



Analyzing Argentina's Presidential Elections

A Global Americans Explainer



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Acknowledgments

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Introduction

This explainer provides a comprehensive analysis of the current political landscape in Argentina, with a specific focus on the upcoming presidential election between Sergio Massa and Javier Milei. It delves into the key differences between the two candidates' economic policies and approaches to governance. The explainer is organized in a question-and-answer format. Its goal is to engage the audience by addressing common inquiries and providing comprehensive responses. By presenting information in this interactive manner, the explainer aims to enhance the understanding of Argentina's political scenario and allow readers to clarify their primary concerns.

Massa, a prominent Peronist, is known for his pro-business stance and opposition to certain measures from the leftist wing of the party led by Vice-President Cristina Fernandez de Kirchner. He has campaigned on plans to increase penalties for tax evasion, implement a more progressive tax system, and reduce the value-added tax. However, he has faced criticism from within the Peronist movement. On the other hand, Milei has taken a more radical approach, advocating for the complete dismantling of the current system. He has proposed slashing state subsidies, privatizing state companies, eliminating the Central Bank, and reducing the number of ministries. Milei's most eye-catching proposal is dollarization, which aims to stabilize the economy by adopting the U.S. dollar as the national currency.

The explainer also discusses the composition of Congress and the possible political alliances that may be formed to secure a legislative majority. It highlights the gains made by Milei's political movement, *La Libertad Avanza* (LLA), and the dominance of the Peronist coalition, *Unión por la Patria* (UP), in both chambers. Former president Mauricio Macri's *Juntos por el Cambio* (JxC) coalition, represented by Patricia Bullrich, suffered serious electoral losses along with second-round infighting, leading to questions about the coalition's future.

Furthermore, the explainer explores the major challenges and uncertainties facing Argentina's next government, particularly in terms of the economy, inflation, and foreign exchange reserves. Argentina is currently experiencing one of the worst economic crises in its history, with high inflation, slow economic growth, and rising poverty rates. The country is also grappling with a dwindling foreign currency reserve and the need to renegotiate its debt with the International Monetary Fund (IMF) and other creditors. The next president will face the daunting task of addressing these issues and implementing sustainable economic policies.

Overall, this analysis provides valuable insights into the political dynamics and challenges that the next government of Argentina will face, shedding light on the contrasting approaches of Massa and Milei and their potential implications for the country's economic future.

Background



How did the pre-election polls and pundits fail to predict the results of the election accurately, and what does this say about the reliability of polling in Argentina?

Polling in the weeks before the first-round election on October 22 predicted a narrow victory for Milei followed by a surging Massa and a retreating Bullrich.¹ Massa overperformed his polling figures by capturing 36.7 percent of the first-round vote; Milei followed with 30 percent—both advancing to the November 19 runoff. The center-right coalition led by Bullrich, which had outperformed Massa in the August primary, came in third place and was knocked out of the race with 23.8 percent.

Massa's win is less reflective of the failure of Argentine polling and more reflective of voter uncertainty. Throughout the election cycle, public opinion has remained fluid in Argentina, mirroring voters' negative perceptions of the candidates and the state of the country.² A majority of Argentines say they have negative opinions of Milei and Massa, and an even larger share of the electorate say the country is not on the right track.³ Even so, political analysts attribute Massa's surprise win to his success in stoking fears that Milei's radical proposals to fix a broken economy could make things worse for the millions who rely heavily on state subsidies.⁴

In the run-up to the October 22 vote, trade unions sponsored ads on public transit, showing commuters a low "Massa price" contrasted with far higher Milei and Bullrich prices without subsidies. Additionally, many have pointed to Pope Francis' October 16 appearance on Argentine public television as influencing the vote in the majority-Catholic country. Though Francis—an Argentine and former Archbishop of Buenos Aires—did not mention Milei directly, he warned of the danger of “Messianic clowns” and “pied pipers” who lead people to drown.⁵

¹ ASCOA. 2023. “Argentina 2023 Poll Tracker.” *Infogram*. <https://infogram.com/argentina-2023-poll-tracker-1hnp27m9rngdy2g> (November 14, 2023).

² Ibid.; Osborn, Catherine. 2023. “Argentina Presidential Election: Massa, Milei Head to Runoff.” *Foreign Policy*. https://foreignpolicy.com/2023/10/27/argentina-election-massa-milei-economy-inflation-pope/#cookie_message_anchor (November 14, 2023).

³ Harrison, Chase. 2023. “Poll Tracker: Argentina’s 2023 Presidential Election.” *AS/COA*. <https://www.as-coa.org/articles/poll-tracker-argentinias-2023-presidential-election> (November 14, 2023).

⁴ Brigida, Anna-Catherine, and Anna-Catherine Brigida. 2023. “How Argentina’s Massa Pulled off Election Upset with Tax Cuts and Bus Fares.” *Reuters*. <https://www.reuters.com/world/americas/how-argentinias-massa-pulled-off-election-upset-with-tax-cuts-bus-fares-2023-10-23/> (November 14, 2023).

⁵ Osborn, Catherine. 2023. “Argentina Presidential Election: Massa, Milei Head to Runoff.” *Foreign Policy*. https://foreignpolicy.com/2023/10/27/argentina-election-massa-milei-economy-inflation-pope/#cookie_message_anchor (November 14, 2023).



What factors contributed to the unexpected rise of radical libertarian Milei in the election?

Since Argentina's democratic transition in 1983, two movements have dominated the country's political scene. Broadly speaking, these two forces can be described as traditional Peronist and anti-Peronist parties. Each has led the country through short-lived, commodity-led boom cycles, posting some of the highest growth rates worldwide, only to be voted out once global demand and prices for agricultural products retreated and the country reverted to severe economic collapse.⁶

Argentina today finds itself in yet another crisis, plagued by triple-digit inflation, dwindling Central Bank reserves, growing fiscal deficits, and looming debts.⁷ With each bust cycle, Argentina's persistent corruption, lack of economic competition, and bloated welfare state come to light, leading to the collapse of whatever coalition is in power. Since neither the traditional Peronist nor anti-Peronist coalitions have addressed the state's underlying structural problems, many voters have turned to the outsider, Milei, to break the boom-and-bust cycle.

