

# Javier Milei: Making Argentina Great Again?



By Steven Yates

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## **Javier Milei wins Argentina's presidency: history's first anarcho-capitalist president!**

Last Sunday, November 19, 2023, Javier Milei made history. He decisively defeated his rival, Sergio Massa, Argentina's Peronist Economy Minister, by a comfortable margin of 55.89% to 44.10%.

Milei has a reputation for eccentricity. Massa doubtless thought this would hurt him with voters. He was wrong. Argentinians clearly had had enough of a regime that had run the country of 46.6 million into the ground, with rising unemployment, 40% of the population now beneath the poverty line, and the inflation rate a whopping 140%!

Milei's an outsider, a counter-elite, like Trump was – though unlike Trump he'd previously held an office. It's no surprise that Trump told him (via Truth Social), "I am proud of you." A colorful character with trademark bushy hair, once a member of a rock band that performed Rolling Stones covers, he became an economist and a television personality with a penchant for cultivated outrageousness. He is skilled at using media (including outlets that hate his guts) – just as Trump is. Small wonder pundits are alarmedly comparing the two.

He's also the first self-described anarcho-capitalist to win a

national election. What is anarcho-capitalism?

The term was coined by flamboyant libertarian economist and prolific writer Murray N. Rothbard. As a *moral* as well as *economic* philosophy it advocates for a society based on voluntary transactions and contracts – unfettered free markets – neither interfered with nor subsidized by the state. Its core moral value is the non-aggression principle (NAP): no one may initiate force or violence against another individual or group, nor enlist others to do so on one's behalf. Physical force or violence is morally justified in retaliation against its initiation by another.

Property rights are then *economic* claims, limited only by the NAP (you can't murder or enslave someone on your property).

As some libertarians put all this: everyone is the sole owner of his/her life and the fruits of his/her mind and labors. No one has a moral claim on the lives or the fruits of the labors of others.

To libertarians, this sounds idyllic. They imagine a world of unfettered freedoms in which all may flourish in their own way, living life according to their own choices and not the choices of someone else, absent coercion and violence. Various forms of libertarian thought, an extension of classical liberal thought, date at least to German economic thinkers such as Carl Menger and Ludwig von Mises of the Austrian School; and a few Americans ranging from Murray N. Rothbard, originally an acolyte of Mises, to philosophers such as John Hospers and the novelist / philosopher Ayn Rand.

I don't know how many people who voted for Milei actually subscribe to this philosophy. Probably they just want a change in direction from the Peronists. Can anyone blame them for that? No one in his right mind, after all, who knows anything of the current situation in Argentina, thinks the country could keep going in the direction its Sergio Massas have been

taking it.

### **Some history.**

Once, long ago, Argentina was the most prosperous place in South America. Like other Latin American countries, it was settled throughout the 16<sup>th</sup>, 17<sup>th</sup>, and 18<sup>th</sup> centuries, primarily from Spain. Under the Spanish Empire the country became the Viceroyalty of the Rio de la Plata. The country fought a six-year war for independence beginning in 1810. Decades of civil strife followed, however.

But by the end of the 1800s, economic growth based on an essentially classical liberal economic model led to rising prosperity. Noted for its natural resources which include oil, coal, natural gas as well as minerals such as silver, gold, copper, and lead, by 1880 Argentina had the seventh highest average per capita income in the world. The country's name derives from *argentum*, Latin for silver.

The prosperity didn't last – possibly because while the country had adopted a kind of classical liberalism, its political structure retained civil or Roman law (like Chile and other Latin American countries) instead of English-originated common law. Civil law both presupposes, and fosters, an environment of distrust that undermines the efficiency of markets and grows government via bureaucracy.

Argentina suffered during the Great Depression, just as North Americans did. North Americans bounced back. The U.S., following its victory over Nazi Germany and Imperial Japan in the Second World War, built the strongest economy the world had ever seen.

