Argentine Opposition Warns of Crisis Amid Macri's Return to IMF

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In 2001 an IMF-induced crisis left one in five Argentines without a job while people flooded the streets in protests that saw more than 20 people killed.

The block of deputies of the Peronist-Kirchnerist alliance Frente para la Victoria (Front for Victory) criticized the decision of the Argentine President Mauricio Macri to request a financing for US$30 billion from the International Monetary Fund (IMF).

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"We demand from the Executive Branch that any possible agreement with the IMF, prior to its approval, be widely discussed in the National Congress, and nothing that the Fund [MF] wants to agree on has to be done behind the backs of the Argentine people," the block said in a statement.

"The decision on Tuesday means a serious setback. Within two and a half years of the Néstor Kirchner administration, Argentina canceled the debt with the IMF, 13 years later, two and a half years into the government of Mauricio Macri, [he]

send us to the Fund."

The lawmakers further warned that the IMF deals have always resulted to austerity measures and cuts to social programs.

"The agreements with the Fund have always been detrimental to our people, meaning cuts in salaries, retirements, privatizations, layoffs in the public sector and an increase in poverty among Argentines, leading the country to very deep economic and social crises," the statement added..

"The Fund" is the word used by many Argentines to refer to the IMF and carries negative connotations as many in the country associate the organization with crisis after several right-wing governments borrowed millions of dollars from it over the years. The most recent crisis was the country's 2001 devaluation and US$100bn debt default.

The IMF-induced crisis left one in five Argentines without a job, while the country's peso, which was tied to the dollar at the time, lost two-thirds of its value and banks froze deposits. Protests engulfed the country in which at least 20 people were killed. In just two weeks, the country had five successive presidents.

That is why when President Néstor Kirchner paid off the IMF debt of almost US$10 billion in 2006, he celebrated it as a way for the country to regain its sovereignty. "With this payment, we are interring a significant part of an ignominious past," Mr. Kirchner, who would die in 2010, said at the time.

The new IMF loan will include severe conditions, in case the government asks for funds to finance the deficit until 2019. Macri began negotiations with this body to obtain a loan to avoid a serious financial crisis in exchange for freezing retirements for two years and applying mass layoffs, according to the Argentine media El Destape.