

Argentina to make new IMF agreement amid growing social discontent

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Argentina's President Mauricio Macri gave a brief public speech on national television Tuesday announcing that his administration is requesting \$30 billion in credit from the International Monetary Fund (IMF) in a desperate effort to slow inflation and prevent a run on the country's banks.

The decision signals a significant intensification of attacks on workers' wages and living standards by the Macri government on behalf of the most powerful transnational banks and corporations. Since coming to power in 2015, Macri has already been implementing an IMF-backed list of reforms, including massive public spending cuts and increases to public utility rates.

The government's recent efforts to strengthen the peso and block the flight of capital from the country have thus far failed. In recent weeks, Macri has hiked interest rates to a usurious 40 percent, announced further spending cuts, and selling 10 percent of the country's dollar reserves. After strengthening slightly in the day following the announcement of the most recent interest hike on May 3, however, the peso fell another 4 percent to start this week.

Yesterday, Treasury Minister Nicolás Dujovne rushed to Washington DC where he led a team of Argentinian officials to initiate negotiations with the IMF. He is expected to meet with IMF President Christine Lagarde today.

Whatever the exact terms ultimately agreed upon, IMF intervention in the Argentinian economy will prove disastrous for the working class and poor. Despite the demagogic claims by members of the Peronist Justicialist Party who are calling for a legislative vote on the proposal, all the parties of the Argentinian bourgeoisie agree with Macri's efforts to remove any obstacles to corporate exploitation of the

country's resources.

Yesterday, Argentina's Senate overwhelmingly passed market reform legislation aimed at cutting regulations and limitations on the exploitation of the country's resources by finance capital, including in the fields of real estate and agricultural land.

The primary concern of those conspiring to push the IMF plan through is how to prevent the working class from interfering with Wall Street's plans. Recent polls show that 75 percent of the country opposes any role for the IMF, while the *Financial Times* noted yesterday that a deal "could be politically unpalatable for Argentina, however, given the country's previous submission to the IMF has left a profound antagonism toward the fund." Former IMF official Claudio Loser told the *Financial Times* that Argentinians are "rabidly anti-IMF."

Concerns over a social explosion also dominate the leadership of Argentina's main trade unions, the General Confederation of Labor (CGT) and the nominally left-wing Argentine Workers' Central Union (CTA).

CGT President Hugo Moyano told the media Tuesday: "I'm worried about everything." He said workers must not demand the fall of the Macri government, adding, "We are not asking for Macri to resign, we are not coup plotters."

Moyano's son, Pablo Moyano, who leads the Teamsters Union, called for "businesses, the church, and workers to come together to find an exit to this crisis."

The trade unions have good reason to worry as demands are spreading in the working class for a national strike, especially among teachers.

On May 23, tens or hundreds of thousands of teachers are expected to convene in Buenos Aires as part of the

Federal Education March that will coincide with a one-day national strike.

Teachers across the country are demanding their contracts be reopened so that they can fight for wage increases far above the 15 percent hikes agreed to by the state governments and the Macri administration. Teachers held a demonstration yesterday against the wage ceiling in Buenos Aires while similar protests have taken place throughout the country.

Workers in various industries are putting forward similar demands against the 15 percent wage ceiling imposed by the government and the trade unions to block inflation. On May 5, 20,000 steelworkers won 19 percent raises in an indication that the unions are struggling to prevent wage demands from exploding into wildcat strikes beyond the usual one- or two-day strikes that take place under the unions' control. Strikes have also broken out in recent weeks among bank workers as well as among subway conductors in Buenos Aires.

In a press conference following Macri's announcement Tuesday, Dujovne made a weak attempt to reduce tensions: "We have to keep in mind that this is an International Monetary Fund that is very distinct from the one twenty years ago."

This is a reference to the ruthless IMF reform package implemented beginning in 2000 at the behest of then-President Fernando de la Rúa. As a result of the IMF measures, poverty grew from 35 percent in October 2001 to 54 percent in October 2002, as unemployment skyrocketed to 25 percent.

Under the Peronist administrations of Nestor and Christina Kirchner—considered part of the "Pink Tide" of populist bourgeois governments that dominated South America in the 2000s and mid-2010s—Argentina made billions in interest payments to the IMF and imposed a major austerity program in 2012. In total, Argentina has made \$500 billion in foreign interest payments since 1983.

Kirchner has responded to Macri's new appeal to the IMF with a loud silence as the Justicialist Party attempts to demagogically capitalize on Macri's recent announcement. Argentina will hold presidential and legislative elections in 2019.

The Justicialist Party is widely disliked in the working class for their complicity in forcing through Macri's austerity measures and for their own role in

attacking workers' living standards. As a result of the policies of the Kirchner and Macri governments, the minimum wage doesn't cover one third of the basic cost of living.

Forbes magazine wrote that Macri is effectively signing his electoral death warrant by calling in the IMF, noting his government will "likely fall" in the October 2019 elections to a populist left-wing challenge as a result of the move.



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