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## FEATURED Q&A

# Is Brazil's Military Getting Too Involved in Domestic Politics?



Recent comments by people in Brazilian President Jair Bolsonaro's inner circle have raised concerns about the stability of Brazil's democracy. // File Photo: Brazilian Government.

**Q** Comments by people close to Brazilian President Jair Bolsonaro, a former army captain who has spoken fondly of the country's former military dictatorship, have amplified concerns about the stability of Brazil's institutions. Eduardo Bolsonaro, a congressman and the president's son, recently warned of a looming "rupture" in Brazil's democracy. Last month, Augusto Heleno, a retired general and the president's national security advisor, said there could be "unpredictable consequences for national stability" after the Supreme Court allowed an investigation of Bolsonaro's supporters. Are the comments empty threats, or is the stability of the country's democratic institutions at risk? Is Bolsonaro positioning himself for a "power grab," as some critics suggest, and to what extent is Brazil's military likely to increasingly wield its power in political matters? How well are Brazilian institutions, such as the Supreme Court and Congress, prepared to repel undemocratic tendencies that troubled Brazil so much in the past?

**A** Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: "Brazil's democracy is under enormous stress. The country's economy has been stumbling for half a dozen years, failing to achieve even modest growth. Employment remains sky high, with rising poverty and inequality. No fan of democracy or human rights, President Bolsonaro regularly sings the praises of Brazil's 21 years of military rule. He recently joined demonstrations demanding the shutdown of Congress and the Supreme Court, which along with governors, mayors, media, some cabinet

Continued on page 3

## TODAY'S NEWS

### POLITICAL

## Brazilian Agents Arrest Former Driver for Bolsonaro's Son

Brazilian authorities arrested Fabrício Queiroz, a former driver for Sen. Flávio Bolsonaro, President Jair Bolsonaro's son. Queiroz, who denied wrongdoing, was arrested in connection with a graft probe.

Page 2

### BUSINESS

## U.S. Sanctions Firms Allegedly Tied to Venezuela's Oil Sector

The Trump administration blacklisted several firms and individuals allegedly connected to Venezuela's oil sector.

Page 3

### ECONOMIC

## Argentina at Apparent Impasse With Creditors

The government of Argentine President Alberto Fernández appears to be at an impasse with international creditors as the two sides seek to renegotiate \$65 billion in debt.

Page 2



Fernández // File Photo: Argentine Government.

## POLITICAL NEWS

## Brazilian Authorities Arrest Former Driver for Bolsonaro's Son

Brazilian authorities on Thursday arrested a former driver for President Jair Bolsonaro's son, Sen. Flávio Bolsonaro, on charges involving a corruption scheme, the Associated Press reported. The former driver, Fabrício Queiroz, had been sought in connection with an investigation into alleged suspicious movements of money while he was working for the president's son. He was arrested as part of a joint operation between public prosecutors in the states of Rio de Janeiro and São Paulo, the Rio prosecutor's office said in a statement. In a video broadcast on local television, police were seen escorting Queiroz out of a property in Atibaia, in São Paulo state. The property belongs to Flávio Bolsonaro's lawyer, local media reported. In an interview with CNN, a prosecutor involved in the case identified the property as a legal office, though he did not say whose. Officers spent about an hour inside the property, during which time the sound of hammers was heard in apparent attempts to break through walls before officers were seen leaving with two bags containing evidence, GloboNews reported. Flávio Bolsonaro denied wrongdoing, and his attorney, Frederick Wassef, did not respond to messages from the Associated Press seeking comment. In a live broadcast on social media, the president said Queiroz's arrest was intended to be a spectacle. "I am not Queiroz's lawyer, and I am not involved in this case," said Jair Bolsonaro, the AP reported. "May justice follow its course." Queiroz's arrest followed other investigations targeting allies of the president. On Monday, authorities arrested Sara Fernanda Giromini, a pro-Bolsonaro activist better known as Sara Winter. Giromini is accused of raising funds for anti-democratic actions. After her arrest, a post on her Twitter page said, "It is official: to support Jair Bolsonaro is a crime." On Tuesday, Brazil's Federal Police carried out nearly two dozen search warrants in connection with the

investigation that led to Queiroz's arrest. In October, Bolsonaro said he had been friends with Queiroz since the 1980s, though he said they hadn't spoken since allegations against Queiroz surfaced. His arrest is part of a probe into appropriations of salaries from phantom employees of Flávio Bolsonaro's office when he was a lawmaker in the Rio de Janeiro state legislature, the AP reported.

