The crisis of Washington's far-right bloc in the Americas

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On November 6, Paraguay's Senate unanimously removed President Santiago Peña, a day after Congress refused his resignation. Prosecutors ordered his arrest that night.

His fall followed the November 3 collapse of Ueno Bank. The bank held the savings of 2.94 million people in a country of just over 6 million, along with $355 million of the public pension fund, deposited above legal limits. Peña had received a loan for a mansion from the bank and held a large stake in its parent company until last year, and his Central Bank president was a former Ueno executive. Protesters demanding his jailing were met with tear gas and water cannons.

Peña, feted in Washington two weeks earlier, is the first leader of US President Donald Trump's "Shield of the Americas," the bloc of far-right governments launched in March, to be brought down. His ouster came less than two weeks after Brazilian President Luiz Inácio Lula da Silva defeated Trump's candidate in Brazil, Flávio Bolsonaro, who fled to Miami and proclaimed himself Brazil's legitimate leader from US soil. It came in the same week that US workers and youth delivered a crushing repudiation of Trump in the midterms. Trump's approval was 38 percent in exit polls, and 89 percent of voters cited the cost of living as part of their decision. Together, these events expose a crisis not only of Washington's far-right clients, but of bourgeois rule across the hemisphere.

All capitalist governments in the region face a dead end. They are caught between the demands of US imperialism from above and a working class moving into struggle from below, at a time when the major powers are fighting to redivide the globe. Washington's escalating intervention is a desperate response to the decline of its hegemony as China's weight in the region grows.

Trump's far-right allies in the region never had a mass base for their program. Their constituency is Washington and sections of the local financial and corporate oligarchies and state apparatus. They survive only because the trade union bureaucracies isolate and shut down every struggle, and because the working class lacks its own revolutionary leadership. The pseudo-left, from Brazil's Socialism and Liberty Party (PSOL) and the neo-Stalinists to the Morenoite tendencies, is central to this containment. Proclaiming that the far right is "cracking," it is focused on rehabilitating the discredited bourgeois nationalists of the Pink Tide and the union apparatuses tied to them.

The Pink Tide was never a step toward socialism. Its governments used limited social programs, financed by the commodities boom, to sow political confusion, tie workers to the capitalist state and the union apparatus in the name of "socialism" and "sovereignty," and undermine class consciousness and any genuine organization from below. This prepared the ground for the onslaught against living standards that has followed. Long before the US invasion in January, Chavismo in Venezuela enforced one of the most brutal attacks on living standards in Latin American history, deepened by US sanctions. The policy was directed by Delcy Rodríguez, then Nicolás Maduro's vice president and economy minister, who now administers the country on Washington's behalf. The role of the pseudo-left is to keep Latin American workers politically disarmed while the ruling elites and imperialism wage a one-sided class war—from a standpoint of political organization—against them.

Regimes without a social base

These governments never stood on solid ground. Several came to office by razor-thin margins, through manipulation and open US interference. Abelardo de la Espriella won Colombia's presidency by 0.96 percentage points. Nasry Asfura was declared the winner of a disputed count in Honduras after Trump threatened to cut off US support if he lost. Javier Milei, Argentina's fascist president, survived the country's 2025 midterm elections only after the US Treasury extended a $20 billion lifeline and Trump warned that Washington would not be "generous" if his right-wing supporters lost.

Peru shows how such victories are produced. Fernando Cerimedo, the founder of *La Derecha Diario* and a business partner of Trump's former campaign manager Brad Parscale, has worked for the Bolsonaros, Milei, Asfura and Keiko Fujimori. Jailed in Bolivia since August for allegedly hiring gunmen to murder his former partner, he appears in leaked audios as a shadow minister in La Paz. In one, he tells Bolivian President Rodrigo Paz that "Keiko won," claiming the contested tally sheets would add some 25,000 votes to her side. In another, he coordinates a parallel count of Peru's runoff with retired naval officers and boasts of having a man inside the electoral authority. Keiko Fujimori was proclaimed the winner by a mere 49,641 votes.

