

LATIN AMERICA 2025-2030: UNCERTAINTY AND RECONFIGURATION

12 TRENDS THAT WILL GENERATE CHANGE

In 2025, the world faces great uncertainty and a major realignment of political, economic and social dynamics. Structural challenges and disruptive political change are reshaping Latin America's economic and socio-political future. This document offers an initial overview of the main trends that Latin America could experience over the next five years based on a review of recent analyses and the opinions of 42 Latin American experts consulted by Oxfam in Latin America and the Caribbean. The document's final conclusions call for a strategic reinvention in favour of social justice that involves addressing four critical challenges: understanding change (ideas), reinforcing narratives on rights, rethinking cooperation and protecting civic space.

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INTRODUCTION

TRENDS THAT WILL GENERATE CHANGE IN UNCERTAIN TIMES

At the beginning of 2025 there is a widespread view that the world is entering a period of enormous uncertainty caused by political, economic and social upheaval.

Latin American countries have already been facing significant challenges for several years in terms of relaunching economies, reducing inequalities, strengthening democracies and addressing the increasing impact of climate change.

On a global scale, there were already signs of the decline of multilateralism, the emergence of a multipolar world, a shift towards economic globalisation associated with the rise of neo-nationalism, increasing support for populist parties and leaders, the proliferation of armed conflicts, unrest among the middle classes and the incursion of communication technologies in political and social life.

These structural transformations have accelerated, and in some cases worsened, due to policies introduced at the start of Donald Trump's second term as president of the world's largest economy and military power. These changes are particularly relevant for Latin America due to the region's geographical proximity, economic importance and long shared history between our region and the USA.

These unprecedented structural challenges have coincided with a period of disruptive political change to reshape future economic and socio-political scenarios.

Against this backdrop, this paper offers an initial overview of the main trends that Latin America could experience over the next five years based on a review of recent analytical documents and the opinions collected from a group of 42 Latin American experts who were consulted by Oxfam.

LATIN AMERICA IN EARLY 2025: STAGNATION, FRAGILE DEMOCRACIES AND DISRUPTIVE CIRCUMSTANCES

Although there are historical, cultural and social differences between the different subregions and countries in Latin America, there are also common features that have affected most of the region during recent years.

In the second decade of this century, economic growth slowed after a ten-year period of expansion, a situation that was accompanied by the stagnation of efforts to reduce poverty, increased social unrest, higher levels of political instability, growing mistrust of public institutions and significant dissatisfaction with the functioning of democracy.

This period of instability followed a long cycle of major transformations in the social structures of many countries that were the result of urbanization, accelerating demographic transition, the mass entry of women into the economy and politics, high economic growth, improved social conditions and the expansion of the middle class.

These changes led to shifts in consumption patterns, cultural behaviour and political preferences in a region that has generally been living under democratic rule for more than 40 years despite its many vulnerabilities.

The stagnation with efforts to reduce poverty worsened after the COVID-19 pandemic. There has only been a slow recovery in terms of economic growth and social losses have not been recuperated. In addition, levels of trust in public institutions dropped in several countries due to their inefficient health management and social crises associated with the pandemic.

Between 2021 and 2023, political instability deepened while levels of dissatisfaction with public institutions reached historic highs. Although some of these trends eased in 2024, the same problems persist and the region appears to be experiencing socioeconomic and political stagnation.

After more than a decade of improvements to income and living conditions, several countries are facing the phenomenon of the "middle-income trap". Doubts are emerging about the direction of the region's economic development and the ability of Latin American countries to finance new social policies and improve public infrastructure.

This situation means that the economic debate in Latin America is focused on how to accelerate growth, diversify the economy, improve productivity and increase investment, and to a lesser extent on new wealth redistribution initiatives. Both the traditional right-wing and left-wing policies that have dominated political debate in recent years appear to offer few answers to these problems while demonstrating their limited capacity for reform.

The progress made in recent decades with gender equality and diversity rights are being questioned while in some cases there are signs of regression.

It would appear that the region is facing severe governance problems due to the mismatch between political and institutional capacities and the growing needs of a complex society that is more demanding of its leaders and communicates and organises itself in new ways.

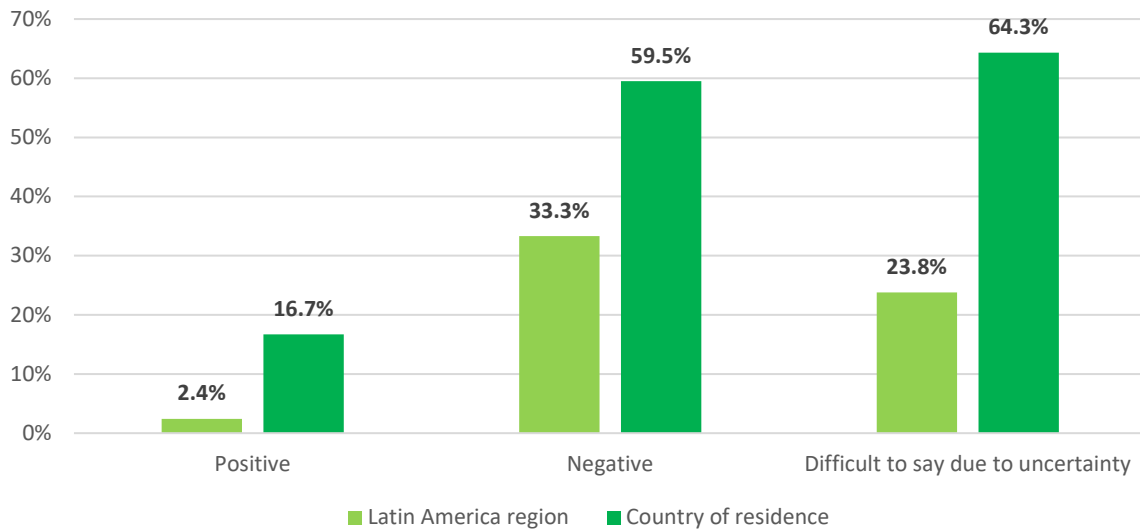
The difficulty of governing and mobilising civil society is also occurring at a time when imbalances and losses are worsening due to the effects of climate change. Problems such as migration and public insecurity are becoming more complex.

The current situation has been further complicated by political changes in the United States with the arrival of the new administration led by Donald Trump.

For all of these reasons, the perception by the interviewed experts of the direction that the region and their countries of residence are taking was primarily negative or uncertain. The most frequent feelings expressed when referring to the situation were "uncertainty", "setbacks", "fear" and "frustration" (see Tables 1 and 2).

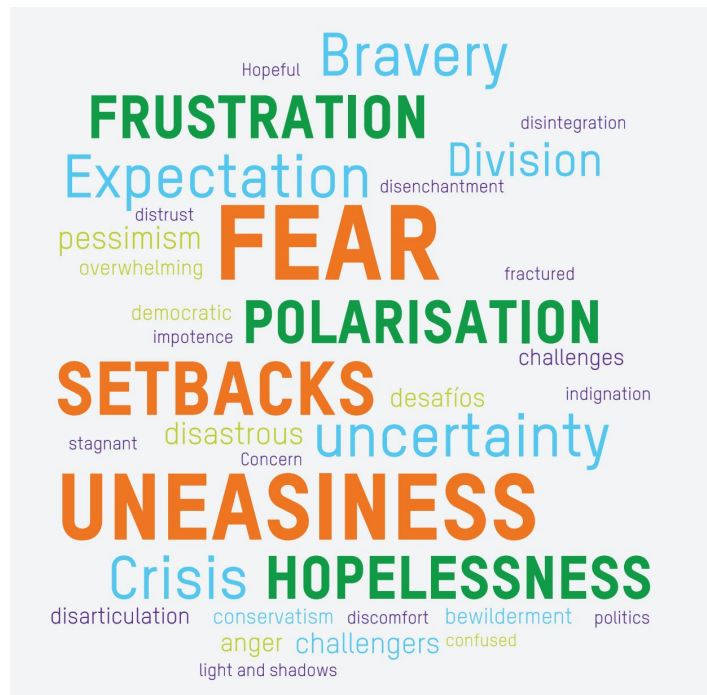
This mood was also reflected in their pessimism about the future regarding almost all of the key dimensions for regional development (Table 3). Their feelings were particularly negative regarding vulnerability to climate change, management of migration flows, the region's relationship with the United States, reducing inequality and the fight against corruption.

