



Poliarquía Consultores

The Long Agony of the Kirchner's Argentina

Argentina's Economic and Political Outlook

THE BROOKINGS INSTITUTION / AMERICAN UNIVERSITY

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I. What Argentina is Not

Argentina in the News



Venezuela

- Is ruled by a civic-military regime, increasingly more and more authoritarian.
- It manages huge oil resources – the main source of its popularity and electoral support.

Argentina

- Is ruled by an increasingly more and more pragmatic government that lacks those resources and popular support.
- The Armed Forces are not a significant player (consider the late designation of General Cesar Milani).
- The energy crisis is one of the most important problems of the country.
- Regardless of hyper-regulation and controls, agribusiness is not going to be confiscated and therefore the government depends upon farmers to get hard currency.

Argentina in the Past

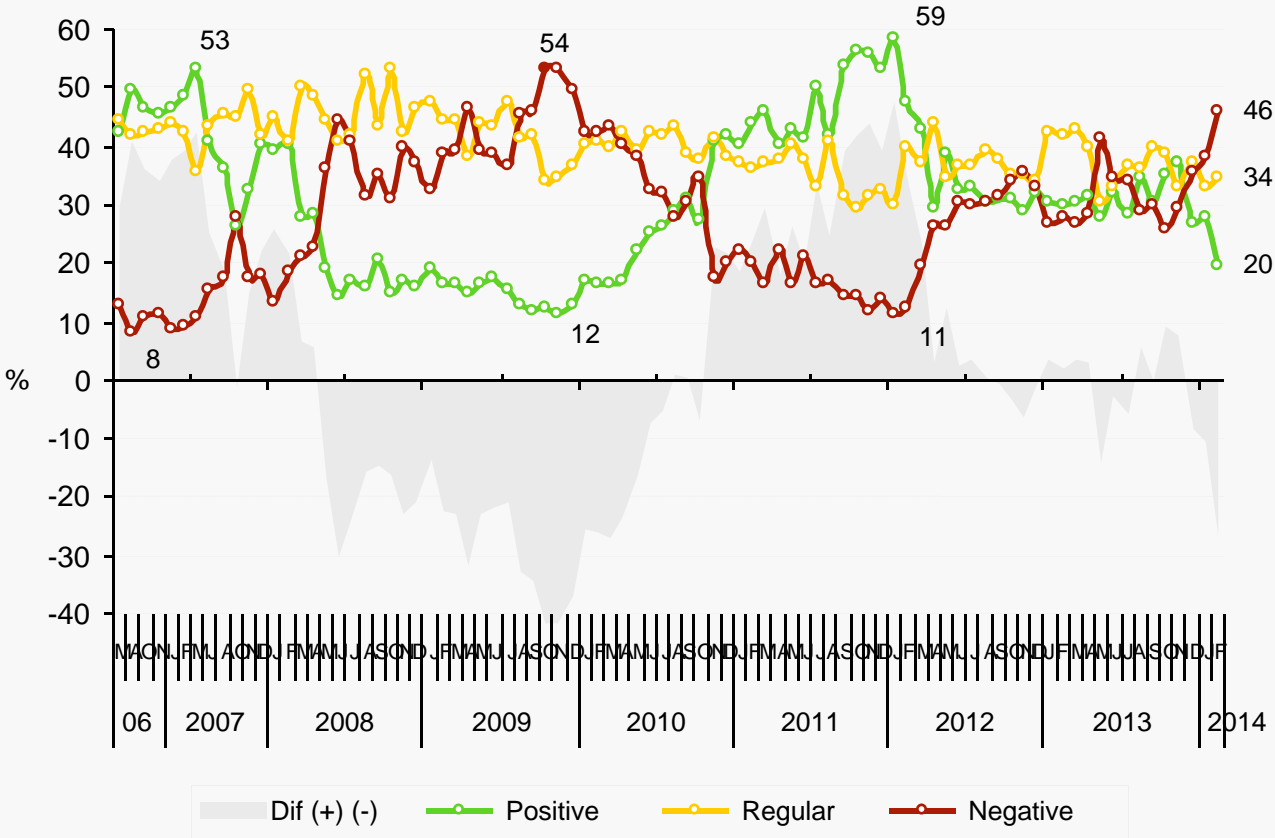
We tend to analyze the current context through the same theoretical frame as recent crises (1975, 1982, 1989, 2001). But the contexts are different, both external and domestic.

- Thanks to the soybean revolution, and despite capital flights, Argentina generates more hard currency than ever and has more **central bank reserves**.
- Despite reputation and pending litigation, **liquidity** and a low debt/GDP ratio allow Argentina to go back to markets as we speak.
- Although there are mounting labor conflicts, there is **no vacuum of power**; no relevant actor wants the current administration to collapse. Furthermore, Pope Francis generates a tempering effect on the entire polity.
- **The size of the State** is the largest in Argentine history (more than 50% of GDP); poverty alleviating / clientelistic programs help soften the consequences of stagnation.

II. Social and Economic Context

General Country Situation

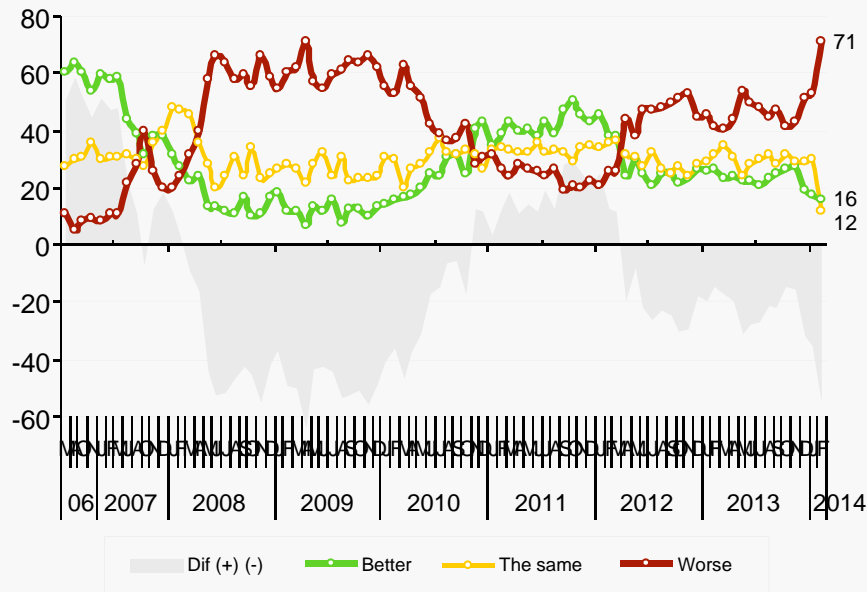
“How do you evaluate the general country situation?”



