The Argentinazo refers to the wave of social, economic, and political upheaval in Argentina during 2001–2002. Following years of IMF-backed austerity measures and the maintenance of a peso-to-dollar currency peg, Argentina's economy collapsed under the weight of debt and recession. By December 2001, unemployment had reached around 20%, poverty rates rose significantly, and the government froze citizens' bank accounts in what became known as the "corralito". Mass protests broke out across the country, including cacerolazos (pot-banging demonstrations), looting, and strikes, which were met with state violence that left over 30 people dead. President Fernando de la Rúa resigned and fled by helicopter, and Argentina cycled through five presidents in only a few weeks. In January 2002, Argentina defaulted on nearly $93 billion of sovereign debt—the largest default in world history at the time—devalued the peso, and was effectively cut off from global financial markets.

Although the G20 existed at the finance-minister level in 2001, in this simulation delegates will assume that the G20 leaders' summit was already functioning as a crisis-response body. This raises the question of how the G20 should respond to a member state's economic collapse that threatens both global markets and regional stability. The conference must balance the interests of creditor nations with the humanitarian and political realities in Argentina, while also considering the precedent any intervention would set for future crises. Although their decisions are non-binding, they represent coordinated commitments by the world's major economies. Delegates should aim for consensus or broad support to give their proposals weight and will require at least ⅔ support of the body to pass G20 Directives.

The Setting:

Due to the magnitude of the economic and political crisis developing in Argentina, the first-ever emergency summit of the Group of Twenty has been called. This takes place in January of 2002, shortly after Eduardo Duhalde becomes President of Argentina following the resignations of several previous presidents and government leaders due to mass protests and political infighting. The Peso has just been devalued less than a month after the government defaulted on its debt. The Group of Twenty must now determine the best course of action that they can take to minimize the effects of the economic crisis and maintain stability in the region.

Questions to consider:

1. How should the G20 balance Argentina's debt obligations with its economic recovery?

2. Should the G20 coordinate with existing institutions like the IMF, or create its own mechanisms?
3. How should the G20 respond to the collapse of Argentina's currency peg and prevent regional contagion?
4. To what extent should the G20 address Argentina's social unrest and political instability?
5. What precedents might G20 action in Argentina set for future crises?