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FEATURED Q&A

Should Paraguay Scrap its One-Term Limit for Presidents?



Paraguayan President Horacio Cartes has said that the country's citizens will need to discuss allowing their presidents more than one term. // File Photo: Paraguayan Government.

Q In the future, Paraguayans will need to discuss scrapping the country's one-term limit for its presidents, current President Horacio Cartes said recently in New York during the U.N. General Assembly meeting. Earlier this year during a closed-door session, Paraguay's Senate passed a measure to allow presidential re-election, but a public backlash against the decision forced Cartes and the senators who backed the measure to withdraw it. Should Paraguay indeed allow its presidents more than one term? If so, how should the possibility be discussed in order to avoid violent protests like those that happened earlier this year? What are the chances of such an initiative winning approval in Paraguay's Congress?

A Gerardo Ramón Ruiz Godoy, partner at PCG Auditores – Consultores: "Presidential re-election is a necessity, as our history shows that long-term government policies are often simply discarded by the following government. Paraguay's problems date back many years, keeping politicians and technicians busy with providing solutions to necessities and leaving little room for medium- or long-term planning. Therefore, re-election enables the consolidation and maturing of the programs that each government initiates. There is much discussion about how a change in presidential re-election should be carried out, although the indisputable way is through constitutional reform. However, the most concerning is the lack of political will (whatever the form) as there are too many special interests that hinder any initiative to amend the Constitution. If politicians fail to agree on a way to amend the Constitution, regardless of the method, there will be political conspiracies

Continued on page 3

TODAY'S NEWS

POLITICAL

U.N. Calls for Probe of Deadly Mexico Prison Riot

Seventeen people were killed in the riot at the Cadereyta prison in Nuevo León State. Authorities used lethal force in order to quell the riot, which happened Tuesday.

Page 2

ECONOMIC

Chile Power Auction Draws 24 Bids

The companies that participated in the auction are to supply the country with 2,200 gigawatts of electricity per hour for 20 years, starting in 2024.

Page 2

POLITICAL

Brazilian Court Freezes Rousseff's Assets Over Refinery Deal

The asset freeze also extends to former Petrobras head José Sergio Gabrielli, former Finance Minister Antonio Palocci and other officials. At issue is a \$580 million loss from the purchase of a Texas refinery in 2006.

Page 2



Rousseff // File Photo: Brazilian Government.

POLITICAL NEWS

U.N. Calls for Probe of Deadly Mexico Prison Riot

The United Nations is calling for an investigation into Tuesday's prison riot in Cadereyta jail in Mexico's Nuevo León State that left 17 people dead, BBC News reported. The United Nations said the riot and authorities' handling of the disturbance merits a "complete and exhaustive" report, urging authorities "to clarify the tragedy that has occurred and to grant justice to the victims and their families,"

Inmates had taken guards hostage during the riot.

El Universal reported. State authorities said they are open to cooperating with human rights organizations. "Do you want somebody responsible? I am responsible," state security spokesperson Aldo Fasci said. The riot began early Tuesday, with some 250 inmates ultimately fighting security forces during the melee, according to local media. Negotiations with inmates who had taken three guards hostage and attempts by police forces to use non-lethal weapons to quell the riot proved unsuccessful, Fasci has said, BBC News reported. Authorities saw through video monitors that at least one prisoner had been killed, and guards had been taken hostage and were being beaten on the roof, so police forces decided to use lethal force in order to gain control of the riot and protect further guards and prisoners from injury or death, said Fasci, the Associated Press reported. He added that no direct orders were given to use lethal force, but that officers were following protocol. The U.N. statement calling for an investigation into the violence referred to a riot last year at Topo Chico prison that left 49 people dead, and another at Apodaca prison in 2012 that left 44 people dead. Both prisons are also in Nuevo León State.

