

# With mass auto investments in Brazil and Argentina, capitalism recognizes the “Pink Tide’s” Lula and fascist Milei as loyal servants

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The announcements of billion-dollar investments by the big automotive corporations in recent months in Brazil have shown that the “Pink Tide” government of President Luiz Inácio Lula da Silva of the Workers Party (PT) and its trade union apparatus are recognized as reliable defenders of the interests of the regional ruling class and international capital.

On March 6 in Brasília, Stellantis CEO Carlos Tavares celebrated alongside Lula the official announcement of the company’s US\$6 billion investment in the country.

Emanuele Capellano, Stellantis chief of operations for Latin America, took the occasion to also announce the company’s first significant investment in Argentina under the “shock therapy” government of the fascistic President Javier Milei.

Capellano declared: “Today we celebrate an important day for Stellantis in Brazil, but that doesn’t mean we don’t have plans for Argentina, where we are market leaders and have two important factories.”

The Stellantis announcements were made three months after the Argentine president announced and pushed for a mega package of cuts to subsidies for social programs, the pro-corporate overturning of hundreds of regulations, the limitation of workers’ right to strike, and the end of price controls in the face of a continuing rise in the prices of basic consumer goods.

During the elections, Milei repeatedly denounced all opposition to himself as the opinion of “communists.” In government, Milei declared at the end of January that the “Pink Tide” Colombian President Gustavo

Petro was a “murderous communist.” The Argentine president has responded to the massive protests since his election by doubling down on his threats of violent repression and deploying riot police.

Although some of the measures have been delayed by the legislature, Milei will have the coming months and years to deepen the broad assault on all the social gains of the Argentine working class.

Despite the differences between the political types represented by Lula and Milei, both are committed to defending the capitalist social order in Latin America.

Over the last year, even more sharply than during his two previous presidential terms, Lula has vowed to make massive cuts in social areas at the same time as thousands of jobs have been slashed and the living standards of the working class reduced with the help of a union apparatus that is increasingly integrated into the government. In the auto industry, the reduction in the total workforce has been even greater.

Such measures are seen by international capital and the Brazilian bourgeoisie as promising massive profits. This is reflected in the rise of the business confidence index (ICE) of the Getúlio Vargas Foundation’s Brazilian Institute of Economics, based on 49 segments of the Brazilian economy. Although the ICE fell by 0.7 points in February, it had accumulated an increase of 4.5 points over the previous nine months.

The automakers’ investments in Brazil and Argentina are being coupled with the purchase of stakes in mining projects for lithium, copper, and other key minerals. In Brazil, German-based Volkswagen has been in dispute with the Chinese-based BYD for the purchase of the

Sigma Lithium mining company in the Jequitinhonha Valley in the state of Minas Gerais. The site has an estimated deposit of tens of millions of tons of lithium ore. In Argentina, Stellantis concluded in October a US\$90 million deal with Argentina Lithium & Energy Group (ALE), through which the automaker will buy up to 15,000 tons of lithium annually for the next seven years.

These commercial deals and investments are part of the increasingly fierce disputes for markets, raw materials and geopolitical advantages between the imperialist powers themselves and immediately targeting their economic competitors, most decisively, China.

Amid the rapid development of a new imperialist global war, the appeals of figures such as Lula and other representatives of the “Pink Tide” for a new “multipolar order” are being increasingly exposed as empty. The idea that US-NATO imperialism can be pressured to peacefully accept the challenge to its regional interests in Latin America, or even that continued investments by China could guarantee a sustained capitalist development in the region, is completely at odds with reality.

In the context of a sharpening crisis of global capitalism, the class interests of the Latin American bourgeoisie can only be pursued through brutal police-state measures and, in the last instance, meeting the industrial and economic needs of imperialism for waging a third world war.

In fact, all the actions taken by Lula since his own election were not against, but in the direction of preparing, a police state in Brazil. Lula has responded to the evidence confirming the participation of the generals alongside former president Jair Bolsonaro in the planning, preparation and execution of the January 8 coup attempt with the expansion of investments in the armed forces.

More recently, he notoriously canceled an event scheduled to mark the 60th anniversary of the March 31, 1964 military coup backed by the CIA in Brazil in order to appease the armed forces. This harmonious relationship being cultivated by the PT can only be advanced by trampling over the backs of workers and youth.

Any mobilization of the Latin American working class that threatens corporate profits will be met with

brutal violence either by the fascistic or the so-called “left” factions of the bourgeoisie. The fact that the transnational corporations see the policies of Milei and Lula as just alternate methods for securing their own interests shows that there is no real alternative for the Latin American working class within the established capitalist political system.



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