

## LATAM PULSE

This week, **Venezuela's** opposition coalition has come up with a surprise presidential candidate, but the path to the July election is still deeply uncertain. The protracted follow-up to a high-profile crime continues to present **Brazil's** government with risks and opportunities. In **Argentina**, the political arena remains key to the future of the government's reform agenda, though the Supreme Court may become its ultimate arbiter. In **Peru**, President Dina Boluarte's position looks more dependent on corrupt parties in Congress than ever. Finally, **Mexico's** leading presidential candidate, Claudia Sheinbaum, remains deliberately vague on how she would support nearshoring.

### Venezuela

By the end of today, 25 March, the slate of candidates competing in the July presidential election should be confirmed. Crucially, it is not clear whether Corina Yoris will be allowed to register following complaints from the opposition that parties endorsing her have been unable to log into the IT system run by the regime-controlled National Electoral Council (CNE). Yoris, an 80-year-old academic, was unveiled late last week as a substitute for Maria Corina Machado (MCM), the winner of the opposition primary who the regime has disqualified. Yoris was a surprise choice but appears to have the backing of the division-prone Democratic Unitary Platform (PUD) – an outcome the regime may not have expected. It is not clear who would replace Yoris if she is blocked. President Nicolas Maduro will also register as a candidate today, joining several other figures from the tame or cosmetic opposition in the race. Even if Yoris is not impeded, the CNE can remove names if they are successfully challenged in the coming days.

### Brazil

The end of the investigation into the 2018 assassination of Marielle Franco, a city councilor from Rio de Janeiro, presents a threat and an opportunity for President Luiz Inacio Lula da Silva. The case has been a strong symbol of the violence faced by black and female Brazilians. Marielle and her party, the Socialism and Liberty Party (PSOL), fought against abuses in Rio's politics perpetrated by the (Brazilian Democratic Movement Party (PMDB), the party that governed Rio state until 2018. Three men were preventively arrested as those who ordered the assassination. One of them, Chiquinho Brazao, currently a federal representative from the "Big Center" Brazil Union party (*Uniao Brasil*), was then affiliated to the PMDB in the state. The second, Domingos Brazao, had been strongly opposed by Marielle and her party for his election to Rio's Public Accounts Court in 2015. The opportunity for Lula rests in showcasing his government's determination to face crime and violence, particularly in a year of municipal elections. The threat refers to a possible greater polarization of forces in Congress, given the risk of further investigations that may affect opposition politicians.

### Argentina

The government will be courting provincial governors this week as part of the negotiations to re-float a version of the "omnibus" reform bill that collapsed in February. Negotiations remain at a relatively early stage, and the number of reforms, together with different provincial interests, should allow for deal-making – assuming President Javier Milei genuinely wants an agreement and can handle other overlapping political tests. The government needs to delay moves to initiate a lower house debate on the parallel deregulation mega-decree recently rejected by the senate. At the same time, if Milei wants his picks for the Supreme Court to advance, he will need to build support from across the political spectrum. However, Milei's revisionist view of events surrounding Argentina's 1976 coup could complicate any agreement with *Kirchnerismo*. Last week, Milei unveiled his selection for the existing opening in the court and another for an upcoming vacancy. The Supreme

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Court could be the ultimate arbiter of the mega-decree and other decrees, such as the one advancing Milei's new pension adjustment formula.

In parallel, the government wants to broaden the military's scope to operate in domestic security operations in instances of terrorism, which can include "narcoterrorism"; earlier this month, the government dispatched military units to Rosario (Santa Fe province), which has been hit by a wave of drug-related violence. However, the law stipulates that the military can only provide logistical support to security forces. The issue has already created rifts within the government, as VP Victoria Villaruel – who has a deep interest in defense issues but who Milei blocked from having control over any security or intelligence portfolios – opposes the use of the military in domestic security tasks, just one of a series of issues on which Milei and his VP differ. There may also be unease within the armed forces over the legal and reputational risks of any expanded operational remit.

## Peru

President Dina Boluarte is likely to remain on the political defensive following recent revelations that she owns a collection of expensive luxury watches and that the financial regulator's Financial Intelligence Unit has investigated suspect activity in her bank accounts dating back to 2016. Prime Minister Gustavo Adrianzen's defense of Boluarte has consisted of little more than the assertion that the president enjoys immunity from prosecution. It has also emerged that the official log detailing all coming and going at the government palace briefly went missing on 15 March. While these latest allegations might appear relatively trivial compared to some of the other accusations against Boluarte – she has also been accused of "qualified homicide" over the deaths of protestors during the 2022-23 unrest – they will further sap public confidence in her presidency and in a Congress that continues to support her as part of a co-existence pact based on a common interest in avoiding early elections and securing impunity. According to an IEP poll carried out last week, Boluarte's disapproval rating stands at 86%, while public disapproval of Congress is at 92%.

## Mexico

The five days Claudia Sheinbaum spent on the campaign trail in northern states last week have revealed relatively little about the National Regeneration Movement (Morena) presidential candidate's plans to attract new investment and/or capitalize on the relocation of investments closer to the US. At an event in the business hub of Monterrey with a leading business chamber, Sheinbaum proclaimed her support for nearshoring. Sheinbaum repeated her mantra that she would steer inward investment to create "development poles," the suggestion being that she could try to follow President Andres Manuel Lopez Obrador (AMLO)'s efforts to encourage investment beyond border states and certain well-established manufacturing hubs. Earlier in his presidency, AMLO used a dubious referendum to push one company to relocate and threatened another in an unsuccessful effort to site its facility in an alternative location. Sheinbaum has also been vague when discussing the issue of clean energy despite concerns from companies that are under increasing pressure to improve their corporate environmental performance.

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