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## FEATURED Q&A

# Are Venezuela's Military Forces Beginning to Crack?



Venezuelan security forces have done near daily battle with protesters in two months of anti-government demonstrations. // File Photo: Venezuelan Government.

**Q** Top Venezuelan military commanders recently announced they were sending 2,000 national guardsmen and 600 troops from special operation forces to Táchira state. Military forces, along with police, have clashed with protesters over the past month, leading to the deaths of more than 50 people, including both pro- and anti-government demonstrators. OAS Secretary General Luis Almagro has called on the Venezuelan military to halt the "repression" of the demonstrators, and said murder and torture constitute "crimes against humanity." What has been the military's role in Venezuela as the country continues to be rocked by protests? Are there any signs of cracks in the military's loyalty to President Nicolás Maduro? What circumstances would trigger a military coup?

**A** Daniel Lansberg-Rodriguez, director for the Latin American region at Greenmantle Advisory and adjunct faculty member at the Kellogg School of Management at Northwestern University: "The possible role of the armed forces in a potential transition scenario is a source of increasing uncertainty. Growing discontent among the rank and file is unmistakable, military discipline has been breaking down and there has been a small (but growing) number of low-level defections. However, an actual intervention that might threaten Maduro would require considerable coordination. Deep rifts have long existed within Venezuela's heavily fragmented military, but these have traditionally stemmed from conflicting personal loyalties to various Chavista heavyweights. Any attempt to galvanize the rank and file faces massive organizational hurdles. Junior officers (the typical germination point for

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A bipartisan group of 55 senators are backing a measure that would lift all travel restrictions to the island nation.

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## Mexico Registers Unexpected Trade Surplus

The country saw a trade surplus of \$617 million in April as exports of factory products and oil rose and imports of nonpetroleum goods declined.

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### POLITICAL

## Temer Cancels Order to Deploy Military in Brasília

Brazilian President Michel Temer revoked his order to deploy the military to quell rioting in the country's capital. His opponents had criticized the order to use troops, saying it was reminiscent of the country's military dictatorship.

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Temer // File Photo: Brazilian Government.

## POLITICAL NEWS

## Temer Cancels Order to Deploy Military in Brazilian Capital

Brazilian President Michel Temer on Thursday canceled an order he had approved the day before that sent soldiers into the streets of Brasília to quell rioters who vandalized and set fire to some government ministry buildings, The Associated Press reported. In a decree, Temer revoked the order in light of “the halt to acts of

“If we do not believe in institutions, we can have serious institutional crises.”

— Cármen Lúcia Rocha

destruction and violence and the subsequent re-establishment of law and order.” Opposition leaders and some Temer allies were critical of the decision to call out troops instead of using available police resources, saying it hearkened back to the country’s 20-year military dictatorship, which ended in the 1980s. “In effect, this was a weak effort by Temer to try to show, ‘Yes, I am still in command,’” wrote David Fleischer, the editor of Brazil Focus. The streets of Brasília were relatively calm Thursday, O Globo reported. In a meeting with opposition senators to discuss the military decree, the chief justice of the Supreme Court, Cármen Lúcia Rocha, who it has been speculated could replace Temer if he were to resign, called for “serenity and calm.” “If we do not believe in institutions, we can have serious institutional crises,” she said, according to O Globo.

### SUBSCRIBER NOTICE

The Latin America Advisor will not be published on Monday, May 29, in observance of the Memorial Day holiday in the United States. We will resume publishing on Tuesday, May 30.

## U.S. Senators Eye Measure to End Cuba Travel Restrictions

U.S. senators on Wednesday reintroduced legislation that would end all government restrictions on travel to Cuba, Reuters reported. The measure has 55 co-sponsors, with support from both Republicans and Democrats. The Freedom to Travel to Cuba Act had originally been introduced by a bipartisan group of eight senators in 2015, but it never advanced to the floor for a vote. Although 55 votes in the Senate would constitute a simple majority, 60 votes would be needed to advance the legislation, and it is unclear whether the Senate’s Republican leaders will allow it to come to the floor for a vote. The historic thaw between the United States and Cuba, including reopened embassies in Washington and Havana, happened during the administration of former President Barack Obama, though tourism was never officially allowed. President Donald



Flake // File Photo: U.S. Senate.

