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FEATURED Q&A

How Will Lula Now Influence Brazilian Politics?



After being imprisoned for more than a year and a half, former Brazilian President Luiz Inácio Lula da Silva was released earlier this month. // Photo: Lula Institute.

Q Former Brazilian President Luiz Inácio Lula da Silva, who had been imprisoned since April 2018 after being convicted of graft and money laundering, was released from jail on Nov. 8, a day after the Supreme Court ruled that defendants cannot be imprisoned before all their appeals are exhausted. Now, Lula is expected to travel the country to campaign for leftist candidates ahead of municipal elections next October. What does Lula's release mean for Brazilian politics? How much influence will the former president have both in policymaking and in next year's local elections? In what ways does Lula's release, and the Supreme Court decision behind it, affect Brazil's massive Car Wash corruption investigation?

A Valeska Teixeira Zanin Martins, Brazilian attorney, co-founder of the Lawfare Institute and member of Lula's legal defense team: "Car Wash prosecutors found corruption but didn't fight it fairly, as they also colluded with former federal judge Sérgio Moro to engage in judicial misconduct and illicit practices in order to seek convictions. They carried out a theatrical campaign of police operations, raids, searches and seizures, forced detentions and unconstitutional bench warrants to stir up popular support as they conducted a lawless trial through the media. Former President Lula was the primary target of the Car Wash task force, and Moro and prosecutors repeatedly violated Lula's constitutional rights. Lula informed the U.N. Human Rights Committee of this judicial misconduct in July 2016 before he was charged. There was overwhelming evidence of collusion and misconduct during Lula's investigation and prosecution. We corroborated this

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Wave of Violent Protests Hits Colombia With Multiple Clashes

Tens of thousands of people flooded the streets in Bogotá and other cities in Colombia over grievances including unemployment and the killings of human rights activists.

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Clean Energy Firms Take Legal Action Against Mexico

At least six clean energy companies are taking action against the government over rule changes they say harm their investments.

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BUSINESS

América Móvil to Invest \$7.8 Bn in Brazil

The Brazilian unit of Mexican billionaire Carlos Slim's América Móvil plans to invest \$7.8 billion in Brazil over the next three years, said Slim's son, Carlos Slim Domit.

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Slim Domit // File Photo: ITU Pictures via Creative Commons.

POLITICAL NEWS

Tens of Thousands March as Protest Wave Hits Colombia

Tens of thousands of anti-government protesters took to the streets in Bogotá and other Colombian cities as the wave of protests that has gripped several countries in Latin America reached the Andean nation. Despite rains, demonstrators gathered in locations including in Plaza Bolívar in the heart of Bogotá, where some protesters vandalized the statue of Simón Bolívar and others smashed windows nearby and spray-painted landmarks, UPI reported. Fourteen train stations and 19 trains had been vandalized, said Bogotá Mayor Enrique Peñalosa. "Every window that they break, each citizen pays with their taxes," Peñalosa tweeted. However, violence was "concentrated," said Peñalosa, adding that 10 police officers were injured in the capital during clashes with protesters, two seriously. Despite the violence, the mayor said he would not enforce a curfew in the city. "We are infinitely more good citizens and as of tomorrow we will rebuild the city that we dream of," he said. The protesters have aired several grievances against the government of President Iván Duque, whose approval ratings have sunk to 26 percent. Among them is the country's 10.2 percent unemployment rate, concerns that the government may reduce pension benefits and violence against human rights activists, The Wall Street Journal reported. Since 2016, criminal groups have killed nearly 300 human rights workers, according to Colombia's attorney general's office. "The government is not taking any of these issues seriously," Daniel Montoya, who helped organize the protests in Medellín, told the newspaper. In Bogotá, Natalia Rodríguez, 25, who works for a cellphone company and earns \$240 a month, was among those marching toward the presidential palace. "This government thinks the minimum wage is enough to survive on, but it's not," she told The Wall Street Journal. Several clashes between police and protesters were reported. In Bogotá, police dispersed

crowds using tear gas, and in Cali, 11 police officers were injured. The western city's mayor issued a curfew beginning at 7 p.m. in order to prevent more violence and looting. Many businesses across the country were closed, as were schools. The government deployed 170,000 members of security forces, sealed its land and river borders and also deported more than 20 people who were accused of trying to stir up unrest. In a nationally televised address late Wednesday, Duque acknowledged that the country faces problems, but he said violence was not the solution. "We know there are many challenges that the country must overcome and that many of the social demands are valid," he said. "However, there are a few who see the right to protest as an opportunity for agitation. This government is not going to permit that some people take the country back to a state of conflict." [Editor's note: See related [Q&A](#) in Wednesday's Advisor.]

