

Argentina

Self-rule

INSTITUTIONAL DEPTH AND POLICY SCOPE

Argentina is a federal country (C 1853, Art. 1) divided into twenty-three *provincias* (provinces) and the *Ciudad Autónoma de Buenos Aires* (Autonomous City of Buenos Aires, CABA). *Provincias* are geographically divided into *departamentos*, which are composed of *municipalidades* (or *partidos* in the province of Buenos Aires). CABA is further divided into *comunas*. CABA is the only case of an urban or metropolitan multi-purpose government with a specific legal basis.¹ We code *provincias*, CABA, and *territorios nacionales* (national territories). In 1862, territories under control of the federal government and outside the *provincias* were established as *territorios nacionales*, and in 1884 they were reorganized as *gubernaciones* (governorates). After 1950, these *gubernaciones* became *provincias* one by one: Chaco and La Pampa in 1951 (Law 14,037), Misiones in 1953, Formosa, Neuquén, Río Negro, Chubut, and Santa Cruz in 1955 (Laws 14,408; 21,178), and Tierra del Fuego in 1991 (Law 23,775) (Cetrángolo and Jiménez 2004: 122).

The federation's founding constitution of 1853 "created both a high degree of provincial representation in national political institutions and a powerful central government" (Gibson and Falleti 2004: 239). The constitution was reformed four times in the twentieth century: 1949, 1957 (repealing the 1949 reform), 1972 (in effect until the 1976 coup), and 1994. From 1950 to 1982 Argentina faced three military dictatorships: *Revolución Libertadora* in 1955–58, *Revolución Argentina* in 1966–72, and *Proceso de Reorganización Nacional* in 1976–82. The Peronist party was banned from participating in elections from 1955 to 1972. The transition to democracy took place in 1983.

Provincias determine their own organization and each *provincia* has its own constitution (C 1853, Arts. 5 and 105; C 1994, Section 5). *Provincias* also set

¹ The Área Metropolitana de Buenos Aires (Metropolitan Area of Buenos Aires, AMBA), Gran Buenos Aires (Greater Buenos Aires), or Región Metropolitana de Buenos Aires (Metropolitan Region of Buenos Aires, RMBA) exist for statistical purposes and have some voluntary, policy-specific cooperation agreements involving the government of the CABA, governments of surrounding *municipalidades*, and the provincial government of Buenos Aires (Cicioni 2010; Rodriguez-Acosta and Rosenbaum 2008). Other urban agglomerations around the cities of Córdoba (in the province of Córdoba) and Rosario (in the province of Santa Fe) have established planning and coordination bodies on a voluntary basis. We do not code any of these regions as metropolitan governance. See "Desde Salta a Neuquén, el desarrollo de las áreas metropolitanas de la Argentina," *Fundación Metropolitana*, April 2015, <http://metropolitana.org.ar/idm/las-areas-metropolitanas-de-la-argentina>.

the date of elections for provincial offices and, until 2004, the date for national congressional elections (Ardanaz, Leiras, and Tommasi 2012: 8). However, throughout much of their existence, *provincias* were subject to central government veto because the federal government had the constitutional right to intervene. The constitution allows federal intervention “in the territory of the provinces to guarantee the republican form of government or to repel foreign invasions, and upon request of its authorities to sustain or re-establish them if they have been deposed by sedition or by the invasion of another province” (C 1853, Art. 6; C 1994, Art. 6).

It is not unusual for federations to have such provisions (see e.g. the US constitution, Art. IV, Section V). But in Argentina the provision was routinely invoked before 1983 by both civilian and military leaders. It was invoked more frequently and for longer periods under military dictatorship. We reflect this by scoring *provincias* 2 on institutional depth during non-military rule and 1 under military rule to capture the more indiscriminate central government veto under military rule. Since the return to democracy in 1983 federal intervention has been used infrequently, in Tucuman (1991), Catamarca (1991), Santiago del Estero (1991), and Corrientes (1992). Another intervention took place in 1999 (Corrientes), and the most recent intervention dates from 2004 (Santiago del Estero).² Newfound unwillingness to intervene was tested for the first time and proved robust in 1985, when then President Alfonsín decided not to intervene in the province of San Luis claiming that federal intervention had to be sanctioned by congress. This was reinforced by a constitutional revision in 1994. While before the revision the president could conduct a federal intervention in the provinces by executive order, the new constitution imposes that congressional authorization is required (C 1994, Art. 75.31; Wibbels 2004: 232). We adjust the coding to 3 starting from 1983, the date of democratic transition.^β

CABA has had a unique status since the first Argentine constitution in 1853. The federal government exercised direct authority over the city though tempered by some self-governance. Until the constitution of 1994 the *intendente* (mayor) was appointed by the national executive in conjunction with the national senate and was advised by a directly elected council that lacked legislative authority (*consejo deliberante*).

