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FEATURED Q&A

What Will Milei Get Passed in a Special Legislative Session?

Argentine President Javier Milei is seeking to advance several pieces of legislation in a special end-of-year legislative session. // File Photo: World Economic Forum via CC BY-NC-SA 2.0.

Q Argentine President Javier Milei has called special congressional sessions lasting through Dec. 30 to advance a legislative agenda that includes the 2026 budget, labor reform, fiscal stabilization initiatives, penal code changes and adjustments to environmental rules on glacier protections. Some measures appear likely to pass, while others face political resistance and could spill into next year. Which elements of Milei's agenda are most likely to gain congressional approval during the special sessions, and which face the biggest hurdles? How is Milei leveraging his political position following Argentina's October midterm legislative elections to push major reforms? What would the proposed environmental and penal code changes mean for Argentina's policy landscape, and how might opposition parties and provincial interests respond?

A **Carlos Pagni, political columnist at La Nación:** "The reforms receiving the strongest political push from the Milei government are those aimed at lowering costs in the economy. The most immediate is labor reform, which caps severance payments and makes employment contracts more flexible. The second is reform of the penal code. This involves tougher sentences and lowering the age of criminal responsibility for certain offenses. Another important reform, though one that will not advance as quickly as the previous ones, is tax reform. It requires extensive agreements with provincial governors. Milei's major victory in the midterms does not exempt him from negotiating, as his party lacks majorities in both chambers of Congress. As a result, he negotiates with opposition forces and, above all, with governors

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TODAY'S NEWS

POLITICAL

U.S. Seizes Second Oil Tanker, Pursues Third

U.S. forces on Saturday seized a second oil tanker off the coast of Venezuela and pursued a third. The moves are the latest in President Donald Trump's pressure campaign against Venezuela's government.

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POLITICAL

U.S. Restricts Visas of Two Honduran Election Officials

The U.S. State Department restricted the visas of two Honduran election officials as results of the country's Nov. 30 presidential election remain deadlocked.

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Bolivia Faces National Strike After Elimination of Fuel Subsidies

Bolivia's largest labor organization on Sunday confirmed plans for a general strike in protest of President Rodrigo Paz's elimination of fuel subsidies.

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Paz // File Photo: Argentine Government via CC BY 4.0.

POLITICAL NEWS

U.S. Seizes Second Oil Tanker, Pursues Third

U.S. forces on Saturday seized a second oil tanker off the coast of Venezuela and pursued a third in the Trump administration's ongoing pressure campaign against the government of Venezuelan President Nicolás Maduro, The New York Times reported. The actions followed the U.S. seizure on Dec. 10 of the Skipper, an oil tanker that the United States sanctioned in 2022 for transporting oil from Iran and that had recently loaded 1.8 million barrels of heavy crude in Venezuela, and U.S. President Donald Trump's announcement on Dec. 16 that he was ordering "a total and complete blockade" of sanctioned oil tankers headed to or departing from Venezuela. In the seizure that happened on Saturday, U.S. forces boarded the Centuries, a Panama-flagged oil tanker that had previously docked in Venezuela, The Wall Street Journal reported, citing U.S. Homeland Security Secretary Kristi Noem. "The U.S. Coast Guard with the support of the Department of War apprehended an oil tanker that was last docked in Venezuela," Noem said in a post on social media site X. She called the seizure a "pre-dawn action." Noem posted a video of a person using a rope to descend from a helicopter onto the deck of the Centuries. The vessel is not on any lists of sanctions by the United States, United Kingdom, European Union or United Nations, The Wall Street Journal reported, citing shipping data firm Kpler. The Centuries had loaded crude oil at the José terminal in Venezuela and had been sailing near Venezuela's Caribbean coast since Dec. 4, The Wall Street Journal reported, citing Kpler unit Marine Traffic.

The ship was loaded with approximately two million barrels of crude and had been tracked near Grenada on a route toward Asia, The Wall Street Journal reported. Also on Saturday, the U.S. Coast Guard attempted to intercept a third oil tanker, the Bella 1, in the Caribbean, The New York Times reported. U.S. officials said the ship was not flying a valid national flag, making it subject to boarding. U.S. authorities had obtained a warrant for the vessel's seizure due to its prior connection to Iran's oil trade. However, officials said the ship fled into the Atlantic Ocean, The New York Times reported.

