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FEATURED Q&A

How Should Int'l Actors Respond to Venezuela's Crisis?



President Nicolás Maduro has said the country needs the powerful new constituent assembly and the constitution it is expected to produce, but critics including Peru's foreign affairs minister have called Maduro's government a dictatorship. // File Photo: Venezuelan Government.

Q Foreign ministers from across the Western Hemisphere met Aug. 8 in Lima and called on Venezuela to close its newly installed constituent assembly, saying the powerful body represents a break in Venezuela's democratic order. Other international actors, including the White House, the OAS secretary general and the Vatican have also taken stances against the new assembly. What actions should other countries and international organizations take in response to the developments in Venezuela? What will be the effect of U.S. sanctions on President Nicolás Maduro and other top Venezuelan officials? Are the sanctions merely symbolic, or do they have the power to effect change? Should other countries and organizations provide aid to Venezuela's opposition, and if so, how?

A Gustavo Roosen, member of the Advisor board and president of IESA in Caracas: "Many countries' rejection of the constituent assembly will aggravate Venezuela's disastrous economic situation. By the end of 2017, Venezuela will have lost 30 percent of its GDP. In addition, the country is entering a stage of hyperinflation, its oil production has fallen by 300,000 barrels per day in the last 18 months due to lack of investment and maintenance, and it faces debt repayments close to \$8 billion in capital and interest before the end of the year. To date, Venezuela has managed to meet its external payments by sacrificing Venezuelans who are suffering from a humanitarian crisis of a lack of food and medicine. No bank or multinational company domiciled in the countries that have rejected the constituent assembly will negotiate any contracts or refinance Venezuelan national debt that would require

Continued on page 3

TODAY'S NEWS

POLITICAL

Peruvian Border Area Sees Increased Cocaine Production

The area of Peru's border with Colombia and Brazil is seeing increased coca growing and cocaine production, said Peru's defense minister.

Page 2

BUSINESS

Ecopetrol Head Echeverry Resigns

The president of Colombian state oil company Ecopetrol, Juan Carlos Echeverry, resigned after two and a half years as the company's leader.

Page 3

POLITICAL

Venezuelan Government Intensifies Pursuit of Dissidents

Germán Ferrer, a lawmaker and the husband of Venezuela's fired attorney general, was ordered to be arrested. An arm of the powerful new constituent assembly also launched investigations of two prominent opposition lawmakers.

Page 2



Ferrer // File Photo: Venezuelan Government.

POLITICAL NEWS

Venezuelan Gov't Intensifies Pursuit of Dissidents

Venezuela's government has intensified a crackdown on its opponents of President Nicolás Maduro, ordering the detention of the husband of former Attorney General Luisa Ortega Díaz and investigations of prominent leaders of the country's opposition, Bloomberg News reported Thursday. Ortega, who became



It's revenge for fighting against the totalitarianism that exists in Venezuela."

— Luisa Ortega Díaz

a critic of Maduro's government and tried to prevent the establishment of the country's powerful new constituent assembly, said in a posting on Twitter that secret police were raiding her family's home in Caracas. The country's Supreme Court later ordered that Germán Ferrer, Ortega's husband and a member of the National Assembly, be arrested on accusations of running an extortion ring. Late Thursday, the constituent assembly, which has declared itself superior to all other government institutions, stripped Ferrer of his legislative immunity and authorized the government-stacked Supreme Court to put him on trial. "It's revenge for fighting against the totalitarianism that exists in Venezuela," Ortega said in the posting. Ortega said Maduro and Diosdado Cabello, a high-ranking official of Maduro's Socialist Party, were behind the raid. The new constituent assembly deposed Ortega earlier this month. Ortega, the highest-ranking Venezuelan official to break ranks with Maduro's government, has fled and gone into hiding. The raid on Ortega's home happened as a "truth commission" that the new constituent assembly

created announced that it was investigating National Assembly leader Julio Borges and the assembly's vice president, Freddy Guevara. The commission said it was investigating the opposition lawmakers on accusations that they promoted the wave of anti-government protests that began in early April and have left more than 100 people dead. The protests began after the Supreme Court effectively dissolved the National Assembly, a move that it later reversed. Transparency International's Venezuela chapter has said the government has punished or threatened 40 of the country's 77 opposition mayors since 2013, with some of them having been removed or imprisoned. Some mayors have also been prohibited from leaving the country, and some have had their powers diminished.

