

INTERVIEW

Challenging a new government in Argentina

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Since conservative Mauricio Macri became Argentina's president following elections last November, he has spearheaded an offensive against the country's working class and social movements. Claudio Katz, a longtime Argentine political activist, member of Economistas de Izquierda and author of numerous books and articles, talked to Todd Chretien about the current state of politics and the prospects for a working-class response to Macri's attacks.

Todd Chretien - MAURICIO MACRI, the former conservative mayor of Buenos Aires, won the presidential elections against the handpicked successor of Cristina Fernández de Kirchner, who, together with her deceased husband, had held the presidency since 2003. The Kirchners ruled on the strength of a version of center-left populism in the tradition of Juan Perón. Can you describe what has changed in the first few months of Macri's administration?

Claudio Katz - THE GOVERNMENT began with a brutal assault on ordinary people's living conditions—applying outrageous cuts every day seems to be the new rule.

Macri began with the devaluation of the currency and tax cuts for the wealthy, and he is now introducing utility rate hikes for the same companies that had already received enormous subsidies under the previous administration. Projected inflation for the year stands at 35-40 percent, without any increase in salaries so far.

A recent report indicated that during his first three months in office, Macri increased the number of people living in poverty by 1.4 million, while another 350,000 fell into extreme poverty.

The most dramatic development is the rise of unemployment. As of today, there are 110,000 newly unemployed, and traditional restrictions on layoffs for public employees are being torn up. The extreme wing of Macri's government hopes to recreate the massive army of unemployed prevalent during the 1990s under Peronist president Carlos Menem [who implemented a brutal shock therapy privatization program] in order to put permanent downward pressure on working-class demands.

Meanwhile, Macri is cynically settling outstanding disputes with the so-called vultures [international creditors who refused to agree to debt restructuring], supposedly to avoid punitive debt sanctions. However, new foreign borrowing will end up restoring IMF audits and maintaining restrictions on social spending, all to satisfy the creditors. This offensive goes hand in hand with new attacks on democratic rights. For instance, one social movement leader from the north remains in prison, and a protocol is being prepared to repress strikes and pickets.

The right-wing character of the new government is obvious—it is acting brazenly on behalf of the

ruling classes, without any mediation, without any disguises. All state ministries have been assumed by managers from big business, establishing a kind of “CEO-ocracy.”

THE BOOM in the prices of basic commodities, especially petroleum and agricultural products, helped Argentina recover from the catastrophic depression it fell into in 2001, leading to almost 12 years of growth. But today, commodity prices have collapsed. What were the strengths and weaknesses of this model of economic growth? Were there other potential developmental strategies?

THE PREVIOUS government attempted a neo-developmental economic model with the intention of jump-starting industrialization, encouraging consumption and reorienting the surplus generated by the boom in commodities toward social spending.

Yet after a decade of these policies, it must be said that they failed to achieve their main goals. Hopes that local entrepreneurs would reinvest in the economy faded in the face of their continued demand for state aid and efforts to promote an efficient civil service was smothered by inept bureaucracies.

This neo-developmental experiment was undercut by numerous imbalances. Especially critical was the failure to productively manage agricultural revenue through state control of foreign trade. The government gambled that capitalists would use public resources productively, without simply moving their profits offshore.

At the same time, the model preserved all of Argentina’s economic structural imbalances. It strengthened reliance on the production of raw materials, opened the door to the stagnation of energy supplies, perpetuated a skeletal industrial base and sustained a financial system that deterred investment. Additionally, since a regressive taxation policy was preserved, it was to get at the roots of social inequality.

Another model was possible, but this would have required a clash with the dominant economic and political groups, and Kirchnerism was never willing to face up to that.

ARGENTINA UNDER the Kirchners came to be identified with the reform-oriented Pink Tide governments in South America, including the Workers’ Party in Brazil, the Bolivarian Revolution in Venezuela and Evo Morales’ government in Bolivia. But the end of the economic boom has led to a rapid decline in popular support for the Pink Tide governments, with Nicolás Maduro in Venezuela, Evo Morales in Bolivia and Dilma Rousseff in Brazil all paying the price. Why is the right and not the left benefiting politically from this crisis?

