

III. International

After ‘Chainsaw’ Milei’s Election Win: Nothing Is Certain in Argentina

by Cynthia R. Rush

Nov. 29—Any analysis of the government program first presented by Argentina’s President-elect Javier Milei, the self-professed “anarcho-capitalist” who defeated Sergio Massa of the ruling *Unity for the Fatherland* (UxP) coalition by a whopping 56% to 44% in the Nov. 19 runoff election, doesn’t offer the country’s citizens any cause for optimism. His plans are downright cringe-worthy. Here’s what he proposes:

In the name of “freedom” and cleaning out the corrupt “political caste”—the elites—whom he blames for all of the country’s problems, Milei promises to impose the fascist economic policies championed by Friedrich von Hayek of the Austrian school of economics, the same ones so brutally applied by the 1973–1980 dictatorship of Augusto Pinochet in Chile, the 1976–1983 military junta in Argentina, and the 1989–1999 government of Argentine President Carlos Menem under dollarization fanatic Domingo Cavallo to great destructive effect.

To free people from the “omnipresent state,” Milei vows to dismantle the social safety net, privatize all state-run companies and institutions, and shut down state-financed infrastructure projects. The chainsaw he and his fans wielded in public appearances during his campaign symbolized his intention to rip the federal budget to shreds. “This is no time for gradualism, no time for weakness,” he said in a Nov. 20 speech. “The Argentine situation is critical ... changes will be drastic.” On Dec. 11, one day after his inauguration, Milei intends to convene extraordinary sessions of Congress to introduce his “economic shock”



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Javier Milei, President-elect of Argentina, a self-professed “anarcho-capitalist.”

program, rather than wait for March when Congress would ordinarily open.

As he initially presented it, Milei’s foreign policy will embrace the decaying unipolar world, making the U.S., Israel and the “free world” his staunchest allies. He adamantly stated in late August that Argentina would not join the BRICS, which it is scheduled to do on Jan. 1, 2024, along with five other new members to make up the “BRICS-11.” The BRICS would be a game-changer for Argentina, opening

opportunities for strategic partnerships with nations of the Global South that are forging a new global economic order free from colonialism. The positive domestic impact would be huge. But Milei said he would cut ties with “communist” Brazil and China, Argentina’s first and second most important trading partners, both BRICS members, and have nothing to do with other communist or “authoritarian” governments.

As horrendous as these plans are, however, no assumptions should be made about their implementation. Why? The national and international situation is so unstable that nothing is guaranteed. In the two weeks since his Nov. 19 election, Milei has made so many personnel changes in his future cabinet that no one can keep track of them. He has already backtracked on his flagship campaign proposals for dollarization, that is, substituting the U.S. dollar for the Argentine Peso; and closing the Central Bank. He has also reversed his lunatic attacks on China and Brazil and intends to maintain relations with them. There are even suggestions that joining the BRICS isn’t entirely

off the table. Under current circumstances, there may be many more changes even before *EIR* goes to press.

How Did Milei Win?

Those who are anguished about Milei's victory are asking how it was possible for an individual who is so visibly emotionally unstable, with no government experience, and whose *Freedom Advances* (LLA) party has only been around for less than two years, to win so resoundingly against Sergio Massa? Here's a man who is often unable to control his anger in public, who lashes out at perceived enemies with obscenity-laced language, referring to Pope Francis, an Argentine, as "the representative of evil on Earth" who peddles the "perverse" doctrine of social justice. He claims to communicate telepathically with his dead dog Conan whose cloning he arranged so the dog's cloned offspring could live with him as his "grandchildren."

Massa's election rout was a resounding condemnation of the government of Alberto Fernández who took office in December of 2019 promising to rebuild the economy that was wrecked by the 2015–2019 government of Mauricio Macri, a longtime asset of Wall Street and London financier interests and errand boy for the International Monetary Fund (IMF). Instead, tutored by Finance Minister Martín Guzmán, a Joe Stiglitz protégé, Fernández made disastrous concessions to the IMF and watched the country sink into a deepening crisis, compounded by constant financial warfare from the IMF and affiliated foreign banks. Inflation is quickly approaching 150%—major price increases are expected at any moment—the benchmark interest rate stands at 133% and almost half of the population of 47 million people lives in poverty. The despair of the Argentine people is palpable.

