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# FROM INTERVENTIONISM TO SHOCK: ASSESING THE EFFECTIVENESS OF ARGENTINA'S ECONOMIC POLICIES (2003-2025)

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**ABSTRACT**

*Over the past two decades, Argentina has moved through a succession of radically opposed economic policy paradigms that have nonetheless failed to put an end to its recurrent macroeconomic instability. This persistence, common to governments of opposing ideological orientation, raises the question of whether its origin lies in the decisions of each administration or in the structural position the country occupies within the international economic order. This thesis analyses the effectiveness of the economic policies applied in Argentina between 2003 and 2025, reading them not as a sequence of domestic successes and failures but as successive attempts by a peripheral state to govern its economy from within the constraints of a subordinate position. It builds an integrated framework articulating Latin American Structuralism, Dependency Theory and Neoliberal Institutionalism, and employs it to analyse fifteen macroeconomic indicators across four administrations of opposing orientation, from Kirchnerist interventionism and Fernández's expansion to Macri's gradualism and Milei's shock therapy. The same external constraint, rooted in a commodity-export structure and enforced through external creditors and International Monetary Fund conditionality, operated as a binding limit on every administration regardless of its political project. Domestic policy determined the form instability took and how its costs were distributed, but not its recurrence, governed by a structural position no government managed to escape, it revealed the narrow margin of economic sovereignty available to a peripheral economy.*

**Keywords:** Argentina; external constraint; peripheral economy; IMF conditionality; commodity dependence; exchange rate.

**RESUMEN**

*Durante las dos últimas décadas, Argentina ha atravesado una sucesión de paradigmas de política económica radicalmente opuestos que, sin embargo, no han logrado poner fin a su recurrente inestabilidad macroeconómica. Esta recurrencia, común a gobiernos de ideologías opuestas, plantea la cuestión de si su origen reside en las decisiones de cada administración o en la posición estructural que el país ocupa dentro del orden económico internacional. Este trabajo analiza las políticas económicas aplicadas en Argentina entre 2003 y 2025, viendolas no como una sucesión de éxitos y fracasos domésticos, sino como los intentos de un Estado periférico de gobernar su economía desde las restricciones de una posición subordinada. Este trabajo, construye un marco integrado que articula el Estructuralismo Latinoamericano, la Teoría de la Dependencia y el Institucionalismo Neoliberal, y lo emplea para analizar quince indicadores macroeconómicos a lo largo de cuatro administraciones de orientaciones opuestas, desde el intervencionismo kirchnerista y la expansión de Fernández hasta el gradualismo de Macri y la terapia de choque de Milei. La misma restricción externa, arraigada en una estructura primario-exportadora e impuesta a través de los acreedores externos y de la condicionalidad del Fondo Monetario Internacional, operó como un límite vinculante para todas las administraciones, con independencia de su proyecto político. La política doméstica determinó la forma que adoptó la inestabilidad y cómo se distribuyeron sus costes, pero no su recurrencia, gobernada por una posición estructural de la que ningún gobierno consiguió escapar, lo que nos ha mostrado el estrecho margen de soberanía económica del que dispone una economía periférica como Argentina*

**Palabras Clave:** Argentina; restricción externa; economía periférica; condicionalidad del FMI; dependencia de materias primas; tipo de cambio.

| Glossary of Abbreviations | |
|---|---|
| **ARS** | Argentine Peso (Peso Argentino) |
| **BCRA** | Banco Central de la República Argentina |
| **ECLAC** | Economic Commission for Latin American and the Caribbean |
| **EMBI** | Emerging Markets Bond Index |
| **FDI** | Foreign Direct Investment |
| **FRED** | Federal Reserve Economic Data |
| **GDP** | Gross Domestic Product |
| **GNI** | Gross National Income |
| **IMF** | International Monetary Fund |
| **INDEC** | Instituto Nacional De Estadistica |
| **IPE** | International Political Economy |
| **ISI** | Import Substitution Industrialization |
| **IR** | International Relations |
| **ILO** | International Labour Organization |
| **SAPS** | Structural Adjustment Programmes |
| **USD** | United States Dollar |
| **WDI** | World Development Indicators |

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**Chapter One**

# 1 Introduction

Few countries have moved as abruptly, or as often, between opposing economic models as Argentina has over the past two decades, where policy reversals have become so frequent as to become a typical feature of its political economy rather than an exception (Di Tella et al., 2018). A country that began the century emerging from the largest sovereign default recorded at the time has since moved from the state-led interventionism of the Kirchner governments to Macri's market liberalisation, back to the state intervention of Fernández, and recently to the radical shock therapy of Milei, one of the most drastic stabilisation programmes attempted in the contemporary world (Pollock, 2021).

Since the 2001-2002 crisis, which produced a sovereign default of approximately US$132 billion and an economic contraction that left nearly half the population below the poverty line, Argentina's economic trajectory has been affected by its relationship with international creditors, the International Monetary Fund (IMF) and volatile global capital flows, raising fundamental questions about economic sovereignty and the distribution of power in the global economy (Pollock, 2021). Following the crisis, the Kirchner administrations (2003-2015) pursued a form of state intervention combining a competitive real exchange rate, redistribution and the cancellation of Argentina's entire debt with the IMF in 2006 (Wylde, 2011). On the back of this strategy, the economy rebounded quickly, expanding at an annual rate of 8.4 per cent between 2003 and 2008. Once the favourable international conditions subsequently faded, the model ran into fresh balance-of-payments pressure, alongside fiscal deficits and accelerating inflation (Wainer, 2018).

The election of Mauricio Macri in 2015 marked a new path towards reintegration into the global financial system, pursued through a gradualist, market-oriented approach centred on fiscal adjustment, inflation targeting and renewed access to external borrowing (Morales, 2021). Under this strategy, international creditors, bondholders and IMF conditionality acquired a growing influence over domestic policymaking, a process that culminated in the $57 billion agreement with the Fund in 2018, the largest in its history (Rodríguez Martínez, 2023). Under Alberto Fernández (2019-2023), Argentina shifted once again toward a state interventionist framework, expanding public spending and monetary issuance, partly in response to the COVID-19 pandemic. These measures aimed to preserve social stability in a context of severe external shocks, including the pandemic, the disruption of global energy markets and a historic drought. (Fair, 2024).

The current administration of Javier Milei (2023-present) represents a radical rupture with previous models, embracing shock therapy through immediate fiscal adjustment, strict monetary contraction and deregulation. This approach reflects an explicit alignment with orthodox international economic governance and raises questions about the social and political costs of restoring credibility in global markets, particularly given that the three preceding neoliberal experiences in Argentina shared the same elements of austerity, structural reform and external financing (Cantamutto & Manzo, 2024).

## 1.1 Problem Statement and Research Gap

Argentina's chronic macroeconomic instability represents one of the most analytically compelling puzzles in contemporary International Political Economy. Since 2003, four successive administrations have each proclaimed a decisive rupture with their predecessor's failures, from Kirchnerist state-led developmentalism and Fernández's expansionary nationalism, to Macri's market liberalisation and Milei's radical shock therapy, yet cycles of crisis, external constraint and policy reversal have persisted across all of them (Cantamutto & Manzo, 2024). This continuity of instability across radically different domestic political projects raises a question that is fundamentally international in nature: to what extent can a peripheral state exercise genuine economic sovereignty when embedded in a global financial architecture it did not design and cannot unilaterally reshape?

Despite the breadth of scholarship on Argentina, the existing literature has yet to address this question in a longitudinally integrated and IR-centred manner. Studies of individual administrations tend to remain anchored in economics or domestic political analysis, examining Kirchnerism through the lens of redistributive developmentalism (Wylde, 2011), or the Macri period through the logic of market credibility and gradualism (Sturzenegger, 2019), without situating these episodes within a continuous structural dynamic shaped by Argentina's subordinate position in the international economic order. Crucially, the disciplining role of external actors, the IMF, international bondholders and global capital markets, is routinely treated as contextual background rather than as a primary explanatory variable conditioning the range of policy choices available to national governments (Kaltenbrunner & Painceira, 2017).

This marginalisation of the international dimension reflects a broader gap in the IR literature itself. Debates on economic sovereignty, dependency and the autonomy of peripheral states have rarely been tested against a sustained, multi-administration case study that traces how differently oriented governments repeatedly encounter the same external constraints. Argentina between 2003 and 2025 offers precisely such a case, yet no existing study connects these four administrations within a single analytical trajectory that places the tension between national political projects and international financial power at its centre.

This thesis addresses that gap directly. Rather than treating Argentina's economic cycles as a sequence of domestic policy failures or successes, it analyses them as a continuous interchange between competing political strategies and the structural constraints imposed by the country's integration into an asymmetric global financial system. In doing so, it brings the Argentine case into dialogue with core IR debates on sovereignty, dependency and the disciplining power of international financial institutions, contributing a longitudinal, internationally grounded perspective that the existing literature has not yet provided.

### 1.2 Justification and Relevance

This thesis integrates macroeconomic data with a theoretical framework drawn from three complementary IPE traditions which will be further explained in Chapter 2. As such, we examine how domestic economic strategies are influenced by Argentina's position within the international economic order and hence by the institutional mechanisms of international financial governance.

From an empirical standpoint, Argentina constitutes a relevant case for analysing the interaction between domestic economic models and international pressures. Recurrent debt negotiations with the IMF, exposure to volatile capital flows and dependence on external financing raise fundamental questions about the constraints facing peripheral economies attempting to reconcile domestic political objectives with the demands of an increasingly integrated and hierarchical international financial system (Kaltenbrunner & Painceira, 2017). Analytically, this thesis contributes to debates on the relationship between structural position, economic governance and external constraint.

The Argentine case allows the three traditions that compose this framework to be examined against a single empirical record. Latin American Structuralism locates instability in the external constraint of a commodity-export economy (Bracarense, 2016); Dependency Theory concerns the way peripheral economies remain subordinate to external capital and finance (Ghosh, 2019); and Neoliberal Institutionalism examines how international financial institutions condition domestic policy (Dreher et al., 2015). Argentina's repeated shifts between interventionist and liberal paradigms offer a setting in which to study how these three mechanisms behave across changes of government. Integrating the traditions into a single framework and applying it to twenty-two-year record spanning four administrations is the principal analytical contribution of this thesis.

### 1.3 Research Question

This thesis seeks to answer *to what extent does Argentina's structural position in the international political economy constrains the policy autonomy of successive governments, and how have administrations of opposing orientations operated within or against those constraints across four economic paradigms between 2003 and 2025?*

### 1.4 Objectives

The broad objective of this thesis is to analyse the evolution of Argentina's economic models between 2003 and 2025 to assess how shifts between interventionist, gradualist and shock-based strategies influence macroeconomic performance and conditioned the country's position within the international economic system. Thus, this thesis tries to achieve this broad objective in the following specific objectives:

i. to examine the structural position and external constraint facing each administration through analysis of trade performance, commodity dependence, external debt dynamics, capital flow patterns and reserve accumulation across the four government periods.
ii. to assess the degree of policy autonomy retained by each administration relative to international financial governance, analysing how fiscal and monetary choices determined the scope for autonomous policymaking and how the policy trilemma constrained available options.
iii. to evaluate the social outcomes produced by each paradigm through analysis of growth, inequality, unemployment and poverty indicators.

## 1.5 Methodology

This thesis adopts a qualitative, longitudinal case study design, supported by quantitative macroeconomic indicators, centred on a single country, Argentina, observed across four successive administrations between 2003 and 2025. The choice of a single case allows the structural and international context to be held constant while the economic paradigm varies, so that the relationship between policy orientation and macroeconomic outcome can be examined across governments that pursued sharply different strategies.

The empirical analysis is built on a dataset of macroeconomic and institutional indicators compiled from primary institutional sources, including the World Bank, the International Monetary Fund, INDEC and the Banco Central de la República Argentina. These indicators are organised around three analytical dimensions, namely the structural position and external constraint, the autonomy of domestic economic policy, and the effectiveness of each administration in managing them. The research design, case selection, choice of indicators and methodological limitations are developed in full in Chapter 3.

In short, this thesis develops an analysis of four administrations with a structural interpretation of macroeconomic data, applying a single integrated framework to a twenty-two-year record. This approach makes it possible to distinguish what each government decided from what its structural position allowed, which is the central concern of the analysis that follows. A fuller account of the research design, case selection and indicators is provided in Chapter 3.

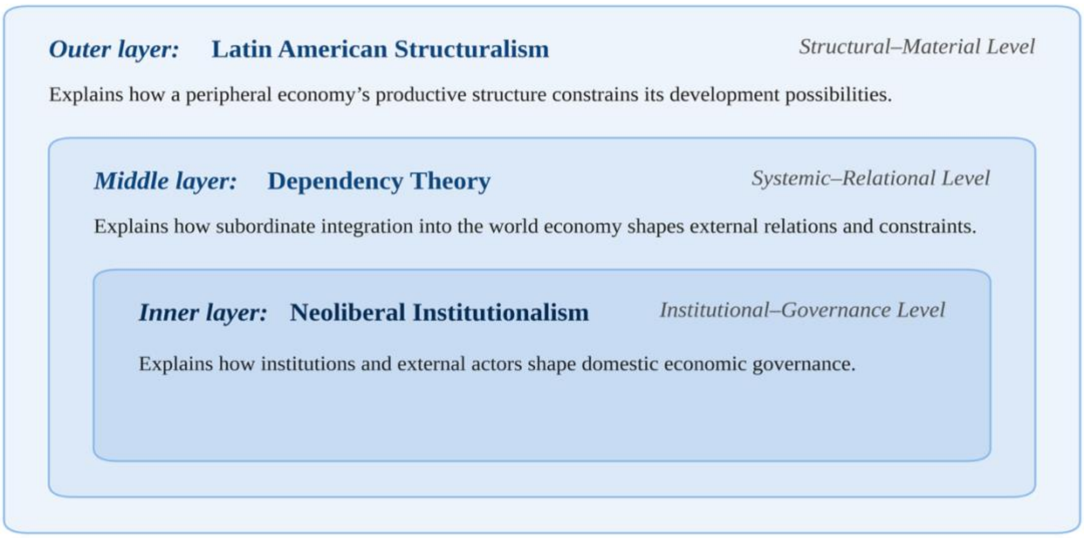
**Chapter Two**

# 2 Theoretical and Conceptual Framework

This chapter provides the theoretical framework for analysing Argentina's economic policy cycles between 2003 and 2025. As it was introduced previously, the analysis draws upon three complementary traditions within International Relations and International Political Economy: Latin American Structuralism, Dependency Theory, and Neoliberal Institutionalism. Rather than treating these as competing paradigms offering mutually exclusive explanations, the framework will used them as interconnected analytical tools that explain different dimensions of Argentina's position in the international economic order.

As Figure 1 illustrates, these operate as nested analytical layers. Latin American Structuralism captures the material foundations of Argentina's peripheral insertion, commodity-dependent exports, a weak industrial base and recurrent stop-go cycles (Woźniak, 2014). Dependency Theory reveals how that structural position is reproduced internally rather than imposed from outside, through external debt, profit repatriation by foreign firms and technology dependence (Ghosh, 2019). Neoliberal Institutionalism identifies the governance mechanisms, IMF conditionality and creditor discipline, through which the external constraint becomes concrete limits on domestic policy (Dreher et al., 2015). It is their combination, not any one alone, that links Argentina's productive structure, the domestic reproduction of dependency and the external discipline of financial governance within a single framework.

*Figure 1: Integrated Theoretical Framework Applied to Argentina.*




*Source: Own Elaboration*

## 2.1 Theoretical Framework

### *2.1.1 From Structural Constraint to Dependency Theory*

The IPE traditions on which this thesis draws emerged because of the failure of classical and neoclassical economics to explain the persistent underdevelopment of peripheral economies such as Argentina. Woźniak (2014) traces this reaction back to the nineteenth-century Argentine economic debate, showing that critics already questioned the orthodox doctrine of free trade and comparative advantage, and nationalist and protectionist arguments that would later anticipate the centre-periphery and dependency theories of the twentieth century.

The Economic Commission for Latin America and the Caribbean (ECLAC), established in 1948, became the institutional base for this approach. Based on his experience as director of Argentina's Central Bank in the 1930s, Raúl Prebisch developed a framework built on the asymmetry between industrialised and primary-producing economies, observing that the international economy systematically transferred wealth from periphery to centre rather than converging toward equilibrium (Bracarense, 2016). The framework rested on a centre-periphery distinction, the centre comprised diversified, technologically dynamic economies, while the periphery consisted of primary-commodity exporters whose production was oriented toward external demand rather than domestic development, a division Prebisch held to be self-reinforcing rather than transitional (Prebisch, 1950). Its mechanism was the deterioration of the terms of trade, demand for manufactures grew faster than for primary goods, technological gains in the centre were retained as higher incomes rather than passed on as lower prices, and competition among peripheral producers pushed commodity prices down, so the periphery had to export greater volumes to import the same manufactures, transferring value away with each exchange (Gosh, 2019).

Consequently, ECLAC's diagnosis led to policy prescriptions centred on import substitution industrialisation (ISI) and state-led development. If international trade systematically disadvantaged primary exporters, peripheral economies should reduce their dependence on such trade by developing domestic manufacturing capacity through deliberate state intervention, including protective tariffs, subsidised credit for industry, public investment in infrastructure, and exchange rate management (Bracarense, 2016). Argentina adopted ISI as its central development strategy, particularly under Peronism from 1946 onwards, transforming an economy historically dependent on agricultural exports into a diversified industrial structure (Woźniak, 2014). As Ormaechea (2021) argues, import substitution industrialisation achieved genuine industrial growth but did not remove the external constraint, it merely displaced it, since domestic manufacturing now depended on imported machinery and intermediate inputs, so the foreign exchange needed to keep industry running still had to be earned through primary exports.

