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FEATURED Q&A

Is Brazil's Rousseff Surrounding Herself With the Right People?

Q In advance of her taking office Jan. 1, Brazilian President-elect Dilma Rousseff has named several top officials to government positions, including Antônio Palocci as chief of staff, Antônio Patriota as foreign minister and Alexandre Tombini as central bank president. She also has opted to maintain Guido Mantega in his post as finance minister. What do the choices say about Rousseff's priorities and governing style? Is she surrounding herself with the right people?

A Peter Hakim, member of the *Advisor* board and president emeritus of the Inter-American Dialogue: "Dilma's cabinet is almost exactly what Lula's cabinet might have been had he had won a third consecutive term as president (which he was constitutionally barred from pursuing). Indeed, many of the new president's top-tier ministers will be Lula holdovers (including the key ministers of finance, defense and education and the heads of the government's massive development bank and its national petroleum company); several other of her predecessor's ministers have been shuffled to new cabinet positions, while a few new cabinet members were simply moved up a notch or two, like Patriota at Itamaraty. Some have argued that this all suggests how beholden Dilma is to Lula, and the likely influence that he will exercise on her new government. There is a better explanation. The Lula government was also her government. She served as Lula's chief of staff for five and a half years (a post some compare to that of France's prime minister) and before that, as minister for energy for two and a half years. Dilma ran the day-to-day operations—and was the boss of all of the people she is now putting into cabinet posts. She selected them because she knows them well, is familiar with their strengths and weaknesses and knows exactly how to get the most out of them. She, not Lula, made the choices."

Continued on page 3

Former Argentine Dictator Sentenced to Life in Prison

Former Argentine dictator Jorge Videla, who led the military coup that installed Argentina's dictatorship during the country's Dirty War, was sentenced Wednesday to life in prison. See story on page 2.

Photo: Telam.

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NEWS BRIEFS

Bolivia Declares Recognition of Palestinian State

Bolivia's government on Wednesday declared that it recognizes Palestine as an independent and sovereign state, the Associated Press reported. The South American country "could not continue waiting with its arms crossed given the problems of human rights, territory and sovereignty," said President Evo Morales. Earlier this month, Brazil and Argentina formally recognized Palestine as an independent state. Cuba and Venezuela previously have done so. [Editor's note: See related Q&A in Tuesday's *Advisor*.]

Mexico to Seek Sanctions for Poor Telecom Service

Mexico's telecommunications regulator, Cofetel, said Wednesday that it would seek sanctions against **América Móvil** unit **Telcel** and **Empresas Cablevision**, a unit of **Grupo Televisa**, for poor service and would also ask lawmakers to strengthen the country's telecommunications law, Reuters reported. The regulator found that Telcel dropped more than half the calls in an inspection and Cablevision didn't get authorization for a network overhaul that interrupted service for thousands of clients.

Colombian Inspector General Wants Mining Project Halted

Colombian Inspector General Alejandro Ordoñez on Wednesday urged the government to halt an open-pit mining project in Santander province, EFE reported. Canada's **Greystar** only needs an environmental license to develop the Angostura Mining Project but local officials and activists say the project would have negative effects on the quantity and quality of the region's water supply.

Political News

Former Argentine Dictator Sentenced to Life in Prison

Jorge Videla, who led the military coup that started Argentina's 1976-1983 military dictatorship, was sentenced Wednesday to life in prison for the torture and killing of 31 prisoners during his rule. Relatives of Argentines who disappeared during the country's Dirty War packed the courtroom in Buenos Aires, holding up signs of the victims and shouting "murderers" at Videla, 85, and his co-defendants, the Associated Press reported. Most of the two dozen former police officers and military officials who were tried alongside the former dictator also received life prison sentences. The judges determined that Videla was "criminally responsible" for the deaths of prisoners who were tortured and killed after being transferred from civilian jails to a secret prison during the Dirty War. Videla, who complained that Argentina is now being run by "terrorists," told the courtroom that the country's society demanded his actions in order to prevent a revolution led by Marxists. Videla was first convicted of crimes against humanity in 1985 and was sentenced to life in prison, but was jailed for only five years before then-President Carlos Menem granted amnesty to Videla and other leaders of the military junta. Argentina's Supreme Court overturned the amnesties in 2007 and President Cristina Fernández de Kirchner has encouraged putting former military leaders and police officials on trial. This trial was the first of dozens Videla is facing. Some of Videla's co-defendants received shorter prison sentences and seven minor defendants were found not guilty. Some 13,000 people were killed or disappeared during the dictatorship, according to the government. However, some human rights groups say the number is closer to 30,000.