U.S. Restricts Visas of Two Honduran Election Officials

The administration of U.S. President Donald Trump on Friday announced that it had restricted the U.S. visas of two left-wing Honduran election officials, a move that came as there has still been no announcement of who won Honduras' Nov. 30 presidential election, the Associated Press reported. The U.S. State Department said it had revoked the visa of Mario Morazán, a Honduran Electoral Justice Tribunal magistrate, and denied an application for a visa by Marlon Ochoa, a National Electoral Council member. Both officials belong to the ruling left-wing Libre, or Liberty and Refoundation, party, the wire service reported. "The United States will not tolerate actions that undermine our national security and our region's stability," the State Department said. We will consider all appropriate measures to deter those impeding the vote count in Honduras," it added. With 99.85 percent of the vote counted three weeks after the election, conservative Nasry Asfura, whom Trump is backing, has a slim lead with 40.24 percent of the vote, the AP reported. Salvador Nasralla, who has described himself as center-right, has 39.64 percent. Only 43,000 votes separate the two candidates, but there are still hundreds of thousands of votes that have inconsistencies in their tally sheets, Reuters reported. The National Electoral Council last Thursday started to oversee a manual recount of those votes. The ruling party's candidate, former Defense Minister Rixi Moncada, trails with 19.12 percent. She has not conceded. "The thin margin between Nasry Asfura and Salvador Nasralla highlights Honduras' entrenched political polarization and widespread anti-incumbent sentiment," Valeria Vásquez, associate director at Control Risks, said in a **Q&A** published Dec. 10. "Persistent

NEWS BRIEFS

El Salvador Announces Long Prison Sentences for Gang Members

El Salvador's government on Sunday announced prison sentences, in some cases for hundreds of years, for 248 members of the Mara Salvatrucha street gang, Agence France-Presse reported. In a statement on social media site X, the attorney general's office said the gang members had been given "exemplary sentences" for 43 homicides and 42 disappearances. It did not say whether the people accused had been put on trial all at the same time.

Brazil Sets Two-Month Deadline For Ministries' Decarbonization Plans

Brazil's government has requested that four key ministries present detailed plans by mid-February to transition away from oil and gas, Ana Toni, the United Nations' chief executive of the COP30 climate conference that was held in Brazil last November, told the Financial Times in remarks published on Saturday. The presidential directive applies to Brazil's ministries of energy, finance and environment, as well as the chief of staff's office, Toni said.

Argentina's Fernández de Kirchner Has Surgery While Under House Arrest

Former Argentine President Cristina Fernández de Kirchner underwent surgery for appendicitis at a clinic in Buenos Aires on Saturday, Reuters reported. Fernández de Kirchner has been under house arrest since June as part of a six-year corruption sentence. She leads the Justicialist Party, the main political body behind the opposition to current Argentine President Javier Milei. Fernández de Kirchner was progressing from the surgery "without complications" on Sunday, her doctors said.

concerns over electoral transparency and logistical failures" have also marred the vote, she said.

ECONOMIC NEWS

Bolivia Faces National Strike After Removal of Fuel Subsidies

Bolivia's largest labor organization, la Central Obrera Boliviana, on Sunday confirmed plans for a general strike in protest of President Rodrigo Paz's recent move to eliminate longstanding fuel subsidies, Infobae reported. The strike is set to begin today, Merco Press reported. Paz, who took office at the beginning of November, on Dec. 17 issued an executive order that lifted federal subsidies for gasoline and diesel fuel. The decision immediately caused at-the-pump prices in Bolivia to jump by 86 percent for gasoline and 160 percent for diesel, Bloomberg News reported. Public transportation workers' unions began striking last week, with major demonstrations against the elimination of fuel subsidies taking place on Friday in La Paz and Santa Cruz, the Associated Press reported. Bolivia's economy ministry defended the move last week, saying that it will save the federal government at least $3 billion per year and help reduce inflation, which is currently above 20 percent, the AP reported. In addition to ending federal fuel subsidies, which had been in place since 2006, Paz's Dec. 17 executive order directed Bolivia's central bank to begin transitioning to a "new exchange-rate regime," Bloomberg News reported. The boliviano has been set at 6.96 per dollar since 2011, but informal trading data suggests that the currency's true market value is currently closer to 10 per dollar, according to Bloomberg News. It's unclear under what timeline Bolivia's central bank plans to adjust or eliminate currency controls. The economic policy order also included a measure to increase Bolivia's national minimum wage by 20 percent, bringing the figure to approximately $480 per month beginning next year, according to Bloomberg News.

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who need a harmonious relationship with the national government. Even so, he must accept that some initiatives will not advance. The repeal of special funds for universities and for the system that supports people with disabilities are two examples. Governors allied with the government blocked those measures from being incorporated into the national budget, which the Chamber of Deputies approved on Dec. 18. It remains to be seen whether the president will decide to veto the law with respect to those articles. As for environmental policy, the Milei government is dismantling protection rules, especially those related to glaciers. That liberalization is a response to demands from the mining sector to enable investment."