Graphic 1. Direction of the region and country in recent years (%)



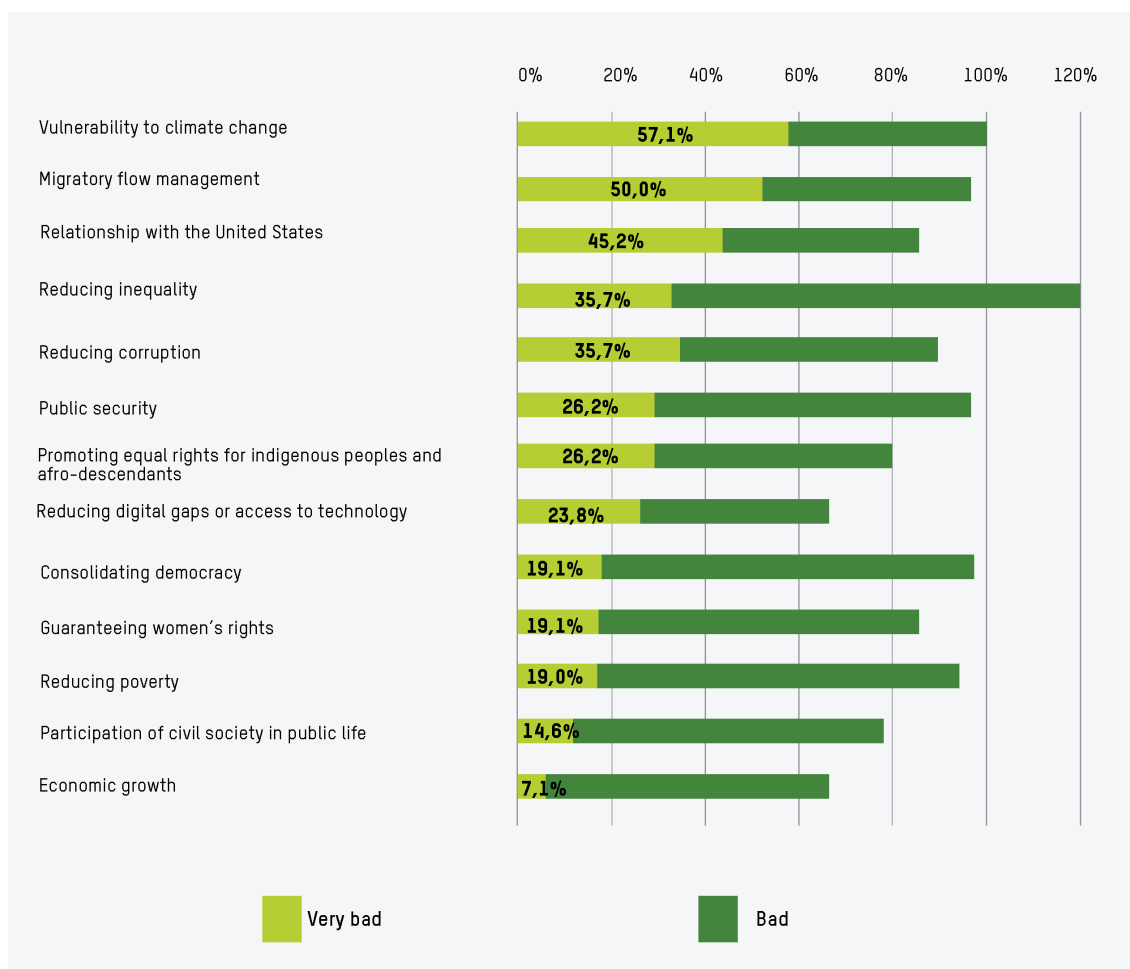
Source: Oxfam elaboration based on Delphi consultation.

Graphic 2. Word cloud: feelings regarding the situation in the region



Source: Oxfam elaboration based on Delphi consultation.

Graphic 3. In the next three years, what do you think the regional situation will be? (% very bad and bad)



Source: Oxfam elaboration based on Delphi consultation.

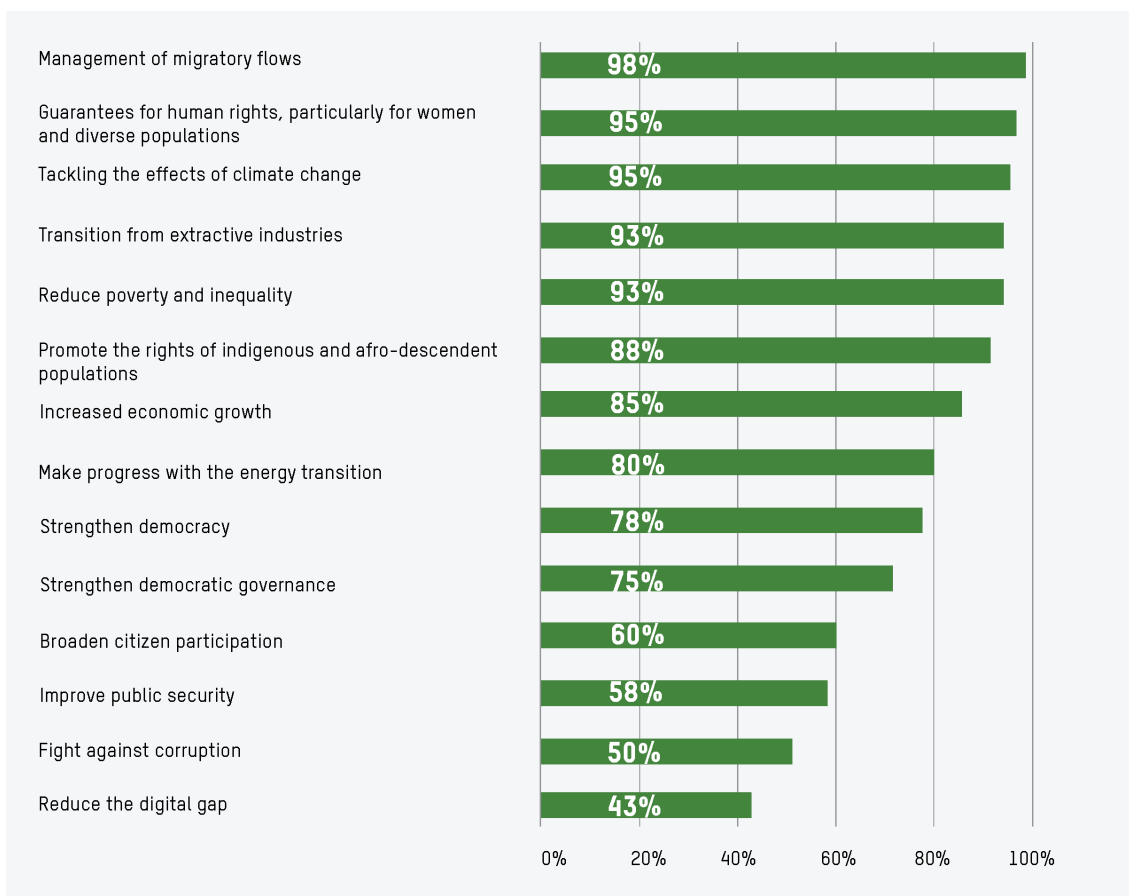
These opinions also reflect the strong impact that the decisions of President Donald Trump's administration have had throughout the region. In his first 100 days in office, Trump has pushed for major changes to US immigration, trade and security policies that, in turn, can have a significant impact on Latin America.

A majority of those interviewed believe that these policies will become permanent and generate long-term changes for global politics and the global economy. They are perceived as transformations with possible medium- and long-term impacts.

Latin America has been one of the regions most affected by Trump's decisions to tighten immigration and security policies, threats to increase trade tariffs on Mexico and other countries in the region and questions about the sovereignty of the Panama Canal. According to some spokespeople for the new administration, Latin America is seen as an area of influence where the United States aims to strengthen its presence and hegemony.

As a result, there is a very negative and widespread perception of the possible impact of these policies in the region (Table 4). This pessimism was expressed in relation to almost all of the country development metrics, specifically in key areas such as the management of migration flows, guarantees for human rights, the capacity to tackle climate change and actions designed to reduce poverty and inequality.

Graphic 4. How could the new US government's decisions and policies affect the future of the following areas in the Latin American region (% of negative effect)



Source: Oxfam elaboration based on Delphi consultation.

Following a quarter of a century of significant economic and social transformations, which have often been positive but have also involved crises that affected public institutions, Latin America faces major challenges to relaunch its sustainable development and strengthen its democracies.

In this already complex context, Trump's disruptive policies are generating doubts about the region's future. The feeling among most observers is that we are entering a very uncertain period with a high risk of regression. Identifying the main trends in this new scenario is essential for managing them and achieving a better future for Latin Americans.

This paper describes twelve trends grouped into three broad areas that must be observed, analysed and used as foundations for innovative proposals that mobilise social capacities and promote well-being and dignity for all.

AREA 1: THE FUTURE OF SOCIO-ECONOMIC AND ENVIRONMENTAL POLICIES IN UNCERTAIN TIMES

FIRST TREND. SLOW ECONOMIC GROWTH, STRENGTHENING OF EXTRACTIVE INDUSTRIES AND FRAGILE INTERNATIONAL INTEGRATION

Latin America experienced high economic growth during the first decade of this century that was driven by increased commodity exports, particularly in South America, as well as remittances sent by migrant workers to their families in Central America. In some countries, this dynamic was complemented by redistributive policies that improved incomes for people living in poverty while increasing access to public services (water, education and health).