The far right came to power on the political wreckage of the so-called "Pink Tide" of bourgeois nationalist governments. These governments utilized windfalls from the commodities boom of the first decade of the century to fund minimal social assistance programs and achieve a semblance of independence from Washington based upon economic ties with Beijing. None of them touched the wealth of the national oligarchies or the grip of foreign capital. When the boom ended, they loaded the full weight of the crisis onto the backs of workers.

Peronism handed Milei 211 percent inflation and a draconian International Monetary Fund (IMF) program, and Bolivia's Movement Toward Socialism (MAS) left fuel lines and empty reserves. In Honduras, Libre made no significant change to conditions of mass poverty and collapsed into third place with less than 20 percent of the vote. The far right has exploited the mass hatred these parties earned. These are the forces now being promoted as the "alternative."

The votes that brought these governments to office were not a mandate for their program, and the protest vote has turned against them within months. In Bolivia, Paz's approval fell from 64 percent in December 2025

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to 25 percent in October (Ipsos Ciesmori). Chile's José Antonio Kast stood at 27 percent in October in the Criteria poll. Fujimori fell from 60 to 42 percent in her first month in office (Datum), and Milei receives a positive approval rating from only around a third of Argentines. CB Global Data's November ranking of favorable ratings puts Guatemala's Bernardo Arévalo at 31 percent, Panama's José Raúl Mulino at 35 and Venezuela's Delcy Rodríguez at 36. De la Espriella had 48 percent approval at his first 100 days (AtlasIntel) and is slipping month by month, while Asfura sits at 45.7 percent.

The exception is Nayib Bukele, El Salvador's president, though even his approval slipped from 91.9 to 85.5 percent between January and May (*La Prensa Gráfica*), as the economy displaced crime as the main national concern.

Stagnation, China and the decline of US hegemony

These governments came to power after the weakest decade of growth in Latin America's modern history. The UN's Economic Commission for Latin America and the Caribbean reported this month that labor productivity rose just 0.7 percent in 2025, and that the region will not recover its 2013 levels of productivity and employment until 2029. Bolivia's economy has contracted for eight consecutive quarters, shrinking 5.94 percent in the second quarter after Paz's IMF-backed plan quintupled the price of diesel. Chile has entered a technical recession, and private estimates show Argentina in recession as well. This is part of a global squeeze, where the US 10-year Treasury yield topped 5.2 percent in late September, the highest since 2007, and "emerging-market" debt exceeds $110 trillion, with a record $3.5 trillion maturing this year.

The Shield of the Americas was assembled to roll back China and prepare mass repression against the working class. The Pentagon's National Defense Strategy makes US domination of the Western Hemisphere the platform for global war. Yet trade between China and Latin America reached a record $549 billion in 2025, and China is the largest trading partner of Brazil, Chile and Peru. Washington's demand that the region give up its main market and source of investment will deepen the economic crisis, and with it the drive toward military "solutions."

Washington is not retreating. Six hundred troops of the 10th Mountain Division are deploying to Panama, and 300 soldiers to Colombia. US troops are operating in Ecuador, and the US Southern Command continues to strike fishing boats in the Caribbean and Pacific, as US War Secretary Pete Hegseth signs a military alliance with the Chavista government of Delcy Rodríguez in Caracas.

How the regimes survive

The working class has begun to move on a continental scale. De la Espriella already faced a national strike Thursday following national protests last month. Protests continue in Venezuela over power outages and wages, including a national strike on November 16; Argentine state workers struck against Milei's deregulation decree, and workers and peasants in Honduras and Guatemala have protested the cost of living. Costa Rica's teachers carried out a national strike on November 11. In Chile, teachers, truckers and copper miners have struck. In Mexico, health workers, truckers, farmers, students and other sectors have launched mass protests against the left nationalist government of the National Regeneration Movement (Morena) and its associated unions.

