

Argentina: President Macri's first 100 days

Rafael Azul
19 March 2016

On Wednesday, the Argentine House of Deputies approved an agreement with Wall Street's speculative "vulture" funds that hold billions of defaulted bonds dating from the Argentine financial implosion of December 2001.

The "vultures," known as the holdouts, rejected a settlement reached with a majority of debt holders and obtained an injunction in a New York federal court that forced the Argentine government to negotiate with bondholders that specialize in picking up defaulted debt for nickels on the dollar and are now demanding payment at usurious interest rates.

The right-wing administration of President Mauricio Macri, who was inaugurated in December and last week marked 100 days in office, proposes to pay more than \$12 billion to the holdouts, out of an original debt of less than five billion. He has claimed that this was the best deal possible—the vulture funds were demanding more than \$22 billion.

Government officials justify the deal as a means of avoiding draconian austerity policies.

In truth, the austerity has already begun with measures that leave retirees' pensions far behind the rise in inflation, that allow for increases in electricity and other utilities and that cap wage increases at below inflation rates. So far this year, prices have gone up by 14 percent and are expected to reach 50 percent by the end of 2016. The rise in prices is being fueled by the decision to allow the Argentine peso to float in world currency markets.

Voting in favor of the debt deal, which would come at the expense of jobs, cuts in living standards, and pensions, were the *Justicialista* Party (Peronist), Social Democracy, six members of the Front for Victory (*Frente Para la Victoria*, Peronist), and the radical/social democratic *Generación Para un Encuentro Nacional* (GEN).

Voting against were most of the FPV deputies and the

pseudo-left Workers Left Front (FIT). The agreement still has to be ratified by the Senate, which is dominated by the FPV. Alfonso Prat Gay, Macri's minister of economics and public finance, is already engaged in negotiations with the Senate.

The vote took place on the heels of a chain of measures that have set the agenda for this administration, including the sacking of tens of thousands of public employees, a repressive anti-picketing "protocol" targeting workers' protests and the gutting of social insurance and energy subsidies.

Each one of the above measures attacking wages and living standards is in line with the debt agreement. The Wall Street holdouts and the Obama administration are fully aware that the success of the agreement is predicated on the defeat of working-class resistance. Wall Street has made it abundantly clear that Argentina's debt rating will directly depend on its ability to impose austerity. Vice President Gabriela Michetti recently revealed that the government anticipates sacking a total of 1.5 million public employees.

Giving police the right to detain citizens with no cause, merely to check their ID documents, and the arming of police with Taser stun guns by the new regime bring back the images of past dictatorships, which employed the electric cattle prod (*picana*) favored as an instrument of torture by security forces, including under the Videla junta (1976-83).

The turn toward intensified repression is not the only connection between Macri and the Videla regime. Another, more crucial, link, is the presence in the Macri administration of business and political collaborators with the junta.

Among these figures are members of the ultra-right Catholic *Opus Dei* cult, such as Santiago de Estrada, vice minister of Social Security in both the Onganía dictatorship (1967-69) and under the Videla regime,

which was responsible for the murder and disappearance of thirty thousand workers and youth. Between 1979 and 1983, Estrada was appointed head of the National Institute of Retiree Services. Under Macri, Estrada is in charge of religious affairs, placing relations between the state and all religions under the control of *Opus Dei*.

Gerardo Romero, a very well known and respected Argentine movie and TV actor, recently condemned the layoff of tens of thousands of state workers and pointed out the similarities between Macri's presidential order that initiated the wave of sackings and the one issued 40 years ago by the Videla junta, initiating an earlier wave of massive sackings.

This Macri shock therapy is predicated on the destruction of the social, economic and democratic rights of the working class and youth. Like the economic policies pursued by the Videla dictatorship 40 years ago, it is designed to convert Argentina into an export-oriented agricultural and mining republic subordinated to US-based transnational corporations, with a super-exploited working class.

None of the measures introduced in Macri's initial 100 days could have taken place without the agreements between Macri and the Peronist governors, the trade union bureaucracy and big agribusiness. Each of these sectors, in its own way, also facilitated the rise of Videla.

Many of the business groups, including companies associated with Mauricio Macri, profited greatly from the subsidies and corruption associated with the Videla junta.

On March 24, US president Obama will visit Buenos Aires, endorsing Macri and his policies. Precisely that date marks the fortieth anniversary of the Videla coup and will be marked by mass protests in Buenos Aires and other cities. The choice of the date by Macri and Obama is surely meant as a declaration of class war against workers, students and youth.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact