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Milei: Three Years of Change, One Year to Win People Over

Jean-Louis MARTIN

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Note to readers:

This *Paper* was translated from the original French with the assistance of an AI tool. In keeping with Ifri's policy on the use of AI, the translation was then reviewed and revised by the author and by Ifri's editorial team. Only the original French text is authoritative.

Abstract

Following his unexpected election in 2023, President Javier Milei has been on a war path to repair the Argentinian economy by any means necessary and to protect the Argentinian people against the Peronist threat. However, just barely a year from his potential re-election, the results of his intense economic policies toward public finance, hyperinflation, and social policies have left him in a sore spot to convince Argentinians that he remains the solution to their economic woes.

After inheriting a highly indebted Argentina from his predecessors, Milei has made undeniable progress in reforming public finances and bringing inflation under control, and has apparently abandoned his plan for the country's full dollarization. But the return to growth remains limited. Milei advocates a "return to primary sectors" for the Argentine economy, but the growing sectors (agriculture, mining, hydrocarbons) are not enough to offset the decline of industry—particularly in terms of employment. The persistently high poverty rate worries Argentines, who remain attached to a social safety net now weakened by the state's retreat.

On social issues, Javier Milei espouses a surprising mix, combining reactionary conservatism on abortion, feminism, and the environment—which runs counter to the expectations of Argentine society—with a libertarian-style tolerance regarding homosexuality, religion, and immigration. Finally, he has shown himself to be close to revisionism on the issue of the dictatorship.

Milei has also forged close ties with President Trump, from whom he secured public support during the 2025 legislative elections. This closeness continues a tradition in Argentine foreign policy of being guided by ideological affinities, though it does not rule out a certain degree of pragmatism.

Finally, despite numerous promises, the country's heavy debt to the International Monetary Fund (IMF) persists and poses a threat to Milei's progress in his efforts to secure financing and attract foreign investment. Already campaigning for reelection, the president will need to present voters with a more solid economic record.

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A look back at a meteoric conquest of power

Javier Milei was elected President of the Republic on November 19, 2023, with 55.6% of the vote against 44.4% for the Peronist candidate Sergio Massa. His career path is unusual. After training as an economist at university, he was, often simultaneously, an economics lecturer, a business consultant, an adviser to politicians and, perhaps above all, a permanent guest on television and then, from 2017, the presenter of his own television program. It was this last activity that made him known to the Argentine public and enabled him to launch his political career in 2021. He founded his party, La Libertad Avanza, and was elected national deputy for the city of Buenos Aires. In 2022 and 2023, he voted against the budgets presented by the Peronists in power, but in favor of a tax-cutting bill put forward by his Peronist rival in the presidential election, declaring that "taxes are theft".

As early as April 2022, Javier Milei announced his intention to run in the presidential election of October 2023. He first won the August primaries with almost 30% of the vote, and as the weeks went by, his rhetoric became increasingly disruptive.[1] In the first round of the October election, he came second to the Peronist Massa, the candidate of the Propuesta Republicana (PRO) party led by former President Mauricio Macri, a traditional right-winger. An agreement formalized three days after the first round with this party secured Milei's victory in the second round. His first government relied essentially on the Macri camp, with Patricia Bullrich at Security, Guillermo Francos at the Interior (relations with the provinces) and Luis Caputo at the Economy, among others.

Javier Milei was elected into an economy in crisis. The most obvious manifestation of this crisis is a slide towards hyperinflation: in September 2023, consumer prices were 12.7% higher than in August (an annualized rate of 320%) and 138% higher than in September 2022. The peso had been in free fall since mid-2023, with the "blue" dollar (on the parallel market) trading at the end of September at 795 pesos/USD, compared with 286 a year earlier. Finally, the economy had slipped back into recession, with gross domestic product (GDP) contracting by 1.9% in 2023, and GDP per capita had fallen back, in constant prices, below its 2007 level.

1. Notably in an interview with the American journalist Tucker Carlson on September 15, 2023, in which Milei criticized Pope Francis, socialism and abortion and said he would not establish trade relations with Vladimir Putin's Russia, Lula da Silva's Brazil or the People's Republic of China. The interview recorded more than 420 million views, making it the most watched interviewon Twitter/X in the history of the internet.

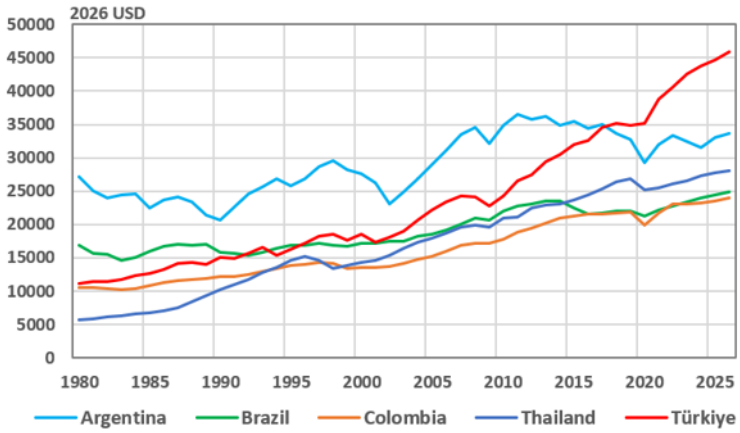
Javier Milei, the economist, considers that the main drivers of inflation, which had become unbearable for Argentines, are the public deficit and its financing through money creation. He was therefore elected largely on his promise to end them through an immediate and brutal "purge" of the public finances, symbolized by the chainsaw he brandished at his campaign rallies. But he was also elected for political reasons: many Argentines, in voting for him, were above all voting against Peronism in its Kirchnerist variant, equated with corruption and incompetence. Several leading Kirchnerists, including former President Cristina Fernández de Kirchner, had indeed already been convicted of corruption, and the Peronist candidate standing against Milei was the outgoing Minister of the Economy, Sergio Massa, who could easily be blamed for the slide towards hyperinflation. Milei's chainsaw was therefore aimed not only at the "obese", "inefficient" state that "holds back growth", but also at the political "caste" in power. The two objectives converged: cuts to the state would reduce the opportunities for corruption available to this "caste".

