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FEATURED Q&A

Will Brazil's 'Car Wash' Prosecutors Stay on the Job?



Brazil's prosecutor general, Augusto Aras, is to decide next week whether to allow the team of prosecutors at the center of "Operation Car Wash" to continue its work. // File Photo: Brazilian Senate.

Q Brazilian Prosecutor General Augusto Aras is set to decide on Sept. 10 whether to renew the mandate of the team of anti-corruption prosecutors whose work has resulted in the imprisonment of dozens of politicians and executives in the massive "Car Wash" graft probe. Aras is reportedly facing pressure from powerful politicians to disband the task force. How effective is the task force now, six years after the Car Wash investigation began, and should its mandate be extended? How much has the body lowered the level of corruption in Brazil? Will graft increase in Brazil if the team is disbanded?

A Amanda Mattingly, senior director at The Arkin Group in New York: "Disbanding the popular anti-corruption task force would unleash a torrent of criticism of President Bolsonaro and his prosecutor general, Augusto Aras. Under no circumstance would this not be seen as political and an attempt to avoid investigations involving alleged graft by Bolsonaro's own family members. No doubt Aras is facing pressure from powerful political voices in the executive and legislative branches to allow the task force's mandate to lapse, but the team and its Lava Jato operation, which started in 2014, has tremendous support in Brazil for exposing corruption at the highest levels of government and the private sector. Bolsonaro campaigned on an anti-corruption platform, which was convenient in 2018 when his main rival, former President Lula da Silva, was barred from running due to his own corruption charges. But since taking office, Bolsonaro's commitment

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Mexico Leads World in Deaths of Health Workers: Amnesty Int'l

More health care workers have died from Covid-19 in Mexico than any other country in the world, according to a report by Amnesty International.

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Prosecutors Ask Brazilian Court to Replace Vale Executives

Federal prosecutors have asked a court to order mining giant Vale to replace executives they allege disregarded safety measures following two deadly accidents.

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Capriles Backs Venezuela Vote in Break With Guaidó

Venezuelan opposition figure Henrique Capriles said he would support congressional elections scheduled for December. The statement was a break from opposition leader Juan Guaidó.

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Capriles // File Photo: Facebook page of Henrique Capriles.

POLITICAL NEWS

Venezuela's Capriles Backs Elections in Break With Guaidó

Venezuelan opposition figure Henrique Capriles, who unsuccessfully ran twice against President Nicolás Maduro, on Wednesday said he would support congressional elections scheduled for December, The Wall Street Journal reported. Capriles' support for the vote was a break from National Assembly President and opposition leader Juan Guaidó, who has vowed to boycott the election, citing concerns that Maduro's government will rig the vote. Dozens of countries around the world consider Guaidó to be Venezuela's legitimate interim president. "We're not going to leave the people without an option [in the elections]," Capriles said Wednesday in a webcast. Capriles said the vote should be delayed because of the Covid-19 pandemic, but he added that Venezuelans should not sit out the election. "The only way to save this country is by opening political paths," he said. On Wednesday, a spokesman at the U.S. State Department said Maduro's government controls the country's electoral council and its press and has named its supporters to head

Venezuelan opposition parties, The Wall Street Journal reported. "Venezuelans recognize that the political fraud scheduled for December will in no way be free or fair," said the spokesman, the newspaper reported. "Maduro will continue to try to divide and exploit Venezuelans as long as he remains in the presidential palace in Caracas." Capriles is unable to run for president because he is among opposition figures who were previously banned from holding office. However, Capriles said he would support opposition candidates in the December election. He also criticized what he said were mistakes by Guaidó's leadership, including a failed raid by mercenaries in May and a failed military revolt in April 2019. In related news, authorities in Colombia announced Wednesday that they had arrested three Venezuelans who were allegedly part of the May plot to unseat Maduro, the Associated Press reported.

Mexico Leads World in Deaths of Health Workers: Amnesty

More health workers have died from Covid-19 in Mexico than in any other country in the world, according to a report Amnesty International released today. At least 7,000 health

NEWS BRIEFS

Jamaicans Head to Polls to Elect New Parliament

Jamaicans will go to the polls today to elect a new parliament just as Covid-19 cases surge in the Caribbean nation, BBC News reported. Prime Minister Andrew Holness, who is up for re-election, called for an early vote last month in what experts saw as an effort to capitalize on people's satisfaction with his government's response to the novel coronavirus outbreak and his economic agenda. Face masks and temperature checks will be required at polling stations. [Editor's note: See related [Q&A](#) in the Aug. 24 issue of the Advisor.]

