HOUSE OF COMMONS

Foreign Affairs Committee

Oral evidence: Global Britain and South America, HC 1617

Tuesday 29 January 2019

Ordered by the House of Commons to be published on 29 January 2019.

Watch the meeting

Members present: Tom Tugendhat (Chair); Ian Austin; Chris Bryant; Mike Gapes; Ian Murray; Royston Smith.

Questions 1-49

Witnesses

I: Professor Julia Buxton, Professor of Comparative Politics, Central European University, and John Dew, former UK Ambassador to Colombia.

II: Cristina Cortes, Chief Executive, Canning House, and Professor Anthony Pereira, Director, Brazil Institute, King's College London.

Written evidence from witnesses:

Canning House

HOUSE OF COMMONS

Examination of witnesses

Witnesses: Professor Julia Buxton and John Dew.

Q1 **Chair:** Welcome to this afternoon's session of the Foreign Affairs Committee. If I can start off on a rather wider question: what are the most pressing political and social challenges facing the Andean states?

Professor Buxton: The most pressing issue is the nature of western hemisphere relations, particularly the role of the United States right now and how far Latin American countries, after the so-called pink tide of left-of-centre Governments, are reconfiguring their foreign and domestic relations. It is a moment of real uncertainty right now, and that is the major concern I would express to the Committee.

John Dew: The biggest thing is social exclusion—the fact that you have got countries where up to half the population is in the informal economy or is living in an informal way, outside the mainstream. Although that has been reduced over the last 20 years, you have still got a hard core. Venezuela is a good example but Colombia, in particular, I know better. Probably 30% or 40% of people work in the informal economy and don't pay taxes, and there is no legal base for their employment. Their purchasing power is extremely low, insecure, with not much legal cover. The story of Colombia, Ecuador, Peru, Bolivia, is how to bring these people in. There are no particularly good, tried, trusted and accepted ways of doing it. It is a huge open question, and that is the background against which I see the drama playing out.

Q2 **Chair:** We have seen various elections recently, some of which have been a little bit more surprising than others. What do they tell us about the resilience of these different states?

Professor Buxton: I would imagine that in the case of Venezuela, it tells us that Venezuela really needs to have dialogue around reconstructing its electoral system and its electoral administration before we can proceed with stabilising the country. In the case of Brazil, one of the big concerns that came out with some of the election campaigning at the time was this increasing role of social media—how destabilising social media is becoming in Latin American politics, as it is in many other places in the world. I will defer to John on Colombia, but I think that Colombia's electoral process showed a remarkable level of robustness. The key thing then is legitimising arrangements afterwards.

John Dew: I think that in Peru, Ecuador, Bolivia and Colombia, you see a degree of resilience. Their systems have kept going. In Colombia you have had populist surges coming up from time to time. Back in 2008-09, there was an attempt by the then president to get a third turn, to change the constitution. He was immensely popular. It would have happened had it been legal, but the Constitutional Court ruled, "No, you can't do it," and it was immediately accepted. There was no question of challenging it. So that is a huge step forward.

As far as I know, elections are getting more like we understand them. They are more to do with votes—so, what people think, what they actually want, rather than what they are paid to vote for. That is still not a perfect situation, but every election appears to be moving in that direction—with the exception, presumably, of Venezuela.

Q3 **Ian Austin:** Can I ask some questions around the peace accord in Colombia? In particular, what is your assessment of the impact on the peace accord of the recent presidential election, and how successful do you think international support for the peace accord has been? Have those efforts been sufficiently co-ordinated?

John Dew: On the first point, there is no question but that the new president, and the people who voted for him, are not great supporters of that peace accord of the FARC. I think it is important to realise that the peace accord of the FARC is far more popular internationally than it is inside Colombia. Inside Colombia it struggles to be accepted. Certainly, on the referendum—they may have won that referendum. The peace process, or peace accord—or peace deal—of the FARC is definitely a good thing: it is a step forward. But I give it two cheers, rather than three. There have been a lot of missed opportunities and a lot of hype about all the other things that were going on. I see it more as a demonisation of the FARC. But it has stimulated a whole load of new people to move in. The production of coca leaf has more than trebled; I think it has now reached a record level, which it did not stand at before until the year 2000. So all those years of effort to bring production down, to crack down on the drug industry, are now at nought and there are new armed groups coming in and taking over from the FARC. The FARC have left their areas and other groups have moved in. So it is quite a challenge; it is a different challenge from what people thought about when they signed the peace accord. We do not know whether the new Government will have the resources or the energy to do that, because it means going into those areas where there has been no real state control, ever, and exercising that control and pushing out the illegal groups. That is a huge challenge.

