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FEATURED Q&A

Can Peru's Vizcarra Recover From the Effort to Oust Him?



President Martín Vizcarra (center) is pictured arriving at Peru's Congress last Friday, the day lawmakers voted down an attempt to oust him. // Photo: Peruvian Government.

Q Peruvian President Martín Vizcarra on Sept. 18 survived an impeachment vote that had threatened to end his presidency and plunge the country into a political crisis. What does the recent action in Peru's Congress mean for Vizcarra's ability to govern and advance his agenda? What are the core motivations behind lawmakers' effort to oust him? Is Peru's Congress using its presidential impeachment power wisely?

A Cynthia McClintock, professor of political science and international affairs at The George Washington University: "Although only 32 of Peru's 130 legislators voted to impeach President Vizcarra last Friday, the political crisis is likely to continue. Amid the highest official Covid-19 fatality rate in the world and one of the steepest contractions of GDP, despair and anger are pervasive. Only the week before, arguably beset by nihilism, 65 legislators had voted to begin impeachment proceedings—a dizzying and draconian rush to judgment, especially with presidential elections only seven months away, upon the presentation of audio tapes that pointed to only a minor offense (helping a musician, Richard Cisneros, get Ministry of Culture gigs worth about \$50,000). Peru's lawmakers are angry that, in the protracted conflict between Peru's Congress and president, Vizcarra follows 'the best defense is a good offense' strategy, and always seems to win. Vizcarra did so again; Peru's lawmakers retreated from impeachment when Congress Speaker Manuel Merino (next in line for the presidency) was revealed to have tried to win over top military commanders. Lawmakers are also frustrated by the shortness of their terms—elected only in January 2020

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TODAY'S NEWS

ECONOMIC

Trump Announces New Restrictions on Visitors to Cuba

President Donald Trump barred U.S. travelers from staying in properties owned by the Cuban government and barred Americans from importing Cuban cigars and liquor.

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BUSINESS

JBS to Monitor Supply Chain for Deforestation

Brazilian meat processing company JBS said it will monitor its entire supply chain by 2025 for practices related to deforestation.

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POLITICAL

Mexico Registers First Decline in Annual Number of Homicides

Mexico registered the first annual decline in its number of homicides in 2019, the National Statistics Institute said. Mexico City Mayor Claudia Sheinbaum said the homicide rate fell in the country's capital.

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Sheinbaum // File Photo: Facebook page of Claudia Sheinbaum.

POLITICAL NEWS

Mexico Registers First Decline in Killings in Five Years

Mexico registered its first annual decline in homicides last year, its first decline in five years, the country's National Statistics Institute said Wednesday, The Wall Street Journal reported. Mexico recorded 36,476 homicides in 2019, 209 fewer than 2018, the statistics institute said, based on preliminary data from death certificates. However, the homicide rate per 100,000 inhabitants remained unchanged, at 29. "The important thing is that the government doesn't rest on its laurels by saying we've slowed the rise in homicides," Cassius Wilkinson, a security analyst at political risk consultancy Empira, told The Wall Street Journal. "A plateau at historic highs still isn't good for Mexico's public security." For the first eight months of this year, monthly police reports showed that homicides rose 1.5 percent as compared to the same period last year. However, that increase has been dwarfed by the 74,000 people who are reported to have died this year in Mexico from Covid-19. Last week, Mexico City Mayor Claudia Sheinbaum said the country's capital had recorded declines in homicides, Mexico News Daily reported. The number of daily killings in Mexico City averaged 2.6 in August as compared to 4.9 in January 2019 and 6.1 percent in May 2019, she said. Additionally, Sheinbaum told the Legislative Assembly of Mexico City that the number of high-impact crimes, including homicides, kidnappings, extortion, vehicle theft and robberies, fell 50 percent between January 2019 and August 2020. Lowering Mexico's rates of violence has been a main goal of President Andrés Manuel López Obrador. Since taking office in December 2018, López Obrador dissolved the country's Federal Police and replaced it with the National Guard, which has nearly 100,000 members, The Wall Street Journal reported. The force is expected to grow to 140,000. In addition to the declines in killings in Mexico City, the homicide rate fell in 15 of Mexico's 32 states, including

Baja California Sur and Quintana Roo, the homes of tourist cities Los Cabos and Cancún. States with the highest homicide rates include Guanajuato, where the Jalisco New Generation Cartel and fuel thieves known as the Santa Rosa de Lima Cartel have been engaged in fighting. [Editor's note: See related [Q&A](#) in the May 22 issue of the Advisor.]

