



Photo: © Matias Chiofalo, Europa Press, iStock, picture alliance.

[How Much Polarisation Can Democracy Bear?](#)

The Indispensable Centre

Political Parties and the Milei Government in Argentina

Jana Lajsic

After years of being under the radar, Argentine politics suddenly became a topic of interest with Javier Milei winning the presidency. The eccentric radical libertarian's uncompromising plans for reform and his outrage at the "political caste" received worldwide attention. In reality, he has had difficulties implementing his drastic measures without the established political players. The defeated centrist parties have been put to the test and pushed to decide whether and how they wish to cooperate with the Milei government.

Argentina: A Unique Experiment

At the end of 2022, Argentina led the headlines all over the world. The attention sparked by the World Cup victory faded quickly, however. One year later, when talk show economist and political nobody Javier Milei became president, attention to Argentine politics returned for the first time in years. Expectations were high: Milei was to dollarise the economy, reduce inflation, and disempower the "corrupt political caste". He won the run-off election by a staggering eleven points against the then Minister of Economy Sergio Massa of the Peronist Partido Justicialista (PJ).

In the year marking the 40th anniversary of their country's return to democracy, Argentinians elected a president whose unconventional style and sharp criticism of the political establishment have been enjoying unexpectedly high support. Since the return to democracy, Argentina has been shaped by established political players, so the victory of this radical libertarian came as a major surprise. Milei stands out not only for his political programme, but also for his eccentric ways.

He appeared on television for the first time in 2016, commenting on the economic situation and gaining prominence for his confrontational style and clamour. In a country whose population is three-quarters Catholic, he called the Pope a "representative of the evil one on earth" and an imbecile promoting communism.¹ From the outset, Milei staged himself as a rock star

and appeared in large stadiums with his distinctive, scruffy hairstyle and a leather jacket, often with a chainsaw, the symbol of his intention to clear-cut all previous political habits. During the presidential election campaign, he also advocated extreme ideas such as liberalising organ trade and abolishing the central bank. An examination of the country's political and economic situation in the years before the election helps explain how such an unusual personality came to be the president of Argentina.

From TikTok Star to President

Milei's victory came as a surprise, but is by all means understandable given the country's situation. It came at a time when the monthly inflation rate amounted to 25.5 per cent and the annual inflation rate to 211.4 per cent.² In the election year, 41.7 per cent of the Argentine population were living in poverty.³ Argentinians were dissatisfied with the government of left-wing Peronist Alberto Fernández, who in the final months of his presidency had entirely withdrawn from the public. Besides candidates from smaller parties, those standing for election were the ideologically flexible Peronist Sergio Massa, who was Minister of Economy at the time; Patricia Bullrich, former Minister of Security under Mauricio Macri (2015 to 2019) of the liberal economic wing of the centre-right Propuesta Republicana (PRO); and the self-proclaimed anarcho-capitalist Javier Milei, who had served less than two years as a national deputy for La Libertad Avanza (LLA), a party he founded in 2021.

The message of the results was clear: Argentinians opted for a radical break with traditional politics, hoping to solve their country's continuing crisis with the shock therapy of drastic austerity measures. The Milei victory was a nationwide phenomenon: he won in 21 of Argentina's 24 provinces. Milei is especially popular among young voters. He owes this to his social media presence – he now has more than two million followers on TikTok. His criticism of the “corrupt political caste” reflected the country's mood, and his ability to explain complex economic concepts in short TikTok videos made him attractive to an electorate

that had difficulty understanding Argentina's decades-long economic misery. His clear position on combatting corruption and freeing the economy from the clutches of “parasites”, the “political caste”, and the many inefficient, unnecessary public officials mirrored a desire to return to the prosperity of the early 20th century, when Argentina was one of the wealthiest countries in the world.

No More “Usual Suspects”

The mood in 2023 was similar to that following the crisis of 2001, when “Que se vayan todos”



Picture of a recession foretold: During his presidential campaign, Javier Milei had already prepared Argentinians for severe economic cuts. Indeed, inflation has dropped significantly under his leadership, but the poverty rate initially rose to 55 per cent. The photo shows the free distribution of agricultural products in Buenos Aires.

Photo: © Igor Wagner, Sipa USA, picture alliance.

“They all must go”) was a popular slogan aimed at politicians. Argentinians had had enough of the established elites, who had failed to deliver any notable results and had led the country to an even greater disaster. Argentina has been in economic decline for years. Its enormous debt of 44 billion US dollars makes it by far the largest debtor of the International Monetary Fund (IMF)⁴. The country has suffered from catastrophic economic governance exacerbated by years of excessive public spending; this was financed by money printed by the central bank, which fuelled inflation.