Paraguay shows how the ruling class manages such explosions. Last year, Trump's Treasury lifted US corruption sanctions on the ruling Colorado Party boss Horacio Cartes, a tobacco baron. As the protests grew, Cartes released his deputies to vote for impeachment, declaring, "We will not stand on the side of the theft of public, private and retirees' funds." Pedro Alliana, Cartes's man and himself under investigation, was sworn in the day Peña was removed. The Colorado Party, which ruled without interruption from 1947 to 2008, including under the dictatorship of Alfredo Stroessner, remains in power, while the opposition tells workers to wait for the next elections.

The same mechanism operates everywhere. In Argentina, the Peronist leadership of the General Confederation of Labor (CGT), the country's main labor federation, keeps a truce with Milei based on the protection of automatic dues for nonmembers and other privileges of the bureaucracy. In Mexico, health workers voted down their contract, and the government of President Claudia Sheinbaum registered it anyway with the collaboration of the union apparatus.

Neither the Democrats nor Lula have taken any serious action against the operation Flávio Bolsonaro is running from Miami, where he votes remotely in the Senate and even vetoed the House speaker's reelection. House Democrats have confined themselves to letters asking Secretary of State Marco Rubio for explanations. The Lula government decided not to respond to the "provocations" from Washington and Buenos Aires, to "let the case proceed in the judicial sphere" and to "leave Flávio and his allies talking to themselves." It has requested neither his return nor his extradition, and Lula has limited himself to mocking Bolsonaro, while his aides weigh a meeting with Trump at the G20 summit in Miami next month.

Lacking any mass base, these governments rest ever more directly upon the army and police. On November 14, Arévalo decreed a 30-day state of siege in Guatemala's eastern departments of Zacapa and Izabal, suspending the rights of assembly and protest. Bukele's state of exception is in its fifth year, and southern Chile has been under military deployment since 2022. Kast sought a constitutional amendment allowing 240-day states of exception without congressional approval, and withdrew it only after it split his own coalition. Such measures show that the hemisphere's ruling classes are preparing for revolutionary social explosions.

Brazil: the pseudo-left and the Broad Front

Brazil shows most clearly the function of the pseudo-left in this crisis. The country is part of the international upsurge of the class struggle that has seen mass youth protests in France, strikes across Europe and a wave of struggles across Latin America. In the weeks before Brazil's presidential runoff, bus drivers, steelworkers, oil contract workers and hospital workers struck, many in defiance of the unions, and the strikes have continued since the vote. The mass hostility to Flávio Bolsonaro, to his alignment with Trump and to the danger of a fascist dictatorship found an expression, in a distorted form, in Lula's turnaround in the second round. The Workers Party (PT) and its apparatuses worked to channel this radicalization into votes for a bourgeois government.

Every tendency of the Brazilian pseudo-left took part in this operation. The PSOL, which holds ministries in Lula's government, campaigned for him from the first round, and Valerio Arcary, a leader of its Resistência current, defined the task as helping Lula "buy time." Its "radical" wing and the neo-Stalinist tendencies promised that a mobilized "people" would push the reelected government to the left. The Morenoites, who had presented themselves as an "independent" alternative in the first round,

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called for a vote for Lula in the second: the Unified Socialist Workers Party (PSTU) announced a “critical vote,” while the Revolutionary Workers Movement (MRT) campaigned for “not one vote for Flávio Bolsonaro.” The formulas varied, but the thesis was the same: the re-election of this reactionary bourgeois government was a necessary step in the struggle against fascism and capitalism.

Events since the vote have exposed this perspective in record time. Two weeks after the runoff, the government sent Congress Complementary Bill (PLP) 299/2026, dubbed the “Moretti Plan” after Planning Minister Bruno Moretti. It tightens the fiscal framework and imposes new cuts on health care and other social spending. The Senate approved it almost unanimously, with the backing of the far right. During the campaign, the PT accused Flávio Bolsonaro of preparing a “tesourão,” a giant pair of scissors to slash social spending. The scissors are now in Lula’s hands. For finance capital and its mouthpieces, the package is only “half an adjustment,” the barest minimum, and Finance Minister Dario Durigan has already announced it as a “first step” toward a broader four-year program of cuts. “The one who wants fiscal control is me,” Lula declared on November 19.

