Biden administration declares Argentine union bureaucracy a “model” as it enforces historic cuts in living standards

Andrea Lobo
21 April 2023

Amid a historic attack on workers’ living standards in Argentina, US Deputy Secretary of State Wendy Sherman, Biden’s second-highest-ranking diplomat, met with leaders of the General Confederation of Workers (CGT) in Buenos Aires and praised “the transformative power of Argentine syndicalism.” As the largest trade union body in the country, the CGT is a “model” for the entire region, she stressed.

Conditions are worsening exponentially for workers in Argentina, who often describe the decades-long fall in living standards by pointing out that they haven’t had an *asado* (barbecue) in years, or half-jokingly saying that they have “had to become vegetarian.”

In 2021, meat consumption reached the lowest point since the 1920s, when Argentina was one of the wealthiest countries in the world. In late 2022, UNICEF found that more than 1 million children and 3 million adults were skipping a daily meal because they couldn’t afford it. Meat consumption had fallen 67 percent, and the intake of fruits, vegetables and dairy had dropped 40 percent, according to the UN agency.

At the behest of global finance capital and in close coordination with the IMF, the “left” nationalist government of Peronist President Alberto Fernandez and the union bureaucracy are enforcing economic shock therapy to impose mass poverty and hunger against workers.

With the third highest inflation rate in the world after Venezuela and Zimbabwe, prices in Argentina have increased 105 percent in one year—that is, they have more than doubled. And inflation is expected to continue accelerating, as the ruling elite employs the devaluation of the Argentine peso as a battering ram against workers.

By the end of 2022, the official poverty rate had risen to 40 percent, but it is likely much higher now. In February 2023, UNICEF warned that two out of three children were poor or are deprived of basic rights, and that nearly 100 percent of these children live in households with an active worker. In the last quarter of 2022, the government found that the median per capita income in the cities—where 93 percent of the population lives—had fallen to 44,000 monthly pesos. This means that half of the population is living on $107 monthly, or about $3.60 daily according to the black-market but more precise “blue dollar.”

In an industrialized country and leading food producer, children are undernourished and incomes have fallen below Haiti’s per capita GDP.

And just as US imperialism “draws lessons” from its war against Russia in Ukraine by staging war games in Europe and the Asia-Pacific, it is sending top officials to draw lessons from the escalating class struggle in Argentina.

Gerardo Martínez, foreign relations secretary of the CGT and leader of the construction workers union UOCRA, led the delegation to the US Embassy and said in a news briefing that they “analyzed the socio-economic situation in Argentina, the trade-unionist vision of social dialogue and the efforts to find guided compromises.”

Barely 20 miles away from the embassy, in the suburb of General Pacheco, workers at a snack food plant of the US multinational Mondelez (formerly Kraft Foods) were blocking the Pan-American highway, exposing the character of Sherman’s meeting with the CGT bureaucrats.

A worker who belongs to a rank-and-file committee organizing the protest explained to C5N:

> [The] union and its internal commission ignored us and signed an agreement at our expense. We are suffering speed-ups, and fellow workers who are pregnant are being forced to work on packaging, where they hit their bellies against boxes given the fast rate of production. We can’t stand this any longer. The situation started during the pandemic. The company hires and fires personnel as it pleases. Now, 1,800 have been left jobless, including pregnant workers. This company does whatever it wants … and the Ministry did not answer our appeals.

Beyond exchanging compliments, Sherman, who was joined by US Ambassador Marc Stanley and other US diplomats, asked the CGT to “institutionalize” an Argentine chapter of “M-Power”—a Biden administration initiative launched with the support of the AFL-CIO that seeks to “elevate the role of trade unions” internationally.

This request takes place as the White House exerts pressure and leverages IMF funds to align Buenos Aires behind its military and

© World Socialist Web Site

economic war drive against Russia and China. The Biden administration's M-Power is one of its tools to advance this geopolitical agenda.

The meeting with the CGT follows a recent trip by President Fernández to the White House. Sergio Massa, the minister of economy, who is leading the ongoing austerity drive, has met several times with IMF and US officials in Washington this year. Moreover, on Monday, the chief of the US Southern Command, Gen. Laura Richardson, met with Argentine Defense Minister Jorge Taiana to discuss the country's ties to China.

