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THEDIALOGUE

FEATURED Q&A

What Does Banning Bolsonaro Mean for Brazil's Politics?

Former Brazilian President Jair Bolsonaro last month was banned for running for office until 2030. // File Photo: Facebook Page of Jair Bolsonaro.

Q Brazil's electoral court on June 30 voted to bar former President Jair Bolsonaro from running for office until 2030 because of his conduct during last year's presidential election campaign. The court ruled that Bolsonaro had violated election laws and spread baseless fraud claims about the country's voting system. How will Bolsonaro's ban affect the next presidential elections? What does it mean for the country's far-right movement, and who, if anyone, is likely to step in to fill the void?

A Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: "Brazilian democracy was severely strained by the past four years of Jair Bolsonaro's presidency. But the nation's political norms and institutions, although badly battered, have survived and demonstrated an encouraging degree of resilience. It is too early, however, to predict the longer-term health of Brazil's politics. Yes, the first six months of Lula's leadership have been largely constructive, but recall that he was elected by a narrow margin of two percentage points. Bolsonaro would have surely defeated any other candidate, and current polls reveal he retains the enthusiastic support of upwards of one-third of the electorate. On the brighter side, his recent eight-year ban from elected office sharply reduces Bolsonaro's political muscle and his capacity to mobilize his supporters. After a decade of sluggish growth and rising inequality in Brazil, a strong economic performance would probably be the best remedy for restoring confidence in government and reducing the poisonous levels of polarization and bitterness that still threaten democratic politics. The

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Guatemalan Court Bars Candidate's Party Ahead of August Runoff

A Guatemalan court on Wednesday ordered the suspension of presidential candidate Bernardo Arévalo's party just weeks before he is to compete in the country's runoff vote, a prosecutor said.

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Arévalo // File Photo: Facebook Page of Bernardo Arévalo.

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POLITICAL NEWS

Guatemalan Court Bars Candidate's Party Ahead of Runoff

A Guatemalan court ordered the suspension of anti-graft presidential candidate Bernardo Arévalo's political party, citing irregularities in the party's registration, a prosecutor said late Wednesday, Reuters reported. The move upends the country's presidential race and threatens Arévalo's bid to take part in the runoff against Sandra Torres, a former first lady, slated for Aug. 20, The New York Times reported. In what appeared to be a contradictory ruling, Guatemala's electoral court just minutes later confirmed the results of the first round of voting on June 25, saying that Torres

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>
> **— Bernardo Arévalo**

and Arévalo were the top vote-getters and would face each other in the runoff, The Wall Street Journal reported. In an interview with CNN, Arévalo said the suspension of his Seed party would not exclude him from the presidential race. "It's evident that it has no legal substance," he said, adding that Guatemalan law does not allow for parties to be suspended in the middle of an election. "In no way will we obey a spurious and illegal decision like the one issued by that court," Arévalo said. Rafael Curruchiche, the prosecutor who mounted the case against Arévalo, is on a U.S. list of corrupt Central American officials accused of obstructing graft inquiries, The New York Times reported. The development places greater strain on the democracy and political system of Guatemala, where several top candidates have already been barred the presidential race, including former front-runner Carlos Pineda. "It is ironic that the Guatemalan judicial system is at the heart of limiting the number of presidential candidates. The judiciary itself is opaque, corrupt and populated by judges who are easily influenced politically," Donald J. Planty, president of Planty & Associates and a former U.S. ambassador to Guatemala, told the Advisor in a **Q&A** published June 8.