A Winning Program

For Massa to win, both he and the government—he was Fernández' Finance Minister—should have sharply reversed course to immediately launch a physical-economic recovery program in conjunction with China and the BRICS. The Schiller Institute laid

that out in detail on Sept. 4 in its "[Emergency Program To Save Argentina](#)." Included in that Program, among other things, is a proposal to declare an immediate debt moratorium on the servicing of the \$275 billion foreign debt, including the \$44 billion owed the IMF; imposition of full capital and exchange controls; creation of a real national bank; and taking full advantage of membership in the BRICS and its New Development Bank. This program represented the kind of radical change that angry and frustrated Argentines were demanding.

It's true that neither Fernández nor Massa were up to the task and the absence of a commitment to a



PR/Marcos Corrêa



Agência Brasil/Fábio Rodrigues-Pozzerbom

To win the election for President, despite the attacks of Wall Street and the City of London, Minister of Finance Sérgio Massa (left) under President Alberto Fernández (right), should have presented a physical-economic recovery program in relation with China and the BRICS. They did not, and Massa lost to Milei.

hopeful perspective for the future handed the advantage to "outsider" Milei whose rants against the "political caste"—the political establishment—and his promises to "make Argentina great again," à la Donald Trump, appealed to those desperately hoping for change, especially disaffected youth. But it's also the case that the government was the victim of massive international financial warfare, directed from London and Wall Street, and the IMF, designed to destroy and discredit the Fernández government and Massa in the eyes of the population. Throughout his campaign, Massa constantly faced accusations that he had personally caused the country's financial crisis while serving as Finance Minister.

The despair felt by the Argentine people victimized by economic disaster was reflected in the fact that Milei

won in almost all the nation's interior provinces and lost by only one percentage point in the all-important province of Buenos Aires, home to 37% of the nation's electorate and normally a Peronist stronghold.

BRICS or Macri

As the presidential campaign began to get off the ground, *EIR* warned that the key issue would be “BRICS or Macri,” referring to the corrupt, mafia-linked former President who still wields significant political power in the country. Unfortunately, Milei's victory appears to be one for Macri, who forged a secret alliance with Milei immediately after the first round of elections on Oct. 22, in which Milei came in second to Massa.

Macri brought along Patricia Bullrich with him, who had run for president on Macri's *Together Let's Change* (JxC) coalition but didn't do well enough to qualify for the Nov. 19 runoff. Although Bullrich publicly was Macri's preferred candidate, he secretly courted Milei behind the scenes right up until the Oct. 22 election. Bullrich had accused Milei of being mentally unstable and warned that his economic program was dangerous but at Macri's urging, she humiliated herself to join forces with him if it meant she might get a position in his government. This sordid alliance enraged other JxC leaders, however, who were never consulted about it and broke with Macri over his deceit. That JxC grouping is now in shambles.

Macri had planned to install at least four of his own people in Milei's cabinet, in such sensitive posts as finance minister, Central Bank governor, security and defense. Initially Milei had other ideas, naming a cabinet that excluded Macri's people.

A brawl ensued, with names of nominees changing every few days if not every few hours. Emilio Ocampo—Milei's dollarization guru, who was to be named governor of the Central Bank, only to oversee its shut down as per Milei's original plan—stepped aside. On Nov. 29, after much speculation and rumor-mongering Milei named as Finance Minister Luis



The administration of pro-IMF President of Argentina Mauricio Macri (2015–2019) was responsible for gutting the physical economy.

Caputo, who served as Macri's Finance Minister and Central Bank Governor. In that capacity he helped Macri secure the IMF's obscene and illegal \$57 billion loan (later reduced to \$44 billion) and oversaw implementation of its cruel austerity conditionalities which devastated the economy and the country's social fabric.

Although Caputo hadn't yet been confirmed in his post, Milei invited him to fly to Washington with him to meet with IMF and Treasury officials on Nov. 28, extolling Caputo's great “financial expertise.” On the basis of what Milei reported as Caputo's “wonderful” talks with

the IMF and Treasury, he then announced Caputo's appointment. Caputo opposes Milei's plans to dollarize the economy and close the Central Bank, so those are on hold for now.

Patricia Bullrich has been named as Security Minis-



Embassy of Argentina/Julian Ortiz

Luis Caputo, who negotiated the illegal and obscene IMF loan under Macri, is now named to be Milei's Minister of Finance.

ter, the post she held in Macri's government, which has caused tensions with incoming Vice President Victoria Villarruel, an apologist for the atrocities committed by the 1976–1983 military dictatorship, who is supposed to oversee all military, security and defense matters. After the Dec. 10 inauguration, it will be “Milei to government, Macri in power,” as the political pundits

put it. But tensions are running high inside this “alliance,” and in a global situation marked by rapid economic and political shifts, changes may occur in unexpected places.

And the Economy?

