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## FEATURED Q&A

# What Will Curtailed Power Mean for Venezuela's Guaidó?



Venezuela's Juan Guaidó was tapped for another year as the country's internationally recognized interim president, but with diminished power. // File Photo: Facebook Page of Juan Guaidó.

**Q** Venezuela's opposition-run National Assembly on Jan. 3 extended for one year Juan Guaidó's mandate as the country's internationally recognized interim president. However, the opposition legislators also curtailed Guaidó's power—more tightly restricting whom he can appoint to the ad hoc boards of state-owned oil company PDVSA and U.S.-based refiner Citgo, and requiring him to report monthly on the actions of his government. What is Guaidó achieving in his current position? What will be the practical effects of the restrictions on him? How will Guaidó's reappointment and the new restrictions affect Venezuelan assets held outside of the country, including \$1.9 billion worth of Venezuelan gold that is stored at the Bank of England?

**A** Vanessa Neumann, CEO of Asymmetrica and former Juan Guaidó-appointed Venezuelan ambassador to the United Kingdom: "The renewal of Guaidó's mandate into 2022 was both foreseeable and foreseeably contentious. There were enormous worries both within the U.S. government and the British government that the 'G4' political parties would rotate Guaidó out for someone else. The effort to do so was in fact led by Guaidó's own foreign minister (my former boss), Julio Borges, who has long undercut the efforts of Guaidó, his boss, because they come from rival parties. His effort ultimately was as irrelevant as a fallen tree in the forest that no one hears. That plot, however, is symptomatic of so much of what has been wrong with Guaidó's mandate since 2019: he is too beholden to the coalition of parties that divides a fake power pie among themselves before they are in

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Russia's deputy foreign minister, Sergei Rybakov, refused to rule out a military deployment to Venezuela and Russia amid tensions with the West over Ukraine.

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Rybakov // File Photo: International Atomic Energy Agency.

## POLITICAL NEWS

## Russia Refuses to Rule Out Deployment to Venezuela, Cuba

Russia's deputy foreign minister on Thursday refused to rule out a military deployment to Venezuela and Cuba if tensions with the United States continue to rise, the Associated Press reported. The official, Sergei Rybakov, said he could "neither confirm nor deny" the possibility of Russia deploying military assets to Latin America if the United States and its allies do not pull back from activities in Eastern Europe. "It all depends on the action by our U.S. counterparts," Rybakov told Russia's RTVI television network. In the remarks, Rybakov referred to a warning by Russian President Vladimir Putin that Moscow could pursue "military-technical measures" if Washington and allied powers do not accede to its demands. Rybakov headed a Russian delegation in talks with the United States on Monday in Geneva, which occurred amid Russia's large buildup of troops near Ukraine that Western countries fear could lead to an invasion, the AP reported. Russia, which annexed Ukraine's Crimea Peninsula seven years ago, denied any plans to attack Ukraine. It has also demanded that the North Atlantic Treaty Organization, or NATO, halt eastward expansion, which Russia sees as a threat. On Thursday, U.S. National Security Advisor Jake Sullivan dismissed the Rybakov's statements that refused to rule out a Russian military deployment in Latin America, calling it "bluster in the public commentary," the AP reported. "If Russia were to move in that direction, we would deal with it decisively," Sullivan added, The Wall Street Journal reported.

### SUBSCRIBER NOTICE

The Latin America Advisor will not be published on Monday, Jan. 17 in observance of the Birthday of Martin Luther King, Jr. holiday in the United States. We will resume publishing on Tuesday, Jan. 18.

## ECONOMIC NEWS

## Heat Wave Leads to Slashed Corn Output Forecast in Argentina

Amid a heat wave and extended drought, Argentina's Rosario grain exchange on Wednesday cut its corn production forecast for the 2021-2022 period, from 56 million metric tons down to 48 million metric tons, Reuters reported. The grain exchange had already cut soybean production from 45 million to 40 million metric tons. The South American country is the world's top exporter of processed soy and the second-largest producer of corn, and current climatic conditions are affecting its ability to produce both, Reuters reported. "The water stress in December has slowed down growth, causing flower abortion, leaf burning, seedling death in the most affected areas and some planting in fields starting to be abandoned," said the Rosario grain exchange's crop report, Reuters reported. 2018 saw the last drought of this magnitude in Argentina, and it cut at least one percent from the country's GDP, Bloomberg News reported. The prolonged drought and heat wave are linked to the La Niña weather phenomenon. The temperatures have been so high that the Argentine government had most federal employees work from home Thursday and requested that industries cut production through the end of the week to protect the electrical power grid, the Associated Press reported.

