

Argentine workers and students march against “hunger budget”

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In the early hours of Thursday morning, following an 18-hour debate that unfolded amid violent clashes outside the national legislature, the lower house of Argentina’s Congress approved a draconian austerity budget that will slash public spending by US\$10 billion. The vote was 138 in favor to 103 against.

The austerity budget had been demanded by the International Monetary Fund (IMF), together with other attacks on jobs and social benefits, as the price for a rescue operation for the heavily indebted Argentine government. The IMF has pledged US\$57 billion over three years to balance government finances, with the lion’s share of the funding going into the coffers of Argentine and international finance capital.

On Wednesday, October 25, tens of thousands marched on the national legislature carrying banners repudiating President Mauricio Macri’s proposed austerity budget and the IMF. Striking teachers, health care workers, workers from Buenos Aires’ industrial suburbs and students denounced the measure as “the hunger budget” and joined the protest march, opposing the proposed measure and demanding a wage re-opener to break through the government-imposed 15 percent increase (according to one estimate, prices are set to rise over 40 percent this year) and the dollarization of the economy.

On Tuesday, protesters began congregating in the vicinity of Argentina’s national congress building in anticipation of the debate and vote on the budget.

The Evita Movement (Peronist), The People’s Economic Federation (CTEP, Peronist), the Fighting Class Movement (Stalinist-Maoist), and The Darío Santillán Popular Front (left populist), plus groups representing the unemployed and other community organizations set up soup kitchens for the overnight vigil in response to Wednesday’s debate in the lower

house on the so-called Public Accounts Adjustment.

As the congressional debate began on Wednesday, angry demonstrators clashed against police barricades that had been erected in anticipation of the mass demonstration. Following the pattern established last December against pension reform protesters, the Buenos Aires police responded with brutal and indiscriminate acts of repression, using rubber bullets and sending clouds of tear gas into the legislative chamber itself. Dozens were injured, and 30 demonstrators were arrested.

The Peronist labor bureaucracy, the CTA and CGT, which five days earlier had cynically organized a mass Catholic mass in the Buenos Aires suburb of Luján, dedicated to the workers and pensioners, largely ignored the protest.

In order to meet IMF-imposed goals, the budget slashes education spending by 16 percent, public works by 30 percent, labor education by 40 percent and transportation by 30 percent (with the elimination of transportation subsidies), while fully servicing the Argentine debt to Wall Street. Interest on Argentine dollar debt represents 20 percent of the budget, after accounting for the effects of inflation.

This budget places debt servicing ahead of the needs of working-class families and youth. It is the only budget item that has been increased.

Payments on the debt amount to 26 times what is budgeted for housing programs, 16 times the science and technology budget, 11 times the amount for social assistance, 5 times the allocations for health and transportation, 3 times more than for education and culture and twice the social security budget.

Taking inflation into account, infrastructure investments will be slashed by 77 percent, kindergartens by 68 percent, school technology

programs by 69 percent, teaching scholarships by 60 percent, teacher training by 39 percent and student scholarships by 35 percent.

The budget sets itself a goal of a zero-budget deficit in 2019 and anticipates two years of negative economic growth.

While the Argentine Senate has yet to vote on this measure, the government of President Macri wanted it at least partially approved prior to a meeting with the IMF that took place on Friday, the day after the lower-house vote. With that vote in hand, the IMF approved the immediate release of US\$5.4 billion, less than half the US\$13.6 billion that Macri had hoped for.

The mass outpouring of anger against the austerity policies of the Macri administration signals the eruption of a social explosion across Argentina that goes beyond the repudiation of the debt to Wall Street, much like the social explosion of 2001 and 2002. But that explosion, which resulted in the fall of a succession of governments in just a few weeks, ultimately left the ruling class in charge.

What is now required is that the working class be armed with an internationalist socialist program to reorganize society. As a first step in Argentina, it must break with the Peronist parties and trade unions, as well as the nationalist programs of the pseudo-left, and build an independent movement, linking up with workers across the Americas.



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