Argentinians sought a candidate without political entanglements and found someone they could identify with in the anti-systemic Javier Milei. One of his main concerns was cutting taxes and reducing public spending by means such as laying off civil servants, suspending public construction contracts and reducing transport and energy subsidies.

Milei’s “chainsaw project” cannot be implemented without support from the political centre.

You Cannot Do It All Alone

Given Milei’s scant representation in both houses of the National Congress and his poor results in provincial elections, ten months of government have shown that his “chainsaw project” for economic and governmental reform cannot be implemented without support from the political centre. The end of last year saw not only the presidential election, but also parliamentary elections in which a third of the Senate and half of the Chamber of Deputies were newly elected. These elections did not go Milei’s way. His LLA won just 34 new seats of the 257 in the Chamber of Deputies, where it now holds a total of 38 seats, or about 15 per cent. The situation in the Senate is even worse, where it has only seven of 72 seats, or about ten per cent.

Despite his efforts to distance himself from the political establishment, it has become clear that Milei’s parliamentary weakness makes him more dependent than anyone else on support from established political forces if he is to deliver on his campaign promises. In Argentina, this means turning towards the various forces in the political centre, with the centre-right PRO emerging as a natural ally.

Argentina is a federal state with 24 provinces, none of which is led by a governor from Milei’s party. The austerity measures and drastic cuts in transfer payments from the national government to the provinces have led to conflict with many governors. Since these governors are reliant on transfers from Buenos Aires, some of them have tried to put pressure on Milei. For example, Ignacio Torres, governor of Chubut, threatened to block gas and petrol deliveries.⁵ In the first four months of 2024, total non-automatic transfer payments to provinces and municipalities fell by 89.5 per cent.⁶ Here, too, Milei realised that he cannot solve the problems alone and has tried to find a way to garner governor support for a ten-point pact for Argentina’s future. It was announced for the Argentinian national holiday, 25 May, but was not in place until 9 July 2024, and enjoyed the support of only 18 of the 24 governors.

In turn, the political centre in Argentina must consider to what extent it is willing to cooperate with a head of state such as Milei, whose presence has forced established parties to take a step back, reassess their programmes and objectives, and stop taking their voters for granted. Here, the success of a radical candidate has its positive side effects: it exerts pressure on the centrist parties to sharpen their profiles and reorganise.

Interim Evaluation of the Milei Presidency

Milei’s ambitious yet unrealistic plans to impose his agenda by decree in a mature democracy like Argentina have failed. Aware of his weakness in parliament, Milei, like his predecessors, resorted to the instrument of presidential decree of necessity and urgency (DNU). A massive



decree intended to change, replace and abolish more than one hundred laws, has not been implemented in full yet. The Senate rejected it – for the first time since the measure was introduced in the constitutional reform of 1994 – yet it remains in force because it only loses its effectiveness if rejected by both houses of the

National Assembly. However, due to the lack of full parliamentary support, its enactment has not made much progress.

Milei enjoyed more success when he abandoned his uncompromising stance towards his reform measures. Following months of consultation



and an initial defeat in the National Congress, his government reduced a proposed omnibus bill from 664 articles to about one third as many and was able to pass it. The bill gives Milei emergency powers, allowing him to legislate for one year in the areas of administration, economy, finances and energy.

The reform proposal won by a narrow majority in the Senate, with Vice President Victoria Villarruel casting a decisive vote after the vote resulted in 36 in favour and 36 against.

In addition to this legislation, Milei has implemented other reform plans, including devaluing the Argentinian peso by 50 per cent, cutting state fuel subsidies and halving the number of ministries. Inflation has slowed considerably – to 4.2 per cent in May, the lowest level in two years. On the other hand, the Argentinian economy has shrunk, consumer spending fell sharply in the first three months of this year, and poverty rose to 55 per cent.⁷ Milei’s measures have hit pensioners especially hard, with pensions falling in value by about 30 per cent since the beginning of the year, adjusted for inflation.⁸

Milei’s rhetoric is dominated by challenging the role of the state. During his campaign, he promised to govern without the “political caste” and to reduce state spending to an absolute minimum. From the very outset, he worked to shrink the state by reducing the number of civil servants, which had grown by 65 per cent under the Kirchner governments (2003 to 2015)⁹ and by privatising state-owned companies.¹⁰ In practice, however, there are inconsistencies. For instance, 90 per cent of Milei’s election campaign was funded by the state¹¹, and he appears to have become aware that Argentina cannot be governed as a night-watchman state.

