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Argentina

Will Trump's bail-out be enough for Milei?

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On Sunday 26 October 2025 the mid-term legislative elections will take place in Argentina. The far-right president was in danger of suffering a major defeat. But his friend Trump came to his rescue.

In Argentina, economic issues are central to winning or losing an election. The entire population follows the evolution of the dollar's quotation in the media every day. The inflation rate is now at only 2.1% monthly, after a peak of 25% in December 2023. After two years of brutal austerity policies that had caused inflation, economic growth and purchasing power to fall, the trend was once again on the rise, and this risked causing an economic crisis before the elections.

To avoid this, Milei and Trump reached an agreement to stop the rise in the dollar's quotation, which would have led to a surge in inflation. To do this, the United States will buy pesos worth \$20 billion through a currency swap. But this rescue, which is clearly political, may prove insufficient.

A defeat and a scandal

In the Buenos Aires provincial elections for the Provincial Assembly, Milei suffered a heavy defeat despite his alliance with the right-wing party of former President Mauricio Macri. In the most populous province, the government alliance won 34%, ahead of Peronism at 47%. This result portends an unfavourable outcome for Milei in October.

In addition, there is a corruption and drug trafficking scandal that has affected the president: one of his first supporters and the head of the list for the legislative elections, deputy José Luis Espert, received payments from a narco boss who was recently arrested. After procrastination, he gave up his candidacy, for fear of adding to the electoral defeat.

Small goals, big risks

But Milei has little to lose, apart from his pride. The alliance with Macri's party gives him a sufficient floor to be able to govern. These mid-term legislative elections involve the renewal of the seats elected four years ago, when he was still unknown and had obtained only eight deputies. Thus, even with a defeat, La Libertad Avanza will gain in the number of deputies.

His objective is in no way to have a majority of the assembly, or even a relative majority. He simply aims to secure a third of the seats in one of the chambers. This would be enough for him to govern easily, for it takes two-thirds of each chamber to overturn presidential decrees and vetoes. He will thus be able to continue, as he has done for the past two years, to govern with the authoritarianism that a constitution even more presidentialist than that of France allows him.

Translated by **International Viewpoint** from [l'Anticapitaliste](#).

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