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FEATURED Q&A

What Do Recent Primaries Say About Venezuela's Politics?



The party of Venezuelan President Nicolás Maduro held its primaries earlier this month. // File Photo: @NicolásMaduro via Twitter.

Q Ahead of regional elections in November, Venezuela's ruling Socialist Party held its primaries on Aug. 8 to select candidates who will be running to be governors and mayors across the country. More than 300 offices will be filled after the November vote, most of which have belonged to members of the Socialist Party for years. How are the November regional elections shaping up? With a coalition of opposition parties expected to participate in the upcoming vote, how likely is a greater division of power to emerge from the election? How much support does the opposition have, as compared to the Socialist Party and President Nicolás Maduro, ahead of the vote?

A Vanessa Neumann, former Juan Guaidó-appointed Venezuelan ambassador to the United Kingdom: "I agree with Ryan Berg's analysis that the primaries of the ruling Socialist Party (PSUV) are an exercise in power consolidation: the PSUV gets to assess effectiveness of its candidates in mobilizing local constituents, but then in the next round, it gets to veto anyone who raises too much of a challenge to those at the top of local patronage networks of kickback and corruption schemes, whether based on food, fuel, medicine, narcotics or just extortion. The primaries make it more difficult for opposition candidates who aren't battle-hardened and have little effective party support behind them. The opposition is in a difficult Catch-22 position. By running, it helps to legitimize the elections that will not meet 'free and fair' standards of any real democracy. However, if it doesn't run, the opposition can never build its own electoral system or following, and it just looks like a privileged crybaby both to in-country Venezuelans and the international

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Brazil, Argentina in Talks for Gas Pipeline

Brazil is in talks with Argentina to build a gas pipeline from Argentina's massive Vaca Muerta shale oil and gas formation, said Brazilian President Jair Bolsonaro.

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HSBC Initiates Case Against El Salvador

HSBC has initiated a case against El Salvador, alleging that a Salvadoran Supreme Court ruling against it violates the Central American country's investment treaty with the United Kingdom.

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POLITICAL

Plasencia Tapped as New Venezuelan Foreign Minister

Venezuelan President Nicolás Maduro tapped Félix Plasencia as the country's new foreign minister as part of a cabinet shakeup. Maduro also named new officials to head the ministries of education, interior and mining.

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Plasencia // File Photo: @PLASENCIAFELIX via Twitter.

POLITICAL NEWS

Venezuela's Maduro Taps New Foreign Minister in Shakeup

Venezuelan President Nicolás Maduro on Thursday appointed Félix Plasencia as the country's new foreign minister in a cabinet shakeup that comes amid political dialogue with the opposition, Reuters reported. Plasencia, formerly Venezuela's envoy to China, will replace Jorge Arreaza, who will now head the industry and production ministry, Maduro said

“We must ensure the triumph of our Peace Diplomacy around the world.”

— Nicolás Maduro

on Twitter. The president also tapped new ministers of education, interior and mining. “[Plasencia] has the immense responsibility of continuing the excellent diplomatic work carried out by Jorge Arreaza,” Maduro wrote. “We must ensure the triumph of our Peace Diplomacy around the world.” In response to Maduro's tweet, Plasencia wrote he received the new responsibility “with great commitment and pride,” thanking Maduro. “We keep on working for Venezuela!” he added. Plasencia, a Spanish-Venezuelan, has maintained a “discrete” diplomatic career, Infobae reported. Before assuming his position as envoy to China last November, Plasencia served as minister of tourism in 2019 and before that as vice minister of foreign affairs. He is reportedly close to Venezuelan Vice President Delcy Rodríguez and her brother Jorge, who is the president of the National Assembly. The Venezuelan opposition and Maduro's government last week opened talks in Mexico City, mediated by Norway, in which the opposition is seeking free and fair electoral conditions in the November regional vote as well as the release of what it says are political prisoners. Meanwhile,

Maduro is pushing for the United States to lift sanctions that have hit the Andean nation's oil sector particularly hard.