Despite economic difficulties, Milei has managed to maintain the support of the majority of Argentinians. Recent polls have returned an approval rating of 55.7 per cent, making him the most popular president in Latin America.¹² Given the current state of the economy, outsiders may find it difficult to understand why Milei enjoys high approval rates; however, many



Still in the orientation phase: The center-right PRO has been struggling to define its position towards President Javier Milei since his election victory. Party leader and former president Mauricio Macri (pictured) advocates partial cooperation with Milei. Photo: © Catriel Gallucci Bordoni, NurPhoto, picture alliance.

Argentiniens view him as the only way out of the crisis. The radical austerity measures that Milei has now implemented had already been announced in the presidential campaign, during which Milei warned the population about the difficult times ahead. This makes him credible.¹³ Furthermore, the alternatives are weak:¹⁴ none of the opposition parties have presented a more attractive plan to improve the economic situation, nor do they have the strength to oppose the government in a unified way.

Argentina's Parties in Turmoil

The rise of Milei and his party has left its mark on the Argentine party system. Since the presidential election, the opposition parties have been picking up the pieces following their electoral defeat, revamping their content in a process marked by internal power struggles. The success of the libertarian candidate has hit the PRO especially hard, which was already experiencing an identity crisis even before the presidential elections. Since its founding, it has had little to no competition for the role of fundamental opposition to the governments of Néstor and of Cristina Fernández de Kirchner, which governed Argentina from 2003 to 2015.

The political centre disagrees about whether and how to support the Milei experiment.

In opposition to the economically liberal policies of former president and fellow Peronist Carlos Menem (1989 to 1999), the Kirchners promoted left-wing populist measures such as foreign exchange controls, price caps and protectionist trade policy, leading to massive rises in state spending. The objective of PRO politician Mauricio Macri was to end the rampant corruption under the previous government, similar to what Milei hopes to do with his current policies. Macri won the 2015 presidential election and was the first non-Peronist president since the return to democracy to

complete his term in office. Yet, his government from 2015 to 2019 was a disappointment for many. His *Juntos por el Cambio* (“Together for Change”) coalition, including *Unión Cívica Radical* (UCR) and *Coalición Cívica* (CC), was unable to deliver the promised change and failed in its attempts at reform. With the rise of LLA, it does not suffice for PRO to simply stand against Kirchnerian policies and their proponents. Neither in 2019 nor in 2023 were the PRO’s plans for change enough to convince Argentiniens to entrust the party with the presidency again.

It is not just centre-right actors who are suffering an identity crisis, but also Peronists with their centre-left to left ideas (with a venture into neo-liberalism in the 1990s under the Menem government).¹⁵ They themselves recognise that a reinvention is necessary and urgent, as Malena Galmarini, wife of Peronist presidential candidate Sergio Massa, emphasised.¹⁶ Even the powerful former President (2007 to 2015) and Vice President (2019 to 2023) Cristina Fernández de Kirchner has expressed the necessity of developing a new agenda for Peronism.¹⁷ In the first six months of the Milei government, she made few public statements (one occasion when she did speak was on the anniversary of her husband Néstor Kirchner’s first election victory). She argued that Argentiniens have made unnecessary sacrifices and called Milei’s government “anarcho-colonialist”.¹⁸ The internal power struggles between her son, Máximo Kirchner, Chairman of PJ in the Buenos Aires province, and Buenos Aires Governor, Axel Kicillof, for party leadership were carried out in public, underscoring Peronist weakness following the presidential elections. Kirchnerism, the left-wing populist branch of Peronism, is losing influence: polls show that Argentiniens increasingly identify with centrist Peronism and less with Kirchnerism. However, this trend has not yet reached PJ leadership.¹⁹

The UCR, the oldest centrist party and PRO’s coalition partner in *Juntos por el Cambio*, has also been affected by internal conflict in conjunction with the Milei government. UCR’s Luis

Petri is criticised by many close to the party for accepting the post of Defence Minister under Milei. While the majority of PRO have decided to support the government project, there is greater division within the UCR.

Should the Political Centre Support the Milei Government?