Since CABA was primarily a deconcentrated administration, we code it 1 on institutional depth. CABA gained the status of autonomous entity in the 1994

² President Kirchner applied Art. 6 to the province of Santiago del Estero after the *Gobernadora*, Mercedes Aragonés de Juárez, and her husband, the local *caudillo* Carlos Juárez, were accused of corruption and incitement to violence. The federal government appointed a temporary governor to restore human rights and prepare new elections (Gibson 2012).

constitution. Its own autonomy statute (*Constitución de la Ciudad de Buenos Aires*) came into effect in 1996. Although geographically CABA is a city within a *provincia* (Buenos Aires), the *provincia* of Buenos Aires has no jurisdiction over the *ciudad* of Buenos Aires.³ Since 1996, CABA has had similar autonomy to the rest of the *provincias* with some restrictions in judicial, transport, and policing policy (Law 24,588 of 1996, Arts. 7–8). In matters of overlapping jurisdiction between CABA and the federal government, the federal judiciary takes precedence, whereas this is not the case for *provincias*.

Territorios nacionales can be considered internal colonies. Since they were led by a *gobernador* appointed by the federal government, they were deconcentrated governments. Over time, all of these governorates have been upgraded to provincial status. The last territory was Tierra del Fuego, which became a *provincia* in 1991. Tierra del Fuego originally had a distinctive regime: Decree No 5,626 of 1943 gave control of the territory to an officer of the armed forces who was appointed *gobernador* by the federal executive. The province of Tierra del Fuego also includes the territory of the Falkland Islands/*Islas Malvinas*, governed by the United Kingdom.⁴

In terms of policy scope, the 1853 constitution granted *provincias* residual powers (C 1853, Art. 104; C 1994, Art. 121), the power to determine their own local institutions (C 1853, Art. 105; C 1994, Art. 122), and authority over local government (C 1853, Arts. 106 and 123). Among the residual powers, *provincias* can issue their own currency, write their own procedural codes for criminal matters, and adopt their own legislation for the implementation of civil rights such as protection against gender violence (Smulovitz 2010) or freedom of the press (Gervasoni 2010a, b). They also administer the judicial system, share competence over primary education, and promote industry, immigration, and the construction of railroads (C 1853, Arts. 5 and 107; C 1994, Arts. 5 and 122). Laws passed in 1979, 1982, and 1983 developed provincial authority over regional industrial policies. The bulk of authority over primary and secondary education was transferred to the *provincias* in 1979 and 1989 respectively (Eaton 2006: 9; Jordana 2002: 31; Falleti 2010). Decentralization of education had taken place by the late 1950s, when twenty-three schools were decentralized to the *provincia* of Santa Cruz, and in the late 1960s, when 680 schools were transferred to the *provincias* of Buenos Aires, Río Negro, and La Rioja (Falleti 2010). The *Ley Federal de Educación* of 1993 (Law 24,195) established the responsibilities of each level. In 1991, exclusive responsibility for twenty-one

³ The constitution of the *provincia* of Buenos Aires does not mention the *ciudad* of Buenos Aires and makes it explicit that the capital of the *provincia*, and therefore the provincial government, is located in the city of La Plata (Art. 5).

⁴ Provincia Tierra del Fuego, Antártida. “Historia de Tierra del Fuego.”
<<http://gobierno.tierradelfuego.gov.ar/historia/>>

hospitals and secondary schools was transferred to *provincias* and CABA (Lora 2007; Cetrángolo and Jiménez 2003: 53). *Provincias* have also taken on housing, sanitation, social assistance and food programs, and some other major responsibilities such as environment or industrial development (Ardanaz, Leiras, and Tommasi 2012: 6; Trelles Zabala 2004: 224; Repetto and Alonso 2004: 29; Niedzwiecki 2014*b*, 2016, 2018; McGuire 2010). *Provincias* and the federal government share competence in matters such as social security and justice (Cetrángolo and Jiménez 2004: 117). Under the 1994 constitution *provincias* can conclude international treaties with federal consent. Citizenship and immigration policy is reserved for the federal government (C 1853, Art. 108; C 1994, Art. 126). Hence we code policy scope as extensive (3) for the entire period, except during the two later periods of military rule (1966–72 and 1976–82). Contrary to the first period of military rule, these later regimes sought to curtail provincial autonomy, reform subnational institutions and impose a particular economic policy, though internal incoherence seriously limited their ability to pursue their goals except for tax policy (Eaton 2004*a*: 120–32; Jordana 2002: 35). Therefore, military rule constrained policy autonomy in limited ways, which we reflect by reducing the score from 3 to 2 in these years.