Poverty declined, inequality fell moderately and the middle class grew. In the next decade this momentum began to fade, followed by a major setback with the arrival of the COVID-19 pandemic. The region's economy did not recover from this event, with a growth rate of 2.4% in both 2023 and 2024 and projections of 2.0% in 2025 and 2.4% in 2026¹. In 2023, the number of people living in poverty was at 2014 levels (27.3% of the population) while the extreme poverty rate had increased by almost 3 percentage points (10.6% of the population) compared to 2014-2015².

In several countries, mineral and hydrocarbon extraction and large-scale agriculture were not accompanied by economic diversification and caused a negative impact on the environment. In others, the increase in remittances from migrants to their families did not solve the problems generated by mass migration. Instead, this became a palliative measure that increased the consumption of imported goods without generating employment or improving living conditions.

Once the favourable economic situation came to an end, most economies returned to slow, uneven and volatile growth while others accrued macroeconomic and fiscal deficits that need to be addressed.

This stagnation has not just been caused by the economic situation. There are structural problems impeding the type of growth that generates quality jobs, equity and sustainability. Productivity remains low due to educational gaps, high levels of informal employment, social inequalities, regulatory problems and differentiated access to assets and skills, among others. The decline in fertility rates and increase in migration have slowed the growth of the labour force, which is an issue that requires action.

Latin America's structural development problems are also associated with the persistence of extractive companies owned by members of the ruling class that dominate dynamic sectors, causing market concentration while hindering innovation. The lack of competition and the excessive influence of these groups on public policy create an environment in which productivity has stagnated.

Accelerating economic growth through improved integration into global markets, higher levels of investment, regulatory adjustments and proactive measures that increase productivity is one of the main goals in almost all Latin American countries.

Relocating US-bound production from Asia to Mexico and Central America was expected to boost local economies. South America aimed to benefit from rising energy and mineral demand for China's transition. It was widely thought that these opportunities would facilitate reforms designed to improve productivity.

Recent economic events are creating a difficult scenario for the achievement of these objectives. The USA is reorienting its policies to discourage imports, attract investment and encourage manufacturing in its national territory.

Sharp tariff increases for all economies around the world are creating a protectionist environment that hasn't been seen in almost a century. Added to this are fears of a reduction in remittances due to the tightening of US immigration policy.

In addition, Chinese investment could face new geopolitical restrictions from the United States in Latin America, a region that is perceived as being subject to its influence. An example of these tensions is the controversy over port management services provided by Chinese companies in the Panama Canal.

Added to all of these notable uncertainties are the risks generated by a possible contraction in global trade, rising interest rates, inflationary pressures and a general deacceleration of global growth.

In the next few years, Latin America could face a major restructuring of its access to development financing due to the combined effect of a contraction in exports, stagnation or reduction in foreign investment and a decline in remittances. The economic outlook for Latin America was already not very optimistic, but this new context means that future projections have worsened significantly.

The global and hemispheric scenario has become more complex, making it more difficult to believe that Latin America's economic transformation could be driven by favourable external factors. In this difficult context, several economies are being forced to make strong macroeconomic adjustments that will have an impact on economic activity and living conditions.

Proposals for economic reforms in the region are increasingly influenced by positions that advocate market liberalisation, aggressive deregulation, tax cuts and the promotion of individualism, representing a rejection of redistributive measures and actions to reduce inequalities.

In the face of stagnation, incentives for more intensive extractive activities (mining, agribusiness, hydrocarbons, etc.) are being strengthened. This is either because they are a good option for generating growth and tax revenues, or because this sector is where global geo-economic transformations favour the region's specialisation.

Given the need to move forward with energy transition and the increased needs generated by the rise of digitalisation and artificial intelligence, energy requirements and access to strategic minerals and other resources are being redefined across the globe. As a result, Latin America provides investment opportunities for the energy transition while also being the site of geopolitical disputes as it is home to many of these resources. The powerful elites who run extractive companies are disproportionately influential in this sector.

However, there are also major problems associated with this trend. There is now increased social awareness of the negative impacts of extractive industries on the environment and limitations to achieving balanced development. This has already generated significant social conflict that could intensify in the future.

Subsequently, a region that urgently needed a new economic boost is facing major uncertainties that could worsen its growth prospects. Depending on the pace of global changes, Latin American countries may have to rethink their external integration and how they finance development. Given these tensions, there is a major risk that extractive industries will be seen as a solution to these problems, complemented by aggressive economic liberalisation and deregulation.

However, evidence suggests that without profound structural transformation, the region is likely to remain trapped in a cycle of low growth and high inequality. There is a need to make progress implementing institutional reforms and adopting innovative educational and technological policies while establishing fairer tax systems, designing a post-extractive economy and formulating new social policies.

These should be complemented by intelligent economic and political strategies that adopt a favourable position in terms of the geo-economic competition that will occur between major industrial powers in the coming years.

SECOND TREND. FISCAL AND POLITICAL CONSTRAINTS ON REDISTRIBUTIVE POLICIES

At the beginning of this century, Latin American states expanded their social programs, regardless of the ideological orientation of governments. In 2000, the percentage of GDP allocated to social public spending was 8.3%. Fifteen years later, it reached 11%, increasing to 13.7% during the pandemic before returning to 11.5% in 2023³.

Large conditional and unconditional cash-based transfer programs were launched and significant investments were made in health, education and sanitation infrastructure. In Brazil, Mexico and other countries, labour policies were implemented that increased incomes and improved living conditions for workers. These efforts had a positive impact on social indicators and increased quality of life for millions.

However, these policies had their limits. They failed to reduce pockets of extreme poverty and did not solve quality problems with public services, given that they expanded coverage without ensuring they had the capacity to meet the needs of new beneficiaries. These policies made a modest contribution to improving labour productivity while achieving a sustainable increase in income and wages.

Despite this progress, the region remains highly unequal and is home to large groups of people with many needs who require strong wealth redistribution measures. Public services such as education and transport are key to improving people's employability but they are currently in need of resources and a renewed role for the state.

This means that the Latin American social agenda currently faces a number of challenges. It must accompany demographic changes that affect the provision of social services while meeting the demand for better jobs, stable incomes and quality public services from the middle class and emerging socioeconomic segments. It is also important to continue efforts to reduce poverty through new cash-based transfer schemes and the implementation of distributive social policies that favour the most vulnerable groups.

This challenge, which demands continuity and innovation, faces two key constraints. First, the deterioration of macroeconomic and fiscal balances is leading to stagnation in public spending and even reductions in several countries. Faced with a lack of resources, the preferred option has been to cut public budgets, including social spending, instead of redesigning tax systems to make them fairer while increasing the contributions made by the wealthiest sectors.

As a response to this scenario, there is a need to continue to develop policy options that incorporate a more comprehensive view of government spending and revenue. This will facilitate the financing of social policies without creating harmful imbalances. The greatest constraints come from social expectations and politics.

There are currently no solid social agreements regarding the need for a strong distributive social policy, as there were at the beginning of the century. Many citizens from the middle classes and emerging socioeconomic segments reject these policies because they believe that they do not

benefit from them and even reduce the incomes of this population. These discussions are becoming polarized due to the political growth of libertarian opinions that propose meritocratic, individualistic arguments combined with a radical rejection of state intervention and social protection.

The renewal and relaunch of ambitious social policy that addresses serious problems with inequality and contributes to sustainable growth is affected by the lack of socio-political consensus and the financial problems faced by states. All these factors have been exacerbated by the current context of uncertainty. There is also generalized fatigue with the discourse on redistribution and inequality, a result of increasing support for opinions that call for a reduction in the size of states and increased individual responsibility.

THIRD TREND. THE RISK OF MAJOR SETBACKS THAT IMPEDE EFFORTS TO PRESERVE ECOSYSTEMS AND TACKLE CLIMATE CHANGE

The rapid change in climate patterns and increase in average global temperatures is one of the most vital issues affecting the future of humanity. There is agreement that these processes are significantly affected by human activities, particularly the burning of fossil fuels such as coal, oil and gas that generate greenhouse gas emissions. Land and forest clearing and other industrial, transport and construction activities are also having an impact on the planet's climate.

The Earth's average temperature is now 1.1°C higher compared to the end of the 19th century before the industrial revolution. It is also higher in absolute terms than at any other moment during the last 100,000 years. The last decade (2011–2020) was the warmest on record. However, rising temperatures are only the beginning. As the Earth is a system in which everything is connected, changes to one area can influence all others.

Thousands of scientists agreed that limiting the rise of global temperatures to no more than 1.5°C would help us avoid the worst climate impacts and maintain a habitable climate. However, current policies point to a temperature rise of 2.8°C by the end of the century.

The consequences of climate change are already being felt and include, among others, melting polar ice caps, water shortages, rising sea levels, severe droughts, floods, serious fires, biodiversity loss and catastrophic storms. Climate change can also affect people's health, the ability to grow food, housing, security and work. Latin America is home to many areas that are particularly vulnerable to the impact of climate change.