Centrist politicians disagree about whether and how to support the Milei experiment. Such decisions first had to be made within PRO, which did not make it to the run-off election. While some, such as former President Mauricio Macri and former Minister of Security Patricia Bullrich, immediately supported Milei after their defeat in the first round, others, such as former Buenos Aires Chief of Government Horacio Rodríguez Larreta, clearly opposed such support.²⁰ This disagreement took on a new dimension when PRO's internal conflict over a possible merger with LLA became public.²¹ The merger's primary supporter was Patricia Bullrich, who returned to her post as Minister of Security under Milei.²² The Peronists must also decide whether to support Milei, especially concerning legislation in the National Congress.²³ What is more, there are more than 40 Peronists in the Milei government, including Chief of Cabinet Guillermo Francos.²⁴

Many politicians who do not completely agree with Milei's programme are still in favour of legislative support for his objectives, as they agree that the economic system requires far-reaching reforms. This appears to have triggered an identity crisis, at least among some political actors. There is increasing discussion in centrist parties about whether politicians who support the government's basic course ought not leave their original parties and join the LLA. Argentina's party system is currently very fragile and could face massive upheaval. This is especially true of PRO, which has shown tendencies towards a merger with LLA. Yet the party should use Milei's victory as an opportunity to regroup and define its objectives and programme. Even if PRO agrees with parts of Milei's economic agenda, it does not need to accept that agenda unconditionally. Its task is to debate it and find

common ground, both within the party and with the governing party. PRO has until the next mid-terms, when both houses will be up for re-election, to rethink its strategies and positions. That is one year away. The political centre should make its presence felt, especially under a radical, volatile government like Milei's, to ensure checks and balances.

Conclusion

Milei's success as presidential candidate has clearly created turmoil in the Argentine party system. Owing to its weak representation in both houses of the National Congress, the Milei government has been forced to abandon its radical reform plans and to seek compromises with other parties. What centrist parties have so far achieved is a discussion and a modification of those plans, since they do not unreservedly accept all of Milei's ideas. Milei has forced the centrist opposition parties, especially the centre-right PRO, to rethink their identity, consider dialogue with the president's party, and review their internal structures. For today's opposition parties, Milei's success has served as a positive incentive, with them having been stuck in a rut for years.

Argentina requires new solutions if it is to rise from the ashes of this chronic economic crisis. In this sense, Milei might be a breath of fresh air. However, his reform measures are affecting the finances and the social situation of Argentinians to whom opposition parties are also responsible. They can support reform implementation without changing their party identity or merging with LLA.

- translated from German -

Jana Lajsic is a Trainee at the Konrad-Adenauer-Stiftung's Office in Argentina based in Buenos Aires.