Before 1996 CABA was primarily deconcentrated. The national government controlled the port, the judicial system, the police, and had a direct hand in shaping policy through its control over the executive. Since 1996 CABA shares similar policy competences in education, health, the environment, and economic development as the rest of the *provincias*, though it was not originally given control over police or port facilities (CABA, C 1996, Title II). Only in 2010 did CABA create an autonomous municipal police force to deal with issues of public security, but the police force remains subject to constraints by the federal government. The administration of criminal justice was formally devolved to CABA in 2017 (Barrera Buteler 2017). CABA does not have the residual powers of the *provincias* (Law 24,588, Art. 2), but controls its own institutional set up and local government. Its policy score is the same as that for *provincias*.

FISCAL AUTONOMY

The 1853 constitution gave *provincias* authority over direct taxes and concurrent authority over indirect taxes, while taxes on trade remained under exclusive federal control (C 1853; Eaton 2001*a*: 4).

Over the past eight decades, provincial tax autonomy—once supreme—has declined markedly. The first step occurred in 1934 when *provincias* signed away their exclusive right to set sales, excise, and income tax in return for a guaranteed and unconditional share of federally determined taxes. This newly established system was denominated *coparticipación* (Eaton 2001*a*: 6; see section on shared

rule, fiscal control later). In subsequent years, *provincias* negotiated steady increases in their share of federal revenues, which were laid down in a series of time-limited intergovernmental agreements. Hence, while *provincias* retained constitutional ownership over all direct taxes until the constitutional revision of 1994, they renegotiated extensions of the system established in 1934 at irregular intervals. At no point did they withdraw their conditional consent to delegate direct tax authority to the federal government. Over time the agreements broadened the range of taxes included in the *coparticipación* system to virtually all federal direct taxes (Eaton 2004a; Jordana 2002: 35). The 1994 constitution formalized the situation by making clear that the federal government has authority to set indirect taxes concurrent with the *provincias*, and that the federal government levies direct taxes subject to *coparticipación* (C 1994, Art. 75.2). *Provincias* are assigned the maximum score on fiscal autonomy until 1975 due to their authority to set the rate and base of two sales taxes: the *ingresos brutos*, which applies to companies' gross revenues, and the *impuesto a las actividades lucrativas*, which is a tax on gross sales. The latter tax, which was the major one of the two, was abolished in 1975 with the introduction of a federal VAT (Artana et al. 2012: 17). We recognize this reduced tax autonomy by lowering the score from 4—setting the rate and base of a major tax—to 2— setting the rate and base of minor taxes—from 1976.

In addition to the sales tax on companies' gross revenues, *provincias* continue to set the base and rate of various indirect minor taxes, including the property tax on real estate, a vehicle registration tax, and a stamp tax (Artana et al. 2012: 10; Trelles Zabala 2004: 222; Eaton 2001a: 6).⁵ Subsequent reforms expanded tax autonomy to resource royalties for resource-rich *provincias*, mostly crude oil and natural gas. Some *provincias* also tax labor or sales of utilities, and twelve out of the twenty-four *provincias* that did not transfer the pay-as-you-go pension system to the federal government impose a public employee tax (Artana et al. 2012: 27). In 2017, *provincias* (with the exception of San Luis and La Pampa) and CABA signed an agreement with the federal government (*consenso fiscal*, made official by Law 27,429), in which *provincias* agreed to reduce the rate of *ingresos brutos* taxes and lower expenditure growth. In exchange for supporting this legislation, the federal government increased the amount of transfers to provinces coming from the income tax (Freytes and Niedzwiecki 2018). As in earlier agreements, however, *provincias* reserve the right to withdraw from the agreement, so the score remains unchanged.

CABA was deconcentrated until 1996. Since it became autonomous, it has had control over a battery of municipal fees as well as provincial taxes (*ingresos*

⁵ In 1993 *provincias* agreed to abolish these taxes but reinstated them in the late 1990s.

brutos, patentes, and sellos).⁶ CABA reintroduced the stamp tax (*sellos*) that had been abolished during the 1990s (Artana et al. 2012: 27).