Despite having the second largest economy in South America, Argentina struggled. Two figures emerged at its helm in the 1940s: Colonel Juan Peron and his wife Eva "Evita" Peron. Thus began the first "Peronist" period, which ended in 1955 when

Juan Peron was driven from power and fled into exile. Another period of instability ensued, ending with Peron returning in 1973: interestingly, the same year *El Golpe* in Chile toppled Salvador Allende and instilled the military rule of Augusto Pinochet, who ruled that country for the next 17 years but oversaw the rebuilding of its economy along a Friedmanite model.

Peron had no such luck. He died the following year. His wife tried to take his place. She couldn't hold things together, and more instability resulted, characterized by left-versus-right armed conflicts. A military junta seized power in 1976 and began the so-called "Dirty War" which tried (unsuccessfully) to purge the country of leftists. This junta had to step down in 1983 following the Falklands fiasco the year before. When the dirt settled, its leaders were in prison.

Argentina became a democracy – or, at least, that was the intent. In 1989, the next Peronist, Carlos Menem, was elected president. Three years later, the Argentinian peso became the country's official fiat currency, pegged to the dollar. A centrist government rose in the 1990s. This didn't last, either. Amidst a massive recession and rising public debt, the Peronists returned in 2001 amidst the general strike of that year which brought the country to a standstill. Initially, for the Peronists, things did not look good at all! In December of that year, the banks shut down amidst a near-collapse of the currency and the withdrawal of \$1.3 billion in aid from the IMF.

Riots ensued. Then things got worse. The following year, the country defaulted on an \$800 million debt repayment to the World Bank.

A more "modest" Peronist, Nestor Kirchner, became president in 2003. Negotiations begin with the IMF resulting in an agreement to repay just the interest on its loan. This boosted

the economy, and a couple of years later, Argentina repaid its debt.

Cristina Fernandez de Kirchner, Nestor Kirchner's wife, succeeded him as president in 2007. By this time the country was again enjoying relative prosperity – relative to its recent past, anyway; for as with the U.S., it was debt-based and not sustainable. The financial crisis of 2008-09 sent everyone, everywhere, into a tailspin. The Argentinian government improvised, and things seemed to be turning around. But in 2013, the IMF censured the country for reporting false information on inflation and economic growth.

The following year, an Argentinian, Cardinal Jorge Mario Bergoglio of Buenos Aires, became Pope Francis, putting the country in the limelight despite that fact that both its economic and cultural problems were again worsening. Pope Francis became the first Latin American to rise to this stature.

The Argentinian peso continued its slow, agonizing tumble towards oblivion. Cristina Kirchner remained a key figure on the political scene, though she'd become a lightning rod: she had both fervent defenders and equally fervent detractors.

In 2019, Peronist candidate Alberto Fernández became president, ousting his predecessor the conservative Mauricio Macri who was unable to put the brakes on general deterioration. We're almost to the present – to a weary Argentina clearly in decline (laws legalizing abortion, etc.), a government having fallen into complete dysfunction, with poverty soaring and inflation leading to the point of civil unrest. Voting is obligatory in Argentina – and voters were looking outside the standard political categories.

What the Peronists seemed to believe was a confusing and confused mixture of Argentinian nationalism and governmental interventionism, hailed by its leftist defenders for its

social programs and by its openness to feminism, abortion, and “gay rights.”

Arguably Peronism has been a decades-long disaster for the country that has run its course.

Can Javier Milei fix things? That’s the question Argentinian voters overwhelmingly gambled on last Sunday. Who is he?

### **Who is Javier Milei?**

He’s been described as a “populist,” typically by his detractors. The Peronists were also described as “populists,” suggesting the meaninglessness of that term.

Born in 1970, Milei studied economics at institutions like Universidad de Belgrano, Universidad Torcuato Di Tella and CEDES/IDES. He became a head economist for Corporación America, one of the country’s largest business conglomerates which runs its major airports among other large endeavors. He has authored around 50 scholarly papers and several books defending libertarian economics (his political party is known as La Libertad Avanza). Possibly being in the rock-and-roll band prior to becoming an economist and a television personality schooled him for life in front of an audience. He has been both hailed and decried for his outbursts against government spending.