In less than a year, his candidacy has transformed from a mere curiosity to an arguable front-runner. At campaign events around the country, Milei has used coarse language to describe opponents and has wielded a chainsaw as the embodiment of his confrontational plans to attack the system as it exists. Milei's bombastic personality, coupled with his unconventional proposals to slash public spending—scrapping half of the government's ministries, selling state-owned companies, dollarizing the currency, and eliminating the central bank—have struck a chord with voters who are fed up with and skeptical of the status quo. Thus, the failure of traditional factions to self-correct in the past 20 years, alongside a growing acceptance of Milei's unique policies and firebrand personality, remain the most compelling reasons to explain his rise.⁸

How did Massa secure a strong first-place finish in Argentina's presidential election despite the economic crisis?

Despite doubts about the electoral fortune of the Peronist governing coalition amid severe economic crisis—with the inflation rate soaring above 140 percent,⁹ over 40 percent of the population impoverished, and growing anger with the political establishment—Massa managed to secure an impressive 36.7 percent of the vote, adding 4.6 million new votes since the primary

⁶ Sabatini, Christopher. 2023. "If Milei Meets Massa in a Second Round, All Bets Are off for Argentina's Election – and the Country's Future." *Chatham House – International Affairs Think Tank*. <https://www.chathamhouse.org/2023/10/if-milei-meets-massa-second-round-all-bets-are-argentinas-election-and-countrys-future> (November 14, 2023).

⁷ Rathí, Anusha. 2022. "Argentina's Economic Crisis Never Went Away." *Foreign Policy*. <https://foreignpolicy.com/2022/08/15/argentina-imf-debt-massa-fernandez/> (November 14, 2023).

⁸ Brigida, Anna-Catherine, Candelaria Grimberg, and Anna-Catherine Brigida. 2023. "With TikToks, Memes and Musk Comments, Argentina Election Battle Goes Viral." *Reuters*. <https://www.reuters.com/world/americas/with-tiktoks-memes-musk-comments-argentina-election-battle-goes-viral-2023-09-20/> (November 14, 2023).

⁹ Gillespie, Patrick. 2023. "Argentina's Annual Inflation Hit 143% Ahead of Election." *Bloomberg*. <https://www.bloomberg.com/news/articles/2023-11-13/argentina-s-inflation-hits-143-in-final-release-before-election> (November 13, 2023).

election.¹⁰ Though this result remains the worst electoral performance of a Peronist candidate since the democratization process four decades ago, Massa was able to position himself as a favorite for the runoff election.

Unlike his main opponents, Milei and Bullrich, who championed fiscally conservative policies, an anti-corruption agenda, and radical reforms such as dollarization or privatization, Massa focused his campaign on defending social programs. By tapping into the fears of a financially struggling electorate and collaborating with traditional Peronist organizations such as the powerful trade unions, Massa successfully established the idea that both opposition candidates were a ‘leap into the unknown’ and a threat to Argentina’s welfare state, labor rights, and social services.¹¹

With 18.7 million people receiving money from the state, including retirees, pensioners, social program recipients, and public servants, Massa’s promotion of the state as an economic provider reassured impoverished Argentines.¹² Indeed, in the lead-up to the first-round election, Massa ramped up public spending, giving informal workers two welfare checks totaling USD 268.50.¹³

In addition, Massa strategically distanced himself from President Alberto Fernandez’s unpopular government as well as from *La Campora*, the left-wing political movement led by Kirchner, making the Peronist movement more appealing to a moderate electorate doubtful of Milei’s radical agenda and Bullrich’s conservative approach.¹⁴

¹⁰ Bianco, Miguel Lo, and Jorge Otaola. 2023. “Argentina Inflation Hits 124% as Cost-of-Living Crisis Sharpens.” *Reuters*. <https://www.reuters.com/markets/argentine-shoppers-face-daily-race-deals-inflation-soars-above-100-2023-09-13/> (November 14, 2023);

Álvarez, Juan Pablo. 2023. “Qué pasó en los otros tres episodios en los que la inflación en Argentina superó el 130%.” *Bloomberg Línea*. <https://www.bloomberglinea.com/latinoamerica/argentina/que-paso-en-los-otros-tres-episodios-en-los-que-la-inflacion-en-argentina-supero-el-130/> (November 14, 2023).

¹¹ Carrino, Por Ivan. 2023. “A pesar de la inflación, el ‘plan platita’ rindió frutos.” *infobae*. <https://www.infobae.com/economia/2023/10/23/a-pegar-de-la-inflacion-el-plan-platita-rindio-frutos/> (November 14, 2023).

¹² Del Rio, Jose. 2023. “El plan Massa funcionó: por qué logró un triunfo en un país al borde de la hiper.” *La Nación*. <https://www.lanacion.com.ar/economia/el-plan-massa-funciono-por-que-logro-un-triunfo-en-un-pais-al-borde-de-la-hiper-nid23102023/> (November 14, 2023).

¹³ Tobias, Manuela. 2023. “Argentina Boosts Election Spending, Risking Even More Inflation.” *Bloomberg.com*. <https://www.bloomberg.com/news/articles/2023-09-26/argentina-boosts-election-spending-risking-even-more-inflation> (November 14, 2023).

¹⁴ Origlia, Gabriela. 2023. “Elecciones 2023 | Sergio Massa buscó despegarse del kirchnerismo en su visita a Córdoba, y prometió darle a la provincia ‘lo que le corresponde.’” *La Nación*. <https://www.lanacion.com.ar/politica/elecciones-2023-sergio-massa-busca-despegarse-del-kirchnerismo-en-su-visita-a-cordoba-y-prometio-nid06112023/> (November 14, 2023); Araya, José Ignacio. 2023. “Peronismo Incombustible: Sergio Massa y La Resurrección Del Histórico Movimiento Político Argentino.” *La Tercera*. <https://www.latercera.com/la-tercera-domingo/noticia/peronismo-incombustible-sergio-massa-y-la-resurreccion-del-historico-movimiento-politico-argentino/CVWPBP63KBFNROCZIYF57UE2UA/> (November 14, 2023); Lescano, Salvador. 2023. “Kirchnerism Is in Crisis, But Peronism Will Survive.” *Global Americans*. <https://theglobalamericans.org/2023/06/kirchnerism-is-in-crisis-but-peronism-will-survive/> (November 14, 2023).