Candidates Vying to Replace Venezuela's Maduro Pledge Unity

Venezuela's presidential opposition hopefuls agreed at a debate on Wednesday on the need to present a united front against the ruling party, Reuters reported. The opposition is seeking to unseat President Nicolás Maduro, who has ruled the country since 2013. The debate, the first between opposition candidates since 2011, took place ahead of a ruling by the country's top court that could suspend the Oct. 22 nominating contest. Independent candidate Luis Ratti asked the Supreme Justice Tribunal on Monday to suspend the primary on allegations of irregularities, the news wire reported. Several top candidates have already been barred from holding public office, including María Corina Machado, Henrique Capriles and Freddy Superlano. "We need a leadership that does not hesitate, that confronts, that is incapable of bending in the face of threats," said Machado. "This is not a conventional election," said Superlano. "We need leadership who will take the fight to the end," he added. At the debate, the opposition candidates also underscored the importance of attracting private investment to stimulate the economy, with private investors needing to regain confidence in the country, whose economy contracted for eight consecutive years until 2022. "We propose ... reinserting the country into the global financial system to attract investment. Productive expansion means openings markets, privatizing and respecting private property," Machado said. While it is "encouraging" that the opposition is participating in the election, conditions for a free and fair vote are not likely to exist by next year's scheduled presidential vote, Michael Shifter, a senior fellow and for-

NEWS BRIEFS

At Least Six Killed in Roadside Bombings in Mexico's Jalisco State

A drug cartel set off a string of coordinated roadway bombs in western Mexico, killing four police officers and two civilians, officials said Wednesday, the Associated Press reported. Jalisco state Governor Enrique Alfaro said the explosives were a "trap" to kill law enforcement personnel. "This is a brutal terror attack," Alfaro said at a news conference Wednesday. Luis Méndez, the chief prosecutor of Jalisco state, said the blasts in the municipality of Tlajomulco damaged nearby roads, destroyed at least four vehicles and injured 14 people.

Peru Extends State of Emergency Ahead of Expected Protests

Peru's government extended for 30 days a state of emergency along the country's main highways, including in a key mining corridor, ahead of protests expected next week, Prime Minister Alberto Otarola announced Wednesday. The state of emergency suspends some rights, including freedom of movement. The emergency measures apply to the regions of Apurimac, Cusco and Arequipa in southern Peru. Several rounds of protests have gripped Peru since former President Pedro Castillo's removal from office last December.

Italy's Enel, Chilean Unit Agree to Sell Photovoltaic Portfolio to Sonnedix

Italy-based utility company Enel and its Chilean subsidiary agreed to sell a photovoltaic generation portfolio in Chile to renewable-energy producer Sonnedix for $550 million, Dow Jones reported today. The transaction is expected to alleviate Enel's net debt of some 504 million euros ($560.9 million). The closing of the deal is still subject to approval by authorities.

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mer president of the Inter-American Dialogue, told the Advisor in a **Q&A** published June 22. "Unfortunately, it is hard to be optimistic that conditions for free and fair elections will be met by next year's vote. That would be too risky for the dictatorship," he said.

BUSINESS NEWS

Paysafe, IC Markets Expand Partnership in Latin America

Britain-based payments platform Paysafe on Tuesday announced an expansion of its existing partnership in Latin America with Australian foreign exchange provider IC Markets. The companies began their partnership in 2018 with IC Markets integrating with Paysafe's application programming interface, or API, to offer Europe-based traders payments options including digital wallets and locally preferred payments methods, Paysafe said in a statement. With the most recent agreement, IC Markets traders in Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama and Peru will be able to access Paysafe's payments portfolio options in order to fund their foreign exchange trading accounts. These options include digital wallets such as Skrill and Neteller, in addition to other local payments methods, including real-time bank transfers, Paysafe said in its statement. "Latin America has been attracting significant economic interest due to its growing population, rising smartphone adoption and increasing digitization, with consumers driving demand for financial services and alternative payments," Paysafe said. "The region is particularly important for the retail forex trading market, and Paysafe's deep expertise in compliance and the regulatory landscape in the region supported the integration," it added. Robert Gatto, the chief revenue officer at Paysafe, said the expanded payment options include "some of the most popular forms of local payments." He added, "The region is growing rapidly, and we look forward to seeing IC Markets thrive there."

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economy has recently taken a surprising upward turn, and Finance Minister Fernando Haddad has gained increased visibility and authority (and surfaced as a plausible presidential candidate should Lula decide not to run). Still, most expectations are for a slowdown over the next few years, mirroring a likely global economic retreat. Elevated crime, violence and gang activity could also present potent challenges to democratic politics in Brazil. It is worth noting, however, that Lula's questionable remarks on regional and global issues (often particularly irritating to Washington) are largely ignored in Brazil, where voter attention focuses on the home front. Brazil has succeeded in weathering a horrible storm that endangered the country's democracy, but the challenge is far from over. It may take some years before Brazil fully returns to a steady democratic path."