As with Trump, his detractors in mass media could not argue with a salient fact: he boosted ratings. In this New Normal, outrage tends to do that. During his recent campaign he would wield a chainsaw at rallies, symbolic of his plan to axe government programs, close the central bank, and scrap the peso, replacing it with the dollar (!). He’s unmarried, and the owner of five mastiffs named after the economists he most admires.

To the best of my knowledge, none of his writings have been translated into English. Hence besides what everyone now

knows, I don't know his full worldview – whether it is Christian-leaning or premised on materialism. Having sided with cultural conservatives, he has vowed to put Argentina's recent legalization of abortion to the test of a national referendum. He's described man-made climate change as a "socialist lie" and denounced Pope Francis as a "filthy leftist" and "the representative of malignance on Earth."

Here is what he says about leftists generally (I have this translation from a current Tom Woods letter):

**"If you think differently from them they will kill you!... You can't give sh\*\* leftists an inch. If you give them an inch they will use it to destroy you... You don't negotiate with trash because they will end you!... We're not only superior economically, we are morally superior, we are aesthetically superior, we are better than they are at *everything*. And that triggers them. And since they can't beat us with real arguments, they just use the repressive apparatus of the state, with loads of taxpayer money, to destroy us. And yet they're still losing!... Leftists are losing the cultural battle. For the first time ever, they are cornered."**

As the saying goes, holy horseshoes, Batman!

I think he exaggerates with that last – the battle against cultural leftism is far from over as he might find out if he puts abortion to the test and loses. What we can say for sure: he's definitely *not* part of the leftist-globalist alliance of convenience!

Which is why I think of him as a counter-elite, using Peter Turchin's vocabulary, just as Trump is a counter-elite. He wants to purge Argentina's "political caste," akin to Trump's call to "drain the swamp." He is planning "economic shock therapy."

His argument against the central bank is that it prints money, money printing being the root cause of inflation. This seems

to me correct. Money printing *is* inflation. What is inflated is the amount in circulation, which debauches a currency's value. The reasoning is straightforward: the more you have of *any* desired good, the less value individual units of that good can command.

### **Prospects for a better Argentina?**

My sense: Milei's proposals for what Trump has called "making Argentina great again" provide a necessary condition for such, but probably not a sufficient condition.

They may be essential steps to a better Argentina, but what's needed is more: a worldview transformation – which Latin America generally needs (also North America and Europe): explicit rejection of materialism as a worldview and a re-embrace of the kind of Christendom which proclaims individual persons not simply as "owners of their own lives" but as having intrinsic value as creations in God's image – deriving their moral value from this and not mere economic value from what's in their pocket or wallet or bank account or portfolio, or derived from class or group identity, or from any other contingent source.

Maybe Milei's instincts lead toward something like this. Maybe not. He doubtless knows he won't be able to make sudden, axe-wielding moves overnight, because doing so will lead to still more dislocations. Economics is downstream from culture, and cultural change cannot be made overnight. None of the countries of the West got into their present messes overnight, and none will get out of them overnight.

I don't know what Milei's policies will reflect over the long run, or if he'll even be allowed by the remaining elites still in power in Argentina to enact them. But without both ingredients – political decentralization reducing the size and capacity of governmental and corporate elites to reign supreme, combined with a worldview appropriate to who and what



human beings are – his term will only take his country part of the way.

At best, after an initial rough ride and reemergence of prosperity, it won't be enough. What Turchin calls “wealth pumps” will emerge and redistribute wealth upwards into the hands of a tiny corporate elite, and the result will be another eventual burst of the kind of unrest Chile experienced starting in late 2019.

But one must begin somewhere. The fact that Milei is being demonized across globalist and left-leaning corporate media I see as a good sign! In any event, he takes office on December 10 (the 40<sup>th</sup> anniversary of the end of Argentina's military dictatorship). Thus will begin the biggest test we've yet seen on the world stage for the kind of anarcho-capitalist economics Milei represents. He'll need more than charisma and chainsaws to lead his country out of its present cul-de-sac. That is going to take some doing!

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