What impact did conservative Bullrich's candidacy have on the election and the performance of the JxC coalition?

In many ways, Bullrich's failure to advance to the runoff parallels her own victory in the JxC primary rather than the shocking upset many outside viewers claimed.¹⁵ JxC, a coalition of three centrist or center-right opposition parties, held an internal primary pitting center-right Bullrich against centrist Horacio Rodríguez Larreta, which Bullrich won handily.¹⁶

In the general election, competing against the rightwing Milei and centrist Massa, center-right Bullrich faced the unenviable task of uniting voters from the center. And in the most polarized country in the world,¹⁷ that position was simply untenable—with right-leaning voters aligning with the further right option in Milei and left-leaning voters aligning with the further left choice in Massa. Where Bullrich offered to reorder Argentina's sociopolitical system, Milei provided a more exciting willingness to tear it down, and Massa stood as its lone defender.¹⁸

In effect, Bullrich and JxC represented establishment conservatism in an election where voters wanted either the status quo or the removal of the establishment altogether. Her failure to forge a successful coalition from the center only reaffirms the strength of polarization in Argentine politics and the prevailing chaos of its well-known *grieta*.¹⁹

¹⁵ Escobar, Belen, and Francisco Aldaya. 2023. "Patricia Bullrich ganó la interna de JxC y llamó a la unidad para las generales." *Bloomberg Línea*. <https://www.bloomberglinea.com/2023/08/14/paso-2023-asi-esta-el-clima-en-el-bunker-de-juntos-por-el-cambio/> (November 14, 2023).

¹⁶ Alcoba, Natalie. 2023. "Patricia Bullrich Prepares Her Next Move." *Americas Quarterly*. <https://www.americasquarterly.org/article/patricia-bullrich-prepares-her-next-move/> (November 14, 2023).

¹⁷ 2023 Edelman Trust Barometer. 2023. <https://www.edelman.com/sites/g/files/aatuss191/files/2023-01/2023-Edelman-Trust-Barometer-Global-Report.pdf>.

¹⁸ Alcoba, Natalie. 2023. "Patricia Bullrich Prepares Her Next Move." *Americas Quarterly*. <https://www.americasquarterly.org/article/patricia-bullrich-prepares-her-next-move/> (November 14, 2023).

¹⁹ Roy, Diana. 2022. "Argentina: A South American Power Struggles for Stability." *Council on Foreign Relations*. <https://www.cfr.org/backgrounder/argentina-south-american-power-struggles-stability> (November 14, 2023).

What are the key differences between Massa and Milei in terms of their economic policies and approaches to governance?

Among prominent Peronists, Massa represents one of the most pro-business voices in the movement.²⁰ He has publicly opposed various measures from the Kirchner wing of the party, including the nationalization of loss-producing private pension funds, and is known for his strict stance on corruption. He even broke with Peronism completely and started his own party in 2010, though he has since rejoined the movement.²¹

Still, he has faced the tricky balancing act of accommodating criticism from his left and right. This cycle, Massa has campaigned on plans to increase penalties for tax evasion, institute a more progressive tax system, implement an anti-money laundering law, and reduce the value-added tax.²² The leftist wings of Peronism have criticized him for cuts in social spending, while conservatives have said he is not doing enough to reduce the fiscal deficit. The differences between Massa and Kirchner's elements of the movement are tangible, though relative, as Massa would not fundamentally dismantle Peronism from its roots as one of the most pro-union, protectionist, and pro-safety-net political movements in the hemisphere.

Instead of balancing, Milei has campaigned on burning the system as it exists to the ground. To curtail public spending by 15 percent of the country's GDP, Milei has promised to gut the Argentine state by slashing state subsidies, privatizing state companies, eliminating the Central Bank, and abolishing 10 of the current 18 ministries.²³ To stabilize the currency and rein in hyperinflation, Milei has advocated for abandoning the Argentine peso and instead adopting the dollar. However, it remains unclear what levers Milei will pull to bring about these changes.

Neither Massa nor Milei will have a majority in Argentina's Congress, so whoever wins will have a weak mandate until at least 2025, when the next round of legislative elections occurs.²⁴ Therefore, the scope of what either candidate can achieve will be limited to what their natural partners in Congress are comfortable with. For Milei, governing will mean compromising with the JxC coalition, while for Massa, governing will mean pleasing his base while trying to peel off votes from the smaller blocs.

²⁰ Politi, Daniel. 2023. "Down, but Not out: Two Argentine Political Veterans Seek to Thwart Upstart Populist." *AP News*. <https://apnews.com/article/argentina-elections-massa-milei-bullrich-7974c76d80121c8e9d6138a0a2841d37> (November 14, 2023).

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²² "Moneda digital, reducción de impuestos y nueva ley de blanqueo: los anuncios económicos de Sergio Massa | Elecciones Argentina 2023." 2023. *Página12*. <https://www.pagina12.com.ar/593737-monedadigital-reduccion-de-impuestos-y-carcel-para-evasores> (November 14, 2023).

²³ Amaya, Sol. 2023. "¿Qué ministerios quiere eliminar Milei y por qué? ¿de qué se encargan esos?" *CNN*. <https://cnnespanol.cnn.com/2023/11/02/milei-ministerios-eliminar-por-que-de-que-se-encargan-orix-arg/> (November 14, 2023).