Trump’s administration is reviewing U.S. policy toward the island, and Trump threatened during the campaign to reverse the thaw. On Wednesday, more than 40 travel companies and other organizations called on Trump not to reverse the normalization of relations. The U.S. senators leading the push for the legislation to lift the travel restrictions said ending the restrictions would benefit the Cuban people. “This is certain to have positive benefits for the island’s burgeoning entrepreneurial and private sector,” said Sen. Jeff Flake (R-Ariz.), a co-sponsor of the legislation. “It is Americans who are penalized by our travel ban, not the Cuban government.” Other members of the

## NEWS BRIEFS

## Grupo Bimbo Buying Controlling Stake in India’s Harvest Gold

Mexico-based food producer Grupo Bimbo has agreed to buy a controlling stake in Indian bread maker Harvest Gold, the Economic Times reported Thursday. The deal values Harvest Gold at approximately \$50 million. Grupo Bimbo will acquire 65 percent of the company, three people with knowledge of the deal told the newspaper.

## OECD Calls on Colombia to Boost Productivity, Improve Business Climate

The Colombian economy has been more resilient than other Latin American countries amid the recent fall in commodities prices, but the country needs to do more to increase productivity and improve the business climate, the Paris-based Organization for Economic Co-operation and Development said in a report released Thursday. Reforming education, reducing informality and increasing work opportunities for women ought to be the focus of policymakers, according to the report. Colombia is among three countries being formally invited to become members of the OECD.

## Remittances to Nicaragua Rise 6.5 Percent

Nicaraguans living abroad sent home 6.5 percent more in remittances during the first four months of the year as compared to the year before, El Nuevo Diario reported Thursday. Families in Nicaragua received \$431.7 million in the first four months of this year, according to central bank data. More than half of the money transfers, 56 percent, came from the United States, while nearly 20 percent came from neighboring Costa Rica. About 20 percent of Nicaragua’s 6.3 million citizens live abroad. Remittances are estimated to account for some 10 percent of the country’s GDP.

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coups in Latin America historically) are often rotated to minimize potential collusion. The Bolivarian revolution has also gone to great lengths to keep the military on its side through cash bonuses, wage hikes and the doling out of lucrative governorships and ministries to high-ranking loyalists. Frequent military participation in smuggling, arbitrage and narco-trafficking schemes, has likewise done much to link the fate of Venezuela's military elite to that of the current administration. For much of the brass, the specter of losing impunity should a successor government investigate them represents a powerful disincentive to turning. Galvanizing Venezuela's broken military into action would therefore require a far more radical departure, and a far larger body count, than anything we have yet seen. Incontrovertible evidence of a deliberate organized massacre by government forces, sweeping citywide riots or widespread armed conflict between security forces and a heavily armed non-government group might stir them to act. At current levels, however, growing disloyalty among the Venezuelan military might suffice to keep them from saving President Maduro should a palace coup take place, but they remain unlikely to move against Maduro directly."

**A** **Beatrice Rangel, member of the Advisor board and director of AMLA Consulting in Miami Beach:** "I am skeptical about the possibility of a military coup taking place in Venezuela. To begin with, President Chávez exorcised this demon by means of turning the pyramidal structure of every military entity into a quadrilateral. Thus, all entrants into the military academy have the right to become generals. Venezuela today has about 2,000 generals. To concoct a coup, at least 200 of them would need to conspire. This is highly unlikely under current circumstances when the military is overseen by Cuban officials whose role is to prevent this event from taking place. Then there is drug

trafficking, which seems to have brought more wellbeing than career compensation to top military officers who are part of the Cartel of the Suns. Finally, the U.N. Convention against Corruption (UNCAC) and the U.N. Convention against Transnational Organized Crime (UNTOC) turned corruption, drug trafficking and money laundering into international crimes without borders. This places the Venezuelan military in the uncomfortable position of having to contemplate jail as a possible retirement destination. As to the mobilization of 2,000 assets to Táchira, the statement was made simply to cover the 'colectivos,' or the Venezuelan version of the Tonton Macoutes, who are fierce and loyal supporters of the regime, and do not particularly like being considered perpetrators of crimes against humanity."

**A** **Phil Gunson, senior analyst for the Andes region at International Crisis Group:** "The Maduro government has closed off peaceful, democratic avenues to change and formally broken with the rules of representative democracy. It is now a regime sustained almost entirely by force. Repression has so far primarily been applied by riot squads from the National Police (PNB) and the National Guard (GNB, a branch of the armed forces) and by so-called colectivos or para-police gangs. Members of riot squads are exhausted and ill-fed. Dozens of GNB officers are reportedly under investigation for questioning orders, and there are credible reports of serious discontent in parts of the army. Protests and riots show no sign of diminishing, which means more widespread use of army units is likely. But this would force army officers to decide whether to risk future prosecution for human rights abuses on behalf of a government many do not support. A classic coup d'état is unlikely. But if large parts of the army simply refused to take part in repression and fulfilled their constitutional obligation to remain politically neutral, the government might fall. In the

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Senate, including Republican Marco Rubio of Florida and Democrat Robert Menendez of New Jersey, strongly oppose lifting the restrictions, saying Cuba's government should first take steps toward democracy.

