

SWP Comment

NO. 37 SEPTEMBER 2024

Javier Milei's Ideology and Policy

Libertarian Populism in Argentina

Claudia Zilla

Javier Milei's disruptive political style does not appear to have changed since taking office as Argentina's president on 10 December 2023. He continues to behave, including on social media, as an aggressive, lone warrior leading a crusade. Milei's government policies are largely in line with his campaign rhetoric. In July 2024, the government scored its first negotiating successes, pushing a legislative package through parliament and reaching an economic compromise with three-quarters of the provincial governors. While the economic prospects of Argentina still remain uncertain, many of the democratic advances achieved in recent decades are currently facing significant challenges.

Javier Milei was an outsider when he was elected president of Argentina. Born in Buenos Aires in 1970, he pursued a career as an economist, working for many years in banks and corporations before writing economic columns for newspapers. Later in 2016, he was thrust into the limelight thanks to provocative television appearances and lively social media activity. A frequent participant in talk shows, he emerged as a formidable critic of the country's prevailing economic policies, initially targeting those instituted by the conservative coalition government under Mauricio Macri (2015–2019) and subsequently those enacted by the centre-left administration of Alberto Fernández (2019–2023).

Milei began his political career in 2021, when he successfully ran for the National Congress and became a deputy for the city of Buenos Aires. Two years later, he won in

21 of the country's 24 electoral districts in the presidential election. Milei's voters span all social classes, with a noticeable over-representation of males, particularly those aged 16–24. However, his party and parliamentary base remains narrow. His electoral alliance "*La Libertad Avanza*" (LLA, The Freedom Advances) was only founded in 2021. It holds 37 of the 257 seats in the Chamber of Deputies and seven of the 72 seats in the Senate. None of the country's 24 provincial governors belong to LLA.

Milei cultivates a populist political style and espouses a libertarian-authoritarian ideology that is on the far right of the national political spectrum. His success as a politician can be attributed to a mix of national and international factors: He is both a product of the supply and demand within his country's political arena and a part of the rising global radical right.



It's the economy, stupid!

Many Argentinians saw the eccentric Milei, known since his youth as “*el loco*” (the madman), as the country’s last hope for rescuing it from the chronic economic crisis. In November 2023, annual inflation reached a national record of 160 per cent, poverty affected 49 per cent of the population, and the informal sector accounted for 45.3 per cent of the country’s employees. Argentina is by far the largest debtor to the International Monetary Fund (IMF). It is hardly surprising, then, that an economist, brandishing a chainsaw as a symbol of his radical intentions, won the run-off election against the incumbent finance minister. Milei’s victory was facilitated by the endorsement of the country’s former President Macri, leader of the conservative party “*Propuesta Republicana*” (PRO). Macri supported Milei after his own presidential candidate, Patricia Bullrich, finished a distant third.

While Milei’s highly theoretical and technocratic discourse may hold little appeal for many across the country, his conspicuous and aggressive demeanour certainly enhances his entertainment value. Large sections of the population were able to identify with Milei’s demonstrative anger at the inability of the last two governments to put Argentina on a viable development path. Milei’s electoral success was primarily driven by economic concerns, which overshadowed aspects of his personality that might have been perceived by the electorate as problematic or irritating.

Ideological framework

Initially, Milei’s public discourse was predominantly centred on economic policy; however, over time, it evolved to incorporate a richer ideological framework. This expanded political programme managed to resonate with various societal sectors and align with the agenda of the global radical right.

Anarcho-capitalism

Milei is a self-confessed liberal-libertarian, whose highest values are life, liberty and private property. He is an admirer of the Austrian School of Economics and a critic of neoclassical economic theory, which has opened the door to state intervention to correct market failures. Milei argues that there are no endogenous market failures but rather exogenously generated distortions. For him, the free market is the only morally justifiable system for combating poverty.

Milei is a proponent of anarcho-capitalism, which was founded in the 1950s in the U.S. by Murray Rothbard. In the early 1990s, Rothbard argued that libertarian ideas needed an active and aggressive strategy to gain majority support in the U.S. and be politically viable. He, therefore, advocated right-wing populism, the programmatic core of which is at the heart of Milei’s discourse. Rothbard proposed an “outreach strategy” in which libertarians would ally themselves with paleoconservatives and traditionalists while making certain ideological compromises, such as adopting a socially conservative agenda — an ideological shift that is visible in Milei’s discourse development. According to Rothbard, this new broad right-wing populist movement should be led by a charismatic presidential candidate whom all right-wing anti-establishment forces would enthusiastically support.