In terms of international support, it has been a crucial factor. I think it also needs to be quite critical: I don't think that international support should be just support. There are some big questions about why so many social leaders in these areas where there has been conflict are being murdered. Why are there so many human rights defenders being murdered and threatened? Why are people still being displaced? Some 35,000 people were forcibly displaced last year, one hears. There is also a relationship between the huge explosion in coca production and the fact that in Europe and in this country there has never been so much cocaine, so pure, so cheap. We have to ask where that is leading and whether it has any connection with the increase in knife crime violence on the streets, and so on. That increase in coca leaf production was a consequence. It had some relationship with the peace accord and the way it was handled, or not handled. By all means give international support, but with a degree of criticism and a degree of asking questions and maintaining a degree of pressure, particularly since the new Government

is a bit less enthusiastic and is cutting back on the budgets for a range of programmes. The international community should be a bit more exigent, or a bit more demanding.

Ian Austin: That is very helpful, thank you.

Professor Buxton: If I could add something on the subject of Colombia, one of the big problems we have seen is that the Government have not necessarily followed through with some of the development initiatives intended to move coca farmers away from coca cultivation. That has exacerbated a sense of insecurity for many of the coca cultivators. They were meant to be receiving money from the Government in exchange for reducing coca cultivation, but the challenge is one of sequencing. From the field reports that I have read, a number of the cultivators simply did not believe that the money, support, infrastructure or technical assistance was coming through. Obviously I am concerned by the rise in coca cultivation in Colombia, but it was completely predictable and I would certainly caution against thinking that this is Colombia-specific. When we saw reductions in coca cultivation in Colombia, it was offset by a rise in coca cultivation in Peru. This is an Andean problem, and it is moving around. We cannot look at it just in terms of Colombia on its own. If we reduce in Colombia, it simply relocates to another country. We are chasing this around the region.

Q4 **Mike Gapes:** Can I ask you about the impact of the refugees fleeing into Colombia from Venezuela? How is that acting politically and economically? How is the Colombian Government dealing with that?

John Dew: I think it is a big problem, but you have to remember that an awful lot of people left Colombia over the last 40 years to live in Venezuela. It is a sort of coming back.

Q5 **Mike Gapes:** Are these the same people coming back?

Chris Bryant: It was one country.

John Dew: It was one country. When I lived in Venezuela in the '70s—the good years—there were an awful lot of Colombians. They were economic refugees. Now they are moving the other way. It is a headache for the Colombian Government, but personally I would be more confident. Colombia has coped with 7 million forcibly displaced people inside Colombia over the last 20 to 30 years. The informal economy I talked about earlier is actually quite capable of mopping people up, or whatever you call it. They live in terrible conditions and work is precarious, but I would not despair. I would not have thought it was a game hanger. But I defer to those who know more than I do.

Q6 **Mike Gapes:** To follow up on Tom's initial question, on the subject of relations between the Andean countries, is there an overall sense of hostility or conflict, or co-operation? Who is lined up with who?

John Dew: Julia might know more than I do. There are open economies and what you might call closed, or semi-closed, economies. I would say that Chile, Peru and Colombia are open economies. They are part of the

Pacific Alliance, a sort of market economy group. The Stock Exchanges of Chile, Peru and Colombia have merged for some years. Colombia has joined the OECD, as did Chile. Ecuador and Bolivia are emerging from some kind of alliance with Venezuela as a sort of further-left grouping. I will leave that to Julia to explain.

Professor Buxton: I was going to pick up on Bolivia, because Bolivia is emerging as quite a pivotal support for Venezuela at the moment. Unless Bolivia shifts, the situation in Venezuela is such that Maduro is not going to be as isolated as people are probably anticipating. In Bolivia, we are seeing that Morales continues to command significant popular support. The key thing for Bolivia is going to be the transition away from the Morales Government. This has been a process. He was the first indigenous leader to be elected in Bolivia. Ecuador has been a more complicated case, moving away under Rafael Correa—where there were very close relations with Venezuela—towards a more antagonistic, hostile position. What has surprised many of us who are watching the region has been the anti-Venezuelan sentiment, going back to your original question about displaced Venezuelans. There is very strong anti-Venezuelan sentiment, particularly in Ecuador, where they have introduced requirements for passports to cross into Ecuador.

We had hoped that the Andean countries, apart from Colombia, currently, would have been able to absorb many of these Venezuelan migrants far better than they have done. What we have seen instead has been a real rise in some very strong anti-Venezuelan violence against Venezuelan refugees who have moved into these countries.

Q7 **Chris Bryant:** I am terribly sorry I was late; I was listening to some rubbish in the Chamber. I should declare that I visited Colombia last year, paid for by ABColombia. We went into all sorts of less-visited parts of Colombia, which is important.