BORROWING AUTONOMY

Initially, there were no rules constraining borrowing for *provincias*. While the constitution establishes that only the federal government can contract debt (“Congress is empowered ... to borrow money on the credit of the nation [our translation],” C 1853, Art. 64.3; C 1994, Art. 75.4), it also opens the door for subnational units to incur debt in Art. 124: “The provinces are empowered to ... enter into international agreements provided they are consistent with the national foreign policy and do not affect the powers delegated to the federal government or the public credit of the nation [our translation]” (C 1994, Art. 124).⁷

Argentine *provincias* and CABA have borrowed money from national and international creditors since the 1930s (Diaz-Cayeros 2006: 190). *Coparticipación* funds were sometimes used as a guarantee of future payment (Cetrángolo and Jiménez 2003: 58). The federal government is the main creditor of *provincias* and has taken over provincial debt on several occasions, often in ad hoc federal–provincial agreements, thereby effectively eliminating the hard budget constraint (Eaton 2004a; Diaz-Cayeros 2006; Bonvecchi 2010: 9). Until the early 1990s, provincial governments had almost unrestrained access to deficit financing through provincially owned banks (Wibbels 2004: 214; Haggard and Webb 2004: 213–15).⁸ Access to deficit financing was ultimately obtained through the central bank that issued currency to fund rediscounts for provincial banks, which in turn financed provincial treasuries. By the end of the 1980s, provincial debt accounted for more than half of all public debt (Wibbels 2004: 214). Since national regulation on subnational debt was poor, the burden fell on provincial regulation. Approval procedures vary a lot from province to province. While some provincial constitutions restrict borrowing (Cetrángolo and Jiménez 2003: 58), others require extraordinary legislative majorities or impose limits on the use of debt. Nicolini et al. (2002: 10) note that these restrictions are very mild in most *provincias* and quantitative limitations are rarely binding.^a

National rules were tightened somewhat in the 1990s. The 1991 Convertibility Plan and the 1993 Resolution (*Resolución Ministerial* 1075/93) provided the

⁶ Gobierno de la Ciudad de Buenos Aires. “Rentas Ciudad.”

<<http://www.agip.gov.ar/web/info-fiscal/agenda-fiscal-anual.html#>>.

⁷ The 1853 constitution also allows *provincias* to have partial agreements with knowledge of the federal congress (C 1853, Art. 104).

⁸ International borrowing was constrained by the need to receive approval from the national chamber of deputies but, since international loans were not the major source of debt financing, this did not act as a constraint.

federal economics ministry with some monitoring capacity over the borrowing of foreign currency and put limits on *provincias*' ability to refinance existing debt from local banks, as well as their access to provincial banks (Trelles Zabala 2004: 225). The federal government also committed to a no-bailout clause and acquired the authority to withhold *coparticipación* funds to pay outstanding debts if the provincial government consents through a financial agreement (Wibbels 2004: 226; Haggard and Webb 2004: 259).

Conditions tightened further in 2004, when the federal–provincial Fiscal Responsibility Law (25,917) imposed limits on provincial spending and debt. Debt should generally not finance current expenditure and cannot exceed a certain share of annual revenue (Trelles Zabala 2004: 225; Lora 2007: 249). Prior central government approval is required by the Fiscal Responsibility Law but since provinces can opt out of these agreements, they do not amount to *ex ante* central veto power.⁹ These conditions were confirmed by a new federal–provincial Fiscal Responsibility Law passed in December 2017 (27,428, Art. 15) and implemented since 2018.

These modest constraints lead us to decrease the score for borrowing authority after 2003 from 3 to 2. *Provincias* retain the right to opt out of the Fiscal Responsibility Laws. One *provincia* opted out of the 2004 Law in 2012 (Córdoba) and two more (Buenos Aires and Santa Fe) undertook similar legislative initiatives. All provinces and CABA, with the exception of San Luis and La Pampa, signed on to the 2017 Law.

There are no special rules for CABA, but ultimate authority on borrowing rested with the federal government until 1996 since government was primarily deconcentrated until that year.

REPRESENTATION

Provincias can choose their own institutional set up: eight have bicameral assemblies and sixteen have unicameral assemblies (Suarez-Cao and Gibson 2010: 29). All of the legislatures are directly elected. *Gobernadores*, i.e. the regional executive leaders, are also directly elected. This has been the political organization during periods of non-military rule.

Political organization under military rule varied. While the 1955 military coup ousted Perón leaving subnational institutions essentially intact, subsequent periods of military rule limited subnational governments (Eaton 2004a: 71, 116–

⁹ The 2004 Fiscal Responsibility Law also gives the central bank the monopoly on issuing currency. It is not clear whether this law prevented *provincias* from issuing their own currencies in times of crisis, since the constitution does not explicitly ban *provincias* from issuing currency. The 2017 Fiscal Responsibility Law included an explicit commitment for provinces or CABA not to issue their own currency (Law 27,428, Art. 15).