Enemy of the state and politics

A state that is unable to address the most pressing issues facing its citizens and is characterised by corruption inevitably becomes part of the problem in any analysis of a given political situation. Milei’s individualist and anti-state discourse flourishes in this ideational fertile environment. He portrays the state as a criminal organisation that must be destroyed from within, and views all state intervention as harmful. He regards taxes as a coercive measure used by the repressive apparatus to plunder honest and hard-working people. In Argentina,

where savings are commonly held in dollar outside the banking system due to a lack of confidence, he has promised to replace the devalued peso with the US currency and abolish the central bank.

In typical populist style, Milei blames “the caste”, as he calls the political elite, for all of Argentina’s ills, describing its members as “parasites” that feed off the country’s wealth. He claims to despise politics, regarding it as a “dirty business”. Milei does not acknowledge the factual inequality among people due to the double contingency of social origin and the personal talent conditioned by it. Instead, he assumes a theoretical equality of origin, which should not be confused with equality of value. Thus, Milei views political and legal systems not as enabling frameworks that include equalisation mechanisms such as rules to prevent oligopolies, but merely as constraints on the free development of individuals and the market. In this regard, he sees redistribution as a source of injustice. Consequently, he categorically rejects approaches to affirmative action or positive discrimination, the protection of minorities and social policy.

Committed to the culture war

According to Milei, the “neo-Marxists” have succeeded in overturning the common sense of the West. They have taken control of the mass media, cultural institutions, universities and international organisations. That is why the West is in danger, Milei explains.

Argentina is characterised by a lively feminist (queer-inclusive) movement. Over the last 15 years, hard-won progressive legislation has led to a significant expansion of LGBTIQ+ rights. However, Milei has recently declared war on feminism, “genderism”, “cultural Marxism” and political correctness. This is because these movements would create new privileges, generate the need for state intervention and thus disrupt the free economic process.

Milei’s ultra-liberal stance, evident in his advocacy for allowing the sale of one’s own

organs under market conditions (“My first property is my body; why shouldn’t I be able to dispose of it?”), quickly reaches its limits when it comes to the self-determination of pregnant individuals. Together with his vice-president, Victoria Villarruel, he campaigns for the repeal of the legalisation of abortion approved by Congress in 2020. Milei considers abortion to be “murder between relatives”, which should be subject to particularly severe punishment.

Milei believes that the lack of gender equality is an invention of the left. He responds to accusations of misogyny by pointing out that he has two women at his political side: Vice President Villarruel, who was elected with him on a double ticket, and Karina Milei, his (younger) sister and right-hand woman, who was his campaign manager and is now secretary general of the presidency. Milei refers to his sister – in the Spanish-language masculine form – as “the boss” (*el jefe*).

A culture of remembrance of the other kind

In contrast to the remembrance policies of the Peronist governments of Néstor Kirchner (2003 – 2007) and Cristina Kirchner (2007 – 2015), which championed human rights – albeit with some degree of instrumentalisation and co-optation of certain civil society organisations – Milei tends to relativise the crimes committed by the Argentine military dictatorship (1976 – 1983). He admits that there were excesses in the “war against subversion”; however, he denies the systematic nature of the human rights violations committed (kidnappings, torture, assassinations, and disappearances). He also disputes the estimated figure of approximately 30,000 victims of the military junta, a number proposed by human rights organisations and formerly endorsed by the state. This number has become a symbol of the struggle for memory, truth and justice. Milei, on the other hand, refers to the 8,961 victims officially reported by relatives to the National Commission on the Disappearance of Persons in 1984.

Vice President Villarruel, who is viewed as more of an arch-conservative than a libertarian, has both family and professional ties to the junta era. She comes from a military family; her father was a veteran of the Falklands/Malvinas War and participated in insurgent activities following re-democratisation. Her uncle, also in the military, was implicated in human rights abuses during the military dictatorship, according to the Argentine judiciary.

A lawyer by profession, Villarruel is also the founder of the Centre for Legal Studies on Terrorism and its Victims (CELTIV). Since 2006, this centre has been campaigning for greater visibility and recognition of the victims of guerrilla violence in Argentina. According to Villarruel, these victims are overshadowed by a culture of remembrance shaped by the former left-wing terrorists who came to power.

This view of the repression of the 1970s is linked to what Milei and Villarruel call the policy of the “just hand”. This approach is specifically directed at both crime and social mobilisation, particularly the road-blocks (*piquetes*) that are common in Argentina. Although the two see themselves as opponents of state intervention in general, they are in favour of expanding the state’s right to take decisive action in matters of security.

