



Written by [Bob Adelman](#) on December 26, 2024

Is Milei's Success in Argentina a Model for Trump?

Argentina's President Javier Milei [had plenty to celebrate](#) at the end of his first year in office. Often seen waving a chainsaw during his presidential election campaign last year, Milei, a supporter of free markets and limited government, told the crowd: "Today, with pride and hope, I can tell you that we have passed the test of fire. We are leaving the desert, the recession is over, and our country has finally begun to grow."



AP Images
Javier Milei

No Hyperbole

Over the past year, Milei has single-handedly eliminated 10 of Argentina's 18 government agencies altogether, fired 34,000 government workers, and cut government spending by *one-third*. The country's economy, which shrank by 3.5 percent this year, is on target to grow by 5 percent in 2025.

Inflation, which was running at nearly 30 percent per month prior to Milei's election, has settled down to less than three percent. And further reductions are likely, as the country's treasury is enjoying surpluses for the first time in years.

Investors have enjoyed a ride, with the Argentinian stock market skyrocketing an astonishing 66 percent just since Milei's inauguration.

And his citizens have enjoyed significant tangible economic benefits as well. Thanks to the elimination of more than 330 federal regulations (including eliminating rent controls), the price of clothing has dropped by 20 percent and the cost of home appliances has dropped by a third. For the first time in years, wage growth has exceeded the rate of inflation.

Public opinion polls reflect the new optimism. Gallup's December poll reported that more than four in 10 Argentinians say that the economy is getting better, up from just one in four a year ago, and more than half say that their own personal standard of living is improving, too.

Parallel to the United States

Since 2020, the United States has run up more than \$8 trillion in federal deficits, thanks to excessive government spending. The national debt now exceeds \$36 trillion, 130 percent of the nation's gross economic output. Interest on the national debt is approaching \$2 billion every day.

Workers have paid the price, as the Federal Reserve has monetized much of that debt by diluting the purchasing power of the currency, resulting in more than a 20-percent reduction in its spending power over that period.

Elon Musk's task, along with Vivek Ramaswamy, is to reduce spending by the United States government by a third. Musk is paying attention to what is happening in Argentina. He recently posted on X: "A



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reasonable formula to fix the U.S. government: Milei-style cuts, on steroids.”

Just Getting Started

Milei is proposing turning much of what the government was doing under the previous administration over to private interests. He has already shut down government infrastructure programs in anticipation of them being completed privately. He just announced recent investments of \$2.5 billion to develop his country’s abundant lithium deposits, and another \$3 billion for a new oil pipeline. The increase in the country’s output of shale oil and natural gas in just the last year has saved the government billions in energy imports, while boosting exports. He is moving to eliminate special protections for noncompetitive segments of the economy.

He is, in a word, setting an example for the Trump administration’s Department of Government Efficiency (DOGE), which is tasked with bringing normalcy back to the insanity of the explosion of government that America has experienced under the Marxist Biden administration.

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