Democracy Red in Tooth and Claw

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Given the weight, import, and devastating consequences of errors made by the incumbent administration of Alberto Fernández, the election results were not at all surprising. Javier Milei’s 11 percentage-point victory, in an electoral system with mandatory voting, was written on every wall.

Faith in Sergio Massa, who secured 44.3% of the votes, was kept only by the obdurately loyal core of Peronist voters, some 30%, especially after Massa garnered more votes than Milei in the first-round of the elections on 22nd October.

It seems 55.7% of the electorate has cast caution and fear to the winds. They opted for Milei, the extreme right-wing libertarian candidate, now president-elect, presently working on cabinet posts and senior government appointments before taking office on 10th December.

It might read like rubbing salt into Peronist wounds, but it is true to say voters vented their frustration. What was the cause of this frustration? The many errors and deplorable practices, real or imagined by hardline anti-Peronists, of the latest iteration of Peronist rule, which I refer to as watered down Kirchnerism.

What political species has been spawned? A very brash anti-Peronist reaction by conservatives, including a call by the vice-president elect, Victoria Villarruel, to turn the military perpetrators of human rights abuses into heroes and victims of the human rights movement.

How was this achieved in the four weeks between the first-round and the runoff? The catalyst was the strategic vision, a term used by Sebastian Lacunza, of Mauricio Macri, president between 2015 and 2019, keen to avoid pending court cases for the many instances of fraud he has allegedly been involved in.

The figures:

Milei obtained 14,476,462 votes, or 55.7%, securing a lead of 2,960,320, which amounts to 11.39% of votes cast. Massa obtained 11,516,142 votes, or 44.3%. There were 8.2 million registered voters who abstained. Blank votes accounted for 1.55% of the total, and 1.62% were spoilt ballots.

Causes: long term and short-term catalysts

A prominent cause was deep dissatisfaction with the incumbent administration, to which must be added an annual inflation rate of 145%, and 40% of the population below the poverty line, after years of recession. Another important reason for Milei’s support was infighting within the governing coalition, marked by the absence of any mechanism, or political will, to manage and resolve disputes.
Probably the most important factors which explain the massive vote for Milei are inflation and total lack of confidence in the Argentine peso. Inflation was caused by very many factors, not just monetary expansion and fiscal deficits.

Another factor that may have led many to vote for Milei is demographic change; indeed, 60% of the population was born after 1983.

One factor that made the right and the anti-Peronists vote for Milei was being endorsed by Macri and by Patricia Bullrich. The latter was the candidate of Macri’s party, which came in third in the first round of the election.

Reports suggest Macri had promised to contribute USS 14 million towards Milei’s runoff campaign but didn’t fulfill his pledge. Macri also promised to ensure the presence of overseers at each polling station, a promise which apparently, he also did not fulfill. However, given Milei’s landslide, it turned out to be irrelevant.

Milei is currently making appointments to the cabinet and senior government posts. Macri is lobbying for the Ministry of Justice, the Ministry of Public Works, and the Presidency of YPF (the national petroleum company and the country’s largest corporation). There is much horse-trading going on, which will doubtless continue until the day of the inaugural.

Macri has so far secured the appointment of two of his former cabinet Ministers: Patricia Bullrich as Minister of Public Safety, and Luis Caputo as Minister of Finance. Caputo has a questionable reputation; indeed, he was not a successful Minister, and has been implicated in dubious deals by the Panama Papers. He worked in a senior position at Deutsche Bank, a bank under heavy scrutiny for gross malfeasance in many places around the world.

One notable political outcome is that the century-old Radical Party is no longer a national party. It survives in some provinces, in some municipalities, and holds a few seats in Congress. It no longer is an important political force. The call by prominent Radical Party former cabinet Ministers to vote for Massa and not for Milei went unheeded.