## Venezuela Increases Gasoline, Food Shipments to Cuba

Since November, Venezuela has increased gasoline and food shipments to Cuba, Reuters reported Thursday, citing documents from state oil company PDVSA and tanker tracking data from Refinitiv Eikon. Between late November and early January, the state oil company has sent at least three shipments of approximately

## NEWS BRIEFS

## At Least 78 Human Rights Activists Killed Last Year in Colombia: U.N.

At least 78 human rights defenders in Colombia were killed in 2021, the U.N. Office of the High Commissioner for Human Rights said Thursday, Reuters reported. The office received 202 reports of the killings of rights leaders in the country, 39 of which are still in the verification process. The other 85 cases were inconclusive. President Iván Duque's administration accuses left-wing guerrillas, dissident members of the FARC and criminal groups of attacking activists while seeking to control illegal mining areas and drug trafficking networks.

## Brazil Cruise Companies Extend Suspension for Two Weeks Amid Covid

The association that represents two Brazilian cruise companies on Thursday extended for two weeks a suspension of sailings, until Feb. 4, amid a surge in Covid-19 cases, the Associated Press reported. The announcement followed a recommendation from Brazil's health regulator that the entire summer season be canceled.

## Canada's Brookfield Asset Management Puts Brazil Power Lines up for Sale

Canada-based Brookfield Asset Management has put approximately 2,400 kilometers of electric transmission lines in Brazil up for sale, Reuters reported Thursday, citing five people familiar with the decision. The electric transmission lines are held by Brookfield's portfolio company Quantum, which has more than 5,000 kilometers of lines and require 10 billion reais (\$1.81 billion) in capital expenditures. Brookfield has put up only operational power lines for sale, which are mainly in the northeastern part of the country, Reuters reported.

197,000 barrels of gasoline, in addition to other refined commodities to the Cuban ports of Havana, Nuevitás and Matanzas, according to the tracking data and documents, the wire service reported. Reuters requested comments from PDVSA, the Venezuelan oil ministry and Cuba's foreign ministry, but none responded. Poor conditions at PDVSA refineries had led Venezuela to decrease gasoline exports to Cuba since early 2020.

## BUSINESS NEWS

### López Obrador Urges Mexican Investors to Buy Citigroup Unit

Mexican President Andrés Manuel López Obrador on Thursday urged domestic investors to buy the Citigroup subsidiary Citibanamex, the Associated Press reported. López Obrador's remarks in a video address followed Citi's announcement on Tuesday that it would be selling its consumer banking operations in Mexico and shifting its focus there to the corporate market. In his remarks Thursday, which he made from his office while recovering from a Covid-19 infection, López Obrador said that Mexican investors can "turn it into something very good, if ... it's possible to Mexicanize this bank," Reuters reported. Potential Mexican buyers of the Citibanamex subsidiary include billionaires Ricardo Salinas Pliego, who controls Banco Azteca, Carlos Slim of Grupo Financiero Inbursa and Carlos Hank González of Grupo Financiero Banorte, Bloomberg News reported. López Obrador said that while Mexico is not explicitly biased against foreigners or foreign investors in the matter, he would "like this bank to become 'Mexicanized,' because it usually happens that when the investors are foreigners, the earnings are not reinserted into our country," Bloomberg News reported. Citibanamex has the second-largest retail deposits in Mexico, and it could cost between \$4 billion and \$8 billion, Reuters reported. U.S.-based Citi is the third-largest private bank in Mexico, following Spain's BBVA and Santander.

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the real power of territorial and institutional control; it is not tied to real power, but rather to access to funding resources, from Citgo and bonds to international pro-democracy aid. That Venezuelan opposition political infighting has hampered the effectiveness

“While it is both necessary and right for Guaidó's mandate to be renewed, everyone else should be eliminated...”

— Vanessa Neumann

of those of us who signed up to 'kick in the door before dawn.' I personally fought very hard for Guaidó's continued recognition by the United Kingdom well past my resignation, and am deeply gratified by the U.K. Supreme Court's historic decision on Dec. 20—a great Christmas present to Venezuelan democracy. However, the cut in funding from the European Union and the United States should focus opposition minds. While it is both necessary and right for Guaidó's mandate to be renewed, everyone else should be eliminated, and a new bench of the serious and clean and representative (including women and minorities) should be seated and seriously considered for backing by Venezuelans and the international community.”