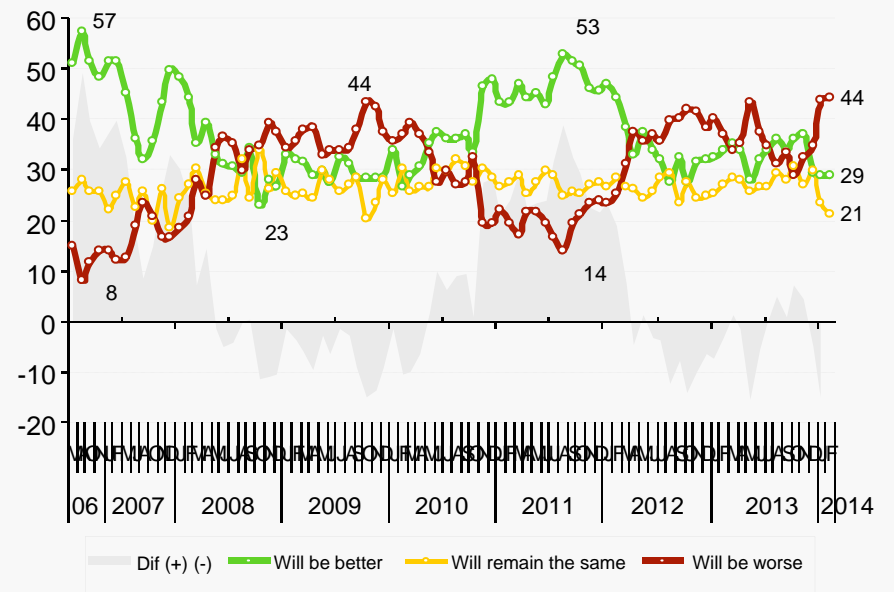
Source: Poliarquía Consultores.

General Country Situation

Retrospective Evaluation



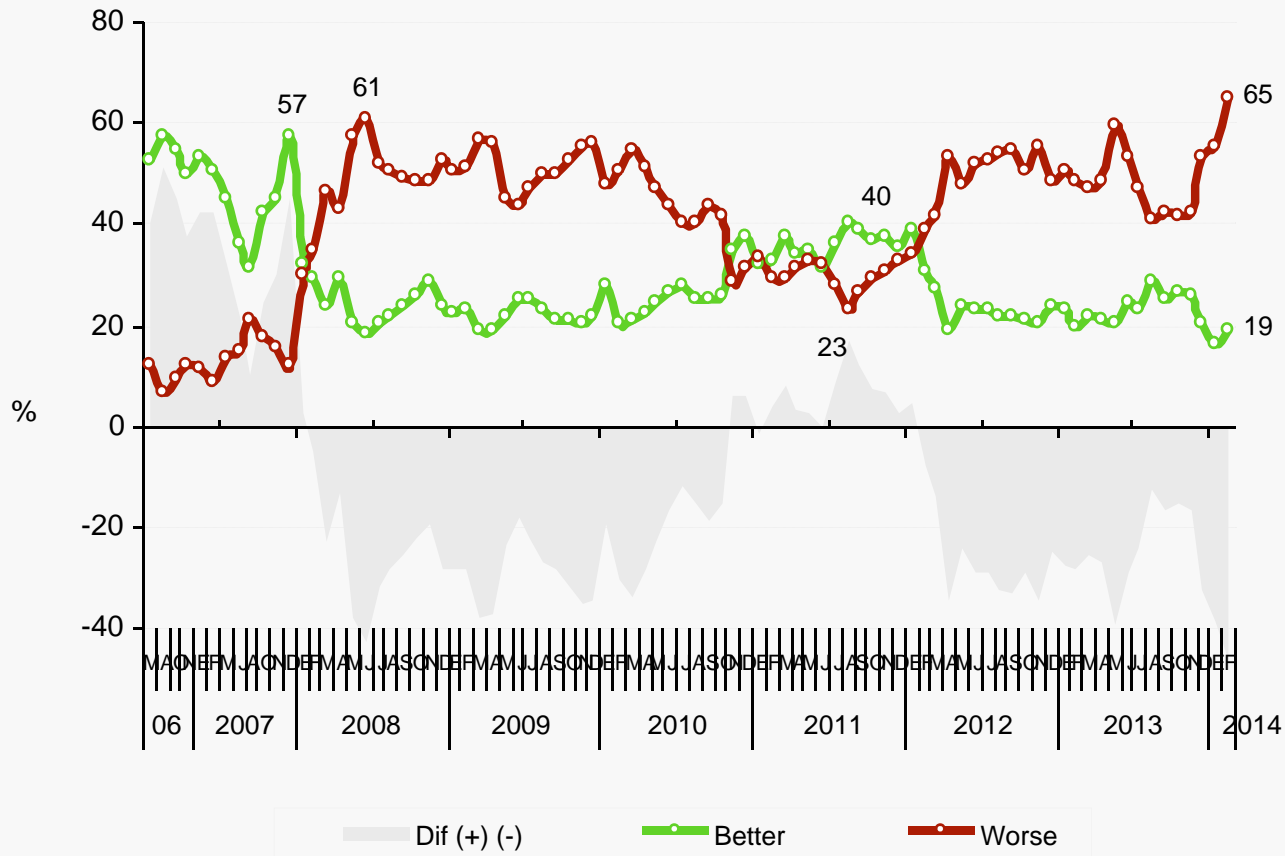
Prospective Evaluation



Source: Poliarquía Consultores.

