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## FEATURED Q&A

# Is Morales Taking Guatemala in the Right Direction?



Guatemala's Jimmy Morales is at the halfway point of his presidency, for which he campaigned on an anti-corruption platform. // File Photo: Guatemalan Government.

**Q** **Guatemalan President Jimmy Morales on Jan. 16 shuffled his cabinet, naming new economy, social development and environment ministers. What are the most important cabinet changes, and what do they say about the direction of Morales' administration? How well has Morales weathered the political crisis that exploded last August when he tried to expel the head of the International Commission Against Impunity in Guatemala, after the U.N.-backed commission began investigating him on campaign finance charges and sought to strip him of his immunity? How would you rate Morales' performance as president halfway through his four-year term?**

**A** **Francisco Villagrán de León, visiting professor at The Elliott School of International Affairs at The George Washington University and former ambassador of Guatemala to the United States:** "The recent cabinet changes have little significance, as they do not strengthen his government nor provide a new sense of direction. Two of the new ministers are not qualified to hold their posts, but that's true of most of his cabinet. The new minister of economy is familiar with his portfolio and understands the challenges. This is also true of the minister of finance and the central bank president (who are not new). Most other cabinet members do a poor job, and the cabinet as a whole lacks direction and coordination. President Morales is in a very tenuous position, drifting with no clear objectives and seemingly waiting only for his lackluster administration to finish its term. No one expects anything from this administration, which has lost the popular support that propelled Morales to the presidency. In truth, it's even worse than it

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## TODAY'S NEWS

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## Brazilian Judge Orders Seizure of Lula's Passport

The move came a day after former President Luiz Inácio Lula da Silva lost an appeal on his corruption conviction. He had planned to travel soon to Africa.

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### BUSINESS

## Chinese Bike-Sharing Companies to Enter Mexico

Rival companies Ofo and Mobike are planning to offer rental bicycles in Mexico, their first market in Latin America.

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### POLITICAL

## Trump Proposes Path to Citizenship for 'Dreamers'

U.S. President Donald Trump is proposing a path to citizenship for undocumented immigrants brought to the United States as children. In exchange, he wants tough border security measures, including \$25 billion for a wall along the U.S.-Mexico border.

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Trump // File Photo: White House.

## POLITICAL NEWS

## Trump Backs Path to Citizenship for ‘Dreamers’

U.S. President Donald Trump has proposed a path to citizenship for approximately 1.8 million undocumented immigrants brought to the United States as children in exchange for tough new steps to curb illegal immigration and bolster border security, The Washington Post reported Thursday. The trade-off would include a \$25 billion “trust fund” for a new wall along the U.S.-Mexico border, which was among Trump’s main campaign promises. Trump’s support for undocumented immigrants brought to the United States as children, referred to as “dreamers,” is a significant concession to Democrats and was offered as a compromise to help end the impasse in Congress over U.S. immigration policy, the White House said. “These are good people. These are good people that should be able to stay in this country,” Trump said Thursday in an interview with CNBC on the sidelines of the World Economic Forum in Davos, Switzerland. Trump said it would be a “great achievement” if a solution could be found. Trump’s proposal would offer a path to citizenship to more than twice as many dreamers as were eligible to remain in the United States under a program that Trump ended in September. That could lead to opposition by some Republicans, particularly in the House of Representatives, The Washington Post reported. The path to citizenship could take as long as 12 years under Trump’s plan. The president’s demand for the border wall funding and other security upgrades on the U.S. border with Mexico, as well as its border with Canada, drew rebuke from Democrats. Rep. Luis Gutiérrez (D-Ill.), said Trump’s proposal “doesn’t pass the laugh test.” He added, “It would be far cheaper to erect a 50-foot concrete statue of a middle finger and point it towards Latin America, because both a wall and the statue would be equally offensive and equally ineffective, and both would express Trump’s deeply held suspicion of Latinos.” Some Republicans expressed

support for Trump’s plan. “The president’s framework is generous and humane, while also being responsible,” said Sen. Tom Cotton (R-Ark.). Top officials at the White House said Trump’s proposal resulted from months of meetings with members of Congress following Trump’s termination of the Deferred Action for Childhood Arrivals program. The program, known as DACA, had provided some 690,000 dreamers with work permits. Most of those work permits will begin expiring March 5. [Editor’s note: See related [Q&A](#) in the Sept. 29 issue of the Advisor.]

