



## Argentina: The Growing Role in Foreign Affairs

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Although foreign policy is the responsibility of the central government, Argentine provinces have become increasingly active in international relations and policy over the last few decades. This activism manifests itself both in the form of formal, informal or *ad hoc* participation in the national foreign policy making process and in direct international action.

This increasing activism is a result of local and global factors. When Argentina returned to democracy in 1983, the renewed practice of federalism seemed to promote decentralization. However, various issues such as periods of hyper-inflation, a military rebellion and multiple labour strikes deferred the substantial transformations that were later embraced in the reformed National Constitution of 1994.

Constitutional reform in 1994 created the opportunity to rethink participation in international relations and global forums. Article 124 of the Constitution empowers provinces to create regions for economic and social development and to sign international agreements. According to

Article 124, international agreements should not be incompatible with national foreign policy or affect either the powers delegated to the federal government or the public credit of the Nation, since the Argentine state as a whole is considered to be responsible for every international agreement. This reform raised a controversial and as yet unsolved question: *to what extent and how* should the federal government control the action of the provinces in the international arena so as to avoid contradictions and incompatibilities between national foreign policy and provincial international initiatives?

During the period of reform, many provinces began to include international issues in their agenda, in particular in matters related to trade, integration, and the use of natural resources. Their activism cannot be fully understood without considering regionalization and globalization. These forces often involve an unequal distribution of costs and benefits, as well as development opportunities, between different parts of the country. This effect created incentives for provinces to become involved in issues relating to their own economic well-being.

It is not a coincidence that Article 124 addresses both the establishment of regions and the ability to sign international agreements. Both clauses offer the possibility of leverage in international issues. Provinces are grouped, as a whole, into six regions: *Noreste Argentino*, *Noroeste Argentino*, *Nuevo Cuyo*, *Centro*, *Patagonia*, *Crecenea Litoral* and *Comahue*. Some of these, like *Crecenea Litoral* and *Nuevo Cuyo*, existed before the constitutional reform and include international issues in their foundational treaties. Others, such as *Region Centro*, had common institutions with competences over international issues. The degree of involvement in international affairs varies, but the common factor among the regions is the need to pool resources and gain “critical mass” to advance joint initiatives, increase international contacts and make demands on the central government.

Direct international intervention by Argentine provinces and regions encompasses various policy areas. The management of natural resources, like rivers, oil and gas basins, hydroelectric projects, eco-systems, etc., is one of them. Provincial authorities have reason to participate in negotiations between the national government and neighbouring countries over the exploitation of natural resources because they have ownership of natural resources. The bi-national mining project of Pascua-Lama, negotiated between Argentina and Chile with the direct involvement of the Province of San Juan, is a good example of this.

A second major area is infrastructure. Infrastructure projects are

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considered a fundamental tool for local and regional development, especially for those regions distant from Buenos Aires. Those provinces and regions have been asking the central government for cross-border infrastructure developments that would allow cheaper and more direct access to neighbouring countries. Building an earth transport matrix for bi-oceanic corridors uniting the Atlantic (Argentina) with the Pacific (Chile) is one of the top priorities. Another strategic aim, in particular for the Northern Region, is building roads to Bolivia and Paraguay – both partners in a macro-region of sub-national governments called *Zona de Integración Centro Oeste de América del Sur* (ZICOSUR).

International trade policy is also a traditional area of concern. The provinces have been struggling to have a say on general trade policy and on specific international negotiations with varying degrees of success. Overall, the more geographically-concentrated and horizontally-integrated the economic sector at stake in an international negotiation, the more provinces are able to contribute. This was the case in the sugar negotiations in the Southern Common Market (MERCOSUR), in which the Northern provinces had an active role.

Provinces' direct involvement in trade is concentrated mainly in trade promotion, such as participation in international fairs and the organization of trade missions. In general, these activities are coordinated by national agencies such as *Fundación Exportar*, the Ministry of Foreign Affairs and the *Consejo Federal de Inversiones* (CFI).

Although the Constitution assigns symmetrical status and authority to the provinces, the provinces show different capabilities and varying degrees of interest in conducting international relations. Three factors explain this variation. The first is politics and the continued will of provincial authorities to establish and maintain international ties. The second factor is geopolitics and involves issues that mainly affect border provinces. Argentina has 16 border provinces out of a total of 23. It borders on five countries – four of them unitary and one federal. Such geography puts complex matters like immigration, cross-border infrastructure plans, security and sanitary issues, fishing, and shared jurisdiction of rivers on the agendas of constituent units on both sides of the border. The last factor is economics. Overall, there is sound evidence which shows that the smaller and poorer the provinces, the less active they are in international affairs because of less-developed institutional structures and scarce material and human resources. There seems to be a gap between the forceful public speeches and declarations by provincial leaders pointing to the need for a more internationally-focused administration and the reality of the sparse resources allocated to make this happen. The working pattern seems to be, as a whole, that provinces with strong political will, international borders and economic resources show a more pronounced activism in international relations.