FEATURED Q&A

Will Dilma Survive the Effort to Oust Her Permanently?

Just hours after her suspension as Brazil's president, Dilma Rousseff on Thursday reiterated her assertion that the move to remove her from office is a "coup," adding, "I'm the victim of a great injustice." // Photo: Brazilian Government.

Following a marathon session that lasted more than 20 hours, Brazil’s Senate voted early Thursday morning to suspend President Dilma Rousseff from office and put her on trial for allegedly breaking the country’s budget laws, an allegation she denies. What will result from the trial? What are the long-term effects of this situation on Brazil’s democracy and economy? What policies must Acting President Michel Temer pursue now in order to stabilize a country that has faced economic and political upheaval? How is Brazil’s political situation being viewed internationally?

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Gilberto M. A. Rodrigues, professor of international relations at the Federal University of ABC in Brazil and member of the Coordinadora Regional de Investigaciones Economicas y Sociales (CRIES): “The Senate session confirmed the lower chamber’s action. For the majority of the parliamentarians, the legal aspects of the process were secondary; the impeachment was clearly an opportunistic political movement to remove the Workers’ Party from power. The fact that 55 senators voted to suspend the president, one vote more than needed to dismiss in the trial, is seen as a strong support for the vice president. But this number represents a snapshot in time and could change with a lack of public support over the coming months. The new cabinet chosen by the vice president is a group of white, male, conservative, old-style politicians who represent the traditional way of doing politics—in the shadows, though back rooms and without transparency. It is a team with no diversity—no women, no businesspeople, no blacks, no social movement leaders and no minority groups represented in the cabinet."

Q

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Incoming Brazilian Gov’t Is ‘Illegitimate’: Rousseff

Just hours after Brazil’s Senate voted to suspend President Dilma Rousseff from office and put her on trial in the chamber for allegedly breaking the nation’s budget laws, Rousseff delivered an angry speech to supporters, calling the government that will replace hers “illegitimate” and said she would fight to return to the presidency, The Wall Street Journal reported. “Our democracy is young, made from struggle and sacrifices, and it doesn’t deserve this,” Rousseff told a room full of supporters, including legislators, members of her cabinet and her predecessor and mentor, former President Luiz Inácio Lula da Silva. “The fight against the coup is long, but it can be beaten and we’re going to win. That victory depends on all of us, and we’re going to show the world!” Rousseff also urged her supporters to remain peaceful and united. After the Senate voted to suspend Rousseff, Vice President Michel Temer, now the country’s acting president, called for unity among Brazilians. “It is urgent to restore peace and unite Brazil. We must form a government that will save the nation,” Temer said, BBC News reported. Temer added that “economic vitality” was his top priority. “It is essential to rebuild the credibility of the country at home and abroad to attract new investments and get the economy growing again,” he said. Temer himself has faced legal problems. He was recently found guilty of violating campaign finance laws and has been named in two plea bargains related to the widespread corruption scandal at state-run oil company Petrobras, The Guardian reported. Brazil’s prosecutor general, Rodrigo Janot, last week said the accusations against Temer relating to the Petrobras scandal were not substantial enough to launch an investigation of Temer, The New York Times reported. On Thursday, Temer named his 22-member cabinet, made up entirely of men. It is the first Brazilian presidential cabinet in decades to include no women. Among the cabinet appointments are former central bank chief Henrique Meirelles as finance minister and Sen. José Serra as foreign minister.

Argentina Planning to Stop Light Crude Imports This Year

Argentina aims to stop importing light crude this year and improve domestic refining operations, Energy Minister Juan José Aranguren said Thursday, Reuters reported. Operators in Argentina will continue to export oil, mostly Escalante heavy crude, Aranguren said on the sidelines of an industry conference. Refining more domestic light crudes and importing larger and more regular supplies of natural gas from Bolivia would help Argentina cut down on imports of more expensive liquefied natural gas, gasoil and crude. The Argentine government is currently in talks with domestic refiners, encouraging them to purchase more domestic light crude and import less. Last month, a 200,000-barrel cargo of a rare light crude was exported to drain inventories that were not purchased by state-run oil company YPF, Aranguren said. “Locally produced crude should be given priority in order to avoid a reduction in jobs and tax revenue,” the energy minister said. “The domestic price goes from $55 to $67.50 per barrel depending on the crude type, which means it would be convenient to sell production in the domestic market.” President Mauricio Macri has said in recent months that he would push for investment in new routes to Santa Clara and Villa Clara soon.

Cuba, U.S. Officials to Meet for Talks on Improving Relations

U.S. and Cuban officials plan to meet next week in Havana in a third round of talks on improving relations between the two countries, Reuters reported Thursday. A bilateral commission will meet to discuss progress in the thaw that was first announced in December 2014 and to identify new areas for cooperation, said Gustavo Machin, the deputy director for U.S. affairs at Cuba’s Foreign Ministry. The two countries are not yet at the point of negotiating the multi-billion dollar claims that they have against each other, he added.

Copa to Begin New Route to Cuba

Panamanian airline company Copa Airlines announced Thursday that it would start a direct route from Santiago de Chile to Holguín, Cuba, beginning on June 24, as the island nation rises in popularity among Chileans as a vacation spot. Luz María Peña, general manager of Copa Airlines in Chile, said Cuba had become one of the main destinations for Chilean customers, and that the airline would be planning to unveil new routes to Santa Clara and Villa Clara soon.

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net. It is a powerful sign of the regression of democracy. How will that government deal with the demands of civil society? Probably by using outdated security measures. In the international arena, multilateral organizations critical of the impeachment, such as the OAS and Unasur, could become obstacles for the new government to burnish its image, which will try to strengthen its relationship with international investors and the private sector, not only to boost the economy, but also to divert attention from its troublesome lack of legitimacy."

