LATIN AMERICA ADVISOR

www.thedialogue.org

BOARD OF ADVISORS

Diego Arria Director, Columbus Group

Merike Blofield Director, Institute for Latin American Studies, GIGA

Devry Boughner Vorwerk CEO, DevryBV Sustainable Strategies

Joyce Chang Global Head of Research, JPMorgan Chase & Co.

Paula Cifuentes Director of Economic & Fiscal Affairs, Latin America & Canada, Philip Morris International

Marlene Fernández Corporate Vice President for Government Relations, Arcos Dorados (McDonald's)

Peter Hakim President Emeritus, Inter-American Dialogue

Donna Hrinak Senior VP, Corporate Affairs, Royal Caribbean Group

Jon E. Huenemann Council Member, GLG Inc.

James R. Jones Chairman, Monarch Global Strategies

Craig A. Kelly Senior Director, Int'l Gov't Relations, Exxon Mobil

Barbara Kotschwar Executive Director, Visa Economic Empowerment Institute

John Maisto Director, U.S. Education Finance Group

Nicolás Mariscal Chairman, Grupo Marhnos

Thomas F. McLarty III Chairman, McLarty Associates

Beatrice Rangel Director, AMLA Consulting LLC

Ernesto Revilla Head of Latin American Economics. Citi

Gustavo Roosen President, IESA

Andrés Rozental President, Rozental & Asociados

Shelly Shetty Managing Director, Sovereigns Fitch Ratings



FEATURED Q&A

Will Brazil's Plan for Peace Talks on Ukraine Take Root?



Celso Amorim, the Brazilian government's top foreign policy advisor, met last week in Moscow with Russian President Vladimir Putin. // File Photo: Brazilian Government.

Brazilian President Luiz Inácio Lula da Silva proposed the creation of a group of countries, potentially including China, India and Indonesia, in order to mediate peace talks between Russia and Ukraine. China, Turkey and several other countries have also sought to make diplomatic pushes to end the war in Ukraine. What role are Brazil and other Latin American countries playing in the war? How are Lula's proposals different from those of other countries? What are the reasons behind Lula's efforts to position Brazil as a mediator of the conflict?

Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: "Lula is on a sensible track. Negotiations offer the best solution to the Ukraine-Russia war. The alternatives project a bleaker, more destructive outcome. Russia might win, ending Ukraine's independence and humbling the United States and NATO. Like other recent conflicts, the war could persist for years. A prolonged stalemate or near defeat could provoke a nuclear response from a Russia in desperation. Could NATO guickly incorporate and extend protection to Ukraine? That's not a solution that anyone should count on. Lula is today one of the few international leaders who might have the political muscle and credibility to manage a serious negotiation of the Ukraine-Russia war. Its success, or even real progress, although far from guaranteed, would enhance Brazil's global stature and influence-which has declined sharply since he left office in 2010 and makes Lula's peacemaking more difficult today. The conflict's end would also hasten the recovery of Brazil's weakened econ-Continued on page 3

TODAY'S NEWS

Friday, April 7, 2023

POLITICAL

IACHR Urges El Salvador to End State of Emergency

The Inter-American Commission on Human Rights on Thursday called on El Salvador to end its year-long state of emergency, which has suspended some constitutional rights in order to crack down on gangs.

Page 2

Brazil Offers to Host Regional Climate Summit

Brazil on Thursday offered to host a regional climate change summit aimed at promoting sustainable development and protecting the Amazon rain forest.

Page 3

POLITICAL

FCONOMIC

Chile's Boric Signs Measures to Fight Rising Crime

Chilean President Gabriel Boric on Thursday signed a package of laws designed to fight rising crime. He also allocated \$1.5 billion in new security spending.





Boric // File Photo: Chilean Government.

POLITICAL NEWS

IACHR Urges El Salvador to End State of Emergency

The Inter-American Commission on Human Rights (IACHR) on Thursday called on the government of El Salvador to end a year-long state of exception that has suspended constitutional rights as part of a massive anti-gang campaign, Reuters reported. The IACHR urged President Nayib Bukele and congressional allies to restore full constitutional guarantees and ensure respect for human rights. "IACHR calls on the government of El Salvador to restore the full validity of the rights and guarantees suspended during the last 12 months within the framework of the emergency regime," the Washington-based organization said in a statement. In March, El Salvador's Legislative Assembly for the 12th time approved a onemonth extension of the emergency rules, which were first adopted in March 2022, the Associated Press reported. The emergency measures allow the police to quickly arrest and jail individuals suspected of being gang members, suspend the requirement for court approval of preliminary detention and the individuals' right to a lawyer, and allow for extended pre-trial detention, Reuters reported. More than 66,000 suspected gang members have been jailed since the measure went into force last year. The measure is widely popular in El Salvador, where it is credited with contributing to a drop in crime, the AP reported. Human rights groups have criticized the measure and documented thousands of cases of abuses, many related to arbitrary detention. [Editor's note: See related **O&A** in the March 28 issue of the Advisor.]