## Brazilian Judge Orders Seizure of Lula’s Passport

A Brazilian judge on Thursday ordered police to seize former President Luiz Inácio Lula da Silva’s passport, Reuters reported. The order came a day after an appeals court upheld a corruption conviction against Lula. Lula is expected to remain free while he files appeals to higher courts. The order to seize his passport came ahead of a trip he had planned to take to Africa. His lawyer, Cristiano Zanin, said Lula said the order was an unnecessary restriction, but added that he “won’t travel now.” Also on Thursday, Brazil’s Workers’ Party declared that Lula is its candidate in the October election, despite the former president’s conviction and loss on appeal, which make uncertain his eligibility to run.

## ECONOMIC NEWS

## Puerto Rico Offers Debt Repayment for Pennies on the Dollar

Puerto Rico’s government on Thursday announced a fiscal plan for the U.S. commonwealth that would only cover between \$2.5 billion and \$14 billion of its debt in the long term, a fraction of the island’s \$72 billion in

## NEWS BRIEFS

## Venezuela Expels Spanish Ambassador

The Venezuelan government on Thursday expelled Spanish Ambassador Jesús Silva Fernández, accusing him of interfering in internal affairs, BBC News reported. The Spanish government has rejected the accusation, and said it would reciprocate the move. The announcement came three days after the European Union imposed a travel ban and froze assets for seven senior Venezuelan officials, over concerns about the political and economic crisis under President Nicolás Maduro.

## Venezuela Seeks Arrest of Former PDVSA Chief

The Venezuelan government has requested that Interpol help it track down Rafael Ramírez, the former head of state oil company PDVSA, the Associated Press reported Thursday. Ramírez, who resigned in December as Venezuela’s ambassador to the United Nations, is wanted in the South American country on corruption charges, which he denies. Venezuela’s government asked Interpol to issue a “red notice,” which would put Ramírez’s name on lookout lists that could lead to his arrest and extradition to Venezuela.

## Assange Asks British Court to Drop Warrant

Wikileaks founder Julian Assange has asked the British government to drop his arrest warrant, which would allow him to leave Ecuador’s embassy in London, where he has lived since 2012 in order to avoid extradition to Sweden for questioning over complaints of sexual assault, The Guardian reported. Though Sweden dropped the investigation against him last year, Assange still has not left the embassy, out of fear that he will be arrested by British authorities and extradited to the United States, where he could be charged for releasing hundreds of classified diplomatic cables.

bond debt, The Washington Post reported. The plan appears to indicate that bondholders would receive as little as a nickel on the dollar in repayment. Puerto Rico's governor, Ricardo Rosselló, said during the plan's unveiling that the bankrupt island would carry budget gaps for the next four fiscal years, meaning there would not be any money to repay the commonwealth's bond debt until fiscal year 2022, Reuters reported. A previous debt repayment plan that had been approved by the island's federally appointed fiscal oversight board in April had the territory paying down its debt by \$800 million a year. The new plan assumes the island will be receiving \$35.3 billion in federal aid from the U.S. Federal Emergency Management Agency as Puerto Rico struggles to recover from the devastation caused by Hurricane Maria in September. Rosselló said Puerto Rico is projected to have an annual budget gap of between \$2 billion and \$3.5 billion with the new fiscal plan, down from the \$8 billion projected budget gap the island would have seen if it continued to follow the plan approved in April. The new fiscal plan must be approved by Puerto Rico's fiscal oversight board and by U.S. District Judge Laura Taylor Swain, who is overseeing the commonwealth's bankruptcy, The Washington Post reported.

## Trump Sees 'Good Chance' of Success in NAFTA Talks

U.S. President Donald Trump on Thursday said he thinks the United States, Mexico and Canada have a "good chance" of successfully renegotiating the North American Free Trade Agreement, or NAFTA, Bloomberg News reported. Canadian Prime Minister Justin Trudeau also said negotiations were headed in a positive direction. "I know that we are going to be able to get there, because so many jobs in Canada, in the United States, in our three countries rely on the smooth flow of goods and services back and forth across our borders," Trudeau said Thursday, The Toronto Star reported. The comments came as negotiators from the United States, Mexico and Canada

met in Montreal at the sixth round of talks on renegotiating the accord.