Argentina's Prospective Economic Situation

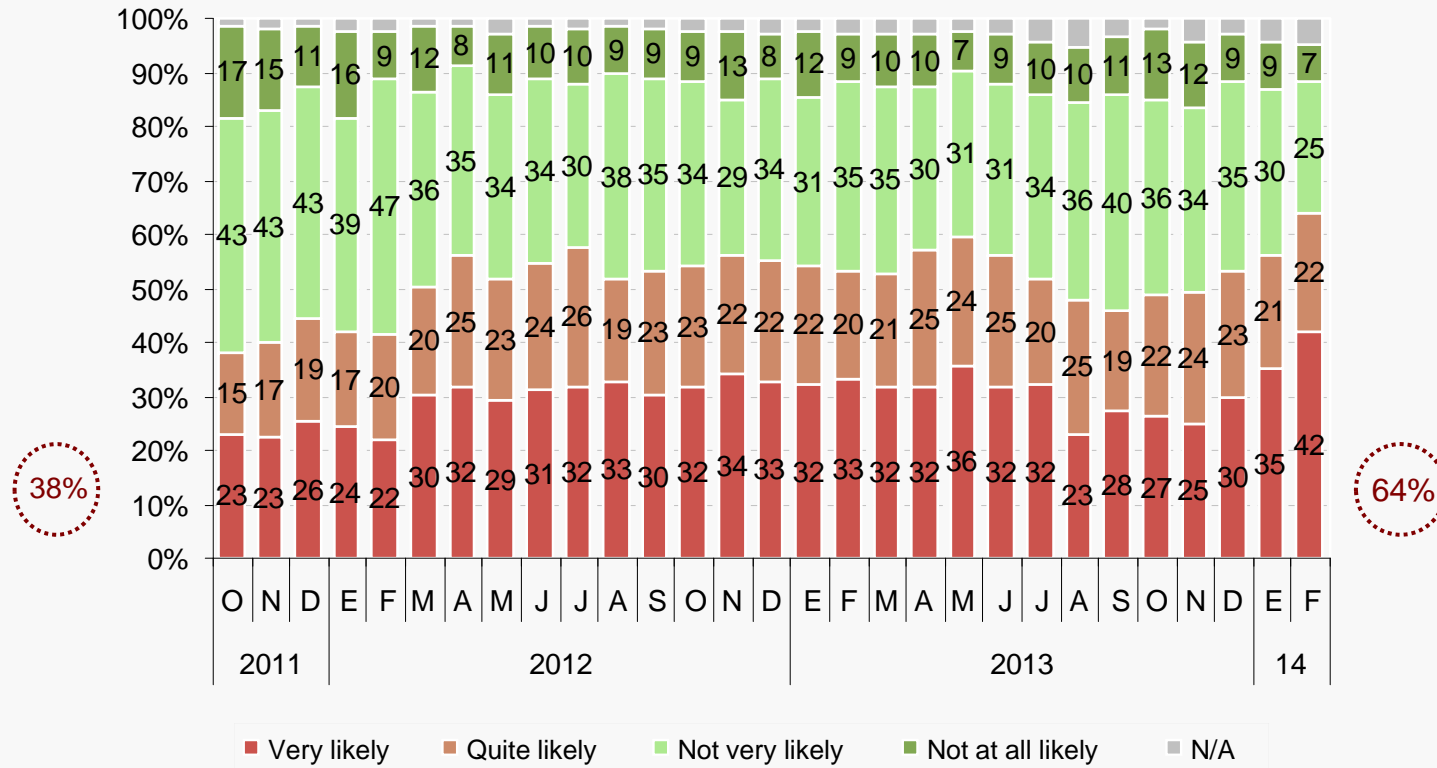
"How do you think will the economic situation be a year from now?"



Source: Poliarquía Consultores.

Probability Assigned to a Potential Crisis in the Medium Term

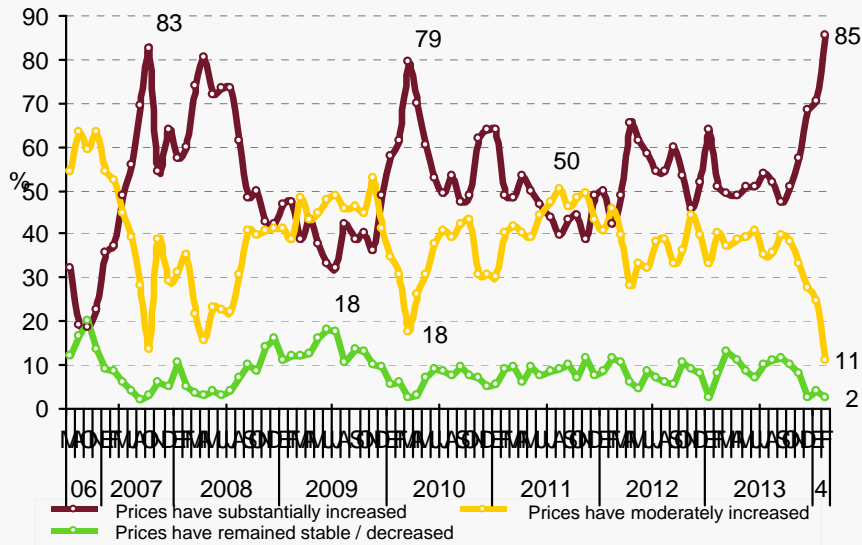
“In Argentina it is often to have good times and high consumption that finally end in crisis. In your opinion, how likely is it that in the next 2 or 3 years there will be a new economic crisis in our country?”



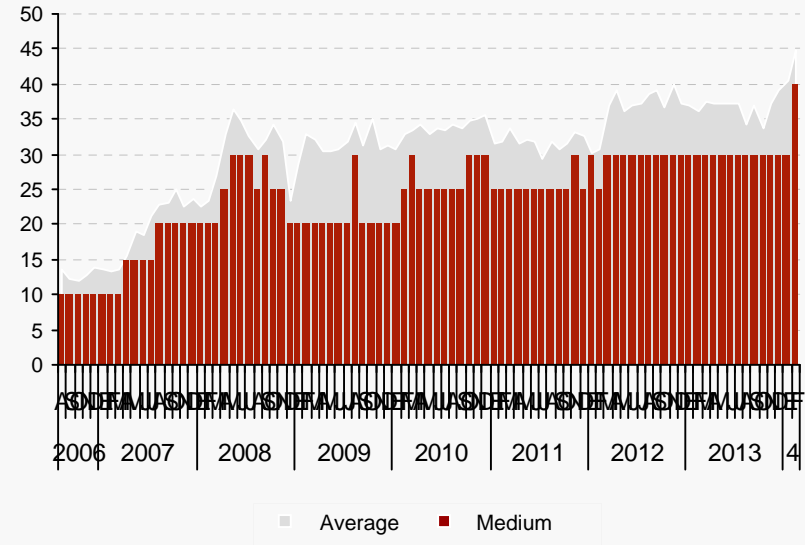
Source: Poliarquía Consultores.