> ***Most of the two dozen former police officers and military officials tried alongside Videla also received life sentences.***

Venezuela's National Assembly Bans Foreign Funding for NGOs

Venezuela's National Assembly, which is dominated by supporters of President Hugo Chávez, late Tuesday approved a law barring nongovernmental organizations from receiving funding from outside the country, the Associated Press reported. The law jeopardizes the operations of human rights organizations and other groups that receive foreign funding and provides for fines of as much as twice the amount received. Human Rights Watch denounced the "Law for the Defense of Political Sovereignty and National Self-Determination," saying it prohibits funding for human rights groups and "severely limits their ability to foster public dialogue with foreign experts who are critical of Chávez's policies." The law's language says groups face penalties if they invite foreigners who publicly voice "opinions that offend the institutions of the state" or high-ranking officials. Groups face fines for such statements and political parties can be prohibited from participating in elections for five to eight years. Chávez has said the restrictions are needed to prevent intervention by the U.S. government and by organizations based in the United States. "How are we going to permit political parties, NGOs ... to continue to be financed with millions and millions of dollars from the Yankee

Chávez

File Photo: Venezuelan Gov't.

To Our Subscribers

In observance of the Christmas and New Year's holidays, the Latin America Advisor *will not be published tomorrow and next week. We will resume publication on Jan. 3, 2011. We wish our readers a happy holiday season and a prosperous new year.*

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empire?" Chávez said last month. Groups that have funded programs in Venezuela include the U.S. Agency for International development, the National Endowment for Democracy, the International Republican Institute and the National Democratic Institute. Chávez's opponents may see the action as hypocritical as Chávez has given aid to countries including Nicaragua, Bolivia and Cuba in forms such as oil shipments on favorable terms. The law is among several that Chávez is pushing through the National Assembly in the weeks before a National Assembly with more Chávez opponents is seated Jan. 5. Lawmakers approved a measure suspending legislators who leave their party while in office in an effort to counter defections similar to those Chávez saw this year when about a dozen lawmakers broke ranks with him. "They're putting a straitjacket on the parliamentarians who are to come," said Ismael García, who was among those who broke with Chávez. Other laws approved recently impose restrictions on Internet messages, make it easier for officials to revoke television and radio broadcasters' licenses and also give Chávez the power to unilaterally decree new laws for 18 months. Another new law declares banks to be of "public utility" and increases the government's ability to intervene in the banking sector.

Economic News

Brazil's Central Bank May Hike Interest Rates Next Month

Brazil's central bank on Wednesday signaled that it could begin hiking interest rates next month as it predicted inflation will rise faster than earlier anticipated, Bloomberg News reported. The central bank raised its forecast for next year's rate of inflation to 5 percent, up from its September forecast of 4.6 percent. Policymakers also predicted inflation will exceed their target of 4.5 percent in 2012, with consumer prices rising 4.8 percent. The country's incoming central bank chief, Alexandre Tombini, will chair his first monetary policy meeting Jan. 18-19.