Hence, expansion raised demand for imported inputs faster than exports could fund them, pushing the balance of payments into deficit and forcing contraction until external accounts recovered, only for the cycle to restart, a recurring oscillation between growth and adjustment that became a defining feature of Argentine macroeconomics in the cyclical stop-and-go pattern described by Wainer (2018). On the other side, by the 1960s, the limits of structuralist analysis had become apparent, ECLAC economists had diagnosed the symptoms of peripheral underdevelopment but had not fully explained why these patterns persisted despite decades of industrialisation (Ferrer, 2012). Answering that question required moving beyond the structuralist account, towards a tradition that located the causes of persistence not only outside the periphery but within its own economic structures.

### *2.1.2 Centre-Periphery Dynamics and the Reproduction of Underdevelopment*

Dependency Theory took up precisely this question, retaining the centre-periphery divide identified by structuralism while shifting the explanation of underdevelopment from the external trade relation towards the internal structures that reproduce it. It accepted the centre-periphery divide identified by structuralism but diverged from it on a fundamental point (Woźniak, 2014). Structuralism treated underdevelopment as a stage the periphery could overcome through import-substituting industrialisation, tariff protection for infant industries, state-directed investment and industrial promotion aimed at diversifying the productive structure (Halperin-Donghi, 1982). As Ghosh (2019) explains, the development of the centre and the underdevelopment of the periphery are produced by one and the same process, so that underdevelopment is not a phase to be left behind but a structural condition continuously reproduced through the mechanisms that bind periphery to centre, unequal trade, the repatriation of profits by foreign firms, external debt and technological dependence. As a result, the subordinate position of economies like

Argentina is thus not corrected by deeper trade and integration with richer economies but sustained by them.

The significance of these channels is that they persist regardless of which economic model is in power, since a government may open or close the capital account raise or lower tariffs, and court of confront international creditors, yet it still operates within a productive structure that continues to depend on foreign technology, foreign capital and commodity exports (Wainer, 2018)  Each time the balance of payments has tightened, Argentine governments of opposing orientations have returned to the International Monetary Fund, accepting its conditions as the price of external financing regardless of the economic programme they had promised (Torres, 2005). Hence, Dependency Theory treats the external constraint not as a problem that better policy can solve but as a structural feature of peripheral insertion, an argument this thesis tests against the empirical record of four contrasting administrations.

Beyond these specific channels, Dependency Theory carried a broader implication, that economic sovereignty in the periphery is always partial, since a country whose growth depends on commodity prices, foreign capital and external credit cannot fully determine its own economic policy when the conditions that make growth possible are set beyond its borders (Ellner, 2024). The Latin American debt crisis of the 1980s is the can be used to illustrate this statement, since a sharp rise in United States interest rates, a decision taken in Washington for domestic American reasons, abruptly raised the cost of servicing the region's debt and pushed Argentina, like its neighbours, into a prolonged crisis it had little capacity to avoid (Parodi Trece, 2015). Such episodes show how decisions taken in the financial centres, whether a rise in global interest rates, a shift in commodity demand or a change in investor sentiment, are transmitted asymmetrically to the periphery as constraints on what its governments can do, regardless of their political mandate (Ghosh, 2019).

Unable to service their debts or borrow on commercial terms, the indebted countries turned to the International Monetary Fund and the World Bank, whose assistance took the form of Structural Adjustment Programmes (SAPs) (Parodi Trece, 2015). These programmes made new lending conditional on a standardised package of reforms, namely trade liberalisation, financial deregulation, privatisation of state enterprises and fiscal retrenchment (Torres, 2005). The stringency of the conditions attached to the SAPs, often reflected the bargaining power of the Fund's major shareholders as much as the economic needs of the borrower (Dreher et al., 2015). For peripheral economies, the SAPs meant that the response to a crisis triggered by external forces was designed and supervised from outside, transferring key decisions over domestic policy to international creditors and constraining the room for manoeuvre of the national state (Ferrer, 2012). Rather than restoring autonomy, the structural adjustment that followed the debt crisis institutionalised its loss, embedding external conditionality as a lasting feature of policymaking in the region (Ormaechea, 2021). It was precisely this accumulated weight of external constraints, resulting in the debt crisis and the adjustment that followed, that exhausted the existing development model and opened the way for the profound institutional transformation examined in the following section.

### *2.1.3 The Neoliberal Turn and Institutional Reconfiguration*

The transformation did not arrive as a single event but unfolded gradually over more than two decades. Its origins lay in the 1976 military dictatorship, which first dismantled the state-led developmental model by force, before the framework was consolidated under democratic rule in the 1990s (Ferrer, 2012). Drawing on Cantamutto and Manzo (2024), what had begun as an imposition thus became the dominant economic paradigm. This shift was sustained by a particular reading of the crisis in which the developmental state itself, rather than the external conditions surrounding its collapse, was blamed for the breakdown, and the hardships of the previous decade were recast as evidence against state intervention as such. That interpretation legitimised the extension of market reforms. In the process, the relationship between the state, capital and international finance was reconfigured, binding domestic policy ever more closely to the discipline of external creditors.

As Wainer (2018) shows, this reconfiguration reached its fullest expression during the Convertibility period (1991-2001). The currency board pegged the peso to the dollar, surrendering control over exchange rate and monetary policy and severely restricting fiscal margins, while privatisation, trade liberalisation and financial deregulation opened the economy to international markets. The model produced price stability and attracted capital inflows in the short term, but at the cost of an extreme dependence on those inflows to sustain itself, reorienting the economy around financial rather than productive dynamics.

Beyond its monetary architecture, the neoliberal model reshaped the Argentine economy in lasting ways, as privatisation and deregulation concentrated production in fewer and increasingly foreign-owned hands while profits were channelled into financial speculation rather than productive investment, in what has been described as a model of financial valorisation (Fair, 2024). The industrial fabric built under ISI contracted, the economy stayed specialised in primary exports, and its productive base grew more concentrated and more heavily foreign-owned. These were not incidental side effects but the structural legacy of the model, one that limited the developmental options of every government that followed (Ferrer, 2012).

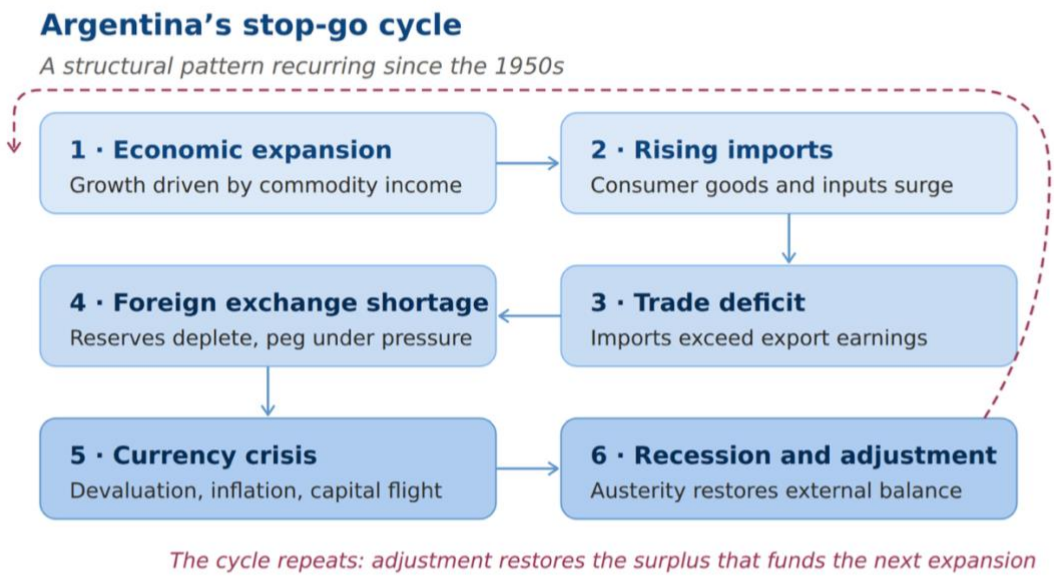
The outcome confirmed the limits of the model on its own terms. Rather than diversifying the economy, neoliberal restructuring deepened its specialisation in primary resources and low value-added manufactures, deindustrialised the productive base and worsened social indicators, until the accumulated tensions broke in the 2001 collapse that discredited the model and opened the way for the Kirchner turn (Ormaechea, 2021).

#### *2.1.4 The Integrated Framework*

The three traditions developed in this chapter are not alternative explanations but complementary levels of a single analysis. Structuralism accounts for the structural-material level, the productive base and the centre-periphery asymmetry that fixes Argentina's position in the international division of labour (Bracarense, 2016). Dependency theory addresses the systemic-relational level, the mechanisms that reproduce that peripheral position through the country's subordinate integration into the world economy (Ghosh, 2019). Neoliberal institutionalism captures the institutional-governance level, the channels through which external discipline operates on domestic policy (Dreher et al., 2015). Their value lies in combination, each account for a constraint the others leave unexplained.

As Figure 2 illustrates, these three levels converge in the stop-go dynamic that has characterised Argentine political economy since the 1950s. Economic expansion raises import demand and erodes the trade surplus, generating a foreign exchange shortfall that triggers currency crisis, external adjustment and recession, after which the cycle repeats. Analysing this recurring pattern through the integrated framework shifts the analytical focus away from judging each administration in isolation and toward examining how the same structural constraint has shaped and limited the range of viable policy responses throughout the 2003-2025 period. It is this framework that Chapter 4 applies to the record of the four administrations.

*Figure 2: The External Constraint Cycle in Argentine Political Economy. Own Elaboration*




*Source: Wainer (2018).*

## 2.2 Conceptual Framework

The three traditions examined above converge on a set of analytical concepts that structure the empirical analysis of this thesis. The following concepts capture the specific mechanisms through which Argentina's structural position translates into specific limits on economic policy, and each is defined in relation to the framework and to its relevance Two of them require particular attention, because they operate as the points where the three traditions meet and where the external constraint becomes operative for a peripheral economy. The first is IMF conditionality, through which the institutional enforcement of the external constraint takes concrete form (Dreher et al., 2015); the second is the policy trilemma, which specifies the monetary and financial terms on which a peripheral economy integrates into global markets (Kaltenbrunner & Painceira, 2017). Examining these two concepts in turn establishes the analytical vocabulary with which the four administrations are assessed in Chapter 4.

### *2.2.1 IMF Conditionality as the Nexus of Theory and Practice*

The IMF's role in Argentina illustrates how international financial governance disciplines peripheral policymaking, and that discipline tightens or loosens with the country's external accounts (Torres, 2005). As Cantamutto and Manzo (2024) observe, as long as a country runs surpluses and accumulates reserves it can keep the Fund at a distance and set policy without its oversight, whereas once deficits wides and reserves are depleted external financing becomes inevitable and the Fund returns as lender of last resort, attaching the fiscal and monetary conditions that accompany its loans. The institution's leverage is therefore not constant but rises precisely when a peripheral economy is at its most vulnerable point.

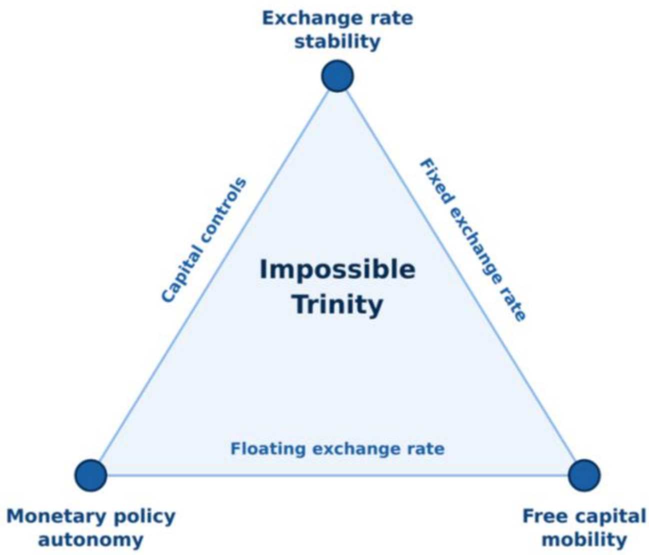
Since the last military dictatorship of 1976-1983, external debt has been a permanent feature of Argentine macroeconomics, shaping the room for manoeuvre available to every government regardless of its political colour (Cantamutto & Manzo, 2024). The pattern has tended to repeat, periods of external borrowing expand the resources a government can deploy in the short term, but the resulting obligations eventually outgrow the economy's capacity to service them, and the search for refinancing brings the country back to its creditors on terms it does not set (Ferrer, 2012). At that point the conditions attached to new lending, namely fiscal adjustment, structural reform and the liberalisation of markets, reshape domestic policy from outside (Torres, 2005). What the theoretical framework captures, therefore, is not a series of isolated crises but a recurring structural relationship between Argentina and the institutions of international financial governance. The country's successive defaults and debt crises are best understood not as discrete episodes but as one continuous history driven by the same relationship of dependency, each cycle of borrowing, crisis and conditionality has differed in its details, in the speed of adjustment, the depth of reform and the political rhetoric that accompanied it, but the underlying logic has remained the same (Pollock, 2021).

### *2.2.2 The Impossible Trinity and Structural Discipline*

The "Impossible Trinity" or policy trilemma captures a trade-off in macroeconomics. A country cannot simultaneously achieve monetary policy independence, exchange rate stability, and free capital mobility, since at most two of these goals can be pursued while the third must be sacrificed, a constraint that is not a policy choice but an economic identity, so that under fixed exchange rates with capital mobility any attempt to pursue independent monetary policy triggers capital flows that undermine the peg (Aizenman, 2010). As Kaltenbrunner & Painceira (2017) notes, Argentina exemplified this trilemma during the 1990s, when its currency board combined exchange rate stability with financial integration at the cost of monetary independence. The framework thus shows the tension inherent to Argentine economic policy; every configuration of these three objectives carries a cost. A government may anchor the exchange rate and open the capital account, as under the Convertibility regime, but only by surrendering monetary autonomy, It may reclaim that autonomy, but only by restricting capital movements or letting the currency float. There is no combination that escapes the trade-off, and each choice exposes the economy to a different form of vulnerability.

As shown below, Figure 3 maps the trilemma configuration adopted by each administration. The Convertibility regime and the early Milei proposal cluster around exchange rate stability and capital openness at the cost of monetary autonomy, while the Kirchner and Fernández administrations occupy the opposite vertex, prioritising monetary independence and managed exchange rates at the cost of restricting capital mobility. The Macri administration's trajectory, from inflation targeting with a floating rate toward currency crisis, illustrates the instability of intermediate positions (Kaltenbrunner & Painceira, 2017).

*Figure 3: The Impossible Trinity in Argentine Economic Policy. Own Elaboration*




*Source: (Kaltenbrunner & Painceira, 2017)*

For peripheral economies like Argentina, the trilemma operates within an additional layer of constraint. Beyond the trade-off between the three objectives, developing countries face structural limits on their monetary autonomy that arise from their subordinate position in the international monetary hierarchy. The dominance of the US dollar, the denomination of external debt in a currency the central bank cannot issue, and the volatility of capital flows all condition policy regardless of which configuration a government formally chooses (Kaltenbrunner & Painceira, 2017). The trilemma hence operates for Argentina not as a free choice between three options but as a constrained one, in which the country's structural position shapes the costs of every configuration. It is precisely this interaction between the trilemma and Argentina's peripheral position that the analysis examines across the four administrations. Together with IMF conditionality, the trilemma completes the set of concepts through which the three traditions converge on the Argentine case, what remains is to define the core analytical terms that give these traditions their operative content in the chapters that follow.

### *2.2.3 Core Analytical Concepts*

The concepts defined below make up the analytical vocabulary applied throughout this thesis. Each is set out in relation to the tradition from which it derives and to its significance for the Argentine case, moving from the broad policy paradigms that characterise each period to the structural concepts that cut across them.

*Interventionism* refers to an economic model based on active state participation in the economy, including price and wage regulation, protection of domestic industry, capital controls and public investment. It draws on the structuralist view that markets alone cannot overcome the disadvantages facing peripheral economies (Bracarense, 2016). In Argentina, it has historically sought to manage the external constraint by controlling foreign exchange, taxing primary exports and channelling resources toward industry and redistribution (Wainer, 2018).

*Liberalisation* represents the opposing pole: the reduction of state intervention through trade and financial opening, deregulation and privatisation. Its justification rests on the neoclassical premise that market-determined prices allocate resources more efficiently than state planning, and that integration into global markets generates gains through competition and capital inflows. In Argentina, however, each episode of liberalisation has opened the economy to foreign competition without resolving its underlying structural constraints, producing financial vulnerability, deindustrialisation and eventual crisis when the external sector could no longer sustain the capital inflows on which the model depended (Ferrer, 2012).

*Shock therapy* refers to the rapid, simultaneous implementation of comprehensive reforms: immediate price liberalisation, tight monetary policy, fiscal austerity and capital account opening. Its logic stresses the interdependence of reforms, since partial implementation is held to create distortions worse than the original problems, so the full package is introduced at once. Critics argue that it prioritises the restoration of creditor confidence over domestic stability, imposing severe and concentrated adjustment costs (Marangos, 2002). In the Argentine case, the concept describes the policy orientation of the Milei administration.

*Gradualism* represents the alternative approach, emphasising the sequenced implementation of reforms to allow institutional adaptation and minimise disruption. Rather than imposing the full cost of adjustment at once, it spreads reforms over time, financing the transition through external borrowing while preserving political viability. The Macri administration exemplified this approach, pursuing slow fiscal consolidation while seeking to avoid the costs of radical adjustment. Gradualism carries its own risks, however, since sustained deficits require continuous access to external financing, and any interruption in capital flows can force the abrupt shift toward the very shock adjustment it was designed to avoid (Fair, 2024).