Inflation Indicators

Perception of Inflation (last month)



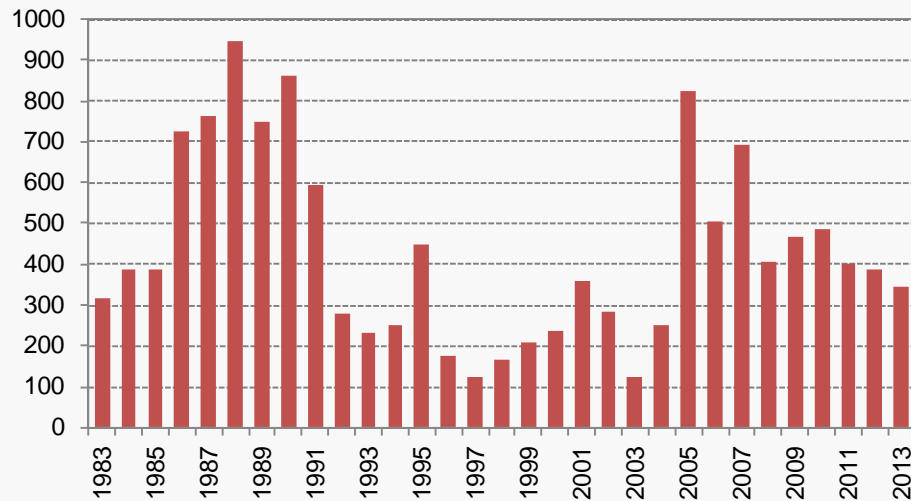
Inflationary Expectations (next year)



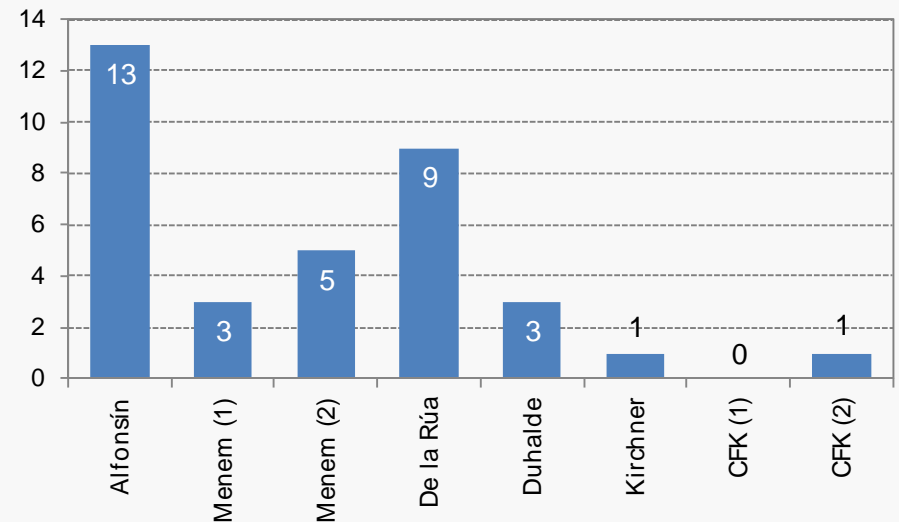
Source: Poliarquía Consultores.

Labor Conflict in Argentina

Labor Conflicts (1983-2013)



