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FEATURED Q&A

Is Venezuela's Opposition Losing Ground to Maduro?



A chaotic scene unfolded Sunday at Venezuela's National Assembly building as the body's leader, Juan Guaidó (in blue suit), attempted to scale a fence in order to enter the building but was repelled by state security forces. // Photo: Voluntad Popular.

Q Forces loyal to Venezuelan President Nicolás Maduro on Sunday sought to take control of the opposition-led National Assembly, surrounding the assembly building and physically blocking its president, Juan Guaidó, from entering. Inside, pro-Maduro legislators swore in dissident opposition lawmaker Luis Parra as the assembly's new leader, and later a majority of assembly members gathered at an opposition newspaper office to re-elect Guaidó to the same position. What does Sunday's chaos mean for Venezuela's political crisis and governance, and will Maduro emerge stronger or weaker as a result? How should the international community respond? What does Guaidó's re-election say about the state of the opposition in Venezuela?

A **Diego Arria, member of the Advisor board, director of the Columbus Group in New York and former permanent representative of Venezuela to the United Nations:** "Maduro effected a military and police takeover of the National Assembly, preventing the opposition majority deputies—including Assembly President Juan Guaidó—from entering the legislative palace. This was a show of military force to convey a clear message to the international community that Venezuela's narco-tyranny will not surrender power, no matter the circumstances, including through holding a sham presidential election. Maduro bribed a few opposition deputies whom the interim Guaidó government had accused of corruption and illegally installed them as leaders of the Assembly. Not only did the Maduro regime block the opposition deputies from being present, but this electoral farce did not

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TODAY'S NEWS

ECONOMIC

Brazil's Bolsonaro Planning Reforms to Shrink Gov't

The changes, aimed at controlling federal spending, will largely focus on new hires of government workers, who may lose the job security currently enjoyed by employees at state-run companies.

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ECONOMIC

New Earthquake Knocks Out Power on Puerto Rico

A 6.5 earthquake shook Puerto Rico before dawn today, the largest of several quakes that have hit the Caribbean island in recent days, causing significant damage.

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POLITICAL

Mexico Says 62,000 People Have Disappeared

Mexico's National Search Commission, led by Karla Quintana, said Monday that nearly 62,000 people have gone missing in Mexico since a crackdown on drug gangs started in 2006, about 20,000 more than were estimated last year.

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Quintana // File Photo: Mexican Government.

POLITICAL NEWS

Mexico Says 62,000 People Disappeared Due to Drug Wars

Mexico's National Search Commission said Monday that nearly 62,000 people have gone missing in Mexico since a crackdown on drug gangs started in 2006, about 20,000 more than were estimated last year, Sky News reported. Officials have so far discovered 1,124 corpses in 873 clandestine burial pits. The commission said the carnage is widespread, with about a third of the corpses found in the last 13 months of its work located in three of the country's 31 states: the northern state of Sinaloa, the Gulf coast state of Veracruz and the Pacific coast state of Colima. Many of the most recent cases of disappearances have been centered in the western state of Jalisco. Karla Quintana, the head of Mexico's National Registry of Lost or Missing Persons, or RNPED, told a news conference that about a quarter of the victims were women and half were between the ages of 15 and 35. Last year alone, more than 5,000 people disappeared in Mexico, according to authorities. By comparison, around 40,000 people disappeared in Guatemala's 36-year civil war, BBC News reported.

Venezuela's Maduro Releases Prisoners as Guaidó Vows Return

The government of Venezuelan President Nicolás Maduro said Monday it will release 14 political prisoners following negotiations with minority political parties, one day after Maduro's supporters blocked opposition leader Juan Guaidó and a majority of legislators from entering the National Assembly, Bloomberg News reported. Guaidó had made the release of political prisoners a central part of his platform to oust Maduro, whose move Monday appears to be aimed at sidelining Guaidó, according to the report. "They will be released today, and

in the next couple of hours we will announce new releases as direct consequence of these negotiations," televangelist Javier Bertucci said in a Caracas news conference, according to the report. Bertucci said the negotiating parties now recognize a dissident opposition legislator, Luis Parra, as the National Assembly's newest leader. The 14 individuals are a fraction of the nearly 400 political prisoners known to be jailed by Maduro. Meanwhile, Guaidó on Monday vowed to retake the assembly's leadership, NPR reported. Speaking to reporters in Caracas, Guaidó said he and lawmakers belonging to his Democratic Unity Roundtable alliance, which forms a majority in the 167-seat assembly, are willing to risk a confrontation by entering the building. Parra said that Guaidó "will be permitted" back in the legislature, but "as any other lawmaker," he would first need to acknowledge Parra's undisputed leadership of the body, according to the report.