²⁴ Nugent, Ciara, and Michael Stott. 2023. "Argentina's Economy Minister Sergio Massa Seeks Broad Coalition after First-Round Election Win." *Financial Times*. <https://www.ft.com/content/f1ede3c7-06ed-4afa-bd1e-d4f78aaed552>.



How does Massa plan to protect the social safety net, and how does Milei's proposal to cut government size and dollarize the economy differ?

Massa represents economic continuity in the upcoming election. For many Argentines, that is a comfort—Gallup polling has shown large majorities in favor of Argentina's public healthcare and education systems.²⁵ The anti-corruption tilt of much of his campaign platform is also a comfortable way to suggest bringing in more money without increasing economic burdens on Argentina's growing impoverished population.²⁶

But continuity is not without controversy. Just under a third of Argentines struggle to afford shelter, 4 in 10 struggle to afford food, and 62 percent believe the economy is getting worse rather than better—the highest portion in South America.²⁷

In the lead-up to the election, he has deliberately mismanaged the economy to put more money in the hands of Argentine voters at the risk of further defaults on Argentina's massive foreign debts. This cynically political economic management will likely make him a risky ally for foreign investors and international financial institutions like the IMF, which currently holds USD 46 billion in Argentine debt.²⁸ Most recently, he has proposed launching a central bank digital currency (CBDC)²⁹ in an effort to access and tax the nation's vast informal economy.³⁰ While such projects have seen international praise from organizations like the IMF in other Latin American countries, experts doubt an Argentine CBDC would provide the same value due to the volatility of the peso and central bank in Argentina.³¹

Milei represents economic change. He has promised to abolish free public education and healthcare and, at times, made shocking economic proposals such as legalizing the organ trade.³² Most controversially, his platform has centered on dollarizing the Argentine economy to end the economic instability that comes from mismanagement of the peso.

While Argentina would be the largest Latin American nation to pursue dollarization, it can look to Ecuador to see some of the benefits and costs of such a policy. Ecuador dollarized in 2000 in

²⁵ Vigers, Benedict. 2023. "Will Argentine Voters Get the Change They Want?" *Gallup.com*. <https://news.gallup.com/poll/511982/argentine-voters-change.aspx> (November 14, 2023).

²⁶ "Moneda digital, reducción de impuestos y nueva ley de blanqueo: los anuncios económicos de Sergio Massa | Elecciones Argentina 2023." 2023. *Página12*. <https://www.pagina12.com.ar/593737-monedadigital-reduccion-de-impuestos-y-carcel-para-evasores> (November 14, 2023).

²⁷ Vigers, Benedict. 2023. "Will Argentine Voters Get the Change They Want?" *Gallup.com*. <https://news.gallup.com/poll/511982/argentine-voters-change.aspx> (November 14, 2023).

²⁸ "Argentina: FMI, el papa y Mercosur, en agenda de Massa si gana." 2023. *EFE Noticias*. <https://efe.com/mundo/2023-10-23/massa-en-rueda-de-prensa-dia-despues-de-ganar-la-primera-vuelta-de-elecciones-en-argentina/> (November 14, 2023).

²⁹ Feliba, David. 2023. "Amid Critics from the Crypto Space, Argentina's Frontrunner Wants to Build a Digital Peso." *Fintech Nexus*. <https://www.fintechnexus.com/argentina-digital-peso/> (November 14, 2023).

³⁰ Yeyati, Eduardo Levy. 2020. "After the Default: Argentina's Unsustainable '20/80' Economy." *Brookings*. <https://www.brookings.edu/articles/after-the-default-argentinas-unsustainable-20-80-economy/> (November 14, 2023).

³¹ Feliba, David. 2023. "Amid Critics from the Crypto Space, Argentina's Frontrunner Wants to Build a Digital Peso." *Fintech Nexus*. <https://www.fintechnexus.com/argentina-digital-peso/> (November 14, 2023).

³² Vigers, Benedict. 2023. "Will Argentine Voters Get the Change They Want?" *Gallup.com*. <https://news.gallup.com/poll/511982/argentine-voters-change.aspx> (November 14, 2023).

response to massive economic mismanagement, uncontrolled debt, and hyperinflation, similar to Argentina's current challenges.³³ For Ecuador, dollarization's benefits have been currency stability and the ability to rely on the U.S. Federal Reserve's professionalization rather than crafting a strong parallel institution—this was seen particularly as a benefit for creating pressure on the populist Correa regime to match spending to revenues (rather than overspending and then inflating the currency).³⁴ The largest benefit may be the difficulty of doing away with dollarization once implemented, which could help reassure investors and banks about the country's economic stability.³⁵ Those benefits have come at the cost of an inability to manage the domestic currency to address changing financial circumstances. This cost has been particularly apparent as Ecuador has been forced to respond to crises with exponential increases in borrowing and debt or vast austerity plans, calling into question the sustainability of the dollarization model.³⁶

The vote between Massa and Milei will be between an unpleasant status quo and a risky new path. Massa's governance would likely continue the unstable boom-and-bust cycle of Argentine economic expansion and contraction from past governments but maintain many of the social institutions that low-income Argentines rely on. Milei would attempt to stake out a new, more stable future while slashing social spending to the lowest level in decades.

How do the candidates plan to structure the economy, given the country's complicated relationship with its largest creditor, the IMF?

With nine sovereign debt defaults in Argentina's history, the IMF and other international creditors have long played a prominent role in the country's politics.³⁷ Following the latest sovereign debt default in 2020, Argentina entered its third debt restructuring plan since 2001. This time, amid the COVID-19 pandemic economic downturn—with the peso depreciating over 40 percent, dwindling reserves, and an unsustainable sovereign debt at 88 percent of the GDP—President Alberto Fernandez's government managed to restructure 99 percent of the eligible bonds (approximately USD 64.8 billion), averting a severe financial crisis.³⁸ In addition, Fernandez's government faced other challenges, such as reprofiling the IMF's USD 57 billion record bailout of 2018.