The praise for the CGT as a "model" confirms the warnings of the *World Socialist Web Site* that Biden's claims to be "the most pro-union president" mean that he is relying on the union bureaucracy to impose austerity and war.

In Argentina, with a Central Bank interest rate of 78 percent, local and foreign investors are seeing windfalls, and vultures led by the IMF are ransacking the public treasury by charging interest on $400 billion in public debt. Monthly interest payments to "Leliq" bondholders have increased seven-fold over the last year, surpassing pension payments and becoming the largest expenditure for the government.

Meanwhile, export corporations, including in gas and mining, can sell their products in dollars and euros and maintain low operational costs in pesos.

This outright plundering of Argentina, with the support of the handful of corrupt billionaire oligarchs in the country, has been possible only thanks to the union bureaucracy, which is allied with the Fernandez administration. The CGT and CTA confederations agreed to a 60 percent ceiling on wage negotiations with the government, which is resulting in a huge drop in the purchasing power of workers.

At the same time, in "revision talks," or *paritarias*, every six months or even more frequently, union officials meet with employers in ostensible "negotiations" mediated by the government, where they feign outrage and sometimes are compelled to call for "Hollywood" strikes for 24, 48 or 72 hours until they finally "compromise" and agree to wage increases far below the inflation rate. This process has become institutionalized, and its results are enforced by union delegates and the "internal commissions" at workplaces.

As a fundamental element in the Argentine syndicalist "model," wherever rank-and-file opposition seems to overflow, as in Mondelez, careerists among the plethora of pseudo-left organizations swarm in like firefighters with their fists raised and and spouting radical rhetoric, calling for workers to "recover" the unions from the bureaucracy. But whatever new leadership or faction they build gets channeled back and integrated into the same bureaucracy in the name of "unity."

As workers face global corporations and offensives directed from Wall Street and London, the most crucial service provided by the Argentine union federations is that they keep workers isolated from their class brothers and sisters internationally as they, too, enter into struggle against similar attacks.

After decades of militant struggles, beginning with waves of strikes in 1918 and 1919, inspired by the Bolshevik Revolution in Russia, Argentina's trade union apparatus took shape in the 1940s, amid a boom of trade and industrialization that began during World War Two. A cabal of military officials eventually led by Juan Domingo Perón implemented major concessions to workers, including wage increases, new benefits and labor protections. However, these measures were used to subordinate union activity to the diktats of management and the capitalist state.

Perón had been influenced by what he saw for almost two years, as a military envoy during the war in Mussolini's Italy, particularly the fascist corporatist alliance between the state, employers and trade unions. This is the historic basis of the "model" now promoted by Biden.

Union membership, encouraged by Perón, shot upwards, and the union bureaucracy became entrenched around the Peronist CGT, which grew into a conservative appendage of the capitalist state.

The US designation of the CGT as a "model" form of trade unionism has particularly sinister implications, given the history of this right-wing apparatus during the run-up to the 1976 military coup. It played the leading role in organizing the Argentine Anticommunist Alliance, or Triple A, a network of death squads that killed and disappeared hundreds of militant and left-wing workers and even union delegates in an attempt to quell the mounting uprising by workers and youth.

Today, both the US and the Argentine ruling classes are banking on this union bureaucracy suppressing working class opposition as the next administration tries to eliminate welfare, energy subsidies and other social protections, while siphoning the profits from the world's largest lithium deposits and the major Vaca Muerta gas field at the behest of the financial vultures and US and European imperialism.

Major class battles are on the horizon and, while the Peronist bureaucracy maintains significant influence that Biden wants to emulate, its enforcement of decades of unending attacks on living standards has significantly eroded its control over the working class. Union membership among formal workers has been cut almost in half since 1990, to 27 percent.

As the WSWS has explained: "Biden's promotion of the unions arises out of fear that the rank-and-file organizations set up by many sections of workers to prevent their struggles from being suppressed and isolated will develop into a national and international network. This is precisely what is necessary." Accordingly, the WSWS is fighting to build the International Workers Alliance of Rank-and-File Committees in opposition to all trade union bureaucracies.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site