General Strikes by Presidency

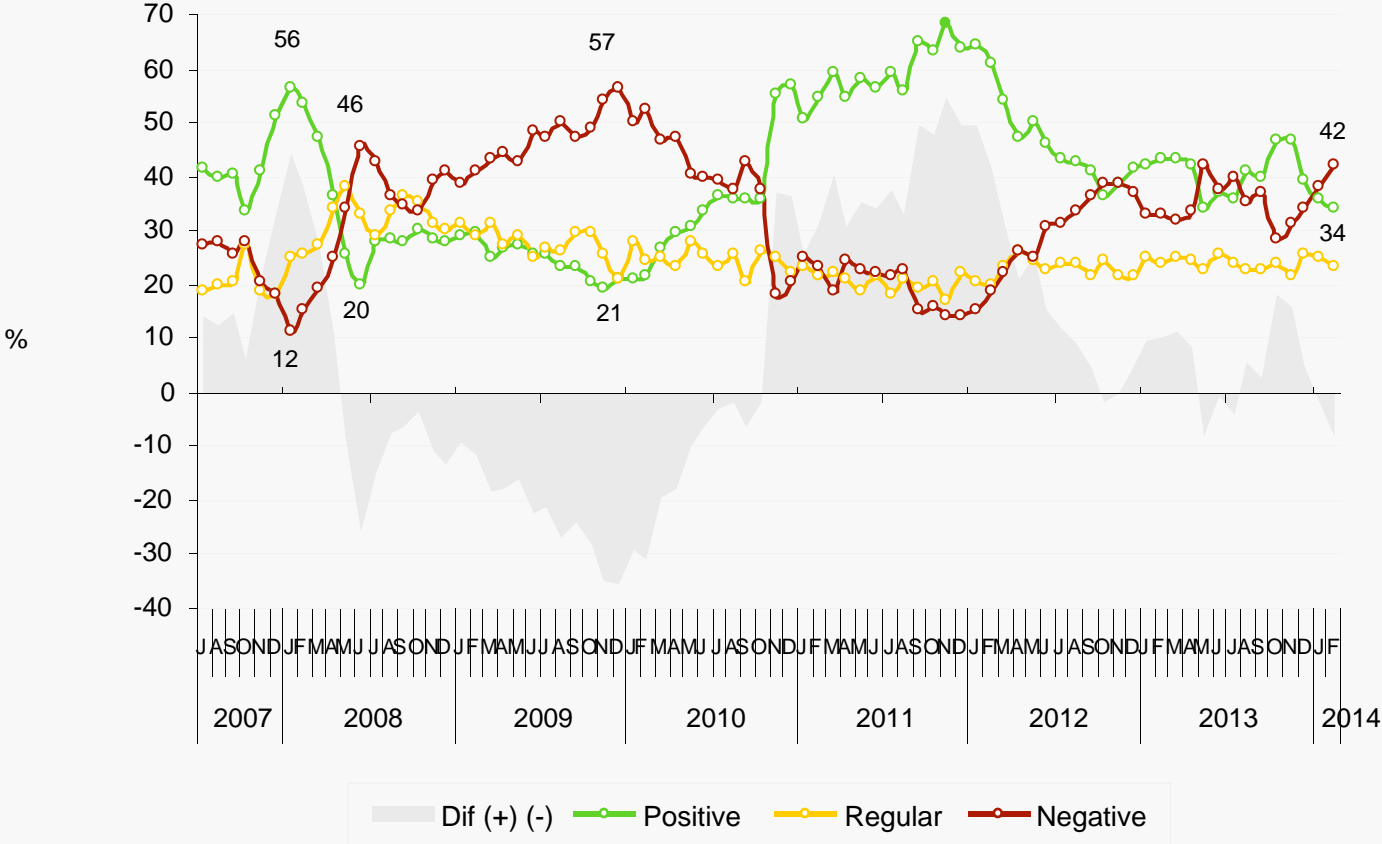


Most of the conflicts take place in the public sector: Over the last couple of years, labor conflicts in the private sector have remained stable, while conflicts in the public sector have increased significantly. In 2013, the public sector accounted for 60% of the labor conflicts, in fact, during the last trimester that proportion grew up to 66%.

Source: Nueva Mayoría and Observatorio del Derecho Social (CTA).

III. Political Context

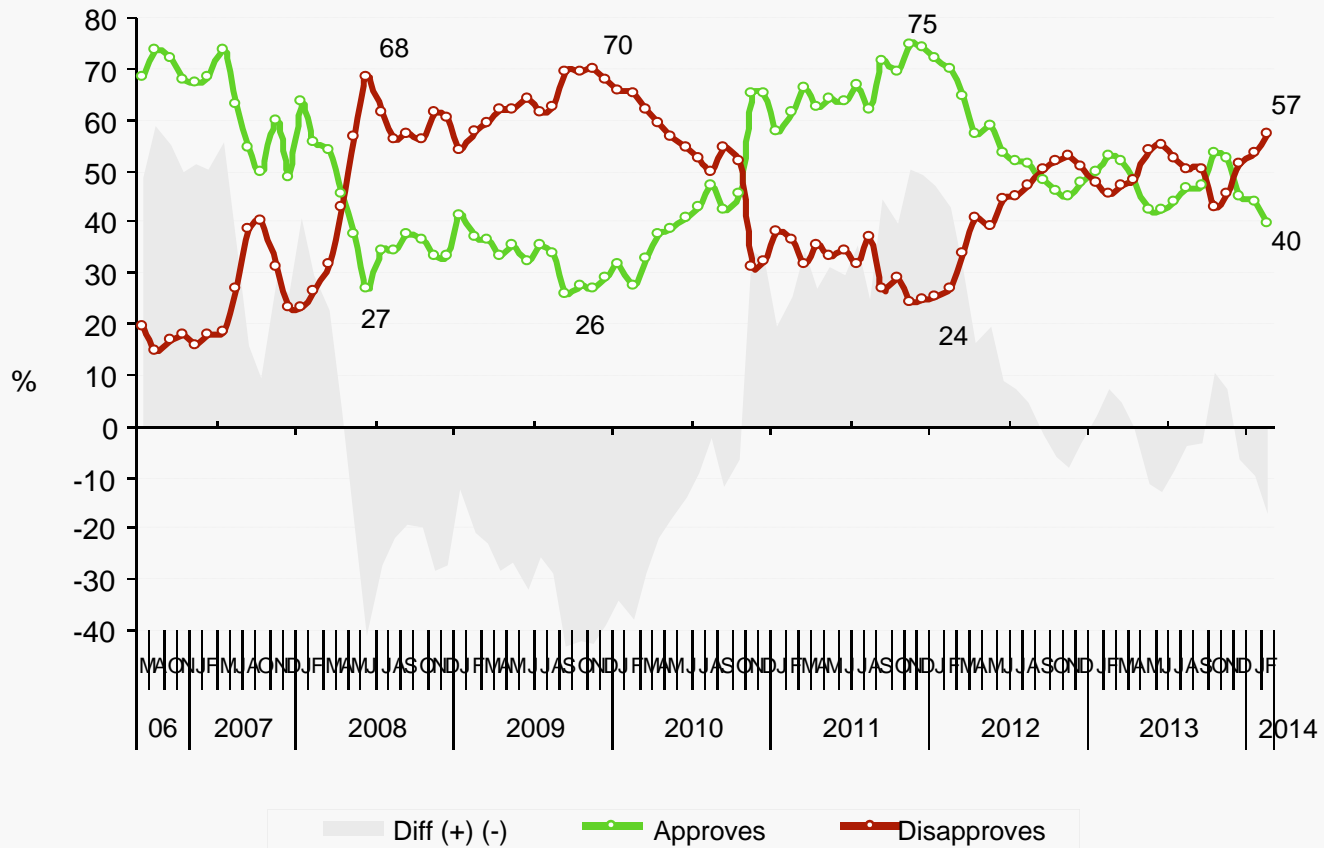
Cristina Fernández de Kirchner's Image



Source: Poliarquía Consultores.

Presidential Approval

“Do you approve or disapprove Cristina Fernández de Kirchner’s administration as President?”