After decades of crises without reform, the "chainsaw" as a solution

A history of decline and crises

Beyond the acute crisis of 2023, the history of the Argentine economy over the last 50 years has been one of brief periods of growth punctuated by severe crises. The record of the "lost decade" of the 1980s is far worse in Argentina than in the rest of Latin America, with GDP contracting by 11% in volume terms. The country returned to sustained growth in the 1990s, but four years of crisis between 1998 and 2002 then caused its GDP to fall by 18%. Then, driven by the commodity boom, particularly in agricultural products, Argentina grew rapidly (6.3% on average) for almost a decade (2003-2011). But the growth trajectory then came to a halt, with prolonged stagnation until 2024, resulting in a 13.5% fall in GDP per capita in volume terms (Chart 1).

Chart 1. GDP per capita



Purchasing power parity, constant prices, 2026 USD.

Source: © International Monetary Fund (IMF).

Argentina is, moreover, a country of structurally high inflation. In the 1970s and 1980s, it reached extraordinary levels (3,046% in 1989). The peso/dollar parity introduced by Carlos Menem in 1991 eliminated inflation, but it returned after the devaluation triggered by the 2001 crisis.

It rose steadily over the following two decades, reaching 50% at the beginning of 2022.[2] During the last two years (2022-2023) of President Fernández's term, the authorities lost control of it, and by the time Milei was elected in November 2023, it had reached 161% year on year.

The failure of Mauricio Macri's liberal reforms

Mauricio Macri, who took office as president on 10 December 2015, succeeding Cristina Fernández de Kirchner (2007-2015), had also inherited a difficult economic situation: in 2015 the public deficit stood at 6% of GDP, financed exclusively by money creation, thus fuelling persistent inflation. The Kirchner administration's defense of the peso had drained the Central Bank's foreign-exchange reserves, whose net level (net of short-term obligations) was minus $2.6 billion at the end of 2015. The commodity *bonanza* was over, and in 2015 the current account showed a deficit of $17.6 billion, or 2.7% of GDP—a level that was sustainable in itself, but difficult for a country whose reserves were at rock bottom and which had no access to the financial markets.

After an inevitable devaluation of the peso (40%, a week after he took office), Macri opted for a gradualist approach to economic reform, always seeking consensus with part of the Peronist opposition and with the provincial governors. Some significant changes from previous economic policy are nevertheless worth noting. The first was a very steep increase in the tariffs for certain public services (electricity, gas, water, transport), which did not, however, prevent the fiscal deficit from rising to 6.7% of GDP, owing to a fall in revenue caused by the abolition of most export taxes (the *retenciones*). The second was a marked change in the way the fiscal deficit was financed. Monetary financing continued, but was partly replaced by external financing. On April 19, 2016, riding the wave of market optimism after Macri's election, Argentina succeeded for the first time since its 2002 default in issuing international bonds, for a total of $16.5 billion.[3] In 2017, it would even issue a 100-year bond. Finally, Macri widened the scope for companies and individuals to buy dollars.

This gradualist policy failed: the country was in recession in three of the four years of Macri's term, inflation fell only moderately, remaining above 20%, and the Central Bank of Argentina (Banco Central de la República Argentina, BCRA) struggled to support the peso amid massive capital outflows. In a partly political decision (support for a government

2. It is estimated to have been above 20% since at least 2010, with a peak above 40% in the second half of 2014. The figures are, however, uncertain because of the statistical manipulation used to conceal it during Cristina Kirchner's second term.
3. $2.75 billion of 3-year bonds at 6.25%, $4.5 billion of 5-year bonds at 6.87%, $6.5 billion of 10-year bonds at 7.5% and $2.75 billion of 30-year bonds at 7.62%.

regarded as reformist, but also seen as closer to "the West" than its predecessors), on June 20, 2018, the International Monetary Fund (IMF) granted Argentina the largest loan it had ever made: a $50 billion Stand-by Arrangement (SBA), increased a few months later to $57 billion. In the end, only $44 billion was disbursed, as the IMF suspended its payments in August 2019 because Argentina had failed to meet the conditionality,[4] and the country suffered a new currency crisis after a strong surge by the Peronist opposition in a mid-term election (the peso fell by 18.6% on August 12, 2019). All in all, by the end of Macri's term in December 2019, Argentina had resolved none of its difficulties, but was far more heavily indebted to the rest of the world.