*Macroeconomic Stability* refers to a sustainable configuration of key variables: low and stable inflation, manageable fiscal balances, sustainable external accounts and steady growth. Argentina's persistent inability to achieve these simultaneously is the central empirical puzzle of this thesis. Each paradigm is assessed against these dimensions to determine whether stability was genuinely achieved or merely displaced from one variable to another, for instance achieving fiscal balance at the cost of recession or sustaining growth at the cost of accelerating inflation.

*External Debt* is understood not merely as an economic variable but as a power relationship, in which creditors impose conditions on debtors and the threat of exclusion from capital markets disciplines policy. The concept directs attention to a sequence the analysis will test borrowing expands a government's short-term room for manoeuvre but generates future obligations that narrow it, eventually forcing the acceptance of conditionality in exchange for refinancing (Cantamutto & Manzo, 2024).

*External Constraint* refers to the recurrent balance of payments pressure that arises when an economy cannot generate enough foreign exchange to cover imports, debt service and capital outflows. In Argentina this is not a temporary disequilibrium but a structural feature of a peripheral economy whose exports remain concentrated in primary commodities while its industry depends on imported technology and inputs. Every expansion raises import demand and diverts exportable production to the domestic market, eventually triggering the current account deficits that force contractionary adjustment. It is the point where the structural, systemic and institutional levels of the framework converge in a single observable dynamic (Wainer, 2018).

*Economic Sovereignty* refers to the capacity of a government to pursue economic policies aligned with domestically defined objectives rather than externally imposed requirements. The concept bridges dependency theory's concern with autonomous development and neoliberal institutionalism's focus on conditionality. In the analysis, it is assessed through the degree of IMF conditionality accepted, the trilemma configuration adopted, and the extent of autonomous fiscal and monetary decision-making retained. It captures a spectrum rather than a binary: no Argentine government in the period achieved full sovereignty, but the degree of constraint varied with the policy paradigm and the external conditions prevailing at the time (Dreher et al., 2015).

## 2.3 Hypothesis Development and Expected Theoretical Contribution

The interaction between the external constraint identified by Latin American Structuralism, the subordination analysed by Dependency Theory and the conditionality examined by Neoliberal Institutionalism gives rise to four testable propositions about the relationship between domestic policy choice and macroeconomic outcomes.

Latin American Structuralism holds that peripheral economies confront systematic balance of payments pressures rooted in the composition of their productive structure. Because Argentina depends on primary commodities to earn the foreign exchange its industrial and consumption needs require, periods of growth tend to generate trade and current account pressures that eventually force adjustment. This constraint operates as a structural limit independent of whether a government pursues expansion through domestic demand or through the attraction of foreign capital (Wainer, 2018). This leads to the first hypothesis:

**H1:** Regardless of ideological orientation, all Argentine administrations between 2003 and 2025 faced binding external constraints that limited the sustainability of their economic models.

Dependency Theory emphasises the articulation of external and internal factors in shaping the trajectory of peripheral economies. On this view, a government's room for manoeuvre is set in part by conditions it does not control, namely global liquidity, commodity prices and investor sentiment. The same policy may therefore succeed under favourable external conditions and fail under adverse ones, which implies that the evaluation of any model must account for the international context in which it operated rather than attributing outcomes to domestic decisions alone (Cantamutto & Manzo, 2024). This leads to the second hypothesis:

**H2:** The effectiveness of each economic model was conditioned as much by the international financial environment and access to external financing as by domestic policy choices.

The Impossible Trinity and the political economy of IMF conditionality imply that governments face a structural trade-off between autonomy and integration. Prioritising monetary autonomy and a managed exchange rate requires restricting capital mobility and tends to accumulate internal imbalances, whereas prioritising integration and creditor confidence requires surrendering autonomy and exposes the economy to sudden reversals in capital flows. This trade-off is structural rather than a matter of competent execution, so that each strategy tends to purchase one form of stability at the price of another, a claim to be assessed against administrations operating at both ends of the spectrum (Kaltenbrunner & Painceira, 2017). This leads to the third hypothesis:

**H3:** Administrations that prioritised policy autonomy and those that prioritised international financial integration each confronted a distinct set of vulnerabilities, and neither configuration could be assumed in advance to reconcile autonomy and stability over time.

Both gradualism and shock therapy share the premise that the right sequence and speed of liberalisation can deliver stability. This hypothesis questions that premise, proposing that if instability has recurred under opposite reform tempos, the decisive variable may be the structural position of the economy rather than the design of the adjustment. Given that the most recent shock-based experience is still unfolding, the proposition is advanced as an open question, to be weighed against the evidence rather than treated as settled (Ferrer, 2012). This leads to the fourth hypothesis:

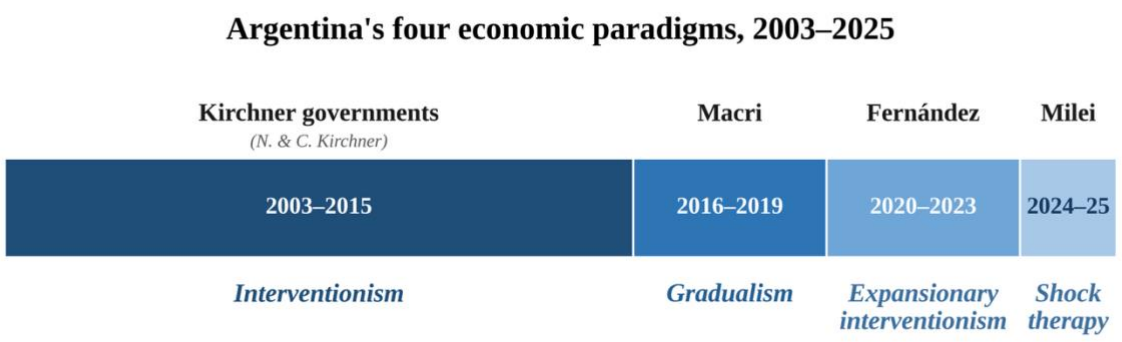
**H4:** The difficulty of achieving stable macroeconomic outcomes may lie less in the pace of reform than in structural constraints that neither gradualism nor shock therapy addresses.

## Chapter Three

# 3 Methodology

The research question proposed in Chapter 1 requires a design capable of distinguishing between two explanatory levels, Argentina's structural position within the international economic order, and the policy choices made by individual administrations within it. The approach achieves this by analysing the four administrations that governed Argentina between 2003 and 2025, summarised in Figure 4, which adopted radically different strategies, from interventionism to shock therapy, within the same country, the same productive structure and the same international insertion.

*Figure 4: Argentina`s Four Economic Paradigms, 2003-2025*




*Source: Own Elaboration*

The historical-structural methodology enables examination of how contemporary outcomes are shaped by historically constituted structures that no single administration created and none has managed to transform. Rather than treating each government's performance as the product of its own choices alone, this approach situates those choices within a productive structure and a pattern of external insertion inherited from earlier periods, whose origins lie well before the timeframe under study. The macroeconomic indicators are therefore read not as isolated results but as the surface expression of deeper structural relations that persist across changes of administration, allowing the analysis to distinguish what each government altered from what remained constant beneath the alternation of paradigms. The research proceeded through three sequential stages[1].

[1] Before establishing the three sequential stages, I reviewed the academic literature on Latin American Structuralism, Dependency Theory and Neoliberal Institutionalism, in order to construct the integrated theoretical framework developed in Chapter 2. The works consulted spanned development growth, International Political Economy and Argentine political economy. This review generated the three analytical dimensions and the four hypotheses that structure the empirical investigation

The first stage involved the identification and collection of macroeconomic data from primary institutional sources[2]. Argentine government databases: the Instituto Nacional de Estadística y Censos (INDEC), Banco Central de la República Argentina (BCRA) and the Ministerio de Economía, provided national-level fiscal, monetary and social indicators. International institutional databases, including the World Bank World Development Indicators, the IMF World Economic Outlook, the Federal Reserve Economic Data system (FRED), JP Morgan and Transparency International, provided internationally standardised indicators that enable cross-period comparability and address reliability concerns arising from the INDEC statistical intervention during 2014-2016.

The second stage involved the compilation, organisation and processing of the collected data into a single dataset of fifteen indicators covering the period 2003-2025, organised by analytical dimension and year. Percentage-based indicators were preferred where possible to enable meaningful comparison across periods characterised by large nominal variations. The dataset was used to generate the figures presented in the analysis, each including source attribution in its caption. The third stage involved the application of the integrated theoretical framework to the compiled dataset. Each indicator was examined across all four administrations through the lens of the three analytical dimensions, structural position and external constraint, policy autonomy and macroeconomic management, and cross-dimensional social outcomes, in order to identify patterns of continuity and rupture and to test the four hypotheses against the empirical evidence. The analysis interprets macroeconomic data not as autonomous economic phenomena but as expressions of Argentina's position within the international economic order and the institutional mechanisms through which international financial governance disciplines peripheral policymaking.

### 3.1 Case selection

Argentina was selected as the country of analysis because it presents a paradigmatic instance of a peripheral economy oscillating between interventionist and liberal policy models within a compressed timeframe. Its recurrent economic crises and engagements

[2] The indicators were drawn from the following sources: GDP and GDP per capita growth (2003-2023), the trade balance, foreign direct investment, unemployment and the Gini coefficient from the World Bank World Development Indicators; inflation from the IMF World Economic Outlook; the exchange rate, international reserves and the monetary base from the BCRA; the fiscal balance from the Ministerio de Economía; the poverty rate and the 2024-2025 GDP figures from INDEC; the soybean price from FRED; the EMBI from J.P. Morgan; and the Corruption Perceptions Index from Transparency International.

with the IMF provide rich empirical material for analysing the relationship between international financial governance and domestic policy autonomy, and its experience during the period under study groups the full range of policy approaches from heterodox interventionism to gradualist liberalism to radical shock therapy.

This thesis examines four presidential administrations, the Kirchner governments (Néstor Kirchner 2003-2007 and Cristina Fernández de Kirchner 2007-2015, treated as a single policy period given their shared orientation toward state-led redistribution and distance from international financial institutions), the Macri government (2015-2019), the Fernández government (Alberto Fernández, 2019-2023), and the Milei government (2023-present). The four cases function as a most-similar comparative design, since they unfold within the same country and the same structural and international constraints yet diverge sharply in their policy paradigms, which allows variation in outcomes to be attributed to those policy choices rather than to differences in context. Each change of government marks a deliberate reversal of the preceding strategy, so that the transitions themselves become the analytical pivots through which the effectiveness of competing approaches can be assessed against a common structural backdrop.

### 3.2 Analytical Framework

Each presidency will be analysed according to three dimensions derived from the integrated theoretical framework produced in Chapter 2. These dimensions correspond to the three levels at which the framework identifies constraints on Argentine policymaking. The first is the structural-material level, at which the centre-periphery asymmetry generates the external constraint. The second is the institutional-governance level, at which the international financial architecture and the policy trilemma discipline peripheral policy choices. The third is the social-outcome level, at which the consequences of the interaction between structural constraints and policy responses are measured against the living conditions of the population.

The first dimension, structural position and external constraint, examines the material foundations of Argentina's peripheral insertion into the international economy. The central question this dimension addresses is whether each administration's policies relaxed or tightened the balance of payments constraint that has historically limited Argentine growth. An administration that diversifies exports, accumulates reserves and reduces external debt strengthens its structural position and expands the policy space available for domestic objectives. An administration that concentrates exports in primary commodities, depletes reserves and increases external borrowing weakens its position and narrows the menu of options to those acceptable to international creditors.

The indicators chosen for this dimension are the soybean price, the trade balance, international reserves, external debt, the Emerging Markets Bond Index (EMBI) spread and Foreign Direct Investment (FDI), each capturing a different facet of the external constraint: the terms on which Argentina participates in international commodity markets, the economy's net capacity to generate foreign exchange, the buffer available against external shocks, the accumulated stock of obligations to foreign creditors, the price the international financial system charges for access to credit, and the pattern of productive capital flows. The soybean price is used as a proxy for Argentina's terms of trade because the soybean complex is the country's single largest source of export earnings, accounting for roughly a quarter of total goods exports (24.6% in 2025), and its price is set in international markets beyond any domestic influence (INDEC, 2026). It therefore captures, better than any single alternative, the external conditions that shape the balance of payments.

The second dimension, policy autonomy and macroeconomic management, examines the degree to which each government was able to pursue policies aligned with its domestic political mandate rather than conforming to requirements imposed by international creditors and markets. The central question this dimension addresses is where the effective locus of decision-making lay during each political institution. The fiscal balance is the pivotal indicator because it determines whether a government needs external financing and therefore if the conditionality apparatus is activated. The monetary and exchange rate indicators capture the trilemma trade-offs that each administration faced, revealing what each chose to sacrifice, capital mobility, exchange rate stability or monetary autonomy, and how that choice conditioned the transmission of external shocks to domestic prices and output. The corruption indicator adds an institutional layer that affects the autonomy-conditionality trade-off by reducing the credibility of domestic policy commitments in the eyes of international creditors and increasing the risk premium Argentina pays for access to external financing.

The third dimension, cross-dimensional assessment of social outcomes, evaluates the ultimate consequences of each paradigm for the Argentine population. The central question this dimension addresses is whether any of the four policy approaches succeeded in translating its strategy into sustained improvements in material living conditions. Growth, per capita income, employment, inequality and poverty are not secondary by-products of macroeconomic management but the final measure against which any economic policy must be judged. This dimension also serves as the testing ground for the four hypotheses formulated in section 2.3, synthesising the evidence accumulated across the first two dimensions to assess whether the explanatory weight for Argentina's persistent instability falls on the structural level, the policy level, or the interaction between the two.

The three dimensions are analytically distinct but empirically interconnected. The structural position examined in the first dimension sets the boundaries within which the policy choices examined in the second operate, and the social outcomes examined in the third result from the interaction between the two. The analytical framework is designed to capture these interdependencies, tracing how structural constraints, policy responses and social outcomes relate to one another across the four administrations, so that the question of where the explanatory weight lies can be addressed with the empirical evidence rather than assumed in advance.

### 3.4 Indicator Selection

The analysis draws on a dataset of fifteen macroeconomic and institutional indicators compiled for 2003-2025, whose descriptive statistics are reported in Table 1, selected on three criteria. The first is relevance to the analytical dimensions derived from the theoretical framework. Because the structuralist tradition treats observable economic outcomes as the surface manifestation of deeper mechanisms operating beneath them, indicators are chosen for their capacity to render those underlying relations measurable rather than for descriptive completeness (Bracarense, 2016). The second is availability across the whole period for all four administrations, since the comparative logic of the design depends on observing the same variables under each government, and gaps in coverage would weaken the attribution of variation to policy rather than to measurement. The third is sourcing from primary institutional databases, which secures the reliability and replicability on which an empirically grounded analysis depends and addresses the reliability concerns raised by the INDEC statistical intervention of 2014-2016. Percentage-based measures were preferred where possible, to allow cross-period comparison despite the large nominal variations characteristic of the Argentine economy, a volatility evident throughout Table 1.

The first dimension, structural position and external constraint, is captured by six indicators. Two of them work together as a structural pair rather than as separate measures. The soybean price (FRED, PSOYBUSDM) serves as a proxy for Argentina's terms of trade, since the soybean complex is the country's largest export earner and its price is determined in international markets beyond the reach of domestic policy. Its variation is wide, ranging in Table 1 from 217 to 570 US dollars per tonne. The trade balance, by contrast, is not a measure of the terms of trade but an outcome shaped by them, capturing the net result of export and import flows, and it swings from a deficit of 2.65% of GDP to a surplus of 11.22%. Pairing the two allows the analysis to ask how far that outcome is governed by a price set abroad. This relationship is examined through a regression of the trade balance on the log of the soybean price over the full period, reported as illustrative of the structural link rather than as a formal causal estimate, in line with the limits of the design discussed below. The trade balance as a percentage of GDP (World Bank WDI) isolates goods and services, capturing the economy's capacity to generate foreign exchange. International reserves in US dollars (BCRA) measure the buffer against external shocks and the material basis of autonomy, since a government with reserves can refuse IMF conditionality while one without them cannot, and Table 1 shows them ranging from roughly 10,500 to 65,800 million dollars. External debt as a percentage of GNI (World Bank WDI) measures obligations to foreign creditors, GNI being preferred as it reflects residents' income, and its peak of 133% of GNI against a mean near 50% marks the recurrence of debt crises within the period. The Emerging Markets Bond Index (EMBI) spread (J.P. Morgan) measures access to voluntary credit, a high spread leaving the IMF as sole creditor and a low one reducing its leverage (Dreher et al., 2015), with values in Table 1 spanning from 321 to over 5,500 basis points. Foreign direct investment is measured both as net inflows as a percentage of GDP (World Bank WDI) and, for the final three administrations, by sector of economic activity (BCRA), the latter available on a consistent basis only from 2017. Its comparatively compressed profile in Table 1, averaging 2% of GDP with a standard deviation below 0.75, is itself the reason its analytical value lies less in the volume of inflows than in the stability of their sectoral composition across governments of opposed economic doctrine, which tests whether either model altered the established pattern of foreign investment, much of which has historically financed the acquisition of existing assets rather than new capacity (Ormaechea, 2021).

