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FEATURED Q&A

Why Is Venezuela's Maduro Reshuffling His Cabinet?



Venezuelan President Nicolás Maduro on March 17 asked his entire cabinet to resign. His vice president, Delcy Rodríguez, said Maduro is planning a "deep restructuring" of his government. // File Photo: Venezuelan Government.

Q Embattled Venezuelan President Nicolás Maduro is planning a "deep restructuring" of his government and has proposed to replace his entire cabinet, just as Juan Guaidó, who is internationally recognized as Venezuela's interim president, kicked off a national tour that is part of what he called a "new phase" of his campaign to unseat Maduro. Meanwhile, Venezuelan Gen. Carlos Rotondaro, previously loyal to Maduro, defected, denouncing the government as "inept and corrupt." Why is Maduro shuffling his cabinet now, and is it a sign of weakness or strength? Has the opposition lost momentum two months after Guaidó launched his campaign to oust Maduro? What does Rotondaro's defection mean, and to what extent is military support for Maduro beginning to crack?

A Luis Vicente León, president of Datanálisis in Caracas: "Maduro is losing democratic governance, and it is becoming impossible for him to solve the country's problems, not only because of his ideological primitivism, but also because sanctions limit his margin of maneuver. However, the blackout forced him make some strategic moves beyond denouncing 'sabotage' as responsible for the crisis. He announced a new cabinet, which he has yet to name, in an effort to create expectations of change and of an increase in the direct power of the military sector over the government, with which he intends to reinforce its support. In the political field, there has been stronger radicalization and tougher repression against the opposition. Without touching Guaidó, Maduro has been pointing to his collaborators,

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TODAY'S NEWS

POLITICAL

Mexico to Post Forces in Isthmus to Stop Migrants

Mexico is planning to post federal forces in the Isthmus of Tehuantepec, in order to contain Central American migrants heading north, said the country's interior secretary.

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BUSINESS

Brazilian Prosecutors Seek Charges Against German Company

Prosecutors plan to pursue charges against Tüv Süd, which had certified a dam that failed in January, killing some 300 people.

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POLITICAL

Ecuador Accuses Correa of Trying to Destabilize Government

The government of Ecuadorean President Lenín Moreno accused former President Rafael Correa of accepting \$281,000 from Venezuela in order to destabilize Moreno's government.

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Correa // File Photo: Ecuadorean Government.

POLITICAL NEWS

Ecuador Accuses Correa of Seeking to Destabilize Gov't

The government of Ecuadorean President Lenin Moreno on Wednesday accused former President Rafael Correa of accepting hundreds of thousands of dollars from Venezuela's government in order to destabilize Moreno's administration, *El Comercio* reported Wednesday. In a formal complaint to prosecutors, Ecuadorean Anti-Corruption Secretary Iván Granada accused Correa of accepting \$281,000 from Venezuelan President Nicolás Maduro's government, with the money allegedly being funneled last August through a foundation that Correa runs. It is "outrageous" that the money came from Venezuela, where people are in "misery, in the worst humanitarian crisis in history," said Granada. Granada did not specify how the money was allegedly used, but during a regional meeting last week, Moreno warned other Latin American leaders about similar attempts to hinder their governments, the Associated Press reported. In a tweet, Correa dismissed the

accusations. "Please, don't harm the homeland, and go home," Correa said on Twitter. The money was allegedly provided by Venezuelan state-run development bank *Bandes*, which the U.S. Treasury recently sanctioned, accusing Maduro of using it to move money out of the country. Venezuela's government did not immediately respond to the accusations. Moreno was elected Ecuador's president in 2017 with Correa's support. However, the two men had a falling out shortly after Moreno was elected.

Mexico to Post Forces in Southern Isthmus to Stop Migrants

Mexico is planning to establish a "containment" belt of federal forces across the country's southern region, Interior Secretary Olga Sánchez Cordero said Wednesday, the Associated Press reported. As a new caravan of roughly 2,500 Central American migrants heads north, and with reports of a larger caravan possibly forming in Honduras, Sánchez said Mexico would set up a "migration installation" of "federal police and civil protection" in collaboration with federal government

NEWS BRIEFS

Trump Meets With Wife of Venezuela's Guaidó at White House

U.S. President Donald Trump on Wednesday met with Fabiana Rosales, the wife of Venezuelan National Assembly leader Juan Guaidó, who is recognized by the United States and several other countries as Venezuela's acting president. "We are with you 100 percent," Trump told Rosales during the meeting at the White House, *The Wall Street Journal* reported. Rosales told Trump that she fears for her husband's life and that children are dying in Venezuelan hospitals.

