

With Milei: Abundance for Few, Misery for Many

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Shielded by judges in corruption cases and by the continued and unjust house arrest of his main opponent, Cristina Fernández, Argentina's president, the wild-haired libertarian Javier Milei, continues dismantling public property while empowering private interests.

In short, under his leadership a minority benefits. They travel and spend, enjoy a boom in automobile sales, and fuel a thriving real estate market that fills airplanes. Meanwhile, a majority struggles to make ends meet, as consumption declines among lower-income earners, precarious work expands, and supermarket bills are paid on credit.

It is true that the ultraliberal Milei slashed inflation from 117 percent in 2024 to 1.6 percent last June, achieving a historic fiscal surplus. But this came at the cost of devaluing the peso and cutting subsidies, which made housing, healthcare, and education more expensive.

How was the fiscal deficit reduced? According to Argentine economist Adrián Garlati, a professor at the Pontifical Xavierian University, the government implemented an aggressive reduction in spending through

reforms across various sectors, while maintaining tax collection, including from distortionary levies. This, the academic explained, has hit certain groups hard, such as retirees.

“We must consider that many people are pensioners, and those pensions were largely sustained through monetary issuance. That was the first brake applied by the government, since it stopped financing spending with printed money.”

Consumption, which collapsed in 2024, showed a modest rebound beginning last May, though in a fragmented way. While demand for durable goods soared among high-income households, mass consumption remained depressed. Nine out of ten households carry debt and 12.8 percent are in arrears.

Contrasts

“Nothing sells,” said Laura Comiso, an employee at a shoe store in downtown Buenos Aires, weary from an afternoon without customers, speaking to AFP.

In contrast, Blas Morales had another busy day at a car dealership in San Andrés de Giles, 68 miles west of the capital. In the past six months, sales have tripled.

During the first half of the year, automobile sales rose 78 percent compared with the same period in 2024. *“The best first semester of the past seven years,”* said Sebastián Beato, president of the Association of Automotive Dealers of the Argentine Republic.

This surge was fueled by loans, lower interest rates and taxes, promotional campaigns, and government policies that encouraged the return of so-called *“mattress dollars”* to the market.

Real estate transactions also revived. In the first four months of the year, more mortgages were signed than in all of 2024, although only a quarter of applicants could prove stable employment and sufficient income.

“The change of government was very positive for this sector,” said Diego Sardano, the third generation to lead a real estate agency in Lanús, on the southern outskirts of Buenos Aires. However, he noted that the market had reached a ceiling *“because people’s purchasing*

power is not increasing.”

A strong peso against the dollar benefits those traveling abroad, but hurts domestic tourism operators, where bookings have plummeted.

A Party for Few

Argentina’s consumption boom is attended only by a select group. Just 6 percent of the population belongs to the upper class, while 50 percent fall into the lower class, with monthly incomes below 960 dollars.

The middle class, once the main engine of consumption, has been the most affected by the government’s austerity measures.

A study by the consulting firm Moiguer found that the economic recovery after months of recession, minus 1.8 percent in 2024, *“does not benefit everyone and deepens existing inequalities.”*

Half of the population reports being unable to make it to the end of the month, and 3 percent postpone or cancel expenses to pay basic services.

“High-end car registrations are rising while food consumption is falling. They are wiping out the middle class,” said Rodolfo Aguilar, head of the State Workers’ Union, which has lost more than 40,000 jobs since Milei took office in December 2023.

Having a job does not guarantee financial stability. *“Salary adjustments are minimal compared to sharp increases in taxes, gas, electricity, transportation, and school fees,”* said Fernando Savore, head of the Federation of Grocery Stores in Buenos Aires province.

“Much of what workers earn goes to those obligations. Certain products are no longer sold, like candy and desserts,” he explained. *“People buy only what they need, pasta, tomato puree, nothing more,”* and many pay on credit.

“As shopkeepers we do not want more inflation because it is exhausting, but now we are waiting for things to settle.”

Scandal Persists

While planning the continuity of his libertarian project, Milei has not escaped the cryptocurrency scandal.

The strongest attack did not come from Cristina Fernández, who once called him “*sos boludo*,” but from his former foreign minister, Diana Mondino.

In an interview with British journalist Mehdi Hasan, Mondino distanced herself from several cabinet members who hold their money abroad. She argued, “*Perhaps I appear as the wealthiest in the cabinet because I did declare my assets, but I am not.*”

Hasan cited a Buenos Aires Times report claiming Mondino is the wealthiest cabinet member. She denied it, saying, “*Maybe among those who declared.*” The statement came amid ongoing controversy over sworn financial disclosures, particularly that of Economy Minister Luis Caputo, which revealed, according to El Destape, that 99.9 percent of his liquid assets remain in deposits abroad.

Mondino pointed to her successor, Gerardo Werthein, as the official with the greatest wealth.

Asked about rising poverty during the first half of the previous year, Mondino struggled to respond and admitted that many people lost jobs in both the public and private sectors.

Corrupt or Foolish

The British journalist also asked her about the scandal surrounding the \$Libra cryptocurrency, a scheme in which, he reminded the audience, 250 million dollars “*disappeared.*”

“*Do you think Milei should have tweeted a link to the cryptocurrency?*” Hasan asked.

Mondino replied, “*No, he should not have posted it.*” She then offered two possible explanations for the president’s behavior: “*There are two possibilities: either he is not very intelligent or he was involved in some kind of corruption. You choose, I do not know.*”

The journalist responded with surprise: “*I think I can speak for the audience when I say wow. That is the first time tonight Diana Mondino has said Milei is either corrupt or foolish.*”

Translated by Sergio A. Paneque Díaz / CubaSí Translation Staff