MANY FACTORS have combined to create these results.

The progressive South American cycle had no international counterpart. Similar processes that did begin in some places, such as Greece, were suffocated. Neoliberalism not only persisted, but in many ways, it deepened on a global scale after the financial crisis of 2008-09.

In our region, the death of Hugo Chávez marked a negative point of inflection for any potential radicalization of the processes underway. ALBA [the Bolivarian Alliance for the Peoples of Our America, or Alianza Bolivariana para los Pueblos de Nuestra América] was created, but it failed to root itself in any genuinely massive social movements. The Cuban Revolution could only continue its defensive battle for subsistence, while radical change stalled in Bolivia.

When, in recent years, symptoms of popular dissatisfaction began to grow in countries governed by

the center-left—strikes by public-sector workers in Argentina, protests in Brazil, community and indigenous mobilizations in Ecuador, etc.—these presidents choose confrontation instead of seeking convergences with the protesters.

The right took advantage of a new scenario defined by internationally adverse economic conditions and used its control over the corporate media in unprecedented ways. On top of all this, the judicial powers within various countries acted as a substitute for the military in coup-mongering maneuvers.

For its part, the left has rebuilt itself in many countries throughout the region, but it has not achieved the credibility that the socialist project enjoyed during the height of revolutionary ideals in the 1960s and 1970s. Of course, I'm improvising these characterizations in this conversation, and they should be understood only as notes in what is an ongoing process.

THE RIGHT will have its own problems in maintaining popular support. For instance, Macri himself has been implicated in the Panama Papers for failing to reveal offshore family accounts before becoming mayor of Buenos Aires. Can he survive this scandal?

WE DON'T know what impact the flood unleashed by the Panama Papers is going to have because it's an international scandal, and Macri can't control its spread, not even with the complicity of the Argentine justice system and the media.

But for the moment, the scandal has robbed the government of the legitimacy it needs to implement cuts. For example, with respect to the vultures, the government planned to pay them off using the same banks involved in offshore operations implicated in the Panama Papers.

We are discovering that Macri is a veritable champion of corruption. He figures among those at the top of the lists of officials in companies named for using tax havens that help them evade taxes and facilitate capital flight.

This hasn't surprised anyone since Macri headed up a business group that did dirty deals with the state for decades. He secured government contracts, benefitted from the public assumption of private debt and gained when the Argentine peso was delinked from the U.S. dollar. Charges were filed against him for tax evasion and dealing in contraband, but he was granted immunity as a favor from Supreme Court judges appointed by Menem.

His justifications are ridiculous. He claims he was the director, and not an investor, in the businesses in question, but in reality, the investors were just a screen for shady deals in the hands of the directors. This is par for the course for a government that censors reports about tax breaks granted to similar firms.

Meanwhile, Macri vacations in a villa owned by an English magnate usurping land in Patagonia, while his cabinet ministers appoint family members to government posts all around.

FOR HIS recent visit to Argentina, Barack Obama was originally scheduled to arrive on the anniversary of the 1976 coup that started the dirty war against the left, students and the unions. After an outcry, Obama changed his arrival date, but he and Macri visited the Museum of Memory, founded in honor of the military's victims. Is there a danger that Macri's decision to bring Argentina back into the orbit of U.S. imperialism will make the military and security apparatus more assertive and repressive?

OBAMA'S VISIT was intended to re-establish the carnal relationship that existed between the two countries during Menem's era. So all the fantasies from those years about "returning to the world" and "recognizing American leadership" are being repeated endlessly today.

The State Department wanted to build up Macri as a counterweight to the instability in Brazil. The U.S. wants to displace China regarding negotiations over public infrastructure projects and incorporate Argentina into the Pacifica Alliance – a free trade agreement signed in 2011 with the U.S., Chile, Mexico, Colombia and Peru.

The U.S. aims to put the brakes on autonomous development in the nuclear sector, for instance, and put itself in a position to take advantage of Argentine mineral resources, especially lithium.

But these plans have run into resistance, as much of the population is aware of the lethal effects of national subordination to the U.S.

