The New Far Right in Europe and America: Milei as an Exportable Model

Jorge Carrera
Irene Carrera
Mariquena Solla

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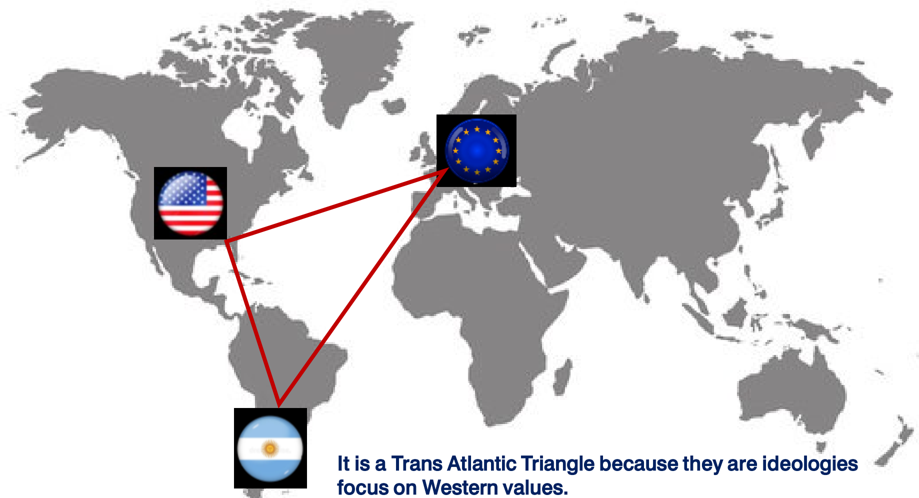
@jorgecarrerao

Contents

This presentation is based on different works. 1) presentations at Trinity College-Dublin, La Sapienza y la Universidad Sorbonne Nouvelle 2) a joint paper with Demian Panigo **The role of state weaknesses in the emergence of Argentine far-right populism. Manuscript under review, Revue de l'OFCE. ISSN: 12659576 and** 3) recent articles about the IMF and the Argentinean financial system published in ***@jorgecarreraok***

1. THE “NEW” FAR RIGHT

THE TRANSATLANTIC TRIANGLE OF THE “NEW” RIGHT

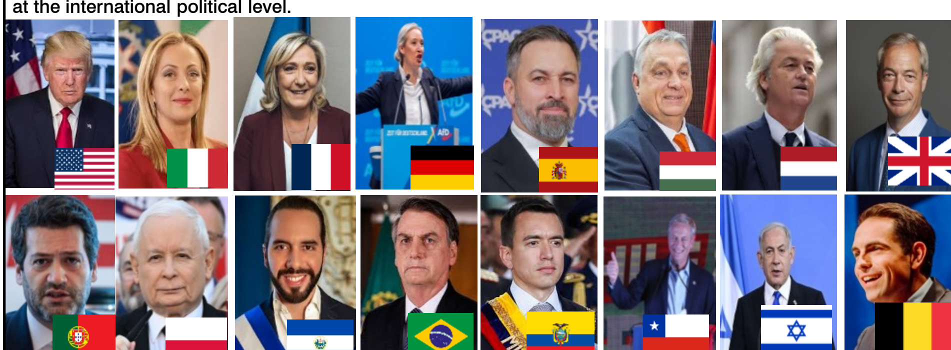


It is a Trans Atlantic Triangle because they are ideologies focus on Western values.
They reject multiculturalism—whether related to immigration or, in Latin America, to Indigenous peoples.
They reaffirm more nationalist right-wing traditions.

1. THE “NEW” FAR RIGHT

The irruption of the “new” far right: form and contents

Among the most notable are **Trump, Meloni, Le Pen, Wilders, Abascal, Orbán, Farage, Ventura, Kaczyński, Bukele, Bolsonaro, Noboa, Kast, Netanyahu** and **Van Grieken**, among others, who also show a certain affinity at the international political level.



In **Argentina**, this phenomenon is reflected in the rise to the presidency of **Javier Milei.**

2. COMMON PATTERNS AND DIFFERENCES

Ideological pattern
Defined by exclusion. Replacing the dominant paradigm, seen as contaminated by "collectivist" ideas (social democracy, classical leftism, keynesianism, **progressive christians**, even traditional liberals and conservatives

Disruptive discourse
Leaders challenge dominant narratives with strong, often **polarizing** messages
Pragmatic adaptation of discourse to **changing national and geopolitical contexts**
From rigid doctrines to opportunistic ***"qualunquismo"***

Digital strategy
Heavy use of **algorithms**, social media, and **fake news**

Social divide
Mobilization fueled by **frustration** and **polarization**
Strong criticism of the **political establishment**, often labeled as a "**caste**"

