What Does the Future Hold for U.S.-Bolivia Ties?

The United States is sending its first ambassador in more than a decade to Bolivia in an effort to normalize the relationship between the two countries. The United States has had a lower-ranking diplomat in La Paz since former Bolivian President Evo Morales ordered the last ambassador to leave in 2008, blaming him for inciting anti-government protests. How significant is the Trump administration’s move to name an ambassador to Bolivia? In what ways can the two nations expand cooperation? Will the U.S. seek to improve its relationship with the Bolivian government regardless of who wins the South American country’s May 3 election?

Q: The United States plans to send its first ambassador to Bolivia since 2008, when then-President Evo Morales expelled Philip Goldberg, pictured above. Goldberg is currently the U.S. ambassador to Colombia. // File Photo: U.S. Embassy Bogotá.

A: Holly Sonneland, editorial manager at AS/COA Online: “In a neutral situation, the restoration of diplomatic relations is a good thing. But, of course, the current climate in Bolivia is anything but neutral. The willingness of the interim administration of Jeanine Áñez to receive an ambassador from Washington is arguably more significant than Trump’s decision to send one, who will in all likelihood be a staid career diplomat. If an ambassador is confirmed before the May 3 vote, he or she would be wise to stay out of any electoral spectating at all costs. The Bolivian electorate will be deeply wary of any U.S. ambassador after such a long absence and of who is coming at the behest of the divisive Áñez. It’s also worth remembering that it was the then-U.S. ambassador’s comments during the 2002 presidential race—‘I want to remind the Bolivian electorate that if they vote for those who want Bolivia to return to exporting cocaine, that will seriously jeopardize any future aid to Bolivia from the United States’—that backfired, galva-
**POLITICAL NEWS**

**Venezuela’s Guaidó Cheered at Trump’s State of the Union**

Venezuelan opposition leader Juan Guaidó on Tuesday night attended U.S. President Donald Trump’s State of the Union address and received a bipartisan standing ovation from legislators, cabinet secretaries and others attending the speech. “Here this evening is a very brave man who carries with him the hopes, dreams and aspirations of all Venezuelans. Joining us in the gallery is the true and legitimate president of Venezuela, Juan Guaidó,” Trump said in the address at the U.S. Capitol. “Please take this message back that all Americans are united with the Venezuelan people in their righteous struggle for freedom.” In the address, Trump added, “We are supporting the hopes of Cubans, Nicaraguans, and Venezuelans to restore democracy. The United States is leading a 59-nation diplomatic coalition against the socialist dictator of Venezuela, Nicolás Maduro. Maduro is an illegitimate ruler, a tyrant who brutalizes his people. But Maduro’s grip on tyranny will be smashed and broken.”

**Bolivia’s Morales to Run for Senate in May Election**

Former Bolivian President Evo Morales will run for Senate in the upcoming elections, according to the candidates list that his MAS party registered on Monday, The New York Times reported. The announcement is the latest sign that Morales hopes to continue his involvement in Bolivian politics, despite living in self-exile in Argentina and facing an arrest warrant issued by Bolivia’s interim government. On Twitter, Morales, who will be running to represent the Cochabamba region, congratulated his party for selecting “the best men and women for the next legislature.” He had previously alleged he was being politically persecuted, with his opponents attempting to block his inscription as a candidate, EFE reported. Bolivia’s electoral tribunal must still approve MAS’ candidate listing, according to the report. Morales, who served as Bolivia’s president for 14 years, resigned in November after winning a fourth term in a disputed election the previous month. Tensions between Morales and the interim government of former Senator Jeanine Áñez, who was eventually next in the line of succession, remain high three months after Morales’ exit from office. Bolivia’s presidential and legislative elections are scheduled for May 3. [Editor’s note: See related Q&A in the Jan. 13 issue of the Advisor.]