Mission and Retrotopia

Milei presents his presidency as a mission from God, just as Jair Bolsonaro in Brazil and Donald Trump in the U.S. referred to their mandates. The fight of libertarianism against communism is also one of believers against atheists, in which divine powers assist. Milei’s religious influence is also clear when he describes the division of labour with his sister in Old Testament terms. The sister and brother are like Moses (for Karina Milei) and Aaron, his spokesman (for Javier Milei). Milei’s philo-Semitism is evident here as well. As a Catholic considering conversion to Judaism, he counts Argentine Rabbi Axel Wahnish among his spiritual companions and has visited the

grave (*ohel*) of Lubavitcher Rabbi Menachem Mendel Schneerson (1902 – 1994) in New York multiple times. The mystical exaltation of the political task contributes to libertarian authoritarianism: Politics loses its agonistic and contingent character and is elevated to an obvious truth, a political-religious revelation.

But Milei’s mission is backward-looking. According to the 2023 electoral programme, the declared aim of his LLA alliance is to use liberal policies to return Argentina to the economically, politically, culturally and socially prosperous country it was supposedly (as the first world power) at the beginning of the 20th century – a time, incidentally, when universal and secret suffrage did not yet exist. This topos of a glorified past, which is reminiscent of the “Make America Great Again” sentiment, is central to Milei’s rhetoric and typically characterises the radical right. Sociologist Zygmunt Bauman has termed this phenomenon “Retrotopia” in his 2017 work. According to him, these are “visions located in the lost/stolen/abandoned but undead past, instead of being tied to the not-yet-unborn and so in-existent future”.

Government policy

Milei and his team have drawn two lessons from Argentina’s history following its transition to democracy. First, the government of Peronist Carlos Menem (1989 – 1999), which implemented the “Washington Consensus” agenda promoted by the IMF and World Bank and pegged the Argentine peso to the US dollar, was the most successful. Second, Macri’s conservative government (2015 – 2019) failed because it pursued gradual reformism. Against this backdrop, Milei and his team concluded that Argentina needed shock therapy.

Legislative offensive

In order to push through a comprehensive reform package, the government launched a legislative offensive in December 2023

based on two pillars: a legislative initiative and a decree. Due to their scope and impact, they are referred to as the “omnibus law” and “mega-decree”, respectively. In Argentina, executive decrees are valid until they are rejected by both the Senate and the Chamber of Deputies. In the event of repeal, the rights acquired during the period of validity of the decree remain in force. Decree DNU 70/2023 of the Milei government, which declares a state of public emergency in the areas of economy, finance, taxation, administration, social security, tariffs, health and social affairs until 31 December 2025, remains in force today, having only been rejected by the Senate. This is in line with long-standing practice; not a single decree has been repealed by Congress since 1983.

Laws must be passed by both chambers, with the right of initiative resting with both the executive and the legislature. In its original version, the omnibus law contained no fewer than 664 articles covering a wide range of policy areas and providing for an expansion of the powers of the executive at the expense of the legislature. When the debate in Congress proved unfavourable to the government’s bill, the government decided to withdraw the first draft. In April 2024, the government then presented a second, more technical version with half as many articles as the first one. This draft (*Ley 27742*), now with 238 articles, was approved by Congress in July, after the Senate had made a number of changes, including limiting the planned expansion of executive powers and reducing the number of state companies to be privatised. This first legislative success of the government six months after taking office was facilitated by support from the PRO and a large part of the UCR (*Unión Cívica Radical*), as well as some provincial parties in both houses of parliament. The extensive legislative package is now being regulated and rendered implementable through executive decrees.

Also in July, Milei reached an agreement with 18 of the 24 (currently all male) provincial governors of different political parties on an economic compromise – originally planned for May – known as the

“Pact of May”. The agreement, signed in Tucumán, contains a triple reference to God (“in the face of the Eternal”, “may God bless all Argentinians”, “may the powers of heaven be with us”), which is unusual in Argentine politics in recent decades, as well as ten mainly economic principles and objectives. First and foremost, private property is declared inviolable. The reduction of government spending to 25 per cent of GDP, the maintenance of a balanced budget and tax, labour and pension reforms are discussed below. The provinces pledge to promote natural resources and the government to open up Argentina’s foreign trade. The document also provides for the creation of a “Council of May” “to discuss the great, sublime and sacred objective of the re-foundation of the fatherland”.