Andrés Malamud, senior research fellow at the Institute of Social Sciences of the University of Lisbon: "Out of the five mentioned bills, Milei's administration has substantial interest in two: labor reform and fiscal stabilization. The other three are mostly concessions to entice or reward allies. First, the 2026 budget is an instrument to meet IMF demands, as Argentina sometimes experiences one or two years without an approved budget. For its part, changes to the penal code are nothing more than populist baits since Argentina faces problems of law enforcement rather than legal permissiveness. Finally, easing restrictions on glacier protection is a concession to the provincial governors who are seeking to promote mining projects—and whose legislators may support the administration in Congress. In contrast, labor reform and fiscal stabilization are at the core of the reformist agenda Milei is pushing for, as he seeks to foster productivity gains that compensate for the retraction in public investment and austerity-induced economic stagnation. He might face more severe hurdles during the 2026 legislative year, provided a tax reform bill is finally sent to Congress—not to speak of a pension reform bill, which would be even more intractable. Although the administration's standing in both houses is much more comfortable than before the midterm elections, it still needs to court governors and independent lawmakers to get its agenda passed."

Pilar Conci, managing director at Trentino Global Consulting: "The October midterms strengthened Milei's bloc in both chambers, prompting him to convene extraordinary sessions to capitalize on political momentum and pass key reforms before the summer recess. Although the president has considerable negotiating power to advance his legislative agenda, important hurdles have already emerged, and several initiatives face delays. Economic and budget measures are most likely to gain approval. The lower house passed a fiscal compliance bill, highlighting the government's ability to forge alliances for market-friendly and macroeconomic measures. The 2026 budget also cleared the lower house and is set to become Milei's first approved budget after two years of extensions. However, the budget debate exposed limits to the president's power: Lawmakers stripped out provisions to repeal laws on disability and university financing, forcing the government to recalibrate as the bill moves to the Senate. Changes to environmental rules on glacier protections also have a viable path forward. The proposal would give provinces more authority over protected areas, easing restrictions on mining. Mineral-rich provinces back the initiative, though environmental groups and some opposition lawmakers are expected to resist. The biggest hurdles lie with labor reform and penal code changes, which face prolonged negotiations and conflict as they challenge entrenched social and political interests. Labor reform remains highly contentious, facing fierce opposition from unions and Peronists. Its Senate debate has already been postponed until February, signaling extended negotiations under the

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threat of strikes and demonstrations. Penal code reforms, while popular with the Milei base, raise concerns about civil liberties and protest rights and are likely to face legal and political pushback."

Juan Cruz Díaz, managing director of Cefeidas Group in Buenos Aires: "Following the unexpected victory in the midterms, President Milei has renewed his political mandate and legitimacy as his La Libertad Avanza (LLA) party significantly expanded its seats in Congress. This has made parts of the moderate opposition more willing to engage. Milei is now leveraging this position of strength to deepen negotiations with provincial governors and with ideologically adjacent legislative blocs to pass an ambitious reform package. However, victory is far from assured. LLA still remains well short of the majority needed to approve these bills on its own, making negotiations essential to securing the remaining votes. Given their relevance, all of these legislative initiatives will face varying degrees of resistance. However, the labor modernization bill faces the greatest political hurdles. The bill seeks to increase labor market flexibility to bring new workers into the formal economy, which has remained stagnant for years. This proposal directly affects powerful stakeholders, particularly labor unions, which, despite declining influence, retain a meaningful capacity for mobilization and political pressure. As for the environment-related bills, the proposed amendments to glacier protection rules would grant provinces greater authority to determine which glaciers are strategically protected and which could be opened to productive activities. This would reshape Argentina's policy landscape by enabling expanded mining and hydrocarbon extraction—a longstanding demand from resource-rich provinces—while provoking resistance from some environmental groups and urban opposition sectors. Meanwhile, penal code reforms aimed at tougher sentencing seek to satisfy Milei's law-and-order electorate, but are likely to face scrutiny from center-left parties concerned about overreach."

Paula Clerici, researcher at the National Council for Scientific and Technical Research of Argentina (CONICET): "Milei's agenda for the extraordinary congressional sessions combines initiatives with high probabilities of approval with others that face significant political and institutional constraints. Among the most viable measures are the 2026 budget and fiscal stabilization initiatives. Unlike other items on the agenda, the budget functions as a 'necessary' law and facilitates pragmatic bargaining. By contrast, far-reaching labor reforms, changes to the criminal code and modifications to environmental regulations, particularly the glaciers law, encounter greater obstacles. These issues activate sharper ideological divides and mobilize actors with strong veto power, such as trade unions, environmental organizations and sectors of the judiciary, while also generating tensions with provincial governments due to their social, legal and territorial costs. Nevertheless, Milei has managed to assemble majority legislative coalitions with key allies. Milei has made selective use of discretionary fiscal resources and has distributed seats on the Budget and Treasury Committee, incorporating legislators from five allied provinces, which enabled it to secure a functional majority to issue a favorable opinion on the budget. The main obstacles no longer stem primarily from Congress, but rather from social conflict, territorial resistance and the courts. Following the October legislative elections, Milei is seeking to capitalize on a relative strengthening of his political position and on opposition fragmentation to push forward far-reaching reforms. A segmented opposition is therefore likely to emerge, combining fiscal cooperation with political and territorial resistance to the most contentious reforms."

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