Electoral base
Broad support among **middle and lower classes**, especially the youth, but also in parts of the elite
Emphasis on **individualism** and **direct connections of the lider** with voters

Climate change skepticism
Seen by some as a pretext for state overreach

From opposition to power
In office, shift toward pragmatism while redefining the political paradigm

Global phenomenon
Rise of extreme right-wing parties across Europe, United States, and Latin America

2. COMMON PATTERNS AND DIFFERENCES

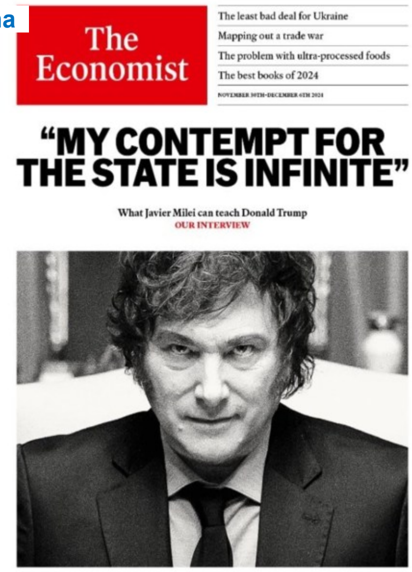
Milei, Trump, Meloni: Common Ground and Contrasts			
Dimension	Milei (Argentina)	Trump (USA)	Meloni (Italy)
Ideological Roots	Radical libertarianism, anarcho-capitalist roots	Populist nationalism, economic protectionism	National conservatism, post-fascist legacy
Political Style	Hyper-disruptive, anti-establishment, aggressive on social media	Disruptive, media-centered, confrontational	More institutional, balancing radical base with EU constraints
Economic Policy	Extreme austerity, liberalization, pro-market rhetoric	Tax cuts, deregulation, protectionist trade stance	Moderate, fiscal conservatism within EU rules
Role of the State	Sharp downsizing, privatizations, elimination of ministries	Reduced state, but selective subsidies (e.g., for agriculture)	Family-oriented policies, selective state intervention
Climate Policy	Sceptical, opposes international green agendas	Climate change denial, withdrawal from environmental accords	Moderate stance, aligned with EU climate commitments
Media Strategy	Intense social media use, confrontational tone, meme warfare	Heavy use of Twitter/X, Fox News, mass rallies	Controlled communication, more sober style
Relation with Elites	Denounces the "political caste," sees state as a loot system	Criticism of the "deep state" and mainstream media	Anti-elite rhetoric, but pragmatic in governance
Globalization	Pro-trade globalization, but anti-global elite discourse	Anti-globalist, favors protectionism	Eurosceptic tone, but pragmatic alignment with the EU



3. THE RISE OF MILEI

Global

mena



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3. THE RISE OF MILEI. *WHY IN ARGENTINA?*

Why in Argentina?

Argentina's pendulum from one extreme to the other

Argentina: from progressivism to libertarianism

A country long known for its progressive achievements—divorce, marriage equality, legal abortion, universal education and health, gender policies, open immigration, and exemplar human rights trials for military dictatorship.

So… what happened??

Macroeconomic frustration: inflation, stagnation, poverty, corruption and the pandemic.

One guilty: political **"political caste"**

Strong polarization and a majority system led to a candidate starting with 33% support reaching 57% in the runoff election.

Improvised Machiavellism. Traditional parties' tactical

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3. THE RISE OF MILEI

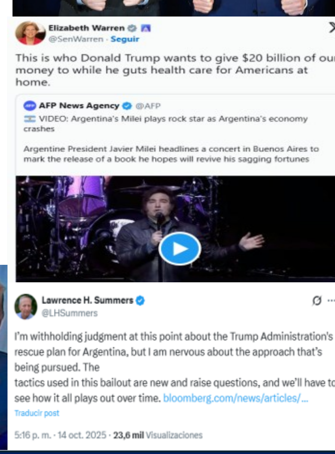
Why in Argentina?
Argentina's pendulum
from one extreme to the other
The country remains locked in a prolonged strategics deadlock.
So, the pendulum went from a progressive agenda to a libertarian one
Is this the last time? Does the pendulum stabilize or

Alternatives Economiques

4. EXTERNAL SUPPORT OF LIBERTARIAN EXPERIMENT: The American friend

The external support The model has economic and political problems Can Milei fix this extreme model?
Trump provides a very strong external backing
("whatever it takes"): New IMF agreement very relevant
Treasury Swap and syndicated REPO
Several promises of US private investment
Bening tariff treatment
Daly Treasury intervention in Argentine FX markets!!

