

## ABSTRAC

On April 16, Fernandez Kirchner announced to take over 51% stake owned by Repsol, this takeover policy initiatives emerged in connection with the energy crisis experienced by Argentina since 2008. The impact of the energy crisis experienced by Argentina is increasing government spending to finance energy imports, an increase in energy expenditure is very draining cash reserves of the country.

Fernandez Kirchner became president in 2007, replacing the former president Nestor Kirchner who is her husband. Rose to president, Kirchner represents *justicialist* party from the left wing *Peronists* camp. Expropriation or nationalization policy is not new in Argentina. Before the takeover policy against Repsol, Fernandez also has nationalized private pension funds and the airlines Aoerlinas Argentina.

There are three reasons for this policy was issued, the first purpose of this policy is to increase the popularity of Fernandez Kirchner. *Justicialismo* ideology is used as a tool by Fernandez to evoke nationalism of Argentine society, in order to support the takeover policy. *Justicialismo* ideology consists of three pillars: political sovereignty, economic independence, and

Social justice. The implementation of this policy is a manifestation of the ideology *justicialismo*.

Energy crisis that happened in Argentina is the impact of the application of a weak fiscal policy. The energy crisis is used as an excuse to legalize the expropriation policy. Energy crisis that happened in Argentina is the impact of the application of a weak fiscal policy. The energy crisis is used as an excuse to legalize the expropriation policy. Deterioration in energy production from Repsol is considered as the main cause of the crisis that occurred in 2008. The failures of Repsol to increase production for energy, then be a gap for the government to issue a policy of this takeover.

In 2010 Repsol discovered unconventional energy resources in Vaca Muerta basin. The discovered of unconventional energy resources makes Argentina as the third largest country with the total unconventional energy resource after U.S. and China. This invention allows Argentina to get out from the energy crisis was faced. As the top shareholder Repsol had exploration rights reaching 40% from reserves were found. Since the early 2000's Repsol are more likely to reinvest outside the territory of Argentina reflecting on this, it will be very risky if Argentina government gave the Repsol exploration right reaching 40%. This expropriation policy was the government's efforts to reduce the

occurrence of Argentina capital flight and a full control of of  
the unconventional energy resources in Vaca Muerta.