ECONOMIC NEWS

Clean Energy Firms Take Legal Action Against Mexico

At least six clean energy companies are taking legal action against the Mexican government for changes to rules that they say reduce the value of their investments and put the country's environmental targets at risk, The Wall Street Journal reported. The move comes after the government announced a decision last month allowing state utility Comisión Federal de Electricidad, or CFE, to obtain clean energy credits for old power plants, such as hydroelectric stations. The companies say this decision changes the rules under which they invested. Six national and international firms have filed for injunctions against the measure, renewable energy associations said, and more are expected to file. The Energy Ministry did not respond to the newspaper's request for comment. The companies argue that the decision also undermines Mexico's commitment to renewables, as well as devalues their investments and sets

NEWS BRIEFS

Chilean Security Forces Have Used 'Excessive' Force: Amnesty Int'l

Chilean security forces, mainly the armed forces and the 'Carabineros' national police, have used "unnecessary" and "excessive" force in attacks against protesters with the intention of "punishing" them, Amnesty International said in a report published Thursday. These attacks have so far resulted in five deaths, as well as the "torture, ill-treatment and serious injury of thousands," the report added. The study says Chilean security forces seek to injure demonstrators, including with torture and sexual violence, "in order to discourage protest." A spokesman for the Chilean police told Reuters that all the allegations would be investigated.

Fitch Downgrades Bolivia's Ratings

Fitch Ratings has downgraded Bolivia's ratings from B+ to BB-, citing macroeconomic risks, which have been heightened by weeks of political and social upheaval in the country, Reuters reported Thursday. The cut in the Andean nation's long-term foreign currency issuer default ratings comes as the number of people killed in violent clashes during protests has reached 32 since the disputed Oct. 20 presidential elections. Fitch's outlook on Bolivia remained negative, the credit ratings agency said, adding that it expects a lower economic growth of 2.5 percent this year, from 4.2 percent in 2018.

U.S. Treasury Restricts Claims Against Venezuela

Claimants against Venezuela cannot enforce liens, judgments or other awards by seizing property without specific authorization from the U.S. government, the U.S. Treasury said Thursday, Reuters reported. Allies of Venezuelan opposition leader Juan Guaidó said the move gives further protection to U.S.-based refiner Citgo, a unit of state oil company PDVSA.

a precedent of the government making legal changes through administrative actions, which hurts investor confidence, The Wall Street Journal reported. The changes to clean energy credits are “a blow to prospects for private investment in what had been recently Latin America’s hottest renewable energy market,” said James Ellis, Bloomberg News’ Energy Finance analyst. Earlier this year, the government canceled a renewable energy auction that was expected to attract bids from energy companies such as Enel and Engie, Bloomberg News reported. [Editor’s note: See related [Q&A](#) in the March 1 issue of the Energy Advisor.]

BUSINESS NEWS

América Móvil to Invest \$7.8 Billion in Brazil: Slim Domit

The Brazilian unit of Mexico’s América Móvil will invest \$7.8 billion over the next three years, Carlos Slim Domit, the son of Mexican billionaire Carlos Slim, said in a meeting with Brazilian President Jair Bolsonaro on Wednesday, Folha de S. Paulo reported. Slim Domit said the investment will be in the 4G network, while also criticizing some of the rules for Brazil’s first 5G auction, expected for the second half of next year. Slim Domit added that América Móvil plans to participate in the auction. The final rules for the tender have not yet been defined. José Félix, the chief executive of América Móvil’s Brazil subsidiary, Claro Brasil, and other group executives were also present at the meeting. Meanwhile, Spanish telecommunications giant Telefónica reached a deal to use some of U.S. rival AT&T’s infrastructure in Mexico, in a move that analysts say will help both companies compete with América Móvil, Reuters reported. Telefónica will use AT&T’s wireless “last-mile” equipment to deliver services to consumers in Mexico. Under the arrangement, announced Thursday, Telefónica expects to save some 230 million euros (\$254 million) per year after a three-year transition period, as well as a reduction in net debt.

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evidence, and the so-called Car Wash leaks that The Intercept published have exposed the collusion between prosecutors and the judge. Brazil’s archaic criminal procedure code permits the same judge who oversees the investigation to stand as the trial judge, all conducted without a jury. This violates human and constitutional rights. To compensate, Brazil established a constitutional safeguard to prohibit incarceration before a suspect has exhausted all appeals of a conviction. This safeguard triggered Lula’s release earlier this month. Lula was illegally and violently imprisoned on a dubious conviction that Moro rendered through an illegitimate criminal proceeding designed to keep Lula out of the presidential race. Lula and our legal team have repeatedly presented exculpatory evidence that exposes judicial misconduct in his case and reveals that he is a victim of a relentless campaign of lawfare, the strategic misuse of law to harm an enemy. Lula deserves a fair and impartial trial just like any other citizen. We are confident that he will prove his innocence and expose the excesses of Operation Car Wash.”

A Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: “Now, freed from jail, Lula appears ready once again to devote himself to remaking Brazilian politics. His first task will be re-energizing the dispirited Workers’ Party (PT) that won four presidential elections in a row, before falling to Jair Bolsonaro last year, and rebuilding the PT’s faltering popular support nationwide—all in preparation for municipal elections next year and the presidential contest in 2022. The path is mired with obstacles. Although now under appeal, Lula’s 2017 conviction for corruption bars him from running for office. Worse, he could soon find himself back in prison. The PT is badly divided among radical and moderate wings, has strained relations with other leftist parties and is widely blamed for Brazil’s economic reversals and

massive corruption. The party, moreover, has no leaders ready to take over from Lula, whose own support hovers only around 30 to 35 percent, while half of Brazilian voters are deeply critical of him. Still, although possibly past his peak, Lula’s political talents should not be underestimated. No Brazilian president in history has left office with a higher approval rating. He was among the world’s most highly regarded and well-liked leaders. And he may yet bring the PT back to power. But even if he ends up losing the electoral battles, his footprint on Brazil’s politics could be immense. He has already declared that he had been radicalized in jail, perhaps forewarning of a more aggressive, leftist strategy this time around. That’s what may be needed to fire up the engines of his party and excite diehard supporters. But Lula knows that a radical approach could alienate more voters than it attracts and help galvanize his adversaries. Lula will remember that he was elected president on his fourth attempt—after he tempered his rhetoric and pledged to sustain most of his predecessor’s economic policies.”

A Jana Nelson, global fellow at the Woodrow Wilson International Center for Scholars: “Lula is still a strong, charismatic leader in Brazil, but he is also very polarizing. For some, he is a scapegoat of the elite for trying to help the poor. For others, he is a corrupt politician who ran the Brazilian economy into the ground. Lula is disinclined to let the Workers’ Party (PT), the party he created in the 1980s, play second fiddle in national politics, to the detriment of achieving political results that benefit Brazil and Brazilians. Lula’s release and return to politics means that President Bolsonaro will have less space to maneuver and pass his proposed reforms through Congress. Those on the left who might have supported the reforms will now likely boycott any of the Bolsonaro administration’s initiatives. Lula’s release will also mean that parties on the left will contin-

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ue to be divided, rather than coalesce behind local candidates, because Lula insists that the PT take the lead. Lastly, Lula's release is a big blow to the Car Wash investigation, which had succeeded in speeding up trial procedures by incarcerating twice convicted felons. From now on, until Congress passes a law to the contrary, those accused will be able to run out the clock on their accusations and thus avoid prison."

A **Gilberto M. A. Rodrigues, senior visiting researcher at the Centre for Global Cooperation Research at the University of Duisburg-Essen in Germany and professor at the UFABC in Brazil:** "Lula's release was a matter of justice. The Supreme Court applied the principle of broad defense clearly protected by the Constitution, which both the Car Wash operation and then-judge Sérgio Moro systematically violated. Despite the fact that Lula was imprisoned for a year and a half, he did not lose his

“Lula's release was a matter of justice.”

— Gilberto M. A. Rodrigues

huge political capital, of about 30 percent of the electorate—the same, or even more, than President Bolsonaro has today. He left prison as a phoenix, occupying the political arena without any other competing leader facing him in the same political spectrum. With this precious political capital and great personal capacity to engage the members and supporters of the Workers' Party (PT), he will be the focal point of the opposition against Bolsonaro, with a good chance to attract people unhappy with the government. Lula has begun to work for a landslide victory in the next municipal elections, though he cannot be a candidate himself. However, his

great capacity to articulate political support and alliances among PT candidates and other parties' candidates will certainly make the difference for the eventual success of center-left or left-wing candidates in the most important cities, especially in state capitals. One of the outcomes of the Supreme Court decision is a strong limitation imposed on the Car Wash operation, not allowing it to act as a political actor as it shamefully did before."

A **Melanie Wahl, country manager for Brazil at Speyside Group:** "President Lula's emotional appeal of 'becoming an idea' and remaining the face and unifying force behind the Brazilian left failed. Lula's release and the recent scandal surrounding leaked messages by the Car Wash operation have started to subdue the brazen tone of an often self-righteous anti-corruption movement, serving as a rebalancing symbol against its once unfettered powers. Yet, the polarized discourse persists and is likely to remain. Lula is not abandoning the emotional vein: his post-release statements show an eager appetite for resuming the PT's traditional agenda of vocal and polarizing opposition. Other leftist parties disagree with PT more on strategy than on policy but are nonetheless unlikely to fall in line behind PT in a fixed coalition, leading to atomized municipal races. This should lead the former president to likely help PT municipal candidates to carry the favor of traditional leftist supporters, while losing ground among two segments—the center-leftists contaminated by the strong anti-labor party sentiments and low-income strata seduced by the current administration's public safety and youth employment generation programs."

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

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