Chile's Boric Signs Laws Designed to Fight Rising Crime

Chilean President Gabriel Boric on Thursday signed a package of laws and earmarked \$1.5

billion in order to fight rising crime in the South American country, Reuters reported. "We face organized crime together. Our unity is the most powerful weapon against crime," Boric said in signing the four measures into law. The new measures and \$1.5 billion in additional security spending will help to fight organized crime and drug trafficking, said Boric. The measures include criminalizing extortion and tougher penalties for kidnapping and some weapons violations, Reuters reported. One of the new laws also increases penalties for crimes committed against police while also giving officers more authorization to use force if their lives or the lives of others are in danger. Boric's approval of the legislation followed the third killing of an on-duty police officer in less than a month. Chile's Congress met in a special session last week to pass the measures amid a backlash over rising crime, Bloomberg News reported.

World Court Says it Can Rule on Guyana-Venezuela Border

The International Court of Justice (ICJ) on Thursday ruled that it can hear a case related to a long-standing dispute between Guyana and Venezuela over their shared border, a case with implications for control over natural resource-rich areas, the Associated Press reported. In a 14-1 decision, the United Nations' highest court, also known as the World Court, rejected Venezuela's claim that the court does not have jurisdiction in the case, Reuters reported. Venezuela had argued that the United Kingdom should be involved in the case, as it controlled the then-colonial territory of British Guiana in 1899 when an international arbitration tribunal delineated a border between the two countries, the AP reported. Guyana is seeking a ruling upholding that border and has argued that the United Kingdom should not be involved as the country gained independence in 1966. Thursday's decision paves the way for the case to move forward, a process that is expected to take at least several years. Guyanese President Irfaan Ali said in a statement Thursday that "Guyana remains confident that

NEWS BRIEFS

Brazil's Lula Suggests Gov't Might Change Inflation Target

Brazilian President Luiz Inácio Lula da Silva on Thursday suggested the government might adjust its inflation target, Reuters reported. "If the inflation target is wrong, change the target," the president told journalists. Lula has criticized the hawkish stance of Brazil's central bank amid its raising of the benchmark interest rate, which stands at a six-year high of 13.75 percent. Lula has suggested the key rate should be lowered to promote economic growth, although year-on-year inflation exceeds the government's inflation target of 3.25 percent by more than two percentage points.

Colombia Reaches Deal With Informal Miners for Talks on Labor Conditions

Colombia's government on Thursday said it has reached an agreement with informal miners to initiate talks on labor conditions and formalizing their operations, Reuters reported. The agreement brings an end to a month of protests that have occasionally led to violence and roadblocks in two northern provinces. The government has claimed that the organized crime group Clan del Golfo has incited violence and attacks on security forces, while the latter have destroyed machinery in an effort to halt the illegal operators.

Blinken, Chile's Van Klaveren Discuss Renewable Energy

U.S. Secretary of State Antony Blinken and Chilean Foreign Minister Alberto van Klaveren spoke about "U.S. and Chilean investments in renewable energy and green hydrogen" during a phone call Thursday, the State Department said in a statement. Chile wants to become among the world's top exporters of green hydrogen by 2040, Bloomberg News reported in February. its longstanding international boundary with Venezuela will be confirmed by the court," the news service reported. Venezuelan Vice President Delcy Rodríguez reiterated Caracas' stance that the dispute should be addressed by negotiations outside of court. The disputed area, Guayana Esequiba, accounts for about 40 percent of the country's current territory and is also rich in gold, timber and diamonds, among other natural resources.

