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FEATURED Q&A

Will a Failed Plot in Venezuela Strengthen Maduro?



Earlier this month, Venezuelan President Nicolás Maduro showed the U.S. passports he said were seized from men involved in a failed attempt to overthrow him. // Photo: Venezuelan Government.

Q Venezuelan forces killed eight people and arrested several others—including two former U.S. Green Berets—in a failed attempt earlier this month to infiltrate the South American country by sea. Another former U.S. Green Beret purportedly masterminded the attack, which its organizers code named “Operation Gideon,” while Venezuelan opposition leader Juan Guaidó and U.S. President Donald Trump denied involvement. How will the incident affect support for Maduro and for Guaidó? How likely is the failed incursion to lead to Venezuelan government crackdowns on Maduro’s opponents? How does it affect the Venezuelan opposition’s efforts to unseat Maduro?

A Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: “Juan Guaidó and his allies have suffered another sharp blow in their struggle to wrest control of the Venezuelan government. But this, by no means, should be viewed as the opposition’s last battle. Although ‘Operation Gideon’ was quickly stopped in its tracks, the Maduro regime remains feeble and unpopular. Indeed, it hardly governs at all. Mostly, it is just cruelly holding on to power. With the economy already devastated and hunger and malnutrition widespread, Covid-19 has made life even more hellish for Venezuelans. But the opposition forces are badly fractured. Without a unified plan of action, a minimal strategy or a clear set of priorities, they appear simply to be pursuing whatever opportunities come their way. Sometimes they succeed, for example, when Guaidó was praised by Trump and applauded by the entire U.S. Congress during the State of the

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TODAY’S NEWS

ECONOMIC

Mexico Allows 300 Municipalities to Restart Activity

The Mexican government allowed what it called “municipalities of hope” to resume economic activities and begin loosening lockdowns.

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BUSINESS

Flybondi Betting on Domestic Air Travel in Argentina

Argentine discount airline Flybondi said it will bet on domestic routes once air travel resumes.

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POLITICAL

Brazil Has World’s Third-Highest Number of Covid-19 Cases

Brazil, where President Jair Bolsonaro has repeatedly clashed with health officials, overtook Britain as the country with the third-highest number of confirmed Covid-19 cases in the world. Only the United States and Russia have more confirmed cases.

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Bolsonaro // File Photo: Brazilian Government.

POLITICAL NEWS

Brazil Has World's Third-Highest Total of Covid-19 Cases

With an additional 674 confirmed cases of coronavirus reported on Monday, Brazil overtook Britain to become the country with the third-highest number of infections in the world behind only the United States and Russia, France 24 reported. As of this morning, Brazil had registered 255,368 cases of Covid-19. It also had 16,853 related deaths, the sixth-highest toll in the world. Experts believe that real figures could be at least 15 times higher due to a lack of testing. Amazonas state had nearly

The actual total number of cases may be far higher due to a lack of testing.

21,000 confirmed Covid-19 cases on Monday. The number of infections has overwhelmed the health system in Manaus, the state capital, where mass graves are being used to bury the dead. Meanwhile, in São Paulo, Brazil's largest city with a population of 12 million, is facing a collapse of its health care system within two weeks, Mayor Bruno Covas recently warned, BBC News reported. More than 3,000 people have died from Covid-19 in São Paulo, and officials say most residents are not adhering to social-distancing measures. President Jair Bolsonaro has also publicly snubbed social distancing, even attending some anti-lockdown rallies, and he has clashed with state governors and two health ministers who have since left office over differences on how to approach the pandemic. The latest health minister, Nelson Teich, resigned on Friday, just four weeks after Bolsonaro fired Luiz Henrique Mandetta. Gen. Eduardo Pazuello is serving as the interim health chief, and Bolsonaro seems to be in no rush to choose his replacement, according to sources, France 24 reported.

ECONOMIC NEWS

Mexico Allows 300 Municipalities to Restart Activity

The Mexican government on Monday issued guidelines to restart operations in the automotive, mining and construction sectors, pushing ahead with the reopening of the economy despite a growing number of cases of Covid-19, Reuters reported. The country's death toll has surpassed 5,300, and there are more than 51,600 confirmed cases of Covid-19, with its testing rate ranking among the lowest in the region, with just 0.4 tests per 1,000 people, The Guardian reported. The government on Monday gave the green light to 300 municipalities across the country, dubbed the "municipalities of hope," to restart economic activities and to begin loosening lockdown restrictions. The decision follows increasing pressure from the United States to reopen factories that are key to supply chains of U.S.-based businesses, especially in the automotive sector.

