FEATURED Q&A

Will Venezuela Have a Legitimate Election This Year?

Venezuela’s Supreme Court ruled last Friday that opposition candidate María Corina Machado cannot run for president in this year’s planned election. The court’s move upheld the government’s 15-year ban on Machado running for office on allegations of financial irregularities, which Machado denies. What does the court’s ruling mean for the prospect of a credible presidential election this year in Venezuela? Will the opposition rally behind another candidate, and who could that be? How likely is the United States to reimpose sanctions on Venezuela’s oil industry that it temporarily lifted last October?

Patrick Duddy, senior advisor for global affairs at Duke University, former U.S. ambassador to Venezuela: “The Venezuelan supreme court’s decision to affirm the ban on María Corina Machado’s candidacy for president was entirely predictable. Ever since Machado emerged as the winner of the opposition’s Oct. 22 presidential primary with over 90 percent support, the regime has backed away from the agreement it signed in Barbados on Oct. 17 to proceed to elections this year. If the court’s decision is not reversed, a presidential election that meets even the most minimal international standards is not possible. In the meantime, the opposition is not likely to rally behind an alternative candidate for at least two reasons. First, unifying the opposition in Venezuela has always been difficult. Machado’s success in building a broad coalition is precisely why the regime has reaffirmed the ban on her candidacy. Second, the opposition is likely to believe that..."

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POLITICAL NEWS

Venezuela Threatens to Stop Accepting Deportees From U.S.

Venezuela's government on Tuesday threatened to stop accepting deportation flights from the United States if the Biden administration reimposes sanctions on Venezuela's oil and gas industry, Bloomberg News reported. The flights with deported Venezuelans aboard "would immediately be revoked" as of Feb. 13 if the United States "takes the wrong step of intensifying economic aggression against Venezuela," the South American country's vice president, Delcy Rodríguez, said in a posting on social media site X. Rodríguez's comments followed the U.S. Treasury's reimposition of sanctions on Monday against Venezuelan state mining company Minerven. The Biden administration had eased sanctions on Minerven and Venezuela's oil industry in October after Venezuela's government and the opposition signed a deal to allow a presidential election this year, with each side having the ability to select its own candidate. However, since then, the government and government-aligned entities have taken actions against the opposition, including the supreme court's ruling last Friday barring the opposition's presidential candidate, María Corina Machado, from holding office for 15 years. On Monday, the State Department said the temporary easing of sanctions on Venezuela's oil industry would be allowed to expire on April 18 "absent progress between Maduro and his representatives and the opposition Unitary Platform, particularly on allowing all presidential candidates to compete in this year's election."

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switching to another candidate would make it complicit in the regime's bad faith. It also understands that endorsing an alternate candidate would be tantamount to conceding any hope of winning the election. In an effort to support the Barbados agreement, the Biden administration on Oct. 18 lifted some sanctions. Maduro initially emerged from the Barbados negotiations strong and confident. However, the high level of participation in the opposition's well-organized primary and Machado's margin of victory clearly alarmed regime hardliners. The vilification of Machado and other opposition figures commenced immediately. At a Senate hearing on Oct. 31, Secretary of State Antony Blinken said the administration was prepared to 'snap back' sanctions if the Maduro regime 'violated the agreement' with the opposition. The Barbados accord included a commitment to permit both sides to choose their own candidates. The opposition overwhelmingly chose Machado. The Maduro regime has clearly violated its commitment. As a consequence, it seems inevitable and necessary for the United States to begin to reimpose sanctions. The U.S. Treasury Department's announcement on Monday "Authorizing the Wind Down of Transactions Involving CVG Compañía General de Minería de Venezuela" began that process."