ECONOMIC NEWS

Brazil Offers to Host Regional Climate-Change Summit

Brazil's government on Thursday offered to host a regional climate change summit aimed at aligning plans to promote sustainable development and protect the Amazon rain forest, Reuters reported. Brazilian Foreign Minister Mauro Vieira said the country is aiming to host a meeting on Aug. 8-9 in the northeastern city of Belém to revitalize the Amazon Cooperation Treaty Organization (ACTO), an intergovernmental organization formed by the eight Amazonian countries, and coordinate with representatives of France and the United States. Vieira said that the summit will serve as a space for the countries to discuss efforts to fight deforestation, attract investment, protect Indigenous peoples and promote sustainable development, with the aim of developing of a shared vision that President Luiz Inácio Lula da Silva could then present before the United Nations General Assembly in September. Lula has made sustainable development and protecting the Amazon a cornerstone of his agenda for his third term. Earlier this year, Brazil formally presented a bid for Belém, the second-largest Brazilian city in the Amazon region, to host the COP30 summit in 2025, and Lula has also pledged to halt deforestation by 2030, Agência Brasil reported. Nevertheless, experts have said it will take years to reduce deforestation and reverse the sharp uptick seen under Lula's predecessor, Jair Bolsonaro, Reuters reported.

FEATURED Q&A / Continued from page 1

omy and, at the same time, boost economic prospects worldwide. But pursuing peace is not without risk for Brazil. Lula's initial claim (now substantially softened) that Russia and NATO are equally responsible for the war, and his unwillingness to call out Putin for casting the first stone, puts Brazil's largely positive relations with the United States and Europe in some peril. Similarly, any Brazilian statement of Russian sole culpability could endanger economic relations with Russia and perhaps China, both vital trading partners for Brazil. Lula's intentions in seeking a negotiated peace are laudable. However, he may have jumped too quickly into a complex, dangerous situation. He needs to backtrack and gain a far better reading of how the key players-including the United States, China, Ukraine, Russia and European nations-are thinking about the war and possible peace initiatives and compromises. The recent Moscow visit of his key foreign policy advisor, Celso Amorim, may be an important step in that direction, but it must be followed by many others."

Patrick Duddy, senior advisor for global affairs at Duke University, former U.S. ambassador to Venezuela and former U.S. consul general in São Paulo: "President Luiz Inácio Lula da Silva's proposal to establish a peace club to broker an end to hostilities between Russia and Ukraine arises from both his international ambitions and Brazil's interests. His efforts to end the fighting are unlikely to succeed in the near term. Lula seeks to re-establish Brazil's leadership role in the Global South, and ending the war is important to the Global South. The war in Ukraine has precipitated rising prices for foodstuffs and energy as well as spot shortages of fertilizer, which affect the ability of other producers, including even Brazil, to compensate for falling agricultural exports from the combatants. Lula's peace overture is less explicitly prescriptive than the plan China offered in February, but Ukraine and

Russia are no more likely to embrace it. There are several reasons. While Brazil voted for the most recent U.N. resolution 'deploring' Russia's invasion, Lula has argued in the past that Zelensky and Ukraine also bear responsibility for the conflict. Even more problematically, Brazil's suggested peace club collaborators are BRICS countries (plus Indonesia) and thus, essentially, partners with Russia although not active supporters of Russia's military operations. The U.N. resolution, which Brazil supported, expressly called for Russia to withdraw from Ukrainian territory. China's peace plan did not. Russian withdrawal from Ukrainian territory is likely to be a non-negotiable condition for Zelensky-at least as long as Ukraine believes it is winning on the battlefield. For Putin, however, withdrawal to pre-2022 borders would be synonymous with defeat."

Amanda Mattingly, managing director at ACM Global Intelligence: "Just as Brazilian President Lula da Silva has sought a global leadership role on climate issues, he is also trying to influence geopolitics through his proposal for peace talks to end the war in Ukraine. Even in his first term as president, Lula wanted a larger role for himself and Brazil on the world stage. Now that he is back in office after a period of isolation for Brazil under his predecessor Jair Bolsonaro, Lula is promoting the idea of a 'peace club' to resolve the conflict in Ukraine. In contrast to the United States, which has armed Ukraine, Lula is actively pushing for a mediated peace settlement. To that end, Lula recently sent his top foreign policy advisor, Celso Amorim, to Moscow to meet with Russian President Vladimir Putin. and he is scheduled to meet with Chinese President Xi Jinping in Beijing on April 14. Like other Latin American countries, Brazil has tried to maintain neutrality in the conflict given the important trade relationship it has with both Russia and China as well as its ties to the West, namely the United States.