Bank of Jamaica Lowers Cash Reserve Requirements

Jamaica's central bank on Friday announced that it is lowering the cash reserve requirements of the country's deposit-taking institutions by two percentage points. In a statement, the Bank of Jamaica said it was lowering the foreign currency cash requirement to 13 percent and the domestic currency reserve requirement to 5 percent. "Both adjustments are therefore aimed at boosting liquidity levels in the financial system in the context of the strain caused by the impact of Covid-19," the central bank said in a statement. The lowering of the foreign currency cash reserve requirement will return some \$65 million to the country's deposit-taking institutions and expand the volume of foreign exchange that they have available to them, the central bank said. In addition, the

NEWS BRIEFS

Protesters Clash With Police Amid Citywide Lockdown in Santiago

Protesters threw rocks and burned piles of wood on Monday as they clashed with police in Chile's capital, where the government has implemented a strict lockdown to fight the spread of coronavirus, Reuters reported. The clashes came as local officials warned of food shortages in one of Santiago's poorest neighborhoods. Police sprayed tear gas and fired water cannons in efforts to control the crowd.

Bukele to Seek Gradual Reopening of El Salvador's Economy Starting June 6

Salvadoran President Nayib Bukele said Monday that he would propose to lawmakers a gradual reopening of the economy starting June 6, as strict measures to curb the spread of the novel coronavirus continue in the Central American country, Reuters reported. Bukele said he would abide by a Supreme Court decision earlier on Monday to suspend the state of emergency he declared over the weekend to extend lockdown measures, a move that critics said exceeded the president's powers.

Area Residents Protest Ecuador's Move to Restart Mining Operations

Ecuador has resumed mining operations that were on hold for nearly two months due to the coronavirus pandemic, with residents of a nearby community protesting the move, saying restarting work could spread the virus, Reuters reported. Ecuador's two largest mines, Fruta del Norte and Mirador, are preparing to reopen gradually, while smaller gold miners have already begun transporting minerals. Mining activity has fallen by 60 percent due to lockdown measures in the Andean nation, which saw some of the worst Covid-19 outbreaks in Latin America.

domestic cash reserve requirement change will release approximately 14 billion Jamaican dollars (\$95.2 million) to the institutions. The last time that the Bank of Jamaica adjusted its foreign currency cash reserve requirement was in April 2017 when it boosted the requirement by one percentage point to 15 percent. As a consequence of the central bank's action, liquid asset requirements will also fall. Banks' foreign currency liquid asset requirement will decline to 27 percent, while the domestic currency cash reserve requirement will lead to a reduction of 19 percent in the overall domestic currency liquid asset requirement.

BUSINESS NEWS

Argentina's Flybondi to Focus on Domestic After Ban Is Lifted

Argentine discount airline Flybondi will focus on domestic air service after the South American country's government lifts its flight ban, which is meant to fight the spread of coronavirus, the airline's chief commercial officer told Bloomberg News Monday. "The bet for regional growth in 2020 is canceled," said the executive, Mauricio Sana. "As foreign travel reduces, much of tourism will turn to whatever domestic options come up. Local markets will recover faster." Amid the pandemic, Argentina's government has implemented one of the world's strictest travel bans. On April 27, it prohibited all air domestic and international commercial flights until Sept. 1. Sana called the length of the ban "an exaggeration" and said he hopes the government will decide to allow air travel before then. Even before the pandemic hit, airlines in Argentina were hurting due to the country's economic slowdown, a 30 percent tax on foreign travel and inflation in the double digits, Bloomberg News reported. From mid-March until September, airlines in Argentina are expected to lose as much as \$80 million just on canceled domestic flights, said Sana. Flybondi began operations in 2018.

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Union—a clear diplomatic victory but without consequential follow-up. Failures have been more frequent, each leaving Maduro a bit stronger, while the opposition appears weaker and more disorganized. After the Gideon episode, the countries that recognize Guaidó as Venezuela's legitimate leader have reason to be concerned about his judgment and leadership. What comes next? Probably more of the same, unless the United States unexpectedly revises its Venezuela policy, which today is fixated on ousting Maduro, using tactics that have left an impoverished population worse off. The opposition too, needs to change course, to demonstrate greater realism and patience. It needs to develop its own strategy and not depend on the United States for direction and initiative. The United States has little interest in Venezuela, aside from showing off its power and winning votes in Florida. The opposition needs to shift focus from quickly getting rid of Maduro to building a more unified, more potent political movement."

A **Steve Ellner, associate managing editor of Latin American Perspectives and retired professor of the Universidad de Oriente in Venezuela:** "Every aspect of the recent attempt to topple the Maduro government points to Juan Guaidó's lack of leadership capacity. The incident cuts into his support among both the radical opposition that backs the use of force and the majority of Venezuelans, who, according to polls, favor concrete proposals to solve pressing immediate problems over regime-change strategies. In the first place, Guaidó's signature on the contract with the Florida-based Silvercorp USA disregards the history of operations of this sort, in which planners go to length to ensure the credibility of a Plan B consisting of denial of involvement in case of failure. In the second place, Guaidó's commitment of \$213 million to Silvercorp raises questions about the origins of such a large sum of money. In the third place,

even those favoring a military solution are criticizing the use of foreign mercenaries. In the fourth place, the plan envisioned one of two scenarios, one naïve and the other questionable on ethical grounds. The choice of Macuto, with a strong navy presence nearby, for landing implied that the Venezuelan armed forces would spontaneously turn against Maduro, contrary to its behavior throughout 2019. The contract implied a possible drawn-out bloody confrontation with specified human targets including those close to Maduro and Diosdado Cabello. The Los Angeles Times reported that the incident has 'buoyed' Maduro. During his rule, Chávez counted on the backing of a sizable majority of voters. It is unlikely that most of them would support an opposition that incident after incident becomes branded 'Made in the USA.' Some of this sentiment gets translated into support for Maduro, even among Venezuelans who fervently oppose his policies."