BUSINESS NEWS

Brazilian Court Blocks Petrobras-Total Deal

A Brazilian federal court has blocked part of a \$2.2 billion deal that state oil company Petrobras and French oil company Total agreed on in March, Reuters reported Wednesday. Judge Edmilson da Silva Pimenta on Tuesday put a hold on a part of the deal in which Petrobras agreed to sell Total part of its holdings in two promising pre-salt oil blocks. The judge granted the injunction in favor of local oil workers' union members who said that as a government-run company, Petrobras should have had a public tender for the sale of its assets, rather than a private negotiation. Pimenta asked oil and gas regulator ANP to suspend the transfer of stakes after granting the injunction. In March, Petrobras and Total signed a "strategic alliance" that included transferring to Total a 22.5 percent stake in the Lara area and a 35 percent stake in the Lapa field. Both stakes are in the pre-salt area. The deal also included the sale of Petrobras' 50 percent stake in Termobahia, a thermal power complex that includes two plants. On Wednesday, Petrobras said it had not been formally informed of Pimenta's decision and that it would evaluate the decision once it had been officially notified.

Brandão Stepping Down as Bradesco's Chairman at Age 91

Lázaro de Mello Brandão is stepping down as chairman of Brazil's Banco Bradesco, the role he has occupied for more than 25 years, Bloomberg news reported Wednesday. At age 91, Brandão is the world's oldest bank chairman, and his departure from the chairmanship is expected to trigger a succession race, the news service reported. The bank's chief executive officer, Luiz Carlos Trabuco Cappi, will replace Brandão on an interim basis, serving

NEWS BRIEFS

Court Freezes Assets of Rousseff, Other Officials Over Refinery Deal

Brazil's federal audit court, known as the TCU, on Wednesday ordered a freeze of former President Dilma Rousseff's assets, as well as those of the former head of state oil company Petrobras, José Sérgio Gabrielli, Reuters reported. The order is over a \$580 million loss from the purchase of a Texas refinery in 2006. The freeze also extends to former Finance Minister Antonio Palocci and three members of Petrobras' board, who approved the controversial purchase, in which the company paid more than eight times what the refinery's previous owner had paid just a year before. Rousseff said there is no evidence that any crime was committed by the Petrobras board members who approved the deal.

Federal Relief Workers Can't Stay 'Forever' in Puerto Rico: Trump

U.S. President Donald Trump this morning said federal relief workers cannot stay "forever" in hurricane-ravaged Puerto Rico, where most residents remain without power, hospitals are running out of medicines and many are struggling to find clean water, The Washington Post reported. In a tweet, Trump said, "We cannot keep FEMA, the Military & the First Responders, who have been amazing (under the most difficult circumstances) in P.R. forever!"

Chile Power Auction Draws 24 Bids

A Chilean power auction attracted 24 bids to supply the country with 2,200 gigawatts per hour annually for 20 years starting in 2024, a government official said Wednesday, Reuters reported. The winning bidders will be announced on Nov. 3. Among the bidders were Spanish firms Acciona, Cox Energy and Ibereólica and Italian energy company Enel.

FEATURED Q&A / Continued from page 1

that set traps, such as those that happened last March. I believe the next government will still see many difficulties in changing the Constitution. Although there are many other constitutional reforms that need to happen, presidential re-election is a subject that is still too resisted, mainly by the opposition. This is mainly because Cartes and former President Fernando Lugo would jeopardize the chances of other possible candidates.”

A **Juan Francisco Facetti, professor and researcher at the Universidad Nacional de Asunción and consultant on governance:** “Many analysts and citizens think that allowing presidential re-election will resurrect authoritarian attitudes of the past. The level of democratic maturity of the political parties as well as the cronyism

“**If it is proposed again for Congress to approve such an amendment, the chances for its approval will be minimal because the public will reject it.”**

— Juan Francisco Facetti

and corruption that are entrenched in them does not guarantee that re-election will be a useful tool for the common good. For that reason, I do not consider it wise to promote consecutive re-election. The demonstrations last March in Paraguay supported the arguments of many members of Congress that presidential re-election was unconstitutional. There was no fracture or fragmentation in the country with regard to this position, and the demonstrations became violent. Citizens have maintained and will continue to maintain their position, which was expressed in protests in 2006 against re-election via constitutional amendment that was promoted

by then-President Nicanor Duarte. As long as the Constitution is respected, I am absolutely sure that the public will not oppose the debate on re-election in the framework of a constitutional reform. However, if it is proposed again for Congress to approve such an amendment, the chances for its approval will be minimal, because the public will reject it.”

