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FEATURED Q&A

Is Lula Ignoring Rights Violations in Venezuela?



Brazilian President Luiz Inácio Lula da Silva met last month in Brasília with Venezuelan President Nicolás Maduro, leading to criticism from some of the region's presidents. // Photo: Brazilian Government.

Q Brazilian President Luiz Inácio Lula da Silva's embrace of his Venezuelan counterpart, Nicolás Maduro, led to a rift among South American leaders gathered for a regional summit on May 30 in Brasília. The previous day, Lula welcomed Maduro in his first visit to Brazil in eight years and said he had been the target of a "narrative of anti-democracy and authoritarianism." Leaders, including the presidents of Uruguay and Chile, said Lula was downplaying human rights violations in the Andean nation. What did South American leaders accomplish at the summit, and what are the most promising avenues for greater cooperation? To what extent did Lula's embrace of Maduro prevent progress on issues of shared interest? How will Lula's warmth toward Maduro affect Brazil's relations with other countries in the region and beyond?

A Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: "Lula's recent comments suggest that he is either badly informed about today's world or overreaching in his efforts to restore Brazil's stature in global affairs. How else to explain why Lula would declare that Russia and Ukraine were equally responsible for their ongoing war? Why else would Lula, after assuring President Biden a few months ago that he was committed to advancing human rights and democracy, seemingly turn a blind eye to massive human rights violations and election rigging in Venezuela? Still, Lula, despite his egregious misstatements, is right in emphasizing the need for negotiations to end the Ukraine-Russia war. He may also be right in calling for a major change in dealing with the Maduro

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TODAY'S NEWS

POLITICAL

Migrant Charged in Mexico Fire That Killed 40

A migrant from Venezuela was charged in connection with a deadly fire at a migrant detention facility in March in the Mexican border city of Ciudad Juárez.

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BUSINESS

Ecopetrol Refinery to Receive More Than \$1 Bn in Arbitration Case

Colombian state oil company Ecopetrol said its Reficar refinery will be awarded more than \$1 billion in an arbitration case following a ruling by the International Chamber of Commerce.

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ECONOMIC

Honduras' Castro Begins Visit to China

Honduran President Xiomara Castro today arrived in Shanghai in her first visit to China since her country established relations with the country and broke them with Taiwan.

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Castro // File Photo: Honduran Government.

POLITICAL NEWS

Venezuelan Migrant Charged in Mexico Fire That Killed 40

A Venezuelan migrant has been charged in connection with a fire that killed 40 people in March at a migration facility in the northern Mexican border city of Ciudad Juárez, the Associated Press reported Thursday. A federal judge charged the migrant, identified as "Carlos C," with homicide and causing injuries and damage in relation to the fire that also left dozens of people injured, the AP reported. Authorities have accused the man, along with another Venezuelan migrant who has also been detained, as the people who started the fire at the migrant detention facility. A small group of migrants who were being held in the detention center started the fire, apparently in protest of conditions at the facility. Detainees' mattresses quickly ignited, filling the area with smoke, and guards fled without unlocking the migrants' cell, the AP reported, citing footage from security cameras. According to an investigation after the blaze, officials and guards were unable to find the keys to free the detained migrants, the El Paso Times reported. Prosecutors have said a private security guard or an immigration official at the facility sold the men cigarettes and a lighter. In connection with the blaze, authorities previously launched criminal proceedings against Francisco Garduño, the head of Mexico's National Migration institute, along with another official, the AP reported. They are accused of failing to perform their duties and unlawful exercise of public service. Garduño has remained in his position as he awaits trial, the El Paso Times reported last month. Authorities previously arrested six additional immigration officers and a private security guard, who also face homicide charges, the AP reported. Also as a result of the fire, the National Migration Institute closed small- and medium-sized detention facilities that are similar in size to the one in Ciudad Juárez and launched a review of conditions in larger migrant detention facilities.

ECONOMIC NEWS

Honduras' Castro Begins Visit to China

Honduran President Xiomara Castro arrived today in Shanghai, her first visit to China since the Central American country established relations with China and broke them with Taiwan last March, the Associated Press reported. During the visit, Castro will meet with Chinese President Xi Jinping "to jointly plan for the future development" of the countries' ties, according to Chinese state-run Xinhua News Agency. China has already invested nearly \$300 million in a hydroelectric dam in Honduras, and the Central American country is eyeing Chinese investments in other dams and projects. Castro "has noted that the decision to cut ties to Taiwan was economically motivated, and that would indeed appear to be the case," Margaret Myers, director of the Asia & Latin America Program at the Inter-American Dialogue, told the Advisor in a [Q&A](#) published March 24.

