



THE RETURN OF PRESIDENT TRUMP AND ITS IMPLICATIONS FOR SOUTH AMERICA

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Summary

Trump's renewed presidency poses a significant threat to democratic governance in Latin America. His attacks on the rule of law and alignment with authoritarian leaders have emboldened regional allies to weaken oversight institutions, concentrate power, and target vulnerable groups. As U.S. soft power declines and China offers economic engagement without democratic conditions, the region faces growing risks of institutional erosion, deepening polarization both within and between countries, and rising political instability.

Background

Since President Trump began his second term in January 2025, his agenda has taken a clearly defined shape. On the international front, he has launched a determined effort to overhaul global trade and monetary systems, which he portrays as fundamentally disadvantageous to the United States. His foreign policy is explicitly transactional, narrowly centred on maximizing US gains from bilateral relations. This approach has been marked by significant reductions in foreign aid and threats to scale back military commitments to NATO. At the same time, Trump has strengthened ties with authoritarian leaders such as Viktor Orbán, Vladimir Putin, Nayib Bukele, and Mohammad Bin Salman—figures he publicly praises.

Domestically, Trump has launched an aggressive campaign against immigration—raising concerns among observers about a potential constitutional crisis—and is working to reduce the size of the federal bureaucracy while consolidating power within the Executive Branch. Framed as a battle against the so-called “deep state,” these efforts amount to a significant erosion of democratic norms and institutions. Taken together, Trump's actions suggest a lack of commitment to preserving democratic governance, both in the United States and abroad.

These shifts are already being felt in Latin America, a region that increasingly perceives itself as excluded from US strategic priorities. To be fair, this sense of marginalization is neither new nor unique to Trump. For decades, US policy toward Latin America has been driven by negative concerns—chiefly immigration and drug trafficking—resulting in a focus largely confined to Mexico and Central America. South America, by contrast, has attracted attention only sporadically, most recently due to its reserves of lithium and other critical minerals. Even then, US engagement has been limited, mostly rhetorical, and lacking in concrete initiatives. While US administrations in the 1980s and 1990s actively promoted trade and financial integration in the region, none of the more recent presidents—whether Republican or Democrat—has prioritized South America's development in their foreign policy agendas. The region received no meaningful financial or technological support during the pandemic or the fiscal crisis that followed, and trade integration has long since disappeared from the agenda. Efforts at nearshoring or friendshoring have so far failed to take hold in South America.

As detailed below, the most evident consequence of Trump's foreign policy in South America is the acceleration of the region's shift toward China's sphere of influence. China has steadily expanded its presence in South America over the past decades and appears well positioned to deepen this engagement in the coming years. Closer ties with China may offer significant economic benefits to the region—particularly if Beijing fulfils its commitments to support green industrialization. However, China is unlikely to assume the role the United States has historically claimed, at least since the Carter administration, in promoting democracy in the region. With President Trump himself showing little regard for democratic norms, the region is left with the limited prospect of closer ties with the European Union. Overall, the outlook for democratic resilience in South America is increasingly uncertain.

In the realm of domestic politics, a renewed Trump presidency is likely to intensify existing political polarization both across the region and within individual countries. It is expected to deepen the divide between leaders who openly align themselves with Trump and those who, while compelled to maintain pragmatic engagement with the United States, seek to preserve political and ideological distance. This polarization is reflected across a wide array of issues—including approaches to multilateralism, relations with China, environmental policy, Big Tech regulation, gender, and diversity-related agendas. It will influence democracy itself as pro-Trump presidents like Bolsonaro and Milei evidence the same dislike for checks and balances and attempts to concentrate power in the hands of the executive. Higher polarization also undermines the already limited prospects for the region's much-needed economic and political integration.

Before analyzing the political consequences of Trump's renewed presidency, it is important to recognize that South America, like other regions, will feel the effects of global economic volatility triggered by his trade policies and his apparent willingness to undermine the US dollar. This happens in a scenario of economic decline that has been going on since the end of the commodity supercycle around 2012, worsened by the pandemic and by the consequences of Ukraine's invasion by Russia. Political downturn has followed the economy and since 2020 no incumbent president or party has been re-elected in the region except for in Paraguay, which is not fully a democracy. Trust in government and support for democracy are also at their lowest historical levels ([Informe Latinobarómetro 2023: La recesión democrática de América Latina 2023](#)).