First, I want to ask about indigenous rights. Many indigenous people live in Colombia in particular. Many of them have been thrown off their land and are still being thrown off their land. They think of these lands as sacred to them. It seemed to me that that part of restoration of land was a vital part of the peace accord and a bit that has been very little implemented. Is that a fair judgment?

John Dew: Yes, indigenous people have rights under the constitution, which is quite a step forward. But, because they tend to live in remote areas where there is and has been no or very little Government control or even collusion with illegal armed groups, their lives have been extremely difficult. Some have been pushed into Ecuador; others live in a permanent state of anxiety and fear. I think they are going to be suffering just as much as everybody else, in terms of the slowness, the lack of application, the lack of resources, the lack of effort going into restoring people's land and actually implementing the peace accords.

As so often in Colombia, there is such a lot of talk and PR, the actual policy content or action is fairly difficult. Reducing the resources for these programmes is going to make it even more difficult.

Professor Buxton: The security vacuum that we have highlighted is one of the key drivers of the violence that we are seeing against indigenous communities, and not just against indigenous communities, but also against Afro-Columbians, who are seeing very elevated levels of violence, and against human rights defenders.

The biggest disappointment is that the peace accords emphasised community participation right down to the locality in trying to resolve the long-running grievances that have existed in Colombia and that has lost a lot of traction. But these communities are extremely vulnerable. To reiterate the point that John Dews made, without a state presence there that all communities have real confidence in, which is another issue, the real worry is the situation for indigenous communities, and for rural communities—77% of Colombians live in rural areas. That is where we have seen horrendous levels of violence.

Q8 **Chris Bryant:** I was going to move on to Campesino communities, drawing a distinction between them and indigenous, because often with Campesinos, a family would have a chunk of land that was theirs that they tilled and grew enough crops on to be able to live off. It has been sustainable in the past, but now there is a big battle between that and palm oil cultivation. Do you think the Colombian Government's determination that the land belongs to the state—to the patria—is a problem in terms of that massive extension of palm oil?

John Dew: This Government, or the people who are associated with this Government, would be more sympathetic to the kind of people who grow palm oil than the kind of people who own—that is a big question—vast chunks of land which they have acquired in different ways, often by expelling people, but not always.

The question of the ownership of land is absolutely central. If you keep boiling the Colombian problems down and down, you come to the kernel that it is almost impossible to earn an honest living in the countryside. Therefore, it is not surprising that people will grow cocoa—

Q9 **Chris Bryant:** Or they go to the cities and end up being in the margins—

John Dew: Exactly. Many people don't own their land or they have a very weak title to it. Until that is addressed and the whole question of land ownership is cleared up, you won't get investment in the countryside. Therefore, you will not get paid jobs and the formal sector will not come in, so this precariousness and illegality will carry on. The good intentions of the peace agreement are quite different from the actual application now.

Professor Buxton: I would echo those points. We have a particularly problematic situation in those areas where FARC was also demobilising, because that was really where so much of this investment was meant to

be coming in, because that was configured with coca cultivation. Again, it goes back to the issue of there being such a vacuum there at the moment. The real concern is that we will just have this recycling of paramilitary violence, land takeovers, and ongoing clearances and displacements of people. It is a real worry. As we said, we are seeing this real surge in violence, specifically in these rural areas where FARC was demobilising. It goes back to this security vacuum, because paramilitary groups—which unfortunately are frequently tied to large, private sector interests—are moving into the country and pushing people back off the land, so it leads back to the instability of before.

Q10 **Chris Bryant:** Back to the human rights defenders issue, in theory the Government have a programme to defend human rights defenders. When we visited, we were told of classic instances of a woman being dropped off by her security detail half a mile from her home, which was down an unlit track, so it was not a very effective defence programme. In the past, British trade unions and others around the world—because so many trade unionists have been killed in Columbia—complained that whenever President Uribe mentioned a name or said something nasty about somebody, that person would be bumped off within a couple of weeks. Uribe backed Duque; do you think that is still a significant problem in the political landscape of Columbia?

John Dew: I am not sure whether it was Uribe directly. There is a question of stigmatisation, which has certainly been a big issue in the past. Record numbers of what you call social leaders have been murdered. If you have difficulties in the countryside, and you have people with the energy and determination to come forward and lead their communities, and try to reclaim their rights and organise things, and large numbers of them get murdered—I think 400 have been murdered since the peace agreement has been signed, and 107, a record number, were killed last year—you have to ask, who is doing this? What kind of nod, wink or nudge—or sense of entitlement—do they get from the way that broader politics is going? That is a very difficult question.

