

Argentina's Milei Experiment: Mass Killing with Fascist Economics

by Cynthia R. Rush

Jan. 7—It is no exaggeration to say that should the IMF-approved radical free-market policies announced by Argentina's radical Libertarian President Javier Milei remain in place, the Argentine people can look forward to the same level of genocide that Israel is carrying out against the Palestinian people in the Gaza Strip—only by a different means. They are not yet facing mass bombings that destroy residences and vital infrastructure such as hospitals, schools, and transportation. Nor are they yet being starved to death, denied food, water, or medicine. But as statesman Lyndon H. LaRouche, Jr. said many times, the accountants at the IMF and Wall Street banks have killed more people than Hitler did. And that is what is in store for Argentina.

Milei's announced "urgency and necessity" decree (DNU) and subsequent "Omnibus" bill that will allow him to rule by decree and usurp the powers of the Congress until the end of 2025 are adorned with all the verbiage associated with the fascist Friedrich von Hayek of the Austrian School of Economics.

But on Dec. 12, the day that Minister of Economy Luis Caputo announced a series of savage austerity policies, IMF Managing Director Katerina Georgieva posted on X: "I welcome the decisive measures announced by President Milei and his economics team today ... an important step toward restoring stability and rebuilding the country's economic potential." On Jan. 8, an IMF delegation will meet with government representatives to nail down the terms of Milei's program, which includes the Fund's most favored policies of sweeping deregulation, budget slashing, currency devaluation, and

privatization. These will cause the exponential growth of starvation, poverty, and disease that will kill people, as food, healthcare, and housing are priced beyond the reach of all but the wealthiest.

So, this is not an "Argentine" program, but one directed by the City of London and Wall Street, whose own trans-Atlantic financial system is crumbling and threatened by the growing momentum of the Global Majority and the rapidly expanding BRICS group of nations which is forging a new world economic paradigm that prioritizes sovereign economic development and security while putting an end to Western colonialism.

Milei's decision to pull Argentina out of the BRICS, which it had been scheduled to join on Jan. 1, 2024 along with five other new members, severs its connection to an association that represents the future of humanity and ties it instead to the bankrupt, shrinking, and increasingly isolated unipolar world. Milei's choice of the U.S., Israel, and Ukraine as Argentina's closest allies, is hardly a prescription for success, when the nations of Ibero-America, Africa, Southwest Asia, and Asia are lining up to join the BRICS and embrace an optimistic development perspective.

As *EIR* has previously written, a large factor in Milei's Nov. 19, 2023 election was the years-long brutal financial warfare to which the Alberto Fernández government had been subjected by the IMF, and London and Wall Street banks—cutting off credit, forcing a devaluation, and demanding more austerity—which succeeded in discrediting both the government and Sergio Massa, the presidential candidate of the ruling Unity for the



CC/Cancillería Argentina

Javier Milei, the Libertarian President of Argentina.

Fatherland (UxP) coalition who had also served as Fernández's Minister of Economy (finance minister). The bankers' propaganda blamed Massa personally for the nation's economic crisis. Massa's response to the offensive should have been to present a radical program for Argentina's transformation as elaborated in the Schiller Institute's [Emergency Program](#) to Save Argentina. Debt moratorium, exchange and capital controls, and the establishment of national banking were among the measures in that program whose immediate implementation Massa should have demanded, but failed to do so. That was his undoing.

Although what Milei calls his "revolutionary" program has in fact been imposed on Argentina many times in the past—by the 1976–1983 military dictatorship, the 1989–99 Carlos Menem presidency, and the 2015–2019 government of Mauricio Macri—his promises of "real change" to punish the political class, or "the caste" as he calls it, convinced many desperate citizens, beaten down by economic crisis and a sense of hopelessness, to take a chance on the man who literally ran around with a chainsaw promising to cut out waste and shrink the state that he said was responsible for all their problems.

'Shock Therapy' Will Be Good for You

What the new President proceeded to do, however, beginning with his Dec. 10 inauguration speech and in the days immediately following, was to *declare war* on his fellow citizens, announcing a program of economic shock—deep austerity—and a plan to completely dismantle the state through sweeping deregulation. The man who brags he's guided by "the forces of heaven," promised these measures would "liberate" Argentines from "oppressive" regulations that, in fact, protect their rights and well-being and prevent unbridled speculation and usury by an unregulated financial sector.