But there is no free lunch in the coming years
All of this is part of new **"International of the Far Right"**
External support is based on
- Ideological affinities
- Geopolitical battle against China


Elizabeth Warren
@SenWarren · Seguir
This is who Donald Trump wants to give $20 billion of our money to while he guts health care for Americans at home.
AFP News Agency @AFP
VIDEO: Argentina's Milei plays rock star as Argentina's economy crashes
Argentine President Javier Milei headlines a concert in Buenos Aires to mark the release of a book he hopes will revive his sagging fortunes

Lawrence H. Summers
@LHSummers
I'm withholding judgment at this point about the Trump Administration's rescue plan for Argentina, but I am nervous about the approach that's being pursued. The
tactics used in this bailout are new and raise questions, and we'll have to see how it all plays out over time. bloomberg.com/news/articles/...
Traducir post
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Daly Treasury intervention in Argentine FX markets!!

Intervention is record. Higher than with Yen and Euro

To day question …….

Why are the Secretary of Treasury Bessent doing all these things ???????


Elizabeth Warren
@SenWarren · Seguir
This is who Donald Trump wants to give $20 billion of our money to while he guts health care for Americans at home.
AFP News Agency @AFP
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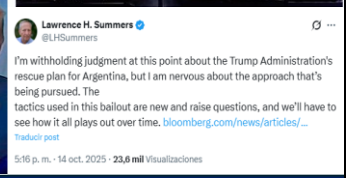
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4. EXTERNAL SUPPORT OF LIBERTARIAN EXPERIMENT

Drastic International realignment of Argentinian international position

Rejection of **international environmental agreements included in the 2030 Agenda and the United Nations Pact for the Future**:

"I want to issue a warning: we are facing an end of a cycle. ***Collectivism and the moral posturing of the woke agenda have collided with reality and no longer have credible solutions to offer for the real problems of the world.*** *In fact, they never did […]* ***If the 2030 Agenda has failed, the response should be to ask ourselves whether it was not a poorly conceived program from the start, accept that reality, and change course.***
One cannot pretend to persist in error by doubling down on an agenda that has failed."

Speech by J. Milei for the 79th session of the United Nations General Assembly 2024.

- Rejection of agreements on gender issues from the United Nations Pact for the Future and at the G20.
- Abandonment of Argentina's neutral position
- Complete alignment with the U.S.
- Strong support to Netanyahu Israel
- Rejection of the BRICS, China, and Brazil
- Strong disputes with several countries (Spain, Colombia, Brazil, Chile, Rusia, Iran….)

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4. EXTERNAL SUPPORT OF LIBERTARIAN EXPERIMENT: New Agreement with IMF

New Agreement with the IMF focus on

-the level of reserves,

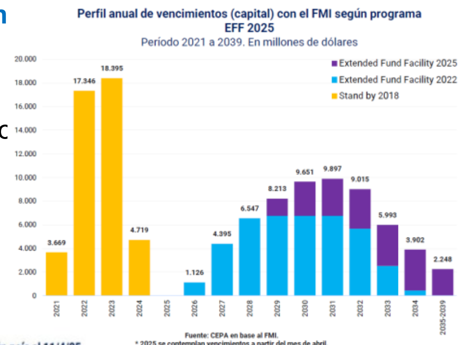
-new exchange rate regime (bands), dollarization abandon currency competitic

