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FEATURED Q&A

Should Venezuela Be Suspended From the OAS?



OAS Secretary-General Luis Almagro has said Venezuela should hold elections or be suspended from the organization. // File Photo: OAS.

Q Organization of American States Secretary-General Luis Almagro said last week that Venezuela should be suspended from the group if it does not hold elections “as soon as possible.” Venezuelan President Nicolás Maduro’s government has frequently dismissed Almagro as working in the interests of the United States. Should the OAS suspend Venezuela? What would result from such a suspension? Is Almagro taking the right approach in relation to Venezuela?

A Francisco Márquez, nonresident fellow at The Ash Center for Democratic Governance and Innovation at Harvard University’s John F. Kennedy School of Government: “Secretary-General Luis Almagro’s 75-page report on the systematic human rights abuse that occurs in Venezuela is incredibly important for Venezuelans and for the region. Almagro is using the current international norm that all countries within the Organization of American States have signed and ratified. He has laid out recommendations in his report in order to avoid Venezuela’s suspension, making it clear that a move toward elections and reinstating the democratic order would be a move in the right direction. Among the most egregious examples of human rights abuse and deterioration of democracy is the statistic of almost 300 cases of torture of political prisoners, mostly done to incriminate other political activists and opposition leaders. Furthermore, Almagro outlines how all international efforts started last year to move dialogue forward have yielded few results. Since efforts at dialogue began, there are more politi-

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TODAY’S NEWS

POLITICAL

Brazilian Police Raid Offices in Odebrecht Probe

Authorities in five cities searched offices of people associated with Brazilian senators in connection with the wide-reaching corruption investigation.

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ECONOMIC

Argentina’s Economy Showing Positive Signs: Agency

The South American country’s economy grew 0.5 percent in last year’s fourth quarter as compared to the third. However, the economy contracted year-on-year.

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POLITICAL

Piñera Enters Race to Succeed Bachelet in Chile

Former Chilean President Sebastián Piñera announced his candidacy to return to the office in the November presidential election. Current President Michelle Bachelet is constitutionally barred from seeking a consecutive term.

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Piñera // File Photo: Chilean Government.

POLITICAL NEWS

Brazilian Authorities Raid Several Offices in Odebrecht Probe

Brazilian federal police on Tuesday raided the offices of several individuals with close ties to some senators in the latest development in the far-reaching Odebrecht corruption probe, Reuters reported. The Supreme Court issued 14 search-and-seizure warrants for people closely associated with Senate President Eunício Oliveira and Senators Renan Calheiros, Valdir Raupp and Humberto Costa. The raids took place in the cities of Brasília, Maceió, Recife, Rio de Janeiro and Salvador. The warrants were based on plea-bargain testimony given by executives of Brazilian construction conglomerate Odebrecht, which is at the center of the corruption scandal. Oliveira, a central ally of President Michel Temer, has denied receiving illegal campaign donations for his 2014 campaign as governor of Ceará. "The senator is convinced the truth will prevail," a statement issued by his lawyer said, following the raids. Costa said he believed the raids will corroborate his defense. The other senators did not immediately respond to requests for comment. In the coming weeks, Brazil's Supreme Court is

expected to disclose the details of 950 depositions given by 77 Odebrecht executives. One federal prosecutor who has helped lead the probe, Carlos Lima, has said he believes that as many as 350 new investigations could result from the Odebrecht testimonies.

ECONOMIC NEWS

Argentina Shows Signs of Recovery: Statistics Agency

Argentina's economy showed some signs of recovery as it grew 0.5 percent in last year's fourth quarter as compared to the third, the country's national statistics agency said Tuesday, The Wall Street Journal reported. The farming, energy and construction sectors are seeing increased output, and analysts are expecting the economy to grow 3 percent this year. "The economy bottomed out in the third quarter of last year and began recovering afterwards," Matías Carugati, chief economist at Argentine consulting firm Management & Fit told The Wall Street Journal. He said he expects the economy to grow about 1 percent per quarter this year. In the fourth quarter, the economy contracted 2.1 percent as compared

NEWS BRIEFS

Piñera Enters Chile Presidential Race

Former Chilean President Sebastián Piñera on Tuesday entered the country's presidential race, seeking the nomination of the "Chile Vamos" coalition, formed by his political party and the more conservative UDI party, Reuters reported. Primaries are scheduled for July, and the election is to be held in November. Current President Michelle Bachelet is constitutionally barred from seeking a consecutive term. She previously served as president before Piñera's 2010-2014 term.

