

[Transcript] The Intelligence from The Economist / Poll vault: Argentina's Peronist surprise

When you pick up some scratches, cause you want a fun break
Get the plate for where you scratch, the next choice you should make
You can make your dogs leg kick and scratch with that
You can even grab a laser pointer and use your cap
You can build yourself a homemade scratching machine
Or use a piece from your chest set
Go ahead, grab the queen
Scratch like a DJ with your record player
A cactus could scratch off that scratchable layer
Cause when it comes to scratching, there's a million play for ways
Thanks to scratches from the California lottery
A little play can make your day
Please play responsibly
Must be 18 years older to purchase, play or claim
Hello and welcome to The Intelligence from The Economist
I'm your host Jason Palmer
Every weekday we provide a fresh perspective
On the events shaping your world
The murder in June of a Sikh separatist activist in Canada
Brought with it accusations of cross-border foul play
Political killings are as old as politics itself
But their incidents may be rising
And states are becoming bolder in carrying them out
And Ophir Libstein was an Israeli mayor
Who founded a flower festival
Largely to prove that there was more to life
In his modest patch of land near the Gaza Strip
Than just the threat of Hamas
Her obituaries editor reflects on how he died defending it
But first
For months Argentina's presidential race
Seemed to be dominated by one man, Javier Millay
The libertarian economist and television personality
Broke through in the primaries earlier this year
And has led opinion polls since
He's got radical plans to cut through the state
He's often seen holding a chainsaw
As a promise to do things like dollarize the economy
And take state-owned companies private
All that couldn't be more unlike the current ruling party
Which subscribes to the principles of Peronism
A left-wing brand of populism
That's been Argentina's dominant ideology

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Over most of the past seven decades
So Mr. Millay's swift rise made it look like
Argentina was set for sweeping change
That is, until the polls closed last night
The several polls had predicted that Javier Millay
Would either win the election outright
Or at least be the frontrunner in any runoff
But that's not what happened
Ana Lancas is our Latin America correspondent
So there appears to have been a surge in support
For the incumbent left-wing Peronist movement
In a country where the economy is in crisis
The economy minister, Sergio Massa
Who was the one running to be president for the Peronists
Came out on top with 37%
Millay, meanwhile, got just 30% of the vote
Which is basically the same share that he got in the primaries
Candidates needed 45% of the vote to win outright
And what this result means is that the two leading candidates
Massa and Millay will go to a runoff election in four weeks' time
And we've talked about Mr. Millay a lot on the show
At various points, like a foregone conclusion
That he would be the leader
This is something of a surprise then
It is a surprise
Massa's turnaround is pretty astounding
Because since he became the country's economy minister
Last August, annual inflation has increased from 79% to 138% today
And the price of one dollar
Which is the currency that Argentines prefer to save in
Because their own currency loses value so fast
Has increased from 300 bisos to 1,000 bisos today
On the country's widely used black market
And since the vast majority of Argentines say that inflation is their top concern
It seems pretty surprising that it's Massa
Who's been the economy minister for the past year
Who got the biggest share of votes
But let's wind back a little bit
How did the inflation get so bad?
How did Argentina end up in this place?
So I think it's worth mentioning that Argentina's economic crisis
Is not something new
Argentina has faced economic crises for the past 100 years

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Every few years it's had recurring crises
And this is just the latest one
And kind of one of the main problems
Is that there is no political consensus
Around some pretty basic policies
Such as having an independent central bank
So what tends to happen under many perinist administrations
Is that they turn to the central bank to print pesos
In order to finance the country's fiscal deficit
What happens when some center-right governments come to power
Is that instead of getting the central bank to print lots of money
They instead borrow lots of money from creditors
Abroad
And that leaves the country either with very high debt
Or with very high inflation
And right now it's got both things
But the perinists have been in power for so long
Surely the voters realize that they have been the architects of this current crisis at least
Well it's complicated
When Juan Domingo Perón first came to power in the 1940s
He's the founder of this movement called Peronism
He created his support base by expanding welfare handouts
And giving workers lots of rights
And implementing the eight-hour work day
And paid holidays and these kinds of things
And initially it seemed to help create a really solid middle class in Argentina
But then loads of those things have become very expensive
And also many of the welfare handouts have since become very inefficient
And so for many people they've become quite dependent on high government spending
But the state is no longer able to collect as much revenue as it used to
So I'll give you an example of a few things that the perinists have been doing in recent weeks
In order to maintain support
Which is good in the short term but pretty bad in the long term
They abolished income taxes for 99% of registered workers
Just in the past few weeks
This current perinist administration has also created or increased at least 27 taxes
Often by decree
And so do you reckon that it's these sort of recent boosts to the handouts that have given
Mr. Massa the turn around that he's seen?
I definitely think the handouts do help
On voting day I visited a poor district in the province of Buenos Aires
Which is the cradle of peronism
And several people I spoke to suggested that they really really relied on government handouts