Macroeconomics and people

Milei’s first economic measures included a significant devaluation of the peso (by more than 50 per cent) and the removal or easing of price controls on energy, transport, food and medicine. Overall, inflation in the country has been decelerating on a month-to-month basis since January 2024. In June, it was 271.5 per cent year-on-year and 79.8 per cent cumulatively for the first half of the year. Also in June, the biggest price increases were in rents (following the flexibilisation of the rental regime in favour of owners) and public services (14.3 per cent), followed by hotels and restaurants (6.3 per cent) and education (5.7 per cent).

A small budget surplus was achieved in the first quarter of 2024, primarily due to cuts in or the absence of inflationary adjustments to pensions and annuities. These fell by around 29 per cent in real terms in May compared to the previous year. The 83 per cent reduction in capital expenditure, i.e. the halting of planned and ongoing infrastructure projects, also made a significant contribution. On top of that, there was less spending on subsidies (energy and transport) and social programmes. One of the few items exhibiting an opposing trend is the general and universal allowance for children and

pregnancy, which saw a real increase of 13 per cent. However, additional revenues, especially from VAT and the foreign exchange transaction tax — whose rate was increased —, also contributed at least to a small extent to the positive budget balance.

The budget surplus also holds when debt servicing is taken into account. In June, the Central Bank was able to postpone a swap payment to China, and the government reached a compromise with the IMF. The IMF approved the eighth review of its agreement with Argentina and authorised the transfer of USD 800 million, part of which will be used to settle outstanding payments to the organisation.

On the other hand, the country's GDP fell in the first quarter of 2024 by 5.1 per cent compared to the previous year while the unemployment rate rose to 7.7 per cent compared to 6.9 per cent a year ago, reversing the upward trend in employment observed since the end of the pandemic. At the same time, pressure on the labour market is increasing as the employed and underemployed seek more working opportunities due to the declining purchasing power of their incomes. In the same time period, wages in the formal private sector, for example, have fallen by 14 per cent year-on-year.

Milei's economic programme has hit the lower classes particularly hard. Poverty and social inequality have increased. According to data published in August by the Observatorio de la Deuda Social (UCA), in the first quarter, 54.9 per cent of the population were living in poverty, including 20.3 per cent in extreme poverty. Seven out of 10 children were living in a poor household, three of whom in an extremely poor household, with an income that did not cover the value of basic foodstuffs. The income gap has also continued to widen, as shown by the increase in the Gini coefficient from 0.446 to 0.467.

The state of a minarchist

Although Milei identifies as an anarcho-capitalist in theory, in practice he defines himself as a “minarchist”, acknowledging the necessity of a “small authority” to provide security and administer justice. In other areas, however, he claims that state structures are to be dismantled.

As part of his “chainsaw plan”, Milei announced mass redundancies and the non-renewal of public sector contracts. More than 75,000 people were to be affected, and by June 25,000 had reportedly been made redundant. Milei halved the number of ministries. In addition to the chief of staff, his cabinet at this moment of time includes the ministries of foreign affairs, security, defence, economy, health, human resources, justice, and deregulation and state transformation. There are now also four presidential secretariats. Major reforms of the civil service are underway, affecting both personnel and administrative procedures.

The first list of state-owned enterprises to be fully or partially privatised or licensed consists of eight, mainly in the energy and transport sectors. Furthermore, numerous state authorities, agencies, ombudspersons, and scholarship and grant programmes that ensure the protection and promotion of specific sectors, rights and vulnerable groups are currently being abolished. These include the National Institute against Discrimination, Xenophobia and Racism (INADI). Cultural institutions, such as the National Institute of Cinema and Audiovisual Arts (INCAA), which the government also wants to close, are particularly affected. The same goes for institutions dedicated to gender equality and the fight against sexualised violence (including a ministry and a secretariat), despite the fact that femicide is a serious problem in Argentina. The plan to formalise — mostly female — domestic workers and programmes to protect sexual and gender diversity has been cancelled. Gender-inclusive language has been banned in state administration. On 8 March, International Women's Day, Milei announced

the renaming of the “Hall of Argentine Women of the Bicentennial”, inaugurated in 2009 in the Government Palace, to the “Hall of Argentine Heroes” (*próceres*). Other institutions will be re-functionalised and their missions will be changed. The traditional state news agency, TELAM, was transformed into an “advertising and propaganda agency” and its journalistic activities were discontinued. The prestigious Universidad de Buenos Aires (UBA) was not spared the same fate, with budget cuts forcing it to make drastic savings, including the loss of lighting in some areas.