Professor Buxton: I think it also highlights the lessons not learned from DDR demobilisation programmes. As part of the peace agreement the FARC handed over the names of 16,000 of its combatants. Clearly, for the peace process to retain traction, FARC needs to be assured that the names of the combatants are not being handed over to paramilitary organisations and other groups. The great worry for many people who were involved—not only the trade unionists and the human rights defenders, but from those FARC activists who have demobilised—is that their names will be released and revealed. The logical conclusion for most people is that they are rearming. That is a real concern in terms of what is coming over the border currently, in terms of Venezuela and the criminal organisations that are linking up on the left and the right. This is a worry in terms of the trans-Andean nature of the potential conflagration that we could see in that region.

Q11 **Chris Bryant:** That is one of my biggest anxieties about the situation in Venezuela, oddly. Uribe and Chavez used to use each other as punching

mates, and thereby keep each other popular in their own countries. If we enter into that state again, with a much more heightened situation, with America playing a rather different role, there is a real possibility of conflagration.

Professor Buxton: That is absolutely the case. I was reading some of the reports from Venezuela, from organisations such as Fundaredes. They talk about how the Rastrojos—as you are probably aware, they are some of the former right-wing paramilitary criminal organisations, or BACRIM—are recruiting young Venezuelans displaced from the country. They are undercutting local Colombians who are willing to join coca cultivation and collection, or organised crime groups. We are seeing some quite serious reports in terms of sex work. We are seeing very disturbing reports about young people, particularly minors—15,000 minors have apparently been recruited, it has been reported by Venezuelan peace organisations, into Colombian criminal organisations. The situation is just getting deeper and deeper in terms of embedding cross-border criminality.

Q12 **Chris Bryant:** I have one other question. In the peace process, the FARC were brought on board. One of the reasons, arguably, that it wasn't all tied up, apart from the referendum, was that the other paramilitary organisation, whose name I have forgotten—

John Dew: The ELN.

Chris Bryant: Yes, they weren't brought on board, although there was an attempt by the former Colombian ambassador to here to achieve that. But that seems to have fallen by the wayside again. The Spanish Government have been trying to get that back on track. Do you think there is a role for the UK in that at all?

John Dew: I think the chances of getting the ELN back into negotiation must be pretty slim. They have admitted responsibility for this bomb in Bogotá on the 17th, which killed 20 people and injured 80. There is so much reaction against them. It has always been very difficult to negotiate with them. They don't have the same central command. They don't have the same clear political line. There have been negotiations every few years with the ELN, going back—even Uribe tried, I think twice, to negotiate with them. Getting involved in that is a thankless game, frankly. Good luck to the Spanish, but I would not recommend that we join in.

Q13 **Chris Bryant:** That wasn't the answer I wanted.

John Dew: It is a thankless game, but if it could be done, it would be worth while.

Professor Buxton: I think the situation has also been slightly complicated because Duque has requested that the Cuban Government deport, effectively, the ELN commanders who were in Cuba for negotiations, which has somewhat complicated the situation there and put a lot of pressure on the Cuban Government as well.

Q14 **Mike Gapes:** I had better declare an interest as the vice-chair of the all-party Venezuela group. We have obviously seen some very rapid

developments in Venezuela in the last few weeks. Is there an internal solution politically to this crisis?

Professor Buxton: I think there has to be an internal solution to this crisis. Events over the last 72 hours have been really quite worrying for those of us who think that Venezuela needs to slow down. There has been such a ratcheting-up of the tensions. As you are probably aware, the United States imposed new sanctions on Venezuela's oil sector last night. The problem is that things are moving so fast right now that there is a real risk—I am not sure how we refer officially to Guaidó, whether we refer to him as the interim President or the opposition leader—

Q15 **Mike Gapes:** President of the National Assembly.

Professor Buxton: That is a very diplomatic way of putting it. There is a real risk that if this moves too fast, the opposition are not going to be able to carry with them those Venezuelans who have supported Chavismo and the Maduro Government, and they are not going to represent the majority opinion in Venezuela. That is the great worry right now. This is moving very fast, and people need to sit back and see what it is that Venezuelans want. What is desperately needed in Venezuela is a new national election commission, discussions around the Supreme Court. We need institutions rebuilding in the country. My grave concern is that we are going to go from one zero-sum game to another zero-sum game, where the Chavistas and the Maduristas are all excluded from politics. The end result of this will simply be that we will just enter another cycle of exclusion and political conflict.

Q16 **Mike Gapes:** There are people who are defecting from Maduro at this moment—the military attaché in the United States the other day and other people. How stable is Maduro's base?

Professor Buxton: It was one defence attaché, who apparently defected. What we really need to see any change is military within Venezuela to defect. Until that happens, we have to understand that Padrino López is the head of the armed forces, and I would say that, effectively, Venezuela has been a military Government for a number of years. What I find very confusing is that the choreography behind the moves for Guaidó did not bring into that discussions with the military, because the military have enormous political power but also enormous economic power. They run PDVSA, the state oil company. So until the military move, I don't think we are going to see any shift in the political dynamics. But then—to broaden this out—unless China and Russia also move, I think we are just going to be stuck in a bit of a domestic limbo.

