# LATIN AMERICA ADVISOR

#### www.thedialogue.org

#### **BOARD OF ADVISORS**

Diego Arria Director, Columbus Group Devry Boughner Vorwerk

CEO, DevryBV Sustainable Strategies

Joyce Chang Global Head of Research, JPMorgan Chase & Co.

Paula Cifuentes Director of Economic & Fiscal Affairs, Latin America & Canada, Philip Morris International

Marlene Fernández Corporate Vice President for Government Relations, Arcos Dorados (McDonald's)

**Peter Hakim** President Emeritus, Inter-American Dialogue

**Donna Hrinak** Senior VP, Corporate Affairs, Royal Caribbean Group

Jon E. Huenemann Former Corporate and Government Senior Executive

James R. Jones Chairman, Monarch Global Strategies

**Craig A. Kelly** Senior Director, Americas Int'l Gov't Relations, Exxon Mobil

John Maisto Director, U.S. Education Finance Group

**Nicolás Mariscal** Chairman, Grupo Marhnos

**Thomas F. McLarty III** Chairman, McLarty Associates

Beatrice Rangel Director, AMLA Consulting LLC

**Jaana Remes** Partner, McKinsey Global Institute

Ernesto Revilla Head of Latin American Economics, Citi

**Gustavo Roosen** Chairman of the Board, Envases Venezolanos

Andrés Rozental President, Rozental & Asociados

**Shelly Shetty** Managing Director, Sovereigns Fitch Ratings



FEATURED Q&A

## Will Haiti's Planned Elections This Year Be Free and Fair?



Haiti's electoral council said a constitutional referendum, along with presidential and legislative elections, will be held this year. President Jovenel Moïse has been ruling by decree for a year. // File Photo: Haitian Government.

Haiti's provisional electoral council, which President Jovenel Moïse unilaterally appointed, announced on Jan. 7 that the country would hold a constitutional referendum on April 25 and presidential and legislative elections on Sept. 19. Will the elections be held as scheduled, and will they be free and fair? What are the biggest constitutional changes that Haitians will vote on in the referendum? How well has Moïse, who has ruled by decree for the past year, been running the country, and how valid are the concerns of opponents and protesters who say he has amassed too much power and should step down?

Simon D. Desras, attorney and former president of Haiti's Senate: "No serious election can occur with this provisional electoral council (CEP) for two fundamental reasons. First, it is a unilaterally nonconsensual CEP. The president of the republic has not consulted the country's representative stakeholders. While the current CEP will have the heavy task of holding elections that will determine an entire nation's future, its members are overwhelmingly citizens with no experience. Second, it is an unconstitutional CEP because the council was not sworn in before the court of cassation as required by the Haitian constitution. Regarding the constitutional referendum, the president is on the wrong track. It is true that the constitution deserves to be revised, but it must be done in goodwill with input from experts, civic leaders and members of parliament and various others. The situation is bleak in Haiti. The population is not free to move, kidnappings are raging, Continued on page 2

## TODAY'S NEWS

Monday, January 25, 2021

## POLITICAL

#### Thousands Protest Bolsonaro Across Brazil

Thousands of people took to the streets in cities across Brazil in vehicle caravans in protest of President Jair Bolsonaro. His popularity has dropped amid soaring Covid-19 infection and death rates.

Page 2

#### ECONOMIC

#### Costa Rica, IMF Reach Deal for \$1.75 Bn Program

Costa Rica and the International Monetary Fund reached an agreement on a three-year program to help the country address its fiscal problems amid the pandemic.

Page 3

POLITICAL

#### Mexico's López Obrador Tests Positive for Covid

Mexican President Andrés Manuel López Obrador, who is rarely seen in public wearing a face mask and has continued holding meetings across the country despite the pandemic, said he has tested positive for Covid-19.

Page 2



López Obrador // File Photo: Mexican Government.

