FEATURED Q&A

Would Talks Help Solve Venezuela’s Political Crisis?

The European Union has called for talks between in Venezuela between President Nicolás Maduro’s government and the opposition. // File Photo: @NicolasMaduro via Twitter.

Q The European Union on Jan. 25 called for political talks in order for Venezuela to hold “credible, inclusive and transparent local, legislative and presidential elections.” The statement came less than two months after Venezuela’s Dec. 6 legislative elections, which have been widely denounced as fraudulent and which the main Venezuelan opposition parties boycotted. What is the likelihood of such dialogue happening this year in Venezuela? Would talks between President Nicolás Maduro’s government and the opposition lead to a productive outcome? What actions should international actors, such as the European Union and the Biden administration in the United States, as well as Maduro allies such as Russia and Iran, be taking now to help stabilize Venezuela?

A Vanessa Neumann, former Juan Guaidó-appointed Venezuelan ambassador to the United Kingdom: “No one who thinks clearly believes there will be free and fair presidential elections in Venezuela in 2021. While it’s long overdue, we have neither the drivers nor the conditions. The electoral farce of Dec. 6 has strengthened Maduro’s co-option of everything, including foreign NGOs and civil society, paradoxically bringing greater stability: a stabler downward spiral into further horror, without credible challengers to disrupt that terrible momentum. The dictatorship is winning. Currently, its only motivation to sit down would be to get its sanctions lifted and live the international high life again. That won’t help the Venezuelan people. To drive a real dialogue, we need a paradigm shift. As in any negotiation, you have to develop some trust across sides but most importantly with

Continued on page 3

POLITICAL

Twelve Mexican Police Officers Accused in Massacre of 19

Twelve Mexican police officers have been arrested in connection with the killings of 19 people whose charred bodies were found Jan. 22 in the state of Tamaulipas, just across the border from the United States.
Twelve Mexican Police Officers Accused in Massacre

Twelve Mexican police officers have been arrested in connection with the massacre of 19 people, including Guatemalan migrants, whose bodies were found last month near the U.S. border, officials said Tuesday, the Associated Press reported. Irving Barrios Mojica, the attorney general of Tamaulipas state, where the bodies were discovered, said the police officers were in custody and faced charges of homicide, abuse of authority and making false statements. The attorney general did not identify a motive for the killings, though corrupt local and state police in Mexico have frequently taken money for helping drug cartels, the wire service reported. Mexican drug cartels charge smugglers for transporting migrants through their territory, and migrants are sometimes kidnapped or killed when the smugglers don’t pay up. The bodies of the 19 people were found Jan. 22, piled up in a charred pickup truck in the city of Camargo, on the other side of the Rio Grande from Texas. The bodies were burned so badly that authorities have had difficulty identifying them. The area has long been besieged by turf battles between rival drug cartels. In Guatemala, family members of some of the victims received a call from a smuggler who said the migrants had been fatally shot, The Washington Post reported. At least 13 of the victims appeared to have been Guatemalans heading to the United States, the newspaper reported. So far, authorities have been able to identify only two of the Guatemalan victims. “The government of the Republic of Guatemala expresses its absolute rejection of the atrocities committed in the Tamaulipas massacre and expresses its deepest condolences to the families of the victims,” Guatemala’s government said in a statement Tuesday night. The migrants were mainly men and women in their 20s from the Guatemalan town of Comitancillo and were attempting to escape poverty, The Washington Post reported.

Mexico Receives $40.6 Billion in Remittances for 2020

Mexico received $40.6 billion in remittances last year, a record level and up 11 percent as compared to 2019, the Bank of Mexico announced Tuesday, Dow Jones reported. The increase defied expectations early last year that the money transfers would slide in 2020 due to the Covid-19 pandemic. Remittances remained strong in December, rising 17 percent as compared to the same month a year earlier, the central bank said. “The sharp contraction of activity and employment in the U.S. have not impacted in a visible way the flow of remittances to Mexico. Generous wage/income support fiscal transfers in the U.S., a very competitive MXN/USD level and a deep contraction of activity and employment in Mexico may have acted as both push and pull drivers of dollar remittances from the U.S. to Mexico,” Alberto Ramos, managing director and head of Latin America economic research at Goldman Sachs, said in a note. “Solid workers’ remittance flows have been adding support to the current account and to private consumption, particularly for low-income families, who have a high propensity to consume and are the overwhelming recipients of such transfers.” The record level of remittances and a trade balance surplus “have more than offset the loss of income from international travel/tourism,” Ramos added. Mexico’s current account surplus for 2020 is likely to be more than 2.5 percent of gross domestic product, he said. “Extraordinary fiscal support in the United States to individuals because of the pandemic” has helped to boost personal incomes and remittances to Mexico, Ernesto Revilla, managing director and head of Latin America economics at Citigroup, told the Financial Services Advisor in a Q&A published Dec. 16. Additionally, a fall in spending relative to wages has led to higher levels of saving in the United States, and a lack of ability to travel due to the pandemic likely led immigrants to send more money to Mexico electronically.

Biden Signs Orders to Review Trump’s Immigration Policies

U.S. President Joe Biden signed executive actions on Tuesday that order the review and potential reversal of the previous administration’s immigration policies, which restricted legal immigration along the Mexico border and which Biden called “very counterproductive to our security,” The Washington Post reported. The orders also create an interagency task force with the aim of reuniting migrant families separated by former President Donald Trump’s “zero tolerance” policy.