In this global emergency context, the Sustainable Development Goals (SDGs), the United Nations Framework Convention on Climate Change and the Paris Agreement are global frameworks that guide progress in three action areas: reducing emissions, adapting to climate impacts and financing the necessary adjustments.

While several countries have committed to achieving zero emissions by 2050, around half of the cuts to emissions must occur before 2030 to keep global warming below 1.5°C. Profound changes are required to move from fossil fuel-based energy systems to renewable energy, including transformations of energy consumption, economies and lifestyles. Financing this transition is essential for moving forward, particularly in lower-income countries.

The momentum supporting these policies has slowed in recent years. Their costs have been perceived as very high, certain segments of society have been affected and some political forces have expressed scepticism or rejection of these approaches. For example, one of the Trump administration's first measures was a significant reversal of the United States' support for these commitments and policies.

Shortly after taking office, President Trump's administration announced a reduction in funding for efforts to address climate change, which has weakened global efforts and affected the availability of resources for implementing these policies in vulnerable countries in Latin America and the

Caribbean. The USA has also withdrawn from the Paris Agreement on climate change while freezing public investment and spending on the green transition and renewable energy.

This is particularly serious given that, historically, the United States has been the country with the highest carbon emissions and is now only second to China. Its departure from global targets will have a negative impact on efforts to limit warming to below 1.5°C. While all countries must act, individuals and countries that cause the most problems have more responsibility than others. As a result, the US is denying its role as a historical producer of carbon while also avoiding its responsibility to reduce future emissions and find solutions.

These decisions have also affected the commitment by industrialized countries to allocate \$100 billion to developing countries each year so that they can adapt to climate change and move towards greener economies.

The recent decisions made by the Trump administration are not new, as he had already withdrawn from the Paris Agreement at the start of his first presidential term in 2017. On that occasion, the USA was technically removed from the Agreement between November 2020 and February 2021, a decision that was later reversed by his successor, Joe Biden. Although local governments, businesses, organisations and US citizens can continue to work towards climate goals, the current position of the federal government poses major challenges.

An indirect effect of these new policies is that they encourage other governments not to act against climate change. In Latin America, Jair Bolsonaro's government in Brazil was an example of this, while President Javier Milei recently announced the possibility of Argentina withdrawing from the Paris Agreement.

Climate change will not be a priority for the United States in the coming years. On the contrary, the US will promote hydrocarbon exploitation while slowing down the green transition. This forces Latin American countries to seek cooperation with other nations committed to this issue.

In addition to the regressive stance of the United States and some countries on climate change, specifically the weakening of environmental policies and promotion of fossil fuels, and despite efforts by other countries to work towards fulfilling green commitments, Latin America is experiencing a concerning expansion of extractive industries across the continent.

Governments with different political orientations are incentivizing sectors such as mining, hydrocarbons and agribusiness. This doesn't just significantly contribute to greenhouse gas emissions, it also causes mass deforestation, water pollution and socio-environmental conflicts.

The contradiction between sustainable rhetoric and extractive practices reflects a development model that continues to prioritize short-term economic gains over sustainability for land and communities. This position is currently reinforced by economic uncertainty and growing opinions that encourage the prioritization of economic growth at any cost.

AREA 2: CHALLENGES IN A MULTIPOLAR WORLD WITH GEOPOLITICAL DISPUTES

FOURTH TREND. DISPUTES OVER VALUES ENSHRINED IN HUMAN RIGHTS AND SUSTAINABLE DEVELOPMENT

Coinciding with the end of the Cold War, many Latin American countries returned to democracy and began a long period that lasted at least 20 years during which they strengthened discourses and narratives on respect for human rights and the expansion of democratic values.

A large majority of political elites in the new democracies adhered, officially, to democratic principles and promoted institutions and initiatives for their protection and promotion, both domestically and in multilateral spaces. Civil society organizations flourished, expanding their boundaries and demanding political rights at first, which was then followed by demands for the fulfilment of a wide range of individual and collective rights.

Ideas about development also evolved. First, recognition of the importance of social rights, led to a rethinking of public policies and the introduction of concepts such as "human development," "sustainability," and "reduction of inequalities" that were then put into practice by several governments.

There was also an intensification of efforts to achieve gender equality and demand respect for the rights of sexual minorities, producing a new generation of regulations and policy changes despite resistance from conservative sectors.

During this period, Latin America was one of the regions most involved in building a multilateral regulatory framework to protect and promote human rights. Although these guidelines were not always fully implemented, they were respected and accepted by most leaders and received support from the general public.

In the second decade of this century, the landscape began to change. First, there was an emergence of organizations that promote a conservative, family-protection and anti-feminist agenda, followed by the popularization of discourses emphasizing a cultural struggle against so-called "gender ideology" on social media and in the mainstream media.

With the surprise victory by Jair Bolsonaro in Brazil in 2019, the conservative agenda in the region gained significant exposure as it was associated with an "iron fist" discourse on security and the rejection of so-called "globalist" ideologies (environmental protection and respect for human rights). This phenomenon was linked to the emergence of populist right-wing movements in the United States and Europe.

In recent years, movements combining economic liberalism and social conservatism have grown stronger and more widespread, influencing public opinion and supporting new political forces. Some of these groups have won national elections.

These groups have managed to position and disseminate their views widely in the public sphere, openly questioning the consensus on respect for human rights and redistributive policies. Increasingly, social and political forces are questioning gender equality, the 2030 Agenda for Sustainable Development and the rights won by the LGBTQI+ population.

This has caused regulatory setbacks and the cancellation of policies and programs that promoted equality, diversity and the fight against climate change in some countries in the region. This is what occurred with the Trump administration at the start of 2025.

Although these movements are encountering resistance and are not hegemonic, their activism is intense, well organized and now has a strong reputation, significant resources and political support.

Issues that were once widely accepted by society are now being questioned and need to be defended. The risk is that a wide range of norms, guarantees and policies related to rights, inequality and development will be called into question, leading to social setbacks throughout Latin America.

FIFTH TREND. GEOPOLITICAL CONFLICTS, CHANGING SPHERES OF INFLUENCE AND WEAK REGIONAL INTEGRATION

Geopolitical objectives are increasingly at the heart of countries' political and economic decisions. We are moving towards a multipolar and notably disordered world without any clear new arrangements or mechanisms for stabilizing it.

In this context, several major powers are promoting policies that claim geopolitical "spaces or zones of influence" where they wish to exert unilateral and dominant influence. They sometimes resort to using their economic, commercial and even military power to impose their positions on other countries.

This trend is weakening the multilateral institutions that were created to regulate geopolitical, commercial and socio-economic disputes through respect for a set of international laws and norms. This is particularly worrying for small and medium-sized countries that previously used these spaces to engage in dialogue and negotiate with the major powers on better terms.

The wars in Ukraine and Gaza and other recent armed conflicts, the large-scale use of trade tariffs by the United States to achieve political objectives and the exclusion of the United Nations and other multilateral bodies from actions to resolve current major economic and geopolitical problems are examples of the weakening of existing rules and international law that sustained the global order following the Second World War.

The increasingly fierce commercial, diplomatic, technological and military competition between the United States and China across the globe is one of the hallmarks of this new era. Confronting the emergence of China has been the USA's primary geopolitical objective for the past 10 years and is one of the main arguments used by the Trump administration to justify its protectionist trade policies and unilateralism.

In this context, Latin America is one of the regions that has been most affected by the change in US foreign policy, which has a number of interventionist characteristics. The Trump administration has gained traction with its idea that Latin America is one of their exclusive "spheres of influence" where countries need to be aligned with US interests and support its domestic policies.

In its first 100 days, the new US administration secured the support of several Central American countries for the implementation of its new migration policy, made progress with an extreme reconfiguration of its trade and political relationship with Mexico (its large Latin American neighbour), communicated its interest in controlling a key shipping route like the Panama Canal and expressed its hostility to investments and agreements between several countries in the region and China.

It is notable that, apart from the political support the USA provided to the Argentine government in its negotiations for a new loan from the International Monetary Fund (IMF), the Trump administration's renewed activism in the region has initially focused on imposing its particular views on migration and security issues without offering options for trade liberalisation, investment or cooperation to generate shared benefits for Latin American countries.

On the contrary, indiscriminate increases to tariffs, a reduction in development assistance due to the abrupt closure of USAID, the potential increase in deportations of illegal immigrants and a proposal to levy a 3.5% tax on remittances could significantly affect the economies of several countries that are potential US allies.

Despite this new scenario, China has continued to consolidate the resilience of its economy, strengthening its relationship with Asian neighbours and deepened its engagement with the global South. Faced with the unpredictability of US policy, China is positioning itself as a stable influence that defends multilateral trade mechanisms and the United Nations. According to observers, its goal is to consolidate its rise as a global power thanks to the withdrawal or volatility of the USA in several critical areas.