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ECONOMIC NEWS

Argentine Court Strikes Down Milei's Labor Reforms

An Argentine court ruled Tuesday that President Javier Milei's ambitious labor reforms are unconstitutional, Bloomberg News reported. Milei has attempted to implement many of his reforms by decree, which included policies such as rolling back worker protections. The policies drew fierce resistance from labor unions, which organized a national strike in protest last week, the Financial Times reported. The labor reforms included allowing companies a longer period of job probation with new employees, a reduction in severance pay and

NEWS BRIEFS

Kenyan President Vows Force to Haiti Will Be Sent Despite Court's Ruling

Kenyan President William Ruto told Reuters on Tuesday that his government's plan to send 1,000 officers to Haiti as part of a multinational peacekeeping mission will advance, despite a Kenyan high court blocking the deployment in a ruling last week. The court ruled the plan unconstitutional unless it is part of a "reciprocal agreement" with Haiti, and Ruto told Reuters he believes a formal request from Haiti would satisfy the court's stipulations.

Most Salvadorans Arrested in Crackdown Will Be Imprisoned for Life: VP

Most of the 76,000 Salvadorans arrested in President Nayib Bukele's sweeping gang crackdown will remain in prison for life, Salvadoran Vice President Félix Ulloa told the Financial Times in comments published today. Bukele's government declared a state of emergency two years ago, rolling back civil liberties to enable mass arrests to combat gangs. Ulloa said that because sentences are cumulative for the thousands arrested, "most of them will be there for life." Bukele and Ulloa are heavily favored for re-election as Salvadorans head to the polls on Sunday.

Brazil Lending Helps Drive Profit at Spain’s Santander

Spanish banking group Santander today reported 2.93 billion euros ($3.17 billion) in profit for last year's fourth quarter, a 28 percent increase as compared to the same period a year earlier, Reuters reported. Santander said the profit, which beat analysts' expectations, was driven by increased lending in Brazil and Europe. The bank's provisions increased 13 percent year-on-year in the fourth quarter to 3.4 billion euros, in line with analysts' forecasts.
Ecuador to Start Reducing Gasoline Subsidies: Noboa

Ecuador’s government will start to reduce its subsidies on gasoline, starting in this year’s second quarter, President Daniel Noboa said Tuesday, Reuters reported. In addition to lowering the subsidies, the government will also work to improve the country’s electrical grid and construct a national refining system, the president added. Noboa has been seeking to rein in spending in some areas in order to help pay for his military offensive against gangs, which have caused violence to soar.

Mexico Helps Fuel Fourth-Quarter Profit at Spain’s BBVA

Spain’s BBVA on Tuesday reported a 32 percent rise in net profit, year-on-year, for the fourth quarter of last year, with the bank’s Mexico unit helping to fuel profits, Reuters reported. The bank’s net profit of 2.06 billion euros ($2.23 billion) surpassed analysts’ expectations of 1.88 billion euros in net profit, the wire service reported. BBVA’s Mexico unit saw an 11.5 percent increase in net profit amid higher loan volumes and that supported net interest income. In Spain, the bank reported a 78 percent increase in net profit. The strong performances in Mexico and Spain offset weaker results in South America, where BBVA’s units were hit by Argentina’s peso devaluation and triple-digit inflation. In its Argentina operations, BBVA booked a loss of 5 million euros ($5.41 million) for the final quarter of 2023. Also on Tuesday, BBVA announced a share buyback of 781 million euros ($846.1 million), The Wall Street Journal reported.

What Would Trump’s Return Mean for Latin America?

Q This month, former U.S. President Donald Trump all but cemented his bid for the Republican nomination for president, winning the Iowa caucuses and the New Hampshire primary. While Trump is popular among Republicans, incumbent President Joe Biden’s approval rating fell to 33 percent, a new low for his presidency, according to an ABC News/Ipsos poll released in mid-January. If Trump is elected president in November, what would his return mean for Latin America? What issues related to the region are likely to make up his platform, and how would that differ from his previous term, especially in terms of his approach toward the U.S.-Mexico border? How would Trump’s relations with some Latin American countries change, given transitions in presidential leadership in the region?