## ECONOMIC NEWS

## Argentina, Creditors at Apparent Impasse in Debt Talks

Argentina seems to have hit an impasse in talks to restructure nearly \$65 billion in debt, as tensions escalate between government officials and international bondholders, CNBC reported. The so-called Ad Hoc creditor group, which is made up of 13 international asset managers and is by far the largest bondholder group in Argentina, and the government both published statements late on Wednesday accusing each other of refusing to cede ground in the negotiations. The government of President Alberto Fernández said it could not "responsibly commit" to new terms creditors had proposed, saying parts of the offer were "largely inconsistent with the debt sustainability framework necessary for Argentina to restore macroeconomic stability and make progress towards a program with the IMF." Failure to reach a deal means around \$65 billion in bonds could be left in default for an extended period. The South American country technically fell into its ninth sovereign debt default last month after having missed overdue interest payments. Meanwhile, the Ad Hoc group alleged Argentina's government had "walked away" from a "comprehensive and sustainable debt restructuring offer," describing talks with government officials as a "failure." The group, which includes BlackRock, Ashmore and Fidelity, said it was "now considering all available rights and remedies," including taking the government to court, the Financial Times reported.

## NEWS BRIEFS

## Colombia's Economy Shrinks 20% in April, Largest Decline on Record

Colombia's economy shrank by 20 percent in April year-on-year, its largest decline on record, as the country struggles with the fallout of months of coronavirus-related lockdowns, the government's statistics agency said Thursday, Reuters reported. Activity in the extractive industries, including oil and mining, fell by 13.75 percent, and manufacturing and construction fell by 50.12 percent. GDP had contracted by 4.9 percent in March and 4.3 percent in the first quarter, as compared to the same period last year. [Editor's note: See related [Q&A](#) in Wednesday's issue of the Advisor.]

## European Investment Firms Threaten Brazil Divestment

Seven major investment firms in Europe have threatened to divest from Brazilian beef producers, grains traders and government bonds if they do not see progress in protecting the Amazon rain forest, Reuters reported today. The investors, who have more than \$2 trillion in assets under management, include Finland's Nordea and Britain's Legal & General Investment Management, the wire service reported.

## Protesters Demand Easing of Lockdowns in Guatemala

Protesters gathered in Guatemala City Thursday to demand that President Alejandro Giammattei relax coronavirus lockdown restrictions, even as the number of Covid-19 deaths in the Central American country surpassed 400, the Voice of America reported. A motorcade of demonstrators, with others on foot, gathered outside Congress, calling on the government to start easing restrictions and reopening the economy. Guatemala has confirmed more than 11,800 cases of Covid-19 and 449 deaths.

## BUSINESS NEWS

## U.S. Sanctions Firms Allegedly Involved in Venezuela Oil Sector

The administration of U.S. President Donald Trump on Thursday slapped sanctions on more than a dozen individuals, their businesses and tankers for allegedly being involved with as much as 40 percent of Venezuela's crude oil exports in recent weeks, The Wall Street Journal reported. The Treasury Department announced the sanctions, saying that the operations were an effort by the government of Venezuelan President Nicolás Maduro, whom the United



Maduro // File Photo: Venezuelan Government.

States deems illegitimate, to siphon state revenues into personal accounts. An unnamed senior U.S. Treasury official previously told The Wall Street Journal that a much longer list of ships had been planned, but emergency action by the private sector in a bid to stop Venezuela transactions prompted the administration to narrow down the list. The U.S. administration also took two of four companies and their tankers recently sanctioned off its blacklist because it said they had cut ties with Venezuela. Among the newly sanctioned firms are Mexico's Libre Abordo and a related company known as Schlager Business Group, as well as both their owners. It is the first formal action by the United States against Mexican firms involved in trading Venezuelan oil, Reuters reported. The Mexican peso fell 2 percent against the U.S. dollar following the news. Libre Abordo said its lawyers would review the decision, which it said wrongly linked the firm to unrelated entities, the wire service reported.

## FEATURED Q&amp;A / Continued from page 1

members and many private groups, have effectively resisted many of the president's most outrageous policy initiatives. The good news is that Brazil's democratic institutions continue to hold their own. Bolsonaro's trivializing of the coronavirus and disregarding all medical advice, besides contributing to a massive death toll, rivaling that of the United States, has intensified political polarization and left the economy more endangered. Some analysts consider Brazil well on its way to authoritarian rule, noting that ex-military commanders fill about half the nation's cabinet posts, while another 3,000 officers hold other government appointments. So far, however, the military has generally been a force for political moderation. For many, preserving Brazilian democracy requires Bolsonaro's impeachment. But impeachment has drawbacks. Removing the third of the last five elected Brazilian presidents signals democratic frailty, not strength. Another impeachment could well inflame politics and produce uncertain and potentially high-risk confrontations between Bolsonaro's allies and opponents. And Bolsonaro may already have cornered sufficient congressional and public support to defeat the attempt to oust him. He could emerge stronger, with weaker opponents and greater chances for re-election. The best hope for a democratic outcome may be for Bolsonaro to finish his term and lose his re-election bid. However, polls show he today retains a solid 30 plus percent support—enough to be a serious candidate in 2022, particularly if the economy begins to pick up. The survival of Brazilian democracy, albeit damaged, is likely, but not assured.”