The government has submitted to Congress a legislative initiative to lower the age of criminal responsibility from 18 to 13 and to create a new penal system for persons aged 13 to 18. Other bills on internal security and the modernisation of the armed forces are in preparation. The government cites an unspecified “terrorist threat” as the reason for the need to deploy the military in the country. The army is to be authorised to patrol the streets, check people and vehicles, and even make arrests. This is in line with a new decree authorising the federal security forces to intervene in demonstrations that disrupt the movement of people and vehicles. A tougher approach by the police, accompanied by many arrests, was already evident during the last demonstrations.

Foreign policy turnaround

President Milei announced a “new foreign policy doctrine” based on a strategic alliance with the U.S. that must not contradict “Western values”. He made this statement in April in Ushuaia, Argentina’s southernmost city, in front of General Laura Richardson, head of the US Southern Command. In the same vein, the government has rejected the country’s proposed entry into the expanding BRICS group of states, a decision initially made by the previous president.

Milei’s foreign policy priorities are reflected in his travels. By the end of July, he had made 12 foreign trips to 10 different countries. He flew to the U.S. five times,

while visiting Latin American countries only twice. In Brazil, Milei participated in the Conservative Political Action Conference (CPAC), the international congress of the radical right, and met with former President Bolsonaro and his son. Consequently, he was absent from the Mercosur Summit in Paraguay, which took place at the same time. In fact, Milei has yet to make a state visit to any Mercosur country. He attended the inauguration of El Salvador’s re-elected, right-wing populist Nayib Bukele.

Milei does not adopt the demeanour of a head of state engaged in diplomacy — a role he delegates to his Foreign Minister, Diana Mondino. Instead, he behaves more like a private citizen on visits to ideological allies, such as the Spanish VOX party in Madrid or Elon Musk at Tesla in Texas. Argentina has made a profound change in its policy towards Israel and Palestine. For instance, the country’s embassy in Israel is to be moved from Tel Aviv to Jerusalem. At the UN General Assembly in December 2023, Argentina abstained from voting on a humanitarian ceasefire in Gaza. Later in May 2024, it voted against a resolution calling on the Security Council to admit Palestine as a full member of the UN. Both went against Argentine tradition. In June, the president decided not to visit the Islamic Cultural Centre in Buenos Aires when he learned that the Palestinian chargé d’affaires would be attending.

Milei’s government also decided that Argentina would join the “Ukraine Defence Contact Group” set up by Washington in 2022 to provide military and humanitarian aid to Ukraine. At the same time, the country is increasingly disengaging from key global policy issues regarding gender, human rights, climate change, social justice and health, and adopting new positions that contradict the UN’s 2030 Agenda.

Libertarian authoritarianism

Although Argentina’s president enjoys plebiscitary legitimacy and the separation of powers remains functional, the govern-

ment's policies exhibit an authoritarian spirit that threatens the democratic advances achieved over the past 40 years. Fundamental reforms of the economy and the state sector are needed. However, an extreme form of competitive individualism is at play, which surpasses the liberal ideals of personal autonomy and an efficient state, veering towards social Darwinism and eroding community culture and the intermediate public-social sphere.

The government points to the improvements seen in macroeconomic data, but the downside is the deterioration in the populace's living conditions. It is unclear whether Argentina has bottomed out and a sustained recovery is imminent, or whether the economy will stagnate at current levels. The government's approval rating, primarily reflecting respondents' concerns about economic issues, declined for the second consecutive month in July, falling below 50 per cent. There still appears hope that Milei will solve Argentina's problems. Yet, critical reports from civil society organisations, warnings from cultural and academic figures, and demonstrations against government measures are increasing. Against the backdrop of these different perspectives, the question arises as to what it would mean for the country if Milei were to become "economically successful".



This work is licensed under CC BY 4.0

This Comment reflects the author's views.

The online version of this publication contains functioning links to other SWP texts and other relevant sources.

SWP Comments are subject to internal peer review, fact-checking and copy-editing. For further information on our quality control procedures, please visit the SWP website: <https://www.swp-berlin.org/en/about-swp/quality-management-for-swp-publications/>

SWP

Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs

Ludwigkirchplatz 3–4
10719 Berlin
Telephone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

ISSN (Print) 1861-1761
ISSN (Online) 2747-5107
DOI: 10.18449/2024C37

(English version of
SWP-Aktuell 43/2024)

Dr Claudia Zilla is a Senior Fellow in The Americas Research Division at SWP.