Change? In his inaugural speech, Milei promised Argentines a future of brutal austerity, suffering, and pain, to which, he said, "there is no alternative." Naturally, he admitted, this will negatively impact the level of economic activity, employment, and real wages, and the number of poor and indigent will increase,



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Argentina's Finance Minister, Luis Caputo, a former Wall Street banker, is now overseeing the imposition of fascist austerity in Argentina.

along with inflation. But, he told Argentines, gradualism has never worked, and lied that "all shock programs were successful."

Two days after Milei's inauguration, on Dec. 12, Finance Minister Luis Caputo, who held the same post as well as Central Bank governor for the despised neoliberal President Mauricio Macri 2018–2019, presented details on the austerity measures that Milei had referenced on Dec. 10. Argentines are living in a catastrophic crisis, he said, and "there is no more money," so people must be prepared for really hard times. At

the top of his list was the announcement of a 54% currency devaluation and removal of all subsidies on energy (electricity, gas), water, and transportation.

Widespread Uncertainty

Moreover, Caputo revealed, the public sector is to be axed. "Excess" state-sector workers will be fired, a process that began on Jan. 2 when 7,000 state employees in Buenos Aires and more in the provinces, showed up for work only to be told they had no jobs. Reportedly, there are another 70,000 state workers who could also be let go. Public works, he claimed, have always been a "source of corruption" in Argentina, and thus will be suspended and handed over to the freedom-loving private sector. Discretionary money transfers to the provinces will be reduced to a minimum. There will be no restrictions on exports or imports—the country can be flooded with cheap imports that will put businesses that can't "compete" out of business.

Argentine friends of *EIR* have reported that just in the first week after Milei's Dec. 10 inauguration, basic economic markers had already risen off the charts, and the situation has worsened since then. Against the backdrop of a 45–50% poverty rate, this has caused great uncertainty and anxiety among the population, as citizens are beginning to realize what Milei's "change" entails. What the government called "repressed inflation" is hyperinflation, reflected in the 3,500% annual inflation rate, which, in its view, justified the imposition of deep austerity.

Two days after Milei's inauguration, the prices of everything, guided only by "the market," began to shoot up. Meat had risen by 30% and it has fluctuated wildly

since then, with increases as high as 100% depending on the cut of meat. Some butchers report they are being pressured to sell beef at international prices, calculated in dollars, making it unaffordable for middle and low-income sectors. Food prices change every day. The price of gasoline increased by 90% in the 30 days between the beginning of December and beginning of January. One Buenos Aires economist reports there are no plans to adjust wages to address higher inflation, which registered a whopping 30% jump just for the month of December. Over January and February, subsidies for utilities and transportation will gradually be eliminated.

Crown the Emperor

Milei's inaugural speech and Caputo's announced austerity measures were just the beginning of the new President's fascist offensive. In the space of one week, between Dec. 20 and 27, Milei introduced two pieces of legislation which effectively crowned him emperor. On Dec. 20, he announced an "Urgency and Necessity decree" (DNU) followed on Dec. 27 by an "Omnibus"



Instagram

Tens of thousands protest in Buenos Aires against Milei's "Urgency and Necessity" decree (DNU), Buenos Aires, Dec. 20, 2023.

bill, pompously titled the "Bases and Starting Points Law for the Freedom of Argentines." Together, they grant Milei extraordinary powers, trample on the Constitution, and usurp the powers of Congress.

Speaking on national TV, Milei told Argentines the DNU is necessary to "rebuild the Argentine economy" and address the dire emergency left by the previous government. This "shock policy," he told citizens, is what the country needs, and then warned "there's more to come" in future legislation. Federico Sturzenegger, Milei's special economic adviser who is not a cabinet member, chortled in a Dec. 29 interview with *Bloomberg News* that the measures announced by Milei and Caputo at that point represented only 40% of the changes Milei hoped to present.

