

IMF, White House applaud Milei's "shock therapy" as Argentina's poverty rate nears 60 percent

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As the policies of class war under Argentine President Javier Milei plunge millions more into poverty and destitution, there are almost daily reports of spontaneous protests, *cacerolazos* (banging pots and pans) and mass assemblies at workplaces, schools and neighborhoods across the country.

Following the 12-hour national strike on January 24 convoked by the General Confederation of Workers (CGT), which saw more than one million Argentines take to the streets across the country, the Peronist-led trade union bureaucracy has sought to limit strikes to a few hours and sectors at a time, while directing their appeals to the courts, governors and Congress.

The CGT has convoked a 24-hour strike to greet the beginning of the school year in most of the country on Monday, March 4. This follows limited provincial strikes by teachers where classes have already begun.

Airport workers paralyzed all air traffic across the country during a 24-hour strike on Wednesday, as the government intervened to block an agreement by employers it considered too generous.

On Monday February 26, dockworkers carried out a one-shift strike nationally and were joined by a strike of healthcare workers that day. A one-day strike by rail and public transport workers on February 21 will be followed by another public transportation strike nationally on March 5, after two months during which the employers have refused to offer any wage increase.

In effect, the union bureaucracy is helping enforce the deepest attacks on jobs and living standards in decades.

According to official figures, prices increased 211.4 percent in 2023, while wages rose 152.7 percent. Following Milei's brutal depreciation of the currency, prices spiked 20.6 percent in January (254 percent annually), while wages, pensions and social assistance remained largely frozen or saw minor increases.

According to the Labor and Economy Tracker, as of the end of December, the real average wage dropped 40 percent below its level in November 2015, far below the poverty line. Then in January private formal wages fell 23 percent more.

The situation is catastrophic. The poverty rate estimated by the Catholic University of Argentina (UCA) rose from 49.5 percent to 57.4 percent in January, adding more than 3.5 million new poor. Extreme poverty rose to 15 percent.

Already for 2022, the UCA estimated that 44 percent of children suffer from "food insecurity" and 60 percent depend on nutritional support from the government. In the year since, until January 2024, food sales in retail stores have fallen 37 percent. This means that

hunger has become rampant, with children rummaging through trash bins and begging becoming a frequent sight.

During a protest outside of the Ministry of Human Capital, Ivana Juncosa, a 20-year-old worker, told *El País*: "We are eight siblings and since Milei took over we only eat once a day. My father was a licensed electrician and he died during the pandemic. Now we all go out to work, even my youngest brother, who is 15 years old and works in a greengrocer's shop."

The Milei administration has pressed its finger deeper into the wound. It blocked funds for soup kitchens, even though more workers arrive each day. Hundreds of thousands of welfare plans have been eliminated, as government spending on social assistance and pensions dropped by 30 percent in one month.

Driving prices even higher, subsidies for public transportation, gas and electricity were reduced 64 percent, amid new tariffs on imports.

The administration decreed unilaterally a minimum wage of 180,000 pesos monthly (US\$200), compared to a basket of staple goods and services for a household that marks the official poverty rate of 597,000 (US\$700).

Mass layoffs among public sector workers and a deepening recession have become a battering ram to carry out this impoverishment. A halt to all new public works has already led to 100,000 cuts in construction jobs, while Milei has gloated over firing 50,000 government employees. He has also cut funds from provinces governed by opposition figures, even disobeying a court order to send money to Chubut province, provoking layoffs.

As consumption plummets, factories like Toyota, as well as shoemakers Bicontinental and Topper have announced hundreds of job cuts, while the largest metallurgical company in the country Acindar recently announced a suspension of production for 30 days.

National university authorities have warned that they will have to shut down if the budget remains frozen since last year.

In just over a month, these cuts resulted in the first government budget surplus since 2012, surpassing even the proposals from the International Monetary Fund (IMF), which sent a high-level delegation in late February to praise the "initial progress in restoring macro-economic stability."

On Thursday, US Treasury Secretary Janet Yellen also applauded the "important steps" in fiscal and monetary policy. This followed a trip to Buenos Aires by Secretary of State Antony Blinken, who said he "could not be more pleased, on behalf of President Biden, with the meeting we just had" with Milei. They reportedly discussed the IMF loan and lithium concessions.

At the same time, Yellen and the IMF delegation spoke about the need to support the “vulnerable,” and Jordan Schwartz, the executive vice president of the Inter-American Development Bank, commented: “The social crisis is the frontier that must be crossed successfully.”

However, the “shock therapy” they praise and helped engineer is strictly aimed at causing “pain” to cheapen labor and plunder the public treasury, natural resources and healthcare and pension funds. Milei himself warned of “painful sacrifices” in his inaugural speech.