17). During the *Revolución Argentina* (1966–72) all *gobernadores* were appointed by the federal government and the provincial executive obtained control over provincial legislative responsibilities. During the 1976–82 dictatorship, elections for the regional legislative or executive positions were abolished, and the military junta distributed the governorships among the army (50 percent of the *provincias*), the navy (25 percent), and the air force (25 percent) (Eaton 2004a: 117–18; Falletti 2010; Bonvecchi 2006).

For 1959 to 1965 we score executive autonomy 1 instead of 2 to reflect the fact that the federal government regularly invoked federal intervention to replace provincial governorships. Routine central intervention is akin to having a dual executive.^β

CABA had a directly elected *concejo deliberante* originally composed of thirty members, which was suspended only during the 1976–82 dictatorship. Until 1996, the executive was appointed by the president. Since 1996, CABA has had a directly elected executive, the *jefe de gobierno*. The governorates in the national territories had no representative institutions.

Shared rule

LAW MAKING

Provincias are the unit of representation in the senate (*L1*).¹⁰ Before the 1994 constitution (with the exception of the 1973 elections), senators were appointed by the provincial legislature (C 1853, Art. 46). The 1949 reform of the constitution introduced direct election of senators (C 1949, Art. 47), but it was repealed by the 1957 reform which reinstated the appointment of senators by the provincial legislature (C 1957, Art. 46). Following the 1972 constitutional reform senators were directly elected as of 1973 (C 1972, Art. 46). This reform was rescinded in 1982 when indirect election was restored. Since the constitution of 1994 (C 1994, Ch. II), senators are directly elected; the first direct election took place in 2001 (*L2*). All senators represent provincial interests (*L3*).

The senate stopped functioning during the 1966–72 and 1976–82 dictatorships.¹¹ In 1976, the congress was replaced by the *Comisión de Asesoramiento Legislativo* (Military Legislative Council), a nine-member council formed by three members from each branch of the military (Falletti 2010).

The senate has significant legislative and constitutional powers (*L4*). It must

¹⁰ Although the chamber of deputies represents population and not provinces, there is a minimum of five deputies per *provincia* and therefore small *provincias* are over-represented (Ardanaz, Leiras, and Tommasi 2012: 11; Jordana 2002: 29).

¹¹ Inter-Parliamentary Union. “Argentina: Senado.” <http://www.ipu.org/parline-e/reports/2012_A.htm>.

introduce any changes to federal revenue sharing policy, ratify international treaties, approve changes to constitutional or federal criminal laws, as well as confirm or impeach presidential nominees to the cabinet, the judiciary, the armed forces, and the diplomatic corps, among other federal posts.

Hence multilateral shared rule on law making has been and remains substantial, but there is no institutionalized system that provides individual *provincias* with the right to be consulted or veto national legislation affecting their competences (L5). So bilateral law making is zero.

Though CABA was deconcentrated until 1996, the city elected senators by indirect election: citizens elected a *junta de electores*, consisting of twice the number of senatorial positions, who then elected the senators (C 1853, Arts. 46 and 81) (L1, L2). The 1949 constitution mandated direct election of senators for CABA but the provision was repealed in the 1957 constitution, which restored the previous indirect system (C 1949, Art. 47; C 1957, Art. 81). Since 2001 CABA senators have been directly elected (C 1994, Art. 54). Therefore, CABA's score on law making is consistent across direct and indirect popular election of its senators (outside periods of military rule). There is neither bilateral consultation nor a negotiation system for CABA senators (L5, L6). The territories did not have representation in the senate.

EXECUTIVE CONTROL

Shared rule on executive policy making was virtually non-existent prior to the 1970s. We identify 1972 as the beginning of routinized executive control which has expanded its range since then.

In 1972 the *Consejo Federal de Educación* (Federal Council of Education, or Federal Council of Culture and Education since 1979) was set up to coordinate educational issues between the *provincias* and the federal government, and to determine nation-wide educational standards (Law 24195 of 1993, Art. 56; Falletti 2010). During the 1976–82 dictatorship, appointed *gobernadores* and their representatives voiced their concerns in regular meetings (Falletti 2010) but had no veto power. The *consejo* is headed by the federal ministry of education and is composed of all the provincial ministers of education (Falletti 2010). Since 1993, it also includes the CABA minister of education as well as a representative from the *consejo de universidades* (Law 24195, Art. 57), which we register for CABA from 1996 as a form of executive control. The *Consejo Federal de Educación* has become a significant player in the negotiation and design of educational reforms (Falletti 2010). The 1994 constitution (Ch. IV, Section 75) and Laws 24,195 of 1993 (Art. 3) and 26,206 of 2006 (Art. 4) consolidated this configuration by stating that the central government, the *provincias*, and CABA share responsibility to provide access to education. The national government has

the authority to set framework legislation but is bound to respect provincial particularities (Law 26,206, Art. 5). Meetings are routinized and held at least once a year (Law 26,206, Art. 120). Since 2006, the decisions reached by the *Consejo Federal de Educación* are legally binding (Law 26,206, Art. 118).