The second dimension, policy autonomy and macroeconomic management, is captured by four indicators. The fiscal balance as a percentage of GDP (Ministerio de Economía) determines the extent of dependence on external financing and its attached conditionality, since fiscal adjustment, state reform and the search for external financing have historically operated together as a single triad in Argentina (Cantamutto & Manzo, 2024). Table 1 records a mean deficit of 2.54% of GDP within a range from a deficit of 8.67% to a surplus of 3.97%. The inflation rate (IMF World Economic Outlook, average consumer prices) reflects the price-level consequences of each administration's monetary and fiscal choices, reaching 219.9% at its peak in Table 1. A gap exists for 2014-2016 owing to the political intervention in INDEC, reflected in the reduced number of observations for this indicator, and alternative estimates (IPC Congreso, MIT Billion Prices Project) are referenced qualitatively but kept out of the dataset to preserve source consistency. The exchange rate in pesos per dollar (World Bank WDI) is shown on a logarithmic scale, so that proportional depreciation is comparable across periods whose absolute values differ by orders of magnitude, from 2.90 to 914.69 as recorded in Table 1. The monetary base year-on-year change (BCRA) reveals how each administration used the central bank to manage the trilemma, whether through exchange-rate intervention or the monetisation of deficits, and its mean annual expansion of roughly 51% in Table 1 reflects the scale of that reliance. The Corruption Perceptions Index (Transparency International) captures the institutional environment conditioning policy credibility and the risk premium Argentina pays for financing, varying only between 20 and 45 points across the period.

The third dimension, social outcomes, is captured by five indicators. GDP growth and GDP per capita growth (World Bank WDI; 2024-2025 GDP completed with INDEC) are kept separate because the per capita measure, which divides output by a population growing at roughly 1% a year, is the more accurate gauge of living standards. An economy can post positive GDP growth while per capita income falls, as under Milei, where per capita output contracted by 2.1% in 2024 even as aggregate stabilisation was reported, and Table 1 shows aggregate growth itself swinging from minus 9.9% to 10.4%. The unemployment rate (World Bank, ILO modelled estimates) and the income Gini coefficient (World Bank WDI) are presented together. The two measure distinct things, unemployment the labour market's capacity to absorb workers and the income Gini how the income generated is distributed across households, so their joint path shows whether growth produced inclusive employment or concentrated accumulation. Their contrast in Table 1 is instructive, since unemployment ranges from 6% to over 15% while the income Gini moves only between 41 and 51, a rigidity in distribution that anticipates one of the central findings of the analysis. The poverty rate below the national poverty line (CEDLAS/Universidad Nacional de La Plata before 2016; INDEC semi-annual data thereafter, second-semester values as closing figures) is the most direct measure of whether each paradigm improved material conditions and serves as the ultimate test of the social consequences of each approach, averaging 36% and peaking above 58% in Table 1 (INDEC, 2025).

*Table 1: Descriptive statistics of the fifteen indicators, 2003-2025*

| Indicator | N | Mean | Min | Max | SD |
|---|---|---|---|---|---|
| Soybean price (USD/t) | 23 | 389.16 | 217.45 | 569.69 | 102.29 |
| Trade balance (% GDP) | 22 | 2.50 | -2.65 | 11.22 | 3.30 |
| International reserves (mn) | 23 | 37,255.57 | 10,501 | 65,825 | 13,547.26 |
| External debt (% GNI) | 22 | 49.91 | 26.24 | 133.47 | 27.73 |
| EMBI spread (bps) | 23 | 1,481.44 | 320.79 | 5,557.34 | 1,403.21 |
| FDI net inflows (% GDP) | 22 | 2.00 | 0.58 | 3.81 | 0.74 |
| Fiscal balance (% GDP) | 2 | -2.54 | -8.67 | 3.97 | 3.47 |
| Inflation (%) | 20 | 38.72 | 4.40 | 219.90 | 52.82 |
| Exchange rate (ARS/USD) | 22 | 75.99 | 2.90 | 914.69 | 199.09 |
| Monetary base YoY (%) | 23 | 51.10 | 4.50 | 342.91 | 69.65 |
| Corruption Perception Index | 23 | 32.74 | 20 | 45 | 6.77 |
| GDP growth (%) | 22 | 2.69 | -9.90 | 10.44 | 5.80 |
| Unemployment (%) | 23 | 8.80 | 6.14 | 15.36 | 2.28 |
| Gini | 21 | 43.75 | 40.70 | 51.00 | 2.76 |
| Poverty rate (%) | 23 | 36.14 | 25.70 | 58.20 | 8.12 |

*Notes: SD stands for Standard Deviation*

**Chapter Four**

# 4 Analysis

## 4.1 Analytical Overview

This chapter presents the empirical findings across three domains: the structural position and external constraint facing each administration; the degree of policy autonomy retained within that constraint; and the social outcomes the four paradigms produced. The integrated framework of Chapter 2 supplies the connective structure through which each finding is read, so that the indicators are interpreted not as discrete outcomes but as expressions of the same underlying constraint. A deteriorating trade balance could express a commodity-dependent productive structure that no administration transformed, a reserve collapse might mark the moment structural fragility becomes institutional subordination to the IMF, an inflation cycle could be read as the monetary expression of an external constraint the chosen trilemma configuration was unable to absorb, and a poverty cycle might represent the human dimension of a structural ceiling that appears to have persisted, with remarkable consistency, across four ideologically opposed attempts to dismantle it.

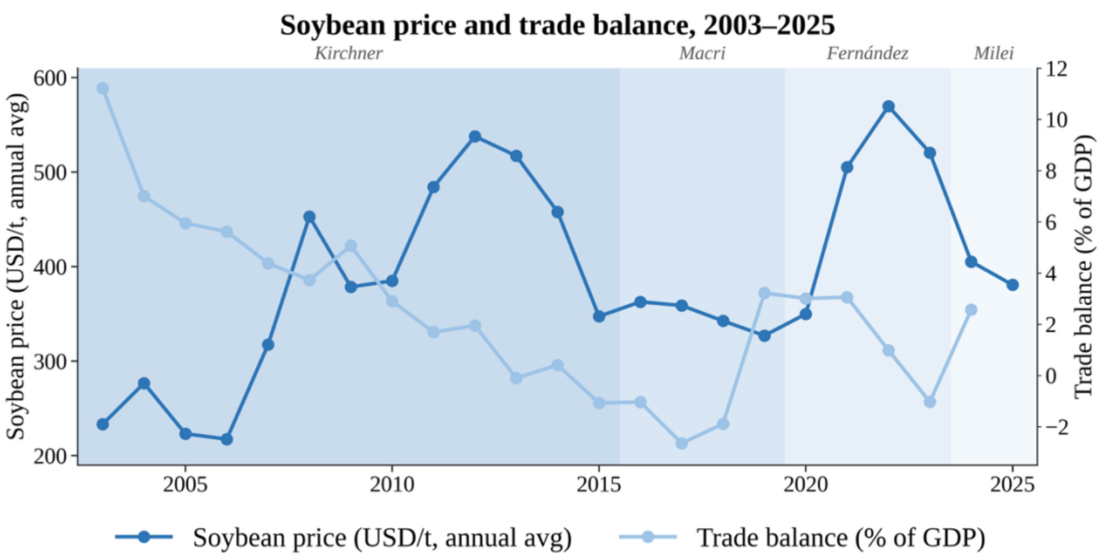
## 4.2 Structural position and external constraint

The first dimension, structural position and external constraint, concerns the room each government had to manoeuvre within limits set beyond its borders. The indicators examined below reveal a recurring tension in Argentina's relationship with the international order throughout the period, between domestic expansion and the foreign exchange available to sustain it. Each administration inherited a particular configuration of trade, reserves, debt and credit access, and the one it left behind shaped its successor's options. Since structural position cannot be observed directly, it is inferred here from the external sector, whose variables moved together, commodity prices conditioning whether a government needed to borrow, reserves measuring how long it could resist, and the risk premium setting its exposure to conditionality, a sequence that reflects the external constraint long identified as a defining feature of Argentine political economy (Wainer, 2018).

### 4.2.1 *The External Constraint Cycle*

The first variable to examine is the trade balance, the economy's net capacity to earn foreign exchange. Latin American Structuralism locates the root of peripheral instability in the composition of what a country sells abroad, an insight measurable here because Argentine exports remain concentrated in the soybean complex, so the balance tracks a price set in international markets that no domestic policy can influence (Bracarense, 2016). Figure 5 reveals the pattern, the soybean price and the trade balance move in broad correspondence across the period, yet the relationship is neither mechanical nor stable, since each administration mediated the transmission from commodity prices to trade outcomes differently, and tracing how that mediation evolved across the four periods is the task of the analysis that follows.

*Figure 5: Soybean Price and Trade Balance, 2003-2024.*




*Source: Federal Reserve Economic Data; World Bank, World Development Indicators*

During the first Kirchner phase (2003-2008) soybean prices averaged \$287 per metric ton while the trade surplus averaged 6.3% of GDP, a gap indicating that something beyond commodity revenues was driving trade performance. The competitive exchange rate inherited from the 2002 devaluation made exports cheap and imports expensive, while export taxes captured a share of primary rents for the state (Woźniak, 2014), the structuralist prescription in action.

The second phase (2008-2015) exposes its fragility. Soybean prices rose sharply to an average of \$444, yet the surplus eroded from 3.7% to -1.1% of GDP, showing that accumulated inflation had appreciated the real exchange rate and eroded the competitive position behind the earlier surpluses (Wainer, 2018). The constraint reasserted itself not because international conditions worsened but because the domestic instruments designed to manage it lost effectiveness.

Under Macri (2015-2019) soybean prices averaged $348, above the first Kirchner phase, yet the trade balance reached -2.6% of GDP in 2017, the sharpest deterioration in Figure 5 despite favourable prices. Trade liberalisation, premised on the assumption that deeper integration would attract investment, instead exposed the productive structure to competition it could not withstand, contributing to firm closures and a renewed shift toward primary production (Fair, 2024). The gradualist model relied on capital inflows to finance the deficit, subordinating domestic stability to foreign investors' willingness to keep financing Argentina, a configuration the trilemma identifies as inherently unstable for peripheral economies lacking the monetary credibility to sustain open capital accounts (Kaltenbrunner & Painceira, 2017).

The Fernández government (2019-2023) faced the opposite problem, abundance rather than scarcity. Soybean prices averaged $486, the highest of any period, yet by 2023 the balance had returned to deficit (-1.0%). The most favourable commodity environment in two decades could not offset the compound effect of the pandemic, the disruption of energy markets and the 2023 drought, external shocks transmitted asymmetrically to the periphery, the defining feature of a dependent structure in which instability originating abroad cannot be explained by domestic factors alone (Woźniak, 2014).

The Milei period offers the most instructive point. Soybean prices averaged $405 in 2024, below the Fernández peak yet above the first Kirchner phase, and the balance returned to a surplus of 2.6% of GDP. That surplus came neither from export expansion nor diversification but from the contraction accompanying the fiscal shock, which contracted import demand enough to restore a surplus without altering the underlying commodity dependence. As Bracarense (2016) notes, gains driven by favourable terms of trade are cyclical and do not yield sustained development without structural change that raises productivity.

*Figure 6: Trade Balance, 2003-2024 (% of GDP)*


*Source: Banco Central de la República Argentina (BCRA)*

Figure 6 breaks down the trade balance into its two components, exports and imports of goods and services, each expressed as a share of GDP. The decomposition matters because, within the external constraint that frames this analysis, an improving balance is ambiguous A surplus driven by rising exports reflects a genuine expansion of the economy's capacity to earn foreign exchange, whereas one driven by falling imports reflects the opposite, an economy forced to compress its purchases because it can no longer fund them, the contractionary adjustment that recurs as the closing phase of Argentina's stop-go cycle (Wainer, 2018). The latter is precisely the adjustment phase of the stop-go cycle, in which recession restores the external accounts at the cost of growth. Separating the two series therefore distinguishes administrations that strengthened the external position from those whose surpluses merely registered the contraction the constraint imposed (Bracarense, 2016)

Exports as a share of GDP follow a declining trend across the period, falling from roughly 26% in 2003 to a band of 12-15% from 2015 onward, with no administration reversing this erosion of external earning capacity. The balance is therefore governed largely by the import line, which moves with the domestic cycle, expanding when the economy grows and collapsing when it contracts. The large Kirchner-era surpluses of 2003-2008 rested on an exceptionally high export share rather than on a fall in imports, but as that export share eroded, every subsequent surplus came to depend on a recession-driven contraction of imports, the closing phase of the stop-go cycle in which adjustment restores the external accounts at the cost of growth (Wainer, 2018).

The clearest examples are 2019-2020 and 2024. In both, the trade balance swings into surplus while exports are flat or falling, the improvement coming almost entirely from a sharp drop in imports. Under Milei, imports fall from 13.9% to 12.7% of GDP in 2024 even as the surplus returns, the mechanical counterpart of the recession that contracted domestic demand. The surplus, in other words, is not evidence of restored competitiveness but a symptom of contraction. Read through the structuralist lens, this is precisely the expected outcome (Bracarense, 2016). Because Argentina's productive structure was never transformed to generate sustained export growth, the external accounts can only be balanced by suppressing the demand for imports, that is, by reducing domestic activity itself. The recurring surpluses thus mark not the resolution of the external constraint but its periodic enforcement through recession (Wainer, 2018).

*Figure 7: International Reserves, 2003-2024 (USD Billion)*


*Source: Banco Central de la República Argentina (BCRA)*

Figure 7 traces the stock of foreign currency held by the central bank. Reserves are where the structural and institutional levels meet (Vanoli & Gobbo, 2025), accumulated through the trade surplus that Structuralism analyses and determining the bargaining position a government holds before the creditors that Neoliberal Institutionalism analyses. A state with reserves can decline the IMF's terms while a state without them negotiates from structural weakness whatever its mandate, and under the first Kirchner phase reserves grew from $10.5 billion to $46.3 billion, enabling the cancellation of Argentina's entire IMF facility in 2006 and ending the surveillance through which the Fund had disciplined Argentine policymaking, to the point that it closed its Buenos Aires office (Wylde, 2011). Without the reserves that positive trade performance made possible, this deleveraging would not have been feasible. The subsequent decline to $31.3 billion by 2015 reflected the erosion of the trade surplus, as reserves were consumed to defend the exchange rate, forcing devaluation, higher rates and exchange controls (Wainer, 2018).

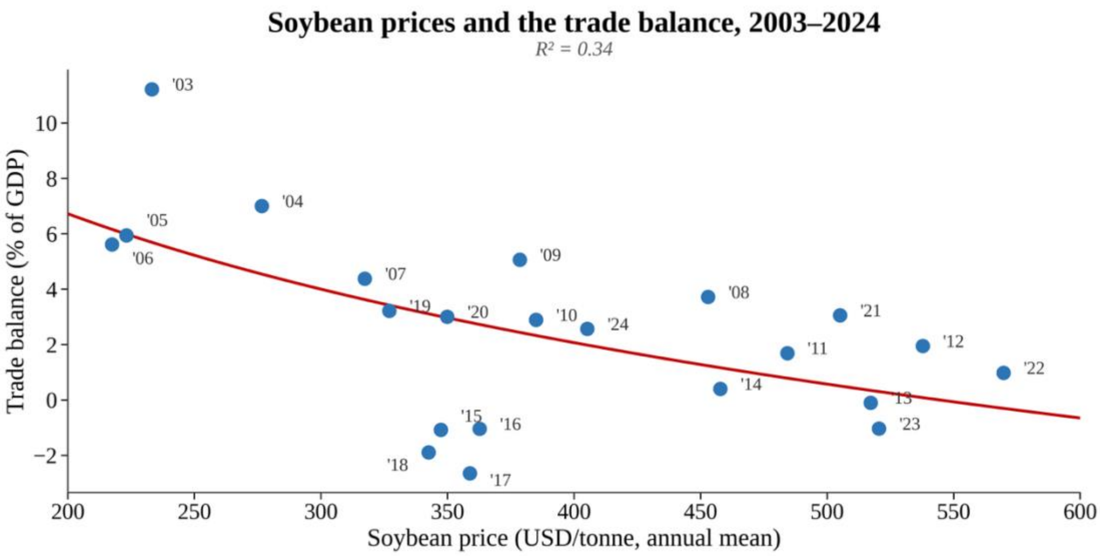
Under Macri reserves grew to $65.8 billion, but the source was fundamentally different. Where Kirchner had built them through trade surpluses, Macri financed them through external borrowing, making the stock structurally fragile and dependent on continued access to credit. Reserves accumulated through trade reflect genuine productive capacity, whereas reserves accumulated through debt are a temporary transfer that must be repaid, reproducing the dependency cycle rather than breaking it (Fair, 2024).

Under Fernández reserves collapsed to $23.5 billion, the lowest since 2003, leaving Milei with virtually no buffer at the moment of initiating its adjustment (Vanoli & Gobbo, 2025). The series reveals an asymmetry specific to this buffer, which accumulates slowly, only when trade surpluses permit, but is depleted rapidly once they disappear, confirming that reserves bought autonomy only for as long as the underlying surplus lasted (Bracarense, 2016). The fragility of the Macri-era stock was exposed most sharply in 2018, when the external financing on which it depended abruptly reversed. The trigger came from outside the country, in the tightening of United States monetary policy, and the way Argentina absorbed that shock reveals how structural exposure, more than the timing of the cycle, determined the severity of the crisis (Matschke et al., 2023).

The 2018 crisis is better understood as structural exposure than unfortunate timing. The transmission mechanism was common to the periphery, since a higher federal funds rate reverses non-resident debt inflows to emerging markets with adverse effects on the exchange rate, and emerging economies are exposed precisely because they depend on foreign capital more heavily than advanced ones (Matschke et al., 2023). What distinguishes Argentina is the severity of its response. Beniak (2019) finds that the depth of the current-account deficit and expected inflation most amplified depreciation under Fed tightening, and singles out Argentina and Turkey, both just emerging from recession, as the outliers that suffered the sharpest outflows, with Argentina forced back to the IMF.