Faced with the intensification of its trade dispute with the US and the imposition of high tariffs on Chinese exports to the US, Beijing is seeking to strengthen its relations, trade and investments in Latin America.

Although the possibility of Mexico and Central America becoming sites for the relocation of Chinese manufacturing industries and subsequent exports to the US seems to be complicated, Beijing has expressed its interest in accessing Latin America's abundant raw materials, such as soy, copper and minerals for the energy transition. China is focused on markets that can absorb part of the country's industrial exports while also increasing its presence as operators of large logistics projects in the region (ports, roads, railways, etc.).

In the coming years, the US-China dispute will intensify. The US is returning aggressively to Latin America to secure political alignment and counter China's economic influence. This situation will vary across Latin America, which in turn could increase intra-regional differences. For example, South America could gain greater autonomy when positioning itself in relation to the US and China due to the size and structure of its economies. Central America is more dependent on the US and Mexico and is negotiating a new role as part of the redefinition of industrial production chains in North America.

Europe and other global actors do not appear to have clear, long-term or concerted strategies for their relationship with Latin America. The European Union, with a particular emphasis on Spain, has developed important historical, political and economic ties with the region. Some voices suggest that the US-China rivalry could be a factor that encourages a renewed strategic alliance between European and Latin American interests.

However, European initiatives like the Global Gateway strategy, which prioritizes commercial and geopolitical interests, promotes privatization and concentrates profits in sectors dominated by local elites, lack effective mechanisms for transparency, participation and the protection of human and environmental rights. This means that European interests in the region, under the banner of international cooperation and energy transition, could reproduce rent-seeking practices through investments that do not guarantee increased social inclusion or fairer development for Latin American populations⁴.

Similarly, relationships with other trade blocs are intensifying, such as the BRICS countries. However, it is still too early to assess their influence on key dynamics, and it is difficult to predict the future socio-economic and political impacts of these alliances.

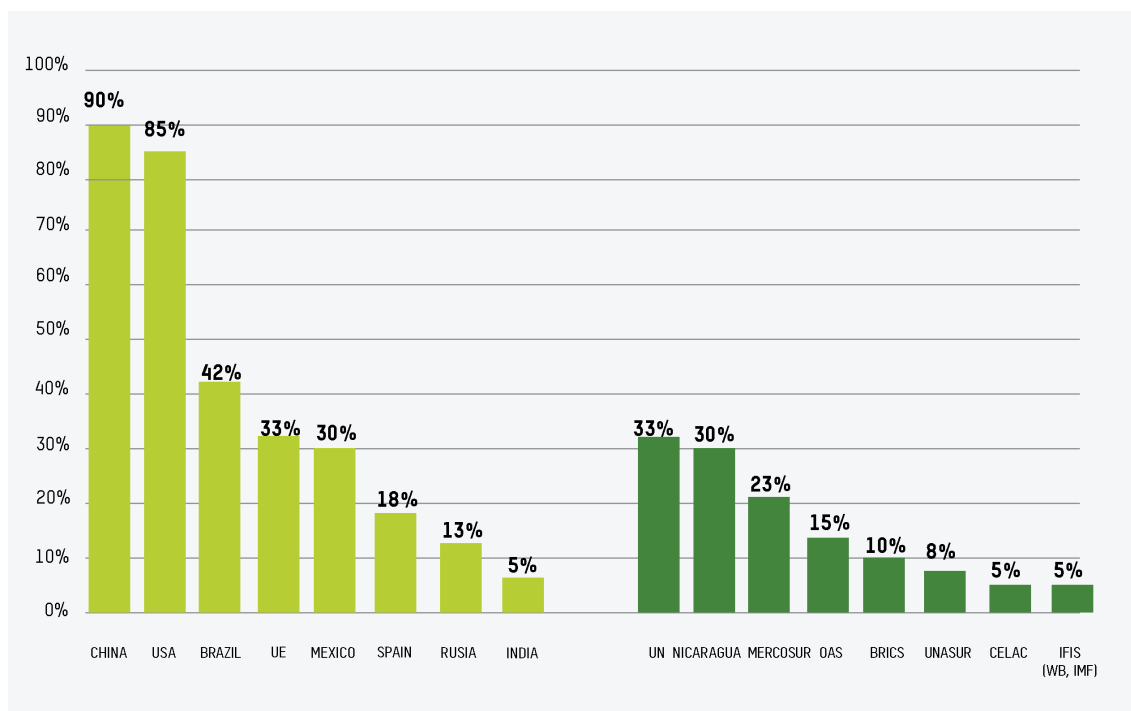
Faced with this redefinition of geopolitical balances and changes to US policy, there is clear evidence of weakness in Latin American multilateralism. Although migration and security could be issues where countries in the region need to adopt a shared stance in relation to the US, dialogue has been limited and to date there have been no joint discussions of these new challenges. Neither the OAS nor CELAC have reacted to recent events.

It remains to be seen if the new OAS Executive Secretary can revive this institution, and whether the region's larger countries, particularly Brazil and Mexico, are able to achieve the adoption of joint strategies soon. In the meantime, each country will probably have to define its own position and negotiate unilaterally.

The experts consulted confirm these trends: the centrality of the United States and China, hopes for leadership from Brazil and Mexico, a revitalization of European influence and pessimism regarding the ability of multilateral entities to intervene (Table 5).

In the medium term, there is a clear possibility of making progress with regional alliances and agreements to obtain increased negotiating power and adopt a favourable and sovereign position in the emerging new global geopolitical landscape. A renewal of integration instruments, or at least the possibility of building ad hoc alliances between several countries on strategic issues seems to be an urgent task but one that is not yet on the horizon.

Graphic 5. In the new geopolitical scenario: countries and multilateral entities that will have an increased influence (% of positive responses)



Source: Oxfam elaboration based on Delphi consultation.

SIXTH TREND. A NEW ERA IN INTERNATIONAL DEVELOPMENT COOPERATION

There is a clear consensus that a sudden and significant restructuring of development cooperation is taking place around the world. The massive reduction in foreign aid provided by the United States to developing countries that led to the closure of USAID is having a major impact, given that the US was previously the world's largest donor of development and humanitarian assistance.

The effects of this decision are not limited to the closure of thousands of projects and initiatives around the world that were financed through bilateral cooperation programs. There has also been a reduction in the funds allocated to United Nations agencies and non-governmental organizations in the critical areas of humanitarian assistance, basic health and social protection.

Even if the US eventually reactivates this funding, the situation will remain precarious due to the time it will take to establish a new mechanism and the uncertainties surrounding this process. In the future, this assistance will have to exclude any work related to equity, diversity and environmental sustainability.

Trump's first executive orders explicitly state that foreign aid must be aligned with his foreign policy and the geostrategic interests of the United States. This could lead to a prioritization of issues and organizations aligned with the Make America Great Again (MAGA) movement, including ultra-conservative and anti-gender groups.

This major change also comes at a time when several traditional European donors, including Sweden, Denmark, the Netherlands, the United Kingdom and Germany, are readjusting their foreign aid policies by concentrating their efforts on certain regions, decreasing their support for other geographic zones and cutting their budgets to either reduce public debt or allocate resources for other priorities.

The direct effect of these changes on Latin America has not been the same across the region. Central American countries, and to a lesser extent Colombia, have been the most affected. According to data compiled by the OECD, US bilateral aid accounted for approximately 27% of total official development assistance received by Latin American and Caribbean countries in 2023⁵, which is a significant amount. However, there are also indirect impacts caused by reductions in funding for United Nations agencies and other multilateral entities, in addition to the cuts made by European donors.

The closure of USAID can be seen as the culmination of a slow restructuring of development cooperation in Latin America that began some fifteen years ago.

Since the beginning of the century, the amount of cooperation funds from bilateral sources has been declining because many Latin American countries have been reclassified as middle-income countries during this period. There has also been an increased focus on aid to other regions, primarily Africa. In global terms, development assistance to the region has remained stable since 2010 at around USD 11-12 billion.

The composition of donors has also slowly changed since the beginning of the century (Table 7). Regional multilateral banks increased their share of funding, contributions from European sources (bilateral and European Union) dropped significantly and United Nations agencies also reduced their financial presence in the region. During the last five years, these trends were confirmed by the withdrawal or severe reduction of funding from major historical European donors including Germany, Denmark, Sweden and the Netherlands.

The increased role of multilateral banks has also changed this sector, with an increase in funds directly managed by states and a reduction in their financial support for civil society initiatives. Funding for work focused on promoting democracy and human rights has been declining while support for environmental and humanitarian assistance has increased.

These existing trends could be strengthened if the United States influences the boards of these entities, where it already has a strong presence. This would have the goal of returning them to their "original" purposes, as defined by the US Treasury Secretary: encouraging economic development and facilitating the building of infrastructure while moving away from "ideological" issues such as climate change and equality.

