

Press Release
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Latin America: Riding the Right Wave

The elections in Latin American (LatAm) countries signal a growing rightward shift, as seen in the electoral outcomes in Argentina (October 2025) and Chile (November 2025). CareEdge Global Ratings analysis on the region indicates as much ([View Report](#)).

Elections in LatAm are a key monitorable from a credit perspective in the current volatile political environment, as changes in government directly influence fiscal policy, reform priorities, and regulatory approaches, with important implications for macroeconomic stability and investor sentiment.

Interestingly, policy priorities under right-leaning governments in LatAm are increasingly focused on market-oriented policies and pro-investment reforms aimed at improving the business environment in countries such as Argentina and Chile. These governments are also prioritising fiscal consolidation through expenditure rationalisation and austerity measures.

Commenting on the developments, **Nitesh Jain, Chief Rating Officer at CareEdge Global Ratings**, said, "Following the recent rightward shift in politics, we expect faster fiscal consolidation, smoother reform implementation, and improved policy clarity in Argentina and Chile, supported by strong alignment between the executive and legislative branches."

The rightward momentum may continue in countries where elections are upcoming this year, such as Peru (April 2026) and Colombia (March and May 2026). Both these countries are likely to see a shift in that direction, though a highly competitive race leaves the outcome uncertain. In Brazil (October 2026), the incumbent left-leaning president is widely expected to be re-elected but the degree of political alignment between the president and parliament may vary, depending on whether the parliament leans right or becomes fragmented.

Mihika Sharma, Senior Economist at CareEdge Global Ratings, added, "The left-leaning governments, such as those currently in power in Brazil, are likely to maintain a focus on labour-friendly policies and wealth redistribution, while prioritising higher social spending. The fiscal consolidation approach by these administrations is expected to rely primarily on revenue-raising measures, including tax reforms, rather than significant spending cuts."

Overall, in the coming years, any political realignment across LatAm will play a critical role in shaping fiscal discipline, reform momentum, and investor sentiment.

Latin America Shifts Right

| Electoral Outcomes (2025) | | |
|---------------------------|------------------------|---------------------------------|
| | Left-leaning President | Right-leaning President |
| Left-leaning Parliament | | Argentina Ecuador Ecuador |
| Fragmented Parliament | | |
| Right-leaning Parliament | Chile | Argentina ← Chile → Chile |

Pre Election | Post Election

Source: CGIL

| Expected Electoral Outcomes (2026) | | |
|------------------------------------|--------------------------------|-------------------------|
| | Left-leaning President | Right-leaning President |
| Left-leaning Parliament | | |
| Fragmented Parliament | Colombia Colombia Brazil | Colombia |
| Right-leaning Parliament | Brazil Brazil | Peru* Peru |

Pre Election | Post Election: Scenario 1 | Post Election: Scenario 2

Source: CGIL

*Note: With Jose Jeri assuming office of the President in Oct 2025 (post impeachment of two former left-leaning presidents in Peru), both the president and the parliament are right-leaning.

- LatAm witnessed an electoral shift towards right-leaning parties in Argentina and Chile
- Peru shifted to the right through impeachment of former presidents, and is expected to solidify this shift in the upcoming elections
- Colombia may also see a rightward shift, though a highly competitive race leaves the electoral outcome uncertain

About CareEdge Global

CareEdge Global IFSC Limited (CareEdge Global) is a full-service Credit Rating Agency (CRA) with a mission of Empowering Global Capital Market Participants Through Unrivalled Insights and Expertise. As the first CRA registered and authorized by the International Financial Services Centres Authority (India), CareEdge Global is uniquely positioned to provide comprehensive ratings on a global scale. A part of the CareEdge Group, which is a knowledge-based analytical organisation offering a wide range of services in Credit Ratings, Analytics, Consulting, and Sustainability. Established in 1993, our parent company, CARE Ratings Limited (CareEdge Ratings), stands as India's second-largest rating agency.

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