In 2022, following a tough negotiation process, the Argentine government and the IMF reached a 30-month extended fund facility agreement (EFF) equivalent to USD 44 billion.³⁹ The agreement included longer payment terms and aims to strengthen debt sustainability, tackle inflation, boost

³³ Reed, Lawrence W. 2020. "Celebrating Ecuador's Dollarization | Lawrence W. Reed." <https://fee.org/articles/celebrating-ecuador-s-dollarization/> (November 14, 2023).

³⁴ Cachanosky, Nicolas. 2020. "Dollarization in Ecuador after 20 Years." *AIER*. <https://www.aier.org/article/dollarization-in-ecuador-after-20-years/> (November 14, 2023).

³⁵ Berg, Andrew, and Eduardo Borensztein. 2000. "The Pros and Cons of Full Dollarization." <https://www.imf.org/external/pubs/ft/wp/2000/wp0050.pdf>.

³⁶ Cueva, Simon, and Julian P Diaz. 2019. "The Monetary and Fiscal History of Ecuador, 1960–2017."

³⁷ Yeyati, Eduardo Levy. 2020. "After the Default: Argentina's Unsustainable '20/80' Economy." *Brookings*. <https://www.brookings.edu/articles/after-the-default-argentinas-unsustainable-20-80-economy/> (November 14, 2023).

³⁸ Delivorias, Angelos. 2023. "Argentina's Debt Restructuring and Economy Ahead of the 2023 Elections."

³⁹ *Ibid.*,



reserves, and address Argentina’s social and infrastructure challenges.⁴⁰ Nonetheless, amid mounting geopolitical tensions as well as worsening impacts of climate change, Argentina’s inflation rate continued to increase, exports dropped, and Central Bank reserves decreased.

Today 40.3 percent of Argentines live below the poverty line, adding 2.7 million new impoverished since 2022.⁴¹ Massa, Minister of Economy since July 2022, has promised to keep working alongside the IMF to stabilize the economy, strengthen labor rights, level prices, increase penalties for tax evasion, and implement a national digital currency.⁴² Nonetheless, the IMF’s board of directors has recently expressed concerns about Massa’s expansive monetary measures taken in the context of the electoral campaign, exacerbating inflation and preventing the accumulation of reserves.⁴³

Milei’s economic policies—including his dollarization plan, the shutdown of the Central Bank, the lowering of taxes, and the reduction of ministries to eight—aim to reduce the size of the state and control inflation strategically.⁴⁴ Milei has promised the IMF that he will go deeper than what they have asked for, slashing public spending by 15 percent of the GDP.⁴⁵ In a recent meeting, Milei’s economic team told IMF officials that they would not stop payments to the IMF nor default on the debt.⁴⁶ Argentina’s next president will also have to negotiate the restructuring of a debt with members of the Paris Club, Argentina’s remaining major sovereign debt creditor.

⁴⁰ Elliott, Lucinda, and Michael Stott. 2022. “Argentina Agrees Deal with IMF to Restructure \$44.5bn of Debt from Bailout.” *Financial Times*. <https://www.ft.com/content/9ac4d53c-fafe-4e08-969d-d2ae927bc912>; “IMF Executive Board Approves 30-Month US\$44 Billion Extended Arrangement for Argentina and Concludes 2022 Article IV Consultation.” 2022. *IMF*. <https://www.imf.org/en/News/Articles/2022/03/25/pr2289-argentina-imf-exec-board-approves-extended-arrangement-concludes-2022-article-iv-consultation> (November 14, 2023).

⁴¹ Ismael Bermúdez, 2023. “Pobreza: en ultimo, 2,7 millones de personas pasaron a ser pobres.” *Clarín*. https://www.clarin.com/economia/pobreza-ultimo-ano-2-7-millones-personas-pasaron-pobres_0-IFJs8wBYaP.html (November 14, 2023).

⁴² Harrison, Chase. 2023. “Argentina’s 2023 Runoff: Comparing Massa and Milei | AS/COA.” <https://www.as-coa.org/articles/argentinas-2023-runoff-comparing-massa-and-milei> (November 14, 2023).

⁴³ “Moneda digital, reducción de impuestos y nueva ley de blanqueo: los anuncios económicos de Sergio Massa | Elecciones Argentina 2023.” 2023. *Página 12*. <https://www.pagina12.com.ar/593737-monedadigital-reduccion-de-impuestos-y-carcel-para-evasores> (November 14, 2023).

⁴⁴ Harrison, Chase. 2023. “Argentina’s 2023 Runoff: Comparing Massa and Milei | AS/COA.” <https://www.as-coa.org/articles/argentinas-2023-runoff-comparing-massa-and-milei> (November 14, 2023).

⁴⁵ Olivera Doll, Ignacio. 2023. “How Javier Milei Would Cut Argentina Spending by 14% of GDP.” *BNN Bloomberg*. <https://www.bnnbloomberg.ca/how-javier-milei-would-cut-argentina-spending-by-14-of-gdp-1.1975133> (November 14, 2023).

⁴⁶ Politi, Daniel, and Gisela Salomon. 2023. “Argentina’s Anti-Establishment Candidate Milei Engages IMF in Economic Talks after Shock Primary Win.” *AP News*. <https://apnews.com/article/milei-imf-fund-bullrich-argentina-elections-935b534d84b2733d7ef6e6827641ff37> (November 14, 2023).

How will the second round of voting between Massa and Milei shape up, and what strategies might they employ to win over voters?