**A** **Patrick Duddy, director of Duke University's Center for Latin American and Caribbean studies and former U.S. ambassador to Venezuela:** “The decision by Venezuela's opposition-run National Assembly (NA) to extend Juan Guaidó's mandate as interim president accomplished three things. First, it reaffirmed the opposition's determination to challenge the regime with a united front as it presses for free and fair elections. Second, by endorsing Guaidó, the NA effectively marginalized prominent opposi-

tion dissidents Julio Borges and Henrique Capriles Radonski, both of whom had called on the opposition to abandon its insistence that the Guaidó-led interim government (IG) should be the sole opposition vehicle for confronting the Maduro regime. The endorsement of Guaidó and the IG also implicitly sent a message to those in the European Union who have quietly been looking for an alternative approach to that of the IG. Finally, the extension of Guaidó and the IG's mandate assures the opposition of both a structure and leadership for engaging with the regime over the next year. The NA did impose some budgetary and bureaucratic restraints on Guaidó's executive authorities governing spending and appointments, but these restraints are unlikely to interfere with the IG's ability to interact with foreign governments and negotiate with the Maduro team if and when the regime returns to the negotiations in Mexico. This last point is important. The regime's stunning losses last Sunday of the governorship in Barinas, Hugo Chávez's home state, and in the many municipalities the opposition won in last November's regional elections validate the opposition's decision to participate in the political process despite the many egregious obstacles and limitations that the regime imposed upon them. This demonstration of strength by the opposition and the evidence of erosion in regime support in the heartland of Chavismo should somewhat reanimate the opposition's domestic support and encourage the IG's international partners to stay the course.”

**A** **Steve Ellner, associate managing editor of Latin American Perspectives and retired professor at Venezuela's Universidad de Oriente:** “The decision of the opposition-led National Assembly to extend Juan Guaidó's mandate and to create mechanisms to halt the corruption and mismanagement associated with his parallel government is predicated on a false assumption. The dep-

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uties of the opposition National Assembly assume that Guaidó is widely viewed as the nation's legitimate president and that regime change is just around the corner. Nothing could be further from the truth. Developments since Guaidó proclaimed himself president three years ago—including regime change plots ending in fiascos and denunciations of corruption—have resulted in a steady erosion of support among his allied parties, within the opposition as a whole, in the region and worldwide. Thus, the U.N. General Assembly's vote in December on the recognition of the Maduro government finished with 177 in favor and only 16 against, meaning that the vast majority of the 58 nations that had recognized Guaidó as the legitimate president no longer do so. At the same time, Julio Borges, who was one of Guaidó's staunchest supporters, resigned as his foreign minister and declared that the interim government was nothing but a top-heavy bureaucracy. Borges thinks Guaidó's interim government should 'disappear' with the exception of the management of foreign assets, which should be administered more efficiently. Nevertheless, without a legitimate 'interim' president, the opposition has no justification for controlling Venezuela's foreign holdings. Moreover, with the implosion of Guaidó's popularity and his loss of recognition as the nation's legitimate president, the mismanagement of the multi-billion dollar assets that were turned over to him may be a foregone conclusion."

**A** **Gabriel Hetland, assistant professor of Latin American, Caribbean and U.S. Latino Studies at the State University of New York at Albany:** "The sooner Juan Guaidó goes, the better. This is not only my view, but also that of Venezuela's main opposition leaders, and—if polls are to be believed—the vast majority of the Venezuelan

people. Just weeks ago, three of Venezuela's four main opposition parties were calling for Guaidó to step aside. And in several polls last year, Guaidó's support among Venezuelans was significantly below that of Nicolás Maduro. In a poll last August, just 3 percent of respondents expressed 'very favorable' feelings toward Guaidó, while 12 percent felt

“**The sooner Juan Guaidó goes, the better.”**

— Gabriel Hetland

this way about Maduro. This scorn is well deserved. In his three years as the country's self-proclaimed interim president, Guaidó has succeeded in little besides maintaining the support of the United States and other foreign governments. Guaidó's promises to 'end the dictatorship' have repeatedly fallen flat. He has instead served, at various points, as a rallying pole for far-right calls for U.S. invasion and the continuation of utterly debilitating U.S. sanctions. He has also succeeded in commanding tremendous assets abroad, but there is scant evidence that this has benefited the Venezuelan people in the slightest. Why, then, is Guaidó still on the scene? Because the United States has decreed it. This is the reason Primero Justicia and other opposition parties begrudgingly renewed Guaidó's claim to serve as interim president. If past is prologue, Guaidó's presence will simply prolong Venezuelans' suffering by maintaining opposition disunity, providing Maduro a credible rallying cry and inhibiting progress toward resolving Venezuela's manifold problems."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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