

The Monetary and Fiscal History of Argentina, 1960-2017

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Summary



- **Main Goal:** understand the root causes of Argentina's persistent economic challenges, including:
 - Balance of payments crises, hyperinflation episodes, government debt defaults, and banking crises
- **Methodology:** using a historical analysis approach, the authors examine the correlation between fiscal deficits and various economic crises
 - They also consider the impact of government policies on inflation and economic growth
- **Findings:** the recurrent economic problems in Argentina are symptomatic of the government's unsuccessful attempts to control fiscal deficits
 - Periods of economic stability in Argentina coincided with lower fiscal deficits and vice versa
 - Argentina's future economic progress heavily relies on developing institutions that ensure long-term fiscal discipline.

Summary



- **Inflation and Fiscal Deficit Correlation:** paper correlates chronic inflation with fiscal deficits, particularly during the 1970s and 1980s, leading to periods of hyperinflation.
- **Economic Stagnation and Recovery:** The country experienced a prolonged economic stagnation from 1974, followed by a recovery in 1991, which was halted by a severe depression in 1998.
- **Structural Reforms and Debt Renegotiation:** Structural reforms, including the adoption of a currency board in 1991 and debt renegotiations in the 2000s, are discussed as pivotal moments in Argentina's economic policy.
- **Impact of Global Financial Crises:** touches on how global financial crises, like the one in 2001, exacerbated Argentina's economic challenges, leading to banking crises and defaults.