



## Javier Milei and the Libertarian Tradition

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November 30, 2023

By now you will have heard of Argentina’s president-elect Javier Milei, the chainsaw-wielding anarcho-capitalist and free-market economist, whose viral denunciations of political class privilege are so easy to grasp that they have been dubbed into Japanese.

And although Milei is a political novice with no executive experience—as the sober scribes of the English-speaking financial press are quick to point out—his extraordinary political rise did not take place in an ideological vacuum.

In fact, the electoral victory of this “Thatcher-loving libertarian,” as the *Financial Times* calls Milei, is similar to that of the Iron Lady in 1979 in one crucial respect: it is the result of a decades-long struggle by a few individuals to promote free-market ideas and the principles of classical liberalism in a thoroughly hostile environment.

As per the 2006 BBC documentary *Tory! Tory! Tory!*, which charts Thatcherism’s emergence in Britain well before Margaret Thatcher herself went to Parliament: “It’s only very small groups of people who stand out against any consensus: people who are different in some way,” whether as cranks or geniuses.

In Britain's case, it all began when Sir Antony Fisher, "an Old Etonian chicken farmer" concerned with the country's post-war, welfare state consensus—indeed a socialist consensus—met Friedrich von Hayek, a free-market thinker and future Nobel laureate in economics. Hayek, "an Austrian seer" according to the BBC, convinced Fisher not to stand for Parliament, but rather to found the Institute for Economic Affairs, a free-market think tank. Influence over intellectuals, writers, and journalists—"the secondhand dealers in ideas"—Hayek claimed, would ultimately lead to a sea change in public opinion. The IEA's ideas, in fact, "were Thatcherite before she was."

In Argentina's case, "Mileism" probably began around 1957, when an economist by the name of Alberto Benegas Lynch—who happened to be a relative of Ernesto "Che" Guevara—founded the Center for the Study of Liberty. This was shortly after a coup d'état ousted Juan Domingo Perón, the corporatist strongman who had ruled the country from 1946 to 1955. Despite Perón's downfall, his brand of corporatism—in which a growing state shares power with labor unions and protected enterprises, whether public or private—still ruled the day. As Perón would claim shortly before his return to power in 1973: "we are all Peronists now." The Center for the Study of Liberty, however, certainly wasn't.

Instead, Benegas Lynch arranged lectures in Buenos Aires from the world's foremost classical liberal thinkers. Chief among them was Ludwig von Mises, Hayek's mentor and a stalwart of the "Austrian School" of economics. In a book published in 1922 (*Die Gemeinwirtschaft*), Mises had demonstrated how communist, centrally planned economies would fail due to their destruction of the price system through the abolition of private property.

Benegas Lynch's son, also named Alberto, became a prominent defender of classical liberalism in his own right. An 83-year-old lawyer and economist, Alberto Benegas Lynch *fiel*s founded the Escuela Superior de Economía y Administración de Empresas (ESEADE), a university in

Buenos Aires, in 1978. He not only recruited Hayek himself to serve on ESEADE's board, but, subsequently, also two other Nobel laureates: American free-market economists James Buchanan and Vernon Smith. A professor at the University of Buenos Aires and a member of Argentina's National Academy of Science, Benegas Lynch jr. is a prolific writer who has long argued that Argentina must discover its tradition of "Alberdian liberalism."

This refers to the political and economic thought of Juan Bautista Alberdi, the classical liberal thinker whose ideas of commercial freedom, unrestrained industry, and free immigration influenced Argentina's constitution of 1853. As I wrote recently, this was "the model that a series of elected governments put in place between 1880 and 1916, a period that roughly coincides with Argentina's golden age as an exporting powerhouse." By contrast, the subsequent eras of nationalism and Peronism ushered the country's steep decline.

Shortly after the death of Benegas Lynch *père* in 1999, Argentina suffered one of its recurrent economic crises as government spending and monetary interference caused the collapse of the "convertibility system," a fixed exchange rate mechanism (which is not dollarization) set up by former president Carlos Menem, a right-wing Peronist. In the fall-out, left-wing Peronist Nestor Kirchner came to power.

