

# After electoral victory, Argentine president promises “most austere policies”

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In Sunday’s midterm elections in Argentina, the conservative ruling coalition Cambiemos of President Mauricio Macri received 40 percent of votes nationally and came in first in the five most populous voting districts.

Having a long list of reactionary measures waiting only for the election to be over, Macri immediately promised “the most austere politics possible” and imposed a 10 percent gasoline price-hike on Monday as part of an over-all policy of creating more profitable conditions for foreign investors.

In response to the electoral results, the Argentine financial markets rose to record levels, along with a 1.8 percent jump in Argentine dollar bonds.

This year’s round of elections involved races for two-thirds of the seats in the senate along with half of those in the chamber of deputies, with all 24 voting districts electing members in one or both congressional chambers. Macri’s Cambiemos (Let’s Change) party obtained the first place in 14 districts—three more than in the August primaries.

Far from being a “vote of confidence” in Macri, the results express a deep resentment against the twelve-year Peronist rule that began the austerity drive, price hikes and job cuts now being accelerated under Macri.

On Sunday morning, police raided an office of the Socialist Workers’ Party (PTS) in Mar del Plata, the second largest city in the province of Buenos Aires. The PTS, the leading party in the Left and Workers’ Front (FIT), had six of its members, including two candidates, arrested and detained until later in the day on trumped-up charges of violating a mandatory suspension of campaigning in advance of the vote. This cowardly police-state act represents a serious warning that the Macri administration stands ready to use the full weight of its repressive apparatus to intimidate and suppress all social opposition to its agenda.

As a result of the election, Cambiemos has replaced the Peronists as the largest party in the Chamber of Deputies, with 108 seats against the 67 of the Front for Victory (FPV) led by the Peronist ex-president Cristina Fernández de Kirchner (2007-2015). However, Macri’s coalition will still be short of a majority in either chamber, and will remain behind the Kirchnerists in the Senate.

Several historical Peronist strongholds saw Cambiemos come

in first place. Most significantly, in the province of Santa Cruz—considered the stronghold of Kirchnerism and currently governed by the sister of ex-president Néstor Kirchner (2003-2007)—Cambiemos took a 12 percent lead over FPV.

In the populous City of Buenos Aires, Macri’s former minister of education, Esteban Bullrich, who imposed widespread cuts in staff and real wages against teachers, beat Cristina Fernández. Such unfavorable results for Kirchnerism confirm polls showing disapproval ratings between 60 and 70 percent for the ex-president.

In spite of this, she secured one of the three seats in the Senate for the City of Buenos Aires. In a brief speech on Sunday, she called for “the unity of the different political forces of the opposition.” Fernández placed well ahead of the tendencies led by the other top Peronists, Florencio Randazzo and Sergio Massa. The latter even lost to Cambiemos in his main stronghold of Tigre.

Fernández had formed the coalition Citizens’ Unity this year, hoping to give the FPV a new face, and benefit from the escalation of social opposition against Macri’s policies, which saw mass protests by teachers earlier this year, a general strike in April and large demonstrations against the state’s efforts to cover up the disappearance and murder of the youth Santiago Maldonado, whose body was found last week, raising more questions than answers.

However, popular hostility to her political legacy has only risen. During her term in office, a loss of industrial activity, growing dependence on fossil fuel exploitation, debt accumulation, and widespread corruption allegations paved the way for economic stagnation by 2012, a debt default in 2014, spiraling poverty, deep austerity, mass demonstrations and the election of Macri in 2015. Many Peronist legislators have since sought to distance themselves from Kirchner, while even the Kirchnerists have simply pledged to “moderate” Macri’s pro-business measures.

“Everything indicates that Cambiemos made a great election in many provinces,” said Randazzo, congratulating Macri and responding to the results with a sigh of relief.

While the historically-Peronist trade union bureaucracies have already collaborated with Macri in demobilizing a spike in anti-Macri strikes this year, the Peronist establishment parties

will act with ever greater complicity in supporting Macri's delusional promises of stability for Argentine capitalism and making Argentina "normal" again.