#### POLITICAL NEWS

## Mexico's López Obrador Tests Positive for Covid-19

Mexican President Andrés Manuel López Obrador, who is rarely seen in public wearing a face mask and has been criticized for downplaying the seriousness of the Covid-19 pandemic, announced Sunday that he had been infected with the novel coronavirus. "I regret to inform you that I am infected with Covid-19," López Obrador said Sunday night in a tweet. "The symptoms are mild, but I am already under medical treatment. As always, I am optimistic. We will all move forward." López Obrador made the announcement days after dining with some of Mexico's leading industrialists, the Financial Times reported. Despite record levels of Covid-19 infections and deaths in recent days, López Obrador, 67, has continued holding meetings across the country. Mexico City's hospitals are almost at capacity, and many people who have been infected have struggled to obtain needed oxygen tanks. López Obrador said he would continue working from the National Palace.

## Thousands Protest Bolsonaro in Cities Across Brazil

Thousands of people took to the streets in vehicle caravans in protest of President Jair Bolsonaro in cities across Brazil on Saturday and Sunday, the Associated Press reported. Bolsonaro's popularity has been dropping amid Brazil's struggle with the Covid-19 pandemic and criticism over the slow rollout of the vaccines for the disease. Protesters drove through the streets of Rio de Janeiro, São Paulo and at least a dozen other cities, honking their horns, while some others joined the demonstrations on foot and chanted, "Get out, Bolsonaro!" the AP reported. The demonstrations on Saturday were called by leftist groups, while conservative groups that had previously backed Bolsonaro organized the ones on Sunday. "When Bolsonaro arrived, we voted for him for his proposals that we found interesting, but the situation now with the pandemic is terrible," Meg Fernandes, a 66-year-old engineer, told the AP. She said the situation is particularly alarming in Manaus, where there is a shortage of oxygen for hospital patients and a waiting list for beds in intensive care units. Thomaz Favaro, a polit-

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

insecurity has reached an unprecedented level, armed gangs are sowing terror in many neighborhoods of the country and the police are unable to take control of the situation. The government does not have the confidence of the people, and it is only getting worse. We cannot predict free and fair elections with this CEP and unsafe climate. If the authorities persist in this direction, it will be a disaster for democracy and the rule of law in Haiti. We need a consensus government that inspires confidence in the people to hold an election. The constitution should be revised, but it must be done in peace. The country cannot move forward without political sacrifice from both the opposition and government."

**Raymond Joseph, former** ambassador of Haiti to the United States: "It is illogical to think that a budding dictator will organize free and fair elections after he has dismantled the country's already weak democratic structure. President Moïse's electoral commission was set up without regard to constitutional norms, when all societal sectors mandated by the constitution to make it up refused to participate, claiming widespread state-initiated insecurity. The situation has since worsened, with kidnapping-for-ransom by gangs allied with the government having become an industry. Legislative elections have not been held during President Moïse's term. When the

Continued on page 4

#### NEWS BRIEFS

## Biden to Impose New Travel Restrictions on Countries Including Brazil

U.S. President Joe Biden is expected today to impose travel restrictions on most non-U.S. citizens coming from South Africa, the United Kingdom, Ireland and Brazil, in a bid to avoid the spread of a new strain of Covid-19 that has been identified, CNBC reported. The restrictions will reportedly also apply to much of Europe. In addition, starting tomorrow the U.S. government will require all travelers entering the United States, including U.S. citizens, to show recent, negative Covid-19 test results before boarding their flights.

## E.U. Urges Dialogue for Elections in Venezuela

The European Union today called for political negotiations in Venezuela in a bid to set up new elections, warning that it could impose more sanctions on senior Venezuelan officials if they continue to undermine democracy or engage in human rights violations, the Associated Press reported. In a statement, E.U. foreign ministers said a "Venezuelan-led dialogue and transition process" was the only way out of the crisis in the Andean nation.

## Mexico's Antitrust Body Reportedly Planning to Fine Global Banks

Mexico's antitrust commission is planning to slap several global banks and individual traders with fines after finding that they conspired to manipulate peso bond prices early last decade, Bloomberg News reported Friday, citing unnamed people familiar with the matter. The commission reportedly made the decision on Jan. 14 and plans to announce it soon. It was not clear which companies would be fined. A representative from the commission, known as Cofece, declined to comment to Bloomberg News.