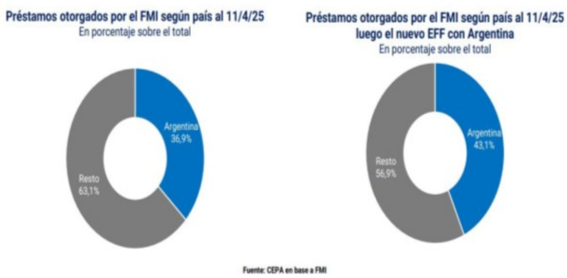
-fiscal surplus of 1,6% and 2,2%,

-control of monetary aggregates and

-strong package of structural reforms

With the new agreement debt only with IMF is USD 62 billion





4. EXTERNAL SUPPORT OF LIBERTARIAN EXPERIMENT: New Agreement with IMF

Under the new agreement, Argentina owes USD 62 billion

The reserve accumulation targets are demanding

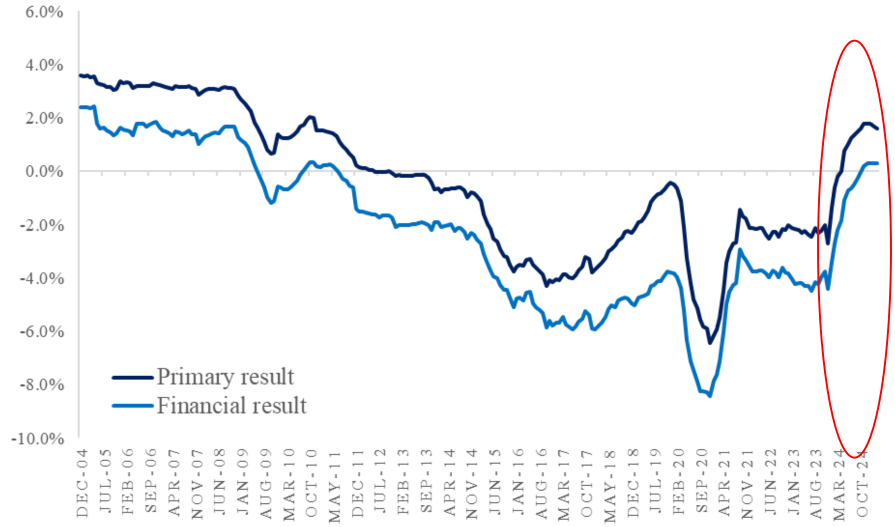
Monetary financing of the deficit is not allowed — neither through Central Bank advances nor through Central Bank profits.

New Agreement with the IMF (EFF 2025) – Comparison of IMF Projections

Projections	2024	2025	2026	2027	2028	2029	2030
Current account balance (% of GDP)	1.0	-0.4	-0.3	0.2	0.6	1.1	1.2
1R - Current account balance (% of GDP)	1.0	-1.7	-1.4	-1.1	-0.7	-0.3	0.0
ΔCurrent account balance (% of GDP)	0.0	-1.3	-1.1	-1.3	-1.3	-1.4	-1.2
Current account balance (bn USD)	6.3	-2.7	-2.0	1.4	4.5	7.9	9.5
1R - Current account balance (bn USD)	5.7	-11.8	-10.3	-8	-5.5	-2.3	0.1
ΔCurrent account balance (bn USD)	-0.6	-9.1	-8.3	-9.4	-10.0	-10.2	-9.4
Fiscal balance (% of GDP)	0.3	0.0	0.0	0.4	0.4	0.4	0.4
1R - Fiscal balance (% of GDP)	0.3	0.4	0	0.5	0.5	0.5	0.5
ΔFiscal balance (% of GDP)	0.0	0.4	0.0	0.1	0.1	0.1	0.1
Primary balance (% of GDP)	1.8	1.3	2.2	2.5	2.5	2.5	2.5
1R - Primary balance (% of GDP)	1.8	1.6	2.2	2.5	2.5	2.5	2.5
ΔPrimary balance (% of GDP)	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Public debt (bn USD)	478.7	462.6	458.2	444.0	433.9	428.0	422.5
1R - Public debt (bn USD)	478.7	462.6	471.6	461.8	455.3	449.9	445.3
ΔPublic debt (bn USD)	0.0	0.0	13.4	17.8	21.4	21.9	22.8
Monetary base (% of GDP)	5.1	6.1	7.0	7.6	7.9	8.1	8.3
1R - Monetary base (% of GDP)	5.1	5.9	6.9	7.4	7.8	8.0	8.2
ΔMonetary base (% of GDP)	0.0	-0.2	-0.1	-0.2	-0.1	-0.1	-0.1
Gross reserves (bn USD)	16.6	36.3	44.6	54.3	65.3	77.0	89.0
1R - Gross reserves (bn USD)	16.6	30.9	42.6	54.5	65.8	77.7	90.2
ΔGross reserves (bn USD)	0.0	-5.4	-2.0	0.2	0.5	0.7	1.1
Real GDP growth (%)	-1.7	5.5	4.5	4.0	3.2	3.1	3.0
1R - Real GDP growth (%)	-1.3	5.5	4.5	4.0	3.2	3.1	3.0
ΔReal GDP growth (%)	0.4	0.0	0.0	0.0	0.0	0.0	0.0
GDP (bn USD)	561.0	683.0	714.0	715.0	712.0	738.0	776.0
1R - GDP (bn USD)	565.5	718.0	729.0	744.0	753.0	784.0	826.0
ΔGDP (bn USD)	4.5	35.0	15.0	29.0	41.0	46.0	50.0

5. MACROECONOMIC AND STABILIZATION POLICIES: Fiscal policy

12-month rolling primary balance of the Argentine public sector (% of GDP)