Continued on page 4

FEATURED Q&A / Continued from page 3

But Lula's recent efforts to meet with world leaders, including U.S. President Biden, and his proposals for peace in Ukraine have thrust him into the global spotlight in a way that is different from other Latin American leaders and comes with risk as it is unlikely that his 'peace club' proposal will gain much traction. Instead of demonstrating that 'Brazil is back,' Lula runs the risk of looking naïve and lacking influence in the face of geopolitical realities."

Riordan Roett, professor and director emeritus of the Latin American Studies program at the Johns Hopkins University's School of Advanced International Studies: "President Lula is attempting to restore the nonaligned position that Brazil occupied during his previous two terms in office. The visit of former Foreign Minister Celso Amorim to Moscow and comments by Foreign Minister Mauro Vieira indicate a return to multilateral diplomacy after the deeply ideological foreign policy of Jair Bolsonaro during his one term in office. Russia is an important trading partner-generous supplies of fertilizer are critical to the success of Brazil's agribusiness sector. China is now Brazil's largest trading partner with an insatiable appetite for commodities such as soybeans and iron ore. But a nonaligned position was feasible in the eight years Lula occupied the presidency; the world has now become dramatically polarized after the Russian invasion of Ukraine. The Biden administration has noted the efforts by Brazil to play a 'mediating role' in the conflict, but the war in Ukraine has become deeply bipolar between the United States and NATO and the Kremlin. But the White House has made it clear that Brazil needs allies to support its war against Russia. Soothing bromides will be met with indifference in the West and initiatives by the Global South will be acknowledged as useful but of no consequence in pursuing the defeat of Russia in Ukraine."

Gilberto M. A. Rodrigues, associate professor at the Federal University of ABC and researcher at the National Council for Scientific and Technological Development: "Since the beginning of his new government, President Lula has repositioned Brazilian foreign policy at a very high level as an influential player in international politics. The decision to remain nonaligned on the war in Ukraine serves a double interest: not breaking its strategic relations with the two power blocs in the dispute, while trying to reinforce the country's position as one that can act as a trustworthy facilitator for a peace process. Supported by its condition as a rotating member of the U.N. Security Council, Brazil is today the representative of the Latin American region in the best condition to play this role. The group of 'friends of peace' proposed by President Lula may contribute to increase the legitimacy of the initiative and its regional diversity and dilute the pressures that the two blocs exert on the others to be more aligned to their positions. Any effective and sustainable peace process requires the involvement of China, as Russia's main interlocutor and central guarantee of what could be a peaceful end to the war and the conformation of a new post-conflict international order. In this sense the movements of the Brazilian diplomacy-the quiet visit of Lula advisor Celso Amorim to Russia, and the coming high-level visit of Lula to China at the conclusion of his 100 days in office-strengthen Brazil's place at the table of global interlocutors who will contribute to an outcome of the conflict."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta. LATIN AMERICA ADVISOR is published every business day by the Inter-American Dialogue ISSN 2163-7962

Gene Kuleta Editor

Lara Kovandova Reporter

Leticia Chacón Reporter

Megan Cook Reporter

OTHEDIALOGUE

Rebecca Bill Chavez, President Bruno Binetti, Nonresident Fellow Sergio Bitar, Nonresident Senior Fellow Álvaro Botero. Nonresident Senior Fellow Joan Caivano, Senior Advisor Kevin Casas-Zamora, Nonresident Senior Fellow Cristóbal Cobo, Nonresident Senior Fellow Ariel Fiszbein, Director, Education Program Sandra García Jaramillo, Nonresident Senior Fellow Rasheed Griffith, Nonresident Senior Fellow Courtney Guthreau, Director of Development Peter Hakim, President Emeritus & Senior Fellow Selina Ho, Nonresident Senior Fellow Edison Lanza, Nonresident Senior Fellow Nora Lustig, Nonresident Senior Fellow Michael Matera, Nonresident Senior Fellow Ángel Melguizo, Nonresident Senior Fellow Margaret Myers, Director, Asia Program Manuel Orozco, Director, Migration, Remittances and Development Program Jeffrey Puryear, Senior Fellow Michael Shifter, Senior Fellow Daniela Stevens, Director, Energy, Climate Change & **Extractive Industries Program** Lisa Viscidi, Nonresident Senior Fellow Carlos Winograd, Nonresident Senior Fellow

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

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.