

# Argentine unions and pseudo-left scrambling to prevent social explosion

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The Argentine stock market saw its worst fall in 10 years on Monday amid a deepening economic crisis and the failure of the right-wing government of President Mauricio Macri to halt both capital flight and a sharp devaluation of the peso by means of its escalating attacks on jobs and living conditions.

Since the end of last year, Argentina has witnessed a sharp escalation of the class struggle, reflected in a series of increasingly large mass strikes.

With the notable exception of the three-month strike largely organized by rank-and-file teachers in Neuquén between March and May—the longest strike in a decade—that was finally betrayed by the local affiliated to the Argentine Workers Central (CTA), the so-called dissident factions of the trade-union bureaucracy have limited strikes to one or two days, hoping to dissipate growing opposition.

However, as militancy continues to grow and the government commits to a US\$50 billion IMF loan linked to severe austerity measures, trade union leaders, along with their political co-thinkers in the Peronist and pseudo-left parties, are scrambling to contain social opposition within the traditional channels controlled by the ruling class.

Meanwhile, the government is preparing its repressive forces for a mass social explosion, with the Argentine daily *Clarín* reporting a rapid redeployment of the armed forces from the borders to “hotspots of conflict risk in the next months.”

The largest strike since Macri took office is expected on Monday, June 25, unless the trade unions reach a deal beforehand. All three factions of the General Confederation of Labor (CGT) will be joined by the three CTA currents, the confederation of the informal sector and the array of movements that orbit them in bringing every major sector of the economy to a halt.

The truckers’ union, led since 1987 by Hugo Moyano, who also controls one of the three CGT currents, threatened to extend its 24-hour strike last week for two more days, which could have led to shortages of staples in the cities. However, the minister of labor said the strike would breach labor laws and threatened to slap a US\$71 million sanction on the union. The government also threatened to intensify its six corruption cases against Moyano. In spite of having referred to “very large pressures from workers” at a major strike rally last Thursday, Moyano responded by approving a sellout deal without consulting anyone. The terms of the agreement were limited to a 25 percent salary increase and a bonus. Projected inflation this year is 30 percent.

## Macri responds with deeper austerity and financial parasitism

The Macri government is pursuing a policy of slashing subsidies for fuel and utilities—leading to a 110 percent price hike or *tarifazo* for gasoline and more than 1,000 percent increases in electricity and gas prices since it took office in December 2015—and heavy indebtedness directly aimed at feeding financial parasitism, which has been maintained with some of the highest interest rates in the world.

Since the US Federal Reserve increased interest rates on April 24, provoking a massive capital flight from Argentina and other “emerging market” economies, the peso has lost a quarter of its value and the price of Argentina’s 100-year bond fell 15 percent. To control the falling peso and the ensuing budgetary crisis, Argentina’s Central Bank increased the interest rate for short-term bonds to 40 percent, on top of the new IMF loan.

Argentina, the *Financial Times* wrote Monday, “has also been caught up in a wider emerging market sell-off as investors worry that global economic growth will be stymied by the escalating spat between the US and China, and as Argentina grapples with weakening markets in nearby Brazil.”

Desperate to continue attracting foreign capital and securing markets for its exports, the Argentine bourgeoisie needs, above all, to prevent any real challenge to the savage intensification of the exploitation of workers.

Macri’s approval rating fell this month to its lowest level ever, 36 percent. Most Argentines also oppose Macri’s new International Monetary Fund (IMF) loan, conscious that it entails a new massive attack on living standards. Officially made public on June 14, it promises to entail new cuts in energy and transportation subsidies, which will lead to new *tarifazos*. It will also freeze all hiring in the public sector and “eliminate redundant posts,” aiming to cut yearly personnel spending by about US\$2.8 billion.

Amid other measures, it spells a further attack on pensions and social security benefits—beyond the deep pension cut last December that led to a series of mass protests and violent repression—and a more flexible monetary policy, which amounts to further depreciations of the Argentine peso and high interest rates, further feeding parasitism and inflation.

Most detrimental for society, the onslaught by the ruling class has increased child poverty, now affecting 8.2 million or 62.5 percent of children, according to a recent Catholic University of Argentina study. At the same time, Credit Suisse’s Global Wealth Report 2017 noted that the number of US dollar millionaires in Argentina will increase 127 percent by 2022 to a total of 68,000, a faster growth of this

wealthy layer than in any other country in the world.