ECONOMIC NEWS

Trump Announces New Restrictions on Travelers to Cuba

U.S. President Donald Trump on Wednesday announced new restrictions related to Cuba, The Hill reported. "Today, as part of our continuing fight against communist oppression, I am announcing that the Treasury Department will prohibit U.S. travelers from staying at properties owned by the Cuban government," Trump said at a White House event honoring Cuban-Americans, an important bloc among Latino voters in the swing state of Florida. Trump said the measures will also prohibit the importation of Cuban cigars and liquor. Lawrence Ward, a partner at international law firm Dorsey & Whitney, said the new rules will make it even harder than it has been for U.S. persons to travel to the Communist-run island. "Because the Cuban government owns or controls all or nearly all hotels in Cuba, today's actions by the Trump administration make it nearly impossible for U.S. persons to travel to Cuba except for family visits, humanitarian trips, and a few other narrow areas of travel," Ward said in a statement. "Even those areas of travel will become more difficult since U.S. persons may be left with nowhere to stay while in Cuba," he added. Since taking office in 2017, the Trump administration has used sanctions and other legal measures to roll back an easing of U.S. restrictions by his Democratic predecessor, Barack Obama. However, the Trump administration's unprecedented move to allow lawsuits to move ahead under the so-called Title III of the Helms Burton Act have led to fewer property

NEWS BRIEFS

Venezuela's Maduro Blasts U.S. Sanctions in Speech to United Nations

In a prerecorded speech to the United Nations General Assembly, Venezuelan President Nicolás Maduro blasted U.S. sanctions against his country and denounced what he said was "criminal, inhuman aggression" by the United States aimed at removing him from power, the Associated Press reported. "The world must know that we are prepared to fight with the force of our history, our spirit, reason and international law," Maduro said in the speech, which lasted more than twice his allotted time before the General Assembly.

Mexico Investigating Claims of Sterilizations at U.S. Detention Center

Mexico is looking into claims that six Mexican women were sterilized while in a U.S. migrant detention center, said Foreign Minister Marcelo Ebrard, BBC News reported Wednesday. His remarks came a week after a whistleblower at the U.S. Immigration and Customs Enforcement agency alleged that hysterectomies were being performed on immigrants under U.S. custody, without proper consent.

Volkswagen to Pay \$6.5 Mn for Persecutions During Military Dictatorship

Volkswagen reached an agreement with Brazilian federal and state prosecutors in São Paulo to pay approximately 36 million reais (\$6.5 million) in compensation and donations for its involvement in the persecution of former employees during Brazil's 1964-1985 military dictatorship, the car maker said Wednesday, Reuters reported. A government-appointment commission found that companies including Volkswagen secretly helped the military identify suspected opponents and union activists within the firms.

claim cases than some experts anticipated. [Editor's note: See related [Q&A](#) in the Jan. 16 issue of the Advisor.]

BUSINESS NEWS

JBS to Monitor Suppliers for Amazon Practices

Brazilian meat processing company JBS announced Wednesday that it will monitor its entire supply chain by 2025 for deforestation practices, The Guardian reported. "As a company, we are assuming our responsibility to be a transformation agent for society, to be a catalyst. To build together with everyone a better world, a more sustainable Amazon and a better Brazil," said JBS Global CEO Gilberto Tomazoni. The announcement came as JBS launched a 1 billion real (\$182.77 million) fund to support social and economic development in the Amazon, Reuters reported.

Brazil's Petrobras Strikes Oil in New Pre-Salt Well

Brazilian state oil company Petrobras said Wednesday it has identified the presence of hydrocarbons in the pioneer well of block C-M-657, located in the pre-salt area of the Campos Basin. Petrobras operates the block and holds a 30 percent stake, in partnership with ExxonMobil, which has 40 percent, and Norway's Equinor with 30 percent. The well is located about 300 kilometers from Rio de Janeiro. Petrobras' second quarter commercial oil output grew 4.1 percent, year over year, to almost 2.5 million barrels daily, Oilprice.com reported this month. That growth was driven primarily by the significant expansion of the company's presence in the pre-salt fields, where production expanded almost 31 percent in the same period, to 1.5 million barrels daily.

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and prohibited from re-election, they are to leave office in July 2021—and Merino was advancing the possibility of postponing the elections. Further, lawmakers fear Vizcarra's anti-corruption reforms. Example number one is the lawmaker who released the audiotapes, Edgar Alarcón, who was likely to have been prosecuted if he had lost parliamentary immunity—a reform sought by Vizcarra. However, despite an approval rating still above 50 percent, Vizcarra has been discredited and will at best limp to the finish line. He has stonewalled questions about his actions. Vizcarra's longtime secretary, Karem Roca, made the bizarre audio tapes that catalyzed the crisis; she was willing to betray the president and appears unhinged. Politicians' knives are out; the country is crying."

