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The Libertarian Calling for an End to Argentina's 'Decadent' Ways

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After a century of economic disarray in Argentina, Jose Luis Espert is making the case for radical change.

The fringe right-wing presidential hopeful is running on a platform of liberal economic policies never before tried in one of South America's most protectionist nations. The 57-year old economist and television pundit says President Mauricio Macri's administration has been tame on trade, fiscal and labor policies.

"There's no solution within the system," Espert said in an interview at Bloomberg's headquarters in New York. "You have to change the system."

Espert brings unconventional ideas to the region's second-largest economy, which is struggling with a second recession in three years and the weakest currency in emerging markets. Macri, who faces reelection on Oct. 27, has struggled to turn around a country known for capital controls, unpredictability and contempt for foreign investors.

Running for the Libertarian Party, Espert aims to end "a century of decadence" through free trade, slashing the public sector and revamping labor laws based on 1940s workers' champion President Juan Domingo Peron.

While he's likely to capture just a small percentage of votes -- by his own estimates he has seven percent of public support -- the self-proclaimed fan of Milton Friedman and the Chicago school of economics says his candidacy will serve to ingrain the need for a political overhaul.

"I'd feel happy enough if common sense ideas are put back on the table," Espert said. "If people don't vote for us, Argentina will remain in a swamp of decadence."

Macri turned to the International Monetary Fund last year after investors, concerned about the fiscal deficit, sold their positions in Argentina. While the current government has struggled to rein in spending for fears of social upheaval, Espert says he can fire 1.5 million government employees, about 40 percent of the public workforce, without facing a backlash. That's because the private sector, enjoying a lighter tax burden, would step in, he said.

With many voters disillusioned by Macri but unwilling to turn back to his predecessor, Cristina Fernandez de Kirchner, other candidates sense a chance. "A huge distrust in traditional politics has opened the biggest window of opportunity in 15 years," Espert said.

Espert, who'll formalize his candidacy when elections are officially called in few weeks, will face an uphill battle: He has limited political machinery and will rely on volunteers in a campaign expected to cost as much as \$20 million.

During his visit to the U.S., Espert said he'll meet banks including UBS AG, JPMorgan Chase & Co., Morgan Stanley and Bank of America Corp., as well as the Cato Institute, the Council of the Americas, and the Inter-American Dialogue.

He'll also meet the IMF. Argentina's record \$57-billion credit line from the fund won't be enough to meet debt obligations in the coming years if lenders keep rates prohibitively high, Espert said. As president he'd ask for an additional \$30 billion so Argentina could honor its commitments through 2021.