There is still a possibility that, if trade tensions between the US and China persist, retaliatory measures could open up opportunities for commodity exporters in the region—[mirroring the boost Brazilian soybean producers experienced during Trump's first term](#). While the overall consequences of these developments remain difficult to predict, their impact on electoral outcomes in the coming years is all but certain. Should economic conditions worsen, incumbent governments and their allies will likely bear the brunt of voter dissatisfaction, regardless of their responsibility for these outcomes ([Campello and Zucco 2016](#)). Conversely, a renewed commodity boom could enhance their chances of re-election ([Campello and Zucco 2020](#)). Still, leaders who align themselves openly with President Trump will be naturally expected to deliver concrete benefits from this association—some tangible rewards to offset the political and economic costs his administration has imposed everywhere. To date, such gains remain uncertain, as [examples in Canada and Australia indicate](#).

International relations

CHINA IS THE BIG WINNER

It is hard to overstate China's growing relevance in South America. Since its accession to the World Trade Organization, trade between China and the region has expanded exponentially. Today, China is the top trading partner for Brazil, Chile, Peru, and Uruguay. It has surpassed the United States in importance for Argentina, Bolivia, and Paraguay, and is a close competitor in Ecuador and Colombia as an export destination ([Jütten 2025](#)).

The scale of this transformation is evident in Brazil's trade figures: in 2000, China accounted for just 1.9 per cent of Brazilian imports and 2.2 per cent of exports (by value). In 2023, those numbers surged to 23.8 per cent and 30.3 per cent, respectively. On one hand, the expansion of Chinese trade fuelled an unprecedented boom in dollar inflows, fiscal revenues, and economic growth during the early 2000s, which benefitted the whole region. On the other hand, the commodity-for-manufactures trade pattern that was established has drawn criticism for contributing to a new wave of export 'reprimarization' in the region ([Campello and Urdinez 2021](#)).

China now appears intent on addressing past criticisms and consolidating its influence in Latin America. Since President Trump's 2025 'Liberation Day' speech, President Xi Jinping has moved swiftly to position China as a stable, reliable, and long-term partner—offering a clear counterpoint to the United States. At the recent China–CELAC (Community of Latin American and Caribbean States) summit, Xi announced a new US\$9 billion credit line, denominated in yuan, along with a new wave of infrastructure investments across the region. In a further departure from the US approach, China pledged to introduce visa-free travel for several Latin American countries and outlined plans to expand both academic exchanges and military cooperation.

Some country-specific developments deserve attention. In Peru—the first South American nation to sign a free trade agreement with China—the Chinese-financed Chancay megaport is nearing inauguration and is poised to become a key logistics hub for the region. In Brazil, where re-primarization has been a subject of intense debate, China has gone beyond infrastructure and announced plans to invest US\$ 27 billion in industries linked to the green transition, including semiconductors, sustainable aviation fuel, electric vehicles, solar panels, green fertilizers, and pharmaceuticals. Colombia, historically the United States' closest ally in South America, has recently joined China's Belt and Road Initiative. The announcement came after a diplomatic dispute in which President Trump publicly humiliated President Gustavo Petro over the deportation of Colombian migrants from the US.

Even Javier Milei—Argentina's pro-Trump, vocally anti-China president—has recently softened his stance. After China renewed a critical currency swap agreement that enabled Argentina to meet its IMF obligations, Milei announced plans to visit Beijing in 2025 and referred to China as a "very interesting partner." Taken together, these cases illustrate the accelerating pace of China–South America integration.

China is also better positioned to capitalize on South America's vast reserves of critical minerals—including lithium, nickel, copper, niobium, manganese, cobalt, aluminium, and rare earth elements—which are essential to the global energy transition. As the world's leading producer of green technologies, China has emerged as the primary buyer of these resources. While the United States has recently intensified efforts to secure its own supply of critical minerals, Chinese investors are moving more swiftly, striking deals with local mining companies, and further deepening the region's economic dependence on Chinese markets.

While Trump's pressures may have succeeded in prompting some distancing from China in North-central American countries like Mexico and Panama, the same outcome is unlikely to occur in South America, where economies are far more deeply intertwined with Beijing.

It is worth noting that, for cultural and historical reasons, South Americans have traditionally felt a stronger affinity with the West than with China. Public perceptions of China deteriorated across the region—mirroring global trends—in the aftermath of the COVID-19 pandemic. This stands in contrast to views of the United States, which improved during the same period, despite Washington's limited cooperation with Latin America throughout the crisis (Latinobarómetro 2023).