Featured Q&A

Continued from page 1

Donna J. Hrinak, member of the *Advisor* board and vice president for global public policy and government affairs at PepsiCo in Purchase, N.Y.: "Many Brazilians who cast ballots for Dilma were voting for continuity, with the understanding—or hope—that she was the candidate most likely to maintain the policies of the Lula administration, particularly domestically, but also on the global scene. In fact, President Rousseff, who will necessarily face different challenges, will have to balance the expectation that hers will be the third Lula government with the real need to adjust policies to face new realities, and with her desire to put her own mark on Brazil's history beyond just being its first woman president. With her appointments, she seems to be aiming at that balance, while putting together a competent and talented team. As finance minister, Antônio Palocci demonstrated a big picture view of government and keen management skills that will serve him well as chief of staff. Elevating the well-respected Alexandre Tombini at the central bank sends a positive message that the bank will continue to take sound, pragmatic decisions, while confirming Guido Mantega at Finance shows Dilma values the ability to work well as part of a team. At the Foreign Ministry, incoming Minister Antônio Patriota represents the more confident and thus more objective Itamaraty. The most important continuity Dilma can deliver is by leading a government that knows how to build well on the policies of its predecessor, how to seize new opportunities and how to ensure ideology does not obstruct the development of productive relationships and effective action. It's the continuation of good judgment in the pursuit of Brazil's real interests."

> "Many Brazilians who cast ballots for Dilma were voting for continuity ..."
>
> *— Donna J. Hrinak*

Carlos Eduardo Lins da Silva, director of Educare in São Paulo: "It must not be an easy task for any president to be sure that his (or her, in this case) position is totally owed to the prestige of her predecessor, who leaves office with a public opinion approval rate of almost 80 percent. That's the case of Dilma Rousseff, the first woman ever elected to the presidency of Brazil, picked by Luiz Inácio Lula da Silva, who was solely responsible for her victory. Therefore, it is very probable that the first year and half of her government will be a transitional period between Lula's administration and her own. The appointments she has been announcing for her cabinet reinforce that impression. Some of the key members of Lula's administration will remain either in their original seats or will be reshuffled. Finance Minister Guido Mantega remains as the chief officer on economic issues; Gilberto Carvalho, personal aide to the president, becomes secretary general of the presidency; former Finance Minister Antônio Palocci will be the new chief of staff, which in Brazil is almost a prime-minister. In other cases, there will be change of names, but not of policies. The new Foreign Minister is Antônio Patriota, who was second-in-command at Itamaraty under Minister Celso Amorim, and the central bank governor, Alexandre Tombini, was one of Henrique Meirelles' closest directors. Only a few in Rousseff's own group of aides will go to the first rank of the new government. Among them is Miriam Belchior, the new planning minister. The selections so far show that Workers Party moderates will have absolute control of key decisions. Many of the new ministers

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Featured Q&A

Continued from page 3

are being picked by Rousseff's allied parties, which are almost all to the right of the Workers Party. Very probably, in mid-2012, when many of the ministers that are now being selected will start their campaigns for municipal elections and when Lula's powerful cloud over the government may (or may not) start dissolving, perhaps Rousseff will be able to form her own team. Until then, do not expect much change in the goals and directions of the Brazilian government."

Riordan Roett, director of the Latin American Studies program at the Johns Hopkins School of Advanced International Studies: "Dilma appears to be following the old adage, 'if it isn't broken, don't fix it.' The team is comprised of known players. They represent the 'legacy preservation' so important to President Lula, still the dominant figure in the PT. And they provide continuity at a time when there are pending policy issues that will need to be addressed sooner rather than later—the current account deficit, the appreciation of the currency and the constant and increasing inflow of funds seeking higher yields given the depressed state of the U.S. and E.U. economies. Once the president-elect has consolidated her government, we can expect rotation and new faces toward the end of 2011 into 2012. Dilma will need steady hands in charge of the economy as the government plays 'catch up' in the preparation for the 2014 World Cup and the Olympics in 2016. 'Learning on the job' is not the best option for Brasília at the moment and while many observers had hoped for new faces, Dilma has probably opted for the right course of action."

> "'Learning on the job' is not the best option for Brasília at the moment ..."
>
> *— Riordan Roett*

The Advisor *welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.*

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