The episode reflects the asymmetric structure of the international monetary order, not a domestic policy failure. The decisive variable was set in the centre, a Federal Reserve decision calibrated to United States conditions and propagated to the periphery through capital flows beyond its control, operating as a transmission belt from the issuer of the global reserve currency to the economies that depend on it (Kaltenbrunner & Painceira, 2017). This is the hierarchy Dependency Theory describes, in which the centre exports its adjustment and the periphery absorbs it (Woźniak, 2014). Caught within it and lacking monetary autonomy, Argentina could only respond by raising rates steeply to defend the currency, a forced move that lays bare how dependence on foreign capital narrows peripheral policy space. Seen this way, the 2018 crisis was less an isolated event than an expression of Argentina's subordinate position in a financial system whose terms it does not set (Ellner, 2024).

*Figure 8: The Soy-trade Balance Regression*



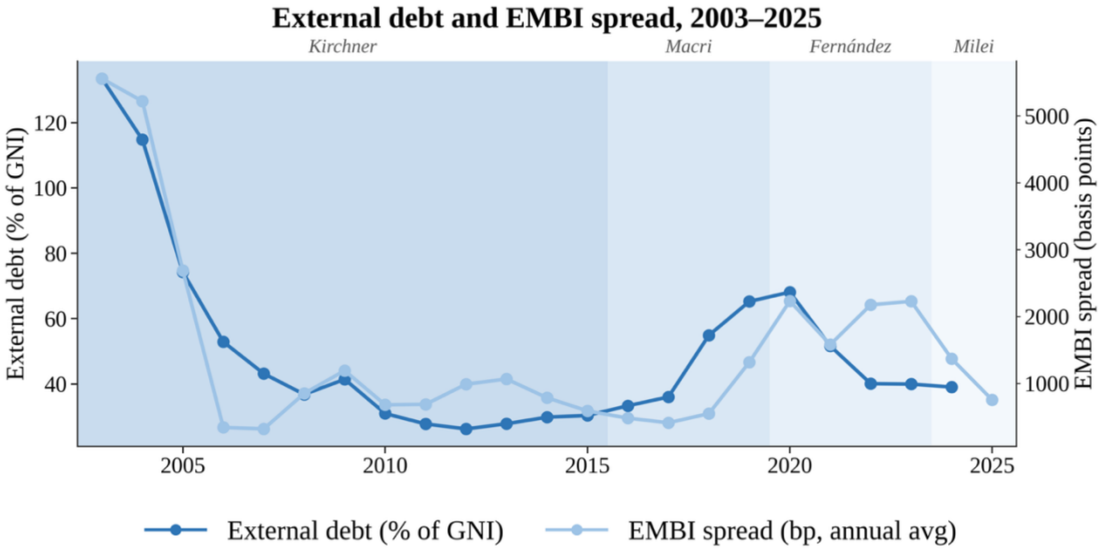

*Source: FRED (soybean price, series PSOYBUSDM) and World Bank World Development Indicators (trade balance, NE.RSB.GNFS. ZS).*

Figure 8 regresses the trade balance (% of GDP) on the log of the soybean price across the full period (2003-2024). The relationship is negative and statistically significant, with a slope of -6.71 ($p = 0.005$), and the soybean price alone accounts for a third of the variation in the trade balance ($R^2 = 0.34$). That a single commodity price, over which Argentina exercises no influence, should explain so large a share of the country's external performance across two decades and four administrations is the analytically significant, since it locates the principal driver of the external accounts outside the domestic policy arena altogether. The negative slope is a property of the cycle rather than a paradox: in years of high prices and rapid growth, import demand expanded faster than export revenues and contracted the surplus, so the coefficient captures the joint movement of commodity windfalls and import surges rather than a perverse effect of prices on the balance (Wainer, 2018). What the regression isolates is therefore not a mechanical price effect but the structural fact that the rhythm of Argentina's external position follows a variable set in international markets. As Ghosh (2019) argues, gains derived from favourable terms of trade are inherently cyclical and do not translate into sustained development unless accompanied by structural change that raises productivity, which is precisely why dependence on a commodity price yields external leverage that is large but unreliable. The significance of this lies in what it reveals about the locus of control over Argentina's external sector. The soybean price is determined in international markets in which the country is a price-taker, so the strength of its association with the trade balance is a direct measure of how far the country's external position is governed from beyond its own borders (Ghosh, 2019). The dependent condition is captured with unusual clarity by the fact that this single price tracks the external balance across governments of sharply opposed economic doctrine, since it demonstrates that the determinant of external performance is structural rather than political, it survives every change of administration because it is rooted in the country's mode of insertion into the international division of labour, not in the programme of whoever holds office (Ellner, 2024). Neither the interventionism of the Kirchner and Fernández years nor the liberalisation of the Macri and Milei periods altered this underlying exposure, which is why the constraint reasserts itself regardless of the doctrine in power. This is the subordinate position that the structuralist and dependency frameworks describe, in which a peripheral economy's capacity to earn foreign exchange rests on terms it does not set and cannot control.

#### *4.2.2 External Debt and International Financial Governance*

The debt cycle follows directly from the external constraint examined above. When the trade balance cannot generate enough foreign exchange to cover imports, debt service and capital outflows at once, governments borrow; and once that borrowing reaches unsustainable levels, the ensuing crisis forces a return to IMF-supervised adjustment. This sequence is institutional as much as economic, since it is the channel through which the international financial system sets the terms of peripheral policy as the price of continued access to credit (Dreher et al., 2015).

*Figure 9: External Debt (% of GNI), EMBI Spread (Basis points)*




*Source: World Bank, World Development Indicators; JP Morgan*

Figure 9 plots two variables that situate Argentina within the architecture of international financial governance, the domain of Neoliberal Institutionalism. The debt ratio measures obligations to foreign creditors relative to national income; the EMBI spread measures the price markets charge for new credit. Where Structuralism explains why a peripheral economy runs short of foreign exchange and Dependency Theory why the shortage persists, Neoliberal Institutionalism explains how that shortfall becomes, through the rules of the Fund and the markets, a concrete limit on what a government may do (Kaltenbrunner y Painceira, 2017).

The Kirchner period produced the most significant deleveraging in the observed period. The debt ratio fell from 133.5% to 30.4% of GNI through the 2005 and 2010 restructurings, the $9.6 billion IMF facility was cancelled in 2006, and the EMBI fell from 5,557 to 321 basis points, so that for the first time since 1956 the Fund's conditionality ceased to operate over Argentine policy (Torres, 2005). A government could buy its way out of conditionality, but only while trade surpluses supplied the foreign exchange to do.

Under Macri this reversed in four years. The debt ratio more than doubled to 65.2% by 2019 through massive external borrowing, and the EMBI fell to 412 in 2017 before tripling to 1,318 as the 2018 crisis exposed the trajectory's unsustainability. The $57 billion IMF agreement, the largest in the Fund's history, restored the full apparatus of conditionality (Fair, 2024), reproducing the cyclical pattern of peripheral financial integration identified by dependency theory (Pollock, 2021).

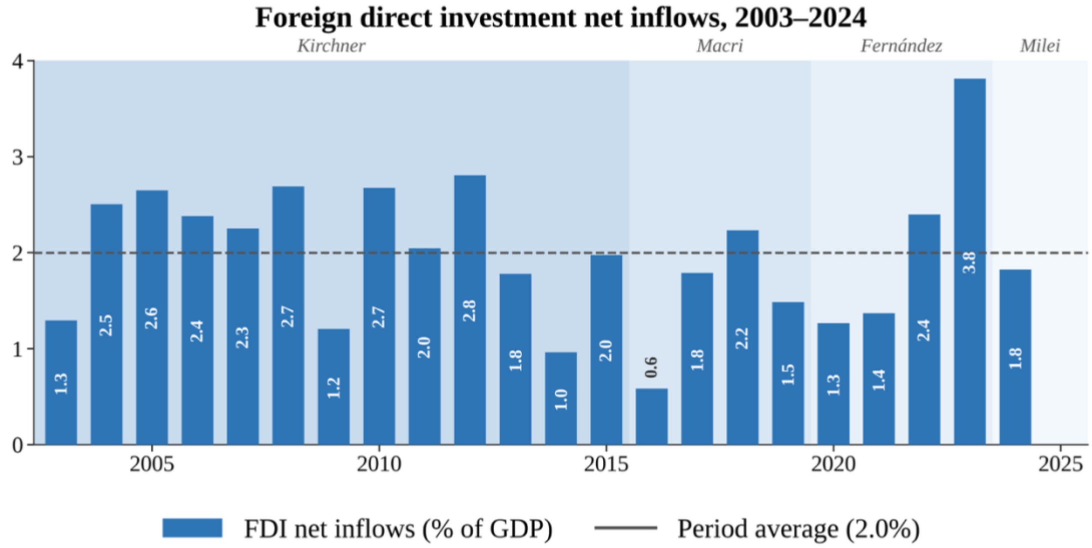
The Fernández ratio peaked at 68.1% before declining to 40.0%, driven by peso depreciation inflating the denominator rather than genuine deleveraging. The EMBI averaged above 2,000 basis points, leaving the IMF as the only source of financing, precisely the configuration in which its leverage is greatest (Dreher et al., 2015). The Stand-By inherited from Macri required near-full repayment during the term, and the March 2022 renegotiation imposed fiscal targets that constrained countercyclical spending exactly when the pandemic and the drought demanded it (Cantamutto & Manzo, 2024). The inherited debt thus bound the government's autonomy from the moment it took office.

Under Milei the ratio has stabilised at roughly 39% and the EMBI fell to 1,369 in 2024 and 755 by early 2025, signalling market approval of the fiscal adjustment. Across the four periods the EMBI reveals itself not as a neutral price signal but as a disciplinary mechanism, rewarding governments that align with orthodox prescriptions and penalising those that deviate, narrowing policy options before any domestic political process takes place.

### *4.2.3 Foreign Investment and the Persistence of Peripheral Specialisation*

Foreign direct investment is a key variable for understanding whether Argentina's structural position changed over the period. Dependency Theory holds that the foreign capital entering a peripheral economy tends to deepen its existing specialisation rather than transform it, so that the external ceiling is never lifted from within (Ghosh, 2019).

*Figure 10: Foreign Direct Investment Net Inflows (% of GDP), 2003-2024.*



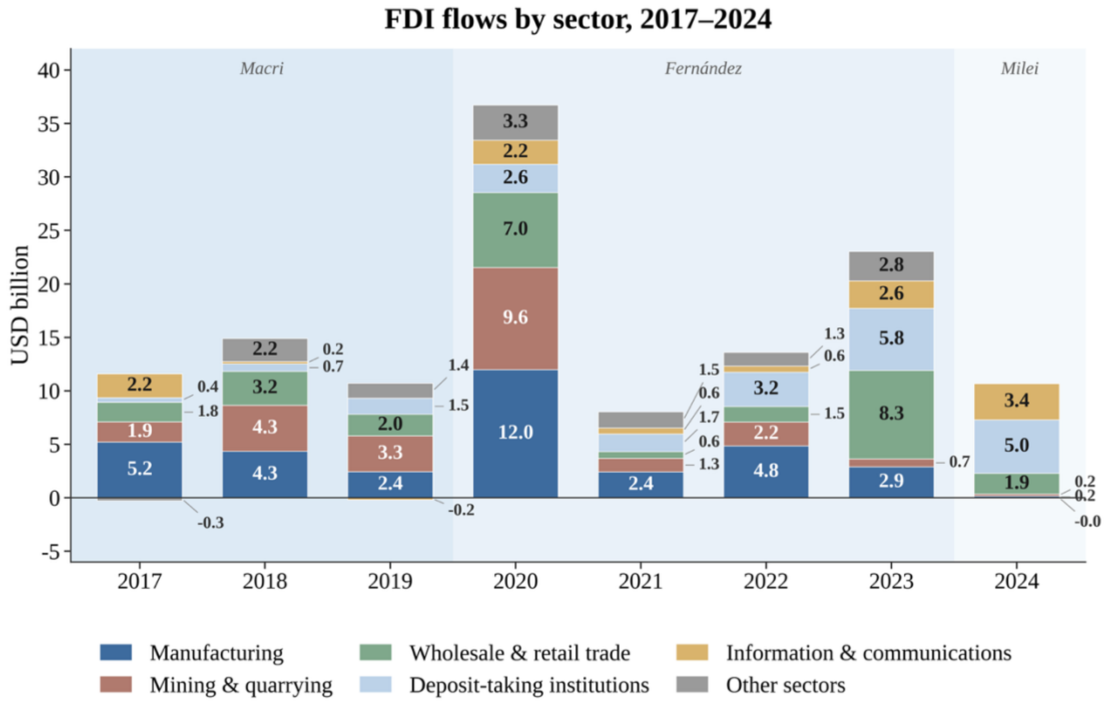

*Source: Banco Central de la República Argentina (BCRA)*

Figure 10 shows FDI fluctuating between 0.6% and 3.8% of GDP across the period, averaging roughly 2.0%, with no discernible trend and no significant response to the radically different policy environments of each administration. This stability carries analytical weight because it tests the competing claims of the two dominant paradigms, the interventionism of Kirchnerism that promised state management would redirect investment toward productive domestic sectors, and the liberalisation of Macri that promised deregulation and capital account opening would attract the transformative capital needed to modernise the productive base (Ghosh, 2019). Neither claim is supported. FDI remained essentially unchanged whether the government imposed capital controls or removed them, raised tariffs or lowered them, confronted the IMF or embraced it (Ellner, 2024).

Dependency Theory accounts for this non-response more precisely than either paradigm. A peripheral economy cannot pursue an autonomous policy of capital accumulation, because the foreign investment it receives follows the logic of the centre rather than host-country policy, entering where it can extract returns aligned with the periphery's assigned role and withdrawing from the sectors that might change it (Ghosh, 2019). In Argentina this is visible in the destination of FDI, concentrated in the soybean complex, mining and hydrocarbons, activities that entrench commodity dependence, while investment in the high-technology sectors that could reposition the country remains marginal (Ellner, 2024).

The absence of any FDI response to twenty-two years of opposing policy regimes is what the data show most clearly. Productive foreign investment neither rose under liberalisation nor fell under intervention, a pattern consistent with the dependency argument that the orientation of foreign capital in a peripheral economy is shaped by its position in the world system more than by the policy preferences of any government (Ghosh, 2019).

*Figure 11: Foreign Direct Investment by Sector*




*Source: Banco Central de la República Argentina (BCRA)*

Figure 11 shows foreign direct investment by sector of economic activity from 2017 to 2024, spanning the Macri, Fernández and Milei administrations. The series begins in 2017 because a consistent sectoral breakdown is unavailable for earlier years, so this analysis is confined to the three administrations for which the BCRA reports comparable data (BCRA, 2025).

Two features stand out. The first is the persistence of the sectoral hierarchy across governments of opposed doctrine. Manufacturing and mining and quarrying remain among the principal recipients throughout, and the transition from Macri's liberalisation to Fernández's interventionism and then to Milei's shock programme does not reorder this structure (Wainer, 2018). The composition is not static, commerce records a marked inflow in 2023 and deposit-taking institutions attract rising flows in 2023-2024, but these movements occur within an established pattern rather than transforming it. The second is the weight of resource extraction, with mining and quarrying, including oil and gas, a consistent destination, reflecting the financial dependency through which external capital concentrates in extractive activities rather than building diversified capacity (Wainer, 2018).

The decisive point is not the volume of investment, which fluctuates with the cycle, but the invariance of its sectoral direction to the policy regime in power. Dependency Theory treats financial dependency, the reliance on capital inflows and the external obligations attached to them, as constitutive of the subordinate position (Ghosh, 2019), As Ellner (2024) shows, foreign capital became central to the supply of foreign exchange precisely as external financing grew scarce, while the systematic remission of profits operated as a structural drain on the external accounts. That foreign capital concentrated in the same activities regardless of the development strategy each government professed indicates that its destination was governed by Argentina's position in the international division of labour rather than by domestic choice, reinforcing the existing specialisation rather than transforming it.

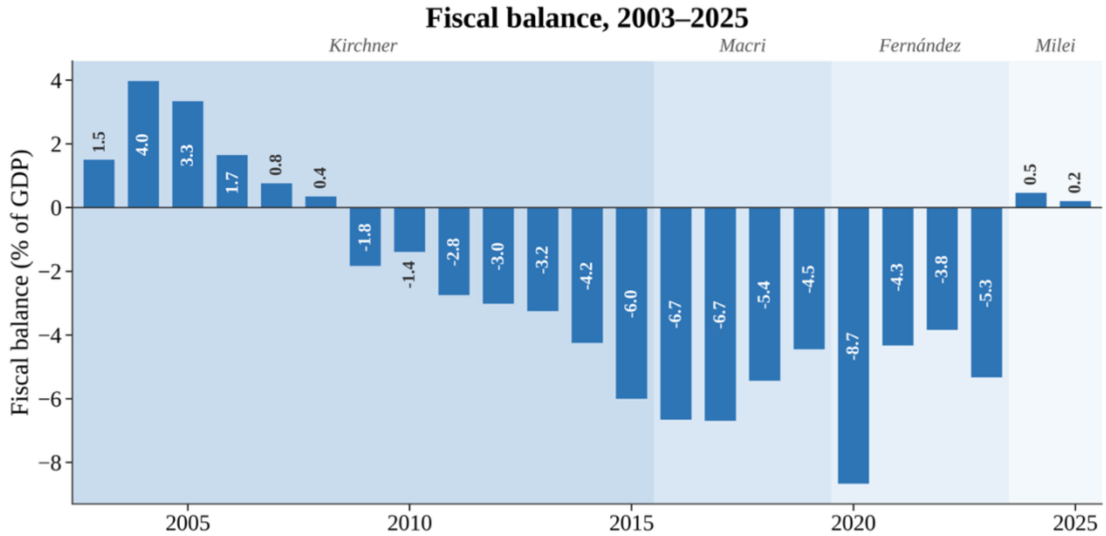
## 4.3 Policy Autonomy and Macroeconomic Management

Section 4.2 examined the external accounts, the trade balance, reserves, debt and foreign investment, that set the outer limits of what Argentine governments could attempt. Those limits, however, still left room for choice. Within them, each administration decided how to manage its fiscal accounts and how to configure monetary and exchange rate policy, and it is in these choices that the question of policy autonomy is properly located (Kaltenbrunner & Painceira, 2017). This section turns from the constraints a government inherits to the decisions it makes, and to the consequences those decisions carried for its independence from creditors and markets.