BUSINESS NEWS

Ecopetrol Refinery to Get More Than \$1 Bn in Arbitration Case

The Refinería de Cartagena, or Reficar, a refinery owned by Colombia's largest company integrated energy group, Ecopetrol, will be awarded more than \$1 billion following a ruling by the International Chamber of Commerce, plus interest gains from Dec. 31, 2015, the company said in a statement via Twitter. The arbitration was brought against a consortium of contractors, CB&I, which is comprised of contractor Chicago Bridge and Iron Company NV, CB&I (U.K.) and CBI Colombiana S.A. Ecopetrol had accused the consortium of increasing their construction costs during its renovation of the refinery, as well as failings in the engineering, procurement and construction (EPC) contract, Reuters reported. The Tweet also stated that

NEWS BRIEFS

World Bank's Banga to Begin Global Tour With Stops in Peru, Jamaica

The World Bank Group said Thursday that its new president, Ajay Banga, will lead a months-long global tour with the purpose of deepening the institution's commitment to climate change and reinvigorating its development mission. The tour, which will take place through December, will begin next week in Peru and Jamaica alongside Inter-American Development Bank President Ilan Goldfajn. Stops on the tour include other Latin American and Caribbean countries, as well as the Middle East, Africa, Europe, Asia and Pacific islands.

Visa Reportedly in Talks to Acquire Brazilian Fintech Firm Pismo

Visa is in advanced discussions to acquire Brazil-based financial technology company Pismo, Bloomberg News reported Thursday, citing unnamed people familiar with the matter. Visa may announce an agreement as early as this month, the sources said, though they added no deal has yet been reached, and talks could still break down. Pismo provides cloud-based banking and payment platforms.

Guyanese Judge Temporarily Stays Order on Exxon Spill Insurance

A judge in Guyana on Thursday issued a temporary stay on a lower court's order requiring oil major Exxon Mobil and its partners to provide an unlimited guarantee to cover any possible oil spills, Reuters reported. The appellate court judge said the group, which includes Hess and China's CNOOC, has 10 days to provide a guarantee of \$2 billion, or else the stay would be lifted. Earlier, Exxon said if the stay was not granted, it could potentially cease output at the facility, which would cost partners \$350 million per month in lost revenue, Reuters reported.

CB&I's claims for \$400 million were dismissed and, as Reficar had requested, the consortium was ordered to settle the contract. "The unanimous decision of the arbitration tribunal confirmed contractor CB&I was responsible for breaching its obligations under the EPC contract," Ecopetrol said in its statement. Ecopetrol owns Colombia's two main refineries, Barrancabermeja and Reficar and most of the country's pipeline network, generating most of the country's oil production.

Argentina's Ualá Launches High-Yield Account in Mexico

Argentine financial technology company Ualá announced Wednesday that it had launched a high-yield savings account in Mexico after it received regulatory approval to expand its operations in the country and acquire Mexico-based ABC Capital Bank, Reuters reported. The high-yield savings account will have a fixed annual interest rate and pay a 9 percent annual percentage yield, the wire service reported. A survey by the Mexican government showed that 54 percent of people in Mexico save money informally and that 40 percent of Mexicans receive no interest on their savings, Ualá said. "We are excited to offer options that bridge those gaps by promoting savings in a simple, secure way for everyone, with higher yields than what has historically been seen in the Mexican market," said Andrés Rodríguez Ledermann, Ualá's vice president of wealth management. The fintech received authorization at the end of May from Mexico's CNVB bank regulator to buy ABC Capital, which allowed Ualá to obtain a banking license in Mexico. The approval was a "milestone" that differentiates the Argentine fintech from others that are operating in Mexico, said Chief Executive Officer Pierpaolo Barbieri. Ualá has also agreed to deals to allow remittances sent through Western Union, Vigo and Orlandi Valuta to be received via its mobile phone app, Finextra reported. Brazilian digital lender Nubank has also been investing in Mexico and recently started offering a savings account there.

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government. The sanctions and threats, promoted mostly by the United States, have failed to bring about much more than superficial reforms in Venezuela's dictatorial regime and its broken economy. Instead, they may have emboldened the regime and made it stronger and more resistant to change. Removing the sanctions and bringing Venezuela into a community of South American nations may be the start of a more effective path toward a more moderate and open government in the country, although progress will likely occur at a snail's pace. Lula's words of support for Maduro, which some participants openly rejected, dominated the news reporting on the recent meeting of South American nations. They may have also contributed to the rather unproductive session in Brazil, which did little to rejuvenate the prospect of a more integrated group of nations in South America. Still, Lula emerged from the meeting as the only regional leader who had the skill and stature needed to achieve any serious measure of South American cooperation."