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And government support in order to get by
And that they were worried that if Millet won they would no longer get that money
People in the city of Buenos Aires told me that they believed that Massa was the only candidate
That could really unite the whole country behind him
Whereas Millet and Bullrich they felt were too divisive
There were other things that played a role here
So between the primaries and the first round of the presidential election
Massa received four and a half million extra votes
And Millet lost around 750,000
And I think an important part of this is also fear mongering
The government built a narrative that many voters would lose a lot of the resources that
They currently get from the state if a free market president came to power
Or more than free market in this case a libertarian president came to power
So two days before the first round of the presidential election
Bus and train stations began showing customers
How much their tariffs would increase if subsidies were removed
So I think that these are some of the tactics that worked in Massa's favor
But also show a loss for for Mr. Millet
This is it sounds as if I kind of better the devil you know kind of scenario
Definitely I think that Millet's loss is not just explained by Massa's gain
I also think that Millet put off a lot of moderate voters
Because he's quite a divisive person
So he uses quite aggressive rhetoric
Some of these inflammatory comments might work with some voters
I spoke to a 16 year old who was voting for the first time
And he said he really liked it when Millet called his opponents left-wing pieces of shit
However this language also doesn't work for more moderate voters
Millet is not a classic right-wing candidate
He says he ascribes to philosophy that is called anarcho-capitalism
Which is a right-wing strand of libertarianism
And as a libertarian Millet believes in a minimal state and in a very free market
I met him last month and in our interview he told me that the state was a criminal
organization because it finances itself through taxes that people usually pay involuntarily
So he wants to scrap most taxes
He wants to privatize state-owned companies
He wants to cut public spending by 15% of GDP
And he wants to swap the local currency the peso for the dollar
And in the process he says that would blow up the central bank
So take all of these reforms together and combine them with some of his social reforms
That really marks quite a radical change from what Argentines are used to
And I think that those proposals frighten many voters
But I suppose it's worth asking apart from the divisive rhetoric
Whether after a century of crisis after crisis

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Perhaps some of Mr. Millet's policies might be good for the country
I definitely think many of the free market ideas that he has would be good for the country
It's important for Argentina to slash public spending which has doubled in the past 20 years
It's also important for Argentina to simplify its tax system for example
But a big problem with Javier Millet is the question of governability
The perinists have a huge machine that operates all across the country
Javier Millet however his coalition is pretty new
He doesn't have a single governor that supports his coalition
And after this election he will only get around 39 seats in the lower house of congress
And around six seats in the senate
So that means that it would be very difficult for Millet to pass many of his most radical policies
That is if he were to get in I guess the question is what what happens now with the the runoff
election in four weeks time
That's right. And I think for now the runoff is pretty wide open
So I think for now it's too soon to say what the outcome will be
And I also think that this is actually kind of one of the worst outcomes that
Investors were hoping for because it's the most polarizing situation and for the next month
They're still going to be a lot of uncertainty in Argentina, which means that the economic situation
will probably just get worse
Anna, thanks very much for staying up so late to speak to us. Thanks for having me Jason at 4 a.m
Hey quick programming note here economist podcasts plus our new subscriber service begins
tomorrow
To keep listening to all of our weekly shows and plenty of delicious new content like boss class our
new series on management
That launches later today
You're gonna need to sign up if you haven't yet you still have a few more days to take advantage of
our half price offer
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podcasts
Last month canada's prime minister justin trudeau kicked off a diplomatic frenzy
By suggesting that india could have been behind the murder of a canadian seek in vancouver
there are
credible reasons

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to believe

That agents of the government of india

were involved

In the killing of a canadian on canadian soil

hardy nijar singh was gunned down in june and spent his day-to-day life working as a plumber

But he had also been described as a terrorist by the indian government

We are

unequivocal

Around the importance of the rule of law we call upon the government of india

To work with us to allow justice and accountability to be served

India dismissed mr. Trudeau's claims as absurd and maintains it had no part to play in the killing

But if the allegations proved to be right

It would be just the latest in a long line of high-profile political murders that themselves seem to be changing

I think the latest alleged assassination is a sign that states are becoming more brazen about killing foes abroad

Anton LaGuardia is the economist's diplomatic editor

It's very difficult to come by hard data. It's hard to identify killings as assassinations sometimes

It's hard to know what the causes or culprits might be

But there is a sense that the norm against assassination is eroding

So what is it that gives you the sense that there is increased brazenness going on here?