This trend appears to be shifting. Not only is President Trump viewed negatively by many Latin Americans, but his image is beginning to affect perceptions of the United States more broadly. Recent surveys conducted in Mexico, Argentina, Brazil, Chile, and Colombia—released by the Americas Society/Council of the Americas (Gerbaud and Harrison 2025)—show a strong majority of respondents anticipating harm from Trump's tariffs and supporting retaliatory measures. In Brazil, a national poll recently conducted by Atlas/Intel in partnership with Bloomberg (Pesquisa Atlas-Blomberg 2025) found that 63 per cent of Brazilians hold a negative view of President Trump, compared to just 32 per cent with a favourable view. More notably, the overall image of the United States has declined. A smaller share of respondents (51%) now express positive views of the U.S. compared to 2024, when 53% held a favorable opinion. Meanwhile, negative views have risen sharply, from 24% in 2024 to 46%—nearly doubling. Moreover, since January 2025 there was a 9 per cent increase in respondents who believe Brazil should align with China, in parallel with a decrease of 6 per cent of those who believe the country should align with the US.

BRICS

Another important development fostered by Trump 2.0 is the strengthening of the BRICS, which have long been a controversial topic in Brazil's foreign policy. On one hand, there is broad consensus within the country's foreign policy bureaucracy that membership in the group grants Brazil a seat at the table with major global powers like China, India, and Russia, enhancing its international standing. On the other hand, especially since the recent expansion into BRICS+—which now includes several autocratic regimes, some openly hostile to the West, such as Iran—critics have increasingly argued that the forum risks being perceived as an anti-Western bloc with little regard for democratic values. Many in Brazil have pointed out that this expansion primarily serves the foreign policy objectives of China and Russia, while diluting Brazil's influence within the group.

However, with the United States turning inward—embracing protectionism and stepping back from its traditional role as a promoter of democracy—these criticisms have lost traction. Even some of the original sceptics appear to have softened their stance toward BRICS. An important illustration of the value the current administration sees in the BRICS was President Lula's recent participation in Vladimir Putin's Victory Day celebrations, despite Russia's ongoing invasion of Ukraine—an act that can be interpreted as, at best, diplomatic recognition and, at worst, as an endorsement. Domestically, closer ties with openly undemocratic and anti-Western regimes could further contribute to democratic backsliding in the region. By normalizing international aggression and domestic repression among BRICS+ members, such alignments may weaken the normative commitment to democracy in Brazil and beyond.

A polarizing figure like Donald Trump can be expected to fuel deeper divisions in the region, undermining already fragile efforts toward economic and political integration.

RENEWED REGIONAL POLARIZATION

South America has a history of volatile regional alliances, often formed by ideologically aligned leaders and dissolved once political opponents take power. This pattern was evident in the creation of the Union of South American Nations (Unasur) in 2008, amid the resurgence of left-leaning governments, and later in the launch of the right-leaning Prosur (Forum for the Progress of South America) in 2019 ([Nolte 2022](#)). A polarizing figure like Donald Trump can be expected to fuel deeper divisions in the region, undermining already fragile efforts toward economic and political integration.

The most recent summit of the Community of Latin American and Caribbean States (CELAC)—established in 2011 and recently revived by left-of-centre governments as a counterbalance to the Organization of American States—underscored these tensions. Pro-Trump presidents Javier Milei and Santiago Peña opposed initiatives related to gender equality and sustainable development, fostering dissent and obstructing meaningful agreements. Neither president signed the Summit final declaration.

Milei has also led dissent in other multilateral forums. Under his leadership, Argentina has consistently opposed Brazil's positions within the G20 during its presidency, notably refusing to endorse declarations on issues related to diversity and social justice, including references to taxing the ultra-wealthy. Argentina also withdrew from the United Nations Climate Change Conference (COP29) in Azerbaijan, prompting speculation about its participation in COP30, which will be hosted by Brazil. More recently, Milei has expressed interest in withdrawing from Mercosur in favour of pursuing a bilateral trade agreement with the United States.

EU–MERCOSUR (AND EU–CELAC)

Negotiations over an EU–Mercosur agreement have dragged on for decades, fuelling widespread scepticism about whether the deal will ever be ratified. The main obstacles currently come from European farmers—particularly in France—who are among the perceived losers of the agreement. Yet in a world of increasingly fragmented supply chains, where the United States is no longer seen as a reliable partner, such an agreement is gaining renewed relevance for both sides. For Mercosur, it could reduce dependence on China and increase the value added of the region’s exports. For the European Union, President Donald Trump’s confrontational trade policies have made the deal appear more attractive—even in France, historically its most vocal opponent. The European Commission, currently in a rush to secure new trade partnerships, has already finalized an agreement with Mexico and aims to do the same this year with India, Indonesia, and Thailand—making Mercosur just one piece of a broader free trade push. Politically, an agreement with the EU—or the strengthening of EU–CELAC cooperation—has the potential to serve as an anchor for democracy, human rights, and fundamental freedoms, at a time when the world’s other major powers are either authoritarian (Russia and China) or in relative decline (the United States). Much will depend on the outcome of the next summit in 2025, which will take place in an international context markedly different from that of 2023.

