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FEATURED Q&A

Will a Bicameral Congress Improve Peru's Stability?



Members of Peru's Congress, whose meeting place in Lima is pictured, voted last month to make the legislature a bicameral body. // File Photo: Genu5960 via Creative Commons.

Q Peru's Congress on March 6 approved a reform to re-establish a Senate, making the legislature bicameral for the first time since 1992, when it was reconstituted as a unicameral body after then-President Alberto Fujimori dissolved the entire legislature. The reform also allows for immediate re-election of lawmakers, which had been banned. To what extent will the creation of a Senate help reduce political volatility in Peru, where lawmakers in recent years have sought multiple times to remove presidents from office? What has motivated Peru's political parties to back the reform? How will these changes affect the 2026 elections?

A John Polga-Hecimovich, associate professor of political science at the United States Naval Academy: "Proponents of bicameralism argue that it foments stability and deliberation, fosters pluralism and frustrates simple majority rule, and balances responsiveness with policy stability. Despite these advantages, this reform is most clearly aimed at reducing Peru's endemic political instability—no elected leader has completed a term since 2016, and Dina Boluarte is the nation's seventh president since that time—by adding an institutional veto player to the presidential impeachment process and promoting legislative professionalization. As the recent experience of the United States suggests, impeachment of a sitting president in a lower house of congress is often not enough to guarantee removal. Instead, the institutional filter of the Senate imposes a higher threshold. Moreover, Peru's law also seeks to professionalize the legislative branch by reinstating legislative re-election, which had been prohibited in 2019, and stipulating

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Ecuador Files Complaint Against Mexico at ICJ

Ecuador on Monday filed a complaint against Mexico at the International Court of Justice, saying Mexico illegally granted asylum to former Ecuadorean Vice President Jorge Glas.

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BUSINESS

Vale, BHP Offer \$25 Bn Settlement in Dam Disaster

Brazil's Vale and Australia-based BHP offered a settlement of approximately \$25 billion following a deadly 2015 dam burst in Brazil's Minas Gerais state.

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POLITICAL

El Salvador's Assembly OKs Easier Changes to Constitution

El Salvador's Legislative Assembly, which President Nayib Bukele's party controls, approved a change making it easier for lawmakers to push through constitutional reforms.

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Bukele // File Photo: @nayibbukele via X.

POLITICAL NEWS

Ecuador Files Complaint Against Mexico at ICJ

Ecuador on Monday filed a complaint against Mexico at the United Nations' International Court of Justice, saying it illegally granted asylum at its embassy in Quito to former Ecuadorean Vice President Jorge Glas, the Associated Press reported. Mexico's move on April 5 to grant asylum to Glas, who was wanted in Ecuador following his conviction on corruption charges, happened just hours before Ecuadorean authorities broke into the embassy to arrest Glas. Leaders in several Latin American countries have condemned the raid, which President Daniel Noboa authorized, as a violation of the Vienna Convention on Diplomatic Relations, the AP reported. In filing the case, Ecuador's Foreign Ministry said Mexico failed to comply with "its obligations not to grant asylum to people who are being prosecuted or on trial for common crimes or have been convicted by competent ordinary courts," the wire service reported. Mexico released security camera video from the night of the raid, showing police scaling the embassy's walls and breaking into the building. Roberto Canseco, Mexico's consular affairs head at the embassy, attempted to stop police from entering, but officers restrained him and threw him to the floor as authorities carried Glas out of the building. Earlier this month, Mexico filed its own lawsuit against Ecuador at the International Court of Justice, saying Ecuador's raid on the embassy violated international law. The ICJ is to hold hearings in the dispute today, and Ecuador is expected to present its defense in a hearing on Wednesday, Reuters reported. The raid intensified a feud that was already underway between Ecuador and Mexico. Days earlier, Ecuador complained about comments that Mexican President Andrés Manuel López Obrador had made about the assassination last year of Ecuadorean presidential candidate Fernando Villavicencio and how it may have affected voting in the election.