In 1981, executive shared rule was extended to include health policy. National Law 22,373 created COFESA (*Consejo Federal de Salud*), which includes the health ministers of the national government, the *provincias*, CABA, and Tierra del Fuego (Law 22,373, Art. 1). The council coordinates health policy. The council meets at least two times a year (Law 22,373, Art. 3).

FISCAL CONTROL

All federal taxes, including revenue sharing and *coparticipación*, are decided by congress, where the senate has a veto (C 1994, Art. 74). In periods where the senate consisted of representatives elected by the provincial governments, this provided the *provincias* with an indirect veto.

Fiscal negotiations have been a hallmark of Argentinian federalism since the first *coparticipación* agreements of 1934, when *provincias* signed away authority over several provincial direct taxes in return for a share in federally raised direct taxes. The initial ten-year agreement contained ad hoc provisions by *provincia* (Eaton 2004a: 68). This became institutionalized in subsequent decades so that one can speak of a regularized and legally binding system of federal–provincial consultation about national fiscal redistribution.¹² The system involved a great deal of unpredictability and friction in provincial–federal fiscal relations. At times, the federal government engaged in bilateral deals with particular *provincias*, for example, trading the federal take-over of provincial debt for limitation of provincial tax authority. The result is what is arguably “the most complex fiscal federalism arrangement in Latin America” (Diaz-Cayeros 2006: 181).^β

Unilateral re-interpretation of the contract by the federal government frequently took place, and during the second and third military regimes violations were systematic and substantial, and meetings became irregular (Eaton 2004a: 69; Diaz-Cayeros 2006: 181–98). However, the military regimes did not completely dismantle the system and provincial governments managed to increase their competences in intergovernmental bargaining after the 1976

¹² The first *coparticipación* regime was established in 1934–35 through different laws, in which the agreement of all *provincias* was necessary for rules to take effect (Laws 12,139; 12,143; 12,147, and 12,956 of 1946 as cited in Cetrángolo and Jiménez 2004: 123; Nicolini et al. 2002: 9; Eaton 2001a: 5). The 1951 co-participation system (Law 14,060 as cited in Cetrángolo and Jiménez 2004:123) stayed in place until 1973, and it determined the mechanisms for tax sharing to the *provincias* (Cetrángolo and Jiménez 2004: 121).

coup (Bonvecchi 2006). In fact, the hard-line third regime extended the 1973 *coparticipación* agreement by a year in its dying days to give the incoming democratic government a chance to broker a new arrangement (Eaton 2004a: 145). Nevertheless, the additional constraints imposed by the military regimes appear sufficiently severe to reduce fiscal control to 0.

A new *coparticipación* law was enacted in 1973 (Law 20,221). Co-participation was now regulated by a single law which required nationally collected taxes to be shared with the *provincias*, Tierra del Fuego, and CABA (Law 20,221, Arts. 4 and 8; Cetrángolo and Jiménez 2004: 121; Eaton 2001a: 15).¹³ A *Comisión Federal de Impuestos*, composed of one representative of the federal government and one representative of each *provincia*, was created, and its *comité ejecutivo* granted the authority to control and promote the implementation of the law (Law 20,221, Art. 10). Its decisions were binding (Law 20,221, Art. 12).

During the 1976–83 dictatorship, congress ceased to function and a military commission (*Comisión de Asesoramiento Legislativo*) took over its responsibilities. There was no routinized intergovernmental negotiation on fiscal policy (Eaton 2006: 17).

The system of *coparticipación* broke down at the end of 1984 when *provincias* and the newly elected democratic government failed to agree on transfers in the context of high inflation. Tax revenue sharing to *provincias* was now at the discretion of the federal government (Bonvecchi 2010: 63). A new system, agreed in late 1987, came into effect in 1988 (Law 23,548; Jordana 2002: 40; Eaton 2004a: 146). The 1988 *coparticipación* law (Law 23,548) allocated around 55 percent of revenues to the *provincias*, 42 percent to the national government, and the remainder to the National Treasury Contributions Fund for discretionary distribution among the *provincias* (Bonvecchi 2010: 17; Bonvecchi and Lodola 2011; Nicolini et al. 2002: 9).