Q17 **Mike Gapes:** Is there an alternative to Maduro who is not Guaidó, or an alternative who could be a transition figure?

John Dew: You would be hard put to find one. The big advantage of Guaidó is that he is relatively unknown. He is untainted by association with anybody. He is not necessarily part of that discredited opposition that nobody would be able to trust and that have been unable to organise themselves. You said: could there be an internal solution? I can't think of

any other kind of solution. I think it has to be internal, but whether it will happen depends, as Julia says, on what happens with the military. In Venezuelan history, the military have seen off dictatorial Governments before. They played a big role in getting democracy into Venezuela in '58. It could happen again, but they are so tied into the regime and it has been so profitable for them that it's difficult to see whether they would jump or not. I think that at one stage Chávez gave them a 300% pay rise, backdated for several years. That bought a lot of loyalty. Whether that still exists, I don't know.

Q18 **Mike Gapes:** We are looking at the region as a whole, so what is the impact of the current situation, the current crisis, in Venezuela on the neighbours, and what are the political implications for co-operation between the neighbours? You have already referred to Bolivia, but I am interested in how the dynamics of this work out in terms of the politics of neighbouring countries.

Professor Buxton: As I am sure you are aware, we have seen a big shift in the region from the centre-left Governments that were elected in the 2000s towards a position more right of centre, and nowhere more significantly than in Brazil. We expected that President Bolsonaro would play a larger role in trying to push back against Maduro, but it seems now that Brazil has been somewhat supplanted by the United States, which up until now had kind of played a backseat role and left a lot of the negotiations around Venezuela to the Lima Group countries—the 12 countries. What has happened now is that the US has really moved into the front seat, and I think that has undermined the possibility that Latin American countries can, if it is possible, play a more co-operative role in negotiating themselves on how to respond to the situation in Venezuela. Latin America has really been pushed out of this picture at the moment, and that is the great worry about the speed of US action.

John Dew: I think that for most Latin American countries that are trying to move forward, this is a hole in the head—a real pain. It is pulling the whole region back in time. You would expect Latin American involvement to be a bit more patient, but we don't know how much patience there is at the moment.

Q19 **Mike Gapes:** The UK Government has obviously been co-ordinating its approach with Spain, France and some other EU countries, and they have made the announcement of the eight-day deadline, in effect, for Maduro to agree to call new elections. Do you think the EU response will have any impact in Venezuela and, linked to that, how effective could sanctions be, or are sanctions, that are imposed by EU countries, as well as those we have already discussed that the US is doing?

John Dew: Sanctions always take time, and I am not aware of successful sanctions anywhere. I would be very wary of sanctions. It may be that we get pushed into a situation where that has to happen, but it doesn't strike me as ideal. At the moment, even eight days seems a long time in Venezuela. We just do not know. It is better to work with others in these

situations. How much impact that will have on the Venezuelan Government, I just do not know.

Professor Buxton: I think that the sanctions that were imposed in 2017 and 2018 by the US, Canada and the European Union countries, which were targeting specifically individuals, really backfired quite significantly. Rather than encouraging defection from the Maduro Government, it actually created a binding of the forces around Maduro. It has been a situation where, "If Maduro goes down, we all go down." That has really been the effect of the sanctions. As we know from the situation in Cuba, it does not really matter what sanctions are imposed externally; it does not necessarily change the internal dynamics. It is really the ordinary civilian population that bears the highest cost of sanctions imposed by external actors.

As for the eight-day deadline, it is important, obviously, that Venezuela moves towards elections that have the support and legitimacy of the entire Venezuelan population, and neither one side nor the other. But this has to be accompanied and supported by a real focus on institution-building in Venezuela. Currently, the electoral administration is completely controlled by supporters of the Government, so we will not have any progress on elections until we have dialogue around who is going to staff an electoral administration.

It is also worth pointing out that the National Assembly used article 233 of the constitution to appoint Guaidó, as it were. The challenge for the opposition now is that, under that article 233, there have to elections, also called within 30 days. I do not think that the schedules are particularly helpful in enabling us to get to a dialogue process and negotiations. Instead, we are constantly running against the clock, and that is a very dangerous situation to be in.

Q20 **Mike Gapes:** Finally, the Russians and the Chinese have been strongly—you mentioned this earlier—backing Maduro. How important are Russia and China to the survival of the regime? It has been reported that Russia has been sending military advisers recently. I do not know if that is particularly significant. I know that the Russians supply arms to Venezuela, but how significant is Putin's support, or Xi's support, to the survival of Maduro?