BUSINESS NEWS

HSBC Initiates Case Against El Salvador Over Court Ruling

HSBC has initiated legal proceedings against El Salvador's government, seeking nearly \$50 million and claiming that the Central American country breached its investment treaty with the United Kingdom, the British banking group said Thursday in a statement. The arbitration case, which the World Bank's International Center for Settlement of Investment Disputes, or ICSID, is to hear, focus on HSBC's claim that El Salvador's Supreme Court wrongly ruled against it. The dispute arises from a Salvadoran court case in which HSBC sought to recover approximately \$2 million in unpaid loans to a local business, the bank's statement said. The first court to hear the case ruled in favor of HSBC, leading to an appeal from the borrower, and an appellate court then also ruled in HSBC's favor. However, El Salvador's Supreme Court then ruled in the borrower's favor, overturning the lower courts' decisions. The high court also ordered HSBC to pay the borrower \$49.3 million, the amount that the bank is now seeking in the arbitration case. The amount is also more than twice the sum that the borrower had sought in the case, HSBC said. “HSBC is involved in legal cases in courts around the world, and we accept the outcome of those proceedings when they are resolved according to the rule of law,” Leopoldo Ortega, the general counsel for HSBC Latin America, said in a statement. “This case is effectively a judicially sanctioned denial of justice, and our decision to take it to an independent international tribunal is meant to protect both our financial interests and the rule of law in international investing.” In its filing with ICSID, HSBC claims that the Salvadoran Supreme Court decision “coupled with various serious irregularities in the judicial process,

NEWS BRIEFS

Colombia Extradites Two Alleged ELN Members to Face Charges in U.S.

Colombia for the first time extradited two alleged members of the National Liberation Army, or ELN, rebel group to the United States on Thursday to face drug trafficking charges, the U.S. Department of Justice said in a statement. Yamit Picón-Rodríguez, also known as “Choncha,” and Henry Trigos-Celón, also known as “Moncho Picada,” are accused of trafficking cocaine to the United States. They are to appear today in federal court in Houston.

U.S. Sanctions More Cuban Officials Following Last Month's Protests

The United States on Thursday slapped sanctions on more Cuban officials involved in the government's hardline response to massive protests in the Caribbean nation last month, NBC News reported. The sanctions targeted two people connected to the Cuban Ministry of Revolutionary Armed Forces and one official of the Cuban Interior Ministry, the Treasury Department said. The announcement came after U.S. Homeland Security Secretary Alejandro Mayorkas met with more than a dozen Cuban Americans in Miami.

IFRC Ships Haiti 37 Tons of Humanitarian Aid Following Earthquake

The International Federation of Red Cross and Red Crescent Societies, or IFRC, on Thursday shipped 37 tons of humanitarian aid including hygiene kits, shelter toolkits, blankets and Covid-19 personal protective equipment to Haiti from Panama, EFE reported. More than 2,000 people were killed and tens of thousands of families left homeless following the 7.2-magnitude earthquake in Haiti last Saturday. The IFRC had already sent 15 tons of basic necessities to Haiti on Wednesday.

resulted in a clear violation of the bank's fundamental rights." HSBC said it had sought an "amicable settlement" with El Salvador's government last December but has received "no substantive response." El Salvador's embassy in Washington did not immediately respond to the Advisor's request for comment on the case.

ECONOMIC NEWS

Brazil, Argentina in Talks for Gas Pipeline From Vaca Muerta

Brazil is in talks with Argentina to construct a billion-dollar pipeline connecting to Argentina's massive Vaca Muerta shale oil and gas formation, Brazilian President Jair Bolsonaro said on Thursday, Reuters reported. In his weekly live broadcast to supporters on social media, Bolsonaro said the gas pipeline is one of the options his government is considering as a means to reduce the price of gas in Brazil. "We are in negotiations with Argentina. Gas from Vaca Muerta. It will happen one day, because it is not easy to start importing gas, you need pipelines," Bolsonaro said. Argentina's ambassador to Brazil, Daniel Scioli, last year proposed the idea of constructing a pipeline in discussions with Bolsonaro and Brazilian Mines and Energy Minister Bento Albuquerque, the wire service reported last year. "We are at the exploratory stage. Both governments want to go ahead with the project," an unnamed source at the Argentine embassy told Reuters then, adding that "there have already been some contacts with investors." The pipeline would be 1,430 kilometers long and connect the Vaca Muerta gas reserves in Argentina's Neuquén province to the countries' border at Uruguiana in Brazil's Rio Grande do Sul state and then to the city of Porto Alegre, where it would connect to southern Brazil's gas distribution network. Bolsonaro did not detail how the project would be funded nor how advanced talks are. Experts estimate building the pipeline could cost around \$3.7 billion for Argentina and \$1.2 billion for Brazil's section, Reuters reported.

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community, whose support has waned over the past couple of years. The opposition needs to be in it to win it—even if it can't. It needs to start somewhere. The opposition needs to have superb and well-documented observation of every election, for two purposes: first, to build its legitimacy in the rare instance when it does win a local position, providing a hedge against the inevitable circumventing of financing and command-and-control that the Chavistas always do in opposition-held terrain; second, to delegitimize the regime 'win' in cases where it has simply been stolen. Close observation, following the Chilean model, is what is going to be needed in any and all elections in Venezuela, if there is any chance for a peaceful change, driven by the pressures of other concurrent transition negotiations."