Concerns in ruling circles and on Wall Street are not about suffering, but about preventing a social explosion as they turn the former richest country in Latin America into a sweatshop. Ultimately, the ruling elite’s entire plan to attract investments, which is central to the value of the currency and inflation, depends on avoiding an explosion of the powder keg it sits upon.

After meeting Milei, the IMF delegation met with trade union and military leaders, and a diplomatic bulletin *Confidencial* claims that the military was asked to “intervene only in the event of a social or subversive uprising or outburst.”

During his trip in early February, Brian A. Nichols, assistant secretary of state for Western Hemisphere Affairs, also met with CGT union leaders at the US embassy and highlighted “the important role of trade unions in the development of a sound economy and a democratic society.”

Today, Argentina is being governed from offices in Washington D.C.

Moreover, Milei’s promotion in western media, his embrace by the Biden administration and his rockstar receptions at Davos, in Israel and Rome, and at Trump’s CPAC rally in Washington demonstrate that imperialist global finance has chosen Argentina as a key battleground and testing site to spearhead a dramatic escalation of the war against the working class internationally.

The imperative of making workers pay for the emerging third world war rests on these social attacks.

In this context, the nationalist program advanced by the pseudo-left, which insists that workers must above all cling to a “unity” with the Peronist union bureaucracy as the latter plots with the government, the IMF and Washington, is a recipe for disaster.

The pseudo-left Workers Party (PO) insists in a “unified plan of struggle of the piquetero movement [of informal and unemployed workers] with the unions,” which in both cases are led by the Peronists. Meanwhile, the Socialist Workers Party (PTS) focuses on intervening in the mass assemblies in workplaces, schools and communities sprouting up spontaneously across Buenos Aires to redirect them back behind Peronism. In a political summary of agreements of its national leadership, the PTS calls on its supporters to join these assemblies as a means to “gain enormous strength by multiplying the demands made to the unions and student centers led by Peronism, to call on their ranks to join these initiatives, and to impose measures of struggle on them...”

While claiming to be advancing “revolutionary parliamentarism,” the PO and PTS, which lead the Left and Workers Front-Unity (FIT-U) electoral coalition, both have presented as a major “victory” that Milei decided to pull his omnibus bill from Congress—a “victory” when millions more are going hungry and tens of thousands are being laid off.

For Milei, this was a tactical maneuver followed by imposing some of the most draconian social cuts and attacks on democratic rights via decree.

The complacent response by the pseudo-left expresses clearly the

social character of its leadership. These organizations speak for accommodated layers of the middle class seeking deliberately to create illusions in the Peronist trade union bureaucracy, Congress, national reformism and bourgeois politics.

In a particularly telling statement, the PTS publication *La Izquierda Diario* wrote that Milei’s trip to Israel, where he cheered on the genocide against the Palestinians in Gaza, was part of “a sacred world tour, full of gestures and mysticism, but devoid of earthly strategy.”

Only the most bankrupt political perspective could lead to such a statement, which is entirely blind to international and historical questions. These forces have learned and can learn nothing from history.

Milei’s trip followed first and foremost an “earthly strategy,” i.e., one based on material calculations. As explained by the *World Socialist Web Site*:

The Argentine ruling class is drenching its hands with the blood of Gazans as a means of renewing, on the most active basis, its historic counterrevolutionary relationship with the Israeli bourgeoisie. This relates particularly to the massacre of 30,000 leftist workers, youth and intellectuals during the 1976-1983 Argentine military dictatorship.

Milei himself has defended the legacy of the US-backed military dictatorship as a necessary “war,” whose main supplier of weapons was Israel. The pseudo-left is repeating the policies of their own predecessors in the 1970s and disarming workers politically ahead of another turn to fascist dictatorship by the ruling class.

Through its mass demonstrations, strikes and rank-and-file assemblies, the working class is demanding a revolutionary struggle for power. Workers in Argentina are increasingly concluding that hunger, poverty and job cuts cannot be fought on the basis of pressuring for reforms. Years of capital flight and associated inflation show there is no room for such concessions.

Workers must also realize that this is not a trade union struggle for wage increases, as the pseudo-lefts insist, but a political fight against the program of austerity, war, genocide and dictatorship of the Argentine bourgeoisie and its imperialist patrons. The same is true around the world.

The treacherous “unity” with Peronism and the fake lefts of the FIT-U must be decisively rejected, and workers and youth must instead turn to the emerging struggles of the working class across the Americas, Europe and internationally. This turn must be based on the accumulated historical and theoretical arsenal of the Trotskyist movement, which today is represented solely by the International Committee of the Fourth International.



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