OAS’ Almagro Condemns Killings of FMLN Supporters in El Salvador

Organization of American States Secretary General Luis Almagro on Monday condemned the fatal shooting of two supporters of El Salvador’s FMLN opposition party weeks ahead of the Central American nation’s legislative and local elections. “We condemn the attack on party supporters of FMLN,” Almagro wrote on Twitter. “We support quick action from the police. We request El Salvador investigates and prosecutes those responsible,” he added. Five others were seriously injured in the politically motivated attack, Deutsche Welle reported.

Chile Reports Declines in Copper Production

Chilean state-owned mining company Codelco’s production fell 16 percent in December as compared to the same month a year earlier, according to government figures released Tuesday, Reuters reported. National copper commission Cochilco said Codelco’s output declined in December to 157,800 metric tons. The company’s total production for 2020 rose by 1.2 percent as compared to 2019, according to the government figures.
**BUSINESS NEWS**

**New Itaú CEO Sets Sights on Units in Chile, Argentina**

The new chief executive officer of Brazilian lender Itaú Unibanco, Milton Maluhy, said on Tuesday that he will focus on facing the challenges posed by financial start-ups, exploring options to boost the bank’s results in Chile and Argentina and handling the uncertainties wrought by the Covid-19 pandemic, Reuters reported. In his first public appearance as CEO of Itaú, Brazil’s largest lender, Maluhy said the bank’s results in Chile and Argentina are not creating value for shareholders. In its Chilean unit, Itaú CorpBanca, the lender has posted provisions for bad loans since it acquired a controlling stake in 2016. For example, in June, CorpBanca registered a noncash loss of $929.7 million due to the impairment of assets, Reuters reported. Maluhy also said that although Itaú was mostly interested in acquisitions, it is open to sale opportunities in Latin America, noting that the bank is satisfied with its performance in Paraguay and Uruguay, according to the report. Maluhy took over as Itaú’s CEO on Tuesday following the retirement of Candido Bracher, who had been in that position for about three years. Bracher is set to return to the bank’s board of directors next year. Maluhy started his career at Itaú in 2002, Reuters reported.

**FEATUERED Q&A / Continued from page 1**

Abraham F. Lowenthal, founding director of the Inter-American Dialogue and of the Latin American Program at the Wilson Center: “Harsh sanctions to induce Nicolás Maduro to step down have failed. Thinking that the United States would use force to dislodge Maduro was a fantasy. But successful national negotiations and international diplomacy to achieve a peaceful democratic transition in Venezuela are hard to imagine in 2021. Such negotiations can only succeed when a dominant sector of the government and a largely unified opposition both recognize that neither can achieve their core objectives without genuine give and take and painful compromises. Neither side has been ready for negotiation so far except as a means of gaining tactical leverage. It is time for a new approach based on realistic expectations. The Guaidó ‘government’ controls no Venezuelan territory, no longer represents the National Assembly, has been somewhat discredited by its excessive dependence on the Trump administration and has lost considerable public support and some of its international backing. It should concentrate now on building back support by helping to improve humanitarian, human rights, public health and economic conditions while projecting a unifying, long-term vision that mobilizes support in the streets and eventually at the ballot box. Experience in many countries of peaceful transitions from authoritarian rule toward democracy show that this goal is out of reach until conditions change within both the authoritarian regime and the opposition. Meanwhile, Venezuelan democrats and their international supporters should take practical steps to improve conditions for Venezuelans. They should be ready to work with the Maduro regime on humanitarian relief, responding to Covid-19 and economic reconstruction, while maintaining their call for human rights, credible elections and democratic freedoms. The Biden administration should explore whether Cuba, China, Russia and the United States can agree on measures, each in its own interest, to help stabilize Venezuela and assist its recovery.”

David Smilde, visiting fellow at the Kellogg Institute for International Studies at the University of Notre Dame and senior fellow at the Washington Office on Latin America: “With the opposition marginalized within Venezuela and its position weakening internationally, the Maduro government is consolidating its control over Venezuelan society. This does not sound like a promising context for negotiation, and indeed face-to-face negotiations between the opposition and the regime seem unlikely. However, there is an opportunity for the United States to engage the Maduro government directly...”
and negotiate sanctions for democratic openings. Sanctions relief could be offered in exchange for a credible electoral council, opposition parties’ leadership restored, electoral disqualifications lifted and real international observation (not accompaniment). Such an agreement on regional elections could build momentum for further openings and electoral solutions to the crisis. The Biden administration obviously has its plate full, and Venezuela is not among its top priorities. However, it and the European Union should engage immediately regarding the possibilities for a new, balanced and credible electoral council, as the selection process has already started. They should also engage a broader swath of democratic opposition, including civil society networks that are expanding to include entrepreneurial associations, organized labor and organized religion. The United States and the European Union should also renew efforts to engage Russia, China and Cuba, each of which have strategic interests but are not committed to perpetuating the status quo. Setting aside the pressure-collapse theory of change to work for broad, inclusive agreements that recognize the interests of all stakeholders could change the game and eventually lead to a breakthrough.

Marc Becker, professor of history at Truman State University:
“One thing that we learned from Trump’s baseless claims in the November 2020 election is that it is one thing to claim that an election is fraudulent and something entirely different for significant fraud that would have altered the outcome of a vote to have actually happened. An opposition boycott intentionally designed to delegitimize an election should be seen exactly for what it is. Barriers to participation did exist in Venezuela, as they exist in all elections: the Democratic Party, for example, successfully prevented the Green Party from gaining a ballot line in Wisconsin in the U.S. presidential election. What needs to be considered is whether abuses in Venezuela are significantly different from those that happen elsewhere.”

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