Professor Buxton: China and Russia are pivotal actors in Venezuela, and really need to be engaged with diplomatically and multilaterally. This is not just a Latin American problem; this is an international problem. China has lent Venezuela in the region of $75 billion. China obviously has the potential to walk away and write off these assets, or these lending and credit lines, that they have extended to Venezuela, but this is a huge amount of money that China has invested in the country. From some of the readings of the media in China, there is also a sense that the US is trying to push China out of Latin America. That is playing very negatively with China, who I think would like to be round the table discussing, in particular, the huge amount of money they will be owed back by the Venezuelans.

Russia has significant oil investments in Venezuela, particularly through Rosneft, after BP divested its shares and stakes in Venezuela. There was a statement this morning from Russia saying that they expected Venezuela to be paying back the immediate 3 billion in sovereign loans made to the Venezuelan Government. In particular, a real issue is going to be around Rosneft lending to PDVSA, the Venezuelan national oil company. That is underwritten by Citgo as collateral. Citgo is PDVSA's arm in the United States of America. That is the big challenge we face going forward. As I think has been said before, it is a bit like trying to extract an egg yolk from an omelette. Venezuela's oil industry is incredibly complicated, and it is not simply a question—as John Bolton hinted yesterday—of US oil companies coming in and taking over Venezuela's oil sector.

Q21 **Chris Bryant:** Just to clear a few things up, Venezuela has had a state of emergency since 2016, hasn't it?

Professor Buxton: Yes.

Q22 **Chris Bryant:** And there is a pretty severe curtailment of freedom of expression and freedom of assembly.

Professor Buxton: Yes.

Q23 **Chris Bryant:** Excessive use of force by the police and armed forces.

Professor Buxton: Yes.

Q24 **Chris Bryant:** Human rights abuses of other kinds, including the repression of defenders of human rights.

Professor Buxton: Yes.

Q25 **Chris Bryant:** The justice system is largely run by the political establishment.

Professor Buxton: Absolutely.

Q26 **Chris Bryant:** It doesn't sound like a utopia.

Professor Buxton: No.

Q27 **Chris Bryant:** Right. When I went in 2009, I was shown around a new Russia-funded and supposedly fully operational hospital, and I was very struck that in every ward we went into there were exactly the same patients. They obviously thought I was stupid, because I wasn't meant to recognise that they were always the same patients as those who had been in the previous ward. In fact, one of the women who was in accident and emergency later turned out to be a doctor in the hospital. It seems like there has been a mass of ludicrous propaganda for more than 15 years now.

Professor Buxton: My personal view is that Venezuela, up until 2006, which was President Chavez's third term, did manage to achieve some significant improvements in poverty reduction and social welfare. My argument would be that it was in the third term, when the Venezuelan Government embraced "socialism of the 21st century" and made oil the

motor of the revolution, that Venezuela started to go in a very, very different direction from that which had been promised when Chavez was first elected in 1999 and cited Tony Blair and Anthony Giddens as his role models.

In a way, we have seen the Venezuelan Government change and evolve over time. What has been very interesting, particularly under President Maduro, is that the circle of influence—the grassroots and all these social movements that were originally around the Chavez project—have been pushed to one side, and this has become a Government that is really dependent on military support and backing.

John Dew: There is a huge sense of wasted opportunity. When Chavez started, everybody thought that, at last, somebody might address the question of how a 20th or 21st-century Latin American country addresses social exclusion—the gap between the half that has everything and the half that has nothing—and that some sensible ideas might come out of it, which could be examples for other countries to look at. Apart from just spending money, and spending money they didn't have, there doesn't appear to be any intellectual legacy, any kind of policy recommendations or direction to go in. I remember a Cuban philosopher, an expert in Hegel, saying, "We are entitled to all the socialism we can afford," which was quite a subversive comment in Cuba. But Chavez overspent on the socialism, and it wasn't sustainable, and that is a great, great tragedy.

Q28 **Chris Bryant:** Part of that is that its economy is more reliant today on petro-carbons that it was even 15 years ago, and that depends on what is happening in the world in terms of oil prices.

Professor Buxton: The irony, when I talk about the extent to which this was a socialist project, is that during the height of the Chavez Government, commercial relations with the United States deepened. We had a lot of anti-Yankee, anti-imperialist rhetoric, but the reality in commercial terms was that these countries were being drawn closer and closer together economically.

I certain would agree with John. There were tremendous, tremendous opportunities to make major improvements to Venezuelan society. Initially, there was an emphasis on diversifying the economy, but after 2006 oil became absolutely central to everything, which opened up opportunities for corruption and economic mismanagement on the scale we are having to deal with today.

Q29 **Chris Bryant:** I think the Russians call it a monogorod, don't they—a town that can do only one industry? That is bad for Russia, and it is bad for Venezuela.