The DNU includes 360 different articles and overturns 30 laws that include social protections; regulate trade; protect consumers and workers; and control prices of basic goods including food, health insurance programs, and rents. Under the guise of making labor laws more "flexible," the DNU eliminates fundamental workers' rights. All public sector companies are to be privatized; everything is up for grabs: state airlines, public media, companies that run the country's nuclear reactors, build satellites, and carry out crucial scientific and technological work. Also targeted is the state-run *Banco*



IAEA

The Embalse Nuclear Power Station, one of three nuclear power plants in Argentina, supplies about 600 MWe net, or 4.5% of national electricity production. It may be privatized.

de la Nacion, founded in 1891, the state oil company YPF, ports, railroads, energy companies, and public labs that produce medicines and vaccines, among others.

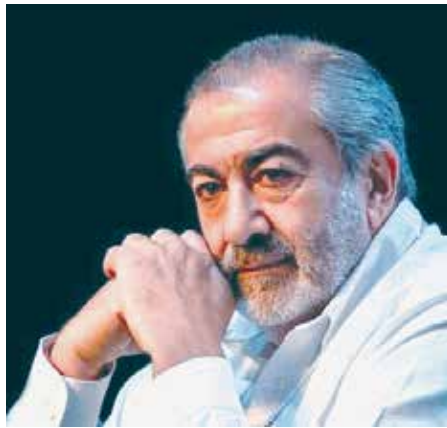
The DNU arrogates to the executive branch powers not granted to it by the Constitution and is already the subject of dozens of court suits by trade unions and multiple other organizations filing for injunctions on grounds that the DNU is unconstitutional. The decree, which was officially introduced into Congress on Dec. 29, will remain in effect until it is either passed or voted down in its entirety by a special bicameral commission in Congress, which must vote by Jan. 31, when the extraordinary session convened by Milei ends. He has warned that if Congress fails to pass his DNU, he will hold a plebiscite, boasting that the DNU has a 75% approval rating and would of course be approved that way.

Milei had barely finished announcing his DNU when thousands of citizens, in the capital of Buenos Aires and in the provinces, took to their balconies, the sidewalks, and the streets with their pots and pans to denounce the fascist DNU. Several thousand marched to the plaza in front of the Congress in Buenos Aires, some carrying flags, warning they won't tolerate this assault on their livelihoods and futures. Charges that his government is returning to the neoliberal policies of the 1976–1983 military dictatorship under the London-bred Finance Minister José Martínez de Hoz, or the “Chicago Boys” policies of Chilean dictator Augusto Pinochet, were heard everywhere.

In the days following, and after the Omnibus bill was announced a week later, the country's Peronist-dominated and still powerful labor movement mobilized to confront Milei's fascist onslaught, unnerving the mentally unstable President, who is given to fits of rage when things don't go his way. In a Dec. 21 interview with *Radio Rivadavia*, he lashed out at those who had dared to protest the DNU, fuming “don't you realize the shock of freedom this [decree] implies?”

Is There No Constitution?

The Omnibus bill sent to Congress Dec. 27 includes another set of austerity and deregulation measures that are so sweeping that even legislators from Milei's own



Héctor Daer, Co-General Secretary of the CGT trade union federation, warned that the DNU and Omnibus bill have no “vision of progress,” and in fact are “forcing us to [become] a pastoral country.”

the bill lists 41 state sector companies to be privatized and also proposes to reform the penal code, to criminalize all protest with lengthy jail terms. It goes so far as to assert that any gathering of three people in a public place will be considered a demonstration, for which permission from the Ministry of Security must be obtained 48 hours in advance. Milei is counting on his battle-axe Minister of Security, Patricia Bullrich, to repress social protest. She announced her own vicious security protocol on Dec. 14, which complements the DNU and the Omnibus bill.

Ominously, the Omnibus bill also stipulates in Article 346 of the National Defense chapter that the Executive may authorize the “entry into the country of contingents of personnel of the armed forces belonging to other countries” for activities related to “exercises, instruction or those of a combined protocol character.” Section 75, Article 28 of Argentina's Constitution stipulates that permission for “the entry of foreign troops into the territory of the Nation” comes under the purview of Congress. Why does Milei want foreign troops in Argentina? Is he afraid that the police aren't up to the task of killing their fellow citizens who protest against savage austerity?