Mariano Machado, principal analyst for the Americas at Verisk Maplecroft: "As Brazil's political ecosystem seeks new equilibrium after the divisive 2022 election, we expect that the conservative movement will capitalize on the chance to transition into a new phase–and leadership–away from Bolsonaro's belligerent style. Although the former president is treated as the main right-wing leader in the country, a silent race to replace him as the torchbearer for Brazil's conservatives is well underway. In particular, key figures wishing to enter the 2026 presidential race appear to be focused on the construction of a post-Bolsonaro age. This group includes governors Romeu Zema (Minas Gerais), Cláudio Castro (Rio de Janeiro), and Tarcísio de Freitas (São Paulo). Besides being a rising star, the latter was also Bolsonaro's former infrastructure minister. But Brazilian history has abundant examples of political resuscitation, and Lula's comeback is in itself evidence that Bolsonaro cannot be ruled out quite yet. Indeed, he will wield influence as the potential heirs of the right-wing movement seek to strike a balance with the twin realities of acknowledging that Bolsonaro alone will not be able to deliver a win, yet needing his endorsement to run in his stead in 2026. This will increase friction as the conservative space transitions into its next leadership cycle. Perhaps the most illustrative example of things to come was the public rife between Bolsonaro and Freitas in the aftermath of the first round of legislative approval to reform the country's tax system."

Lucas Fernandes, political analysis coordinator at BMJ Consultores Associados: "Jair Bolsonaro's ban introduces significant changes to the dynamic of Brazil's upcoming presidential elections. Bolsonaro has garnered immense popularity, and it is expected that a majority of his base, particularly his far-right supporters, will continue to back him. Importantly, Bolsonaro has not faced arrest and is expected to maintain a substantial presence in the forthcoming electoral contests, starting with the 2024 mayorship elections. While Bolsonaro will play a significant role, he has not designated a clear successor, potentially giving rise to internal disputes within the right-wing political spectrum. These disputes may materialize between moderate and radical politicians, further exacerbating the existing fragmentation within the movement. Should these internal conflicts remain unresolved, there is a possibility of multiple right-wing presidential candidates emerging, thereby diminishing the prospects of victory in comparison to a scenario where the right wing rallies behind a unified presidential candidate. As Brazil progresses toward the 2026 presidential election, new figures may emerge as potential contenders for Bolsonaro's constituency. The current frontrunners are São Paulo Governor Tarcísio de Freitas, Minas Gerais Governor Romeu Zema and former First Lady Michelle Bolsonaro. Both Freitas and Zema have garnered positive

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evaluations from market agents and hold leadership positions in the two most populous Brazilian states, which can serve as crucial political assets. However, Michelle Bolsonaro, despite never having held an elected political office, enjoys significant popularity and has a strong appeal among evangelical voters, who represent a substantial portion of the constituency."

Beatrice Rangel, member of the Advisor board and director of AMLA Consulting in Miami: "The decision will deepen ongoing political polarization in Brazil. Most followers of former President Bolsonaro will simply believe that he is the victim of a political vendetta concocted in the presidential palace. They will thus seek to coalesce around a leader who offers the best prospects of undoing this offense. And, while conservative political forces hold a majority in Congress as well as in the Senate, and lead many governorships and city halls, Bolsonaro's party does not lead these movements, nor does he hold a clear majority in those spaces. Thus, many conservative leaders see themselves as Bolsonaro's successor. My guess is that Bolsonaro will continue to mobilize conservatives in Brazil, in particular those in the mining and lumber industries. Recent polls identify a proportion of young adults leaning toward conservatism, and in particular rejecting President Lula's leadership. This segment of the population supports younger and far more structured leaders like Tarcísio de Freitas, Romeu Zema or Nikolas Ferreira. In the end, Bolsonaro will be seen as the pioneer who moved the country toward a more accomplished democratic engagement through his failings more than through his accomplishments."

> **"The decision will deepen ongoing political polarization in Brazil."**
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> **— Beatrice Rangel**

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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Gene Kuleta
Editor

Lara Kovandova
Reporter

Nili Blanck
Reporter

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www.thedialogue.org

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