Javier Milei's "chainsaw"

After Alberto Fernández's term, during which no significant economic initiative was taken,[5] and as Argentina slid towards hyperinflation, Javier Milei took radical measures, without, however, following through on all of its promises. The first set of measures served his main objective: whittling down the state. He holds the state responsible for most of the country's ills:[6] the fiscal deficit is the main driver of inflation, the excessive tax burden holds back private initiative, investment and growth, and therefore state interventionism encourages corruption. Milei therefore brandished his chainsaw and attacked the state effectively and immediately, abolishing ministries, dismissing civil servants and cutting subsidies to numerous public institutions in health, education, culture... The reduction in the real wages (after inflation) of civil servants and retirees, the suspension of all public investment programs and delays in transfers to provincial governments also contributed to eliminating the fiscal deficit. Public spending thus fell from 37.6% of GDP in 2023 to 31% in 2024, a contraction unique in world economic history.

Javier Milei had also announced radical monetary measures, with the abolition of the BCRA and of the peso (in his words, a "swindle"), and the full dollarisation of the country.[7] He considered (rightly, in our view) that Argentines' distrust of their own currency was another driver of inflation, and that the peso should therefore be replaced by a weak currency. This would also have the advantage of depriving a state that is by nature harmful of the possibility of monetary manipulation. The BCRA, for its part, was targeted because of its long-standing complicity in lax fiscal policies, as the main

4. "Argentina: Ex-Post Evaluation of Exceptional Access Under the 2018 Stand-By Arrangement-Press Release and Staff Report", IMF, 2021, available at: www.imf.org.
5. Partly because of the differences between the "realists" who supported the president and the "radicals" backed by Cristina Kirchner.
6. "Between the mafia and the state, I prefer the mafia." Javier Milei, December 18, 2019, on a Chilean television channel.
7. As, in Latin America: Panama since 1904, Ecuador since 2000 and El Salvador since 2001.

buyer of the securities issued by the Treasury. Javier Milei did not, however, implement these measures, having quickly been convinced by his economic team (including his Minister of the Economy, Luis Caputo, who had been Macri's Finance Minister) of their drawbacks, notably for the export sectors, which would quickly lose their competitiveness, as in the years of parity under the Menem governments. Above all, that dollarisation was impossible given the central bank's lack of foreign-exchange reserves. Milei now speaks only of a vague "endogenous dollarisation", which would require an "adaptation of the financial system" and could take "nearly four years".

Milei also wanted to "liberalize the economy". The starting signal was given by Necessity and Urgency Decree 70/2023, which repealed or amended several hundred regulations: an end to rent controls, repeal of the supply laws, price liberalization in many sectors... The Bases Law, passed in 2024 after lengthy negotiations, then granted the executive delegated powers and paved the way for privatizations. In July 2024, Milei also created a Ministry of Deregulation and State Transformation headed by Federico Sturzenegger, whose declared ambition is to make Argentina the freest economy in the world, with, for example, an "open skies" policy in air transport, a relaxation of road haulage rules, the removal of barriers to entry in telecommunications, the simplification of imports and the lowering of non-tariff barriers... The government defends a spectacular record: in October 2026, Milei claimed more than 18,000 deregulation measures across many areas.[8] The process has not, however, been free of resistance, and several decrees have been struck down by Congress. The method, based on the intensive use of decrees and delegated powers, has also attracted criticism on institutional grounds. For the government, these reforms aim not only to lighten the regulatory burden but to reshape in depth the relationship between the state, incumbent firms (seen as overprotected) and new entrants.

A record that remains uncertain

After three years, it remains difficult to assess Javier Milei's economic stabilization program.[9] A few things, however, seem to have been achieved, but these perspectives in the long term remain the craziest.

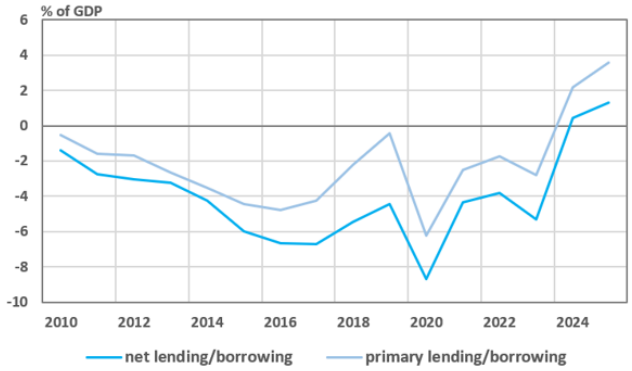
Public finances and prices: undeniable progress

The elimination of the fiscal deficit is a reality, and perhaps a lasting achievement. In 2024 and 2025, Argentina was thus able to post not only a

8. Speech before the United States Chamber of Commerce in Washington, October 15, 2026.
9. Many elements of the very positive assessment made by the IMF in July 2025 in its first review of the April 2025 Extended Fund Facility were contradicted as early as September 2025, available at: www.imf.org.

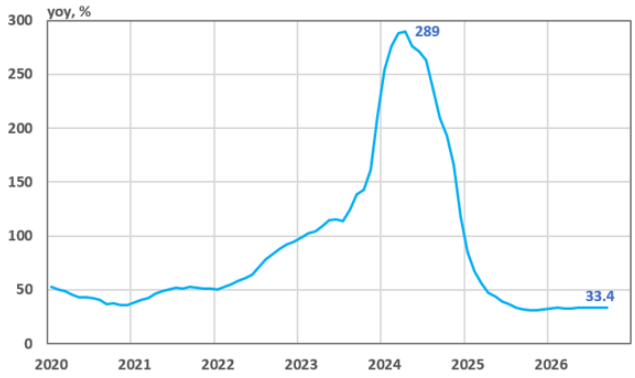
primary surplus (3.6% of GDP in 2025) but also an overall surplus (1.3%), for the first time since 2008 (Chart 2). The fall in public debt (68% of GDP at the end of 2025 compared with 155% at the end of 2023), on the other hand, is essentially due to the appreciation of the Argentine peso's real effective exchange rate. Admittedly, this surplus is fragile. On the one hand, Milei wants tax cuts, which would have to be offset by further spending cuts. On the other hand, some radical cuts, such as those to public investment, are unsustainable. Resources will also have to be reinjected into the education and health systems.[10] But Argentina has indeed left behind the deficits of over 5% of GDP seen under the two previous administrations.[11]

Chart 2. Public finance balances, central and provincial governments



Source: © IMF.