ECONOMIC NEWS

Brazil's Bolsonaro Planning Reform to Shrink Size of Gov't

Brazilian President Jair Bolsonaro told reporters Monday in Brasília that his administration is planning to send Congress a proposed reform to shrink the size of the government as part of its efforts to reduce public spending, Reuters reported. The changes will largely focus on new hires of government workers, who may lose the job security currently enjoyed by employees at state-run companies, said Bolsonaro. Under the reforms, the administration wants to change the rules for new employees in the public sector in order to rein in the growth of mandatory federal spending. Bolsonaro's government is also planning to cut spending on social, cultural and labor programs in order to shrink the size of the government's budget, Folha de S.Paulo reported last month. Under the 2020 budget, the government's Minha Casa Minha Vida program, which provides public housing, will have the lowest level

NEWS BRIEFS

Chile Posts Trade Surplus of \$1.46 Billion as Value of Copper Exports Falls

Chile registered a trade surplus of \$1.46 billion in December, according to the country's central bank, with exports totaling \$6.64 billion and imports amounting to \$5.18 billion, Reuters reported today. Chile saw sales of copper, its top export, fall 2.7 percent year-on-year to \$3.45 billion in December, as the metal's value plummeted due to a decline in prices. Chile's copper exports fell 8.2 percent in 2019 to \$33.40 billion, according to the report.

Latest Earthquake Knocks Out Power on Puerto Rico

A 6.5 earthquake shook Puerto Rico before dawn today, the largest of several quakes that have hit the Caribbean island in recent days, causing significant damage in some areas, the Associated Press reported. Puerto Rico's Electric Power Authority reported an island-wide power outage, and a tsunami alert was issued but later canceled. Víctor Huérfano, director of the island's Seismic Network, told the AP he does not have immediate reports of damage or injuries because communications are down in much of the island.

Archer Daniels Midland Sells Brazil Palm Business to Local Company

U.S.-based multinational food processor Archer Daniels Midland has sold its palm business in Brazil to local company Reflorestadora Moju Acará, Reuters reported Monday, citing anti-trust watchdog Cade. The transaction was part of a broader review of ADM's global portfolio, Cade said in the government's official gazette. The value of the deal was not announced. In related news, Canadian fertilizer giant Nutrien announced plans Monday to acquire Brazilian agricultural retailer Agrosema Comercial Agrícola for an undisclosed sum.

of funds in its history, while the government also plans to halve the funding for the enforcement of workplace safety and labor laws, the newspaper reported. In the government's \$337 billion in planned expenditures for 2020, just \$8.6 million will be allocated for occupational safety and health inspections, as well as fighting slave labor and verifying labor obligations, a 49 percent decrease from last year's budget. Additionally, the National Program for Access to Technical Education will almost completely disappear. The Economy Ministry has said the courses offered through the program do not meet the labor market's demands. Bolsonaro on Jan. 1 marked one year in office. [Editor's note: See related [Q&A](#) in the Jan. 2 issue of the Advisor.]

BUSINESS NEWS

Florida Court Sides With Cruise Operator in Title III Cuba Suit

A U.S. federal court in Florida has sided with a cruise company in its bid to end a case brought by a former Havana port owner that accused the company of trafficking in stolen property while using a Cuban port in 2018, Law 360 reported Monday. The decision by Judge Beth Bloom is the latest in a string of court battles over the Trump administration's decision to allow cases to proceed under the so-called Title III of the Helms-Burton Act, which targets companies that profit from property confiscated after the 1959 revolution in Cuba led by Fidel Castro. MSC Cruises sought dismissal of the suit, brought by Havana Docks Corp., saying that Title III violates the Due Process Clause of the Fifth Amendment, among other factors, Seatrade Cruise News reported. Some 20 claims have been filed under Title III since April last year. In addition to cruise lines including Miami-based Carnival, other companies such as American Airlines, ExxonMobil and Expedia have also been named in suits, The Wall Street Journal reported. [Editor's note: See related [Q&A](#) in the March 18 issue of the Advisor.]

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even have a quorum. Guaidó continues to be Venezuela's interim president, as recognized by 57 countries, as well as president of the National Assembly. In my view, Maduro will come out even weaker than he already is before the international community, which recently elected Venezuela to the U.N. Human Rights Council. The Venezuelan armed forces face a challenge in this final act of decapitation of the Venezuelan Constitution, which the military claims is its obligation to protect. Guaidó urgently needs to widen the support of his government in order to face hard decisions. We Venezuelans have followed all the requests of the international community in holding negotiations and dialogue to end this travesty. This narco-tyranny will not leave peacefully."