John Dew: If you have that one industry, you ought to invest in it, and it is the failure to do that that has led to the decline in production. That is one of the biggest problems. Even if you could get rid of Maduro, it would take some years to get investment back and get production going to anything like the previous levels.

Q30 **Chris Bryant:** I buy all the criticism of Venezuela under Maduro and Chávez—I am fully signed up—but my anxiety at this present moment is that anything that is led by the United States of America, whether under Donald Trump or any other President, will meet an equal and opposite force in Latin America of antiyanquismo, or anti-gringoism—whatever you want to call it. I wonder whether you share that concern.

Professor Buxton: I would share that concern, although I would say that that is slightly insulated by the political changes we have seen in, for example, Brazil, Argentina and Colombia. There is more of a kind of right-of-centre willingness there to engage in what is being written as a return to liberal internationalism, led by the United States.

My immediate concern is more to do with the internal politics of Venezuela. I would not argue that Venezuela is a country that might necessarily swing to the right, in the same way that Colombia or Brazil might. Venezuela has historically always had quite moderate, left-of-centre Governments. Whenever there was a right-wing, neoliberal shift, it caused all kinds of—it caused the emergence of Hugo Chávez.

So, I do not think that Venezuela will move to the right, and this US pressure right now—I have to say that the appointment of Elliot Abrams as the overseer of the democratic transition in Venezuela kind of pushes Guaidó and the opposition to the side and makes this into a confrontation that I feel can only benefit Maduro in the short term.

Q31 **Mike Gapes:** Can I just pick that up? The Democratic Unity Roundtable, which won the elections in 2015, was made up of, as far as I understand it, three parties coming together, two of which were members of the Socialist International, including Guaidó's party, which I think translates as Popular Will. Is it therefore surprising that there are people in this country who describe the people in the National Assembly and in this process as fascists trying to overthrow a socialist regime? I have seen that on my Twitter feed in the last day.

Professor Buxton: Your point is correct: the MUD—the Democratic Unity Roundtable—was a mix of parties. Going forward, the challenge is whether Guaidó is able to hold that coalition of forces together. As you are probably aware, Maduro actually faced a challenger in the presidential elections of May last year: Henri Falcón, a former Chavista.

Popular Will—Voluntad Popular—is actually a minority party in Venezuela. It is very much concentrated in Caracas and does not have the kind of national reach that we would expect of a party such as Primero Justicia, which was the other main opposition party.

You may be receiving all these offensive things on your Twitter about whether it is fascism against socialism, but my immediate concern right now is that we do not have a bloodbath in Venezuela, so I encourage you not to respond. I just do not think that that kind of binary understanding of what is going on in Venezuela right now is in any way helpful. I defer to John Dew.

Mike Gapes: I agree.

John Dew: They can't have all the fascism they can afford and they can't have all the socialism they can afford either. They need to get together.

Professor Buxton: I would add that we need a policy. That is the problem. The opposition have been in opposition for so long because there hasn't been a policy platform. There has never been a programme of governance. I argue that the longevity of Chavismo and Maduro is more by default of the failures and weaknesses of the Opposition than because of their popularity. That is certainly the case for Maduro. We need to know what the policies are. We have had nothing.

Chair: Thank you very much indeed. We will pause there as we go to our next panel.

Chris Bryant: Can we just thank John Dew for having been a wonderful ambassador as well?

Chair: Absolutely. Thank you.

Examination of witnesses

Witnesses: Christina Cortes and Professor Anthony Pereira.

Q32 **Chair:** Welcome to this second panel of the Foreign Affairs Committee this afternoon. Ms Cortes and Professor Pereira, thank you very much indeed for coming. If I may, I am going to start off similarly to the first session and ask about the resilience of democracy in the Cone of South America, as we are moving south in this inquiry. Ms Cortes, perhaps you could start us off.

Cristina Cortes: I am happy to. There are a lot of stresses and strains with the state of democracy in the Southern Cone, but going back to the earlier conversation we were having about some of the Andean countries, it is certainly not in the same kind of league. There are question marks over the individual countries, and the various stresses and strains in the institutional systems that they have and the balance of the parties, which suggest that the way in which the politics and the democracy are going to develop is not entirely obvious.

If we take Brazil as an example, there are a number of challenges there, specifically the scourge of corruption, the tradition of pork-barrel politics, fragmented institutions, a lack of accountability on the part of the politicians, and disillusioned voters. I would suggest that through a number of channels, that has led to the recent change: the election of President Bolsonaro was very much a cry of wanting to get away from the previous system.

Argentina is a very different balance. There, we have a President who has been in place for some time, and is struggling mostly with being in a

minority Government—so, not making as much progress with giving economic growth and security to the population as had maybe been expected. In the elections coming up in October, there might be a shift back towards a more populist approach. The polls are saying not, but it is certainly possible.