Cocaine Production Growing in Peru Border Area: Nieto

Coca growing and cocaine production are increasing in an area of Peru near its border with Colombia and Brazil, Defense Minister Jorge Nieto said Thursday, Reuters reported. Peruvian officials have also expressed fears that dissident FARC guerrillas may work with drug traffickers in the area. Cocaine production is growing in the area of northeastern Peru largely because Peruvian authorities intensified efforts to fight drug trafficking in the Vraem region of Peru, where the majority of cocaine from the Andean country is produced. "If we're successful in one place, they go elsewhere," Nieto told foreign news media, calling the phenomenon the "cockroach effect." Coca growing in the Colombia-Brazil border area has tripled to approximately 20,000 hectares (49,000 acres) in recent years, Peru's drug agency Devida said in a report earlier this year. "We have a very complicated situation there," said Nieto. While cocaine production in the area of Peru's border with Colombia and Brazil is not yet at the scale of that of the Vraem, Nieto said there are concerns that dissident FARC guerrillas who have not turned in their weapons will increase drug trafficking in the area.

NEWS BRIEFS

Brazilian Bar Association Seeks to Force Debate on Impeachment Charges

Brazil's bar association has petitioned the country's Supreme Court to compel lawmakers in the lower house to consider the 25 motions for President Michel Temer's impeachment that have stalled, the Associated Press reported Thursday. The petition accuses the speaker of the lower house, Rodrigo Maia, of violating the Constitution by not allowing other lawmakers to debate whether to proceed with impeachment charges. Most of the impeachment requests against Temer are tied to allegations that he endorsed Brazilian businessman Joesley Batista's paying of hush money to Eduardo Cunha, the jailed former lower house speaker.

Guatemalan Officials Ordered to Stand Trial in Youth Home Fire Case

A Guatemalan judge on Wednesday ruled that the former secretary and deputy secretary of the country's Social Welfare agency are to stand trial in connection with the deaths of 41 girls in a state-run home for troubled youth, the Associated Press reported. Carlos Rodas and Anahi Keller face charges of mistreating minors, dereliction of duty, abuse of authority and manslaughter. The former director of the home, Santos Torres, will also face similar charges. All three have denied wrongdoing.

U.S. to Resume Pork Exports to Argentina for First Time Since 1992

The White House announced Thursday that the United States would resume pork exports to Argentina for the first time in 25 years. Argentina banned U.S. pork exports in 1992 over animal health concerns, the Associated Press reported. Argentine officials will examine the U.S. meat inspection system during site visits in the United States before exports resume.

FEATURED Q&A / Continued from page 1

the approval of the legitimate legislature. Their approval by the National Constituent Assembly makes them unconstitutional. All this will trigger a default, coupled with a political crisis that could lead to the beginning of a transition for the country. The specific sanctions against individuals must have disturbed the regime's top officials, their families and others who serve as front men. These sanctions must surely be provoking reactions from the international banks in defense of their interests. The international community is well-oriented in the process of unmasking the perpetrators of this dictatorial nightmare."

A **John F. Maisto, member of the Advisor board and former U.S. ambassador to Venezuela and the Organization of American States:** "Foreign organizations, public and private institutions, countries and leaders can exert unrelenting pressure to help Venezuelans work their way through the political, economic and, most recently, humanitarian tragedy they have created for themselves. Talks, negotiation and dialogue with foreign participation may be the way out. Or not. However, any exit from the crisis must be Venezuelan, not foreign-imposed. Venezuelans have their existing 1999 Constitution to guide them, and not the sham 'constituent assembly' produced by the sham July 30 election; both are violations of Hugo Chávez's constitutional legacy. A local election with no barriers for the opposition and international observation is a must. So is freedom for all political prisoners and ending human rights violations; they too are violations of Venezuela's international agreements and Constitution. Pressure can work—as seen with the reported stoppage of civilians being tried by military tribunals. The humanitarian crisis—shortages of food and medicine—can be addressed by allowing foreign inflows and distribution by non-military and non-political entities: Catholic Charities, the Red Cross, the United Nations and the

Pan American Health Organization. Targeted, individual sanctions are additional pressure points, but economic and oil sanctions that hurt civilians should be avoided. Financial sanctions through international and private institutions—with bondholder implications—are additional pressure points; only the legitimate legislature can deal with these matters constitutionally. The political will of the Maduro government is the key, and continuing, unrelenting international pressures will produce more isolation and hardship for it. Pressures from within Chavismo and/or the military can affect all of this."