Massa has continued to use his privileged position as Minister of Economy to address economic hardship, the primary concern of Argentine voters,⁴⁷ in the lead-up to the next round of the election. While he has been able to fill voters' pockets in the months leading to the election, the IMF condemned his recent economic measures as financial "mismanagement" that will cause the nation to miss its refinancing targets.⁴⁸

Across the aisle, Milei successfully negotiated an alliance with former president Macri and defeated JxC candidate Bullrich. Unfortunately for Milei, rather than him obtaining Bullrich's large portion of the vote, this move has instead shattered the JxC coalition.⁴⁹ PRO, the party of Macri and Bullrich, has split between moderates who want to focus on rebuilding the coalition and hardliners who want to support Milei. Party leaders from UCR and *Coalición Cívica ARI* have stated that they will certainly not be supporting Milei,⁵⁰ denouncing him as a threat to Argentine democracy. Some UCR leaders have even publicly considered backing Massa against his right-wing competitor.⁵¹

Polling remains close, with most pollsters showing one candidate or the other leading by under 4 points.⁵² In the end, the election looks to be determined by which candidate voters trust more on economic issues: the safe option, Massa, who likely won't solve the country's problems but seems unlikely to cause new ones, or the riskier Milei, who wants to tear it all down and build something entirely new in its place.⁵³

⁴⁷ Harrison, Chase. 2023. "Poll Tracker: Argentina's 2023 Presidential Election." *AS/COA*. <https://www.as-coa.org/articles/poll-tracker-argentinas-2023-presidential-election> (November 14, 2023).

⁴⁸ Do Rosario, Jorgelina. 2023. "Exclusive: Inside IMF, Stance Hardens on Argentina as \$44 Bln Deal Skids off Track." *Reuters*. <https://www.reuters.com/markets/inside-imf-stance-hardens-argentina-44-bln-deal-skids-off-track-2023-11-09/> (November 14, 2023).

⁴⁹ Molina, Federico Rivas. 2023. "Patricia Bullrich's Decision to Endorse Right-Wing Candidate Javier Milei Throws Argentina's Opposition into Disarray." *EL PAÍS English*. <https://english.elpais.com/international/2023-10-26/patricia-bullrichs-decision-to-endorse-right-wing-candidate-javier-milei-throws-argentinas-opposition-into-disarray.html> (November 14, 2023).

⁵⁰ Goñi, Uki. 2023. "Javier Milei Endorsed by Defeated Rival Who Once Sued Him for Defamation." *The Guardian*. <https://www.theguardian.com/world/2023/oct/25/argentina-presidential-election-patricia-bullrich-endorse-javier-milei> (November 14, 2023).

⁵¹ Pertot, Werner. 1698110750. "Una derrota que hizo estallar la interna de Juntos por el Cambio | El tercer puesto de Patricia Bullrich dejó a la alianza opositora al borde de la ruptura." *PAGINA12*. <https://www.pagina12.com.ar/604467-tras-la-derrota-juntos-por-el-cambio-se-encamina-a-su-ruptur> (November 14, 2023).

⁵² Harrison, Chase. 2023. "Poll Tracker: Argentina's 2023 Presidential Election." *AS/COA*. <https://www.as-coa.org/articles/poll-tracker-argentinas-2023-presidential-election> (November 14, 2023)

⁵³ *Ibid.*,

If elected, how will each candidate engage in the international fora?

Milei's proposals have also been controversial in the realm of foreign policy. In August, he proclaimed that he "wouldn't work with communists," referring to relations with China and Brazil's President Luiz Inácio Lula da Silva.⁵⁴ Milei has also threatened to pull out of Southern Common Market (MERCOSUR), saying that it is "defective" and has failed at achieving its goal of promoting trade between member countries.⁵⁵

His foreign policy advisor and likely foreign minister, Diana Mondino, has said some of Milei's statements had been blown out of context and that Milei would look "to reinsert Argentina into the world."⁵⁶ Mondino has instead suggested that if elected, Milei would stop opaque state-to-state deals—preferring private sector collaboration instead. In that vein, Mondino and Milei both oppose Massa's plan to have Argentina join the BRICS alliance, made up of India, Brazil, Russia, and South Africa.⁵⁷

Expect a Milei-led government to have a hostile stance toward left-leaning autocracies—like China, Cuba, and Venezuela—and align itself closely with the United States, Europe, and Israel, much like Macri's government (2015-2019). Unlike Macri, though, Milei does not practice as much restraint when describing other foreign leaders—in the same vein as former U.S. and Brazilian presidents Donald Trump and Jair Bolsonaro. For his part, Milei has publicly and personally attacked Lula and Pope Francis, calling Lula a "savagely leftist" and the pope a "filthy leftist." These attacks likely do more to energize his base at the expense of risking hurting Argentina's standing internationally.

For his part, Massa has tapped Gustavo Martinez Pandiani, the current Argentine ambassador to Switzerland, to be his foreign minister. In response to Milei's BRICS stance, Pandiani said, "rejecting entry into BRICS is nonsense; we believe that Argentina should always sit at the negotiating tables where important issues for our future are discussed." Pandiani has expressed his support to "modernize" MERCOSUR, the regional trade bloc made up of Argentina, Brazil, Paraguay, and Uruguay. Comments like this signal Pandiani's preference for the status quo, albeit with incremental changes, making him a more palatable pick for many Argentine and international observers.

⁵⁴ Rosemberg, Jaime. 2023. "No hago pactos con comunistas': Milei quiere romper relaciones con China y Brasil en caso de llegar a la Presidencia." *La Nacion*. <https://www.lanacion.com.ar/politica/no-hago-pactos-con-comunistas-milei-quiere-romper-relaciones-con-china-y-brasil-en-caso-de-llegar-a-nid17082023/> (November 14, 2023).

⁵⁵ Rosemberg, Jaime. 2023. "No hago pactos con comunistas': Milei quiere romper relaciones con China y Brasil en caso de llegar a la Presidencia." *La Nacion*. <https://www.lanacion.com.ar/politica/no-hago-pactos-con-comunistas-milei-quiere-romper-relaciones-con-china-y-brasil-en-caso-de-llegar-a-nid17082023/> (November 14, 2023).

⁵⁶ Sigal, Lucila. 2023. "Argentina Election Puts China, Brazil Ties in the Spotlight." *Reuters*. <https://www.reuters.com/world/argentina-election-puts-china-brazil-ties-spotlight-2023-11-09/> (November 14, 2023).

⁵⁷ Brandimarte, Walter, and Patrick Gillespie. 2023. "Argentina's Election: Massa's Gradual Approach Versus Milei's Radical Plans." *Bloomberg.com*. <https://www.bloomberg.com/news/articles/2023-10-23/argentina-s-election-massa-s-gradual-approach-versus-milei-s-radical-plans> (November 14, 2023).