A **Mariano Machado, principal analyst for the Americas at Verisk Maplecroft:** "Lula inherited a favorable foreign policy situation from his predecessor, and he has sought to capitalize by leveraging the 'Brazil is back' narrative. The summit showed Lula's capacity to convene diverse ideological actors in the region, as it also speaks volumes about Lula's bid to leverage regional leadership as a source of legitimacy. In particular, re-focusing on regional integration makes sense because Lula stumbled on recent international engagements. But precisely these blunders (including unclear remarks on Ukraine and unrestricted praise of Maduro) show the limitations of embracing past strategies amid a markedly different geopolitical context from the one he knew from his last presidential stint. These changes have affected the neighborhood too, as the political situation is extremely different. The new

cohort of left-wing leaders is definitively less comfortable than the previous one, enduring challenges within their own ranks, much-consolidated oppositions, and fed-up societies. This less-than-friendly landscape means that pushback to Lula's stab at regional leadership is likely to become a constant, forcing him to play less of a bricklayer and more of a fireman role. All in all, we expect Lula to attempt to deliver some regional public goods to cement his 'first among equals' narrative. Yet, in a context dominated by power diffusion, making good on these pledges will be beyond Lula's reach, making announcements—rather than solutions—the most likely outcome."

A **Patrick Duddy, director of Duke University's Center for Latin American and Caribbean studies and former U.S. ambassador to Venezuela and consul general in São Paulo:**

"At the recent meeting of South American heads of state, President Luiz Inácio Lula da Silva not only embraced the Venezuelan dictator, Nicolás Maduro, but he called on the United States and others to acknowledge Maduro's legitimacy. He asserted that Maduro had been the victim of a false narrative about his regime and criticized U.S. sanctions. President Lula's public endorsement of Maduro was both disappointing and disconcerting. While the Brazilian president's criticism of U.S. sanctions was predictable, he also seemed, implicitly, to dismiss the substantial documentation of the Venezuelan regime's repression provided by the United Nations human rights commission and other international organizations as well as by credible Venezuelan NGOs. Lula's support for Maduro undermines his own interest to promote regional unity as public comments by the presidents of Uruguay and Chile made clear. His disconcerting advocacy for recognizing the legitimacy of the Maduro regime must be particularly frustrating for those South American nations saddled with caring for the millions of Venezuelan refugees, now

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more than seven million, who have fled the regime's human rights abuses, economic incompetence and corruption. Lula's solidarity with Maduro will likely make it more difficult to forge a common agenda with the United States. Indeed, since his re-election to a third term, President Lula has signaled his determination to bring Brazil closer to China and Russia, and his willingness to support Maduro more closely mirrors their views than those of the Western Hemisphere nations that would like to see democracy restored in Venezuela."

A Jennifer McCoy, Regent's Professor at Georgia State University and nonresident scholar at the Carnegie Endowment for International Peace: "Lula's inviting Maduro to his gathering of a dozen South American leaders overshadowed his intentions to restart regional dialogue and mechanisms. That intention is important as most regional organizations have disbanded or gone into hiatus due to the polarization within the region over the last two decades and the shifting of governments. The fact that Lula invited all the leaders across ideologies was important, as that is the only way to tackle urgent problems that know no borders, such as the flow of migrants, environmental degradation, organized crime and corruption as well as shared political and economic instability. The decision to include Maduro itself was sound; the comments Lula made, seeming to defend Maduro's regime as not authoritarian, were not. Fortunately, other presidents called out this misguided attempt to ease Maduro back into regional diplomacy by denying reality on the ground and feeding Maduro's own narrative of victimhood and persecution. But the inclusion of Venezuela in regional diplomacy is sound for a simple reason: governments need to be able to communicate with one another to resolve mutual problems. Venezuela is a source of the largest refugee crisis in the region's modern history, and isolating its government makes no sense. Re-inclusion into multilater-

al forums, carefully done, could bring Venezuela back into a rules-based order. It would open the door for multilateral monitoring mechanisms to help accompany Venezuela's urgently needed democratic and economic reconstruction."

A Riordan Roett, professor and director emeritus of the Latin American Studies program at the Johns Hopkins University's School of Advanced International Studies:

"Many observers of Brazil remember the 'good' Lula. A poor child from the impoverished Northeast, he became a fearless leader of the workers' protests against the fascist military government. He was instrumental in the formation of the left-of-center Workers' Party. After the restoration of democracy, he entered electoral politics, eventually serving as president. His first term was considered successful -- global economics favored Brazilian exports. He supported major poverty-reducing programs, and he represented a foreign policy that proudly supported democracy. The 'good' Lula has apparently retired and been replaced by a 'new' Lula. Brazil has been reticent to criticize the brutal invasion of the Ukraine by Russia's Putin. Some analysts point out that Russian-Brazilian trade ties are significant. Russian fertilizer supports Brazil's agroindustry. In turn, Brazil's agricultural production is a major Russian import. Lula's performance at the regional summit in Brasília in May is not the 'good' Lula but rather a perverse version of the 'new Lula.' The democracy spokesman of the old days has become a sudden supporter of the fascist president of Venezuela, Nicolás Maduro, to the dismay of some of his colleagues attending the summit. This portends the end of any leadership role for Lula globally or regionally. At a time when the world needs strong supporters of democracy and human rights, Lula welcomes Maduro as a target of a 'narrative of anti-democracy and authoritarianism' For shame, Lula."

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