ical analyst at consultancy Control Risks, told the AP that Bolsonaro faces little possibility of being impeached unless his allies lose a vote scheduled for Feb. 2 for the leadership of the lower house of Congress. Protesters over the weekend also criticized the end of an emergency financial aid plan that had helped approximately 68 million Brazilians to deal with the economic consequences of the pandemic, Agence France-Presse reported. The program ended in December. Since the pandemic began, Bolsonaro has downplayed the threat it poses, calling it a "little flu," while also questioning the efficacy of vaccines and touting scientifically unproven alternative treatments. He has also taunted people for wearing face masks, which health authorities around the world say should be used to prevent the spread of the deadly disease, and he has criticized social-distancing measures. Brazil has more than 8.8 million recorded cases of Covid-19, the world's third highest, after the United States and India. according to Johns Hopkins University. It also has more than 217,000 recorded deaths from the disease, more than any other country in the world except for the United States, which has more than 419,000 recorded deaths from Covid-19. A Datafolha poll taken Jan. 20-21 showed that support for Bolsonaro fell to its lowest point since he took office two years ago. In the latest poll, 31 percent of those surveyed said Bolsonaro was doing a "good" or "very good" job, down from 37 percent in polls last August and December.

#### ECONOMIC NEWS

## Costa Rica, IMF Reach Deal for \$1.75 Billion Program

Costa Rica and the International Monetary Fund have reached an agreement on a three-year program to anchor policy reforms necessary to address the Central American nation's fiscal woes amid the Covid-19 pandemic, the IMF announced Friday in a statement. The \$1.75 billion program, under the lender's Extended Fund Facility, is "aimed at bolstering

## THE DIALOGUE CONTINUES

## Can Biden Rebuild U.S. Credibility in Latin America?

Joe Biden took office Jan. 20 as president of the United States. His inauguration followed tense weeks in Washington surrounding a Jan. 6 riot in which supporters of outgoing President Donald Trump violently burst into the U.S. Capitol in a deadly insurrection that Trump is accused of inciting. How has the riot at the U.S. Capitol been seen in Latin America and the Caribbean, and to what extent does the civil unrest shake confidence in U.S. leadership and credibility? What effects will Trump's actions as president have on elections and democratic institutions in the region? What must Biden do in order to effectively engage with Latin America on issues such as democratic norms and the rule of law following Trump's presidency?

Maria Velez de Berliner, Managing Director, RTG-Red Team Group, Inc.: "Latin America saw the Capitol riot as an indicator and warning of what might happen in the region's next round of elections, if not sooner. Familiar with political chaos, riots, marches, violence and fraudulent elections, Latin Americans cannot yet believe a seated president of the United States would refuse to concede to his legitimately elected successor—least of all incite a riot against the central pillar of U.S. democratic institutions. The United States has tried for more than a

the country's response to the pandemic and at laying the foundation for a strong and durable economic recovery," the statement said. Under the deal, Costa Rica's government will have to implement reform programs focused on ensuring fiscal sustainability as well as monetary and financial stability while protecting the poor and most vulnerable, the IMF said. Among Costa Rican officials' goals are achieving a primary surplus of 1 percent of GDP by 2023

century through soft, and most often, hard power to implement Jeffersonian democracy throughout Latin America and the Caribbean, failing disastrously in Cuba and Venezuela. The riot at the U.S. Capitol annulled those efforts. Few Latin Americans today trust U.S. democracy. There is a palpable concern in the region as it watches the United States go the way of Latin America, or even worse. With the exception of Fujimori's auto-golpe in Peru in 1992, no seated Latin American president has incited his followers to go against the institutions of democracy for as long and as successfully as President Trump. Biden must listen to what Latin America needs, not to what Biden wants for, or in, Latin America. The riot ensured that the time is gone for the U.S government to tell Latin Americans how to govern themselves and what type of democracy to have. If Biden does not listen, antidemocratic protests and institutional distrust will deepen in Latin America with deleterious and permanent damage to its remaining, but feeble, democratic institutions. If Biden fails, the United States will lose democracy to those who choose to follow the rioters' example in Latin America."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Jan. 20 issue of the Advisor.

and placing public debt on a downward path to eventually reach 50 percent of GDP by 2035, La Nación reported. Costa Rican Finance Minister Elian Villegas said the plan also includes the introduction of a global income scheme, elimination of some tax exemptions and the modification of taxes on luxury homes, in addition to a reform of the public employment regime. He added that the plan would not include any changes to the value-added or property taxes.