That said, Pandiani has not escaped public scrutiny—having been denounced for describing Venezuela, Cuba, and Nicaragua as “democratic” at a 2022 Community of Latin American and Caribbean States (CELAC) summit.⁵⁸ As such, seeing each candidate’s foreign policy as an extension of their domestic ideology might be the most helpful way to map possible alliances and rifts.

Looking Forward

What are the major challenges and uncertainties facing Argentina's next government in terms of the economy, inflation, and foreign exchange reserves?

Argentina is in the midst of one of the worst economic crises in its history. Inflation has risen to over 140 percent this year⁵⁹ and continues to get worse.⁶⁰ The economy, which has grown at a sluggish rate of 0.2 percent for the past six years, risks contracting by 2.3 percent this year.⁶¹ The poverty rate has skyrocketed, with over 40 percent of the population impoverished,⁶² 29 percent facing difficulty to afford housing, and a further 39 percent struggling to afford food.⁶³ Foreign currency reserves are dwindling, and the country is attempting to renegotiate its immense debt to the IMF.⁶⁴ The peso’s value continues to shrink, and many Argentines have turned to a black-market currency called “blue dollars” to avoid further devaluation at the hands of the central

⁵⁸ Menegazzi, Eduardo. 2022. “El Gobierno consideró que Venezuela, Cuba y Nicaragua son países democráticos.” *infobae*. <https://www.infobae.com/politica/2022/08/10/el-gobierno-considero-que-venezuela-cuba-y-nicaragua-son-paises-democraticos/> (November 14, 2023).

⁵⁹ Gillespie, Patrick. 2023. “Argentina’s Annual Inflation Hit 143% Ahead of Election.” *Bloomberg*. <https://www.bloomberg.com/news/articles/2023-11-13/argentina-s-inflation-hits-143-in-final-release-before-election> (November 13, 2023).

⁶⁰ Glover, George. 2023. “This Is the World’s next Major Election. The Winner Has to Fix Chronic Hyperinflation and Halt a 6th Recession in 10 Years.” *Business Insider*. <https://www.businessinsider.com/economy-argentina-hyperinflation-drought-rolling-recession-dedollarization-javier-milei-peso-2023-11> (November 14, 2023).

⁶¹ Sabatini, Christopher. 2023. “If Milei Meets Massa in a Second Round, All Bets Are off for Argentina’s Election – and the Country’s Future.” *Chatham House – International Affairs Think Tank*. <https://www.chathamhouse.org/2023/10/if-milei-meets-massa-second-round-all-bets-are-argentinas-election-and-countrys-future> (November 14, 2023).

⁶² Lucumí, Juan Pablo. 2023. “Economía - Los desafíos económicos de Argentina llegue quien llegue a la Casa Rosada.” *France 24*. <https://www.france24.com/es/programas/econom%C3%ADa/20231023-los-desaf%C3%ADos-econ%C3%B3micos-de-argentina-llegue-quien-llegue-a-la-casa-rosada> (November 14, 2023).

⁶³ Vigers, Benedict. 2023. “Will Argentine Voters Get the Change They Want?” *Gallup.com*. <https://news.gallup.com/poll/511982/argentine-voters-change.aspx> (November 14, 2023).

⁶⁴ “Argentina: FMI, el papa y Mercosur, en agenda de Massa si gana.” 2023. *EFE Noticias*. <https://efe.com/mundo/2023-10-23/massa-en-rueda-de-prensa-dia-despues-de-ganar-la-primera-vuelta-de-elecciones-en-argentina/> (November 14, 2023).

bank.⁶⁵ All the while, foreign investors are nearly impossible to attract as Argentina claws its way out of its ninth debt default only to plunge into its sixth recession in the past decade.⁶⁶

The next president faces the nearly insurmountable task of solving decades of politicization of the central bank and economically unsustainable welfare and vote-buying policies.⁶⁷ Without a majority in the legislature, Milei is unlikely to be able to realize his quick-fix dollarization plan even if he is elected. Massa, rather than attempting to solve this institutional crisis, continues to be one of its direct beneficiaries. Until Argentina can build an independent economic institution to oversee currency management and economic growth, it will likely continue to struggle with low currency legitimacy, poor access to international markets and creditors, and the boom-and-bust instability that has characterized its economy throughout its history.

What is the new composition of Congress? What are the possible political alliances to secure a legislative majority? What is the balance of power at the provincial level?

Next December 10, with no majority for any political force, 130 new of the 257 representatives and 27 new of the 72 senators will be sworn in, changing the current composition of both chambers. The Peronist coalition, UP, will once again become the leading political force in both chambers, with 35 senators and 108 representatives. Milei's political movement, LLA, made the most gains.⁶⁸ As of December, it will have a total of 7 senators and 38 representatives. Suffering the most losses, the center-right JxC coalition lost nine of its 33 Senate seats and 24 of its 117 seats in the Chamber of Deputies.⁶⁹ The remaining 6 seats in the Senate and 18 seats in the Chamber of Deputies will go to local and left-wing political movements.⁷⁰

Of the 24 provinces, JxC will govern ten, UP will govern eight (including Buenos Aires), and local political movements will govern the remaining six.⁷¹

⁶⁵ Varma, Anil. "The 'blue Dollar' Is Booming: Argentina's Lust for the Buck Pushed Its Black-Market Rate up 60,000% since Peso Parity Ended in 2002." *Markets Insider*. <https://markets.businessinsider.com/news/currencies/argentina-blue-dollar-surged-60000-percent-since-peso-free-float-2023-10> (November 14, 2023).

⁶⁶ Glover, George. 2023. "This Is the World's next Major Election. The Winner Has to Fix Chronic Hyperinflation and Halt a 6th Recession in 10 Years." *Business Insider*. <https://www.businessinsider.com/economy-argentina-hyperinflation-drought-rolling-recession-dedollarization-javier-milei-peso-2023-11> (November 14, 2023).

