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Argentina

Milei government at a crossroads

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After Milei's political defeat in the legislative debate on the withdrawal of the "omnibus" law, there followed a period of political isolation and confrontation with the centrist and even allied governors. The government had responded to the lack of support from this sector for approving the law by cutting funding to the provinces and with very aggressive rhetoric (the governors were traitors, parliament a nest of rats and any opponent a thief and a criminal).

On 1 March, with his speech at the opening of the Assembly's ordinary sessions, Milei seems to have put things right, at least as far as his relationship with the centre wing is concerned, i.e. with the sector known as the "friendly opposition". This is because, even while maintaining an aggressive and even violent discourse, he has proposed a new negotiation: a pact, to be signed at the end of May, between the national state and the provinces. This pact, although based entirely on his ultra-liberal political line, would also involve a fiscal agreement to help the provinces that are on the verge of bankruptcy after the government cut off funds. For this reason, the governors are open to the idea and even in favour of it, even though Milei has made approval of the omnibus bill a condition.

Provincial funding vs "omnibus" legislation

Only time will tell whether this is a strategic change - more in the way of dialogue and negotiation with circumstantial allies, as part of the presidential entourage seems to be calling for - or a purely tactical change to regain the political initiative and buy time. We shall see how the negotiations evolve, as they do not appear to be easy to bring to a conclusion. On the one hand, some governors and centrist political figures do not seem prepared to accept the bill if it remains on the same terms that led them to oppose it. Likewise, accepting the May Pact in its current terms could cause them to lose all political initiative and the position of strength built up after the withdrawal of the law. It remains to be seen whether Milei will accept counter-proposals which, while less radical than his own, will benefit the Argentine bourgeoisie just as much. A central element in the negotiations will be the real impact of the government's blackmail on the funds intended for the provinces. The rejection of its megadecree by the Senate on Thursday 14 March (it is now the deputies who must decide whether to reject or definitively adopt the decree) does not seem to change the situation. Negotiations remain open-ended and the rhetoric relatively moderate.

The social base of the centrists reluctant to accept Milei

A possible political agreement does not necessarily mean that the government will be able to move forward smoothly. Firstly, because a section of the middle classes is increasingly shocked by the President's "style": his many verbal attacks and his Trump-style use of Twitter (by tweeting or retweeting discriminatory messages and insults) are shocking, and even right-wing journalists are taking exception. Similarly, during his speeches, when he questioned the number of people who disappeared during the last dictatorship, when he spoke of "murderers in green headscarves" (in reference to the headscarves worn by feminists defending the right to abortion) or even when, on 8 March, at a time when tens of thousands of women were demonstrating in the streets of the country, he decided to rename the "Women's Lounge" in the government palace the "Heroes of the Nation Lounge" with male portraits. This sector of the middle class is part of the social base of the centrists and can push for reconfigurations in the event of an agreement too favourable to the government.

But the central element will be the possibility of a social explosion. Faced with constant attacks on purchasing power, rising poverty, lay-offs and temporary closures of some major companies, the patience of a large sector of workers may be coming to an end. The Argentine economy is in such deep crisis that the government, even if it buys time to stabilise the accounts, will only have increased the misery of workers and pensioners, and therefore of part of its electoral base.

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Translated by **International Viewpoint** from [l'Anticapitaliste](#).

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