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OPINION

## What Thatcher and Milei Have in Common



Rainer Zitelmann

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There are so many similarities between Margaret Thatcher, prime minister of the United Kingdom from 1979 to 1990, and Javier Milei, president of Argentina since 2023, that comparing them seems almost unavoidable. Nevertheless, it is a subject that many Argentines, perhaps understandably, are reluctant to entertain. In honor of what would have been Thatcher's 100th birthday on October 13, 2025, I reached out to market-oriented economists in several countries for their assessments of Thatcher's historical significance. One economist from Argentina – a friend of both Milei and myself – and whose name I will not mention here, asked for understanding as to his hesitance to comment: “While I do admire Margaret Thatcher in many respects – her determination to implement structural reforms, her courage to confront entrenched interests, and her role in revitalizing the British economy – for an Argentine, it is difficult to forget what happened during the Malvinas/Falklands War.”

The Falklands War of 1982 was a brief but intense conflict between Britain and Argentina over the Falkland Islands in the South Atlantic. It was triggered by the Argentine occupation of the islands, which Britain claimed as an overseas territory. Thatcher dispatched a naval fleet that ultimately forced Argentina's troops to surrender after 10 weeks.

For all their differences, Thatcher and Milei were both guided by very similar convictions and adopted a similar political style. Moreover, there are many parallels between the situations in the UK and Argentina before each came to power. Both nations were once extremely successful and economic

powerhouses thanks to capitalism but were then run down by decades of statism and socialism. The UK, the cradle of capitalism and birthplace of the industrial revolution, dominated the global economy throughout the 19th century.

In the UK in 1945, the left-wing Labour Party won the elections and began implementing democratic socialism under Prime Minister Clement Attlee. At the core of the party's policies was a massive nationalization program. Banks, civil aviation, the coal industry, and telecommunications were among the first to be nationalized, followed by the railroads, shipping canals, freight and truck transportation, electricity, and gas. Finally, even manufacturing sectors like iron and steel were brought under government control. Before Thatcher came to power in 1979, inflation had reached 27 percent, the tax burden for the highest earners was 83 percent, and those with significant capital incomes were slammed with a top tax rate of 98 percent. Thirty percent of employees worked in state-owned companies and, while productivity stagnated, the national debt continued to rise.

Argentina was once also among the wealthiest countries in the world, at a similar level to the United States. In the early 20th century, the average per capita income was among the highest on the planet. The phrase "*riche comme un argentin*" – rich as an Argentine – was a commonly heard expression at the time.

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Argentina's descent is closely associated with one name: Colonel Juan Domingo Perón, who was elected president in February 1945. His first term lasted until 1955. His political agenda: big government. Argentina's telephone company was nationalized, its railways, its energy supply, its private radio. Between 1946 and 1949 alone, government spending tripled. The number of public-sector employees rose from 243,000 in 1943 to 540,000 in 1955. Many new jobs were created in government agencies and in the civil service to provide for the supporters of Perón's Workers' Party. The decline continued for decades, and, by the time Javier Milei was elected president in 2023, inflation was soaring at 25 percent per month, 40 percent of the population lived in poverty, and the national debt was spiraling out of control.

Both Margaret Thatcher and Javier Milei believed that only radical capitalist reforms could turn their countries around. Thatcher was heavily influenced by the economists Friedrich August von Hayek and Milton Friedman, both of whom she knew personally. She frequently attended meetings of the pro-market think tank the Institute for Economic Affairs (IEA), and her reforms were inspired by the ideas of the Adam Smith Institute.

Milei, himself an economist, drew significant inspiration from the Austrian School of economics, to which Hayek was also a major contributor. And Milei's rise to power was only made possible by years of groundwork laid by libertarian think tanks, including *Fundación Libertad y Progreso*.

Thatcher and Milei's political styles also share a number of similarities, especially their resolute and forceful stance against socialism and communism. Thatcher openly expressed her disdain for communists, stating, "I hate Communists." She also attacked the establishment within her own party, putting an end to the decades-long policy of compromising with the socialists. Milei repeatedly warned that one should not give an inch to the left, because they would use even the slightest sign of appeasement to hit back harder at a later date. Thatcher saw things exactly the same way.

Both prescribed the same medicine for their countries: less state, more free-market. They put an end to excessive debt in order to stabilize their currencies, implemented privatization programs, and introduced significant tax cuts. Thatcher lowered the top tax rate from a high of 98 percent to 40 percent; Milei has announced equally drastic cuts. Thatcher also took on the trade unions, which had achieved a position of power in the UK unseen in any other country in the world.

Philipp Bagus, professor of economics at the *Universidad Rey Juan Carlos* in Madrid, who knows Milei personally and has written a book about him, says: “Thatcher has shown that it is politically possible to break the power of privileged labor unions who hold a whole country hostage. Something similar is happening in Argentina now, where the political class, including the labor unions, had long been exploiting hard-working Argentinians. Milei is pushing back the power of the political class in the same way Thatcher did with the labor unions.”

Should Milei succeed, the names of both will find their place together in the annals of history, even if the Falklands War prevents the Argentines and the British from fully appreciating the similarities.