A Louis DeSipio, professor of political science and Chicano/ Latino Studies at the University of California, Irvine: “President Trump showed little concern for Latin America in his first term and would likely show equal disinterest in a second term. He sees Latin America as a source of migrants and, consequently, a threat. In his 2024 campaign so far, he has promised to impose more draconian restrictions on unauthorized migrants, including ‘closing’ of the Mexico border and mass deportations of immigrants without legal status. While his first administration did not implement all the threats that he made during the 2016 campaign, a second Trump administration promises to have fewer internal controls and executive agencies more subservient to the White House. A second Trump administration will certainly face challenges from public opinion and the courts, as did the first. His campaign so far indicates that these will not deter him. To succeed in implementing more restrictive policies, however, he will need support from some Latin American countries, and this may provide an opportunity. The first Trump administration worked with Mexico to implement the ‘Remain in Mexico’ policy, which preceded the more rigorous immigration restrictions that Title 42 allowed during Covid. President Biden considerably expanded bilateral agreements with Mexico and other Latin American countries to slow migration to the U.S. border and to offer alternatives for migrants seeking to leave their countries-of-origin, particularly Venezuela. Were there to be a second Trump administration, President Trump would find that alliances in the Americas could serve as a resource to implement restrictive immigration policies. This would offer an opportunity for negotiation over policy needs by Latin American leaders.”

EDITOR’S NOTE: The comment above is a continuation of the Q&A published in Monday’s issue of the Advisor.
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David Smilde, professor at Tulane University and senior fellow at the Washington Office on Latin America: “The reaffirmation of María Corina Machado’s electoral disqualification was not a surprise to anyone close to the Barbados agreements or Venezuela’s political process. The written accord did not mention her personally and only vaguely promised an authorization of candidates ‘that meet established requirements’ for participation. Furthermore, the Maduro government never deviated from its message that it would not lift her disqualification. Machado has a long history of calling for electoral boycotts, and her statements in recent days suggest this could be in the works again. However, polling in Venezuela is clear about a couple of things. First, Machado is hands down the preferred opposition candidate among Venezuelans. Second, they think she should fight against her electoral disqualification. But third, if it is clear she can’t run, they prefer an alternative candidate over a repeat of electoral boycotts of the past. Most people voted for Machado not out of a deep commitment to her person or policy stances, but rather because she seemed like the person who could deliver the change they desperately seek. They would undoubtedly be ready to switch to another candidate who presents that same opportunity. Another important factor is how Washington will react in the coming months. From 2021 to 2023, we saw how some U.S. officials’ infatuation with Juan Guaidó as interim president stymied the opposition’s reorganization long after his star had faded within Venezuela. The English-speaking, pro-American Machado seems even more irresistible. There is a clear danger that dynamics in Washington prevent the Venezuelan opposition from moving on if and when it is ready to do so.”

Julia Buxton, British Academy Global Professor at the University of Manchester: “Ironically, the ruling could improve the chances of a clean-ish election. The ban was never going to be lifted. It would have divided the ruling PSUV. White House and State Department mutterings of a return to full U.S. sanctions when General License 44 expires in April do not unnerve the Venezuelan government. The liberalization has not been generous enough to make any rescinding unmanageable for the Venezuelan state but significant enough to guarantee a lobby from creditors and energy companies against steps back. Moreover, Biden needs good relations with Maduro to accelerate migrant returns, and María Corina Machado has a long, well publicized record of regime change efforts. On these counts, there will be no reversal of the ruling under the current political regime. It could, of course, be immediately lifted by an incoming opposition government. In this respect, this is a wild opportunity for the opposition to outflank the government. In this respect, this is a wild opportunity for the opposition to outflank the PSUV. Machado can spend the next months expending opposition energies by pressuring for the ban to be lifted—as the PSUV expects her to do—or step back quickly for a ‘stand in’ who keeps the opposition momentum going but acknowledges this is Machado’s campaign. Having chosen to work within the electoral and judicial processes of the Venezuelan state, it is vital Machado stays within the process. Such a change in the cycle of opposition responses will signal a definitive moving on from the past and a challenge to the PSUV to respect its own rules of the game.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.