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Posted by Philip Drown on Friday, Apr. 27, 2012



Cyrus Bina, professor of economics at the University of Minnesota, Morris, travelled to Buenos Aires last March to present his heterodox analysis of the economics of oil at a gathering sponsored by the Argentinian government and the National University of Quilmes. Bina was one of nine world class economists, referred to as “luminaries” and “gurus” in their fields by the Argentinian press, invited to present their analysis and recommendations for resolving Argentina’s more than decade long economic crisis. As a result, the current administration of President Christina Fernandez de Kirchner has already begun to make major economic policy shifts.

“This is a biggie,” said Bina. “I have been in this business for a long time. But, I haven’t seen such a thing in my life that a government, along with several universities in Buenos Aires, would want to invite the most knowledgeable people in the world in a variety of subjects, to speak to them on the subject of the current crisis, and speak to them on educational curriculum for universities to change that situation.”

According to Bina, the invited experts were not “blackboard economists” making theoretical recommendations, but were an international team of specialists who brought research based, practically applicable insight that could be immediately implemented. On April 16, 2012, the first major recommendation was implemented when Argentina nationalized its oil reserves, precisely according to Bina’s theory presented in March. This move represents a major policy shift away from the neoliberal practices of the past twenty-plus years.

In the 1980s, the Argentinian government began to follow neoliberal economic approach that emphasized “rule of the market”, deregulation, cutting public expenditure for social services, and selling state-owned enterprises to private investors. In 1993, Argentina sold off their oil reserves to private oil companies. This led to a cannibalization of state assets by private interests. By the late 1990’s and early 2000’s, Argentina had piled up overwhelming foreign debt and went into default, which led to more than a decade of economic strain, made worse by the global crisis of 2008.

Argentina’s shift away from neoliberalism toward social democracy began with the election of Nestor Kirchner in 2003 and the later election of his wife Christina in 2007, after her husband’s death. According to Bina, the U.S. should be paying close attention to what Argentina is doing right now. Their decisions are contrary to conventional approaches being implemented in Europe, which, Bina said, are not working. “Greece and other crises in Europe are examples of what Argentina should not do,” he said.

Bina’s lecture, along with the other eight economists’ presentations, will be available on Blu-ray DVD in the University of Minnesota, Morris library for educational purposes. Bina spent much of March and April traveling the U.S. and abroad delivering presentations and promoting his latest book *Oil: A Time Machine*.