### *4.3.1 Fiscal Space and the Autonomy Conditionality Trade*

The fiscal balance links the structural constraints examined in section 4.2 to the policy autonomy each administration retained. A government in surplus funds its priorities from domestic revenue and escapes creditor conditionality, whereas a persistent deficit must be financed through monetary expansion or external borrowing, the first feeding inflation and the second activating the discipline of the IMF. The fiscal trajectory across the four administrations therefore traces the boundary between sovereign policymaking and externally conditioned adjustment (Cantamutto & Manzo, 2024).

*Figure 12: Fiscal Balance (% of GDP), 2003-2024.*




*Source: Argentine Ministry of Economy*

Figure 12 traces the progressive erosion and eventual recovery of Argentina's fiscal position across the four administrations. From the standpoint of international political economy, the fiscal trajectory measures more than the state of the public accounts, it measures how much sovereignty each government retained within the international financial system (Cantamutto & Manzo, 2024).

The first Kirchner phase (2003-2008) maintained surpluses that peaked at 3.97% of GDP in 2004 and remained positive through 2008. Together with the trade surpluses and reserve accumulation examined in section 4.2, these surpluses formed the material foundation of the administration's ability to cancel the IMF facility in 2006 and operate free from external conditionality (Wylde, 2011). Generated partly through export taxes that captured commodity rents and partly through rapid expansion, this fiscal base was precisely what allowed the government to pursue heterodox policies, redistribute income and hold its distance from the international financial institutions (Bracarense, 2016).

That space narrowed steadily during the second phase. The balance turned negative in 2009 at -1.8% of GDP and widened to -6.0% by 2015 as the government expanded spending to sustain demand and offset the deteriorating trade position (Wainer, 2018). The deficit was financed largely through monetary expansion rather than external borrowing, which preserved autonomy from creditors and kept the IMF apparatus at bay but generated the inflationary pressures examined in subsection 4.3.2 and eroded the competitive exchange rate underpinning the first-phase model.

Under Macri the deficit remained large, at -6.66% in 2016 and -6.69% in 2017, despite the stated commitment to consolidation Fair (2024) shows that the gap between gradualist rhetoric and fiscal reality exposed a tension, since the adjustment creditors expected was politically incompatible with the pace the government would impose. The 2018 currency crisis resolved it by force, and the $57 billion IMF agreement imposed explicit targets, cutting primary spending by 1.5% in 2018, 1% in 2019 and 1.2% in 2020. From that point the fiscal trajectory was set not by domestic priorities but by the conditionality of the largest IMF programme in history, and the autonomy Kirchnerism had built through a decade of surpluses was surrendered in two years (Dreher et al., 2015)

Under Fernández the pandemic pushed the deficit to -8.67% of GDP in 2020, the deepest in the series. The government had to expand spending to prevent social collapse, yet the inherited agreement constrained the scale and duration of the response (Rodríguez Martínez, 2023). The March 2022 renegotiation targeted a primary deficit of 2.5% falling to 0.9% by 2024, with monetary financing capped at 1% of GDP and declining to zero, requiring fiscal support to be withdrawn precisely as the 2023 drought eliminated a quarter of agricultural export revenues. The debt inherited from Macri thus bound the fiscal response when the external shocks were most acute, and the deficit stood at -5.33% in 2023, well above the IMF target.

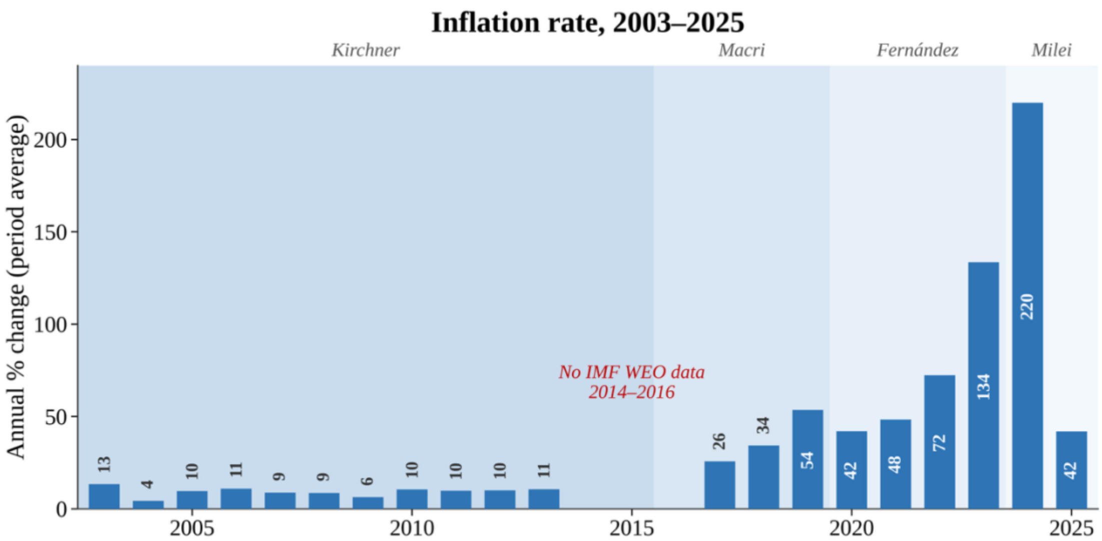
Under Milei the balance turned positive for the first time since 2008, reaching 0.46% of GDP in 2024, achieved through severe cuts to public wages, pensions, transfers to provinces and social programmes, an adjustment whose content aligned precisely with the IMF's long-standing prescriptions (Cantamutto & Manzo, 2024). The EMBI's decline to 755 basis points by early 2025 confirmed that markets rewarded the alignment. The surplus restored a measure of the autonomy eroded since 2009, but the mechanism through which it was achieved, contraction of demand rather than expansion of productive capacity, raises the question examined in section 4.4 of whether this is genuine stabilisation or merely the displacement of instability from the public accounts to the living standards of the population (Cantamutto & Schorr, 2022).

### 4.3.2 Monetary Policy, Inflation and the Trilemma

Each Argentine administration chose a different configuration of the trilemma trade-off, and each believed its choice would resolve the macroeconomic instability inherited from its predecessor (Kaltenbrunner & Painceira, 2017).

For a peripheral economy, the trilemma operates within constraints that do not apply to the centre. Because the US dollar dominates international finance, Argentine external debt, commodity contracts and savings are all denominated in a currency the central bank cannot issue, and because capital flows to emerging markets are structurally volatile, decisions taken by the Federal Reserve or the European Central Bank are transmitted directly to Argentine interest rates, exchange rates and asset prices, whichever trilemma vertex the government has chosen to sacrifice (Woźniak, 2014). The trilemma for Argentina is therefore not a free choice between three equally workable options, but a constrained one, in which every available configuration carries vulnerabilities amplified by the country's peripheral position (Kaltenbrunner & Painceira, 2017).

*Figure 13: Inflation Rate (Annual % Change), 2003-2025.*



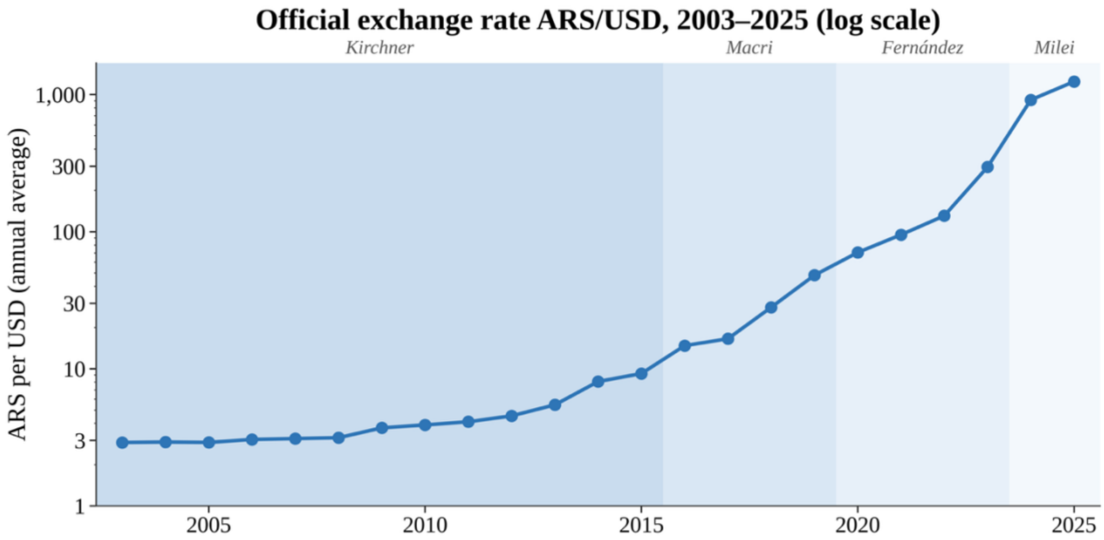

*Source: International Monetary Fund (IMF), World Economic Outlook Database*

Figure 13 shows a pattern of accelerating inflation that no trilemma configuration has managed to reverse sustainably. During the first Kirchner phase, inflation remained between 4.4% and 13.4%, moderate by Argentine standards, because the competitive exchange rate inherited from the 2002 devaluation and substantial idle capacity allowed monetary growth to translate into output expansion rather than price increases. This was the only period in the entire series in which the chosen configuration produced both growth and relative price stability simultaneously, and it was possible because beneficial international conditions relaxed the external constraint sufficiently for the arrangement to function without generating tensions (Wainer, 2018).

During the second Kirchner phase, as the economy reached capacity constraints and the fiscal deficit was financed increasingly through monetary expansion, inflation accelerated beyond what official statistics captured (Cantamutto & Manzo, 2024). The INDEC statistical intervention between 2014 and 2016 rendered price data unreliable during this period, but alternative estimates suggest inflation was running well above officially reported figures (Kaltenbrunner & Painceira, 2017). The configuration that had provided autonomy during the first phase was now generating the inflationary pressures that eroded the competitive exchange rate on which the entire growth model depended (Bracarense, 2016).

Under Macri, inflation accelerated to 34.3% in 2018 and 53.5% in 2019, despite the adoption of inflation targeting and IMF-supervised monetary tightening (Fair, 2024). The orthodox prescription failed because exchange rate depreciation and its pass-through to domestic prices overwhelmed the contractionary effect of high interest rates, this is a dynamic characteristic of peripheral economies where the exchange rate channel dominates the interest rate channel in price determination (Bracarense, 2016). Under Fernández, inflation rose from 42.0% in 2020 to 133.5% in 2023. Under Milei, the deliberate devaluation of December 2023 pushed average inflation to 219.9% in 2024, reflecting the pass-through of a large initial price correction. Over the course of 2025, however, inflation fell sharply to 31.5%, its lowest annual rate in eight years (INDEC, 2026). This sharp fall in inflation is the clearest empirical success of the Milei programme to date, achieved through the combination of fiscal surplus and monetary contraction examined above (Cantamutto & Manzo, 2024).

*Figure 14: Official Exchange Rate ARS/USD, 2003-2024 (Logarithmic Scale).*




*Source: Banco Central de la República Argentina (BCRA)*

Figure 14 reveals that the peso's depreciation has been not only persistent but accelerating across all four administrations, from 2.90 ARS/USD in 2003 to 1,244 in 2025. Under the Kirchner administrations, managed depreciation of roughly 10% annually maintained export competitiveness while preserving enough stability for domestic planning, and the capital controls introduced in 2011 sacrificed capital mobility to keep both exchange rate management and monetary autonomy, the two vertices most relevant to a peripheral government seeking policy space (Pollock, 2021).

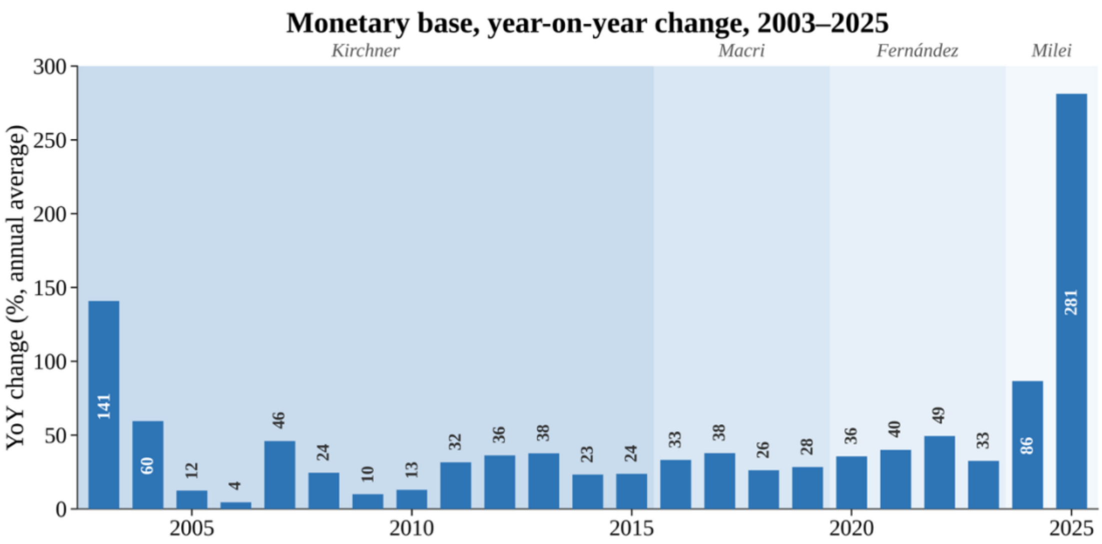
Under Macri the removal of controls produced depreciation from 9.23 to 48.15, with the sharpest movements during the 2018 crisis when the Federal Reserve's tightening redirected global capital away from emerging markets (Rodríguez Martínez, 2023). A decision made in Washington triggered outflows that depleted reserves, collapsed the exchange rate and forced the government back to the IMF within months, demonstrating how the monetary hierarchy transmits centre policy to the periphery (Woźniak, 2014). Under Fernández depreciation continued to 296.26 despite reimposed controls, and under Milei the deliberate devaluation of December 2023 took the annual average to 914.69 in 2024, after which the peso slid to roughly 1,244 in 2025 under the crawling peg that replaced the initial shock (Vanoli & Gobbo, 2025).

Across the four administrations the series exposes the same dilemma in different forms. A managed or controlled rate, as under the Kirchner phases and Fernández, preserves competitiveness and autonomy but accumulates pressure that eventually forces a correction (Wainer, 2018), while a liberalised rate, as under Macri and the early Milei period, removes that distortion but exposes the economy to the volatility of international capital. That controls were reimposed under Fernández after their removal under Macri shows that no administration found a sustainable configuration, each inheriting its predecessor's tensions and moving toward the opposite vertex of the trilemma only to generate its own (Kaltenbrunner & Painceira, 2017).

The 2025 figures are revealing alongside the inflation series. Annual inflation fell sharply to 31.5% even as the peso kept depreciating from 915 to around 1,244, so price stabilisation was achieved while the currency continued to lose value, indicating that the slowdown rested on demand contraction and the anchoring of expectations rather than on a stabilised exchange rate, the fragile equilibrium the trilemma predicts for a peripheral economy that has not resolved its external constraint (Kaltenbrunner & Painceira, 2017).

The exchange rate therefore functions less as an instrument each government freely commands than as the variable through which the external constraint ultimately registers. Whatever configuration an administration adopted, the peso's trajectory was shaped by the availability of foreign exchange, which depended on the trade and capital flows examined earlier (Wainer, 2018). Its accelerating depreciation is the monetary expression of a structural position that no policy combination managed to alter, only to manage for a time before the constraint reasserted itself through the currency.

*Figure 15: Monetary Base Year on Year Change (%), 2003-2024.*




*Source: Banco Central de la República Argentina (BCRA)*

Figure 15 completes the trilemma picture. Monetary base growth remained persistently high across all four administrations, ranging from 4.5% to 140.8%. Under Kirchnerism, the central bank expanded the base to purchase dollars and maintain the competitive exchange rate, and later to finance the growing fiscal deficit (Kaltenbrunner & Painceira, 2017). Whereas with Macri, growth remained above 30% despite inflation targeting, because the central bank was simultaneously attempting to sterilise volatile capital flows while defending the peso, an impossible task under the chosen configuration (Aizenman, 2010).

Under Fernández, monetary expansion reached 49.3% in 2022 as fiscal deficits were monetised in the absence of access to international credit. Under Milei, the 86.5% growth in 2024 reflected primarily the effect of the December 2023 devaluation on peso-denominated aggregates rather than active expansion, as the government pursued fiscal consolidation to eliminate monetary financing entirely (Cantamutto & Manzo, 2024). Through 2025 the government maintained this "zero-emission" stance, though changes in the operational definition of the monetary base and the dismantling of remunerated liabilities make the year's nominal figures difficult to compare directly with the earlier series, and they are therefore not incorporated into the chart.