Chart 3. Consumer prices, year-on-year change



Source: Instituto Nacional de Estadística y Censos de la República Argentina (INDEC).

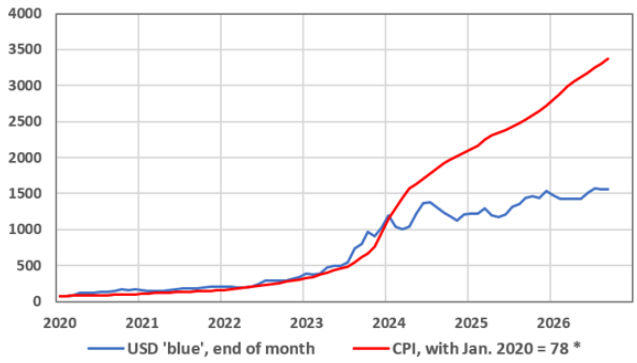
The risk of hyperinflation has been averted for now, but inflation has not been defeated. Price growth came down to 33.4% year-on-year in September 2026 (Chart 3). But it is proving stubborn, and month-on-month inflation was still 1.9% in September: that is still a great deal for a country with weak growth (at best, GDP growth of around 2% is expected in

10. For example, because the child vaccination rate has fallen very sharply.
11. Economists who can hardly be suspected of sympathy for Milei implicitly acknowledge that the "dirty work" has been done.

2026), where demand is depressed (0% y/y in the first quarter of 2026 and -0.4% in the second), where the fiscal deficit and its monetary financing have been eliminated, where the peso's real effective exchange rate has appreciated considerably (thereby importing disinflation), and where credit to the economy (businesses and households) is at rock bottom. The methodology used to compile the price index is, moreover, disputed, as it probably leads to an underestimation of actual inflation.[12]

The exchange-rate problem remains unresolved. Net foreign-exchange reserves have persistently remained well below the targets agreed with the IMF under the $20 billion Extended Fund Facility (EFF) granted in April 2025. In December 2025, after the BCRA had sold large amounts of dollars to support the peso ahead of the October elections, they stood at minus $11.8 billion, against a target of minus $2 billion.[13] These sales had only been possible thanks to $20 billion in financing from the US Treasury, provided by Trump on condition that Milei succeeded in the October mid-term elections—which he did. The situation improved in the first half of 2026, thanks in particular to a very strong export performance (+24.6% compared with the first half of 2025), 90% of it agricultural, energy or mining. The outlook for the exchange rate nevertheless remains highly uncertain, depending on the harvests and their impact on exports, on the extent of the peso's overvaluation (Chart 4) and its effect on the propensity to import, and on the political expectations of Argentines and the financial markets.[14]

Chart 4. Consumer prices and exchange rate



*At end-January 2020, 1 USD "blue" = 78 ARS.

Sources: INDEC, Dollarito.

12. The main criticism is that the price index is calculated on the basis of a physical consumption structure established by a 2005 survey (Encuesta de Gastos e Ingresos de los Hogares 2004/05), the only adjustment being to take account of changes in the relative prices of goods and services. A proposal to revise the methodology was rejected by Javier Milei in February 2026, leading to the resignation of the head of the statistics institute (INDEC).

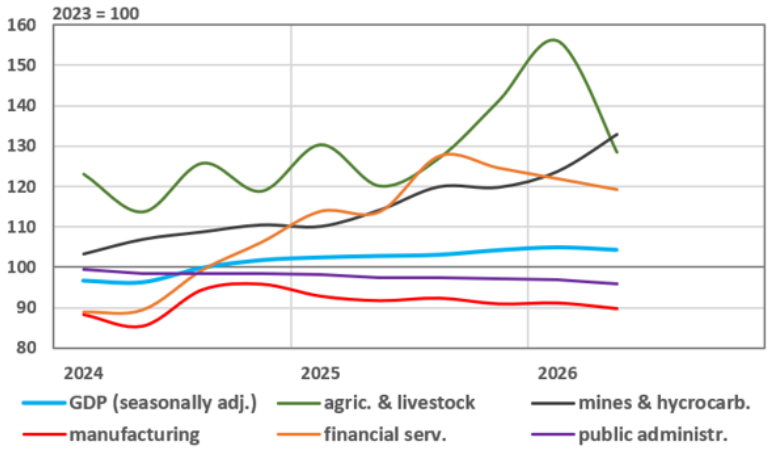
13. For comparison: Uruguay and Paraguay currently have reserves equivalent to 21% of GDP, Brazil 15%, Colombia 14%, Mexico and Chile 13%, and Argentina -1%.

14. The "kuka risk" (that of the Peronists returning to power) is, moreover, the Argentine government's main explanation for exchange-rate risk. This is no doubt too quick a dismissal of the other—and in this case material—risk factors.