**ECONOMIC NEWS**

**Venezuelan Banks Storing Millions in Dollars, Euros: Report**

At least six Venezuelan banks have begun storing millions of dollars and euros that businesses have accumulated in cash during an unexpected economic liberalization under President Nicolás Maduro, Reuters reported Tuesday, citing unnamed sources. Approximately $1.8 billion has flowed into Venezuela over the last year, according to three senior banking sources, mainly from remittances and from the country’s oil and gold exports to allied nations, including Turkey and Russia. The private lenders’ custodial services are new, reportedly beginning discreetly late last year. The service is only available for well-known firms with significant revenue and longstanding accounts, four finance industry senior executives told Reuters. “It is a service for traditional customers,” one said. Such a move aims to circumvent U.S. sanctions that ban companies from doing business with Maduro’s government. Clients of the custodial service pay monthly commissions of 1 percent or 2 percent of the deposits, and the banks offer instant access to cash and regular security checks, according to the report. The sources asked for the banks not to be named for security reasons.

**NEWS BRIEFS**

**At Least 138 Salvadorans Killed After Deportation From U.S.: Report**

At least 138 Salvadorans have been killed since 2013 after being deported from the United States, Human Rights Watch said in a report released today. The 117-page report also documents cases of more than 70 others who were beaten, sexually assaulted, extorted or tortured. The perpetrators of the attacks include gangs, former intimate partners and Salvadoran police and security personnel, according to the report.

**At Least Nine Killed at Video Arcade in Mexico’s Michoacán State**

At least nine people were killed and two others were wounded in a shooting at a video arcade in Mexico, CNN reported Tuesday. The attorney general’s office said in a statement that four people walked into an amusement arcade in the city of Uruapan in Michoacán state on Monday, asked questions of some patrons and began shooting military-grade weapons. At least four of the victims were minors between the ages of 12 and 17, the statement added.

**Buenos Aires Province Governor Vows to Make $250 Mn Bond Payment**

The governor of Argentina’s Buenos Aires province, Axel Kicillof, on Tuesday vowed to make a $250 million bond payment after failing to reach an agreement with enough of the province’s creditors, surprising investors who expected Kicillof to force a default, The Wall Street Journal reported. Kicillof, a former finance minister and close ally of former President Cristina Fernández de Kirchner, who currently serves as vice president, said his administration would now seek to restructure Buenos Aires’ foreign debt. About $3 billion in payments are due this year.
Banco Bradesco Reports 14% Rise in Profit for Q4

Brazil’s Banco Bradesco today reported a 14 percent increase in recurring net income for the fourth quarter, year-on-year, Reuters reported. The bank, Brazil’s second-largest private lender, said its insurance operation and consumer lending business helped to drive profits, though it also issued a more cautious outlook for this year. Recurring profit, which excludes one-off items, amounted to 6.645 billion reais ($1.56 billion) in the fourth quarter. That topped analysts’ estimates of 6.508 billion reais in a poll by Refinitiv, the wire service reported. Bradesco said its insurance business profit grew 10.1 percent as compared to the same quarter a year earlier, while its loan book grew 4.6 percent in the final three months of the year. Consumer loans fueled profit in the bank’s lending business, Bradesco said. Loans in arrears for more than 90 days amounted to 3.3 percent, a decline of 0.2 of a percentage point as compared to the third quarter. However, the bank’s loan-loss provisions rose 19.3 percent in the fourth quarter as the bank said disbursements were higher for small businesses and consumers. Bradesco also said its net interest income rose 4.4 percent in the fourth quarter as compared to the same quarter a year earlier. Its return on equity for the quarter was 21.2 percent, an increase of one percentage point as compared to the third quarter. Bradesco said its loan book will likely grow between 9 percent and 13 percent this year, a lower increase than the bank saw last year. Bradesco added that its loan-loss provisions may amount to 16.5 billion reais this year, a higher level than this year. Bradesco’s release of its results for the fourth quarter came a day after Brazil’s Economy Ministry cleared the bank on a tax probe, saying that it was unable to prove that Bradesco tried to avoid paying a tax fine of 3 billion reais, Reuters reported. The government’s decision was published in its official gazette, and the bank did not comment on the decision.

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— Holly Sonneland

nizing anti-U.S. sentiment that Evo Morales capitalized on en route to the presidency. There is indeed a possibility for a diplomatic climate change and for the two countries to work together on institution-building, health and, as always, counternarcotics policy in Bolivia, along with infrastructure development. But if the MAS candidate wins on May 3 and Trump—who, if he pays attention to Bolivia, will likely wield it as a wedge issue in Florida—wins re-election on Nov. 3, it would be unsurprising if relations were severed once again.”