**Authoritarian features in a right-wing package**

Taken as a whole, many announcements made by Milei strongly suggest authoritarianism:

- It may very well be the dawn of a repressive era. Promises to act within the law may soon be discarded.
- Control of the Judiciary will be ruthless.
- The security apparatus will be overseen by Villarruel, with Bullrich encroaching on and disputing her territory.
- Open calls by Villarruel for tyranny during the campaign are alarming.
- Human and civil rights policies will likely be cast out.
- Repressors during the military dictatorship will be re-cast as victims.
- Support for the death penalty and criminal law reform introducing harsher penalties will be encouraged.
What may be discarded

Work rules and practices.

Respect for civil and human rights.

Attachment to democratic practices, which are overwhelmingly supported by the electorate.

An important number of civil servants

State intervention and Keynesian economic policies.

The principle that a need creates a right.

Social subsidies and aid to 7 million destitute people.

Outlook cloudy and future unclear

Milei is the first president since 1983 not to have a majority in Congress. Andrés Malamud predicts a weak presidency, but the precedent of Peronist Deputies and Senators supporting legislation proposed by then president Macri suggests a path to approval. Possibilities are many: abortion reform, criminal law reform, and privatisation of Aerolíneas Argentinas and YPF. The latter may result in gas and oil exploration grinding to a halt, leading to an increase in hydrocarbon imports by as much as US$ 7 billion a year.

A recent poll by CELAG, a respected left-of-centre Latin American think-tank, indicates that 60% of Milei supporters reject the privatisation of Aerolíneas Argentinas and YPF, and that 59% view him negatively. Therefore, which way the incoming administration will go is anyone’s guess.

Milei will in all likelihood propose a right-wing cabinet in coalition with Macri. Will it be workable and able to weather the choppy political waters it is to navigate? Doubtful.

Perhaps the most important issue at stake is whether democratic practices, civil and human rights will continue to be a feature of Argentine democracy. Faced with 140% inflation and 40% poverty do civil and human rights, and democratic practices, hold any meaningful significance amongst an impoverished and desperate electorate? Is the survival of precarious pluralism feasible in a society which after the runoff has been “broken,” according to José Natanson in Le Monde Diplomatique?

The obvious question which arises is why is Argentina so frequently beset by crises? No one, alas, has an answer.

Recurring crises caused by accumulation of errors.

Many policies explain recurring crises. These policies were either tolerated or created by the latest iteration of Peronism.
One of the most persuasive reasons that comes to mind is the incumbent’s failure to propose economic policies and reforms that addressed massive world-wide changes regarding employment, purchasing power, international trade, and social media. Reforms proved to be fragile and did not result in economic growth, increased employment, and higher incomes. Instead, the current dissatisfaction amongst the electorate, clearly reflected in the vote for Milei, is a result of recession, growing unemployment, and runaway inflation, as Alvaro Garcia Linera has argued.

There are several specific mistaken policy examples, which are persuasive. One is the frequent illusion within Peronism that having a fixed exchange rate will cure inflation. It is only partly understood that inflation is not only fuelled by fiscal deficits or monetary expansion, but also by behaviours ingrained in all economic agents by decades of inflation.

Disillusioned Peronists blame the absence of decisive interventions by the incumbent. Specifically, in negotiations with hedge funds and the International Monetary Fund. No objections were made to the IMF loan, despite it being in breach of evaluations of past programmes carried out by the IMF themselves. No audits, nor haircuts, nor reductions in interest rates were actively pursued.

Ports on the Paraná River are the outlets of the largest share of Argentine agricultural exports, and they are all owned by foreigners who use them to, inter alia., encourage capital flight by understating exports and overstating imports. No measures have been proposed to address this important issue. Nationalisation of these ports is not under consideration.

To conclude: the incoming Milei-Villarruel administration will in all likelihood place democratic practices in grave danger. As Macchiavelli would say, there has been a manifest failure to “mantenere lo stato”. Respected analysts concerned with the end of democracy, such as Guillermo O’Donnell and David Runciman, make a persuasive case regarding lurking dangers. In the Argentine case the reasons are glaringly obvious.

This piece follows a presentation during a seminar on the outcome of the runoff election at the University of Cambridge’s Centre of Latin American Studies (CLAS), on 23rd November 2023. Chair and discussant: Professor David Rock.