Having told workers and youth that electing Lula was the way to fight fascism and capitalism, the pseudo-left now seeks to pose as an opposition to the government’s capitalist agenda. “This is not the program that won at the ballot box!” declared Jones Manoel, the neo-Stalinist elected federal deputy for the PSOL, who denounced an “electoral swindle.” The PSOL’s National Executive announced that it “opposes PLP 299.” But none of these forces will break with the government, which they are neither willing nor able to do. Their protests serve only to wash their hands of the predictable results of the policy with which they helped deceive workers and youth.

The necessary continuation of their policy is to work actively for the subordination of the growing social opposition to the illusion that this government can be pressured to the left. The nationalist alternative offered by Jones Manoel and the Radical Left Caucus he heads with other pseudo-left deputies, of reindustrialization and an end to “rentierism,” is a program for the national bourgeoisie, not against it.

This is the policy of the Stalinist popular frontism, in conditions that make it even more rotten. In the popular fronts of the 20th century, it was the mass workers parties, Social Democratic and Stalinist, that dragged the working class behind the bourgeoisie. The PT long ago ceased to be such a party, and millions of workers and youth see it, correctly, as the linchpin of the bourgeois political system. The task of binding radicalizing layers of workers and youth to the Broad Front falls to the pseudo-left, which seeks to lend a bourgeois government the “left” credentials it no longer has.

The Brazilian working class has already paid in blood for this policy. In the early 1960s, a wave of general strikes, peasant struggles for land and revolts among the rank and file of the armed forces posed the question of power. The Stalinists of the Brazilian Communist Party (PCB) and their Pabloite auxiliaries tied this movement to the bourgeois nationalist government of João Goulart, of the Brazilian Labor Party (PTB), promising that mass pressure would win his “base reforms.” When the military struck in 1964 with the backing of Washington, the working class was politically disarmed. The coup opened 21 years of dictatorship and became the model for the counterrevolutions that swept the Southern Cone in the following decade. Pursued today, while Flávio Bolsonaro organizes from US soil, the same policies can only lead to the same outcome. But they rest on thin ice, and they are being exposed with unprecedented speed as workers and youth collide with the government they were told to trust.

The government’s own response has been a sharp rebuke to the pseudo-left’s claim that it can be pushed to the left. André Janones, federal deputy and creator of the “Lula’s Army” WhatsApp messaging channel, which mobilized more than 10 million followers for the PT campaign in the second round, branded the critics “apartment revolutionaries” and “a band of extremist radicals.” “In the end,” he concluded, “the ‘enemies’ were not on the far right.” Moretti attributed the criticism to a “small sectarian fraction” walking “hand in hand” with business lobbies. A government that greets the parliamentary criticism of its own allies in these terms is giving warning of how it will treat a genuine movement of the working class against its cuts.

Morenoism: “class independence” as a cover for the nationalists

Within this milieu, the Morenoite tendencies play a particular role. They speak the language of “class independence,” “self-organization” and opposition to the bureaucracy, and present themselves as a revolutionary alternative. In essence, their role is to prevent workers from breaking with these governments and with the nationalist bureaucracies, as shown by their responses to the latest events in Brazil and in Argentina, where the Morenoite tendencies, grouped in the Left and Workers Front (FIT-U), have their largest following.

Having helped the far right into power, the Morenoites now declare the danger past. “Everything indicates that the far right’s moment of greatest ascent is behind us,” Farid Reyes wrote in *La Izquierda Diario*, the outlet of the Morenoite Socialist Workers Party (PTS) in Argentina. Lula’s victory, he wrote, “showed the way to defeat the right.” That way was a vote for Lula.

The PTS takes its line from figures like Claudio Katz, a left-nationalist economist who has spent decades offering critical support to Peronism and the governments of the Pink Tide. Katz insists that Peronism “remains a movement that includes progressive sectors and right-wing sectors.” Interviewed on November 8 on *El Círculo Rojo*, a program produced by *La Izquierda Diario*, Katz declared, “They are on the defensive, we have gone on the offensive.” He hailed “a kind of democratic rebellion against these techno-fascists” and called the US vote “a process from below.”