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Domestic politics

RENEWED POLARIZATION WITHIN COUNTRIES

Political polarization around Trump is likely to intensify not only in the United States but also across South America, where upcoming presidential elections are expected to pit pro- and anti-Trump candidates against one another. This dynamic has already played out in Ecuador earlier this year and is likely to emerge in Chile in 2025, as well as in Brazil, Colombia, and Peru in 2026. These opposing camps represent sharply divergent positions on both domestic and foreign policy.

Efforts to promote multilateralism—such as advancing regional integration through CELAC, deepening ties with China via the China–CELAC Forum, pushing forward the EU–Mercosur agreement, or strengthening BRICS cooperation—are typically championed by anti-Trump candidates. In contrast, pro-Trump leaders have systematically opposed these initiatives, prioritizing bilateral relations with the United States, as discussed in the previous section.

The divide also extends to diversity and inclusion policies, a particularly sensitive issue in countries marked by deep social inequality and widespread violence against minorities. In Argentina, President Javier Milei has launched what he calls a ‘war on diversity’, echoing Trump’s attacks on DEI (Diversity, Equity, and Inclusion) efforts. His administration has dismantled key institutions—including the Ministry of Women, Genders, and Diversity, and the National Institute against Discrimination, Xenophobia, and Racism (INADI) [1]—under the justification of cost-cutting. His rhetoric has been especially controversial, including statements that have equated LGBTQ+ individuals with ‘paedophiles’.

SECURITY AND POLICING

Security and policing represent another key dividing line between pro- and anti-Trump politicians in the region. The former—including figures like Javier Milei, Daniel Noboa in Ecuador, José Antonio Kast and Johannes Kaiser in Chile, and Tarcísio de Freitas, the governor of São Paulo and Bolsonaro's political heir—have all embraced a Bukele-style *mano dura* approach. This has led to a surge in police-related deaths, repression of protests, and growing criticism from human rights organizations.

At last, Trump's attacks on democratic institutions are a source of inspiration for Trumpists in South America. In Brazil, Bolsonaro allies have been pushing US legislators to act against the Brazilian Supreme Court and its Justices. In September 2024, Western Hemisphere Subcommittee Chairwoman María Elvira Salazar (R-FL) joined Reps. Carlos A. Giménez (R-FL), Rich McCormick (R-GA), and Chris Smith (R-NJ), along with Senator Rick Scott (R-FL), in a letter to Secretary of State Antony Blinken urging him to cancel or revoke the visas of Brazilian Supreme Court justices, allegedly for using their positions to silence free speech in the country.

Bolsonaro allies, including Governor Tarcísio de Freitas from São Paulo, have been attempting to follow Trump in portraying the attempted coup of January 8 as a revolt in defence of freedom of speech. Ultimately, their goal is the pardon of those involved in the attempted coup, which included invading and destroying the interiors of the Planalto Palace and the Supreme Federal Court, and overturning Bolsonaro's ineligibility. Their efforts have proven effective: on 9 July, President Trump sent an official letter to President Lula, demanding that he immediately halt the prosecution of former President Jair Bolsonaro and threatening to impose a 50 per cent tariff on Brazilian exports to the United States if his demand was not met. Shortly thereafter, the US Secretary of State revoked the US visas of eight out of Brazil's 11 Supreme Court judges, along with those of their immediate family members, accusing them of conducting a "political witch hunt" against Bolsonaro.

In Argentina, President Milei has closely followed Trump's playbook—attacking DEI policies, displaying open hostility toward the press, defunding environmental institutions, violently repressing protests against austerity measures, and dismantling government agencies accused of promoting leftist ideology. In Ecuador, President Noboa appears to be moving in a similar direction, with increasing signs of authoritarianism, human rights violations, and disregard for the rule of law.

Given the post-Covid anti-incumbent trend in the region, the victory of pro-Trump candidates in the next elections in Chile, Brazil, Peru, and Colombia is far from unlikely. Should that scenario materialize, we could witness the emergence of an alliance of right-wing presidents advancing a shared agenda—potentially with the explicit support of a second Trump administration.

[1] Milei, J. (2024). Decretos nº 8/2023 & 696/2024. Presidência da República Argentina. Encerramento do Ministério das Mulheres, Gêneros e Diversidade e dissolução do INADI.

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