On the economic plane, Argentina has gained absolutely nothing and remains in a completely uneven commercial relationship. Despite Argentina's claims to the Malvinas Islands [a.k.a. the Falklands], Macri will continue cooperating with the United Kingdom—and DEA, CIA and FBI agents operate freely, annulling Argentina's control over its own territory.

Macri tried to generate a sort of "Obamamania" in the press, but his pro-colonial message had very little impact on the public. The media argued that Obama could not be held responsible for the 1976 coup because he was only 13 years old at the time. Be that as it may, the real problem is Obama's current imperial policy in Honduras, Colombia and the Middle East.

The most encouraging sign was the mobilization on March 24. The protest should be seen as an anti-imperialist day that revived the tradition of demonstrating against visits by American presidents, as happened with Roosevelt, Nixon, Clinton, Bush and now Obama. In Argentina, the empire cannot rely on a façade of middle-class support, mobilized by its fascination with Miami.

AFTER THE collapse of the military dictatorship in 1983, and especially during and after the 2001 economic crisis, workers and the poor in Argentina organized some of the most vibrant mass movements in the world—the unemployed (the piqueteros), unions, students and women built powerful organizations. But Peronism, whether in its institutional or Kirchnerist aspects, managed to retain the loyalty of the leadership of many of these organizations. Has the combined experience of 12 years of rule by the Kirchners and the onset of a new crisis weakened these links? Or does Peronism still command influence and the ability to reconstruct its base as it serves as the opposition to Macri's more open austerity?

IT'S PREMATURE to formulate any assessment of a movement as deeply rooted as Peronism.

Kirchnerism represents the progressive wing of this conglomerate, and even today, it contains very contradictory tendencies. On the one hand, Cristina left office with a monumental sendoff mobilization organized by a network of militants who filled plazas and led marches. Now out of office, she is once again calling together crowds and taking advantage of Macri's flailing as he tries to discredit her with the help of a sycophantic justice system.

Yet the expectation that Kirchnerism can count on a powerful continuity as the opposition in Congress, the provincial government and various state institutions is fading. She has lost influence in the Justicialist Party [the official name of the Peronist party], and we don't know how she may be affected by significant corruption allegations involving her personally.

But the most important thing to keep in mind is that because her handpicked successor Daniel Scioli lost the elections last November—and thus the Justicialist Party will not be saddled with the legacy of austerity left by center-right presidents such as Raúl Alfonsín and Fernando de la

Rúa—Kirchnerism is positioned to resurrect popular illusions in Cristina and her political faction.

She can hide the fact that her government was preparing the austerity that Macri is implementing today. For a more accurate view of her policies, one need only review the crackdowns ordered by Kirchnerist governors in the provinces of Santa Cruz and Tierra del Fuego.

Having said that, we're just beginning to enter a process with unpredictable results.

LAST FALL, Nicolás del Caño, the presidential candidate for the Left and Workers Front (FIT in Spanish), won more than 800,000 votes or 3.23 percent. The FIT represents a coalition of small revolutionary parties and their supporters, but there are other political, union, student and social movement forces that oppose Macri's conservatives, as well as the Peronists. What are the prospects for a new round of struggles and how would you characterize the challenges facing the left today.

THE LEFT has gained much stronger electoral, social and political implantation than it had in the past. It remains a minority movement, but the left has well-known public leaders, and it has consolidated a network of militants.

There are many debates about union tactics and what policies should be adopted with respect to relations with Kirchnerist forces. But there is a generalized understanding that the current period must center around resistance to Macri's offensive.

This is the priority of the moment. Macri's outrageous attacks must be stopped before it's too late. This battle is being waged in the streets, factories, and offices against layoffs and wage cuts.

The population is still suffering a disorienting combination of shock and indignation, but several major strikes and marches have already had an impact. I think the most significant was the large mobilization on March 24, at which the left had a large presence. That mobilization was organized as a response to Obama and Macri, making it more than just another anniversary of the coup.

The mobilization showed that, since 2001, a layer of left-wing activists have grown and cohered; and this layer is very much alive and ready to fight against austerity. This is another difference between now and Menem's time. Right from the start, Macri has faced opposition from below, and this may lead to a wave of rebellion.

P.S.

* Socialist Worker (USA). May 2, 2016:

<https://socialistworker.org/2016/05/02/challenging-argentinas-new-president>