

Fascist Argentine President Milei's draconian labor counter-reform sparks mass strikes

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10 February 2026

Longer workdays, reduced paid vacations, slashed overtime rates, the gutting of severance pay and the criminalization of strikes form the core of the “Labor Modernization” bill being rammed through by the administration of Argentina’s fascist President Javier Milei.

Dictated by the International Monetary Fund, this legislation unleashes the most savage assault on workers’ rights since the 1970s military dictatorship’s amendments to the Labor Contract Act (LCT). Integrated into Milei’s broader economic shock therapy—celebrated by billionaires and world heads of state—it aims to hurl Argentine labor back to 19th-century conditions, establishing a brutal new international benchmark.

Milei’s onslaught against basic rights services the International Monetary Fund and other debt vultures, restructures the economy to meet finance capital’s demands, and bankrolls a massive state and military buildup to cement Argentina’s role as Washington’s key hemispheric enforcer—including \$650 million for six US-made F-16 fighter jets.

The fate of the bill holds major stakes for the Trump administration itself, which extended a \$2.5 billion currency deal to bail out the Milei administration. Under growing pressure from within the US ruling class, Treasury Secretary Scott Bessent wrote on social media: “Stabilizing a strong American ally—and making tens of millions in profit for Americans—is an America First home-run deal.”

The Senate votes Wednesday, followed by the Chamber of Deputies, and the corporate media is optimistic about the legislation’s approval. Finance capital and business groups co-wrote and cheered on the bill, while the CGT—the country’s dominant union federation—has ditched its strike pledge, with some

bureaucrats openly endorsing the “reform.”

Speaking to *El Pais*, Argentine Industrial Union head Martín Rappallini acknowledged that his business group “hugely participated” in drafting the bill, demanding tax cuts, “modernized” (i.e., slave) labor laws, and the scrapping of “inefficient” industries for “international adaptation.”

Other unions, including the CTA and CTA Autónoma, have called token “Hollywood strikes” for Wednesday—24-hour pressure valves amid explosive rank-and-file rebellions. Steelworkers at Acindar are threatening to halt production over mass layoffs, and rank-and-file transit drivers have launched a “general strike” for weeks. These eruptions join a global working-class counteroffensive.

Bill to accelerate the jobs slaughter

Milei’s tariff cuts and import deregulation have triggered a 55 percent surge in consumer goods imports during 2025. This has accelerated the demolition of uncompetitive national industries: the textile sector alone shed 16,000 jobs. Nearly half of Argentines toil in the informal sector, defenseless against corporate predation. The labor bill will accelerate the destruction of industries and a public-sector jobs purge.

The bill includes the following key provisions:

- Tax cuts for businesses: up to 70 percent debt forgiveness for regularizing informal workers or hiring the unemployed.
- The phasing out of sectoral collective bargaining in favor of company-specific deals.
- The effective destruction of the right to strike: a

mandatory 75 percent “minimum services” during strikes in health, education, transport, energy, and water (50 percent in banking, mining, industry, e-commerce).

- The creation of the Labor Assistance Fund (FAL): 3 percent of gross payroll diverted from pensions, PAMI elder care, and family allowances will enter the FAL to finance layoffs—replacing severance with up to 12 monthly installments.

- No-cause firings funded by pensioners’ money.

- “Flexibility” tyranny: employers dictate schedules (eliminating overtime premiums); vacations fragmented and rescheduled at will.

- Sick worker punishment: health-damaged employees reclassified for lower pay.

- Delivery couriers face permanent exclusion from rights.

Milei’s regime has already vaporized 300,000 formal jobs—61,000 public-sector alone—per the Center for Argentine Political Economy (CEPA). Gutted entities include the post office, railways, social security, Banco Nación and the Conicet research council. Nearly 20,000 companies have shuttered, and 15 of 20 sectors have contracted.

Fueled by this onslaught, CEPA tallies 629 labor conflicts in 2024-2025, and the CTA Autónoma reports 103 state repression cases under Milei, leaving 2,615 injured and one dead.

The bill’s promotion oozes arrogance by business elites unseen since the dictatorship. Textile owner Pablo Yeramian told the *Financial Times*: “This is only the start of measures to cut costs making Argentine business uncompetitive.” Convenience store magnate Cristián Loureiro echoed: “It’s risky and expensive to register employees. In Argentina, we treat them like children you owe a job for life.”

At the same time, however, the fraudulent narrative promoted by Milei and the corporate media of growing economic “stability” is rapidly fraying.

Statistics agency chief Marco Lavagna’s resignation spotlights inflation index fiddling. Delayed adoption of a new consumption-based measure—criticized as manipulation bait—sparked a stock market plunge.

Food prices leaped 2.5 percent in early February—the steepest since March 2024—despite “de-inflation” boasts. Utilities hikes, downplayed to lure investors, are growing, with gas for cooking/heating seeing a 16 percent jump, even as Vaca Muerta (shale oil and gas)

exports yield a \$6 billion surplus benefiting primarily Argentine firms. The Central Bank, moreover, has recently warned of growing “instability” and “transitional risks.”

The so-called “opposition” legislators of the Peronist parties have greased Milei’s wheels, defending inflation and poverty statistics that conceal the devastating social suffering. The Peronist-led union bureaucracy, for its part, has traded strike suppression for privilege protection—now imperiled by the bill’s axing of mandatory “solidarity dues” (the union bureaucracies’ cash cow) and slashing employer contributions to union healthcare from 6 to 5 percent.

Pseudo-left groups like the Morenoite Socialist Workers Party (PTS) and Partido Obrero (PO), dominating some unions, are begging the chief bureaucrats in the CTA for a “plan of struggle” and “general strike.” This is an entirely bankrupt call aimed at subordinating the social and democratic rights of workers to talks between the union bureaucrats and the fascist Milei where the only issue on the table is the union apparatus’s own privileges at the expense of the working class.

These same treasonous bureaucracies are already responsible for enforcing a 60 percent cut in buying power over the past 10 years.

Emboldened above all by this well-oiled conspiracy between the Peronists, union bureaucracies and pseudo-left parties of the upper-middle class, the Milei administration, which is famous for defending the crimes of the fascist military dictatorship, is moving headlong to implement authoritarian forms of rule. It requires police state measures to crush imminent explosive opposition to its economic and labor policies.

On January 2, the Milei administration signed an executive order empowering state intelligence agents to conduct warrantless arrests, decried by experts like Andrés Gil Domínguez as an “autocratic, illiberal, neo-fascist turn” birthing a new “secret police.”



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