Hurricane Nana Makes Landfall in Belize

Hurricane Nana made landfall today at about 1 a.m. Central Daylight Time on the coast of Belize between Dangriga and Placencia with maximum sustained winds of 75 miles an hour, the U.S. National Hurricane Center said in a tweet. As Nana moved inland over northern Guatemala, it was downgraded to a tropical storm. Heavy rainfall and flooding are possible in portions of Belize, Guatemala and southeastern Mexico, the National Hurricane Center added.

Chile Estimates Less-Severe Economic Decline This Year

Chile's central bank on Wednesday forecast a less steep economic decline for this year, a contraction of between 4.5 percent and 5.5 percent, better than the between 5.5 percent and 7.5 percent contraction it had predicted in June. This implies an "important recovery" in the second half of the year, central bank chief Mario Marcel said in the statement, adding that the most recent data suggests economic activity is bouncing back in some of the sectors hit by pandemic-related lockdowns, including commerce and some services.

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to fighting corruption has been left wanting. Bolsonaro has been accused of interfering in the investigations involving his sons, and Justice Minister Sérgio Mora, who was a leading figure in the anti-corruption efforts of Lava Jato, stepped down in April as a result. Six years since the Lava Jato operation grabbed national and international attention for exposing corrupt practices by the likes of Petrobras and Odebrecht, the task force still has a role to play in fighting corruption in Brazil. Instead of disbanding the team of prosecutors, Aras should look for ways to protect its independence, the integrity of its data collection and the need for nonpartisan investigations into alleged abuses—no matter how far up it goes."



Anya Prusa, senior associate at the Brazil Institute of the Woodrow Wilson International Center for Scholars: "Operation

Car Wash is more than just a corruption probe; in launching the largest corruption investigation in Brazil's history, it challenged a longstanding tradition of impunity for the country's political and business elites. Yet the operation has not been an unqualified success. It has come under scrutiny for its controversial use of plea bargains and pre-trial detentions, and a seeming willingness on the part of some of the officials involved to bend the rules in pursuit of convictions—leading to allegations that the probe was being used for political ends and under

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workers have died from the virus around the world, of which at least 1,320 died in Mexico, followed by approximately 1,077 died in the United States, 649 in the United Kingdom and 634 in Brazil. "For over seven thousand people to die while trying to save others is a crisis on a staggering scale," said Steve Cockburn, the head of economic and social justice at Amnesty International. "Every health worker has the right to be safe at work, and it is a scandal that so many are paying the ultimate price."

BUSINESS NEWS

Brazilian Prosecutors Seek Court Action to Replace Vale Execs

Federal prosecutors in the Brazilian state of Minas Gerais have asked a court to order miner Vale to replace executives they allege disregarded safety methods in the aftermath of two mining accidents that left hundreds of people dead, Reuters reported today. Prosecutors asked the state court to name an intervenor to take over Vale's safety program and to suspend all dividend payments until the intervenor guarantees that Vale is cooperating, according to a statement the prosecutors' office sent to Reuters. The request would require approval by the court. Reuters could not immediately reach Vale for comment. Prosecutors say the company's current governance system has generated extensive damage to society and the environment. The new developments are related to a mining disaster in the town of Brumadinho in January of last year, when a Vale dam burst and killed 270 people. It followed an earlier dam rupture in 2015 at a mine in Mariana jointly owned by Vale and BHP Group, which led to Brazil's worst environmental disaster on record, according to the report. On Monday, Fitch upgraded Vale's foreign and local currency long-term Issuer Default Ratings to 'BBB' from 'BBB-,' citing in a statement the "steps taken by Vale over the past 18 months that have lowered the risk of future dam failures and the implications upon the environment and the people in the surrounding community should they occur."

COMINGS & GOINGS

Fussell Joins Holland & Knight's Int'l Trade Group

Nasim Fussell has joined Holland & Knight as a partner in its International Trade Group, the law firm announced Sept. 1. Fussell, who will be located in Washington, previously served as chief international trade council for the Senate Finance Committee, advising committee chairman Sen. Chuck Grassley (R-Iowa), committee members and staff on international trade and customs matters, Holland & Knight said in a statement. Fussell formerly worked as deputy chief in the committee's international trade counsel, when she worked with the administration of U.S. President Donald Trump on trade negotiations with Canada and Mexico on the United States-Mexico-Canada Agreement, or the USMCA.