## ECONOMIC NEWS

## Mexico Registers \$617 Million Trade Surplus

Mexico registered an unexpected trade surplus of \$617 million in April as factory and oil exports climbed and imports of nonpetroleum goods declined, The Wall Street Journal reported Thursday. The country's exports rose 3.6 percent year-on-year in April to \$31.48 billion, and exports declined 5 percent to \$30.87 billion, said Mexico's National Statistics Institute. For the year through April, Mexico's trade balance was at a deficit of \$2.16 billion. The surplus recorded last month surprised analysts who had predicted a median deficit of \$1.59 billion in a recent Wall Street Journal poll of economists. Higher oil prices led to a 26.9 percent increase last month in the value of crude exports. The volume of crude oil exports amounted to 1.02 million barrels a day, little changed from March and from April of last year. Mexico's exports of manufactured goods ticked up 1.9 percent year-on-year, with Easter falling this year in April rather than March influencing the statistic. Mexico's exports of vehicles and auto parts increased 1.5 percent last month, while other types of factory exports increased 2.1 percent year-on-year. Most types of imports declined in April as compared to the same month last year, with nonpetroleum product imports declining 7.2 percent. Imports of petroleum products increased 15.4 percent to \$2.87 billion. Imports of intermediate goods used in production fell 5.3 percent. While Mexico exports oil, it imports gasoline, diesel fuel and natural gas. [Editor's note: See [Q&A](#) on Mexico's economy in the Feb. 28 issue of the Advisor.]

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best-case scenario, this would lead rapidly to a relatively peaceful transition. But there is a possibility that a split in the army could lead to a period of more intense violence, as rival armed groups fight it out on the streets, with criminal elements taking advantage of the chaos.”

**A** **Siobhan Morden, managing director and head of Latin America Fixed Income Strategy at Nomura:** “What has changed in this political crisis? It is no longer the same tense stalemate that characterized the political conflict of the past year. Passive protests have become active ones with heightened violence and an all-or-nothing attitude of the protesters to defend their democratic rights. President Maduro has also made political miscalculations beginning with the auto golpe against the National Assembly and the launch of a constituent assembly that has backfired with international media attention that galvanized a stronger domestic and external reaction. The repressive and non-conciliatory stance from the Maduro administration only seems to re-energize the opposition. The opposition is more united with the centrist Primero Justicia joining forces with Voluntad Popular for a more activist strategy with persistent street protests while lobbying diplomatic support to keep Venezuela in the headlines and encouraging military intervention. There are cracks of dissension, with open criticism from Attorney General Luisa Ortega and rejection of the constituent assembly from among the Chavista factions. Venezuela has become geopolitically more relevant with heightened diplomatic response and more international activism, including the escalation of U.S. sanctions. The recent announcement of individual sanctions against the eight Supreme Court justices was a quick response to the ‘interference in the legislative branch’s authority’ less than eight weeks after the court ruled it would assume legislative functions. The U.S. sanctions could be quite effective

in undermining support for the Maduro administration, especially if they extend to the top tier among the ruling political and military elite.”

**A** **Frank O. Mora, director of the Kimberly Green Latin American and Caribbean Center at Florida International University and former deputy assistant secretary of defense for the Western Hemisphere:** “Hugo Chávez understood the importance of keeping the Venezuelan military weak and in support of his Bolivarian project. The failed 2002 coup was a watershed moment for civil-military relations in Venezuela. It marked the point at which Chávez began deepening and accelerating the systemic purging and politicization of an institution previously known for its respect for the constitutional democratic order. By the time of Chávez’s death, the armed forces had lost much of their professionalism and apolitical standing. If the nature of civil-military relations during Chávez’s reign was of cooption and dominance, his successor, President Nicolás Maduro, on the other hand, became increasingly reliant on the military for the regime’s survival. The armed forces have taken on prominent roles in the government. Nearly one-third of the ministries are led by active or retired military officers. Meanwhile, the institution vastly extended its control of key economic sectors and industries, including food production and distribution, giving the military a significant stake in supporting and ensuring the regime’s survival. Potential cleavages or rebellions within the military for now seem contained, in part by the assistance provided by Cuban military counter-intelligence. However, the prevailing volatile, highly repressive and desolate conditions in Venezuela could lead some key mid-ranking officers to withdraw support by simply refusing to take orders, creating a crisis within the institution that is likely to lead to the dramatic collapse of the regime.”

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