Acknowledging that his partial victory will undercut even the façade of opposition in Congress, Macri announced a "stage of permanent reformism," which truly means a permanent state of financial plundering of state assets and workers' living standards. "Argentina will have to continue taking new debt," he said Monday, sanctioning a continuation of high interest rates and the lifting of currency controls that have made Argentina's bonds and finance sector a paradise for parasitism.

Nonetheless, the *Financial Times* warns that \$54 billion that Macri has already borrowed is more than almost any other emerging economy in the world and will demand severe measures to pay back. "Some of the biggest risks stem from the gradualist agenda that Mr. Macri has pursued to sweeten the bitter pills of his reforms," the London-based daily warns.

Due to such concerns by the international financial aristocracy, the Macri government has promised to "double down" on its agenda and present bills and decrees imposing further social austerity, tax cuts for the rich and corporations, and labor "flexibilization" measures modeled on Brazil's recent "labor reform," which was aimed at overhauling entire sectors of the economy. "This is just the beginning, we still have many battles to fight," Macri told business executives last week.

Such language of class war makes clear that he is leading a frontal offensive against the working class. Seventy percent of the hundreds of thousands of layoffs since he came into office in December 2015 have taken place in the industrial sector, with one in every three due to the closing of a factory, according to the Center of Political Economy of Argentina (CEPA). This had a multiplying effect, dropping consumption and in turn generating layoffs in the service sector.

Overall, the Labor and Economy Institute (ITE) calculated in September that the supposed "recovery" under Macri has left a balance of 73,251 jobs lost with salaries above the median, in comparison with a slight increase in jobs "in sectors with salaries 25 percent to 10 percent below the median." However, this imposition of a cheap labor regime has not attracted an increase in productive investments, amid low profit rates and global economic stagnation; consequently, most of the money entering the country is going into finance.

This major electoral defeat and unequivocal rejection of the corporatist, bourgeois-nationalist and populist politics of Peronism exposes the political bankruptcy of its allies within the trade unions and the pseudo-left. This process also reflects the dead-end of the nationalist "pink tide" politicians and governments, which are facing similar degrees of repudiation in Venezuela, Brazil, Bolivia, Uruguay, Paraguay and Ecuador.

The Left and Workers' Front (FIT), comprised of parties claiming to represent Trotskyism and a coalition of Guevarist organizations, received about 1.2 million votes nationally. With

its former presidential candidate Nicolás del Caño at the head of the deputy ballot for the Province of Buenos Aires, the FIT received half a million votes there and two seats. It also gained several seats in the provincial and municipal legislatures.

While it received a vote total similar to what it won in 2013, the FIT lost one place in the national Congress. In spite of its proclamations that this would be a "historic" election, and the promotion by the bourgeois media of its attempts to exploit protests over the layoffs of workers in a PepsiCo factory earlier this year and the disappearance of Santiago Maldonado for electoral gain, the support for FIT has remained virtually stagnant.

In a coalition strictly formed for electoral purposes, organized openly under "the main challenge" of electing new deputies, the FIT's negative results could again set in motion the irresolvable contradictions behind their alliance and re-open the internal crisis and threats of splits that occurred earlier this year, during the period of opportunistic ballot-trading ahead of the primaries.

Its stymied popularity is largely a reflection of the crisis of Peronism, with which it is associated. Whether it was with the PepsiCo protests, with FIT legislators presenting a bill in partnership with Peronists for a re-hiring of the workers, or the promotion of illusions that repressive disappearances like Maldonado's will cease with a change in ministers or a new capitalist government, the coalition failed to fundamentally distinguish itself from the essential politics of Peronism, while its constituent organizations have continued their attempts to orient workers to the Peronist trade unions.

The FIT has not only given the appearance of, but demonstrated in practice, its status as a reformist extension of the bankrupt Peronist establishment and its efforts to shore up the Macri government. With the deepening of Peronism's crisis, its own drive towards the creation of an Argentine version of Greece's Syriza or Spain's Podemos will inevitably accelerate.



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