#### FEATURED Q&A / Continued from page 2

mandates of all lower house members and of 10 senators expired last January, the president singlehandedly dismissed 10 other senators. He then gloated about the 'dislocation of Parliament,' with only 10 senators out of 30 still in office and unable to take any meaningful action for lack of a quorum. Since then, he has been ruling by decree, setting up an intelligence agency beholden only to him, recalling the bloody era of François 'Papa Doc' Duvalier's dictatorship with his Tontons-Macoute, the bogeymen. Even the Core Group of Western diplomats in Port-au-Prince finally denounced this action last December. Consider also that he has annulled the identity cards of all Haitians, ordering them to have his own card prepared by the German firm Dermalog. Indeed, it is a novel way of voter suppression because few of the six million Haitians of voting age have the Dermalog card. Certainly, the partisans of the government have the card. Now Mr. Moïse insists he will not vacate the presidential palace on Feb. 7, as mandated by the constitution. A campaign of repression has begun, with the arrest last Thursday of some government critics, including former Senator Nenel Cassis, on orders from the president. A national uproar that even reached Washington within hours resulted in the senator's release that same evening. But a full-scale campaign of repression before Feb. 7 shouldn't be ruled out to permit them to stage a widely denounced referendum for a tailor-made constitution to organize so-called democratic elections."

#### Georges Fauriol, senior associate in the Americas Program at the Center for Strategic and International Studies: "Having delayed the October 2019 elections through its own willful carelessness, the Moïse government has been maneuvering to construct a credible-sounding constitutional and electoral reform program. It has succeeded in the short run to placate an inattentive international community, as well

as Moïse's discordant domestic political opponents. The government is arguing that the 1987 constitution's imbalance between the executive and legislative branches is dysfunctional. However, for Moïse this conveniently rationalizes the institutionalization of governance by decree taking on an increasingly autocratic style. Without any credible alternatives being presented, whether the president's term ends on Feb. 7 or next year will pass but will also likely mutate into something more dramatic.

This unstable dynamic is catching the attention of the U.S. congressional community..."

- Georges Fauriol

With questionable political, let alone, legal legitimacy, and in the absence of a viable national political dialogue, Moïse has set in motion a calendar of events designed to: reconstitute the electoral machinery (CEP), proceed with a constitutional reform process and referendum, national elections in the fall of 2021 and transition on Feb. 7, 2022. This is unrealistic. The scale of what is proposed will tax the government's precarious electoral machinery and will have to overcome the ramifications of the global pandemic, a rise in politically connected gang violence and a dreadful economic outlook. This unstable dynamic is catching the attention of the U.S. congressional community, notably new leadership in the House Foreign Affairs Committee and a Democratic Senate. It is likely to advise the Moïse government to grasp reality and work with key Haitian civil society and political community actors toward consensus."

[Editor's note: The Advisor requested a commentary for this issue from Haiti's ambassador to the United States but received no response.]

#### Monday, January 25, 2021

LATIN AMERICA ADVISOR is published every business day by the Inter-American Dialogue, Copyright © 2021

Erik Brand Publisher ebrand@thedialogue.org

Gene Kuleta Editor gkuleta@thedialogue.org

Anastasia Chacón González Reporter & Associate Editor achacon@thedialogue.org

## **O**THEDIALOGUE

Michael Shifter, President Rebecca Bill Chavez, Nonresident Senior Fellow Sergio Bitar, Nonresident Senior Fellow Joan Caivano, Senior Advisor Michael Camilleri, Director, Rule of Law Program Kevin Casas-Zamora, Nonresident Senior Fellow Héctor Castro Vizcarra, Nonresident Senior Fellow Julia Dias Leite, Nonresident Senior Fellow Ariel Fiszbein, Director, Education Program Peter Hakim, President Emeritus Nora Lustig, Nonresident Senior Fellow Margaret Myers, Director, Asia and Latin America Program Manuel Orozco, Senior Fellow Xiaoyu Pu, Nonresident Senior Fellow Jeffrey Puryear, Senior Fellow Mateo Samper, Nonresident Senior Fellow Tamar Solnik, Director, Finance & Administration Lisa Viscidi, Director, Energy Program Denisse Yanovich, Director of Development, **External Relations & Special Projects** 

Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

#### www.thedialogue.org

ISSN 2163-7962

Subscription inquiries are welcomed at ebrand@thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.