

Indebted Argentines Get Comic Relief

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BUENOS AIRES -- Readers of Clarin, Argentina's widest-circulating daily newspaper, have a choice when it comes to updates on the country's \$100 billion debt restructuring.

They can start with the front page, where the bitter, 21/2-year-old struggle between foreign bondholders and the Argentine government is frequently headline news. Or they can go straight to the back page, where the saga is played out in all its absurdity through the daily adventures of Nelly, a comic-strip character caught in a love-hate relationship with Klaus, an Austrian bondholder.

Those who want to cut to the chase take the latter option. For all the wacky twists of its storyline, the strip shows the debt restructuring for what it truly is: a battle between real people, pitting hundreds of thousands of European small investors against 37 million Argentines.

"In Argentina, there is this generalized idea that the problem of the debt is a problem between corporations, the government and the [International Monetary Fund]," says Ruben Mira, the writer who last year paired with cartoonist Sergio Langer to create La Nelly. "But when we look at Klaus and Nelly, we see two real people who have to pay what they have to pay."

The comic strip, which began in September, is just one symptom of a bout of national soul-searching set loose by Argentina's financial crisis of 2001 and 2002, when the government defaulted on \$82 billion in foreign bonds, the currency plummeted and the economy shrank nearly 15% in two years. Millions were added to the unemployment ranks, and people's savings shrank almost overnight to a third of their dollar-denominated value. In their quest to figure out where a country that a century ago was the world's seventh-wealthiest went so wrong, the middle class to which Nelly belongs is confronting Argentina's long and troubled relationship with foreigners.

Argentina has long been both dependent upon and disdainful of foreign money, dating back to criticisms of customs and tax privileges granted to British traders a century ago. The relationship most recently came to a head in the 1990s, when Washington-backed market restructuring drew armies of foreign investors into the financial and utilities sectors, and when a fixed exchange rate revived Argentine affections for imported goods. The crisis brought the love affair to an abrupt end when the foreign-owned banks in which many Argentines had deposited their dollar savings froze their accounts and converted them into devalued pesos.

In La Nelly, there's a recognition that no one comes out looking too pretty in all this. Although the debt restructuring isn't the only theme tackled by Messrs. Mira and Langer in the strip, it has become one of their richest sources of jokes since the arrival of Klaus in March. Nelly first meets Klaus when she returns home to find him occupying her house -- like certain investment funds in New York, he had obtained a court order to seize Argentine assets.

Nelly's first reaction is violent. But eventually she finds herself lovestruck, albeit with an ulterior motive: She wants to marry Klaus for his bonds.

Terrified of this prospect, Klaus scrambles up a tree with Nelly in pursuit. It turns out the tree is tied to Argentina's economic growth, much like the gross-domestic-product-linked bonds with which Buenos

Aires is trying to woo bondholders to its tough restructuring offer. The tree shoots skyward and doesn't stop until the pair are in outer space.

Ever the tourist, Klaus hails a taxi. In swoops the space shuttle, bearing the letters FMI -- the Spanish acronym of the International Monetary Fund -- piloted by none other than IMF Deputy Managing Director Anne Krueger. It picks up Klaus but leaves Nelly stranded.

The IMF, of course, is currently conducting a review of Argentina's economic and political performance under a \$13 billion financial-assistance program. The agency is under pressure from bondholder groups to cut Buenos Aires off from the much-needed funds that flow from that program, as a way to punish Argentina for the hard line it is taking in the debt-restructuring negotiations.

Ms. Krueger is portrayed in recent episodes of *La Nelly* as an evil being, presented in dark tones with saliva dripping from her mouth as she prepares to fire off a missile of "fiscal adjustment measures" to put the now stranded Nelly "out of her misery." (The real Ms. Krueger, currently in Europe, wasn't available to comment on this portrayal. An IMF spokesman chuckled but declined to comment.)

"We decided that each time *La Nelly* needs a villain, Anne Krueger would appear . . . usually when Nelly is about to obtain something good. So now, just when she's about to marry Klaus and get his bonds, Krueger appears," Mr. Mira says. "This also responds to the Argentine character. Always right at the moment that we are about to achieve something worthwhile, someone appears who is not from here and frustrates the effort."

Yet Nelly is herself based on a familiar character in Buenos Aires, Mr. Mira says -- the "bad old spinster of the neighborhood" -- and represents the contradictions of the middle class's experience with the 1990s, when cash was cheap. "Nelly loved to go to Miami in the 1990s, but now she doesn't want to pay the debt," he says.

In fact, in Buenos Aires, a city of people who place great importance on appearance, the characters in *La Nelly* are strikingly ugly. Missing teeth, big noses and disjointed, flabby bodies are the norm.

Mr. Langer says this is simply his drawing style, but Mr. Mira adds that "it suits us, because we are dealing with the dark side of the middle class."

The strip's appeal is a mark of how the crisis has made the average Argentine a global-finance expert. Decisions on whether to buy a car on credit, Mr. Mira points out, can be based on such things as projections for the exchange rate of the peso.

Indeed, the jargon of the restructuring spills easily from Nelly's mouth. "My king of emerging markets, my Soros, my Germanic vulture fund manager, my bondholder second half, my 50% of the 100% minus the haircut plus the price of the market," she croons to Klaus.

The strip's following includes many key players in the real-life saga. Argentina's chief debt negotiator, Guillermo Nielsen, says he reads it regularly, as do the staff of the IMF's Buenos Aires office. German bondholder activist Stefan Engelsberger, upon whom Klaus is modeled, says he loves the strip, which he says "brings parties together, at least in fantasy."