Brazil Land Rights Activist Fatally Shot in Hospital

Brazilian land rights activist Waldomiro Costa Pereira was killed on Monday when five gunmen burst into a hospital in Parauapebas in northeastern Pará state, Reuters reported. Costa Pereira was an activist with the Landless Workers Movement, or MST. The motive for Costa Pereira's murder is not clear, the group said. According to the Pastoral Land Commission advocacy group, Brazil has become one of the deadliest countries in the world for land rights activists, with 61 recorded killings last year, the country's highest level since 2003.

Saudi Arabia Orders New Inspections on Brazilian Meat Imports

Saudi Arabia, the world's second-largest importer of Brazil's chicken, ordered new inspections on meat imported from the country after Brazilian authorities alleged that meat-packers had bribed inspectors to allow spoiled meat to stay on the market, Bloomberg News reported today. In addition, Egypt temporarily suspended permits on new meat imports from Brazil in the wake of the news. The Saudi Food & Drugs Authority now requires port inspectors to "intensify checks" on Brazilian meat imports, the news service reported.

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cal prisoners, the Venezuelan Supreme Court continues to annul all laws passed by the National Assembly and neither the gubernatorial elections nor any national election stipulated in the Venezuelan Constitution has been allowed. It is very uncomfortable for countries to have to face the fact that Venezuela is a dictatorship. The evidence presented in the new report is overwhelming. No country has been able to contradict the facts. This is important to remember when other actors try to make this report into a political fight. The charter of the OAS is about democracy and human rights; whether the region understands that is a different issue."



Julia Buxton, professor of comparative politics at the School of Public Policy of Central European University

in Budapest: "Why would the OAS suspend Venezuela now when a line was crossed years ago? And why just Venezuela? If the Inter-American Democratic Charter is a lived set of processes and norms, there are countries south and now north of the Americas that merit scrutiny. The problem for the OAS is its declining capacity, credibility and ability to convoke action. On the one hand, its historical pre-eminence is eroded by new regional blocks; on the other, it faces major

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to the same period a year earlier, and for the entire year of 2016, it contracted 2.3 percent. High inflation and a currency devaluation led to lower spending by individuals and lower levels of investment by companies. President Mauricio Macri's tax cuts, deregulation and other economic measures have led to growth in agriculture and have led to record harvests. However, it is unclear whether Argentina's financial picture will improve before midterm elections in October. Economic growth has so far been felt mainly in rural areas, but not in urban areas such as the province of Buenos Aires, where 40 percent of the country's population lives and which is critical to outcomes in elections, the newspaper reported.

BUSINESS NEWS

PDVSA Will Honor Bond Payments: Economy Minister

Venezuela's state-run oil company, PDVSA, will honor its approximately \$17 billion in bond payments due this year, due to stronger global oil prices, Venezuelan Economy Vice President Ramón Lobo said in a newspaper interview



Lobo // File Photo: Venezuelan Government.

published Tuesday, Reuters reported. "If we managed to pay last year, which was a harder and trickier year, we'll certainly achieve it this year," Lobo told state-owned newspaper *Corre del Orinoco*. Oil accounts for more than 90 percent of Venezuela's hard-currency revenues. Despite the economy's dependence on oil prices, Venezuelan President Nicolás Maduro has in the past repeatedly ruled out the possibility that the country will default on its debt. Brent

THE DIALOGUE CONTINUES

Will Brazil's Foreign Policy Change Under Nunes?

Q **Brazilian President Michel Temer this month tapped pro-business Senator Aloysio Nunes as his foreign minister, succeeding José Serra, who stepped down, citing health problems. What does Nunes bring to the job, and what does his appointment mean for Brazil's foreign policy? What should be at the top of his agenda as foreign minister? How will Nunes' goals differ from Serra's?**