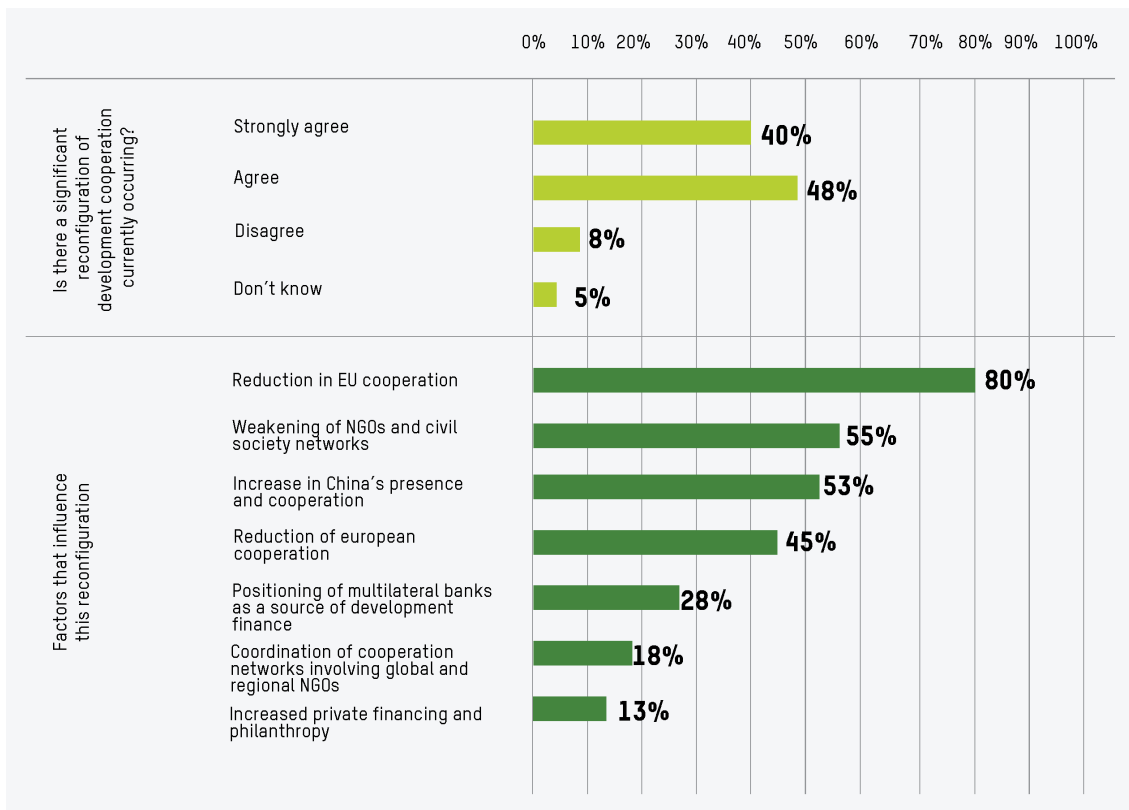
Although China's bilateral aid has increased over the last decade, it will not replace the support previously provided by the US and European countries in the short term, particularly for initiatives that promote human rights, address social vulnerability and strengthen democracy.

The entities that previously received this support are currently experiencing a major readjustment: abrupt closure of projects, staff layoffs and even risks to their future operation. For example, networks of non-governmental organizations working on social and humanitarian issues and human rights with migrants and vulnerable populations in Central America have been severely weakened.

This reduction and uncertainty for the international development cooperation architecture in Latin America comes at a time when structural problems are accumulating there are high levels of vulnerability to disasters caused by climate change, increased social needs that are expected to reduce growth and a strong possibility of mass deportations of migrants. Central America and Colombia are particularly vulnerable in this new scenario.

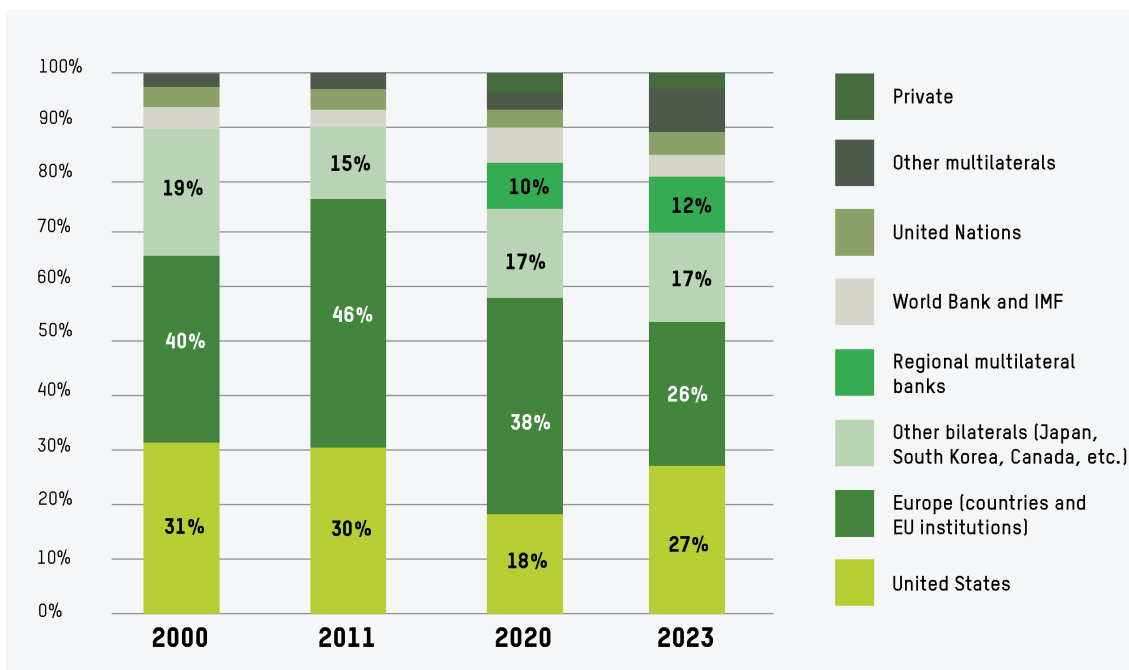
In the coming years, it seems very likely that there will be a major reconfiguration of actors in the development cooperation and aid ecosystem in Latin America.

Graphic 6. Opinions on the reconfiguration of development cooperation in Latin America (% of responses)



Source: Oxfam elaboration based on Delphi consultation.

Graphic 7. Official Development Assistance – ODA (percentage by source) 2000 – 2023



Source: Own elaboration using OECD data.

SEVENTH TREND. TIGHTENING OF MIGRATION POLICIES

Latin America has long been the source of several waves of mass migration to the United States, primarily from Mexico and Central American countries. Migration currently comes from almost all

countries in the region and migration flows are not just directed northward but also within the region itself.

As waves of migrants became commonplace across the continent, increasingly intense discussions have emerged about their integration into host communities and problems involving insecurity and access to public services. In some countries like Peru and Chile, xenophobic attitudes have resulted in restrictive policies against migrants.

Tightening immigration policy is one of the Trump administration's top priorities as part of its "America First" agenda. These changes are justified through the theory of a migrant "invasion" that has led to an unprecedented crackdown on illegal immigrants in the country and could even see the use of military forces at the border.

In recent months there have been flights to several Latin American countries carrying deportees while major political and diplomatic efforts have been made to obtain cooperation from Mexico and other Latin American countries for this initiative. The Trump administration has threatened tariffs on individual countries if no agreement is reached. At the same time there has been a multiplication of measures to discourage the arrival of migrants and complicate their regularization processes. Adding to this concerning scenario is the notable weakening of the capacity of UN agencies and NGOs to receive and assist migrants and refugees due to the USAID cuts.

The impacts of these new measures are significant. According to the American Immigration Council, mass deportations could lead to recession in Latin American economies, a sudden increase in unemployment and a loss of remittance payments. This would subsequently generate further migration to the United States. The current situation represents a challenge for the capacity of many governments in terms of reintegrating returnees while also violating regional cooperation mechanisms such as the Los Angeles Declaration on Migration and Protection.

How can Latin American governments react to the sharp increase in deportations and demands for increased cooperation, including requests to accept deportees under threat of economic punishment? How can the United States adopt these measures while preserving regional cooperation on migration?

Although some countries have negotiated with the Trump administration regarding their treatment of returnees, there is currently no regional strategy defined by either the US nor an organised Latin America that responds to these restrictions.

It is clear that Trump's policies are transforming migration into the central axis of the relationship between the United States and Latin America, an approach that is generating tension, violating the sovereignty of several countries and laying the groundwork for an increase in deportations and travel restrictions.

There are concerns about possible human rights violations committed against migrants and deportees, including deaths that occur during irregular border crossings. Added to this situation is the possibility of humanitarian or social crises at the US-Mexico border and in countries that receive returnees. There is also a strong temptation for a range of political leaders in countries as diverse as Argentina, Chile, Panama and Peru to replicate Trump's approach to migration in their own territories.

