DEMOCRACY AND SOCIETY 21.06.2024 | Svenja Blanke

# Neo-liberalism at all costs

At home, Milei's policies lead to mass protests. Abroad, he meets with the far right. And in Germany, Argentina's president receives an award

'The madman' Javier Milei is coming to Germany. On Saturday, the radical Argentine president, who is shaking his country's very foundations, is to be awarded a medal by the Hayek Society, an organisation founded in honour of the economist Friedrich Hayek. On the surface, he can be regarded as a prophet of a 'free-market economic programme'. Of greater significance, however, is the ongoing culture war that he is propagating every day.

Milei may well be Argentina's head of state, but on his favourite social media platform X, he refers to himself as an economist. His position as president serves him particularly well when it comes to increasing his visibility and engagement rate.

## Milei's controversial reform policy

In the news, it is Milei's reforms, deregulation shock therapy and extensive austerity programme that are grabbing most of the headlines. There is also some 'positive' news to report: a budget surplus for the first time in 16 years and a single-digit monthly inflation rate — also a novelty in Argentina's hyperinflationary economy. It is not, however, the elite political 'caste' that is paying the price for this, as once originally claimed, but workers from the lower- and middle-income groups.

The centrepiece of Milei's reform policy is the so-called *Ley Ómnibus*, which was adopted by a majority vote in the Senate on 12 June after months of debate — accompanied by angry protests, a massive police presence and violent riots on the streets. Milei spoke of an 'attempted coup', a highly-dangerous statement that shows the extent to which democratic discourse is becoming increasingly illiberal.

*Hunger and poverty already existed before*

In the areas of economy, finance, energy and public administration, the president will be

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given extraordinary powers for one year, allowing him to decide on these matters without Congress. The other focal points of the package are a labour market reform and an incentive system for large-scale foreign investment, which offers tax, customs and exchange rate concessions and exempts companies from local requirements and any liability for possible environmental sins.

There is no doubt that Argentina needs investment to escape the crisis mode. But the new regulation will contribute to further deindustrialisation rather than boosting economic sectors through national participation and new jobs in the medium and long term.

## Nationwide hunger and poverty

Milei's reforms resemble a social chainsaw massacre with currency devaluation, pension cuts, layoffs of state employees, as well as price increases of up to 300 per cent for electricity, water and local public transport, following the removal of high subsidies. The poverty rate has increased to 55 per cent, with millions of people in Argentina going hungry — in a country that is one of the breadbaskets of the world. Hunger and poverty already existed before Milei. But they are now taking on gigantic proportions.

Despite this situation, the government has decided to hoard food that was destined for 44 000 soup kitchens. The reasons for this are political: they wish to avoid supplying soup kitchens that, supposedly, only exist on paper (and are associated with political opponents), thereby penalising the 'caste'. Following a court ruling, the government has now been forced to fulfil its basic state obligations. We are talking here about already existing food that simply needs to be distributed.

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Even when it comes to hunger, Milei makes no secret of the fact that the state should not intervene: 'There will come a time when someone will go hungry. This person will then – let's say – somehow decide not to die.' The Board of the Hayek Society writes that Milei is interested in nothing less than the abolition of the egalitarian welfare state … and of the destruction of socio-political values (genderism and all that). To put it briefly, state ruthlessness in the name of freedom is now receiving an

award in Germany.

Milei is travelling the world in his function as Argentina's president. During his seven trips abroad in the space of six months, he has, however, only met three heads of government — all of whom belong to similar political camps. The main focus of his international travel is on ideological meetings with far-right groups and entrepreneurial tech giants such as Elon Musk and Jeff Bezos, whom he admires so much. He has not travelled to any of Argentina's neighbouring countries, as would normally have been the case. But this is what today's Argentina is like: nothing is as it was before, and tradition has gone out of the window.

## Brute force and ideological battles

The scurrility, rhetorical aggression and bullying behaviour that belongs to Argentina's new political age under the leadership of Milei is not for the faint-hearted. He owes his fame to social media and television and continually shouts, rants and attacks those around him. He marks out the territory – or rather his bullfighting arena – and alternates between taking on Spain's president or his 'corrupt' wife, the President of Columbia (in his view a 'murderous terrorist'), Brazil's 'Communist' President Lula da Silva, Argentine MPs whom he considers to be rats, or even the entire parliament (that he refers to as a 'rats' nest').

The aggression, confrontation, agitation and excesses are all part of the strategy and serve as distractions. Milei does not aim to speak as a president representing a majority. Ideological issues are at stake. He regards himself as a global influencer and leader of the ultra-libertarian rebellion against socialism. He therefore basks in the flattery of all the far-right European groupings and parties, as was evident at the Spanish Vox party's conference in May 2024.

It could also be that he is trying to divert attention from the few positive results of his presidency, which is now nearing the six-month mark. His anti-inflation policies have led to a severe recession and job losses. Since December 2023, economic activity has declined by a total of 5.3 per cent. During that time, 63 000 private sector jobs have been lost. The government is waiting for investments that are, however, not yet in sight.

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Yet, interestingly, and despite massive demonstrations by a broad opposition consisting of unions, human rights and women's organisations, social movements and Peronist and left-wing groups, approximately 46 per cent still support the government and its reform

*he will fail ideologically.*

programme — hoping, of course, that all of the sacrifices will soon pay off. But for how much longer will the support hold? In many areas of life in Argentina, there is an atmosphere of tense calm. When will the straw appear that breaks the camel's back?

If the unruly, libertarian Milei were to fail economically (in the real world of facts, not in the imaginary perception of the showman Milei), this does not automatically mean that he will fail *ideologically*. His reforms aim to destroy the state and its functions in support of the common good. Structural changes such as these undermine democracy, as they discourage participation and involvement.

At this point, it should also be mentioned that Milei repeatedly alludes to German economist Hans-Hermann Hoppe, as his favourite reading, indeed as his intellectual compass. Hoppe does not, however, just advocate libertarian ideas but is an enemy of democracy. His most famous book is entitled '*Democracy: The God that Failed*'. In the space of 300 pages, he explains why democracy does not work and suggests some very precise ways of putting an end to it. In the foreword to the German edition, he says: 'Germany is not a free country. There is not even freedom of speech here. Whoever opposes certain government statements is incarcerated.' And that is not everything. Hoppe's writing also contains references to the 'superiority' of the white heterosexual man.

The word in diplomatic circles is that Milei is striving to foster Argentina's relations with Western countries and their common values. What is certain, however, is that his unconventional brute-force approach to politics represents a crusade against our model of solidarity, participation, tolerance and emancipation.

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