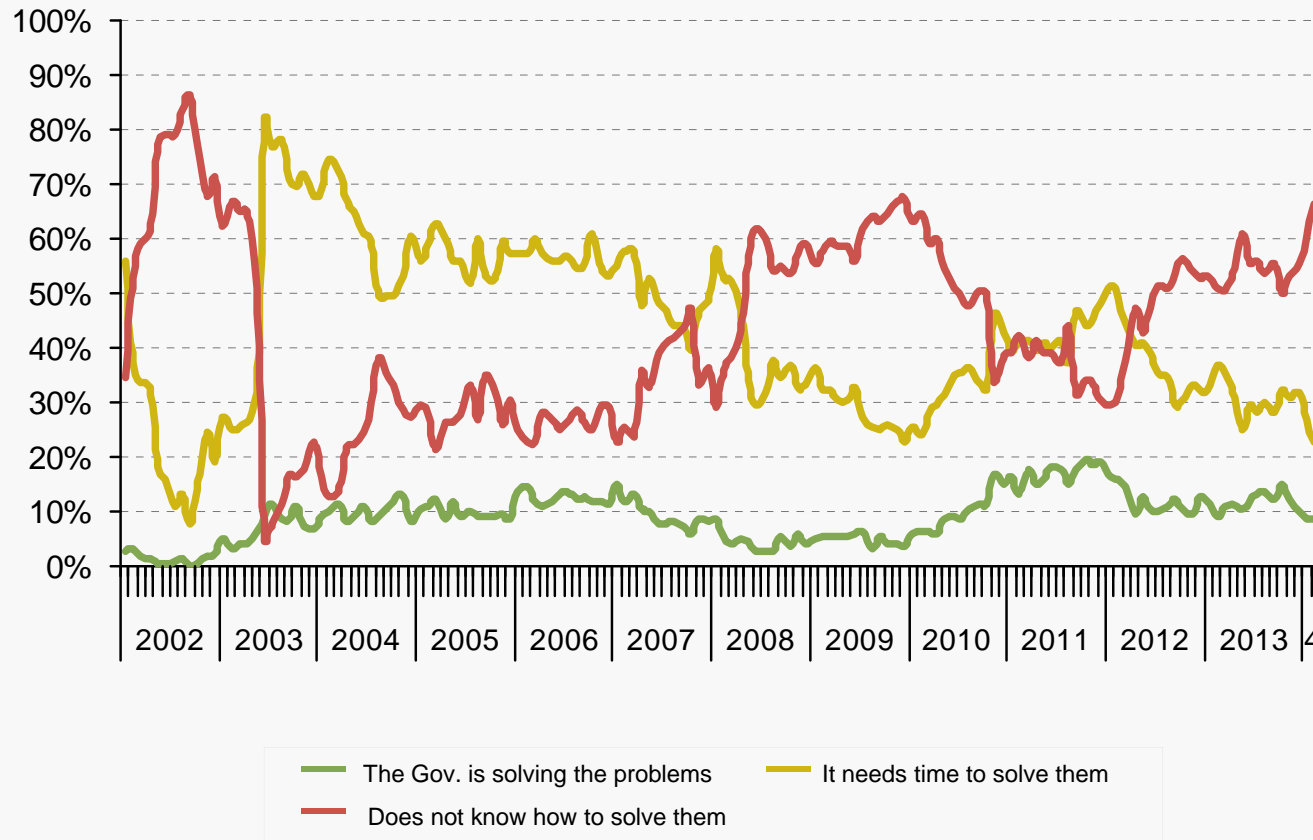
Source: Poliarquía Consultores.

Trust in Government Index (ICG-UTDT)



Source: UTDT / Poliarquía Consultores February 2014.

Trust in Government Index: Capacity to Solve Problems



Source: UTDT / Poliarquía Consultores February 2014.

IV. Electoral Indicators

Electoral Preferences for 2015

Spontaneous Answer

“¿Who would you like to be the next President of Argentina?”

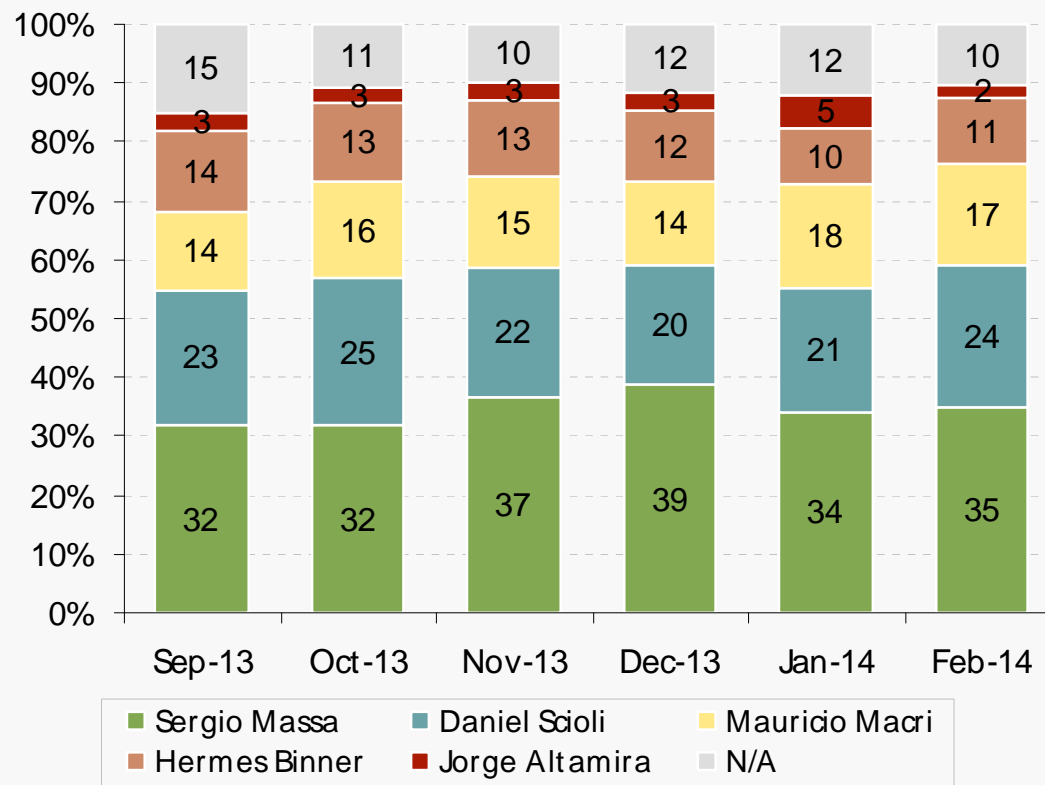
	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Reduced
Sergio Massa	8	9	6	7	9	9	17	18	13	22	23	16	19	23
Cristina Kirchner	18	18	19	20	18	20	15	16	17	11	8	8	9	10
Mauricio Macri	7	8	6	4	6	5	6	6	8	8	7	9	8	10
Daniel Scioli	6	6	8	6	6	4	5	7	7	7	7	8	6	6
Hermes Binner	5	5	4	6	5	6	5	4	5	6	4	4	4	6
Julio Cobos	–	–	–	–	1	0	2	1	1	2	2	2	2	2
Elisa Carrió	1	2	1	4	2	2	1	1	2	1	1	1	1	2
Amado Boudou	0	1	1	1	1	1	0	0	1	1	0	0	2	2
Ricardo Alfonsín	0	1	0	1	2	1	1	1	1	1	0	2	0	1
Alberto R. Saá	2	2	1	1	2	1	1	1	1	0	0	0	0	0
Francisco de Narváez	1	1	3	4	2	3	1	0	1	1	1	1	0	0
J.M. de la Sota	1	0	1	1	2	0	1	1	1	1	1	0	0	0
Eduardo Duhalde	0	1	0	1	0	0	0	0	0	0	0	0	–	–
Others	7	7	6	8	8	5	7	8	9	9	10	10	10	11
N/A	43	38	44	34	38	43	38	35	33	29	36	38	37	25
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Poliarquía Consultores.