Although deportations have increased, the promise to expel one million people a year has not yet materialized. The allocation of new funds and expansion of the powers of the Immigration and Customs Enforcement (ICE) agency could accelerate this process in the coming months.

A 3.5% tax on remittances sent by undocumented immigrants from the US has been approved and will come into effect on 1 January 2026. This tax will primarily affect Mexican migrants, who in 2024 sent more than \$62.5 billion USD to Mexico, representing 3.5% of the country's GDP. The estimated annual revenue from the new tax is \$2.7 billion, although it is expected that part of this amount will be avoided via alternative transfer tools such as cryptocurrencies and informal channels.

Although the most extreme scenario for migration in Latin America has not yet materialized, current policies indicate a trend of more restrictive measures that could significantly affect migrant communities and economies in their countries of origin.

AREA 3: RENEWING DEMOCRACY AND DEFENDING RIGHTS THAT HAVE ALREADY BEEN ACHIEVED

EIGHTH TREND. WEAKENING OF DEMOCRACY AND CRISIS OF REPRESENTATION

For several years, a number of public opinion polls⁶ have shown a weakening of Latin Americans' commitment to the democratic system and widespread dissatisfaction with its results. In accordance with this trend, almost all democratic institutions have received negative ratings in terms of trust: political parties, legislative assemblies, the judiciary and trade unions.

This severe deterioration of citizens' trust in democratic institutions reached its peak following the pandemic, improving slightly in 2023 according to recent reports⁷. Despite the alarming situation, this discontent is not new: Latin Americans tend to support democracy but have long been sceptical about how it works. There was significant improvement in the level of trust of democratic institutions between 2005 and 2010, a period marked by high levels of economic growth. This trend was later reversed.

Most Latin American citizens seem to adhere to democratic mechanisms, particularly voting. They do not have much confidence in the performance of public institutions and are generally dissatisfied with the results of this system of government.

These opinions suggest fragile democracies, with their legitimacy and stability depending primarily on the results achieved by governments or the ability of some leaders to build social support. The deterioration of governance and the increase in political instability before, during and after the pandemic illustrate these dynamics.

During this period (2019-2022), several presidents in the region were unable to finish their terms, the vote was fragmented, polarization and political tension spread, and large-scale social protests broke out across the continent.

Political leaders and movements also emerged during these years that differentiated themselves from traditional parties and delivered results on issues that were relevant to the population. This allowed them to strengthen their popularity and legitimacy, which also meant that they concentrated their power.

Although there has been some continuity with citizens' opinions about democracy and its institutions, the last decade has seen the consolidation of some key features of governance and the future of democracy in Latin America: traditional party systems have virtually disappeared in most countries; new political forces have emerged, most of them fragile and dependent on individual leaders; electoral volatility has increased; corruption persists; and voting seems to be defined more by rejection of candidates than by ideological or programmatic allegiances.

These characteristics produce weak governments with non-existent or highly volatile parliamentary majorities that face great difficulties when governing. However, they also facilitate the emergence of new leaders who often combine an ability to identify and solve critical problems facing the population with effective and ongoing communication.

Although the success of these governments tends to stabilize and improve support for and trust in the democratic regime, their often centralized, polarizing and unmediated styles of government do

not consolidate solid institutions and make democratic stability and legitimacy dependent on the achievements and skills of an individual leader.

On the other side of the spectrum, political regimes with strong authoritarian and anti-democratic features have been consolidated in several countries, restricting freedoms, closing spaces for civic participation and eliminating the separation of powers. There hadn't been violations of political and human rights on the scale of what is now occurring in some countries in the region since the beginning of the region's democratic transition in the 1980s.

In summary, democracy is alive and well in most Latin American countries, but it faces growing challenges. Some of these are related to citizens' lack of trust in their institutions, the notable weakening of political parties, the mainstream media and the judiciary and dissatisfaction with the concrete results of politics. In this context, some markedly authoritarian regimes are currently consolidating their power and the temptation for strong centralized leadership is growing across almost all of Latin America.

NINTH TREND. POLITICAL DISPUTES OVER WOMEN'S RIGHTS AND DIVERSITY

The demand for gender equality and sexual diversity rights is one of the most sensitive aspects of the ideological and political disputes occurring both globally and in Latin America.

While significant progress has been made in this area, there is also strong resistance from conservative sectors that have formed a powerful network of organizations, ideologues and political forces seeking to reverse these advances.

Today, the rejection of feminism and diversity rights policies combined with radical economic liberalism has become a political factor that is challenging the traditional right-wing movement and even displacing it.

Trump's victory and his aggressive agenda against all policies that promote diversity, equity and inclusion are strengthening these political forces and encouraging them to make their voices heard. These coalitions are not just seeking support in several countries in the region; they are also planning to reverse legislation and regulations that protect the rights of women and diverse populations once they come to power.

The Trump administration's dismantling of diversity, equity and inclusion (DEI) policies by the US federal administration and its aggressive policy of restricting transgender rights, which some experts describe as institutional discrimination, could intensify changes that are already taking place in Latin America in relation to these issues.

Based on this current situation, it seems very likely that the ideological dispute over women's rights and sexual diversity will intensify in the coming years. This campaign is and will continue to be strong, backed by powerful narratives and instruments for dissemination such as traditional media outlets and social networks. There are clear examples of this regression in gender equality and rights for diverse populations in the United States and its network of Latin American allies including Javier Milei in Argentina and Nayib Bukele in El Salvador, leaders who are also gaining in popularity.

The areas of dispute go beyond politics. They cover the future of feminist and human rights networks that are losing resources. There is no guarantee that multilateral organizations, such as United Nations agencies, will continue to prioritize rights for diverse populations and women. There are also intense, increasingly polarized and aggressive debates on these issues in digital networks and the media.

While conservative discourses are growing globally, the campaigns led by organized groups against human rights and sexual and cultural diversity in Latin America do not solely depend on external influences. These forces are already operating in the region, gaining space in traditional media, civil society, institutional politics and social networks.

These movements are capitalizing on social unrest, disenchantment with the democratic system and fears of diverse identities. They have consolidated a narrative that proposes "order", "family" and "tradition" as solutions to disorder, economic crisis and the gains made in rights for women and diverse populations during the last few decades.

From a progressive perspective, there is a significant need to create conditions that resist this conservative offensive and make progress achieving new rights. However, this requires a renewal of narratives, instruments and modalities for social and political organization. Despite the current restrictions, one of the critical issues for the future is strengthening the social organizations that are at the forefront of this struggle.

TENTH TREND. PUBLIC SECURITY: AUTHORITARIAN IMPULSE

Insecurity and organised crime are not new phenomena in Latin America. They have been evolving due to the growth of illegal markets for drugs, arms and human trafficking combined with technological changes and new migration dynamics. For example, changes in the geography of the drug economy have led to the gradual involvement of more countries as producers, transit locations and destinations for investing profits from this illicit business. The expansion of the drug trade has been accompanied by violence and higher crime rates.

In addition to specific social transformations in each country, transnational organised crime networks have expanded over the last decade, increasing insecurity and exacerbating violence, even in countries that were not previously affected by these situations like Ecuador, Costa Rica, Peru and Chile.

In Mexico, Central America and several other countries, organised criminal structures dedicated to drug trafficking and other crimes have become increasingly entrenched in the social fabric, leading to armed clashes and criminal control of many areas. Meanwhile, in the United States, a powerful industry has emerged for the trafficking of fentanyl, a highly harmful synthetic drug that is causing deaths and social problems in this country.

In recent years, security has become one of the priority demands for Latin Americans and a source of great dissatisfaction due to the inability of governments to provide solutions to the problem. As a result of this situation, political leaders have emerged who propose authoritarian measures and reducing citizens' rights to restore security and peace.

Nayib Bukele has become a paradigmatic example of this approach and is perceived as successful, becoming a political reference point for the region. The "iron-first" approach has spread throughout the region, supported by significant segments of the population.

In the context of an intensified fight against the drug trade, the United States decided to classify drug cartels and criminal groups as terrorists, including the so-called "Tren de Aragua". Trade relations are also being explicitly linked to these phenomena, with tariffs imposed on Mexico, Canada and China based on the argument that these countries have failed to stop the flow of fentanyl into the United States.

Among the experts consulted for this research, there is limited expectation that this approach will deliver sustainable solutions to complex phenomena. Still, they agree on its potential to generate conflict and disrupt peace in the region.

The cartels are not terrorist groups like Al Qaeda or ISIS. Criminal structures, such as the two largest cartels in Mexico, Sinaloa and Jalisco Nueva Generación, have no interest in overthrowing the state. They have a less ambitious goal: making an unlimited amount of money. The use of military personnel and tactics is unlikely to affect their business model. If governments are serious about weakening the cartels, they must be viewed as predatory multinational companies and a mitigation strategy must be implemented that will hit them where it hurts most: their profits.