The growth: disappointing today, uncertain tomorrow

The main risk, however, is the impact of the stabilization program on the real economy. The 2025 rebound (+4.4%) was smaller than hoped (the IMF had forecast +5.5%), and 2026 looks disappointing: in the first EFF reviews, at the end of 2025 the IMF expected +4.5%, lowered to 3.5% in May 2026 (Article IV review) and 2.1% in its October 2026 World Economic Outlook, and JPMorgan announced a forecast of 1.5% in early October. The first two quarters were indeed lackluster, at +2.3% and +2.0%. Perhaps more worrying, growth is not only modest but also unbalanced. With 2023 = 100, GDP in the first half of 2026 stood at 104.5, with agriculture at 142.2, mining and hydrocarbons at 128.4, financial services at 120.5, but public services at 96.4 and manufacturing at 90.4 (Chart 5). These declines are easily explained: the former by the shrinking of the state, and the latter by the acceleration of an already advanced loss of competitiveness, aggravated by the real appreciation of the exchange rate (Chart 4) and by weak consumption.

Chart 5. GDP: sectoral trends



Index: 2023 average = 100.

Source: © INDEC.

This reprimarisation does not trouble Javier Milei. He even goes so far as to welcome it, asserting that "at the beginning of the 20th century Argentina was the richest country in the world, and now 40% of people are poor and 10% destitute". And he has a culprit: Peronism, dating the decline to 1946. The claim is debatable on several counts: Argentina was not the richest country in the world in 1900,[15] the concentration of wealth and income was then such that the proportion of poor people was at least as

15. In the first version (1995) of his reconstructed GDP series, the historian Angus Maddison did indeed estimate that Argentina had the highest income per capita in the world in 1896. But a later revision of the figures relegated it to sixth place, behind the United States among others.

high as it is today, and the date of the decline is disputed by many historians.[16] Nonetheless, for Milei, the agro-exporting, oligarchic Argentina of 4.8 million inhabitants in 1900 (today: 47.6 million) is a kind of paradise lost, to be regained. He therefore contemplates without qualms a "reprimarised" Argentina, whose economy would rest on three pillars: agribusiness of course, mining (lithium, gold, copper, silver…) and energy (oil and above all gas). In all three sectors, the scope for growth is indeed considerable: higher productivity in crop and livestock farming, and massive (and very largely foreign) investment in mining (a sector so far little exploited) and energy. In the mining sector, for example, exports could, according to official projections, reach $26 billion in 2032, compared with $4.4 billion in 2024. Energy exports could amount to $37 billion, compared with $10 billion in 2024.

These forecasts are optimistic, and their impact for Argentina is greatly overstated. On the one hand, they assume massive amounts (several tens of billions of dollars) of foreign investment, which will not be satisfied with the favorable tax conditions (the *Régimen de Incentivo para Grandes Inversiones*, RIGI) granted by the Milei government: it will only materialize if there is political and economic stability, which is still far from assured. On the other hand, even if the investment and production forecasts come true, their impact will be much smaller than the figures suggest: job creation will be modest, and tax revenue constrained precisely by the RIGI regime.[17]

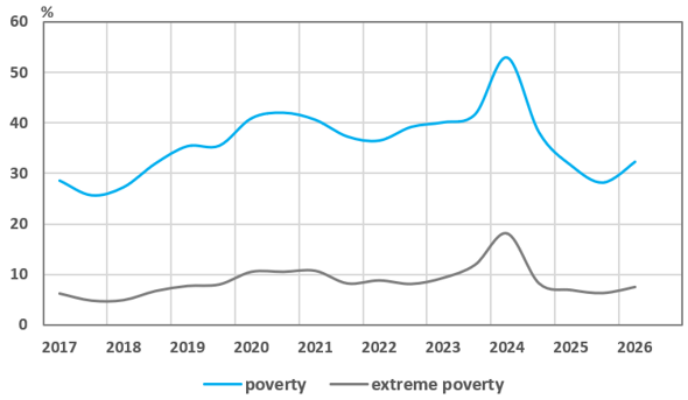
Indeed, even if exports at the expected levels would help to ease the external constraint,[18] it is unlikely that a country the size of Argentina can base its development on such a narrow foundation: in 2024 the country exported $1,350 of raw materials per inhabitant, which on the basis of these optimistic projections would rise to $2,400 in 2032; for the main comparable countries, the figures today are $3,500 in Chile, $5,100 in Saudi Arabia and $15,000 in Australia. The economic model is therefore not viable. Nor is the social model: the total number of direct jobs created in the three sectors combined will be no more than a few hundred thousand; a growing share of the working population will therefore have to be employed in low-productivity, poorly paid informal activities, or simply kept around the poverty line through massive transfers to households. This is no doubt compatible with Milei's libertarian model, but it does not correspond to the wishes of the majority of the population and will generate growing social tensions.

16. For some, 1930 (the 1929 crisis, a military coup); for others, 1946 (Perón, the start of high inflation); for others still, the real decline dates from 1976, with the military coup.
17. Not to mention the likely environmental difficulties in regions (the eastern slopes of the Andes) where water is already very scarce.
18. Provided that a significant share of export earnings is not transferred the following year as dividends to the shareholders of the mines and of the gas and oil fields. This risk is not merely theoretical: in Peru, in a comparable context of 'tax stability' granted to mining companies, dividend outflows to foreign investors averaged 7.3% of GDP between 2006 and 2011, and were still 5.9% in 2024.