If you believe the canadian allegation and there is reason to believe it that

India was behind the assassination of a Sikh activist

One thing that is striking is that a democracy supposedly has reached out across the world to strike down

A enemy in another democracy. That is really unusual

And we've seen instances of autocracies striking down enemies at least twice Russia has killed or attempted to kill

Former intelligence agents who have defected to Britain. We've seen Saudi Arabia

Kill and dismember and dissolve in acid the body of a journalist who had sought exile in America

And of course, you've seen America itself strike down terrorists through drone strikes or through special operations

For instance the killing of Osama bin Laden the head of al-Qaeda and the killing of Qasem Soleimani

A senior iranian figure

And what are the factors behind that seeming shift? Do you think?

I think one phenomenon is that it's easier to travel. So it's easier to get around

It's easier for states to strike down their foes

And drone technology has also made a difference at least for the countries that own drones because it allows you to do long-term

Surveillance and to do a remote strike without having to endanger your own people

Particularly if the surrounding population is hostile

But there is a general disapprobation of this stuff right there have been there are consequences

At one level killing somebody in the territory of another country is an act of violence or indeed

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possibly an act of war

And in any case there is this general norm that you don't do this sort of thing abroad

So countries that do it do it in one or two ways. They either do it by covert means cloak and dagger
Which is why you see poisons used

And then you have the united states, which has a formal prohibition against its agent assassination
people abroad

This was something that was brought in by general ford in 70s

And instead what it has done is to redefine the law surrounding self-defense in other words

In international law, you're not supposed to commit acts of violence abroad

But you are allowed to defend yourself

And therefore clever lawyers have found ways to stretch various definitions to cover

Especially the war against terrorism

So there is at least some attempt to do a kind of legal justification at least on the part of america

Yes, there is much of it copied from the israelis and they've done it in one of two ways

One is to redefine sovereignty

So they say that where countries are unable or unwilling to deal with terrorists then they have a
right to resort to the use of force

And they've also designated certain parts of the world as areas of active conflict where they give
themselves a freer hand

The other way they have done this is to

redefine and stretch definition of the right to self-defense

Which can include defending yourself against attack by
non-state actors as well as attacks by states

And it also includes this idea of anticipatory self-defense if somebody's planning an attack on you
You're allowed to strike back

The question then is well how soon and in what circumstances can you strike first?

And there is this legal debate about what imminence means you're only supposed to do it when an
attack is imminent

Imminence in this context is sometimes taken to mean well

You are for example a terrorist who's done a series of attacks

And therefore even if you're not actually in the midst of an attack

I know you're the sort of person that will do another one. Therefore I can strike you down

This is an Israeli concept the Americans have this idea of imminence also includes the wind of
opportunity to act that if you

Don't act then something bad will happen

Yeah, but all of this does sound like a kind of legal fig leaf in particular for the Americans

Yes, and it's precisely what international lawyers say which is that the americans and the west in
general

Are giving themselves a new set of rules that is in contravention of international law

I think most people would accept that terrorism lies somewhere between policing and full-on war

And that international laws enshrined in the un charter does not fully capture it

So there is a problem and the west may have exceeded in how it is

Trying to deal with that problem and it certainly gives its critics the opportunity to say this is all

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double standards

And may in fact encourage other states to carry out these kinds of killings under the same pretenses

This is the worry that you hear from a lot of people and not just lawyers

Which is that there's a general breakdown of norms against assassination

The case of india here highlights a lot of the issues

This is the question about whether india did it or didn't

If it did it could argue. Well, this is no different to what the west does

Sikh separatism has had its very violent phases and it's not entirely abated

This particular person is accused of being a terrorist

Although his supporters claim he's a peaceful activist

And the canadiens and the west in general have been very lax about clamping down on Sikh separatist activity

India is not making this argument formally

sympathetic newspapers are saying this sort of thing

But quite a part from or more broadly than the india question

There is seemingly this global trend. Where do you see it going?