A **Geoff Ramsey, director for Venezuela at the Washington Office on Latin America:** "It is clear that Maduro's attempted takeover of the National Assembly leadership is a brazen power grab. What is difficult to understand is how exactly he gains in the long term. By sidelining the mainstream opposition majority, Maduro has dealt a near-fatal blow to efforts at negotiating a new National Electoral Council (CNE) that could organize trustworthy elections. Without an electoral authority deal, it will be impossible for Venezuelan elites to escape their current predicament. There will be no sanctions relief or normalized relations from the United States or the European Union on the current path. Instead, it seems that the regime is increasingly counting on a lifeline from the Russians, who have wasted no time in recognizing the 'new' National Assembly leader. However, Russia is not a reliable long-term partner for Maduro. Moscow's interests center around increased access to oil, and Putin would happily work with a rival who can guarantee this access on similar or better terms. So while Maduro has gained some short-term benefit by highlighting the opposition's divisions and lack of real power

on the ground, in the long term his prospects look dimmer by the day. This fact will not be lost on those around him. As the government hurtles down a path that guarantees further political and economic decay, key stakeholders in Maduro's inner circle may well consider the transition proposals made in Oslo and Barbados in a new light. In 2020, the opposition's success may depend on whether it can improve engagement with these actors—and incorporate their demands at the negotiating table."

A **Maria Velez de Berliner, managing director of RTG-Red Team Group, Inc.:** "In swearing in Parra, Maduro stormed through the breach created by the infighting among all leaders of the opposition and the dysfunction among their followers—not to mention the allegations of malfeasance against some in Guaidó's assembly. Guaidó made a critical mistake last year in over-promising and under-delivering. He showed that he cannot oust Maduro despite his support in Venezuela and abroad. Guaidó's reputation

“ **Guaidó made a critical mistake last year in over-promising and under-delivering.”**

— Maria Velez de Berliner

is in decline. Time will tell how this impasse is resolved, unless the United States intervenes directly on Venezuelan territory. The international community—mainly the United States, the Organization of American States and the Lima Group—has failed to bring regime change in Venezuela, notwithstanding their disclaimers to the contrary. It is doubtful that international pressure will dislodge Maduro unless it succeeds in a good faith, exit negotiation that leaves Diosdado Cabello and Vladimir Padrino, Maduro's puppeteers, whole, legally and financially.

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Absent those negotiations, far-fetched as it seems, the only way to dislodge Maduro would be for the Trump administration to exercise a Soleimani-like strategy, given the entrenched and established presence of Quds Forces and Hezbollah within Maduro's government, and the fact that Venezuela has neither the resources nor the political and international implications Iran has. Getting rid of Maduro, Cabello or Padrino would be a 'low-cost covert action' many in Latin America will welcome amid public protesting chest-thumping by Latin America's leaders. Who would the United States put in charge and for how long? That would remain to be seen."

A **Beatrice Rangel, member of the Advisor board and director of AMLA Consulting:** "As expected, the National Assembly ratified Juan Guaidó as its president, thereby preserving his caretaking responsibilities as head of state. The vote took place outside the Assembly itself, which the government militarily seized in a failed attempt to obstruct Guaidó's re-election. However, the question that now arises is what the strategy will be to remove the usurping regime and begin the complex process of stabilizing

Venezuela. Clearly, dialogue is not a viable road to achieve such a goal, as it is not subject to international oversight and follow-up. This would include getting serious about executing U.S. and Canadian sanctions against the Venezuelan regime leaders while establishing goals and a timeframe. Other

“The question that now arises is what the strategy will be to drive away the usurping regime...”

— Beatrice Rangel

roads would entail executing of the provisions of the Inter-American Treaty of Reciprocal Assistance. Short of these measures, Venezuela will continue its now-accelerated march toward the consolidation of a criminal state that not only is annihilating a sizable proportion of its population but is creating severe development and stability challenges to Colombia, Ecuador, Peru and Panama."

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

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Advisor Video

Political Risk: Months of Uprisings and Protests Across Latin America

As social unrest exploded across Latin America over the final months of 2019, the Latin America Advisor sat down with Monica de Bolle, senior fellow at the Peterson Institute for International Economics, to talk about what sparked the protests in the region, what common trends could be identified among the different demonstrations, and what lessons politicians and policymakers should take away from them.

PLAY