In summary, Figures 13, 14 and 15 locate the trilemma within the international monetary hierarchy rather than within domestic technocracy. Capital controls bought temporary autonomy but bred parallel markets and inflation, while capital account opening bought credibility with international investors only by surrendering the domestic economy to capital movements set in motion by decisions taken in Washington and Frankfurt (Kaltenbrunner & Painceira, 2017). Reimposed controls under Fernández could not recover the earlier autonomy, since credibility, once lost in the eyes of creditors, is not restored by domestic decree. What the three indicators register, beneath the monetary detail, is the limited sovereignty of a peripheral currency in a system whose reserve money it cannot issue (Woźniak, 2014).

The current configuration under Milei, prioritising exchange rate stability and a gradual reopening of the capital account at the expense of monetary autonomy, echoes the architecture of the 1990s Convertibility regime (Ferrer, 2012). Across the four periods, each government sacrificed a different vertex of the trilemma and each met the vulnerability built into its choice, since controls bred parallel markets and inflation while openness bred exposure to capital reversals (Kaltenbrunner & Painceira, 2017). No configuration proved costless, which is why the question of stability cannot be settled in the monetary sphere alone and must be carried into the social outcomes examined next.

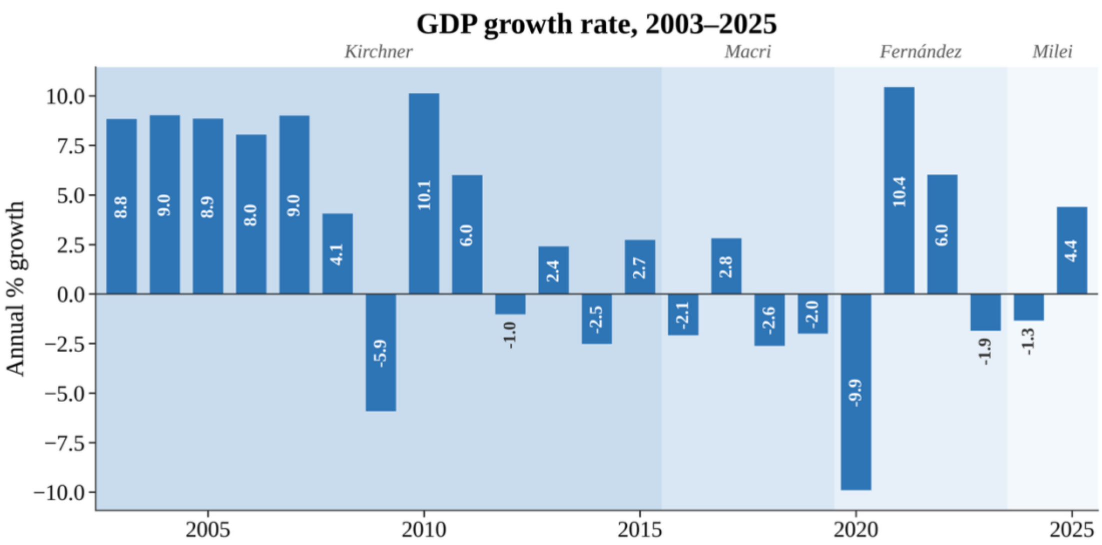
## 4.4 Social Outcomes

The two preceding sections examined the external constraint and the room for autonomous policy within it. This section turns to what those constraints produced for the population, since the ultimate test of any economic paradigm is not the aggregates it manages but the living conditions it delivers.

Growth, inequality, unemployment and poverty test both expectations. If the structuralist and dependency readings hold, social progress should track the external cycle rather than the paradigm in power, with no administration locking in durable gains; if domestic policy is decisive, the social trajectory should instead align with each government's orientation (Bracarense, 2016).

### *4.4.1 Growth, Inequality and Social Outcomes*

*Figure 16: GDP growth rate (Annual %), 2003-2023.*



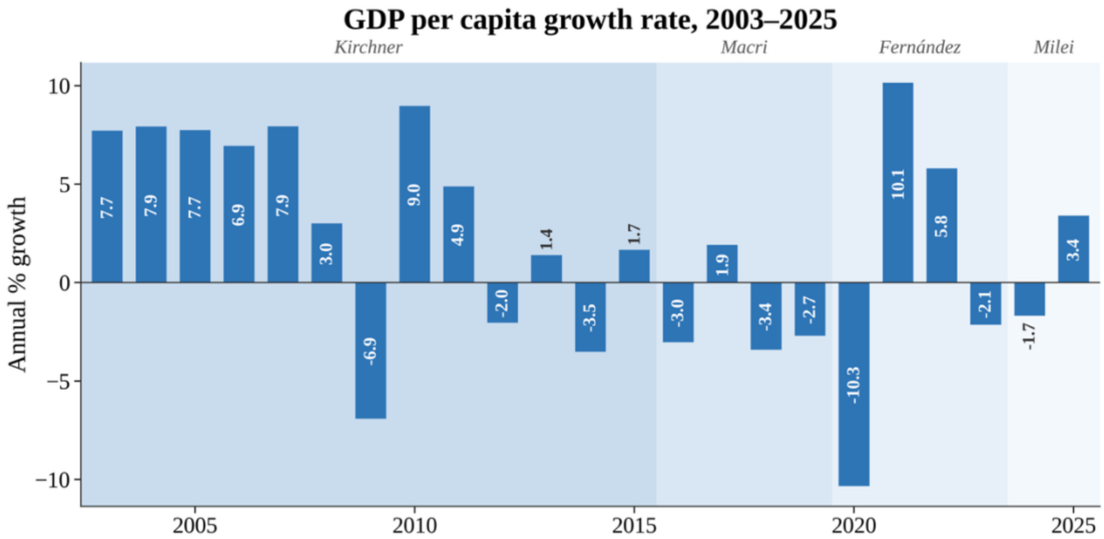

*Source: World Bank, World Development Indicators*

Figure 16 exhibits a pattern of diminishing returns across the four administrations. The first Kirchner phase (2003-2008) averaged 8.0% annual growth, the most sustained expansion in modern Argentine history, driven by the combination of competitive exchange rate, commodity revenues, idle productive capacity and the favourable international conditions examined in section 4.2.1. Crucially, this was recovery growth, the economy was reabsorbing the capacity left idle by the 2001 collapse, which allowed output to expand rapidly without the investment in new productive capacity that sustained growth would eventually require, since output rose mainly through the more intensive use of installed capacity rather than its expansion (Ormaechea, 2021). The second Kirchner phase averaged only 1.7%, with sharp contractions in 2009 and 2014, as that capacity was exhausted and the external constraint reasserted itself. The deceleration from 8.0% to 1.7% within a single political project is itself significant, since it shows the limits of a growth model that raised output by using existing capacity more intensively but did not transform the productive base that would have allowed expansion to continue (Wainer, 2018).

Macri averaged -1.0%, with contraction in three of four years, as trade liberalisation and the 2018 currency crisis destroyed output without generating the investment-led recovery that capital account opening was supposed to deliver (Fair, 2024). Ghosh (2019) argues that the foreign capital entering a peripheral economy follows the logic of the centre rather than host-country policy, and this is precisely why the liberal model, as the FDI series in section 4.2.3 showed, neither mobilised idle capacity nor attracted the productive investment it had promised, in contrast to the Kirchner years when the interventionist model had at least put idle capacity to work. Fernández averaged 1.1%, a figure distorted by the statistical base effect of the pandemic collapse (-9.9% in 2020) and the mechanical rebound (10.4% in 2021), after which the economy contracted again by -1.9% in 2023.

Under Milei, output fell by a further -1.7% in 2024 as the fiscal shock contracted domestic demand, before rebounding to 4.4% in 2025. This sequence of sharp contraction followed by recovery is familiar from earlier Argentine cycles, in which output regains the ground lost in a downturn without establishing a higher long-run growth path (Wainer, 2018). Whether the 2025 rebound marks the beginning of sustained expansion or merely the recovery of the level lost in 2024 cannot yet be determined, and the structuralist perspective would caution that a recovery resting on the same commodity-export base remains exposed to the next reversal in external conditions.

*Figure 17: GDP per capita Growth Rate (Annual %), 2003-2024.*

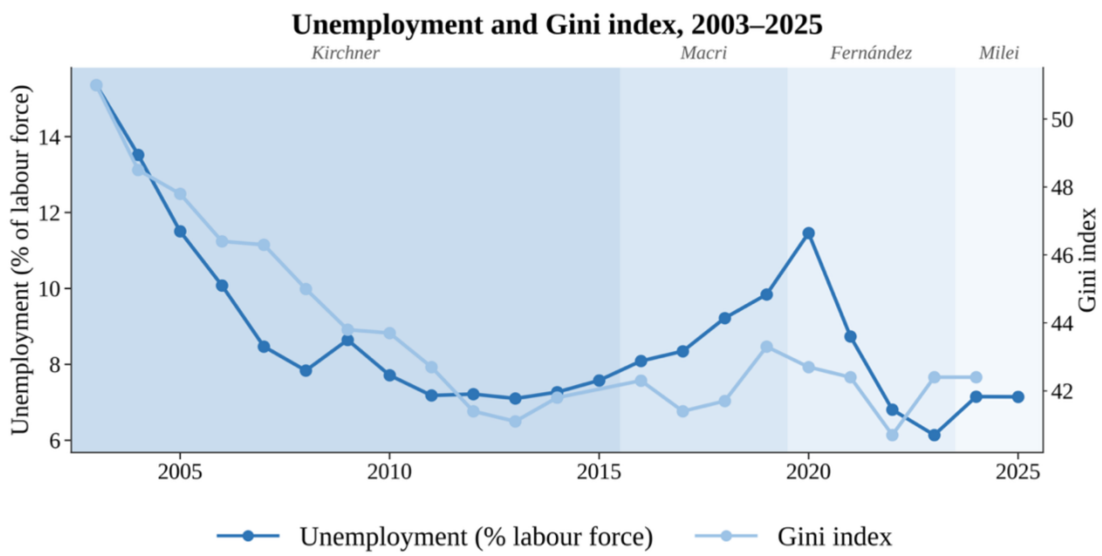



*Source: World Bank, World Development Indicators*

Read across the full period, Figure 17 reveals how little durable progress two decades of policy experimentation delivered. The strong per capita gains of the first Kirchner phase, close to 8% a year between 2003 and 2007, were the product of recovery from the 2001 collapse rather than of a new and higher growth path, and they were progressively eroded by the volatility that followed (Ellner, 2024). From 2011 onward, years of contraction in per capita terms became as frequent as years of expansion, so that the average Argentine entered the 2020s scarcely better off than a decade earlier. Under Milei, per capita income fell by -1.7% in 2024 as the fiscal shock contracted activity, before recovering by approximately 3.4% in 2025 as the economy rebounded.

The series helps to explain structuralist expectations. Expansion was strongest when external conditions were most beneficial and contraction sharpest when they reversed or when external shocks struck, so that the amplitude of Argentine growth tracked the external environment more closely than the orientation of domestic policy (Wainer, 2018). As Ormaechea (2021) argues, this is the signature of a peripheral economy whose growth is borrowed from the commodity cycle rather than built on an autonomous productive base. Domestic policy, in his account, could amplify the upswing, as the competitive exchange rate did after 2003, or deepen the downswing, as the open capital account did in 2018, but it could not detach the growth from conditions set abroad.

*Figure 18: Unemployment Rate and Gini Coefficient, 2003-2024.*



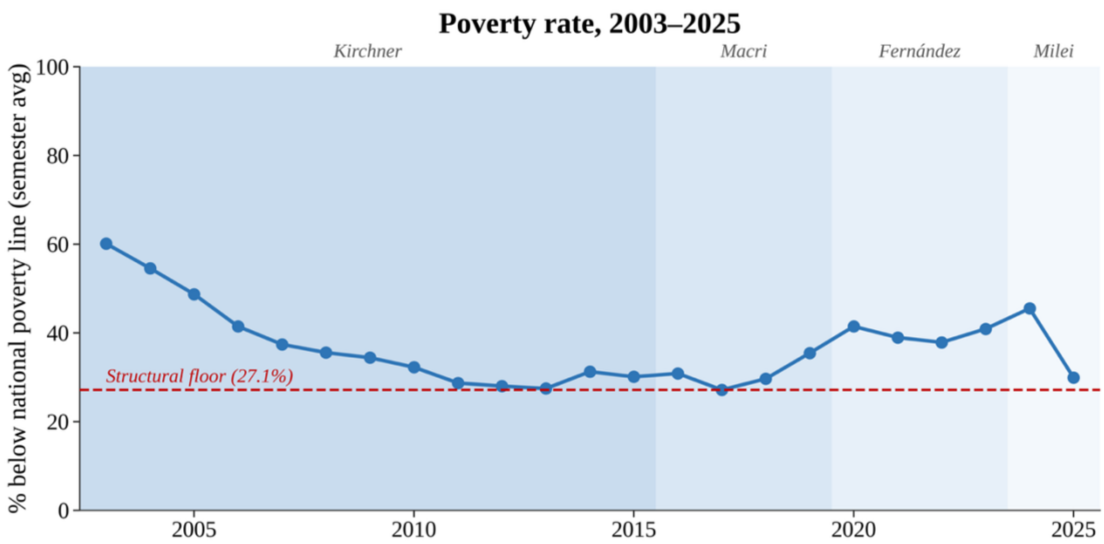

*Source: World Bank, World Development Indicators*

Figure 18 captures the consequences of each paradigm through two complementary indicators, unemployment and the Gini coefficient, which together reveal whether growth phases produced inclusive employment or merely concentrated accumulation. During the first Kirchner phase the two moved in the same direction, unemployment fell from 15.4% in 2003 to 7.8% in 2008 while the Gini declined from 51.0 to 45.0, the most significant improvement in income distribution in decades (Wylde, 2011). This was the period in which the commodity-driven expansion, the competitive exchange rate and the recovery of employment reinforced one another, and it produced the only sustained distributional gains of the entire series (Quiroga, 2008).

From a Dependency Theory perspective, however, the fragility of these gains is not surprising, since they rested on a commodity-driven expansion rather than on a transformed productive structure and so could not survive the downturn that followed (Bracarense, 2016). The second Kirchner phase already saw unemployment stabilise and inequality stop falling as inflation accelerated. Under Macri, unemployment rose to 9.8% by 2019 and the Gini climbed to 43.3, as recession and the loss of real income reversed part of the earlier progress. The lowest Gini of the series, 40.7 in 2022 under Fernández, is revealing precisely because it occurred amid accelerating inflation and falling real wages, so that rather than genuine redistribution it reflects a generalised fall in real incomes that narrowed the distance between households by making most of them poorer (Cantamutto & Schorr, 2022).

Under Milei, unemployment moved from 7.2% in 2024 to around 7.1% in 2025, remaining close to the level inherited rather than rising sharply, which is notable given the depth of the 2024 recession and suggests that the adjustment fell more on real wages and working conditions than on the headline employment figure (Cantamutto & Manzo, 2024). The Gini coefficient cannot be tracked across this most recent period, since no official figure has been published after 2023, a limitation noted in the chart. What the longer distributional record shows is a rigid pattern, since inequality falls during the favourable years but never durably below the band it has occupied for two decades, returning toward its earlier levels once conditions reverse, precisely because the distributive advances are never anchored in a change to the way the economy is inserted into the international division of labour (Ellner, 2024). Employment and equality improve when the external cycle is favourable and erode when it turns, exactly as the structuralist and dependency readings would predict (Ghosh, 2019).

*Figure 19: Poverty Rate (% Below National Poverty Line), 2003-2025.*




*Source: INDEC*

Figure 19 portrays the most consequential social indicator, since poverty is where the structural ceiling and the dependent pattern of growth register directly in human welfare. The series falls steeply during the first Kirchner phase, from 58.2% in 2003 to lows around 25.9% in 2011 and 27.4% in 2013, as commodity-driven expansion, recovering employment and redistributive transfers lifted millions above the line. This was the clearest social achievement of the period, and it coincided exactly with the years favourable external conditions relaxed the balance of payments constraint.

However, poverty climbs to 35.5% under Macri by 2019 as the currency crisis and IMF-mandated austerity eroded real incomes (Fair, 2024), reaches 42.0% in the 2020 pandemic and stands at 41.7% at the close of Fernández in 2023. The distributive gains of the favourable years were not consolidated but reversed once conditions turned. The symmetry is the decisive social finding of this thesis, after two decades and three completed paradigms, the poverty rate in 2023 stood almost exactly where it had been in 2007, around 38 to 41%, having travelled a full cycle without establishing a permanently lower level.

Under Milei poverty jumped to 52.9% in the first half of 2024 after the December 2023 devaluation, then fell to 38.1% by the close of 2024 and to 28.2% in 2025, the lowest reading since 2017, as falling inflation restored part of the real income lost in the shock (INDEC, 2025). The decline is significant but tempered by two considerations. It remains within the band the indicator has oscillated around for two decades rather than below it and it rests on a consumption basket whose composition predates the recent rise in the weight of tariffs and services in household spending, which may understate the cost of living faced by the poorest (Wainer, 2018). Gains resting on a favourable turn rather than a transformed productive structure are inherently cyclical and tend not to consolidate so whether 2025 marks a durable break or another upswing cannot yet be determined (Ellner, 2024).