Electoral Preferences for 2015

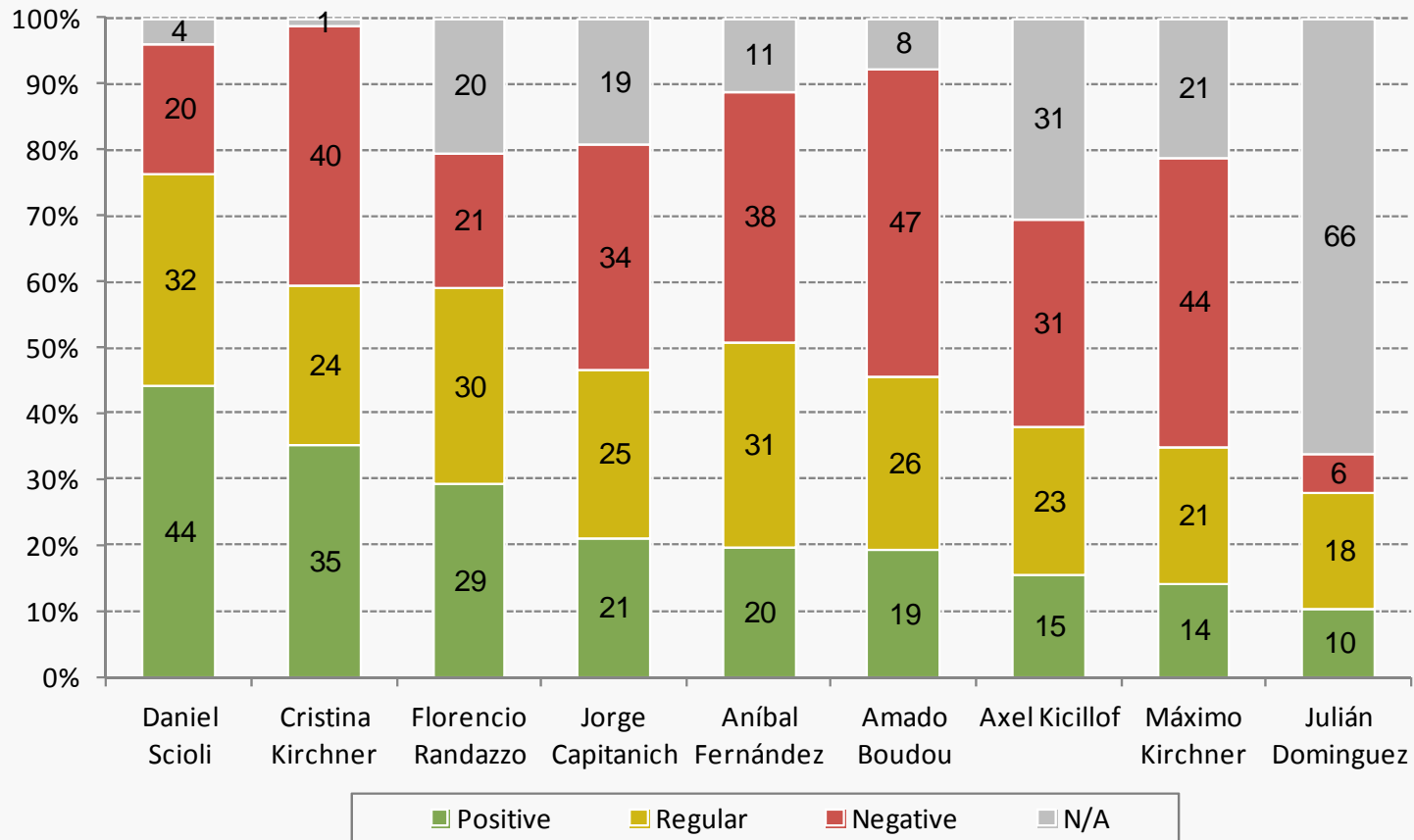
Guided Response

“If the Presidential Elections were held today, who would you vote for from the following candidates?”



Source: Poliarquía Consultores.