A Margaret Daly Hayes, principal at Evidence Based Research Inc. in Vienna, Va., and professor of security studies at Georgetown University: "The Brazilian Senate’s vote of 55-22 to suspend President Rousseff and proceed with an impeachment trial is a sign that opinion is strongly against her. She will fight the allegation that she manipulated government accounts to disguise the size of the deficit. She will likely insist that her predecessors did the same and that she did not act contrary to the law, but this will be an uphill struggle. Public opinion largely supports Dilma’s demise. She bears the blame for the current economic environment—high inflation and the budget deficit that occurred on her watch. She failed to adjust policies when the commodities boom ended, but the elected representatives, who raised their own salaries after the last elections, also bear responsibility. The long-term economic and political consequences of the impeachment crisis depend importantly on the interim Temer government’s ability to address the serious economic and political challenges facing Brazil. So far, markets have responded positively to the prospects of a new administration. The Temer government will have to show early progress in curtailing inflation, addressing the fiscal deficit, encouraging investment and slowing job loss, and this will be difficult in current global conditions. Equally as important, the Temer government must confront the widespread corruption evidenced in the Petrobras scandal, and in the charges against many members of Congress, as well as former President Lula and politicians from both the government and opposition parties. Temer has already begun to dole out cabinet positions to members of his coalition, not necessarily assuring the most effective running of the ministries challenged to cut spending while improving the delivery of services. The international community is correctly concerned about Brazil’s path out of the ongoing crisis. It will require real commitment on the part of the government, patience on the part of the population and a lot of good luck. But it is the only way if Brazil is to be the ‘pais do futuro.’"

A Carlos Eduardo Lins da Silva, global fellow at the Woodrow Wilson International Center for Scholars: "The final result of the Senate session shows that the odds against Rousseff at trial are very big. The opposition needed 39 votes and got 55, more than the two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to convict her. The Senate has 180 days to reach a verdict, two-thirds majority necessary to He has already begun to dole out cabinet positions to members of his coalition, not necessarily assuring the most effective running of the ministries challenged to cut spending while improving the delivery of services. The international community is correctly concerned about Brazil’s path out of the ongoing crisis. It will require real commitment on the part of the government, patience on the part of the population and a lot of good luck. But it is the only way if Brazil is to be the ‘pais do futuro.’"

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Curbing Remittances Would Harm Anti-Laundering Efforts: Mexican Official

Any attempt by a new U.S. administration to curb the flow of remittances from the United States to Mexico would translate into a major setback in the countries’ joint efforts to stop money laundering and other illicit forms of finance, Mexico’s deputy secretary for finance said Thursday, the Los Angeles Times reported. Fernando Aportela also warned that any attempt to seize remittances would force Mexicans to hide and smuggle money, undermining the strides the two countries have made in making money flows more transparent. “We will end up getting less information” to work with instead of more, Aportela said at the Wilson Center in Washington. “It will create [new] challenges.” U.S. presidential candidate and presumptive Republican nominee Donald Trump has vowed that if elected, he would force Mexico to pay for a border wall at the border between the two countries and would impound remittance payments if the Mexican government did not comply. Mexican officials have repeatedly rejected Trump’s pledge, saying they have no intention of building or paying for a border wall.
country faces a period of immense challenges in the ethical realm, and this has been another positive aspect of this moment: a cultural revolution is going on in reference to the relationship between governments and the private sector, which is putting an end to the historical leniency regarding graft in Brazil. A huge majority of citizens strongly support the swift fight against corruption, which has been going on in the last two years and has resulted in the convictions of dozens of people, including some of Brazil’s wealthiest businesspeople and most powerful politicians. Acting President Temer will have a short honeymoon with markets and civil society. Polls show that only 8 percent trust him to lead the country. He needs to act fast and decisively to reverse such low trust.

The most urgent policies Temer must pursue are economic and fiscal order. “Rousseff’s trial in the Senate can last as long as 180 days, but it could be shorter. The Senate session that suspended her from the presidency is a solid indication that the final voting session, unless extraordinary events happen, will confirm her impeachment. In this case, Acting President Temer would serve through 2018. The democracy established in 1985 following 21 years of military dictatorship is witnessing its second presidential impeachment proceeding in Congress since direct elections began in 1989. Different from the first proceeding, against unanimously unsupported Fernando Collor de Mello, the present one shall remain questioned as challenging the democracy even by some Rousseff detractors. Brazil’s democracy will mature faster because of these recent experiences. The economy, currently in a deep recession, is not expected to grow until 2018 or 2019. The most urgent policies Temer must pursue are economic and fiscal order. He needs to spend and making the federal budget more flexible. Seriously addressing tax, pension and labor reforms would be urgent too, but those are too ambitious to tackle in little more than two and a half years; moreover, all previous governments failed to do so. We might witness limited interventions instead, such as a revision of the minimum age for retirement. Temer also needs to reassure the public that social and anticorruption policies will not be cast aside. He enjoys a majority in Congress, and this will be crucial to implementing policies. However, keeping this majority—while dealing with his 60 percent unpopularity rating—will prove an ongoing challenge in itself. Internationally, the impeachment issue is viewed as more political than legal, as the removal of Brazil’s first female president and conducted by politicians accused of corruption. Yet, the label of ‘coup’ that Rousseff and her supporters propagate has not widely convinced the international press and analysts, given that the proceedings were in accordance with the Brazilian Constitution and overseen by the Supreme Court.”

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