I think it will continue and the question will be whether it's seen as a rough but necessary covert defense of democracy or whether it becomes

Another repressive tool of the state that exports its violence to suppress

Critics and dissidents abroad

Anton, thanks very much for joining us. Thank you, Jason. Good to be with you

When you want to have fun and have scratchers to scratch

There's a playful way you can do just that scratch with the key or acrylic nail

Scratch with the quill from a porcupine tail use a belt buckle from your friend Lamar

Or scratch with your pick while you play guitar you can scratch in a bunch of different playful ways

Scratchers from the california lottery

A little play can make your day

Please play responsibly must be 18 years or older to purchase player claim

Ophiel Liebstien was the mayor of Sha'a Hanegev a region in the northern Negev of israel

Very close to the border with Gaza

Anro is the economist's obituary's editor

His patch was not large. It was about 180 square kilometers

6,000 people living in 10 kibbutzim or agricultural villages

But as he walked around it his head was always buzzing with ideas

To make businesses work better to make the traffic flow better

And especially if he saw any old building like a disused mess hall or a deserted factory

He wanted to see it filled with entrepreneurs all bringing money and prosperity into the region

He was an entrepreneur himself. He felt that was always his calling

He started off at school by opening a branch of his uncle's shop there

Then when his father went into repairing wheelchairs, he joined the business with him

Later on he moved into office equipment then into online coaching

And everything he touched seemed to do well

There was always something going on in Ophiel Liebstien's life some project or other bubbling

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But what he was most famous for around his region was starting an enemy festival
And this was to celebrate the wonderful scarlet flowers that bloomed every year in late January early February
These flowers had always drawn visitors from far and wide to his region
But he realized that there was nothing there for visitors to do
So he brought in country lodging, farmers markets, craft fairs, bike tours
All kinds of things to bring in money and give jobs to the local people
He had founded that festival largely to change the discourse as he put it about his part of Israel
Although he was right on the border with Gaza, he wanted to prove it was not all hammers and shooting there
He wanted to prove there was beauty there too
But it was a fairly hard case to make
In 2018 Yudzing Gaza tied incendiary devices to kites and balloons
And let them float across the border where they set fire to the gardens and fields of his region
And he watched with horror as everything exploded into flame
There were fairly constant rocket bombardments
Once for 11 straight days rockets fell on the region
Although everyone in the Kibbutzim had safe rooms made of concrete and steel in their houses
When the rocket fire got too bad he would send the mothers and children up to the north or the Dead Sea
So that they would be safer
And one study had found that in fact most of the children in the region suffered from post-traumatic stress
However he insisted that living in the region was only 5% hell
95% of it he said was paradise
On his Facebook page he put a picture of the view that he saw the wonderful green rolling hills
Planted with all kinds of crops with avocados, melons, vines, olives, wheat and barley
It was a prosperous place and those crops were not all that grew there
Because he had enormous hopes for the tech startups that he wanted to attract
In the five years that he had been mayor, 40 companies had come into his enterprise zone
He was devoted of course to Israel
But as a Kibbutz-dweller he also felt quite strongly the socialist ideals of the founders of the movement
And therefore it seemed to him that the most effective way of bringing protection to his region
Was actually to bring the Gazans on board
Prosperity had to involve everyone
And he was very sure that Gazans wanted exactly what Israelis did
Peace, well-paid jobs, care for their families
And that was what he set out to provide
What he wanted to set up was an industrial zone
Near the Erez crossing, one of the few places where you could cross the border into Gaza
And in that enterprise zone there would not only be jobs
But there would also be a medical center offering the Gazans the sort of care that they couldn't get

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back home

He envisaged that as many as 10,000 Gazans would come across

And that they would eventually have such a stake in this industrial zone

That they would not want Hamas to attack it

They would not tolerate any behavior like that

And in that way Gazans would help to protect Israel

The two communities would start to mingle

And perhaps one day he would even find a way of incorporating the Gazans into his anemone festival

This was his great dream

But then came October the 7th and very early in the morning

The terrorist fighters from Hamas reached the border fence and attacked his kabutz

There had been an order sent round by texts that people were not to go outside when there was an attack

But he dissipated his order and rushed out with his gun to answer fire with fire

When he did this he was not only defending his family, not only defending his kibbutz

But also defending his dreams

His dreams of a region living at last at peace

And Rowe on Ophir Libstein the mayor of Shaar HaNegev who was killed in the Hamas attacks on

October 7th aged 50

That's all for this episode of The Intelligence

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