A contested social model

Industry, by contrast, holds no interest for Javier Milei. He has gone so far as to describe it as a "parasitic" sector that was only able to develop and survive behind tariff barriers and through orders from the hated state. Fluctuations in demand and in the level of protection (very high under the Kirchner governments), and swings in the real exchange rate (and hence in industrial competitiveness), have in any case been such that the only manufacturing sector of significant size to have survived is the car industry, thanks to its integration with Brazilian industry. The prospects for a medium-term recovery in the textile, leather or engineering industries are very limited.

Chart 6. Poverty and extreme poverty rates



In % of the population.

Source: INDEC.

Persistently high poverty confirms the doubts about the viability of the economic model. Javier Milei has boasted of bringing the poverty rate down from 52.9% in the first half of 2024 to 28.2% in the second half of 2025 (Chart 6). This first overlooks the fact that the rate in the first half of 2024 was a peak caused by the brutality of the austerity measures he himself had taken on coming to power: under the previous government, the rate fluctuated around 40%. Secondly, like the inflation rate and for the same reasons, the measurement of the poverty rate is disputed:[19] while the decline over the past two years is real, its scale is very probably smaller than

19. The calculation method can be summarised as follows. First, the cost of an exclusively food-based consumption basket that ensures survival is estimated. This defines the level of 'extreme poverty' (note that the destitute are thus assumed only to eat, and to live naked, in cost-free housing and in darkness). Second, the poverty line is calculated by multiplying the cost of this first basket by an 'Engel coefficient' to estimate the cost of a new basket, including the goods and services consumed by the poorest. The Engel coefficient is adjusted in line with changes in the prices of the various consumption categories but, as with the price index, it is still calculated today on the basis of a physical consumption structure established by the 2004-5 survey. Yet this structure changes significantly, especially for the poorest households, as comparison of this survey with earlier ones confirms. More details available at: www.indec.gob.ar.

the figures suggest. Finally, the latest figures published by INDEC show a clear rise in the poverty rate in the first half of 2026.

Beyond these "technical" difficulties, Javier Milei also faces a much more fundamental obstacle: it is highly uncertain whether most Argentines agree with his aim of dismantling the social role of a state reduced to its core sovereign functions. While they elected him to get rid of the Kirchnerists and bring inflation under control, it is highly uncertain whether they will follow him in a "libertarian" privatisation of health and education.[20]

20. As summed up by a leading Argentine businessman interviewed in Buenos Aires: "We are Europeans; we want a European-style society." The sociologist Juan Carlos Torre calls this "the egalitarian impulse".

Between conservatism, libertarianism, and revisionism

This disconnect between Milei and Argentine society can also be seen on society issues: his loudly expressed conservative, even reactionary, views not only contradict his libertarian economic discourse, but are also often very far removed from the dominant trends in a predominantly urban and liberal population.

Javier Milei's stance on feminism perfectly illustrates this conservatism and this disconnect from society. He believes that "libertarianism already establishes equality between the sexes", and that feminist demands are therefore a "ridiculous and unnatural struggle between men and women",[21] refusing to acknowledge that, even if equal rights are indeed enshrined in law in most societies, and in Argentina in particular, "cultural" traditions, upbringing, schooling and the world of work all contribute to persistent discrimination against women. This led him, for example, to cut funding for programmes to combat gender-based violence and teenage pregnancy. But there is a certain consistency to his view: since the drive for equality can only come from the law, and therefore from the state, his libertarianism opposes it. Milei is also radically opposed to abortion ("the bloody abortion agenda")[22] and to medically assisted suicide. On all these points, he clearly runs counter to the trends in Argentine society.

Javier Milei is also fiercely hostile to any environmental policy. On the one hand, of course, because of his aversion to state regulation. He sees the market as the solution to all environmental problems.[23] But also, more fundamentally, out of denial of the problem: he considers that "global warming is another of socialism's lies".[24]

He is, on the other hand, fairly tolerant towards sexual minorities, including on same-sex marriage, as long as it is regarded as a private contract.

21. Speech in Davos, January 17, 2024.
22. Ibid.
23. See, for example, his analysis of water pollution before the Congreso Económico Argentino on August 31, 2023, reported by *Le Grand Continent,* available at: https://legrandcontinent.eu.
24. Speech before the Congreso Económico Argentino, August 31, 2023.

Similarly, religion does not enter the political arena in Argentina. Javier Milei may have personal metaphysical concerns, may have repeatedly expressed his sympathy for a certain traditionalist Judaism while declaring himself a Catholic, and may have had sometimes difficult relations with the Argentine Catholic Church (and in particular with the late Argentine Pope Francis), but all this has remained, and will very probably remain, a private matter: Argentina is a secular country and will remain so.

All other right-wing governments in Latin America (with the exception of the Chilean administration under José Antonio Kast, Javier Milei's government does not harbor any particular hostility toward immigration. Argentina has approximately 2 million people of Paraguayan origin—by far the largest immigrant community—as well as 200,000 Venezuelans. While discrimination does exist particularly against Paraguayans, these immigrants are ultimately integrated into the general population, and their status is not a subject of political debate in Argentina. This, however, may be starting to change. In July 2026, Javier Milei tightened the conditions for immigration to Argentina via decree;[25] however, it does not appear that this decree has been implemented thus far.