The 1994 constitution strengthened the provincial role in the *coparticipación* regime (C 1994, Art. 75.2). According to Art. 75.2 the federal government has authority to levy direct taxes subject to *coparticipación*. However, *coparticipación* laws must originate in the senate and are enacted with the absolute majority of all the members of each house. The laws cannot be unilaterally amended or regulated and must be approved by the *provincias* collectively and individually.¹⁴ A transfer of jurisdictions or functions requires

¹³ Nevertheless, not all taxes are distributed to *provincias*, such as export duties and check deposit taxes. There are also discretionary flows to the *provincias*, particularly national treasury contributions to *provincias* in the case of provincial fiscal disequilibrium (Giraudy 2015).

¹⁴ In 2019, the *Comisión Federal de Impuestos* issued a resolution stating that the federal government cannot pass laws that affect taxes subject to *coparticipación*

the consent of each *provincia* and the CABA. *Provincias* that do not consent can opt out.

The CABA was incorporated in tax-sharing from the first *coparticipación* law, but since its government was predominantly deconcentrated until the 1996, the Ciudad Autónoma did not share fiscal control until that year.

BORROWING CONTROL

There is a long history of one-to-one negotiation between the national and provincial governments regarding borrowing constraints, but these tended to be ad hoc negotiation in the context of an acute debt crisis. In 1999 congress passed a National Fiscal Solvency Law, which set strict deficit limits for 1999–2002 and a balanced budget thereafter. Even though it was intended as a model for *provincias*, the law bound only national government debt for there was no enforcement at the provincial level (Liu and Webb 2011).

In 2004 congress passed a fiscal responsibility law which in principle applies to the provincial as well as the national government. It mandates three-year budgets; a debt management program designed to limit debt service to 15 percent of net revenue; approval of the economics ministry for new borrowing or guarantees; the denomination of domestic bonds by *provincias* or *municipalidades* in pesos; and a standard form for *provincias*' fiscal accounts and debt transactions. It also established a stabilization fund and a Federal Council for Fiscal Responsibility (CFRF) composed of the national and provincial ministries of finance to monitor budgets. Provincial governments were not consulted in crafting the law but the law has a covenant format so that only consenting provincial governments are bound by the law. We consider this to be bilateral control over borrowing. Initially twenty-one out of twenty-four provinces and CABA signed up. The law sets up a routinized system for intergovernmental coordination and monitoring of budgets and borrowing that pertains in principle to both national and provincial levels. We code *provincias* 1 on bilateral borrowing control as of 2004. In 2009 congress suspended the key fiscal targets in the law but it is unclear whether this grounded the system to a halt (Liu and Webb 2011).^a

The 2017 Fiscal Responsibility Law reestablished these targets and gave the CFRF—in which subnational governments have a majority—the authority to monitor participating regional governments' compliance (Law 27,428, Art. 17). Since only consenting governments are bound by the new law, and two *provincias* (La Pampa and San Luis) had refused to endorse it by 2018, we maintain the score of 1 on bilateral control. However, the new fiscal

without the formal consent of provincial governments (Resolución General Interpretativa 38/2019).

responsibility law also allows the CFRF to grant exemptions from borrowing limits to regional governments that achieved balanced budgets or surpluses for two consecutive fiscal years, on a case-by-case basis (Art. 18). This provision effectively grants participating provinces and CABA veto power over borrowing constraints. Since no individual province has veto power if other provinces with a seat on the CFRF do not approve its application for the exemption from limits on borrowing, we code this as multilateral control with a score of 2.

CONSTITUTIONAL REFORM

The constitution may be totally or partially amended by a constitutional assembly, which decides by simple majority. The process requires initiation in the sitting congress and a vote by two-thirds of the members of both houses of the congress (C 1853, Art. 30; C 1949, Art. 21; C 1994, Art. 30). The next stage consists of the popular election of a constitutional assembly which accepts or rejects the congressional declaration of the necessity of reform. If rejected, the process ends. If accepted, the assembly produces a final text for adoption by simple majority. Hence the consent of provincial representatives in the senate is required to initiate reform—which is equivalent to a veto—though they cannot determine the final outcome. However, while pre-2001 representatives were direct representatives of provincial governments (except for 1950–56), from 2001 they are directly elected in provincial constituencies. In both cases, the final decision lies with the constitutional assembly.