A **Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue:** "Aloysio Nunes can boast of a highly successful career in public service. He was attorney general and chief of staff to Fernando Henrique Cardoso, held top positions in the São Paulo governor's office and recently served as leader of the Temer government's party coalition in the Brazilian Senate. Although his foreign policy expertise is less robust than his political talent and experience, he was chair of the Senate Foreign Relations Commission for the past two years. Still, Brazil's interests would probably have been better served by a professional diplomat as foreign minister. Choosing a high-ranking member of Brazil's diplomatic corps, once considered among the world's best, to head the ministry might have helped to restore some of its lost credibility and raise its low morale. Instead, Temer continued the musical chairs game of using senior government posts to reward his

political allies. The appointment of a senior diplomat would certainly have avoided the problem of having a foreign minister on the verge of being investigated for taking bribes from the notorious Odebrecht construction firm. In light of Odebrecht's recently discovered payoffs to officials in a dozen or so Latin American governments, Nunes will likely be viewed with some suspicion. He may have to be shuffled out of the cabinet. Then again, it may not make much difference who is in charge of foreign policy. Brazil's regional and global influence and its ultimate success as an international actor depend mostly on its ability to get its own house in order. Justly or unjustly, the country's worldwide reputation has suffered badly—from questions about the legitimacy of Dilma Rousseff's impeachment, from the continuing popular disapproval of President Temer and his government, and from the pervasive, and the globally publicized, corruption of its politics and corporations, which have shown little sign of abating. In addition, Brazil also has to overcome nearly three years of devastating recession and must restore stable growth to its economy and a measure of prosperity to its people. On these matters, the foreign ministry will not be a key player."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the March 17 issue of the Advisor.

crude increased in price to more than \$58 per barrel in January as a result of oil output cuts by OPEC member states, as well as a few cooperating non-member states. Last week, however, Brent crude dropped to a three-month low. Analysts for the most part expect Venezuela to make good on its payments, though the recent drop in oil prices have caused some to

raise concerns. "The estimated \$5 decline in oil prices that translates into \$3.2 billion fewer petrodollars is not yet a trigger for default," Siobhan Morden, managing director and head of Latin America fixed income strategy at Nomura, said in a note to clients. "However, it clearly raises concern without yet knowing the bottom for oil prices."

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financial constraints that will be exacerbated by proposed executive cuts to U.S. State Department funding. Add to that the reticence of member states to involve themselves in the domestic affairs of neighbors, and you have a recipe for inaction – but also clumsy intervention. Enter Luis Almagro. Last May, Almagro published a damning report on Venezuela, but he failed to build the two-thirds majority among member countries to advance a suspension. Not having learned the lesson of necessary coalition building and quiet diplomacy from his last foray into Venezuelan affairs, Almagro now demands a call for fresh elections in 30 days and the release of 97 prisoners. As in 2016, it will be surprising if a majority of OAS countries get behind the suspension, including because in the absence of a competent opposition with a clear program of government and commitment to the rule of law, there is a real sense that such a move will do more harm than good. Suspension may modestly affect the Maduro government's already waning domestic legitimacy, but it will not facilitate a peaceful transition or long-term stabilization of the country."

A **John F. Maisto, former U.S. ambassador to Venezuela, Nicaragua and the OAS and former senior director for the Western Hemisphere at the National Security Council:** "Secretary-General Almagro's principled focus on early local elections and freeing political prisoners to address the Venezuelan impasse credibly is bold and timely. Grounded on defense of democracy and human rights, it is in line with the Venezuelan Constitution and the Inter-American Democratic Charter. It is as well an effort to make the OAS relevant at a time when its usefulness is being questioned. Almagro's latest salvo, if accompanied by a variety of

diplomatic efforts—the still-existing three leader negotiating team led by former Spanish Prime Minister Rodríguez Zapatero, Vatican input, a South American leader initiative and quiet U.S. engagement—could produce a breakthrough to get the sides back to the negotiating table. Enough OAS votes (18)

“**Chances for a non-violent, constitutional, legal outcome can emerge only from Venezuelans themselves.**”

— John F. Maisto

to put Venezuela on the Permanent Council front-burner but not enough for expulsion (24) would increase pressure on the divided, Chavista-legacy government. Such international criticism would be devastating for President Maduro. Even more pressure would come from the deteriorating humanitarian situation—a dire lack of food and medicine—and increased international economic pressures that include needed approval of the opposition-controlled National Assembly to receive loans. What a worried Venezuelan military would do (or not) is an enigma. Almagro's challenge opens the door again for hemispheric leaders to lead diplomatically within the OAS to apply pressure. The United States, with quiet diplomacy, would be crucial in such efforts. But outsiders can do only so much. Chances for a non-violent, constitutional, legal outcome can emerge only from Venezuelans themselves."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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