⁶⁷ "Can Argentina's next President Fix the Economy? Don't Count on It." 2023. *The Economist*. <https://www.economist.com/the-americas/2023/10/19/can-argentinas-next-president-fix-the-economy-dont-count-on-it> (November 14, 2023).

⁶⁸ Brewster, Thomas. 2023. "Descubren que un ex empleado de Oracle ayudó a traficantes de cocaína a ocultar US\$ 54 millones en criptomonedas." *Forbes Argentina*. <https://www.forbesargentina.com/today/descubren-exempleado-oracle-ayudo-trafficantes-cocaina-ocultar-us-54-millones-criptomonedas-n43350> (November 14, 2023).

⁶⁹ "Nuevo Congreso, tras las Elecciones 2023: así quedan configurados Senado y Diputados." 2023. *Clarín*. https://www.clarin.com/politica/nuevo-congreso-elecciones-2023-quedan-configurados-senado-diputados_0_HEVy5nJuhA.html (November 14, 2023).

⁷⁰ *Ibid.*,

⁷¹ "Elecciones a gobernador | El nuevo mapa político con los resultados distrito por distrito." 2023. *La Nación*. <https://www.lanacion.com.ar/politica/mapa-resultados-tiempo-real-elecciones-2023-nid12062023/> (November 14, 2023).

With a highly fragmented legislature, it is expected that the next president will have to negotiate and build consensus to pass any major piece of legislation. While UP faces a complex scenario to reach a majority in the lower chamber, LLA and JxC together would have enough seats to reach a simple majority (129). On the contrary, in the upper house, with the help of *Union Federal* or *Providencialismo*—local political movements with Peronist ideological roots—the UP coalition has a more favorable path to reach a majority (37) than LLA or JxC.

What will happen to the JxC coalition?

The electoral collapse of JxC in the first-round election triggered an unprecedented crisis and raised questions about the future of the coalition—composed of center-right *Propuesta Republicana* (PRO), center-left *Unión Cívica Radical* (UCR) and *Coalición Cívica ARI*, as well as other smaller political movements—that helped elect Macri in 2015. Though the in-fights between moderates and hard-liners have been mounting since the primaries, the electoral results of the first round created a schism within the opposition coalition.

The unilateral decision of Bullrich and Macri (PRO) to support Milei for the runoff election prompted a strong reaction from coalition partners.⁷² UCR’s leaders Gerardo Morales and Martín Lousteau, as well as Elisa Carrió from *Coalición Cívica ARI*, have strongly criticized Bullrich and Macri’s decision, calling it “shameful,” “a historic mistake,” “anti-democratic” as well as accusing Macri of conspiring to destroy JxC.⁷³

Milei remains a highly polarizing figure between coalition members. Milei has repeatedly portrayed the coalition as part of the corrupt political “caste” responsible for Argentina’s decline as well as “incompetent socialists.”⁷⁴ Both the UCR and the *Coalición Cívica ARI* issued statements announcing their decision not to support either candidate.⁷⁵ Likewise, within PRO, the centrist Mayor of Buenos Aires and former primary presidential candidate, Horacio Rodríguez Larreta, has also chosen to abstain from endorsing either candidate.

⁷² Grimaldi, Ignacio. 2023. “Milei, Macri y Bullrich: la nueva alianza que sacudió a la oposición.” *CNN*.

<https://cnnespanol.cnn.com/2023/10/27/milei-macri-bullrich-alianza-oposicion-orix-arg/> (November 14, 2023).

⁷³ “Elisa Carrió rechazó el acuerdo con Javier Milei: ‘Patricia Bullrich va a cometer un error histórico.’” 2023.

Clarín. https://www.clarin.com/politica/elisa-carrio-rechazo-acuerdo-javier-milei-patricia-bullrich-va-cometer-error-historico_0_IeXSHeA0mZ.html (November 14, 2023); “Gerardo Morales, durísimo con Patricia Bullrich: ‘Es una gran irresponsabilidad lo que ha hecho, daba vergüenza ajena.’” 2023. *Clarín*.

https://www.clarin.com/politica/gerardo-morales-durismo-patricia-bullrich-gran-irresponsabilidad-hecho-daba-verguenza-ajena_0_jiQIIC1Ldj.html (November 14, 2023).

⁷⁴ Lacunza, Sebastian. 2023. “‘Inútiles radicales’ y ‘viejos meados’: el tiktok de Milei se le vuelve en contra para la segunda vuelta de las presidenciales argentinas.” *la diaria*. <https://ladiaria.com.uy/mundo/articulo/2023/10/inutiles-radicales-y-viejos-meados-el-tiktok-de-milei-se-le-vuelve-en-contra-para-la-segunda-vuelta-de-las-presidenciales-argentinas/> (November 14, 2023).

⁷⁵ “Ratificaron su decisión: la UCR no apoyará a ningún candidato en el balotaje.” 2023.

<https://www.ambito.com/politica/ratificaron-su-decision-la-ucr-no-apoyara-ningun-candidato-el-balotaje-n5860772> (November 14, 2023).



Although already in bad shape, the future of JxC will be very likely determined by the outcome of the second-run election.⁷⁶ If Milei wins, it will likely accelerate its fracture, with a faction of PRO supporting Milei in the legislature and the rest of the coalition joining the opposition. If Massa gets elected, however, it is likely that most JxC members will remain in the opposition, with their unity remaining uncertain.

⁷⁶ Carpena, Por Ricardo. 2023. "El rediseño de Juntos por el Cambio y el nuevo eje Macri-Milei: tensiones y contactos secretos para recomponer a la oposición." *infobae*. <https://www.infobae.com/politica/2023/11/05/el-rediseño-de-juntos-por-el-cambio-y-el-nuevo-eje-macri-milei-tensiones-y-contactos-secretos-para-recomponer-a-la-oposicion/> (November 14, 2023).



Analyzing Argentina's Presidential Elections

A Global Americans Explainer

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The analysis and views expressed herein are those of the authors.

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