The U.S. Southern Command is prowling around elsewhere in Ibero-America, looking to reinstall a military base in Manta, Ecuador or provoke military conflict in the border dispute between Venezuela and Guyana. Does Milei intend to invite U.S. military forces into Argentina where Southern Command chief Gen. Laura Richardson is lusting after the country's wealth of natural resources that she claims China is stealing?

It is in this sense that Milei is an experiment for all of Ibero-America, especially Brazil—and the developing sector. With Milei’s proposed brutal austerity, police-state crackdown, and embrace of the “rules-based” order, the future of Argentina is the immediate concern of the entire world.

Popular Mobilization

Despite his threats to fiercely repress protest, President Milei may not be prepared to contend with the increasingly angry social organizations (representing poorer sectors of the population) and the still powerful and largely Peronist-dominated labor movement which have begun to mobilize against his measures. On Dec. 27, the same day the Omnibus bill was announced, the CGT trade union federation and affiliated groups marched to the main Buenos Aires court complex to present an injunction against the DNU, on grounds that it is unconstitutional. The next day, the CGT announced a 12-hour general strike and mass mobilization in front of the Congress for Jan. 24 to denounce economic shock policies, the DNU, and Omnibus bill.

In his press conference announcing the strike, CGT Co-General Secretary Héctor Daer warned that the DNU and Omnibus bill intend to transform society “with no vision of progress,” and in fact are “forcing us to [become] a pastoral country.” The illegal DNU, he said, is a “real transfer of wealth from the workers who lose their ability to act [according to] rights enshrined in the Constitution and in international agreements.”

These developments have provoked high anxiety and anger in the presidential palace, the *Casa Rosada*. How can people be opposed to policies that offer them so much freedom, Milei asks. He was further incensed when Argentina’s National Labor Appeals Court, responding to a suit filed by the CGT, issued an injunction on Jan. 3 suspending Chapter IV of the DNU which includes all labor reforms. The next day, the same court granted another injunction to the CTA trade union federation, also suspending the DNU’s labor chapter. An irate Presidential Spokesman, Manuel Adorni, immediately announced that these rulings will immediately be appealed to the Supreme Court, while Milei’s lawyers argued that the Labor Appeals Court didn’t have jurisdiction to make such rulings.

The rulings of the Labor Court judges were very clear. On Jan. 3, Judge Alejandro Sudera quoted from a 1999 Supreme Court ruling stating:

An interpretation of the National Constitution, in terms of urgency and necessity decrees, must cohere with the principles of the constitutional state. It can by no means be argued that the Executive branch can freely substitute congressional activity or that it should not be subject to judicial control.

Responding to the CTA’s filing on Jan. 4, Judge Andrea García Vior addressed the DNU’s assault on labor rights, warning that fundamental rights that affect the freedom and dignity of workers are at stake. The DNU’s limits on the right to strike require “urgent action,” she said, as this is a grave violation of fundamental human rights, the state news agency Telam reported her saying.

How Soon Will Milei Unravel?

Opposition to Milei is steadily growing, as are tensions within his own cabinet. Finance Minister Luis Caputo was hired based on his promises that he would perform wonders for the economy, but has so far failed to attract big foreign investors or secure funding from the IMF, needed to make big payments due by the end of the month.

Milei has angrily accused the Congress of foot-dragging on passing the DNU and Omnibus bill, even though the deep divisions in that body offer no guarantee the votes will ever materialize. Even legislators who agree with the DNU’s policy content are hesitant to ram these measures through by decree. Milei wants them passed immediately, with no discussion, and charges that those who oppose his legislation are “useless idiots” who are also “taking bribes.”

In the cabinet there are also signs of disarray, as the volatile Milei continuously shifts his allegiances or dismisses or demotes anyone who annoys him. Most recently, tensions between him and his Vice President, Victoria Villarruel, have become obvious, such that the two reportedly maintain little contact, even though she is President of the Senate and is supposed to be securing votes to guarantee passage of his proposed legislation. Several media reported on Jan. 5 that the always calculating and manipulative former President, Mauricio Macri, met privately with Villarruel to suggest that Milei may not last long as President, and asked if she were willing to take over should he fall apart. Reportedly, she said only that she would be prepared to defend the country’s “institutionality.”