Gonzalo Mendieta, partner at Mendieta Romero & Asociados in Bolivia: “The Trump administration has embraced changes that occurred last year in Bolivia, as a counterexample to Venezuela and Nicaragua. Senior U.S. officials have recently visited Bolivia and committed cooperation, though in rather broad terms. Given the geopolitical balance in the region, any future Bolivian government may rely heavily on the United States. Relations between the countries have undergone an about-face since Morales left. The question is how the United States sees its role with regard to a country that is rarely strategic to its interests or policies, and whether the United States thinks it can affect Bolivia’s political landscape in the long term, beyond messages for public consumption. Will the United States remain aloof in substance, even while sympathizing with Bolivians’ latest political shift? History favors a skeptical answer. Trade and investment relations could be reinforced. Bolivia could regain the Andean trade benefits the United States formerly granted it. Investments in the gas and mining sectors could also help mitigate the looming economic slowdown. It speaks volumes about the weight of U.S. backing that eastern Bolivia’s current development is also an outcome of a U.S. mission in the 1940s (the Bohan Mission). Morales’ party is far from faded, but it will not win the coming elections. Thus, the United States may improve its relationships with any ensuing government, even if at a more nuanced level it may prefer politicians with whom it enjoys better rapport.”

Mark Weisbrot, co-director of the Center for Economy Policy and Research: “The Trump administration’s current and future behavior in Bolivia can best be forecast by its strong support for the military coup that overthrew the democratically elected government of Evo Morales on Nov. 10. And no one disputes that Morales was democratically elected to his term that began in 2015. But there’s more: the Organization of American States, whose leadership under Secretary General Luis Almagro is strongly influenced by Trump and Senator Marco Rubio, played a leading role in the coup that brought this violent, repressive, racist, anti-indigenous government to power. The OAS did this by repeatedly claiming, falsely, or implying, that the Morales government committed fraud in the Oct. 20 election. One hundred and thirty-six economists and statisticians said the OAS charges were false. Members of the U.S. Congress demanded answers from the OAS for their false accusations. Journalists have also tried to ask questions. All have gone unanswered for more than three months. Why? Because the OAS is lying and cannot defend its accusations. The treatment of these transparent falsehoods—only eighth-grade arithmetic is necessary to
understand them—by many U.S.-based NGOs that claim to support ‘human rights’ and ‘democracy’, is disgraceful. The same goes for most of the U.S. media, including the editorial board of The New York Times, which for the first time in 17 years supported a military coup—provoking an angry response from more than 300 academic experts. The truth will come out.”

Peter DeShazo, visiting professor of Latin American, Latino and Caribbean Studies at Dartmouth College and former U.S. deputy assistant secretary of state for Western Hemisphere affairs: “Both the United States’ decision to announce that it will name an ambassador to Bolivia and the timing of that announcement are problematic. Bolivia faces a challenging election on May 3, a re-run of the deeply flawed vote last October that triggered Evo Morales’ departure and the installation of an interim government headed by Jeanine Áñez. The presidential campaign looks to be hard-fought, with eight candidates spanning the ideological spectrum. The U.S. position during the run-up to the election should be crystal clear: support for democracy and a free and fair electoral process, but neutral in terms of the candidates. Unfortunately, the U.S. statement that it would name a new ambassador after an 11-year hiatus came just before Áñez’s announcement of her candidacy in the May election. Combined with the praise President Trump and other U.S. officials have given Áñez, the optics suggest U.S. support for her. In the Bolivian context, the prospect of a president—even interim—presiding over an election in which he or she is a candidate has severe drawbacks, further complicating the importance of U.S. support for a process, not a candidate. Moreover, if past experience is any indication, perceived or real U.S. meddling in a Bolivian election will generate a counterproductive result. U.S. national interest is best served by working with the government that emerges after May 3—presumably imbued with the legitimacy of an elected regime—to strengthen bilateral ties, including an exchange of ambassadors.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.