**A** Carlos Eduardo Lins da Silva, professor at Inspere College in São Paulo: “Most of Bolsonaro's threats against the Supreme Court and Congress are just rhetoric to fire up his base. But there is reason for fear about the future of democracy in Brazil if a majority of the active-duty military decides

to join him in some kind of attempt to break up the constitutional rule. Congress and particularly the Supreme Court have been strongly resisting his authoritarian inclination. Bolsonaro was elected in part because of the polarization that existed between supporters and opponents of former President Lula, whose influence has been considerably reduced, especially after he was released from jail last November. Nowadays, there is no left-wing leader to justify the ideological war climate that Bolsonaro tries to create by attacking those he and his inner circle consider ‘cultural Marxists,’ a broad and loose definition that includes anyone who is not entirely aligned with the president. Without a credible ideological enemy, it is hard to believe the armed forces could embark on an adventure that would endanger their well-established good reputation among most Brazilians. More than a few retired high officials have been echoing Bolsonaro's threats. But the military commanders consistently reiterate they will not deviate from their constitutional duties. However, the political environment is very volatile and fueled by pain and uncertainty generated by the Covid-19 pandemic and the dire recession. Any spark in this climate could inflame social unrest (as happened in June 2013), and that could be used as a pretext for military action.”

**A** Anya Prusa, senior associate at the Brazil Institute of the Woodrow Wilson International Center for Scholars: “Brazilian democracy has proven its resilience in recent years, and a sudden rupture seems unlikely, but democratic culture faces mounting challenges. Concerns regarding Jair Bolsonaro's commitment to democracy remain strong, given his frequent use of misinformation and repeated support for proauthoritarian protests. Yet attacks on the press, the LGBTQ+ community and other groups, and alleged violations of legal and democratic norms, have thus far been met

Continued on page 4

## FEATURED Q&amp;A / Continued from page 3

with institutional rebuttals. During the first few months of Covid-19, the health ministry, Congress, and state and local leaders implemented evidence-based measures to confront the pandemic—often overruling the president to do so. In these moments, the presence of the military in government was viewed as a moderating, stabilizing force. However, political tensions have escalated dramatically following the departure of two health ministers and the resignation of once-powerful Justice Minister Sérgio Moro. The military has assumed even more power:

“**Brazilian democracy has proven its resilience in recent years, and a sudden rupture seems unlikely, but democratic culture faces mounting challenges.**”

— Anya Prusa

almost half of Bolsonaro's cabinet ministers are now current or former officers. Bolsonaro faces too much opposition at the national and subnational levels to consolidate greater power, even with military support. Investigations into the activities of Bolsonaro's family and close affiliates have intensified clashes between Bolsonaro and other institutions, but the country has little appetite for an impeachment, given the grave public health and economic crises. For now, there appears to be equilibrium between the presidency, Congress and the judiciary. Still, devastating and long-lasting social and economic impacts of Covid-19 could lead to further

instability, and there is a real risk of a slower chipping away at fundamental rights and democratic norms, particularly if the country's democratic institutions decide to bend for fear of breaking.”

**A** **Adriana Erthal Abdenur, Rio de Janeiro-based social scientist:** “Brazil's military is not monolithic, but there is a rigid hierarchy in place, with a leadership that clearly relishes the opportunity to openly admire the authoritarian, anti-human rights streak from the dictatorship and which reveres the torturers of that era. Those leaders do not necessarily respect Bolsonaro as a former soldier, but they are immensely grateful to him for returning the armed forces to power and for expanding the special benefits that the military enjoys. From their public statements, it is clear that a number of generals, including some who are in power, would like to have even greater constraints placed on the Supreme Court, Congress and civil society. For now, at least, they seem tolerant of Bolsonaro's conscious testing of democratic limits, as well as of the bumbling response to the multiple crises at hand—the pandemic, the surge in deforestation in the Amazon and an economy that was already sputtering even before the coronavirus arrived in Brazil. They have proven willing to mortgage the political capital accumulated through their past role in science, development, peace-keeping and disaster response to cling to power amid declining popular support and international concern.”

*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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