A **Peter DeShazo, visiting professor of Latin American, Latino and Caribbean Studies at Dartmouth College and former U.S. deputy assistant secretary of state for Western Hemisphere affairs:** "Elections in Venezuela provide window dressing for the authoritarian Maduro regime. They are a card game played with a stacked deck. Maduro is not about to let himself be voted out of office or have his power circumscribed through an election. That bodes ill for the possibility of free and fair regional/municipal elections in November. Recent talks between the regime and the opposition in Mexico, which are scheduled to reconvene in September, will influence the willingness and ability of the traditionally fractured opposition to unite and participate in the November election. The regime hopes to generate enough participation by the opposition to make the case with sectors of the international community that the election is legitimately competitive, with the goal of easing the sanctions imposed by the United States and others. The opposition seeks guarantees from Maduro to allow for a free and fair election and to release political

prisoners. Perhaps some middle ground can be found. The United States, Canada, Britain and other European and Latin American democracies should support credible efforts to hold free and fair elections in Venezuela and to verify the integrity of the process. The willingness of the United States to 'review' sanctions is positive. A more level playing field for elections in November would be a significant but only a first step in addressing Venezuela's multifaceted crisis. One step, however, can lead to others and could release bottled-up democratic energy within society. But the odds against a transition to democracy remain formidable."

A **Abraham F. Lowenthal, founding director of the Inter-American Dialogue and professor emeritus at the University of**

Southern California: "The process for negotiation and dialogue in Venezuela that was announced in Mexico on Aug. 14 and the arrangements, still being discussed, for the November regional and mayoral elections are separate but interactive. The content and tone of the agreed memorandum, specifying the agenda for negotiation and mutually agreed processes, recognizing the Maduro government and establishing the 'Platform of Unity' comprising the Guaidó coalition and other democratic opposition factions, should increase the pressure on Guaidó's team and its supporters to participate actively in the November elections lest they otherwise be displaced by other opposition leaders. If the Guaidó forces as well as those guided by Henrique Capriles and other opposition elements can forge a useful electoral strategy and can overcome their rivalries to campaign with a shared vision and perhaps even united candidates, they have a good chance to win significant numbers of governorships and mayoralties, provided the National Electoral Council tightens electoral procedures in a fair and even-handed way. Even if they do not win a majority of the positions, they should win enough to significantly increase

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their leverage in subsequent elections by improving their messages, organization, campaign issues and techniques. One can at this point expect more flexibility in Venezuela over time than has seemed possible for several years, though there are sure to be detours.”

A **Gabriel Hetland, assistant professor of Latin American, Caribbean and U.S. Latino Studies at the State University of New York at Albany:** “The outcome of Venezuela’s November regional elections for mayors and governors will be shaped by multiple actors and various processes now underway. A crucial factor is the ongoing negotiations between the government and the opposition in Mexico. If successful, the negotiations could open the way for competitive elections with E.U. observation and an end, or lessening, of debilitating U.S. sanctions. This would open up Venezuela’s political scenario more than has been the case in years. The possibility of this happening suggests that the hardline opposition, led by Juan Guaidó, and the Biden administration may be moving away from the disastrous maximalist strategy of recent years. If Biden has done so it signals a victory for progressive Democrats pushing him to lessen or end sanctions. Moderate opposition parties have already indicated that they will participate in the elections. The outcome of negotiations will certainly shape the balance between opposition hardliners and moderates, with both standing to gain by participating in the elections. The government, for its part, would likely receive a boost if it can point to reduced sanctions. Yet popular discontent remains high. The ruling United Socialist Party’s heavy-handed and decidedly undemocratic management of recent primaries—in which party leaders overrode grassroots voters in many key races—may spark some grassroots backlash, the outcome of which is unclear. In short,

there are many dynamic factors shaping the elections, which makes them arguably the most interesting and important to take place in years.”

A **Gregory Wilpert, deputy editor at the Institute for New Economic Thinking:** “Venezuela’s November regional elections represent an important test of the relative strengths of the opposition and the Maduro government as most opposition parties will be participating. However, given that the hardline opposition, under Juan Guaidó’s leadership, continues to call for a boycott, and that the opposition remains fragmented and in disarray between hardliners and moderates, this test of strength will not normalize Venezuela’s political process. The relative support of the different political forces in Venezuela has not changed much since the economic crisis that began in 2014, whereby roughly a third supports ‘chavismo’ (some unconditionally and some critically), a third supports the opposition (some the hardliners and some the moderates) and a third supports neither side. Given the hardliners’ boycott of the November elections, it is likely that pro-government candidates will come out on top once again, despite Venezuela’s severe economic crisis. The fact that Maduro has pledged to remove central government control over municipalities, where the opposition had previously won local elections, also represents an important step forward. Much more important for Venezuela’s future in the near term, though, are the government-opposition negotiations taking place in Mexico at the moment and whether the Biden administration will finally abandon Trump’s draconian sanctions regime against Venezuela.”

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

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

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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

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