Coca-Cola Taps Braun as Head of Latin America Unit

The Coca-Cola Company on Sept. 1 announced it had named Henrique Braun to be president of its Latin America operating unit. The appointment, announced alongside new additions in the company's Europe operating unit and the combined innovation and technical function unit, is part of Coca-Cola's "ongoing work to establish an organization that is highly networked, less hierarchical and built for future growth," the company said. Braun, who currently heads the Brazilian business unit, previously worked as president of Greater China & Korea at Coca-Cola. He joined the company in 1996 in Atlanta and has since worked in North America, Europe and Latin America in ranging from supply chain, new business development and marketing to innovation and bottling operations. Coca-Cola had also recently announced the appointment of Alfredo Rivera as the president of Coca-Cola North America. He will replace James L. Dinkins, who is retiring after having led the unit since 2018. Rivera, who has worked at Coca-Cola for 23 years, most recently served as president of the company's Latin America group.

Rule Named to Latin America Post at Bridgestone

Bridgestone Americas last month named Charlie Rule as the company's new president for tire operations in Latin America. He will oversee all Latin American tire businesses with full profit and loss responsibility as well as continue to lead category strategy, product planning, marketing branding and marketing communications in the region, the statement said. Rule was formerly Bridgestone's vice president of operations in Latin America. He succeeds Joseph Saoud.

Orozco Leading New Dept. at Creative Associates

Creative Associates International is launching a new Center for Migration and Economic Stabilization, which will be led by Manuel Orozco, the organization announced last month. Orozco was previously the senior director of the Migration, Remittances and Development program at the Inter-American Dialogue. He has years of research experience in the study of drivers of migration from Honduras, El Salvador and Mexico. The Center will "combine technical rigor and ingenuity with Creative's on-the-ground programmatic experience to address the pressing challenges that lure migrants into risking it all," the organization's president and CEO, Leland Krivant, said in the statement.

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mining popular support for the operation. A number of recent institutional setbacks, ranging from new legislation to judicial rulings, have also hampered the operation's effectiveness and reinforced broader concerns about the appetite within Brazil's political class for anti-corruption efforts. A 2019 ruling by the president of the Supreme Court essentially paralyzed anti-money laundering investigations, for example; and a separate Supreme Court ruling found that campaign finance cases must be investigated and tried in the electoral courts—which often lack the resources and technical expertise required for these cases. These setbacks underscore that addressing systemic corruption requires more than a task force or a crusading judge or high-profile convictions. As groundbreaking as Operation Car Wash was, addressing systemic corruption will require a systemic, institutionalized approach, one that tackles not only the culture of impunity but also the excessive bureaucracy and lack of transparency and accountability that continues to allow corruption to flourish in Brazil.”

A **Lucas Fernandes, consultant at BMJ Consultores Associados:** “Since its creation in 2014, Operation Car Wash has become an extremely popular anti-corruption symbol. The operation's peak was the arrest of former President Lula da Silva and the naming of Judge Sérgio Moro to the post of minister of justice. However, the latest developments paint a scenario of the operation's weakening, stimulated by a supra-party movement of the political class, with the endorsement of the presidential palace and apparent convergence with the interests of Augusto Aras. Car Wash's recent loss of capacity to mobi-

lize public opinion as well as some defeats suffered at superior courts contribute to this situation. This has already been reflected in the restriction of some Car Wash victories, such as the restriction of the special jurisdiction to politicians, the fast-track of plea-bargain agreements and the automatic

“**The most plausible scenario is that Car Wash will continue to suffer from attacks by the political class...**”

— Lucas Fernandes

imprisonment after a second conviction. Nonetheless, it is important to consider at least two elements that still give strength to Lava Jato: the eventual extinction of the operation would not be well received by a large share of the population, including a significant portion of Bolsonaro's supporters. Also, members of the prosecutor's office have functional autonomy and would be able to continue investigating corruption cases even without Aras' support. Having said that, the most plausible scenario is that Car Wash will continue to suffer from attacks by the political class and receive little support from Aras—a situation that can be aggravated by the replacement of Supreme Court Justice Celso Mello in the coming months with a person more in line with the president's interests.”

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