A **Charles Shapiro, president of the World Affairs Council of Atlanta and former U.S. ambassador to Venezuela:** "In Season 2 of 'Jack Ryan,' six Americans on a boat set in motion events that bring down the ruthless Venezuelan dictator. While entertaining, 'Jack Ryan' is fiction. Nonetheless, the perpetrators of this incident appear to have used a TV script as their plan to depose Maduro. The reality is that Venezuela is a huge country, the military is thus far loyal to Maduro and Cuban intelligence is very good. The 2002 'coup' against Chávez weakened the opposition for a decade while Chávez entrenched a system that destroyed the nation's economy and the remaining vestiges of its democratic institutions. It should not surprise anyone that Maduro, who proclaimed himself Chávez's 'hijo político' is trying to use this goofy incident to maintain himself in Miraflores while the country is ravaged by Covid-19, the economy requires last rites, oil production at 622,000 barrels per day has dropped to 1944 levels

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and oil prices have cratered. Maduro should be panicking. Instead, this incident has given him a lifeline while increasing the centrifugal force pulling at the fractious opposition coalition. What is bad for Guaidó is good for Maduro. Net result: this incident was an own goal. As for the fictional Venezuela of 'Jack Ryan,' President Nicolás Reyes is not nearly as ruthless or as corrupt as Maduro, the fictional economy is not nearly as bad as the real Venezuelan economy and the fictional military hesitates to shoot Venezuelan citizens while the real security forces have no compunction about repressing their countrymen."

A **David Smilde, senior fellow at the Washington Office on Latin America and professor of sociology at Tulane University:**

"It is important to remember that in the past three years since the Maduro government moved from electoral authoritarianism to hegemonic authoritarianism, the opposition has tried street mobilization, going to elections, international pressure and negotiations, all without results. Thus, this type of desperate measure should not surprise. Most damaging is Juan Guaidó's failure to assume responsibility and clearly pivot to trace out a new strategy. This has produced a malaise within Venezuela and cast a shadow on his leadership among international allies. The opposition is hopelessly divided between those who think a strategy based on political mobilization and negotiation is the way forward and those who think that is naïve and just postpones foreign military intervention. Behind this, of course, is the Trump administration's frequent statements that 'all options are on the table.' Few people close to the U.S. government think there actually is a military option, but it has captured the imagination of wide swaths of Venezuelans in the country and in the diaspora. Combined with a population being ground down by a humanitarian crisis exacerbated by U.S. sanctions, there is little chance the opposition will be able to mount a real

political challenge to the Maduro government. At this point, the only way the current tragic equilibrium could be altered would be a change in the geopolitical interests and pressures at play. A negotiation between the United States and Russia, designation of a special representative by the United Nations or robust engagement by the European Union could reorganize the conflict."

A **Maria Velez de Berliner, managing director of RTG-Red Team Group, Inc.:** "Covert actions

to execute regime change are the task and responsibility of professional operatives, not of civilian amateurs such as the incompetent mercenaries of 'Operation Gideon.' As Sean McFate's work demonstrates, 'mercenaries are the future of war.' But those mercenaries require training, reliable equipment, tactical support and must have proven ability to carry out their mission; and whoever sponsors them must have credible, plausible deniability. None of these conditions existed in 'Operation Gideon.' Few believe the United States and Guaidó had no previous knowledge of the action. Its failure resulted in a risible fiasco that narrowed the range of options of the United States and gave Maduro a public relations coup. With its support of 'Operation Gideon,' Venezuela's opposition, led by Guaidó, demonstrated it is ill advised, naïve and woefully ignorant of the deleterious repercussions that failed actions such as 'Operation Gideon' have. It also shows the miscalculation of the United States regarding Maduro's support. To execute regime change in Venezuela, the United States will need to: 1.) negotiate with Venezuelan Defense Minister Vladimir Padrino, because deposing Maduro must have the army's support; 2.) know what to do with Venezuela's colectivos, militias, guerrillas and sundry nonstate criminal actors; 3.) know the pros and cons of whoever takes power, from the Venezuelans' perspective; and 4.) do all this professionally and, hopefully legally, not through amateurish, wishful actions such as 'Operation Gideon.' "

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Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
gkuleta@thedialogue.org

Anastasia Chacón González
Reporter & Associate Editor
achacon@thedialogue.org

 **THE DIALOGUE**

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