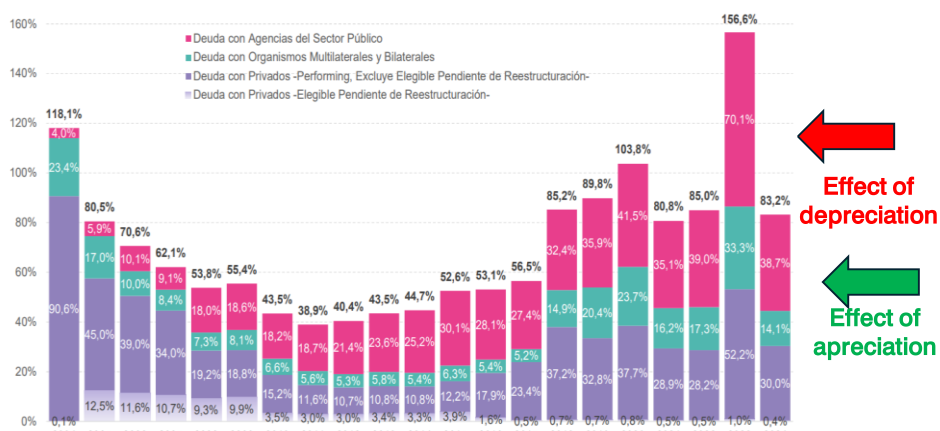


Source: Own elaboration based on data from the Ministry of Economy and INDEC.

5. MACROECONOMIC AND STABILIZATION POLICIES: Fiscal policy

Debt as the eternal protagonist: public debt

Evolution of the central government's gross debt by creditor as a percentage of GDP



Source: Ministry of Economy

5. MACROECONOMIC AND STABILIZATION POLICIES: Monetary and exchange-rate policy

Monetary policy

- Initial **sharp devaluation** of the Argentinean peso.
- **No monetary financing** of the deficit. Strong measure.
- **Negative real interest rate** at the first months.
- All the **sterilization instrument were passed to the Treasury**. No more Leliq.
- **The CB was not closed. Not independent.** But, by appointing a commercial partner of the minister, there are fully subordination of the CB to the Ministry of Finance
- **Instead of original idea of dollarization, the official proposal was moving to currency competition. New agreement with the IMF goes in that direction.**

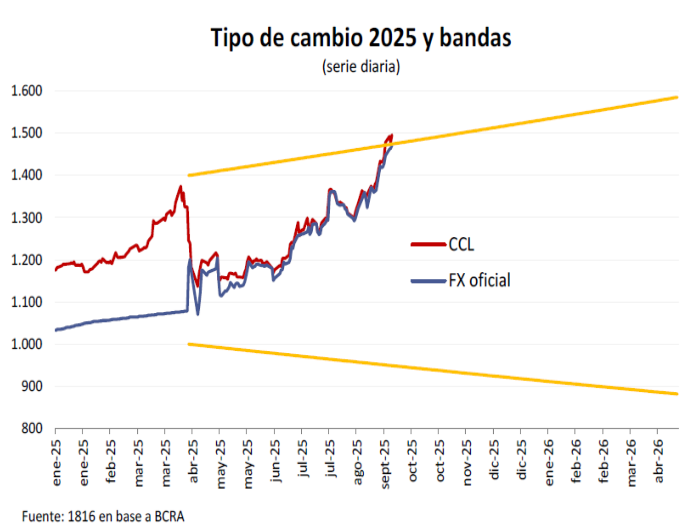
5. MACROECONOMIC AND STABILIZATION POLICIES: new agreement with IMF

New Exchange Rate Regime

The crawling peg was replaced by a widening exchange rate band. A path toward floating.

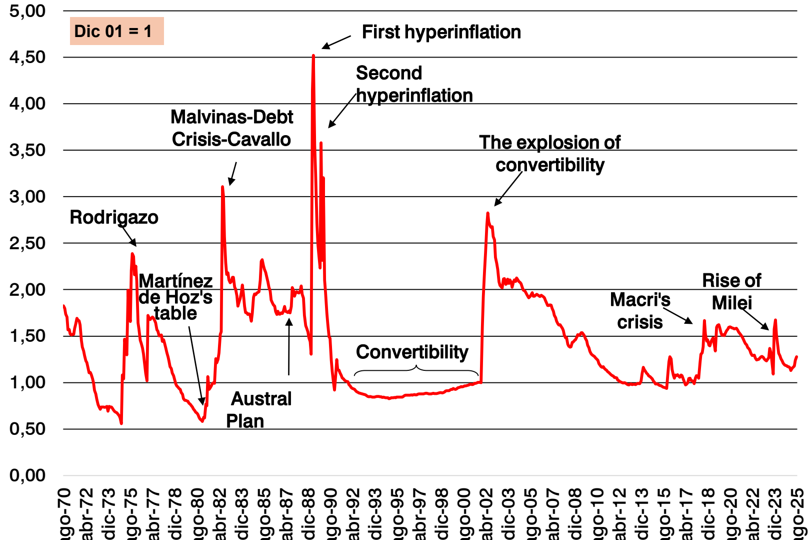
Reserve purchases within the band are allowed without sterilizing the monetary expansion.