Biden, López Obrador Vow Joint Action on Migration

U.S. President Joe Biden and his Mexican counterpart, Andrés Manuel López Obrador, on Monday released a joint statement vowing coordinated action to prevent illegal immigration, The New York Times reported. In the statement, the two presidents said they had ordered their national security officials to "work together to immediately implement concrete measures to significantly reduce irregular border crossings while protecting human rights." The statement, which did not specify which actions the two countries will take, followed a phone call on Sunday between the two leaders. An unnamed top official said measures under consideration could include tougher enforcement measures to keep buses, railways and airports from being used for illegal border crossings and also additional flights to transport migrants back to their home countries, the newspaper reported. After the collapse earlier this year in the U.S. Congress of immigration-related legislation, the White House has not ruled out the issuance of an executive order related to asylum rules in order to lower the number of migrants arriving at the southern U.S. border, the Associated Press reported. The issue has become an important one in this year's U.S. presidential election as even some of Biden's strongest supporters have demanded that he take action to reduce the number of incoming migrants, The New York Times reported.

Salvadoran Assembly OKs Easier Reforms to Constitution

El Salvador's Legislative Assembly, which President Nayib Bukele's party controls, on Monday approved a change that makes it easier to make changes to the constitution, the Associated Press reported. The change allows for constitutional reforms with the vote

NEWS BRIEFS

Chilean Government Eyes New Antiterrorism Law

The Chilean government is seeking to pass a new antiterrorism law and update several security policies in the wake of the murder of three police officers over the weekend, Bloomberg News reported Monday. Armed men ambushed and killed the three policemen in the Biobío region on Saturday, with the government swiftly declaring a curfew and deploying the military to the area in response.

Brazil's Petrobras Reports 4.4% Rise in Oil Output for First Quarter

Brazilian state-owned oil firm Petrobras announced Monday that, in the first quarter of the year, the firm's crude oil production rose 4.4 percent as compared to the same time last year, Reuters reported. In a statement, the company attributed the rise in production, which reached 2.24 million barrels per day, to starting production on over a dozen new wells and ramping up five platforms.

HSBC Posts Drop in Profit Amid Losses Related to Argentine Unit Sale

London-based HSBC posted a decline in net profit for this year's first quarter, in part due to one-off losses related to its plans for the sale of its unit in Argentina, Dow Jones reported today. Net profit fell 1.4 percent in the quarter to \$10.18 billion. That amount beat the estimates of analysts, who had expected profit of \$9.73 billion in a poll by Visible Alpha. The bank's net interest income declined to \$8.65 billion as compared to \$8.96 billion in the same quarter a year earlier. Earlier this month, HSBC said it would book a \$1 billion loss on the sale of its Argentine operation to the South American country's fifth-largest bank, Grupo Financiero Galicia, for \$550 million, Reuters reported.

of three-quarters of the legislature. Previously, constitutional reforms had to be proposed by one Legislative Assembly but then ratified by a subsequent assembly after elections, the AP reported. In February, Bukele's party won a supermajority in the legislature, and the change in the process for constitutional reforms further consolidates power in Bukele's hands. [Editor's note: See related [Q&A](#) in the March 4 issue or the Advisor.]

Venezuela's Use of Crypto Will Require Scrutiny: Experts

Venezuela's use of cryptocurrencies will require regulators and law enforcement to employ greater scrutiny, experts said Monday, Reuters reported. Venezuelan opposition politician Leopoldo López and Kristofer Doucette, an expert in illicit finance, said in a report that democratic governments should counter Venezuelan President Nicolás Maduro's attempts "to exploit cryptocurrency for moving illicit proceeds into the international financial system" Venezuelan state oil company PDVSA reportedly plans to increase transactions using cryptocurrencies as the United States reimposes sanctions on Venezuela's oil and gas sector. "Structures must be set up to combat this type of money laundering," said Doucette.

BUSINESS NEWS

Vale, BHP Offer \$25 Billion Settlement for 2015 Dam Disaster

Brazilian multinational metals and mining corporation Vale and Australian mining multinational BHP have presented a settlement proposal to the Brazilian government, offering to pay 127 billion reais, or \$24.88 billion, in reparations for the victims of the 2015 Mariana dam disaster, according to a securities filing Vale made Monday, Reuters reported. The 2015

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that Senate candidates must have previously served in the lower house. Together, these changes should incentivize a more considered and measured legislative body. Indeed, a supermajority of legislators backed this reform not only to alleviate Peru's political instability but also to improve the quality of Peru's political class and Peruvian democracy—despite the fact that most Peruvian voters rejected a return to bicameralism, as well as legislative re-election, in a 2018 referendum. These changes will be most visible in the 2026 elections, when Peruvians have the opportunity to elect members of the reconstituted Senate, but their effectiveness will ultimately be judged by the stability of legislative-executive relations and the degree of legislative professionalism in subsequent inter-electoral periods."