A **Marc Becker, professor of history at Truman State University:** "The calls for sanctions and international intervention in Venezuela's internal affairs are misguided. The Maduro government has not received universal condemnation from its Latin American neighbors; Ecuador and Bolivia, among others, still support it. The loudest opponents are conservative administrations that are ideologically opposed to the progressive policies of universal access to health care and education. Those conservative governments also have dismal approval ratings equal or worse to those of Maduro, and in the case of Temer in Brazil, a much more tenuous claim to democratic rule. Similarly, the domestic conservative opposition in Venezuela is not committed to peaceful protest or democratic institutions, but seeks to disrupt the smooth functioning of society in order to return themselves to power by any means necessary. The opposition has killed a large number of Chavistas, and when the security forces kill someone, they face criminal sanctions. The Venezuelan government followed established constitutional provisions in convoking the new assembly, and people in poor neighborhoods who have benefited from socialist policies participated massively in the elections. The conservative refusal to compete is not sufficient justification to declare this a break from democratic

Continued on page 4

BUSINESS NEWS

Ecopetrol President Echeverry Resigns, VP to Lead Company

The president of Colombian state oil company Ecopetrol, Juan Carlos Echeverry, resigned for family reasons after serving in the position for two and a half years, the company announced Thursday, according to Colombia Reports. Felipe Bayon, Ecopetrol's current vice president, will take over in the role on Sept. 15, Colombia's Financial Superintendency said. The superintendency said Echeverry had success-



Echeverry // File Photo: Ecopetrol.

fully navigated the challenges presented by the global drop in oil prices in 2014. "Echeverry has done an extraordinary job at Ecopetrol during one of the most difficult periods for the world oil industry," said Mining and Energy Minister German Arce. Echeverry also came under criticism during his tenure for Ecopetrol's plans to begin fracking activities in the country, as well as for union claims of the exploitation of workers. Under Echeverry, Ecopetrol expanded its operations into Mexico and the Caribbean in order to secure more supplies of oil after learning that Colombia's reserves were set to run out within approximately the next five years. Last week, Echeverry told Reuters that the state oil company had plans to explore unconventional deposits in the center and north of Colombia in a bid to increase reserves, as well. Ecopetrol is Colombia's largest company and its largest producer of crude. [Editor's note: See [Q&A](#) on Ecopetrol in the July 7 issue of the weekly Energy Advisor.]

FEATURED Q&A / Continued from page 3

order. Those who advocate for an intrusion against Venezuela's sovereignty are promoting a violation of international law. Calls for United States military intervention—even if they are only rhetoric in nature—need to be understood for what they are. This is not an attempt to return to democracy, but rather a power grab designed to end a leftist government and re-establish a conservative oligarchy in Venezuela.”

A **G. Philip Hughes, senior director at the White House Writers Group and former ambassador to Barbados and the Eastern Caribbean:** “Now that Venezuelan dictator Nicolás Maduro has proceeded to unconstitutionally ‘elect’ an all-powerful constituent assembly to write democracy out of Venezuela’s future constitution, Team Trump should focus special attention on the handful of Caribbean states that obstructed efforts at the OAS General Assembly in June to head off this latest, tragic turn in Venezuela’s deepening crisis. The United States and its closest friends that exercise real sway in the region—Canada, Britain, the European Union and Mexico—should make a clear distinction in policy between the countries that stuck with the pre-OAS General Assembly/Caricom consensus and those that didn’t. They deserve recognition as regional leaders, enjoying preferential access and the encouragement and support of the bigger powers for their diplomacy to forge a new regional consensus response to Maduro’s latest usurpation. The Caribbean states that obstructed OAS action in Cancún—St. Vincent and the Grenadines, Dominica, St. Kitts and Nevis, Grenada, Antigua and Barbuda, Trinidad and Tobago, Haiti, and the Dominican Republic—should be encouraged to ‘back the right horse.’ The constituent assembly election gives them a second chance to get it right. Almost all of these economies—even the Dominican Republic’s—are extremely fragile, vulnerable and dependent on access to credit, foreign

investment and tourism dollars. Most have lurking about them criminal connections to narcotics trafficking, money laundering and harboring fugitives. Visa access for guest workers or even citizen travel is a summum bonum in most of these societies. Some even face delicate issues over the treatment of domestic minorities, which is potentially troublesome in the international media and before international tribunals. And, since weak opposition parties help many of these obstructionist leaders keep their jobs, the Republican and Democratic political institutes could get to work strengthening opposition parties vital to a truly competitive democracy. A concerted effort by the Trump administration, coordinating especially the Departments of State, Treasury, Justice and Homeland Security, along with parallel efforts by our closest friends, would quickly demonstrate that there’s much more to gain from supporting real democracy than from siding with a dying dictatorship.”

A **Carlos A. Romero, professor of political science at the Universidad Central de Venezuela:** “An important segment of the international community has evaluated Venezuela’s political process in a negative way. Specifically, all the controversial concepts of political science have been used to classify my country’s politics: regime change, failed state, crisis, authoritarianism, narco-state and terrorism. Venezuela is seen as a unique case in contemporary Latin American politics due to the distance that Chavismo created from the concepts of the promotion of democracy and an open economy that other governments and international institutions have adopted in recent times. The sanctions against Venezuela’s regime have to be seen in this perspective. If Caracas turns around and promotes a reconciliation and negotiation process with the opposition and the international community, the situation will improve. If not, the country will continue under stress and pressure.”

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