Finally, regarding the question of the dictatorship (1976-1983), Milei holds a view bordering on revisionism, even though the subject remains sensitive for most of the Argentine population (less so, however, among the young, who did not live through it). He has expressed skepticism about the number of victims, chose the openly revisionist Victoria Villarruel as his vice-president, and allows deputies from his party to visit convicted military officers in prison. His libertarian ideas also lead him to favor the right to bear arms and the legalization of drugs.

25. Decree 681/2026 prohibits entry, authorizes expulsion, and allows for the revocation of the residence permits of foreigners who disseminate "hate messages" or discriminatory remarks, incite violence against Argentine citizens, or show disrespect toward national symbols.

Enthusiastic subservience to Donald Trump

The historical continuity of alignment with the West

Javier Milei's explicit alignment with the United States and his crude vehemence[26] against everything he regards as "left-wing" (in Argentina and elsewhere) may come as a surprise, but in doing so he is merely taking up, in his own way, the pro-Western attitudes of Argentine foreign policy and its hostility to any form of "progressivism", which have seen only rare exceptions over the past century.

In the 1930s (the "Infamous Decade"), Argentina was aligned with the United Kingdom, which had considerable economic interests in the country. The pro-German sympathies of Argentine governments, civilian but overseen by the military, nevertheless delayed Argentina's entry into the Second World War until 1945. Diplomatic relations with the Soviet Union were only established in 1945, by the last military government, that of Edelmiro Farrell, whose vice-president was Juan Domingo Perón. Perón, first elected president in 1946, and the civilian governments of the Radicals Frondizi and Illia sought to pursue a more balanced foreign policy, known as a "third position" between the United States and the communist world. But these governments were often cut short (Perón in 1955, Illia in 1966) by military coups, whose ideology boiled down to repressing "communism"—with which they identified any reformist leanings—and to alignment with the United States. This did not prevent the generals, back in power in 1976 after a further Peronist interlude, from being abandoned by the United States in favor of Great Britain during the Falklands War. Kirchnerist Peronism was Argentina's last attempt at non-alignment, with difficult relations with Washington and an attempt to draw closer to the rest of Latin America. From 2015 onwards, Mauricio Macri and Alberto Fernández returned to the tradition of alignment with the United States, out of conviction or because of dependence on the IMF.

26. See his many public references to "zurdos de mierda" or "zurdos hdp" (roughly, "lefty scum"—expressions that are hard to render here).

With Donald Trump: A self-serving closeness

Although he travels a great deal, Javier Milei's priorities are clearly domestic, and he takes little interest in foreign policy. That policy is the product of two factors: the degree of ideological affinity with the counterpart's government interlocutors , and financial constraints. The first leads Milei to complete alignment with Trump's United States, which he never tires of praising and with which he has no disagreement on any international policy issue.[27] Europe's dependence on the United States has sometimes been described as "happy vassalage"; in the case of Milei's Argentina, it could even be considered "enthusiastic". Since his election, he has traveled to the United States eighteen times, meeting Donald Trump on nine of those occasions. Ideological affinity does not, however, preclude a transactional element in the relationship between Trump and Milei. The former's emphatic political support for the latter in the mid-term elections of October 2025, in the form of $20 billion in financing, was followed as early as November 13 by the signing of a trade agreement granting the United States privileged access to Argentina's mineral resources. As a consistent libertarian, Milei considers such transactions rational and advantageous to both parties.

The lists of the international friends and enemies of Javier Milei's Argentina are determined by ideology. Among the friends are, in the United States, the "MAGA" movement and Trump himself; in Brazil,[28] the Bolsonarist far right; and in Europe, the most right-wing governments (the ruling coalition in Italy—which granted Milei Italian citizenship—the Hungarian Viktor Orbán, and various far-right opposition parties, foremost among them Vox in Spain). And, of course, Israel and Benjamin Netanyahu. Milei's interest in Israel goes beyond ideological affinity with the far right in power. It is bound up with admiration for Israel's economic success and a genuine fascination with Judaism (in its most conservative forms), to which he has several times said he wishes to convert. He has thus been heard arguing by quoting the Book of Maccabees, and seen weeping at the Western Wall in Jerusalem.

Conversely, Milei often speaks very aggressively about "communist" governments, or those he regards as such. China and Russia are thus "communist". His aggressive remarks about China, Argentina's second-largest customer after Brazil, have nevertheless been toned down

27. Even on Ukraine: after displaying strong support for Ukraine (largely out of anti-communism, as Milei still regarded Putin's Russia as "communist"), on February 24, 2025 Argentina followed the United States with a conspicuous abstention in a United Nations vote condemning the Russian invasion. Argentina's withdrawal from the World Health Organization in February 2025 is another example.
28. Milei has thus twice taken part in the Conservative Political Action Conference (CPAC) gatherings in the United States.

considerably since his election. On Russia, Milei follows Trump's shifting line. Relations remain frosty, however, with Lula's Brazil—which, according to Milei, is a "corrupt communist" for whom he makes no secret of his dislike—and the Argentine president expressed his support for Flávio Bolsonaro, with his customary enthusiasm and vocabulary, during a trip to São Paulo in July 2026. Economic and trade relations between the two countries have not, however, suffered. Milei has also clashed repeatedly with the "disgraceful and corrupt dictator" Pedro Sánchez,[29] with the "murderous terrorist" Petro, with the "appalling" Boric, who is responsible for "the decline of Chile", and even *post mortem* with the "nefarious" former Uruguayan president Pepe Mujica... All of them, beyond the individual vices of which Milei accuses them, share the irredeemable flaw of being supporters of an "impoverishing", "unjust" and "violent" socialism.[30]