A **R. Andrew Nickson, honorary reader in public management and Latin American studies at the University of Birmingham**

in England: “Paraguay should allow its presidents more than one term, but it should be done correctly. Article 229 of the 1992 Constitution states clearly that presidents may not be re-elected ‘under any circumstances’ and that any decision in favor of presidential re-election can only take place through a reform of the Constitution, requiring the convening of a constituent assembly. The attempt by President Cartes to railroad the change through a simple constitutional amendment backfired after protesters set fire to Congress last March 31. He was only forced to back down after intense international pressure, led by the U.S. government and the Vatican. A constituent assembly could be convened soon after a new president takes office next August. But this will require a broad cross-party consensus to achieve the necessary two-thirds majority in both houses. It would open the door to former presidents such as Fernando Lugo and Horacio Cartes standing again for a non-consecutive second term. As the richest man in Paraguay through his cigarette smuggling empire, Cartes’ wish to do so will help drive any post-2018 campaign for constitutional reform. But a word of warning – there is the danger that presidential re-election may be seen as a simple panacea for Paraguay’s serious governance problems, which derive primarily from a venal Congress. The temptation of a ‘strong president’ to sort this out could end up replicating the authoritarian

Continued on page 4

in both capacities until March, when the bank plans to name a new CEO. Brandão began working for the bank in 1943 as a 16-year-old clerk. He eventually rose at the lender to become one of the only two chairmen the bank has ever had and one of its four CEOs, a position he held from 1981 to 1999. Last May, Brandão became the world’s oldest bank chairman when 94-year-old Robert E. Bull retired from First Keystone Community Bank in Berwick, Pa., according to information compiled by Bloomberg. “There’s a need to renew the bank’s board to ensure its continuity,” Brandão told reporters Wednesday, adding that the decision to step down was his. Brandão added that he will



Brandão // File Photo: Banco Bradesco.

remain in charge of some of the bank’s holding companies. During his time as chairman, Brandão has promoted a culture that favors promoting executives from within the company rather than seeking new talent from outside. Bradesco is expected to continue that tradition in selecting the bank’s next chief executive by choosing a new CEO from the ranks of its seven top executives, sources with knowledge of the matter told Bloomberg News. “The new CEO choice will respect Bradesco’s own pool of talent,” Trabuco said Wednesday. Among the possible successors to Trabuco are Mauricio Machado de Minas, who is responsible for Bradesco’s information technology department; Alexandre da Silva Gluher, the bank’s chief risk officer; Domingos Figueiredo Abreu, who is responsible for Bradesco’s lending and treasury departments; and Josué Augusto Pancini, who heads the bank’s branch network and high-income unit. Brandão said Wednesday that he has no regrets during his time at the company, which has lasted nearly 75 years. “When I told my family I was leaving, their reaction was: It’s about time,” he said.

FEATURED Q&A / Continued from page 3

experience of the Stroessner dictatorship, the longest in the history of Latin America.”

A **Brian Turner, professor and chair of the Department of Political Science at Randolph-Macon College in Ashland, Va.:**

“Alexander Hamilton in 1788 asked, ‘Would it promote the ... stability of the government to have half a dozen men who had had credit enough to be raised to the seat of the supreme magistracy, wandering among the people like discontented ghosts and sighing for a place which they were destined never more to possess?’ Paraguay is soon to have three such men, perhaps all three as elected senators. The existence of term limits invites constitutional crises as the incumbent attempts to overturn the limit, as happened in 2006 and 2016-2017. Each crisis has introduced new violations of constitutional and procedural rules, further weakening Paraguay’s fragile constitutionalism. The Paraguayan presidency is arguably the weakest in formal terms in Latin America. The ruling Colorado Party is also a veto player, generating opponents of the incumbent and aspirants to the presidency. These factors combine to create incentives for the incumbent to seek to remain relevant within the party in the final years of his term,

especially during the nomination process for the next general elections. Even a failed bid to remove term limits can potentially strengthen the president’s hand within the party in the short term. The crisis earlier this

“**The Paraguayan presidency is arguably the weakest in formal terms in Latin America.”**

— Brian Turner

year should make it clear that only a constitutional convention would be a procedurally legitimate way to consider the removal of term limits. The choices such a convention might make regarding changes to the distribution of powers are unpredictable. A future president would have to enjoy much greater popular approval than any recent president to even attempt to manage the dynamics that a convention would generate.”

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

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