A **Katya Rimkunas, regional deputy director for Latin America and the Caribbean at the International Republican Institute:** "The impeachment vote that President Martín Vizcarra survived was the third such effort in Peru in the last five years. The ill-conceived move by Vizcarra's political opponents accentuated the deficiencies of the country's legislative body and further discredited an already unpopular political class. While Vizcarra's background as a relative political outsider in Lima earned him popular support—Peruvians overwhelmingly opposed the impeachment—this support has not translated into an ability to advance his ambitious reform agenda. This year's legislative elections left Peru's Congress fractured between nine different political parties, some of which have never had representation, and none of which has a majority. Vizcarra himself does not have a party in Congress, and he has relied on coalitions of convenience rather than alliances around a shared view of Peru's future. The obstacles to Vizcarra's reform agenda are not all internal to Congress. The political war between Congress and the president has

made it almost impossible for Vizcarra to govern. With the world's highest per-capita Covid-related mortality rate and an expected 12 percent economic contraction this year,

“The impeachment effort has only solidified Peruvians' belief that their legislators are out of touch with their needs and motivated by personal political vendettas.”

— Katya Rimkunas

this paralysis risks plunging the nation into turmoil. Against this backdrop, the impeachment effort has only solidified Peruvians' belief that their legislators are out of touch with their needs and motivated by personal political vendettas. While he survived the impeachment, Vizcarra is clearly more alone than ever—his credibility eroded, and confidence in his leadership waning."

A **Carlos Arata, partner in the corporate practice at Rubio Leguía Normand in Lima:** "Although Vizcarra was able to remain in office, he has certainly been weakened. The move to impeach him makes it harder for Vizcarra to govern and implement the policies and plans needed to end the pandemic in our country and to reverse the economic crisis it has brought. Those policies and plans might be wrong in some aspects, and many things can be done better in various ways. However, considering the difficult situation we are living in these days, it is not time for political meanness, plots and a total lack of empathy for those who are suffering the most. Unfortunately, that is what our politicians have demonstrated during the last couple of weeks. No one knows lawmakers' core motivations for wanting to oust him, and Peru's Congress is not using

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its presidential impeachment power wisely. Although Vizcarra has not been completely transparent in the 'Richard Swing Case,' it is somehow clear that there is no grounds to declare Vizcarra 'morally unable' to lead the country. It is just a pretext of greedy politicians to gain some ground toward the next elections and distract attention from more important discussions that have been occurring in the Congress (such as the laws for the financing of political parties, rules on running for Congress and for the appointment of the members of the Constitutional Court). Finally, Congress' abuse of the term 'morally unable' has created great instability that affects investment in Peru. We hope that our Constitutional Court will set clear grounds for this in order to avoid future plots such as this one."

A **Maria Luisa Puig, director for Latin America at the Eurasia Group:** "Confrontation between President Martín Vizcarra and Congress will remain high following the failed effort to oust Vizcarra. Since taking office after the resignation of Pedro Pablo Kuczynski, Vizcarra has built public support on an anti-corruption discourse, and lawmakers saw an opportunity to strike back. According to the Constitution, sitting presidents can only be accused of treason, impeding elections or dissolving Congress (with some exceptions). However, the Constitution also states a president can be removed on the grounds of permanent moral incapacity, as declared by Congress. Lingering tensions between both branches will keep governability risks high. Another impeachment attempt is possible, and members of the cabinet will also probably be targeted. Congress is also likely to continue pushing for some popular bills despite opposition from the executive branch, as it recently did with pension-related initiatives.

More broadly, this will add to deep distrust of the political class, as well as the health care and economic crises resulting from the Covid-19 pandemic ahead of the April 2021 general elections."

A **Augusto Álvarez-Rodrich, daily columnist on political affairs at La República:** "The pandemic has not only hit Peruvians' lives hard, but also their pocketbooks. In addition, a very deep political crisis has appeared due to growing tension between the government and Congress in a power struggle that to most people seems bizarre due to the difficulties of the pandemic. The president of Congress launched a conspiracy to oust President Martín Vizcarra, taking advantage

“ Both Vizcarra’s administration and Congress have been very damaged by this crisis.”

— Augusto Álvarez-Rodrich

of obvious mistakes that he committed and that were recorded without him noticing. In the end, there were not enough votes to remove the president from office, but both Vizcarra's administration and Congress have been very damaged by this crisis. This episode further hurts the image that people have of Peruvian politics. At the same time, effects of the pandemic will strengthen the tendencies toward economic populism and political authoritarianism in next April's presidential election. All this is occurring in a context of institutional fragility that has deepened due to the Covid-19 crisis."

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