Dependence on the IMF and efforts to woo foreign investors

Argentina, which has only limited access to international financial markets,[31] is heavily dependent on the IMF for the foreign-currency financing it needs to service its debt and support the peso while satisfying Argentines' insatiable appetite for dollars. The major multilateral lenders—the World Bank, the Inter-American Development Bank and the Corporación Andina de Fomento—will only lend to it within the framework of an agreement with the IMF, and it is unlikely that the United States would be willing to support Argentina "whatever it costs". Argentina is thus by far the IMF's largest debtor: in mid-October 2026 it owed the Fund around $57 billion, ahead of Ukraine ($14 billion) and Egypt ($9 billion). Since Argentina became a member of the IMF in 1956, it has had to conclude 23 emergency financial assistance programs with it. The last three programs were a $57 billion SBA in June 2018 (Macri presidency), and two EFF of $44 billion in March 2022 (Fernández presidency) and $20 billion in April 2025 (Milei presidency). The first and third were negotiated on the Argentine side by the same man, Luis Caputo, Macri's Finance Minister and Milei's Minister of the Economy. The dependency is reciprocal, and extreme: in the other direction, Argentina accounts for 34% of the IMF's outstanding claims. This strange relationship is set to last: even if no new program is put in place, the current outstanding amount will not be fully repaid until 2035.

29. Javier Milei's trip to Madrid, October 2026. A few weeks before the Spanish elections, Milei's aggression toward the Prime Minister was poorly received by most right-wing leaders, as it was seen as counterproductive.

30. Davos speech, January 17, 2024: "Social justice is inherently unjust, because it is violent. It is unjust because the state is financed through taxes, which are collected coercively: can any of us say that we pay taxes voluntarily? This means that the state is financed through coercion."

31. Argentina did, however, issue a 4-year dollar bond at 6.5% on December 5, 2025. It covered the January 2026 debt repayment of $4.3 billion.

Argentina was long a favored destination for foreign investors, particularly Europeans and above all the British, who financed and sometimes built part of its infrastructure (transport, *utilities*), set up industrial and commercial subsidiaries, and even came to control large parts of the banking sector. Years of weak growth, nationalizations, and obstacles to foreign trade and to the repatriation of any dividends caused this interest in Argentina to disappear: foreign direct investment has averaged only 0.7% of GDP over the past ten years. Milei wants to revive Argentina's appeal, for two reasons. First, because the sectors he wants to see develop, energy and mining, require levels of investment (and sometimes technologies) far beyond the reach of Argentine companies. And, in the short term, this investment could, to some extent (a large part will be used to import equipment), strengthen the country's foreign-exchange reserves. It was with this aim that the Argentine government introduced in July 2024 the RIGI, which grants investments of at least $200 million various tax advantages (reduced tax rates, accelerated depreciation, exemption from import and export duties…) and favorable foreign-exchange rules. Nine sectors are eligible: forestry, tourism, infrastructure, mining, technology, steel, energy, oil and gas. But these investments are expected to be concentrated in mining, energy and hydrocarbons.

With the 2027 elections on the horizon, persistent political uncertainty

Javier Milei's presidential term ends on December 10, 2027. The general elections (for the president, half of the deputies, a third of the senators and most provincial governors) will be held on October 24, with a possible second round on November 21. Milei has clearly expressed his interest in a second term, which the Argentine Constitution allows. His prospects of re-election, however, currently look poor: according to a September poll, 57.5% of Argentines favor a "radical change of policy", compared with 17.4% who support "complete continuity" and 20.8% who want "continuity with some changes". His personal approval rating is only 35%.

Javier Milei was elected on a promise of price and exchange-rate stability and a return to growth. His electoral success or failure in 2027 will therefore depend on economic performance over the next 12 months. Yet despite real achievements (notably the rebalancing of the public finances), the results remain fragile across all indicators. A few factors nevertheless work in his favor. The first will be his emphasis, as over the past three years, on the "kuka risk"—the risk of the Peronists returning to power, and with them inflation and a weak peso; the argument will lose force, however, if the economic context is too lackluster. The second is the division among the Peronists themselves. Cristina Kirchner, barred from office (for corruption), is unlikely to be able to stand in the presidential election; but she retains supporters and has the power to disrupt the campaign of a rival Peronist candidate, probably the governor of Buenos Aires province, Axel Kicillof. On the other hand, it is uncertain whether Donald Trump will be in a position to intervene directly in Milei's favor in the election campaign, as he did in October 2025.

The continuation of current economic policy beyond 2027 is therefore uncertain, and this also applies to the 'guarantees' given to investors by Milei under the RIGI. But one scenario can very probably be ruled out: a violent challenge to the election result, as in the United States and Brazil. Beyond his radicalism and verbal excesses, Milei's political practice has so far respected democratic rules. For example, the Argentine Constitution provides that the president may veto a law passed by Congress. Milei used this power seven times in 2025 to block laws involving public spending. Congress can override the veto by passing the law again, in the same terms, with a two-thirds majority in each chamber. In practice, Congress rarely

uses this power, but it did so three times against Milei's seven vetoes. Milei fumed and more or less accused the legislators of treason, but he backed down:[32] the Constitution was respected.

32. With one major exception: the University Financing Law (Law No. 27,795, passed on October 2, 2025), which Milei still refuses to implement, despite the rejection of all his legal challenges—including by the Supreme Court (CSJN) on June 25, 2026.



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