Original idea, but…



5. MACROECONOMIC AND STABILIZATION POLICIES: Real Exchange Rate (RER) and External Sector

During the firsts two years the real exchange rate (RER) was appreciating. Once again...



What is the long-term equilibrium Real Exchange Rate?

Source: own elaboration based on BCRA

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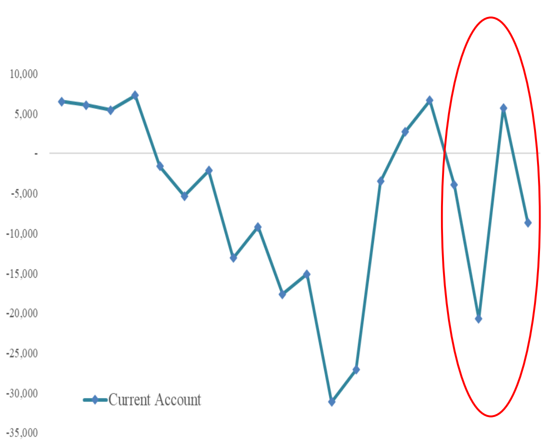
5. MACROECONOMIC AND STABILIZATION POLICIES: Real Exchange Rate (RER) and External Sector

During the firsts two years the real exchange rate (RER) was appreciating. And the Current Account is going negative very rapidly
The government failed in accumulate Int reserves



Reservas en LATAM		
PAÍS	RESERVAS (millones de USD)	RESERVAS (% PBI)
Argentina	Brutas: 38.817 Netas sin FMI -7.900	6,30%
Brasil	349.000	16,0%
Chile	45.000	13,0%
Colombia	58.000	15,0%
México	208.000	14,0%
Perú	73.000	27,0%
Uruguay	16.000	20,0%

Fuente: elaboración propia en base a INDEC

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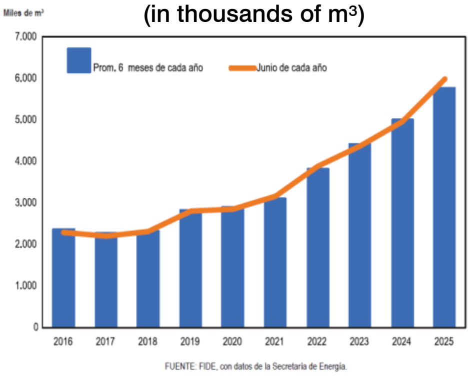
5. MACROECONOMIC AND STABILIZATION POLICIES: Real Exchange Rate (RER) and External Sector

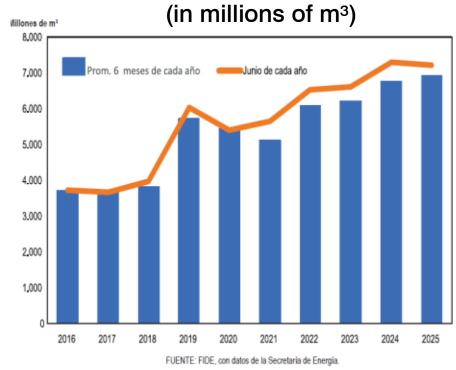
In front of the criticism for RER appreciation and the current account deficit
Government says "this time is different" because of Vaca Muerta.
Will it be enough?

The strategy seems to be to use debt in all forms as a bridge to.....

Oil production conventional and unconventional
(in thousands of m³)



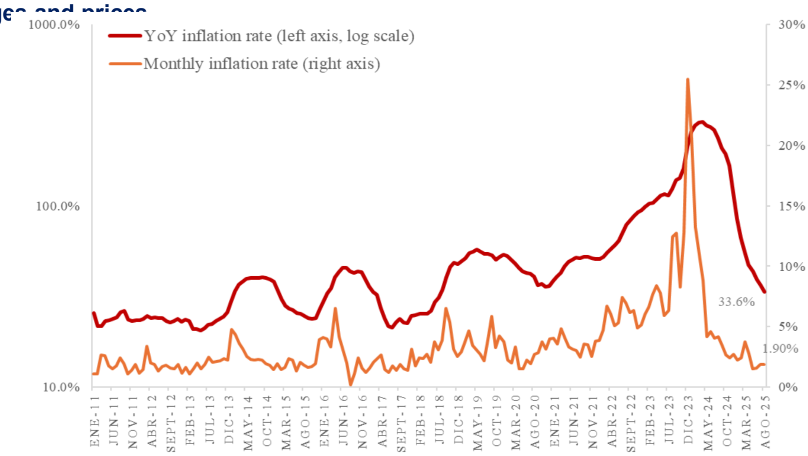
Gas production conventional and unconventional
(in millions of m³)