Kirchnerism was the dominant force in 21st-century Argentine politics until Milei's appearance. The president elect refers to Benegas Lynch jr. as his mentor and, during his recent campaign, he often quoted the former's definition of classical liberalism in front of large audiences: "The unrestricted respect for the life project of others based on the non-aggression principle and the defense of the right to life, liberty, and property." For his part, Benegas Lynch jr. credits Milei with reintroducing Alberdi's thought into mainstream Argentine politics after an 80-year absence.

Milei's political ascent was certainly meteoric—he was first elected to Congress in November of 2021—but the principles of classical liberalism already had a solid and influential following in Argentina before the president elect became a celebrity. In fact, the ideas that Benegas Lynch père and his colleagues promoted at the University of Buenos Aires and the Center for the Study of Liberty spread gradually across Argentina, where you will now find Latin America's most sophisticated network of free-market think tanks. These include Libertad y Progreso in Buenos Aires, Fundación Libertad in Rosario, Fundación Global in Mar del Plata, and Fundación Federalismo y Libertad in Tucumán. Moreover, Argentina has numerous economists trained in the Austrian tradition, who have taught for decades at several prestigious institutions.

One example is economist Martín Krause, a professor (like Benegas Lynch) at the University of Buenos Aires and a former dean at ESEADE. Krause, who writes and lectures on the history of Austrian School economics, is also an authority on the political and economic dimensions of the thought of Jorge Luis Borges, a fierce anti-Peronist and, as it turns out, Argentina's last world-renowned anarcho-capitalist before Milei. In Borges's own terms, he was a "Spencerian anarchist," a reference to 19th-century English author Herbert Spencer and his 1884 treatise, *The Man Versus the State*.

Last August, Milei, who vowed to introduce a nationwide school voucher system, hinted that, were he to win the presidency, Krause would be his education secretary. As journalist Marcelo Duclós has noted, Krause is concerned with a thorough decentralization of the Argentine education system through school choice, home schooling, and curriculum autonomy for schools. During a recent Cato Institute event, Krause clarified that he was willing to set out the terms for a broad educational reform according to classical liberal principles but was not interested in its political implementation. He would write the score that others could play.

Milei himself, who was trained as a neoclassical economist, only came across the Austrian school in 2013. As he subsequently told an interviewer, he discovered Mises and Hayek and found a “superlative conceptual clarity.” His Damascene conversion was aided by the lectures—widely watched on YouTube across the Spanish-speaking world—of Spanish professor Jesús Huerta de Soto, who teaches economics at Madrid’s Rey Juan Carlos University. Like Benegas Lynch and Krause in Argentina, Huerta de Soto has trained several generations of Spanish economists, businessmen, and public intellectuals and is considered Spain’s leading authority in Austrian school economics.

Earlier this year, Milei wrote a chapter for a *Festschrift* in honor of Huerta de Soto’s career, in which he attacks neoclassical economics and its notion of a government’s ability to correct so-called “market failures.” During one of his lectures last week, Huerta de Soto answered his students’ questions about Milei and compared the importance of his election victory to that of the fall of the Berlin Wall.

Indeed, a few weeks ago, current finance minister Sergio Massa came in well ahead of Milei in Argentina’s first round of voting with 36 percent of the vote, only four percentage points short of an outright victory. Peronism’s hold on power seemed to be still impregnable. It is paradoxical, of course, that so many Argentines voted for the man responsible for annual inflation levels of 140 percent. But then again, the appeal of Peronism, which is akin to a civic religion in Argentina, has never been purely logical.

In the ensuing run-off, however, Milei achieved a landslide win, thus breaking the “Perón paradox” less than three years after founding his own libertarian party. Viewed in the longer term, however, Argentina’s political sea change began in the 1950s, when a local economics professor began to exchange correspondence with Mises and Hayek.

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