It didn’t take much for the analysts from major international financial dailies to figure out that implementation of Milei’s planned economic “shock therapy” could be very difficult. Angry Argentines who suffered under Macri and didn’t do much better under Fernández, aren’t about to tolerate brutal austerity. The country’s large trade union federation, the CGT, and other unions have already warned that any curtailment of workers’ rights—Milei plans a dramatic “labor reform” which intends to do just that—will immediately bring workers out on the streets in large numbers to protest.

In a Nov. 20 [editorial](#), *The Economist* warned with some urgency that Milei must quickly build a national consensus about economic reform, so that his policies “do not result in Argentines taking to the streets,” adding that “so far, his lack of experience and volatile character do not suggest that he can manage this.” The Nov. 20 *Financial Times* pointed out that Latin American presidents who lack a congressional majority, like Milei, have often “failed to finish their terms.”

So, *The Economist* barked out marching orders to Milei to get his house in order, dictating three emergency measures he must take right away, including, first, “rapid belt-tightening to bring the fiscal deficit down,” targeting “unaffordable pensions and fuel subsidies” for immediate cuts. Second, liberalizing the exchange rate system, even though this will lead to a devaluation and encourage inflation. Third, knowing that the country’s debt is unpayable, *The Economist* demands



Ministerio de Cultura

Patricia Bullrich, named to be Milei’s Minister of Security, the same position she held under the Macri government.

it be restricted and lowered to “sustainable levels.” Not keen on immediate dollarization, it noted the need for “elaborate and time-consuming preparation and a large initial float of dollars with which to back the banking system. On both counts Argentina fails.”

This City of London mouthpiece also recommended that Milei name Bullrich and Macri to his cabinet, which has already been done. Bullrich will be Security Minister and Macri will co-govern with Milei presumably to keep Argentina ensconced within the confines of the rules-based international order. But late reports indicate that Macri

is now squawking about other political decisions Milei has made that are not to his liking and is threatening to pull “his” people out of the cabinet. Don’t bet on stability here.

A Change of Heart?

In fact, signs of shifting policies are already evident. On Nov. 22, the *Noticias Argentinas* news service reported on the very conciliatory remarks about China and Brazil made by Diana Mondino, Milei’s future Foreign Minister. “It makes no sense to break ties with China or Brazil,” she said. “There’s no reason to change relations that we’ve maintained for so many years.” Announcing that Milei would invite Brazil’s President Lula da Silva to his Dec. 10 inauguration, Mondino asserted, “there’s no possibility that relations will



UN/Paulo Filgueiras

Luiz Inácio Lula da Silva, President of Brazil, a firm supporter of Massa’s candidacy.

change.” Given how crucial the bilateral relationship is to both nations’ economies, it’s likely that industrial, business and agricultural interests from Argentina and Brazil had a role in this shift.

On Nov. 26, Mondino went further, traveling to Brasilia personally to meet with Foreign Minister

Mauro Vieira to whom she handed a [letter of invitation](#) for Lula to attend Milei's inaugural:

We know that our two countries are intimately linked by geography and history, and based on that, we wish to continue sharing areas of complementarity at the level of physical integration, trade, and international presence so that this joint action on both sides will translate into growth and prosperity for Argentines and Brazilians.

Milei said,

[I hope] our joint time as Presidents and heads of government will be a period of fruitful work and strengthening ties that will consolidate the role that Argentina and Brazil can and must play in the concert of nations.

This is a far cry from the venom Milei had expressed earlier toward Lula, calling him “corrupt” and “a communist,” who deserved to be jailed. As Lula hadn't hidden his support for Sergio Massa and had sent members of his own 2022 election machine to Buenos Aires to assist in Massa's campaign—so, there was no love lost between the two. Milei ostentatiously invited Lula's sworn enemy, former President Jair Bolsonaro, who insists to this day that Lula “stole” the election from him in 2022, to his Dec. 10 inauguration. Lula has not yet confirmed his attendance at the inauguration.

Russia and China Respond

Mondino made similar conciliatory overtures toward China, meeting with China's Ambassador in Buenos Aires, Wang Wei, from whom she received a very friendly letter for Milei from President Xi Jinping, who has also been invited to attend the Dec. 10 inauguration. Xi congratulated Milei for his election victory, and said he was willing “to continue the friendship between our countries” in the hope that “under your leadership the government and people of your country will achieve new successes in the cause of national construction.” Milei later effusively thanked Xi for his letter and expression of good will and sent him “my most sincere wishes for the wellbeing of the Chinese people.”