“The main event of Latin America,” he said, “was Lula’s triumph in Brazil,” carried by “the largest mobilization in Brazil’s history.” The PTS had said the same thing for weeks. “After massive mobilizations, Lula won,” *La Izquierda Diario* headlined on October 26, claiming that “the massive mobilizations of the Lula base showed the strength of the street.” The paper even admitted that the mobilization “took place in support of a candidate who has a project of moderation toward the right.” It still presented as a conquest from below the re-election of a right-wing bourgeois politician who two weeks later sent Congress the austerity measures demanded by finance capital.

In Argentina itself, Morenoism postures as the left conscience of Peronism and the union apparatus. On September 19, the day Buenos Aires governor Axel Kicillof launched his Peronist presidential bid for 2027, the PTS and the FIT-U electoral bloc to which it belongs marched to demand that the Peronist bureaucracy that leads the CGT call “a new general strike.” The PTS knows what the CGT is: it calls the truce with Milei “scandalous,” yet it insists on “imposing on the CGT a national strike.” The PTS’s leading figure, Myriam Bregman, faults Kicillof for his “absolute, extreme moderation,” a complaint that Peronism is not left enough.

The same method is applied internationally. Wherever the radicalization of workers and youth breaks out of the control of the official apparatuses, the PTS and its co-thinkers address their demands to the bureaucracies and work to bring the movement back under their authority.

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Build the Fourth International in Latin America!

The developments of the past weeks have strongly vindicated the perspective of the Socialist Equality Group (GSI) in Brazil. Before and after the elections, the GSI warned that the Broad Front was no barrier to fascism, that a reelected Lula government would carry out the austerity demanded by finance capital, and that the pseudo-left was working to keep the radicalization of workers and youth tied to it. The GSI's call for a break with the PT, the pseudo-left and the nationalist bureaucracies, and for the building of an internationalist revolutionary leadership, must now be taken up.

No faction of the ruling class in the Americas has a way out of the crisis. The far-right regimes have lost within months what support they won at the polls, while the nationalists being refurbished as the "alternative" carry out the same program wherever they hold power. Caught between Washington's war drive and the demands of finance capital, and confronting a working class moving into struggle, every section of the bourgeoisie is turning to states of exception, the army and the police. This is an objectively revolutionary crisis, which places the question of power before the working class.

The national bourgeoisie, in its far-right and nationalist variants alike, is bound to imperialism by a thousand threads and fears the working class far more than it opposes Washington. Workers across the Americas confront the same banks, corporations and war drive. As Leon Trotsky's theory of Permanent Revolution explains, only the working class, taking power and extending its struggle internationally, can carry out even democratic tasks in countries of belated capitalist development, and only a working class fighting for power can win the ruined middle layers to its side.

The struggles erupting from Colombia and Venezuela to Chile, Argentina, Mexico and Brazil must be unified across national borders. Workers must organize independently of the unions, in rank-and-file committees linked through the International Workers Alliance of Rank-and-File Committees. Their decisive ally is the working class of the United States, which has just delivered a crushing repudiation of Trump and confronts the same financial oligarchy that is driving war and repression across the hemisphere. The struggle against imperialism cannot be waged alongside the national bourgeoisie, but only through the common struggle of workers in the oppressed countries and the imperialist centers for socialism.

Above all, the working class needs a revolutionary leadership. This cannot be a "broad" party of the left without programmatic boundaries, like the PT built in the 1980s with the decisive participation of the Pabloite and Morenoite renegades from Trotskyism. The experience of the PT, of Chavismo and of Peronism shows where such parties lead.

What is required is a party built on the program of Trotskyism and the historical lessons of the struggle against Stalinism and Pabloism: an internationalist party that unites workers in Latin America with their class brothers and sisters in the United States and the other imperialist centers in a common struggle for world socialism. That party is the International Committee of the Fourth International. The GSI calls on workers and youth in Brazil and throughout Latin America to join the fight to build its sections.

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