### BUSINESS NEWS

## Chinese Bike Sharing Companies Planning to Launch in Mexico

Two Chinese bicycle-sharing companies are planning to enter Latin America with a launch in Mexico, Reuters reported Thursday.

Beijing-based Ofo, which has raised in excess of \$1.3 billion in venture capital, plans to offer bikes to users in Mexico City, Guadalajara and Monterrey, said a company representative. Among the investors in Ofo is Chinese e-commerce giant Alibaba. Ofo's main rival, Mobike, which has raised more than \$1 billion, is planning to offer rental bikes in the affluent Miguel Hidalgo neighborhood in Mexico City beginning in February, a person with knowledge of the matter told Reuters. With their entrance into Mexico City, the bike sharing companies would be entering an urban area that already hosts bike sharing program ECOBICI, which is run by the capital's government.

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looks. In addition to being inept, Morales has clearly changed his mind about fighting corruption—originally one of the pillars of his campaign. His failed attempt to expel the head of CICIG puts him on the side of those who are under investigation for money laundering, illicit campaign financing, smuggling, corruption and other serious crimes. He is no longer on speaking terms with Iván

move forward in strengthening the rule of law or fall back to the old ways, dashing all the hopes that were raised when ex-President Otto Pérez Molina was forced to resign in 2015."

**A James M. Meyer, partner at Harper Meyer in Miami:**  
"When Jimmy Morales won the Guatemalan presidency almost

exclusively based on his promise of zero corruption, it seems that he put himself on a very high pedestal, in a fish bowl, under a magnifying glass. While he has struggled and continues to struggle on a daily basis with so much scrutiny, he has shown that he is politically adept at doing whatever it takes to stay in office. These efforts have seen him swing all the way from populist policies designed to garner support from the masses to his more recent divergent alliances with segments of the private sector who have been, like him, fairly or unfairly targeted by CICIG, the attorney general, the SAT and their widely cast nets, in the name of combating corruption and tax evasion. His recent cabinet shake-up is a likely consequence of his effort to surround himself with loyal and influential individuals who can help him restore and consolidate his power and weather the continuing storm. Regardless, Morales remains the catalyst of an intense societal

**“No one expects anything from this administration.”**

— Francisco Villagrán de León

Velásquez, CICIG's head, nor with Guatemala's courageous attorney general, Thelma Aldana. Unfortunately, there are other forces—including some business leaders—that are also opposed to the fight against corruption, and they have now become a key part of Morales' political base. Where this is all heading will become clearer in May, when Attorney General Aldana's term ends and Morales will appoint her successor. His choice will signal whether Guatemala will

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debate about the efficacy and legitimacy of aggressive reform policies.”

**A** Donald J. Planty, senior advisor to Albright Stonebridge Group in Washington and former U.S. ambassador to Guatemala:

“Social development, trade and the environment are important issues in Guatemala, but the overriding problems that Jimmy Morales faces are in the rule-of-law area. Morales came to power by responding positively to a popular wave demanding an end to government corruption and impunity. He has yet to deliver positive results in this area, and as a result, has lost public support. His administration has stalled. Some of Morales’ difficulties stem from his inexperience in government and the lack of a substantive background on public policy issues, especially in the realm of security and the rule of law. Guatemala’s core problem continues to be the lack of a rule of law society, i.e., possessing rule of law institutions across the spectrum that work—police, prosecutors, the judiciary, the penal system—and that can provide security and justice for the population. With insecurity and impunity rife, and the campaign finance charges added, the Guatemalan public has lost confidence in the Morales government. To get his administration moving again and to rekindle

public support, Morales needs to renew his efforts with Congress to reform the judiciary and to make improvements in the legal process, including by strengthening the

“**The Guatemalan public has lost confidence in the Morales government.**”  
— Donald J. Planty

government’s prosecutorial function, training more vetted police units and reforming the prison system. He should also insist that CICIG pay more attention to the second part of its original mandate in Guatemala—to help strengthen Guatemalan rule of law institutions so that the country can manage the impunity situation and guarantee the rule of law on its own once CICIG departs. Such measures could begin to restore public confidence in the Morales government and put Guatemala on a more positive trajectory.”

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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