This approach requires the US to increase resources for its Treasury Department and cooperate closely with Latin American governments to dismantle corrupt networks and tackle the recruitment and logistics systems established by these organizations. These actions should be accompanied by

a commitment to stem the flow of illegally trafficked US firearms to Mexico and reduce money laundering in the US financial system.

The measures that are currently being announced by the Trump administration could increase violence in some parts of the region. This approach will only serve to strengthen the repressive aspects of the fight against drug trafficking, violate the sovereignty of countries under the pretext of fighting drug trafficking and terrorism and encourage harsher security policies throughout the continent.

This type of approach also fails to address one of the most disturbing phenomena of insecurity in Latin America: the infiltration of organized crime into the economic, social and political structures of several Latin American countries where criminal groups exercise territorial control due to the absence of the state in remote and rural areas and the persistence of impunity. Organized crime doesn't just perpetuate violence, it also undermines institutions and development in the region, representing a direct threat to governance.

ELEVENTH TREND. CIVIC SPACES ARE BEING WEAKENED WITH NEW ACTORS EMERGING

Latin American societies have undergone significant changes during the first quarter of this century. Although long-standing problems persist, their structures, demands and expectations have changed after several decades of democracy, periods of both crisis and prosperity, the expansion of rights and transformations in the region's culture, lifestyles and consumption.

The changes are numerous and wide-ranging: most Latin Americans live in urban areas; the proportion of people of working age in the population has increased; women have gained greater prominence in the economy, politics and culture; middle-income segments have grown; access to communication technologies has increased exponentially; and openness to other cultures and opinions has intensified.

Although inequalities persist, especially for women, indigenous peoples, Afro-descendants and LGBTQ+ communities, there has been progress in recognizing their rights. These processes have been accompanied by the emergence of new social organizations and renewed forms of social participation and activism that focus on issues such as environmental protection and the defence and promotion of human rights.

This diversification of spaces and civic engagement experiences that are often informal, sporadic or circumstantial has coincided with the weakening of some of the traditional social intermediary organizations, such as political parties, trade unions and formal NGO networks.

The mass protests that took place across the continent between 2019 and 2023 revealed new organization and mobilization practices that were built through digital social networks, personal commitments to specific causes, the absence of visible leadership and a notable distrust of rigid hierarchies and structures. These new forms of activism are particularly important for environmental, indigenous, women's and LGBTQ movements, all of which are demanding autonomy and recognition of their identities in the struggle for their rights.

Despite renewed civic engagement, these movements struggle to move beyond short-term protests. They lack the ability to articulate broader proposals or influence political decisions. Even in countries where social movements had managed to align themselves with major progressive political forces since the end of the last century, which was the case with the PT in Brazil, MAS in Bolivia and the indigenous movement in Ecuador, these links have weakened in recent years.

These changes are taking place at a time when civic spaces and citizen participation are being reduced in many countries due to the centralization of government decisions, acute political polarization and the loss of intermediation and transparency in relation to public information. This has even led to attacks on and restrictions on the work and functioning of civil society organizations in some countries.

As a result, the current landscape for civic spaces in Latin America is diverse, complex and disturbing. There is evidence of significant dynamism and innovation in their forms of organization, communication and argumentation, demonstrated in the capacity of certain structures to engage large groups of people and promote renewed citizen agendas.

However, there is too much mistrust of parties and public institutions, weak political coordination capacities, high vulnerability to polarization and a strong focus on cultural and ideological battles occurring in the whirlwind of information produced by the media and social networks.

All of this is occurring at a time when governments and powerful groups are less interested in promoting social participation. Some administrations are implementing actions that restrict access to information while discouraging the creation of civic spaces and social dialogue.

TWELFTH TREND. DIGITALISATION AND NEW WAYS OF COMMUNICATING, PARTICIPATING, POLARISING AND GENERATING CONFLICT

Like the rest of the world, the region is experiencing a major transformation driven by the rise of new information technologies that are affecting the ways in which we communicate, inform, coordinate and organize collective actions. This process is particularly intense in Latin America, the region in the global South where internet use has spread most rapidly, especially since the widespread adoption of mobile phones. Between 2010 and 2023, the proportion of people with access to the internet increased from 21% to 61%⁸.

This phenomenon is reshaping different areas of the region's social life and has driven a major reconfiguration of the media ecosystem and spaces where public opinion is transmitted. The print media is in a near-terminal crisis in several countries, television and radio are losing influence and conversations and interactions on public issues are moving to digital social networks.

In the most recent elections held in the region, social media became the preferred space for campaigning. Some candidates, including Bukele, Milei and Noboa, used social media as their main platforms for disseminating their ideas and promoting themselves. YouTube also became a key source of information with the proliferation of new streaming channels transmitting podcasts from across the political spectrum.

Recent large mobilizations and social protests in Latin America were organized and coordinated using social media. This occurred with Chile in 2019 and Panama in 2023, during which libertarian and conservative networks both implemented influencing strategies. With the rise of this new media system, polarized conversations and the radicalization of political discourse have also intensified, affecting levels of tolerance and trust in public institutions.

Social media has also been used to manipulate trends and opinions through methods such as "troll farms" and/or "bots" that are managed by humans. These people control dozens or hundreds of accounts that are often semi-automatic and can send messages that combine computing power and human knowledge.

These tools are used to attack journalists and independent media and are powerful for spreading disinformation through the dissemination of fake news, which then goes viral and gains credibility as valid public opinion.

These methods are generally activated during pre-election periods. According to the experts consulted for this paper, they have been very common for at least a decade in political campaigns led by right-wing groups and so-called libertarians. They have even managed to co-opt entire platforms, as is the case with X (formerly Twitter). Groups and individuals opposed to these forces also communicate through social media, including feminist collectives, environmental activists, and groups and journalists that promote different narratives and share alternative information.

Digital spaces are now central to politics: narratives are built, campaigns run, debates held, and meanings contested.

This is a process that seems irreversible to a large extent, particularly because the digital divide seems to be narrowing. This isn't the result of a deliberate inclusion strategy, but because of the rapid pace of technological advancement generated by the mass use of social media, mobile internet access and the expansion of messaging platforms. This apparent inclusion is not always accompanied by equitable levels of access, quality and digital literacy, thus creating an illusion of democratic connectivity in a landscape that remains deeply unequal.

The effects of these phenomena will continue to increase through the creation of new and unavoidable spaces for public conversation, political struggle and the construction of ideas.

FINAL REFLECTIONS

The period between 2025 and 2030 looks set to be a time of profound change and uncertainty for Latin America. The interaction between a disruptive global context, marked by the return of Trump and the weakening of multilateralism, combined with structural challenges specific to the region, will generate significant tensions in areas such as the economy, politics, human rights and international cooperation.

Regional fragmentation and difficulties with building consensus hamper Latin America's ability to address these challenges in a coordinated manner. The trends analysed in this paper require in-depth reflection on the direction of development and a rethinking of public policies to ensure a more equitable, sustainable and democratic future for the region.

Faced with this global and regional context, which is increasingly hostile and challenging for the fight against inequality, we cannot sit back and simply observe trends. It is imperative that urgent and unavoidable areas are prioritized for action. Instead of offering new opportunities, it seems that current political, economic and social reconfigurations will exacerbate existing fractures and increase inequality.

In this scenario, defending and advancing an agenda focused on social justice and inequality reduction involves strategic containment and tactical reinvention. There is a need to address at least four fundamental challenges through further reflection:

1. **The challenge of ideas.** How can we understand this moment of change, its dynamics and its medium- and long-term effects? What progressive policy responses could be adapted to this new era? What strategies can we design that reaffirm human rights as pillars of a social justice agenda?
2. **The challenge of narratives.** Faced with political and discursive disputes over the values and direction of development and rights, it is urgent that we reconsider arguments and explanations to strengthen our value framework on rights, inequality and sustainable development. How can we promote or strengthen social imaginaries that inspire collective action and offer more equitable and sustainable visions of the future in order to counteract the hegemony of narratives that promote mistrust, individualism and fatalism?
3. **The challenge of rethinking the framework and role of development cooperation in the region.** How will the current restructuring of cooperation evolve in the short- and medium-term, and what effects will this have on the availability of resources? How will development actors, particularly civil society organizations, adapt to this new context? Which strategies will strengthen the financing of initiatives that promote the reduction of inequalities, sustainable development and a more democratic society?
4. **The challenge of protecting spaces for civil society participation and coordination.** In these uncertain and hostile times there is an urgent need to invest in strengthening and rebuilding spaces for dialogue and collective action that transcend the logic of fragmentation and confrontation. How can civil society organizations, neighbourhood networks and collectives that promote solidarity and the common good be strengthened, serving as a counterweight to the narratives of division and mistrust that dominate public debate? How can we achieve transformation through the innovative and democratic use of digital spaces? How can we help digital spaces become places for constructive public debate instead of being used to disseminate propaganda?

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This document was written by Armando Ortuño Yáñez.

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