatic...**”

— Jenny Pribble

conflict between Fernández and Brazilian President Jair Bolsonaro, the economic situation in Argentina and Brazil incentivizes the maintenance of Mercosur. Fernández will assume office amid a severe economic crisis. To boost growth, revenue and foreign currency reserves, the president-elect must focus on expanding Argentine exports. Brazil is Argentina's top export market, making it a crucial partner and one that Fernández cannot afford to alienate. Brazil's trade surplus with Argentina is large. Any effort by Bolsonaro to exit Mercosur, therefore, could also generate political costs for Brazil's already unpopular president. One of Fernández's top priorities will be renegotiating Argentina's IMF agreement. The United States is the IMF's largest shareholder, and any new deal will require Washington's support. Fernández, therefore, will likely avoid confrontation with the United States. This will require that the president-elect walk a delicate line in his policy toward Cuba and Venezuela."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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