

Peronism returns to power in Argentina amid simmering social anger

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Alberto Fernández and his running mate and former president Cristina Fernández de Kirchner won Sunday's presidential election in Argentina with 48 percent of the vote amid a deepening economic and social crisis.

Argentine and international financial circles are expressing overwhelming panic, but not over Fernández taking power. Instead, they fear that Peronism, the preferred force of bourgeois rule for most of the post-WWII period, will prove unable to prevent the country from being engulfed by the wave of social protests that have swept the region, from Haiti to Ecuador and Chile.

"The peso is falling—and so, it seems, is the sky," the *Washington Post* commented. "Inflation and poverty rates are soaring. National reserves are shrinking fast. In short, Argentina—in a terrible déjà vu of crises past—is hurtling once again toward the economic abyss."

The *Post*, owned by the world's richest person, Amazon's Jeff Bezos, adds that the campaign was marked by "populism, inequality and corruption—the same toxic mix now touching off unrest across South America," and concludes that Macri's defeat proves "that only the rough-and-tumble, union-backed Peronista machine can truly rule unruly Argentina."

The *Wall Street Journal* had also expressed relief over Fernández's "ample ties with the Peronist movement including trade unions, far-left groups and conservative provincial governors." And *Forbes* indicates that "given the disastrous state of Argentina's economy, Fernández begins to look like a possible hero."

After an almost relentless economic downturn and high inflation since 2014, in which millions have fallen below the poverty line while billions of dollars have

been pumped into the pockets of exporters and financial vultures, the next government faces a social minefield.

While the Central Bank has injected tens of billions this year into financial markets to stabilize the peso, debt payments accrued so far for the next four years top \$110 billion, twice as much as government spending over the last year.

An editorial in the London-based *Financial Times* warns that there will be "No honeymoon for Argentina's new leader" from investors, and demands that Fernández "woo foreign investment" and oppose "big-spending," i.e., social spending. "The end of the commodities boom and the weakness of the economy mean there is no money for such largesse," the *FT* warns. The American *Forbes* magazine stressed along similar lines, "the importance of both paying the International Monetary Fund and cozying up with the United States and Donald Trump."

At the same time, the "honeymoon" with restive voters is expected to be shorter, if anything, with the US intelligence firm Stratfor warning: "History has shown that high levels of popular support in Argentine politics can just as easily turn into widespread discontent and, in turn, social unrest." It goes on to question whether Macri can "keep his country's economy and political future from collapse in the coming weeks."

These economic warnings extend globally, with the *FT* columnist Jonathan Wheatley asking recently whether "investing in emerging markets still makes sense?" For Argentina, he argues, "the great question is whether [the country] is ever going to grow again."

Higher interest rates in the advanced economies last year led to a massive drain of capital away from so-called emerging markets, chiefly those with large debts in foreign currencies. However, now that interest rates

are being pushed back down in Europe, Japan and the US, investments in emerging markets have continued to fall to the lowest level since the 1990s, according to the Institute for International Finance, which refers to a “fundamental” limit being reached.

Despite his empty populist demagoguery, Alberto Fernández has already made clear that he will brutally impose the diktats of finance capital and imperialism while seeking to mobilize a divided Peronist apparatus to suppress social opposition.

During his acceptance speech Sunday he promised “the supportive and egalitarian Argentina of which everybody dreams,” while in the same breadth cautioning, “I hope you will understand the Argentina that is coming needs the effort and compromise of all.”

Reports in August indicated Fernández told IMF negotiators privately, “you’ll be able to charge us, and we’ll get along,” while his economic team promised, according to the Argentine financial newspaper *Ámbito Financiero*, “the imposition of adjustments to wages and pensions as a mechanism to seek fiscal equilibriums and reduce pressures on prices.”

After the August primaries signaled that right-wing president Mauricio Macri would lose power, capital flight escalated, unleashing a national strike and mass protests. On a tightrope, Macri responded by cutting regressive taxes and promising social spending, while imposing a \$10,000 ceiling for US dollar purchases to limit capital flight. This was brought down dramatically to \$200 this weekend.

Since then, the Peronist-led trade union bureaucracy has done everything to contain and channel the protests behind the elections to “assure a stable transition” to Fernández. However, it could not have forestalled a social explosion for so long without the assistance of the Left Workers Front-Unity (FIT-U) and its own union officials.

The Peronist bureaucracy and its apologists are using deceptive calls for “unity” to cement support for Fernández. The “dissident” trade-union confederation CTA (Argentine Workers Central) announced its re-integration into the main General Confederation of Labor (CGT) in early October. The Socialist Workers Party (PTS) in the FIT-U, which leads several unions in the CTA, responded by denouncing the “verticalism” of the decision, adding that “Fernández himself raised the need of the unity of the organized labor

movement.” This, however, was only to insist that “the unification in the workers movement must be carried out in the streets with a 36-hour national strike” against Macri.

In early September, striking teachers in the southern Chubut Province, who were blocking roads and protesting back pay and austerity, were physically assaulted by more than 100 goons of the Oil and Gas Workers Union led by Jorge “Loma” Ávila, who belongs to the Kirchnerist wing of Peronism. These attacks foreshadow the repression to come, but they also raise grave historical parallels with the assassinations carried out by Peronism against left-wing workers under the government of Isabel Martínez de Perón in 1974-76, paving the way to military dictatorship. The FIT-U and other pseudo-left forces, however, have continued to channel their appeals to the same rotten bureaucracy claiming workers can “recover” the trade unions.

This false and nationalist perspective was used during the 1968-76 social upsurge by the forces in the FIT-U, including the Partido Obrero and the Morenoite predecessors of the PTS, to channel the working class behind Peronism, disarming workers politically and setting the stage for the 1976 installation of a US-backed military junta that tortured and killed tens of thousands of radicalized workers and youth, infamously dumping many into the sea from airplanes.

Despite the registry of 1.7 million new, largely young voters and the entry of new parties into the electoral coalition, the FIT-U’s presidential ticket lost 251,316 votes compared to 2015. During the presidential debates and campaign propaganda, the pseudo-left politicians were a shadow of the Fernández campaign, advancing populist, bourgeois slogans like “the crisis must be paid by those who made it” and acting as a pressure group on the Peronists.



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