Source: FIDE

5. MACROECONOMIC AND STABILIZATION POLICIES: Inflation and Unemployment

Even though the government says that inflation is always a monetary phenomena
They use a multidimensional approach
The main instrument has been the FX policy. Fiscal and monetary policy have had an important direct impact in reducing inflation. the full liberalization and the openness to imports of consumption and the Recession have played a key role disciplining wages and prices

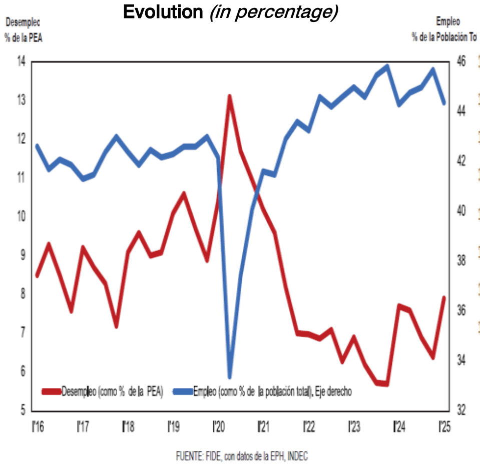


5. MACROECONOMIC AND STABILIZATION POLICIES: Inflation and Unemployment

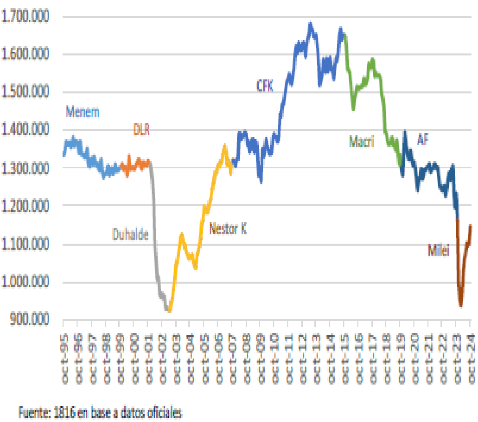
Unemployment rate has risen sharply and is expected to continue growing

Real wages are recovering slowly

Quarterly Employment and Unemployment Rates Comparative Evolution *(in percentage)*



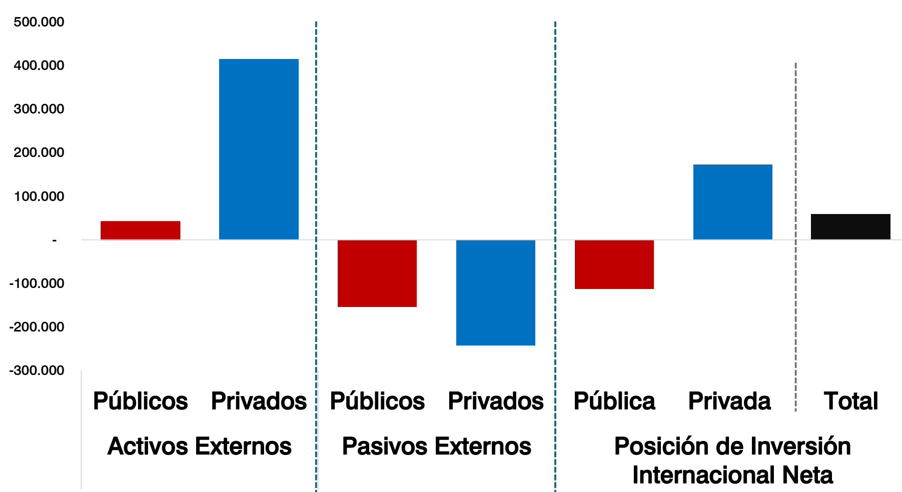
Real Wages of Registered Permanent Workers - RIPTE
(in pesos at October 2024 prices, latest available data)



5. MACROECONOMIC AND STABILIZATION POLICIES: Financial system and bimonetarism

Argentine paradoxes: debt, the dollar, and wealth distribution

Posición de Inversión Internacional - Argentina dic-2024
-valor de mercado en millones de dólares-