China and Russia had both responded very

prudently to Milei's threats of breaking off relations. Xi Jinping and Russian President Vladimir Putin both sent very cordial congratulations greetings to Milei and expressed the hope that their governments can continue to maintain friendly and collaborative relations. In its statement, Russia's Foreign Ministry also said “we hope for the strengthening of friendship, trust, and cooperation between Russia and Argentina in the spirit of the strategic partnership that links our states. We are ready to continue our efforts to develop relations in all areas and to cooperate on multilateral platforms in the interests of building a fair world order.” Mondino has now announced that “there will be no rupture” in relations with Russia.

Breaking relations with China would be suicidal for Argentina given the extent and depth of their economic relations. Billions of dollars of Chinese investment in the country, especially in infrastructure projects, as well as in mining and many other areas, would be at stake. China is a huge market for Argentina's agricultural products, among other goods. During the Chinese Foreign Ministry Nov. 21 [press briefing](#) spokesperson Mao Ning stated unambiguously that “no country could step out of diplomatic relations and still be able to engage in economic trade and cooperation. It would be a huge foreign policy mistake for Argentina to cut ties with major countries like China or Brazil. China is Argentina's important trading partner.” Milei had earlier made the absurd statement that even if his government cut off ties with China, the private sector could continue trade with it.

On Nov. 21, China's semiofficial daily *Global Times* pointedly [noted](#) that because of close ties, China has pledged several major investment projects in Argentina and that its joining the Belt and Road Initiative means \$23 billion in investment and cooperation. It further warned “we have the right to demand that Argentina abides by agreements already signed by both sides and assume its responsibilities in accordance with the contracts.” Argentina would pay a big price were it to violate signed contracts, and Milei has said he will respect deals already signed in Argentina by Chinese companies.

Mondino also recently said “there will be no rupture with Russia,” and now it appears that a reevaluation may be underway over whether to join the BRICS, membership in which Milei had previously rejected. Argentina's *TN* news agency [reported](#) Nov.

27 that a group of foreign policy experts “are seriously analyzing” the possibility of Argentina joining the BRICS, although with a “low intensity participation.” These experts are advising Milei and future Foreign Minister Mondino that “Argentina isn’t in any condition to reject joining new spaces; the more places we can be present the better.” Diplomats and academics advising Milei’s foreign policy team feel that “the BRICS represent an opportunity rather than a risk.” Although nothing is written in stone, *TN* adds, the foreign policy team feels strongly that Argentina should join and “adopt a moderate position which will allow Argentina to occupy a place in an influential group but without exposing itself to uncomfortable photos with undesirable partners,” such as Iran.

Dangerous Liaisons

A danger in the current context, however, is the activation of networks associated with Anglo-American asset Steve Bannon which appear poised to play a role in Milei’s presidency. On Nov. 20, former U.S. President Donald Trump posted a congratulations message to Milei on his Truth Social platform, proclaiming that “the whole world was watching. I am very proud of you. You will turn your country around and truly Make Argentina Great Again!” Trump followed that up with a phone call to Milei on Nov. 23, congratulating him again, repeating that his victory “had a great impact on a global scale,” and promised to make a trip to Buenos Aires to meet Milei in person.

That phone call was arranged by Eduardo Bolsonaro, son of the former Brazilian President Jair Bolsonaro, and a fixture in the Bannon operation who began to court Milei well before his declared candidacy. He was present at Milei’s campaign headquarters for the Aug. 13 primary elections, in which Milei came away with



Vox España/CCO

President-elect Javier Milei (center). At his left is his sister, Karina Milei, recognized as his controller. He does nothing without her permission.

a surprise victory, and the two that followed on Oct. 22 and Nov. 19.

Eduardo actively participates in the international alliance of right-wing parties, grouped in the Conservative Political Action Committee (CPAC), which includes Spain’s fascist Vox party and other like-minded parties in the European Union and South America that see Milei’s election as a crucial addition to their political offensive to defeat “the communists” and impose “pro-Western” free-market policies.

Jair Bolsonaro has positioned himself to be a key Milei ally in the region. Chile’s Pinochet-loving José Antonio Kast, who was defeated in the 2022 presidential elections by current President Gabriel Boric, is another fixture in this apparatus who is planning another presidential run in 2025 and is currently doing well in the polls.

Recall that in mid-September, Trump ally, former *Fox News* talk show host, Tucker Carlson traveled to Buenos Aires to interview Milei and meet with members of his inner circle, all of whom were wearing “Make Argentina Great Again” hats—with a couple of MAGA hats also visible. Carlson’s slavish interview with Milei got wide circulation in the U.S. and internationally.