Chilean Court Orders Catholic Church to Pay Sexual Abuse Victims

A Chilean appeals court on Wednesday ruled that the Roman Catholic Church must pay \$150,000 in compensation to each of three sexual abuse victims of Rev. Fernando Karadima, the Associated Press reported. It also overturned a lower-court ruling that found no proof of a church cover-up, saying church officials had harmed victims by dismissing their accusations rather than investigating them. The office of the Santiago archbishop said it would not appeal the ruling.

Argentina's Inflation Rate Expected to Slow to 34% This Year: OECD

Argentina's inflation rate will slow to around 34 percent this year, according to estimates from the Organisation of Economic Cooperation and Development, or OECD, an agency official said in Buenos Aires on Wednesday, Reuters reported. The figure is higher than the most recent central bank poll of economists, who forecast inflation of nearly 32 percent in 2019. The South American country recorded inflation of almost 48 percent last year amid a sharp run on the peso.

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whom he has arrested by linking them with plans to destabilize the country, while at the same time increasing control over the media. Guaidó continues his attempt to activate internal protests, but he also seems to be more willing to advance in some negotiations with the military sector. Overcoming its failed offer of amnesty, his team now seems to be contemplating the possibility of a co-government to encourage the dismantling of the military as a bloc. Meanwhile, Guaidó's popularity remains stable at a spectacular 60 percent. He is experiencing a honeymoon period, but time may be dangerous. Without political changes, it's foreseeable that the population will become frustrated and disappointed. Paradoxically, time also plays against Maduro, because it means a deepening of the crisis, greater

risks of social explosion and an increase in the likelihood that the United States will escalate action. It would be strange if, approaching the presidential electoral season in the United States, Trump would become static vis-à-vis Maduro, if he still remains in power."

A **Eva Golinger, attorney, author and former advisor to late Venezuelan President Hugo Chávez:** "It is not unusual for the Venezuelan president to restructure his cabinet on an annual basis. Maduro has done it several times during his presidency, and Chávez frequently shifted his cabinet around. Under Venezuela's Constitution, the president does not need legislative approval for his cabinet appointees, he can name

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agencies to have “containment in the Isthmus of Tehuantepec,” which is the narrowest part of the country’s south and the easiest to control, the AP reported. “It’s going to be a big change,” she added. Sánchez met with U.S. Secretary of Homeland Security Kirstjen Nielsen on Tuesday. The interior secretary did not provide details about how the federal forces would be deployed. The most recent migrant caravan, with people hailing from Nicaragua, Cuba, El Salvador, Honduras and Guatemala, was making its way through Mexico this week toward the United States.

BUSINESS NEWS

Brazilian Prosecutors to Pursue Charges Against Tüv Süd

Brazilian prosecutors plan to pursue penalties against German certifications group Tüv Süd for its involvement in the collapse of a mine-waste dam in January that killed some 300 people, The Wall Street Journal reported Wednesday. The German company had certified the dam, which Brazilian iron ore miner Vale owns, as safe in audits in June and in September. Officials involved in the probe said they are using Brazil’s anti-corruption law to build a case against Tüv Süd, the newspaper reported. Police allege the inspection firm issued its certificates fraudulently, which could mean Tüv Süd could be found guilty of corruption, given that it submitted the certificates to government regulators and other authorities as proof of the dam’s stability, officials said. Under the country’s 2013 anti-corruption legislation, firms that obstruct the activities of a regulator or another government authority are considered guilty of corruption. The German company could face sanctions ranging from hefty fines to partial or total closure of its business in Brazil, according to legal experts, The Wall Street Journal reported. On Wednesday, Vale announced a series of write-downs and provisions related to the dam collapse earlier this year, Reuters reported. The write-downs include \$124 million in relation to the Corrêgo do Feijão mine where the dam

HEALTH BRIEFS

Costa Rica Reports More Imported Cases of Measles

Costa Rica on March 21 enacted the country’s national surveillance protocol after confirming two cases of measles, the Health Ministry said in a statement, The Tico Times reported. Two children from the United States of between 3 and 10 years old reported symptoms in Puntarenas Province. The children, who were quarantined as soon as the virus was detected, had not been vaccinated against the contagious disease. Costa Rica has not had a domestic case of measles since 2006, and it had not seen an imported case of measles since 2014 until an unvaccinated French boy reintroduced it in February when he arrived in the country for vacation with his parents, USA Today reported. The World Health Organization earlier this year said the number of people choosing not to vaccinate is increasing, and it categorized it as a global health threat. The measles two-dose vaccine is 97 percent effective against the virus, according to the Center for Disease Control.