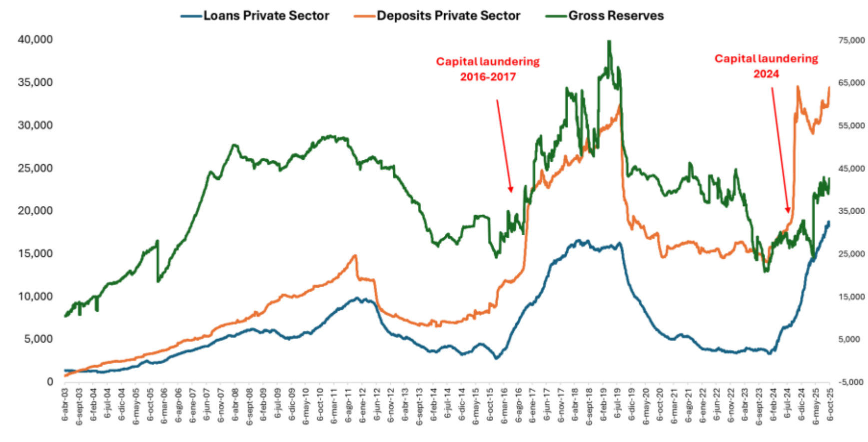


Source: Own elaboration based on INDEC

5. MACROECONOMIC AND STABILIZATION POLICIES: Financial system and bimonetarism | THE GAME CHANGER

Argentine paradoxes: debt, the dollar, and wealth distribution. Tax amnesty plus Capital laundering and Asset regularization program

Loans and Deposits in US$ (Private Sector) + Gross Reserves (right axis)
-in millions of dollars-



Source: Own elaboration based on BCRA

5. MACROECONOMIC AND STABILIZATION POLICIES: Financial system and bimonetarism | DOLLARIZATION

What monetary and exchange rate configuration do they have in mind?

A) Classic Dollarization by Aggregates Exchange
B) Dollarization through Monetary Implosion and Disappearance of the Peso
C) Currency Competition with Convertibility
D) Currency Competition with Managed Float (Crawl, Band)
E) Currency Competition with Free Float and Inflation Targets
F) No Currency Competition with Convertibility
G) No Currency Competition with Managed Float (Crawl, Band)
H) No Currency Competition with Free Float and Inflation Targets

	Peso con curso legal privilegiado/ obligatorio	Peso más Dólar en paridad de condiciones	Dólar única moneda de curso legal
Fijo	F	C	A , B
Flotación Administrada	G	D	
Flotación Libre	H	E	

6. STRUCTURAL AND CULTURAL TRANSFORMATION

Full deregulation policy, market preeminence

Privatization policy.

Labor market flexibilization.

Pension reform

Deregulation: Full free competition, free movement of goods, services, labor.

Privatization: Sale of most state-owned firms and assets (banks, airlines, utilities, etc.).

Labor Reform (Decree 847/2024):

- Regularization of unregistered employment with debt forgiveness
- New termination systems replacing traditional severance packages.
- Extension of the probationary period
- Framework for independent workers with up to 3 collaborators
- Simplification in labor registration
- Exclusion of the clause on dismissals due to blockades.

Goal: Labor market flexibilization and greater market preeminence.

Pension reform. Partial privatization

6. STRUCTURAL AND CULTURAL TRANSFORMATION

"Destruction" of the state from the inside

"I love being the mole inside the State. ***I am the one who destroys the State from within.*** *It's like being infiltrated in enemy ranks.* ***State reforms must be carried out by someone who hates the State, and I hate the State so much*** *that I'm willing to endure everything [...] just to destroy [it]"*

Javier Milei (2024, junio 5).

6. STRUCTURAL AND CULTURAL TRANSFORMATION

Anti-Rights and Anti-Woke Agenda: Key Actions

Against Social Justice
Defined as “institutionalized robbery” and “the greatest aberration of the caste model.”

Dismantling of Equality Institutions
Closure of the Ministry of Women, Gender, and Diversity.
Elimination of INADI and hundreds of layoffs.

Rollback of Indigenous and Rural Rights
Closure of the Institute for Family, Peasant, and Indigenous Agriculture.
Repeal of the Land Law and Indigenous Territorial Survey.

Anti-Migrant Measures
Restoration of Decree 70/2017.
Health fees for foreigners and tuition for non-resident students.

General Hostility Toward Public Goods
Cuts and institutional weakening in public health and higher education.

7. CONCLUSIONS

How could be the evolution of the libertarian experiment?

Argentina: The Most Extreme Libertarian Experiment in Power

Politics & External Backing
- More radical than Trump/Meloni
- Milei’s model hinges on external support (Trump, IMF). No free lunch

Macroeconomy
- Disinflation: necessary but not sufficient
- GDP per capita in 2025 < 2023 → rising inequality
- Recession-driven current account surplus → to deficit + real appreciation
- Restoring competitiveness = recessionary adjustment

Reforms & Social Tensions
- Structural agenda vs. societal limits → growing conflicts

Macro vs. Micro Timing
- Short-term macro relief vs. mounting, uneven micro costs

THANKS

@jorgecarreraok

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