The defining feature of the series is not its level in any year but the limit it repeatedly fails to cross. Across more than two decades the rate falls toward roughly 27% at best, in 2013 and 2017, and on neither occasion does it hold. This recurring lower bound is what is meant by a structural floor, a level beneath which the indicator cannot durably remain regardless of the government in office, with poverty descending in favourable years and climbing in adverse ones while the bottom of the band stays fixed across administrations of opposed doctrine.

The floor holds because it rests on a productive structure none of the paradigms transformed. Poverty falls durably only when an economy generates sustained, broadly distributed growth, which requires a base diversified enough to create stable employment rather than one resting on primary exports (Bracarense, 2016). Wainer (2018) argues that no new dynamic sectors emerged and the economy was not significantly diversified, so Argentina continued to insert itself into the international division of labour through natural resources and a few low value-added commodities. Because that base was never altered, the gains of the favourable years rested on redistribution and external tailwinds rather than transformed productive capacity and could not be sustained once conditions turned (Ellner, 2024). Each paradigm could move poverty within the band, but none could break the floor, because none addressed the structural cause beneath it.

## 4.5 Hypothesis Evaluation

The empirical evidence from sections 4.2, 4.3 and 4.4.1 is now assessed against the four hypotheses.

**H1** held that all administrations between 2003 and 2025 faced binding external constraints limiting the sustainability of their models, regardless of ideology. The evidence confirms it. Every administration eventually confronted the same balance of payments constraint generated by Argentina's commodity-dependent structure. The first Kirchner phase relaxed it temporarily through a competitive exchange rate and favourable conditions, but the vulnerability reasserted itself once those deteriorated; Macri's liberalisation intensified it by raising import penetration without export growth; Fernández confronted it under the most adverse conditions of the period; and Milei achieved a surplus only through contraction, not transformation. No administration diversified the export base or altered Argentina's role in the international division of labour.

**H2** held that effectiveness was conditioned as much by the international financial environment and access to financing as by domestic choices. The evidence largely supports it. The first Kirchner phase succeeded during the commodity boom and global liquidity surplus, Macri failed as the Federal Reserve tightened and commodity prices fell, and Fernández faced the pandemic, the war and the drought at once. Domestic choices are not irrelevant within those boundaries, since the competitive exchange rate amplified the benefits of favourable conditions while Macri's capital account opening amplified the damage of unfavourable ones. The international context sets the boundaries and domestic policy determines where within them an administration operates, exactly the articulation the hypothesis proposed.

**H3** examined whether prioritising policy autonomy or international financial integration could reconcile autonomy and stability, each expected to carry distinct vulnerabilities. The evidence confirms the trade-off and shows neither pole reconciled the two. Kirchnerism's autonomy from the IMF gave the policy space for growth and redistribution in the first phase but generated the deficits, inflation and reserve depletion that constrained the second; Macri's integration restored creditor confidence temporarily but subjected policy to global capital volatility and Fund conditionality. Every configuration produced its own instability, so the choice was not between two viable alternatives but between two forms of vulnerability inherent in peripheral financial integration.

**H4** held that the difficulty of stable outcomes may lie less in the pace of reform than in structural constraints that neither gradualism nor shock therapy addresses, advanced as an open question. The evidence is split. Macri's gradualism clearly failed, the deficit staying large despite consolidation pledges, the 2018 crisis forcing a disorderly adjustment under IMF supervision, and the economy ending worse on nearly every indicator. Milei's shock therapy resists the same verdict so far, producing a fiscal surplus for the first time since 2008, an EMBI spread near 755 basis points by early 2025, average inflation falling from 219.9% in 2024 to 31.5% in 2025, and poverty falling from 41.7% at the close of 2023 to 28.2% in 2025. These gains came with real costs, GDP per capita falling 1.7% in 2024 before an estimated 3.4% recovery in 2025. What the programme has not done is change the export structure or reduce exposure to external shocks, and the surpluses rest on contracted imports and demand rather than new capacity. H4 therefore remains plausible but unconfirmed.

An open hypothesis requires a closing condition, observable indicators specified in advance against which it can be tested, and the criterion must distinguish stabilisation from structural transformation, since a falling inflation rate or a surplus achieved through recession is not by itself a break with the dependent pattern. Three indicators allow the distinction. The first is export composition, where a genuine break would show a rising share of diversified, higher value-added exports rather than continued primary predominance. The second is the share of productive investment in GDP, where a sustained rise in gross fixed capital formation would signal new capacity rather than a surplus obtained by compressing imports. The third is the persistence of the trade surplus once growth resumes, since a surplus that survives the rebound in import demand points to structural improvement while one that disappears as the economy expands confirms a recessionary origin. Should future data show a diversifying export base, a rising investment share and a surplus that withstands recovery, H4 would be confirmed; in their absence, the preliminary stabilisation is another turn of the cycle rather than its resolution.

In all, the results point in a consistent direction, H1 confirmed, H2 and H3 with qualifications, and H4 not yet confirmable. The three lenses combine without collapsing into one another. Latin American Structuralism explains the ceiling, a productive structure specialised in primary commodities that no administration diversified, leaving the trade balance hostage to prices set abroad. Dependency Theory explains the persistence, since foreign investment entrenched rather than transformed that specialisation. Neoliberal Institutionalism explains the enforcement, the debt-and-conditionality channel by which each shortfall of foreign exchange became renewed external discipline. Operating at the material, relational and institutional levels, their combination accounts for why instability recurred across four paradigms. Domestic policy determined how the constraint was managed and how its costs fell across society, but not whether it bound.

## Chapter 5

## 5 Conclusion

This thesis set out to examine how Argentina's structural position within the international economic order explains the persistence of macroeconomic instability across four radically different policy paradigms between 2003 and 2025, and to what extent domestic policy choices operated within or against the constraints imposed by that position. Read from International Relations, the macroeconomic record became evidence of how power is distributed between a peripheral state and the creditors, markets and institutions governing its access to foreign exchange. Three traditions did distinct analytical work, Latin American Structuralism identified the material ceiling, Dependency Theory explained why it was never lifted, and Neoliberal Institutionalism traced the mechanism through which it was enforced.

That common limit was the foreign-exchange ceiling imposed by the export structure. Each administration met it from a different starting point and through a different strategy. The first Kirchner phase relaxed it with a competitive exchange rate and exceptionally favourable prices, but the relief proved temporary. Macri's opening of the capital account widened the gap before any new export capacity existed to fund it. Fernández faced the ceiling under the worst external conditions of the period. Milei reached a surplus only by suppressing imports through recession. None developed a new dynamic export sector or changed the composition of what Argentina sells abroad, and the stop-go pattern that has defined the economy since the mid-twentieth century persisted through all four (Wainer, 2018).

The debt cycle operated as the institutional channel through which that ceiling was enforced. The Kirchner deleveraging, from 133.5% to 30.4% of GNI, was the period's strongest assertion of autonomy, and it was financed by the same trade surpluses that briefly relaxed the external constraint. Macri reversed it within four years through borrowing that culminated in the largest IMF programme in history; Fernández inherited both the debt and the closed markets it produced. The instrument that bought autonomy under one government thus became the constraint inherited by the next (Torres, 2005).

Foreign direct investment, examined through the productive lens of Dependency Theory, proved strikingly unresponsive to the policy environment. Its volume fluctuated with the macroeconomic cycle, but its sectoral composition did not shift with the paradigm in power, remaining concentrated in commodity-related and extractive activity whether governments imposed or removed controls. This invariance reflects the financial dependency through which external capital reproduces the existing specialisation rather than transforming it, anchored in structural features that none of the four governments altered (Ghosh, 2019).

The trilemma analysis showed that no configuration of monetary, exchange rate and capital account policy insulated the economy from external discipline. Each administration sacrificed a different vertex, and each met the vulnerability characteristic of its choice: controls generated parallel markets and inflation, openness generated exposure to capital reversals transmitted from the centre. The viability of any configuration depended less on its internal design than on whether the external environment was permissive at the time it was attempted (Kaltenbrunner & Painceira, 2017).

The hypothesis evaluation produced mixed results that reinforced rather than weakened the structural argument. The external constraint was confirmed as binding across all four paradigms (H1). The international context was confirmed as a primary determinant of domestic outcomes, although domestic policy choices matter within the boundaries set by external conditions (H2). The autonomy-integration trade-off was confirmed, with the qualification that neither pole constitutes a viable long-term strategy (H3). The hypothesis that neither gradualism nor shock therapy addresses structural constraints could not be confirmed in its entirety because the Milei programme has produced preliminary stabilisation results, including fiscal surplus, declining inflation and falling poverty, whose durability cannot yet be assessed (H4). The inability to confirm H4 does not invalidate the structural argument but highlights its open-ended character; whether any macroeconomic approach can succeed without transformation of the productive base remains the central unresolved question of Argentine political economy.

Beyond the Argentine case, these findings speak to a central question in International Political Economy; how much room a peripheral state retains to govern its own economy once it is embedded in a hierarchical financial system it did not design. This thesis suggests that the answer is conditional rather than fixed. Sovereignty over economic policy was not simply present or absent across the four administrations, it expanded and contracted with the external accounts, widening when trade surpluses and favourable prices filled the reserves, narrowing when deficits and capital outflows emptied them. Autonomy, on this evidence, is not a constitutional attribute of statehood but a resource that peripheral economies must continually finance, and that the structure of the international division of labour makes chronically scarce.

This reframing carries a wider implication for how the discipline reads episodes of reform and crisis in the Global South. The recurrent temptation, in both policy debate and scholarship, is to explain Argentine instability as a sequence of domestic failures, the wrong ideology, the wrong sequencing, the wrong technocrats. The evidence assembled here does not deny that domestic choices mattered, but it relocates them, they determined the form and the distribution of instability, not its presence. For a country whose insertion into the world economy remains what it was a century ago, the decisive variable lies less in who governs than in the terms on which the international system allows a commodity periphery to participate. Whether those terms can be renegotiated, by a single state acting alone or only through collective action among peripheral economies, is the question that the Argentine experience ultimately poses to International Relations.

## 5.1 Recommendations

Several recommendations for future research follow from this analysis. The most direct extension is comparative. Applying the same three-lens framework to other peripheral economies such as Brazil, Turkey or South Africa would test whether the patterns identified here reflect peripheral capitalism generally or are specific to Argentina's particular mode of insertion. Brazil offers the closest comparison, since it shares the commodity-export profile and the experience of alternating policy paradigms, while Turkey and South Africa would test the framework against economies whose external constraint operates through different export structures, allowing the structural argument to be separated from the features of the Argentine case.

A second line concerns the changing composition of the centre itself. The role of China as an emerging centre economy warrants attention, since a shift toward a multipolar configuration may alter the external constraint in ways the structuralist framework does not fully anticipate. Argentina's trade and financial relations increasingly run through Beijing as well as Washington, from the currency swap with the People's Bank of China to the destination of its agricultural exports, and whether a peripheral economy facing two competing centres gains bargaining space or merely changes creditors is a question the original centre-periphery framework, built for a unipolar order, was not designed to answer.

Third, two developments within Argentina deserve monitoring as natural experiments on the thesis's central claim. Argentina's lithium reserves would test whether a new high-value export can alter the structural position this thesis identifies as decisive, or whether lithium reproduces the soybean pattern of dependence on a price set abroad. The long-term trajectory of the Milei programme will likewise show whether shock therapy can achieve sustainable stabilisation or reproduces the pattern of the three preceding neoliberal experiences, and section 4.4 provides the baseline of indicators against which that trajectory can be assessed as data accumulate.

Finally, a further extension would subject the four hypotheses to formal econometric testing. The present dataset, at most twenty-three annual observations, has too few degrees of freedom for multivariate models, but a higher-frequency or longer series would make three specifications viable. For H1, regressing GDP growth or the trade balance on the soybean price, the real exchange rate and administration dummies would test whether the external coefficient stays large and significant while the dummies stay small, with a structural break test establishing its stability across governments. For H2, a model of inflation on lagged depreciation and the soybean price, set against monetary growth and the fiscal deficit, would test whether external drivers dominate domestic ones across administrations. For H3, a model of reserve depletion with a capital-restricted versus capital-open regime dummy and interaction terms on commodity prices and global volatility would test directly whether the two configurations produced asymmetric vulnerabilities. Together these would convert the structural relationships identified here into testable statistical propositions, the most promising avenue for extending the analysis.

## 5.2 Limitations

The findings are subject to several limitations concerning the data on which the analysis rests. The INDEC intervention of 2014-2016 created a gap in the official inflation series coinciding with the second Kirchner phase, which is precisely the period in which the erosion of that administration's model accelerated, so the years in which price dynamics were most contested are those for which the official record is weakest. Alternative estimates such as IPC Congreso and the MIT Billion Prices Project are referenced qualitatively, but they cannot be integrated into the series without mixing methodologies. Data availability for the most recent years is also uneven, since inflation, GDP growth, the fiscal balance and poverty are available for 2025 while the World Bank series for external debt, FDI and the Gini coefficient extend only to 2023 or 2024, and the 2025 monetary base is not comparable with earlier years owing to a change in definition. Where 2025 data were missing or inconsistent, the series were left to close at the last reliable observation rather than extended with estimates.

A second set of limitations concerns the temporal asymmetry of the four cases. The Kirchner period spans thirteen years against four for Macri and Fernández and barely two for Milei, so the comparison sets a mature, completed cycle against administrations observed over far shorter horizons. The assessment of Milei is necessarily preliminary, since the disinflation and the fiscal surplus are documented facts, but whether they constitute durable stabilisation or the favourable phase of another cycle cannot be determined within the window available, and this thesis deliberately refrains from anticipating that verdict. Any conclusion about the fourth case is therefore provisional in a way that the conclusions about the first three are not.

Third, the study relies on secondary quantitative data, which captures outcomes but not the decision-making processes within each administration. The indicators record what happened to the trade balance, reserves or inflation, but not the deliberations, external pressures or negotiating positions that produced each policy, so the mechanisms connecting structural position to policy choice are inferred from outcomes rather than observed directly. Interviews or archival work on, for instance, the IMF negotiations of 2018 and 2022 would be needed to trace those mechanisms, and they fall outside the scope of a quantitative comparative design. For the same reason, the design cannot fully isolate domestic policy from the international context: the period includes the global financial crisis, the commodity supercycle and its reversal, the pandemic and the 2022-2023 drought, and their effects are absorbed into the record of each administration rather than separated from it.

Finally, with only four administrations and many confounded variables, the study cannot isolate the causal effect of any single factor as a large-N model would, and the small number of annual observations rules out multivariate estimation, which is why the formal testing of the hypotheses is deferred to future research. This reflects a deliberate limit of the design rather than an oversight. What the design can establish is different. By tracing the same indicators across four governments of opposed doctrine within the same structural position, it identifies patterns that persist regardless of the paradigm in office, and that invariance carries the analytical weight, since an outcome recurring across sharply different administrations points to a structural rather than a policy-specific cause.

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Curso 2025/2026

## ANNEX: Declaration of use of generative AI tools

| | |
|---|---|
| **Nombre Grado/Máster:** | Doble Grado en Administración y Dirección de Empresas y Relaciones Internacionales (E-6) |
| **Nombre Alumno:** | Álvaro Alonso García |
| **Coordinador/a TFG/TFM:** | Pérez Fernández, Daniel<br>Gil Pérez, Javier |
| **Nombre Director/a de TFG/TFGM:** | Femi Oladunni, Opeyemi Afolabi |

| | | |
|---|---|---|
| Declaro que para la elaboración del presente Trabajo Fin de Grado / Trabajo Fin de Máster se ha utilizado inteligencia artificial generativa como herramienta de apoyo. | **SÍ**<br>X | NO |

### 1) Uso de la IA Generativo

Si tu respuesta ha sido SÍ, contesta a las siguientes preguntas. Si has contestado NO, pasa al apartado 2.

**Uso ético**

| | SÍ | NO |
|---|---|---|
| ¿A la hora de usar la herramienta IA, en los *prompts* utilizados has incluido datos de carácter sensible o de carácter personal (fotos de personas reales, datos personales, etc.)?<br>*Si tu respuesta es afirmativa especifica cuáles.* | | X<br>(NO) |
| ¿Has orientado tu uso a suplantar tu trabajo personal sin hacer una revisión crítica de la extraído en la herramienta IA?<br>*Si tu respuesta es afirmativa especifica cuáles.* | | X<br>(NO) |
| ¿Has tenido en cuenta las recomendaciones académicas que te han hecho específicamente en el Grado/Máster sobre lo que está permitido o no con la IA? | X<br>(SI) | |

**Uso técnico realizado:**

¿Qué herramientas has utilizado (ChatGPT, Copilot, Claude, Nano Banana….)? Especifica la versión o tipo de licencia.

**Marcar lo que corresponda:**

☐ Generación de texto *(Especificar qué herramientas)* →

☒ Reformulación *(Especificar qué herramientas)* → ChatGPT

☒ Traducción / corrección *(Especificar qué herramientas)* → ChatGPT, Claude

☒ Sugerencia de estructura *(Especificar qué herramientas)* → ChatGPT

☐ Apoyo metodológico *(Especificar qué herramientas)* →

☐ Buscar o citar bibliografía *(Especificar qué herramientas)* →

☒ Generar contenido audiovisual (videos, infografías, audios, imágenes, gráficos. *Especifica en concreto qué contenidos has generado con IA además de citarlo correctamente en el trabajo. Gemini, para elaborar las figuras 1-4*

☐ Otros *(Especificar qué herramientas)* →

Confirmo que el contenido final ha sido revisado, corregido y validado íntegramente por mí como autor/a y asumo la plena responsabilidad académica del mismo.

La utilización de la IA no ha sustituido el análisis crítico, la reflexión personal ni el trabajo intelectual propio exigido en un TFG/TFM.

**Firma:** Álvaro Alonso García, 13 de junio del 2026