Travel Warnings Ease as Zika Threat Declines

U.S. and international health officials are easing warnings against traveling to countries with Zika because the threat of the mosquito-borne virus has significantly waned since 2016, when the World Health Organization designated a global health emergency, The Washington Post reported March 20. The Center for Disease Control in the United States downgraded its warning last month, issuing less-restrictive travel recommendations, and the World Health Organization will reportedly soon make a similar announcement. Zika can cause babies to be born with abnormally small heads and underdeveloped brains, a condition called microcephaly. The Zika pandemic exploded in the Americas and the Caribbean in 2015, prompting the United States to warn pregnant women against traveling there. The viruses infected hundreds of thousands of people and resulted in roughly 2,200 infants being born with microcephaly, most of them in Brazil, according to the report. However, the threat that Zika poses has markedly diminished, in part because so many people were infected by the virus. After being infected, people are immune to the virus and cannot pass it to other people, The Washington Post reported.

Ruling Party Senators in Mexico to Propose Bill to Fight Theft, Falsification of Medicines

Senators of the ruling Morena Party in Mexico will soon introduce legislation that seeks to end the theft and falsification of medicines in the country, Fuero reported March 25. The bill would sanction the sale, commercialization, distribution and transportation of illicit pharmaceutical products, as well as those that have an expired date. The increase in the amount of stolen medicine in Mexico inspired the proposal. “[The legislation] will help prevent, combat and eradicate the theft of medicine and its falsification, given that such illicit products’ rate of occurrence is increasing year by year,” said Ricardo Monreal, who heads Morena in Congress. “This provokes a higher offer of the medicinal substances and assets at low costs, but with heightened risks for health,” he added.

was located, as well as Vale’s other upstream tailings dams, which are the most vulnerable to collapse. The Brazilian miner added that emergency indemnification deals with local au-

thorities were expected to amount to between \$260 million to \$520 million in provisions, the wire service reported. [Editor’s note: See related [Q&A](#) in the Feb. 12 Advisor.]

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them as he chooses and change them when he likes. So, this should not necessarily be interpreted as a sign of unrest or internal disagreement. Maduro may be seeking to provide more power to the military in order to retain its loyalty in the face of threats against his presidency. The defection of Gen. Carlos Rotondaro and other high-profile former supporters is not particularly

“So far, Maduro has been successful in discrediting most of those who have dissented from his rule.”

— Eva Golinger

surprising or concerning for the government. Rotondaro is associated with a rampant corruption scheme within the state institution he previously oversaw, and therefore has little credibility in Venezuela. So far, Maduro has been successful in discrediting most of those who have dissented from his rule. Inside Venezuela, Juan Guaidó is losing momentum in a broad spectrum of communities that initially had a hope for change. He has presented no viable path for a political transition, and the day-to-day life in Venezuela, while affected by the broadening U.S. sanctions, remains status quo. The longer Maduro stays in power, the deeper he digs, and many Venezuelans will rally around him in the face of external threats. Unless there is a call for a national referendum on holding a new election or another type of serious negotiated process to initiate governmental change, Venezuelans will be left believing Guaidó, like his powerful allies in Washington, are more bark than bite.”

A **Lindsay Singleton, senior vice president at ROKK Solutions:**
“While encouraging, Rotondaro’s defection is not necessarily indicative of a tipping point for regime support within the armed forces. Venezuela has more than 2,000 generals, very few of whom are actually politically relevant. Venezuelans view Rotondaro, in particular, as responsible for the deterioration of the country’s health care system. His defection will be one of many that create political challenges for Guaidó’s government, which will risk popular support by granting amnesty to prominent regime members. Amnesty is certainly an important tactic for Guaidó, but it is not without risk. Maduro’s reshuffling of the cabinet plays to a domestic, traditionally Chavista audience, which, like the rest of the country, is suffering. While some Chavista hardliners may still believe the rhetoric of a U.S.-led economic war against Venezuela, many more blame Maduro. Maduro has never

“Maduro has never enjoyed the popular support Chávez had...”

— Lindsay Singleton

enjoyed the popular support Chávez had, so a cabinet reshuffle is a way to respond to the frustrations of those who have historically supported the PSUV Party. It is practically the only tool left for Maduro to appear responsive to the humanitarian crisis.”

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, Copyright © 2019

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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

ISSN 2163-7962

Subscription inquiries are welcomed at ebrand@thedialogue.org

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