Since 1996 CABA has had its own constitution. Its special status is protected in the federal constitution and is subject to the same reform procedure as the constitution itself. There is no special provision in the constitution that protects against unilateral reform, but senators representing the city have been full participants in national constitutional politics from at least 1950. Contrary to provincial senators, CABA's senators have always been elected rather than appointed by the government. CABA scores 0 on bilateral constitutional reform.

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Self-rule in Argentina

		Institutional depth	Policyscope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
						Assembly	Executive	
Provincias	1950–1954	2	3	4	3	2	2	16
	1955–1958	1	3	4	3	2	2	15
	1959–1965	2	3	4	3	2	1	15
	1966–1972	1	2	4	3	0	0	10
	1973–1975	2	3	4	3	2	2	16
	1976–1982	1	2	2	3	0	0	8
	1983–2003	3	3	2	3	2	2	15
	2004–2018	3	3	2	2	2	2	14
Ciudad Autónoma de Buenos Aires (CABA)	1950–1975	1	0	0	0	2	0	3
	1976–1982	1	0	0	0	0	0	1
	1983–1995	1	0	0	0	2	0	3
	1996–2003	3	3	2	3	2	2	15
	2004–2018	3	3	2	2	2	2	14
Tierra del Fuego	1950–1990	1	0	0	0	0	0	1
Misiones	1950–1952	1	0	0	0	0	0	1
Chaco	1950	1	0	0	0	0	0	1
La Pampa	1950	1	0	0	0	0	0	1
Formosa	1950–1954	1	0	0	0	0	0	1
Neuquén	1950–1954	1	0	0	0	0	0	1
Río Negro	1950–1954	1	0	0	0	0	0	1
Chubut	1950–1954	1	0	0	0	0	0	1
Santa Cruz	1950–1954	1	0	0	0	0	0	1

Shared rule in Argentina

		Law Making						Executive control		Fiscal control		Borrowing control		Constitutional reform		Shared rule
		L1	L2	L3	L4	L5	L6	M	B	M	B	M	B	M	B	
Provincias	1950–1956	0.5	0	0.5	0.5	0	0	0	0	2	0	0	0	3	0	6.5
	1957–1965	0.5	0.5	0.5	0.5	0	0	0	0	2	0	0	0	4	0	8
	1966–1971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1972	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
	1973–1975	0.5	0	0.5	0.5	0	0	1	0	2	0	0	0	3	0	7.5
	1976–1982	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
	1983–1984	0.5	0.5	0.5	0.5	0	0	1	0	2	0	0	0	4	0	9
	1985–1987	0.5	0.5	0.5	0.5	0	0	1	0	0	0	0	0	4	0	7
	1988–2000	0.5	0.5	0.5	0.5	0	0	1	0	2	0	0	0	4	0	9
	2001–2003	0.5	0	0.5	0.5	0	0	1	0	2	0	0	0	3	0	7.5
	2004–2005	0.5	0	0.5	0.5	0	0	1	0	2	0	0	1	3	0	8.5
	2006–2017	0.5	0	0.5	0.5	0	0	2	0	2	0	0	1	3	0	9.5
	2018	0.5	0	0.5	0.5	0	0	2	0	2	0	2	1	3	0	10.5
	Ciudad Autónoma de Buenos Aires (CABA)	1950–1965	0.5	0	0.5	0.5	0	0	0	0	0	0	0	0	3	0
1966–1972		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1973–1975		0.5	0	0.5	0.5	0	0	0	0	0	0	0	0	3	0	4.5
1976–1982		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1983–1995		0.5	0	0.5	0.5	0	0	0	0	0	0	0	0	3	0	4.5
1996–2003		0.5	0	0.5	0.5	0	0	1	0	2	0	0	0	3	0	7.5
2004–2005		0.5	0	0.5	0.5	0	0	1	0	2	0	0	1	3	0	8.5
2006–2017		0.5	0	0.5	0.5	0	0	2	0	2	0	0	1	3	0	9.5
2018	0.5	0	0.5	0.5	0	0	2	0	2	0	2	1	3	0	10.5	
Tierra del Fuego	1950–1990	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Misiones	1950–1952	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chaco	1950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
La Pampa	1950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Formosa	1950–1954	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Neuquén	1950–1954	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Río Negro	1950–1954	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chubut	1950–1954	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Santa Cruz	1950–1954	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

National legislature has: L1=regional representation; L2=regional government representation; L3=majority regional representation; L4=extensive authority; L5=bilateral regional consultation; L6=veto for individual region. Total for shared rule is either multilateral (M) or bilateral (B).