A **Dennis Jett, professor of international affairs at Pennsylvania State University and former U.S. ambassador to Peru:** "It would be nice to think that the decision of the Peruvian Congress to return to the country's long tradition of bicameralism, after 30 years of being a unicameral body, represents reform. I doubt many Peruvians will see it that way. When that very question was put to a national referendum in 2018, more than 90 percent of voters rejected bicameralism. In the 2018 referendum, 85 percent of the voters also opposed the immediate re-election of legislators, which will now be permitted under this so-called reform. That

is why there is a deep suspicion by the Peruvian public that members of Congress care more about their personal power than the national interest. There is also the belief that the changes will consolidate more power

“There is a deep suspicion by the Peruvian public that members of Congress care more about their personal power than the national interest.”

— Dennis Jett

in the hands of Congress to the detriment of the executive branch and independent bodies including the national ombudsman. Given this, it is no surprise that the approval rating of Congress in public opinion polls is 5 percent. That abysmal rating is even lower than Peru's current president (8 percent) and the U.S. Congress (about 12 percent). Only 27 of the 60 new senators will represent geographical departments, while the rest will be elected nationally. Until average Peruvians feel that someone in Congress is looking out for their interests, it will remain a deeply unpopular institution. The lack of confidence of the people in their president, judicial system and Congress does not bode well for the strength of democracy. There will be an opportunity for the next populist who claims to be able to fix everything if given enough

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dam burst killed 19 people and left hundreds without homes after water broke through the tailings dam at Vale and BHP's joint venture Samarco iron ore mine in Minas Gerais state. Mining waste polluted a major river as well as the surrounding area, and mud buried a nearby village. "I'm not satisfied with the final amount," Jarbas Soares Junior, the top prosecutor for Minas Gerais, told Reuters in an interview. "But with the companies' stance of seeking something more compatible, yes," he said. Soares

Junior told Reuters that the prosecutor's office is hoping to secure a larger settlement. "The negotiations between the parties are ongoing and no final agreement has been reached on the settlement amount or terms," BHP said in a statement on Monday, Bloomberg News reported. Brazilian authorities had been seeking \$43 billion in total from the companies in order to cover compensation, damages and reparations for the victims.

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power. The result will be at least instability, if not disaster.”

A Jorge Valladares, policy lead on political integrity at Transparency International: “Does the reintroduction of a Senate offer space for cooperation with the president? It won’t be senators’ mandate to investigate or censure ministers. Rather, the president will need them to confirm key appointees and amend legislation she or he cannot otherwise veto (the Senate cannot initiate but can amend bills before they become law). The problem, however, is that since 2016, Peruvian politics no longer produces cohesive and self-restraining legislative coalitions on either the government or the opposition side. Will the Senate produce the magic that allows compromise? Hardly. Granted, the Senate will likely be the space for party leaders and presidential candidates to be able to run for office. They will stand a good chance of getting elected, as the 60 senators will be elected in a single national district. With simultaneous presidential elections, and a condition for 26 regions to get at least one senator each, the Senate’s composition may over represent the two parties going to the second round. This will give each of the

two front-runners an edge to form and lead congressional coalitions. The question will be if those coalitions can outlive corruption allegations that their leaders will most likely face. Corruption has been and will be a driver of political instability. A quick glance at two or three potential 2026 presidential front-runners confirms that criminal lawyers will be television pundits in the next election, too. The difficulty of passing that test with self-restraint is compounded by article 113 of the constitution, the button to oust presidents on ‘moral incapacity’ grounds. It remains in place. Unlike ‘impeachments,’ which codify elements of due process and include a trial in the Senate, a vote on ‘moral incapacity’ can go forward within a few hours or days. Both the Senate and re-election were massively rejected in a plebiscite more than five years ago. Advocates have justified contradicting the popular mood in terms of improving representation and lawmaking’s quality. Reasons to doubt such motivation abound; here one: this is the same Congress that only in January abolished obligatory simultaneous party primaries.”

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

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