The Image of the Main K Leaders

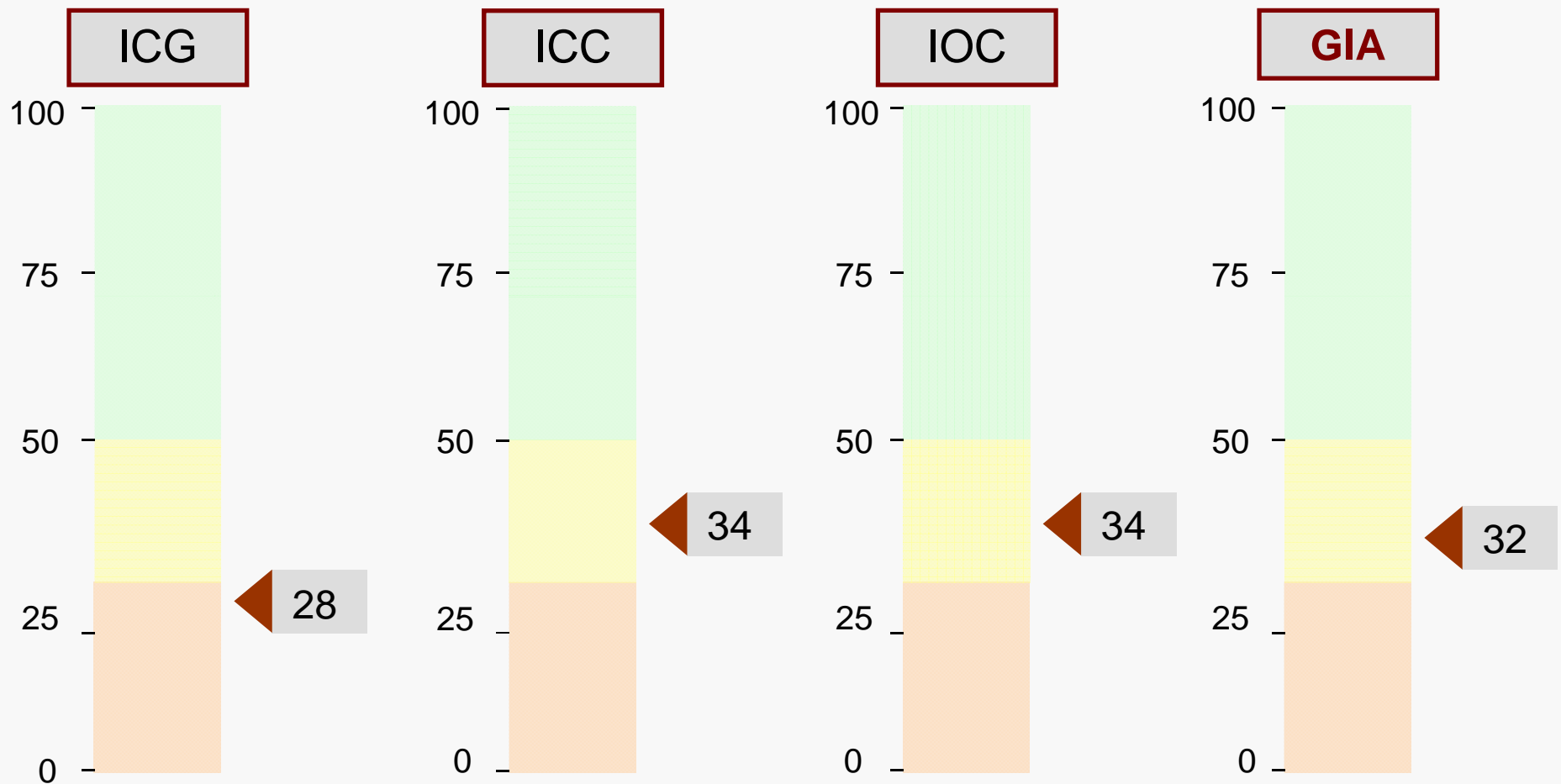


Source: Poliarquía Consultores.

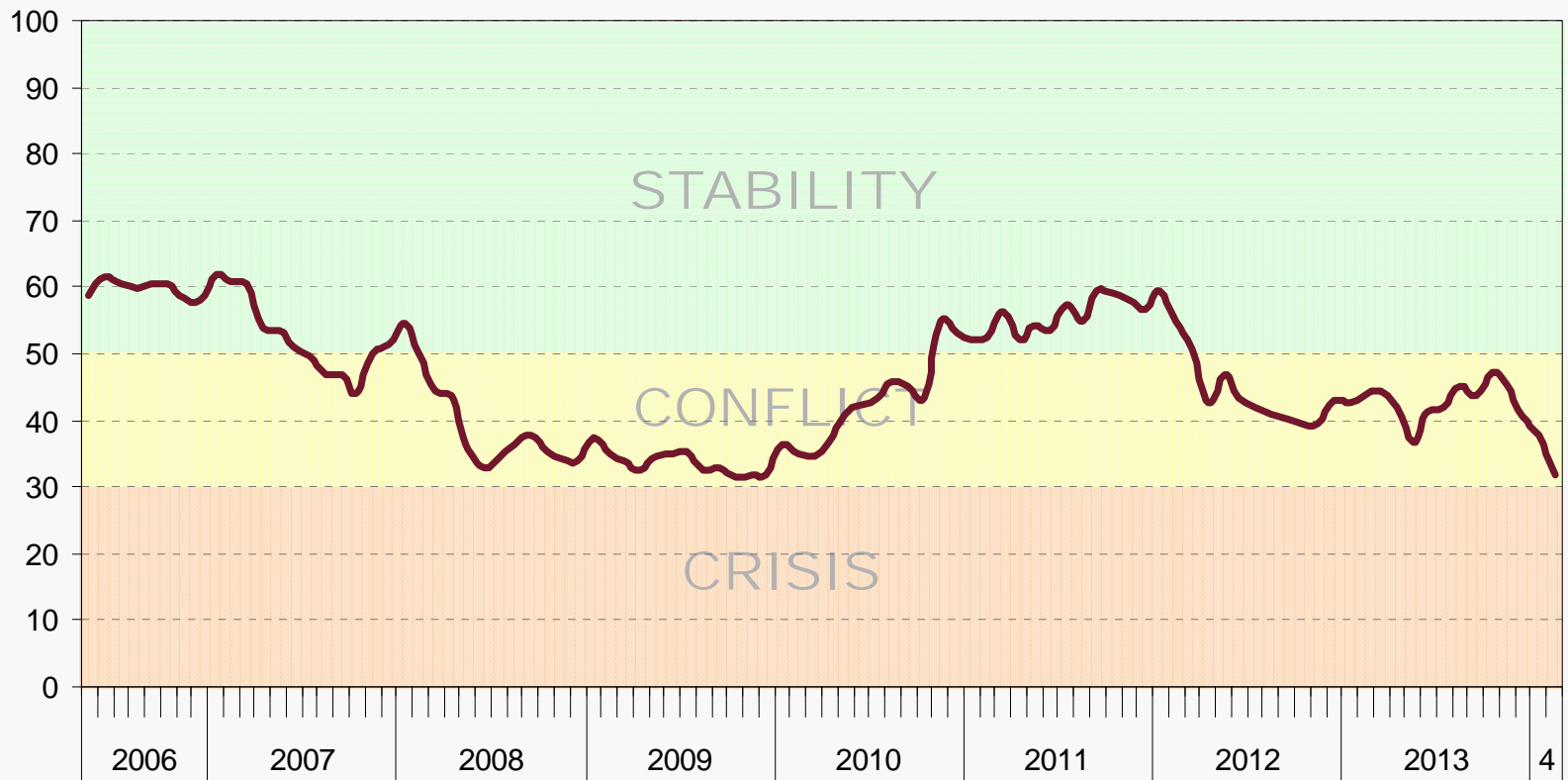
V. Final Comments

Global Stability Index of Argentina -GIA-

The GIA reflects the social climate and is constructed from three indicators ...



Close to a Crisis, but not there yet



Source: Poliarquía Consultores.

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