Amid growing opposition to poverty and extreme inequality, the Macri government is responding by adding 5 percent to the previous 15 percent ceiling on salary increases—still leaving it 10 percent behind the rate of inflation. It is also trying to portray the IMF deal as the first progressive one in the world, claiming that social assistance will not be reduced.

### **Dominant factions in the trade unions and Peronism work toward reunification**

As the contours of an unprecedented economic and social crisis begin to emerge, the deeply fragmented and discredited Peronist movement, its forces in the unions, and its pseudo-left satellites are moving to provide a “left” alternative for maintaining the capitalist political setup in Argentina.

On the one hand, they are seeking to exploit the crisis to recover ground politically ahead of the October 2019 presidential elections. The first stage will be a life-and-death drive to gain prominence and control in the largest trade unions.

On the other hand, and with similar desperation, these forces seek to prevent a social explosion with revolutionary implications that could quickly erode whatever political credibility they have left.

Moyano is leading sections of the CGT and the CTA currents in adopting a more critical rhetoric toward Macri, while pursuing a reunification of the Kirchnerists, followers of Sergio Massa, and other Peronist factions to prepare a new electoral and trade-union formula to resuscitate Peronism, all under the name of the “Multi-sector February 21 coalition” (MF21). He has charged his son, Pablo Moyano, to run for CGT general secretary and lead the MF21, which has incorporated the CTEP, CCC, and Barrios de Pie.

The historic reliance of bourgeois rule in Argentina on the right-wing union apparatus and Peronism to contain the militant struggles of Argentine workers has been made possible by the lack of independent workers’ organizations and a Marxist revolutionary party.

### **The role of the FIT**

The reunification and return to power of Peronism—after its historic and recent betrayals of the working class and its defeat at the polls in both the 2015 general elections and the 2017 legislative vote—is chiefly the orientation of the currents and groups within the Left and Workers’ Front (FIT) and the various other pseudo-left groups that reflect the interests of privileged sectors of the upper middle class and operate as props for the trade unions and the Peronists.

The FIT has sought to sow illusions in the Peronist legislators and trade-union bureaucracy as leaders in defending democratic rights, particularly in the legislative campaign to legalize abortion.

Aiming to compete or become a major player within the MF21 in its campaign to gain leadership of the trade-union confederations, the Partido Obrero (PO) has entrusted Alejandro Crespo, a PO leader and national secretary of the tire workers’ union, the SUTNA-CTA, to organize a plenary in Lanús on June 23 of the “combative” and

“classist” factions of the trade-union bureaucracy aimed at forming a coalition limited to appealing to the CGT and CTA to present a “plan of struggle” against Macri.

Their definition of “classist” refers to unprincipled and increasingly right-wing coalitions with bureaucrats tied to Peronism, fraudulently portraying them as representatives of the working class. Crespo told the conservative *La Nación* last September, “we are a national trade-union in the sense that there is an ample political spectrum: there are militants of the left [FIT], Peronists, radicals, everything. ... What is true, we are classists: when we say that we are going to fight, we do it.”

Quite the contrary, on social media, workers have been increasingly denouncing the fact that SUTNA’s wage negotiations have failed to keep up with inflation, and that the union is going along with the CTA’s demobilizing schemes of one-hour stoppages.

Some tactical differences are emerging within the FIT regarding these unprincipled maneuvers. The PO has written that Moyano’s MF21 movement seeks, “above all, to prevent the left [FIT] from having a protagonist role.” For its part, the Partido de los Trabajadores Socialistas (PTS) described Moyano—who was part of the right-wing Peronist forces that organized death squads against leftists in the run-up to the military dictatorship in the 1970s—as “the main representative of the political and social opposition to the government and a possible anti-Macri front.”

Whether it’s the PO, the PTS or the Izquierda Socialista (IS), which leads the local that betrayed the teachers in Neuquén, their campaigns to “democratize” or “take back” the trade unions through alliances with forces tied to Peronism and appeals to the CGT and CTA have time again proven a dead end. However, they continue to pursue this policy as energetically as possible to disarm the workers politically and prevent them from developing an urgent international struggle against the transnational corporations and in defense of public education and the social rights of the working class.

If the FIT were to come to power, after appeasing the ruling class through further alliances with right-wing forces, it would function as an Argentine version of the Greek Syriza government, attacking workers as ruthlessly as Macri.

In an interview on May 20 on C5N, a Peronist legislator speaking about a possible coalition with the FIT asked PO leader Néstor Pitrola whether the front would seek to default on the Argentine debt, to which he replied several times, “we would *investigate* it.”



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