- 1 Pullella, Philip 2023: From 'imbecile' to 'Your Holiness' - Argentina's Milei changes tone on Pope Francis, Reuters, 21 Nov 2023, in: <https://reut.rs/47IDvXR> [20 Sep 2024].
- 2 Ministerio de Economía Argentina/Instituto Nacional de Estadística y Censos (INDEC) 2024: Índice de precios al consumidor (IPC) (Consumer Price Index), Informes técnicos 8: 1, 11 Jan 2024, in: <https://ogy.de/qd1o> [27 Aug 2024].
- 3 Boettner, Mariano 2024: En 2023, la pobreza llegó al 41,7% de la población y alcanzó a 19,4 millones de personas en todo el país (In 2023, poverty reached 41.7% of the population and affected 19.4 million people across the country), Infobae, 27 Mar 2024, in: <https://ogy.de/2kdl> [27 Aug 2024].
- 4 Roy, Diana 2024: Argentina's Struggle for Stability, Council on Foreign Relations, 5 Feb 2024, in: <https://ogy.de/674q> [27 Aug 2024].
- 5 Infobae 2024: Desafiante respuesta de Milei a Torres: "Proceda con su amenaza y hágase cargo de las consecuencias en la Justicia" (Milei's defiant response to Torres: "Proceed with your threat and face the consequences in court"), 23 Feb 2024, in: <https://ogy.de/nat9> [27 Aug 2024].
- 6 Oficina de Presupuesto del Congreso 2024: Transferencias a gobiernos provinciales y municipales - primer cuatrimestre de 2024 (Transfers to provincial and municipal governments - Jan-Apr 2024), 17 May 2024, in: <https://ogy.de/pj2e> [27 Aug 2024].
- 7 Di Grande, Ludmila 2024: En el primer trimestre, la pobreza alcanzó al 55% de la población, el nivel más alto desde 2002 (In the first quarter, poverty reached 55% of the population, the highest level since 2002), Infobae, 20 May 2024, in: <https://ogy.de/bell> [14 Aug 2024].
- 8 Busch, Alexander 2024: Sechs Monate Javier Milei in Argentinien - im Ausland ein Pop-Star, im Inland immerhin populär, Neue Zürcher Zeitung, 14 Jun 2024, in: <https://ogy.de/ej9t> [27 Aug 2024].
- 9 Argentinisches Tageblatt 2023: Argentinien unter Milei: die Hürde des Staatsapparates, 30 Nov 2023, in: <https://ogy.de/6k7v> [27 Aug 2024].
- 10 Ibid.
- 11 Suárez, Martín 2023: Milei financió casi el 90% de su campaña electoral con dinero del Estado (Milei financed almost 90% of his electoral campaign with state money), Tiempo Argentino, 1 Nov 2023, in: <https://ogy.de/jfr5> [27 Aug 2024].
- 12 Infobae 2024: Javier Milei subió de posición y ahora es el presidente sudamericano con mejor imagen (Javier Milei rose through the ranks and is now the South American president with the best image), 18 Jun 2024, in: <https://ogy.de/41q3> [14 Aug 2024].
- 13 Winter, Brian 2024: Why Argentines Seem to Be Sticking With Milei, Americas Quarterly Podcast, 18 Apr 2024, in: <https://ogy.de/sc4i> [27 Aug 2024].
- 14 Fara, Carlos 2024: ¿Quién es oposición a Javier Milei? (Who is the opposition to Javier Milei?), La Capital, 23 Jun 2024, in: <https://ogy.de/rjsc> [27 Aug 2024].
- 15 González, Gustavo 2023: La crisis de identidad del peronismo (The identity crisis of Peronism), Perfil, 30 Apr 2023, in: <https://ogy.de/e13p> [27 Aug 2024].
- 16 Infobae 2024: Malena Galmarini: "De verdad creo que el peronismo hay que reinventarlo" (Malena Galmarini: "I truly believe that Peronism must be reinvented"), 5 Apr 2024, in: <https://ogy.de/2xgi> [27 Aug 2024].
- 17 Múgica Díaz, Joaquín 2024: Cristina Kirchner cree que el peronismo debe terminar con la autocritica y empezar a discutir una nueva agenda (Cristina Kirchner believes that Peronism must end self-criticism and begin to discuss a new agenda), Infobae, 10 Apr 2024, in: <https://ogy.de/avic> [27 Aug 2024].
- 18 Ámbito Financiero 2024: Cristina Kirchner fustigó el plan económico de Javier Milei y lanzó un fuerte mensaje a la interna del PJ (Cristina Kirchner criticised Javier Milei's economic plan and sent a strong message to the PJ internal debate), 27 Apr 2024, in: <https://ogy.de/ed2e> [27 Aug 2024].
- 19 Fuego Simondet, Javier 2024: La adhesión al kirchnerismo cae y crece el peronismo, pero el cambio no se traslada al debate partidario (Support for Kirchnerism is falling and Peronism is growing, but the change is not reflected in the party debate), La Nación, 29 Jul 2024, in: <https://ogy.de/5518> [27 Aug 2024].
- 20 Mercado, Silvia 2023: El apoyo a Milei divide al PRO: quiénes quedaron de un lado o el otro de la grieta libertaria (Support for Milei divides the PRO: who is on one side or the other of the libertarian divide), El Cronista, 30 Oct 2023, in: <https://ogy.de/i5v5> [27 Aug 2024].
- 21 Moreno, Matías 2024: Los conversos al mileismo: se agudiza la crisis en Pro por la pelea Macri-Bullrich y la eventual "fusión" con los libertarios en 2025 (Converts to Mileitism: the crisis in Pro worsens due to the Macri-Bullrich fight and the possible "merger" with the libertarians in 2025), La Nación, 23 May 2024, in: <https://ogy.de/wiux> [27 Aug 2024].
- 22 Moreno, Matías 2024: En guerra con Macri por el control de Pro, Bullrich y Valenzuela aceleran el plan de fusión con Milei (At war with Macri for control of Pro, Bullrich and Valenzuela accelerate the merger plan with Milei), La Nación, 2 Jun 2024, in: <https://ogy.de/gkjj> [27 Aug 2024].
- 23 La Nación 2024: Cristina Kirchner apuntó contra los dos senadores peronistas que votaron a favor de la Ley Bases (Cristina Kirchner took aim at the two Peronist senators who voted in favor of the Ley Bases), 13 Jun 2024, in: <https://ogy.de/apd0> [27 Aug 2024].
- 24 Clarín 2024: Con Daniel Scioli, ya son más de 40 los peronistas con cargo en el gobierno de Milei (With Daniel Scioli, there are now more than 40 Peronists with positions in Milei's government), 6 Feb 2024, in: <https://ogy.de/6pvg> [27 Aug 2024].