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**A NEW GOVERNMENT IN ARGENTINA**

The Argentinian economic crisis had worsened over the last year when the Peronist government appointed a new Minister of Economy to deepen an adjustment that in fiscal terms entailed a significant reduction in the budget, not only for housing and education, but also for health, productive development, public works and transportation. The high inflation rose to 120 % year-on-year, with almost no Central Bank's reserves. The agreement with the International Monetary Fund imposed compliance with fiscal and monetary goals that forced a weak government to impose a 20 % devaluation on August 14, one day after a dismal electoral performance in the Mandatory Primary Elections. That was the beginning of the Peronist government end.

In December 2023, a new government took office. A new political force, with little parliamentary power and without territorial power. Its president, a bizarre figure self-identified as an anarcho-capitalist, has been the instrument of channeling social discontent in the face of an economy that has not grown for 20 years. He won the runoff by 10 points against the Peronist presidential candidate.

The new president, a few days after taking office, applied a strong monetary devaluation that affected the salaries of formal workers. In addition, a strong loss in the value of pensions. However, it managed to reduce double-digit inflation, although causing a brutal adjustment in public spending and leading the economy into a recession. This economic recession is already affecting employment levels. At a macroeconomic level, contradicting the liberal creed that President Milei supposedly represents, the economy has strong controls on monetary exchange matters that prevent investments from becoming a reality.

**I - A NEW LEGISLATION**

The Libertarian government, a few days after taking office, issued a decree that, violating the National Constitution both procedurally and in its values, imposed, among other reforms, an intense flexibility in labor relations. That Decree no. 70/23 was judicially challenged by the CGT (main Argentine trade union center). The court decided to suspend its application because it was considered unconstitutional.

The political action was followed by another institutional adventure also full of unpredictability that begins on Wednesday, December 27, 2023, when the recently assumed government sends a bill to the National Congress.

The bill debated by the Chamber of Deputies at the beginning of February 2024 and, after its approval in general but not in particular, and in the face of parliamentary weakness that would lead to defeat in the issue-by-issue discussion, the Government Withdrew the bill. The reform proposal included a part on labor relations

The implementation of parliamentary political weakness forced the national government to change tactics that involved dismantling the original bill with the sole objective of approving « whatever law ».

The review and adaptation of the new version of the Bill included some of the contents of labor relations that had been contemplated by its predecessor bill. On the other hand, other regulatory content ended up being discarded as a result of the negotiations. The result of this process was a disjointed and anarchic norm on individual labor relations in the field of public and private employment.

In short, the Law of bases and starting points for the freedom of Argentines (no. 27,742) is the consequence of a clumsy political action by a new government. Its contents are the product of typical prejudices against labor regulation resulting from ignorance. It is a rule without technical sophistication that will enhance judicial conflict contrary to what it wishes to avoid.

## II - A FEW NEW UNSOPHISTICATED LABOR REGULATIONS.

Below is a synthetic reference on the most important topics contained in the reform. In a future installment we will give more details about the complete rule since its regulations are currently pending and this could affect its spirit.

A first topic included in the labor reform was the repeal of sanctions for those employers who hired workers without formal registration or with deficient registration. Today there are no sanctions of any kind for those who do not register the employment relationship. A second issue included in the labor reform was the extension of the trial period. Probationary period during which the worker can be fired at no cost to the employer. Un tercer tema es la licencia por maternidad, la cual se permite que sea pedida hasta 10 días antes del parto cuando antes era obligatorio el límite de 45 días antes. A fourth issue is the treatment of discriminatory dismissal. The new law places the obligation on the worker to prove the existence of the discriminatory act against a contrary doctrine consolidated for decades. A fifth issue is the creation of a non - work figure that is the collaborator of the « independent worker ». Enables the existence of collaborators of the worker who can perform tasks and not be protected by labor law.

Finally, in a theatrical exaggeration of anti-union positions, participation in picketing, blockades and/or establishment takeovers is incorporated as grounds for dismissal. A union activity that is not usual in Argentina but on the contrary, exceptional given the « institutional » role that unions play in the labor and political system.

## Conclusion

A new political context finds Argentina facing the paradox of a government without consistent institutional strength (parliamentary or territorial) but that to date, even during a recession that hits the middle classes above all (also lower class), It has important and stable popular support that allows it to advance reforms that mainly favor concentrated economic groups. Among these reforms is the labor reform. A film that has just begun and whose ending is uncertain.