Elsewhere within the Southern Cone, we do not see quite the same stresses and strains, but the basic underlying problems—threats of recession and trying to pull out of it, dependency on mineral prices, for example, and also crime and corruption—run pretty much across that whole area. Although my opinion is that democracy is more solid than the discussion we were having in the previous debate, there are nevertheless enough threats to it that it is not entirely clear whether we are swinging to the left or to the right; whether something that is very much more nationalist and populistic—which we have seen before under the Kirchners in Argentina, for example, and we might see under Bolsonaro—is going to be the dominant trend; or whether it is going to be back to party politics as normal.

Professor Pereira: Just to complement what Cristina said, it is a region where there are lots of deficiencies in the quality of democracy, but what we see is that pretty much everywhere, with the exception of Venezuela, the basic institutions of democracy are functioning. That is a really big historical change, because if you go back a few decades, to the '70s for example, the whole region was run by military dictatorships—except, ironically, Colombia and Venezuela.

Now, that threat has receded. When people think about democracy and what the challenges are, they very rarely think, "Okay, the military is going to take over in an old-fashioned coup." They think, "We may have an impeachment that is kind of dodgy in democratic terms, or we may have street protests that spill over and lead to the elected Head of State having to leave", so there are different kinds of challenges now. However, overall, the historical change is probably about as significant as what has happened in eastern and central Europe, which transitioned away from communist regimes. The transition away from military dictatorships in South America is as historically significant, and it does not really look in danger of going back in that basic way.

Cristina Cortes: The main risk to it is that there is a distancing between the politicians and the voters, which is pretty dangerous and invites a certain amount of Bolsonaro-style appealing straight to the populace, with much more direct democracy between the President and the voters than Brazil has been used to recently. That said, if you have a Parliament that has 35 parties in it, it is very difficult to relate to normal party politics as we might understand it here. You could draw a comparison with Mexico and AMLO's approach, for example: there, you have much more appeal directly to the population, and much more bypassing of fragmented parliamentary institutions.

Argentina, as I say, is very different, because you actually have some established parties—albeit that they are busy fragmenting at the same

time. For me, there is a real question as to how the politicians rebuild trust, given the amount of corruption that you have had running through pretty much the whole region, not just the Southern Cone, off the back of the Odebrecht scandal and its predecessors.

Q33 **Chris Bryant:** I was going to ask about corruption, because it has been an endemic problem in the Latin American political system. The President of Peru, despite having a professor at Cambridge for a brother, nonetheless fell on that sword. Bolsonaro's son is now in some considerable trouble over corruption charges. On the Kirchners, my personal impression is that they were corrupt to the core, whereas Chile has perhaps managed to avoid that. Is that right, and why might that be?

Cristina Cortes: Chile is on a much lesser scale. It has not been untouched by Odebrecht, for example, and there have been investigations, but it has not been on anything like the scale of what we have seen in Brazil, Argentina or the other countries—there is no question about that. It is partly because you have got a much more exposed democracy in Brazil, Argentina and the other countries, where there has been this opportunity for corruption to actually take the place of a proper democratic system. You have had interest groups trading off the back of the corruption; it has been much more open. Chile has always been the success story within Latin America. It goes back to the '70s, when they started a completely different model. They have got a much more grounded economy, which still doesn't stop there being a lot of uneven distribution between the rich and poor. There is certainly a lot of that, but the general level is a lot more solid and it has been through much more sensible financial policies. They have not had the ups and downs of radically changing and state interventionist policies that the other countries have wandered in and out of. I think it is partly because it is a much more solid democracy, in that way, that it has not gone down the same route to the same extent. If you draw a comparison between Chile and the number of prosecutions that have been going on in Brazil, for example, it is of a completely different order of magnitude.

Professor Pereira: Uruguay seems to be a good example, like Chile, of a state that is relatively cohesive and not too corrupt. The flip side of the Brazilian situation is that there has been this massive anti-corruption investigation since March 2014. In an unprecedented way we have had the heads of corporations, including Odebrecht, going to jail, and politicians going to jail. I think the challenge now is to see how even-handed it is. There is a debate in Brazil about how impartial it is. You have now got the main judge involved as Minister of Justice. One question would be about what is going to happen to Michel Temer, the former president. There was a lot of evidence of corruption and he was charged in the Supreme Court. In some ways, that is a test case of how impartial and multi-party the anti-corruption investigation will be. But it did affect all of Brazil's relationships. In the light of the anti-corruption investigation, a lot of the foreign policy initiatives that Brazil was involved with in the region now look to be partly about kick-backs for campaign finance, and not just

geopolitics. So it forces us to re-evaluate what they were actually doing in these countries.

Q34 **Chris Bryant:** Can I ask about extractive industries, because that is very significant for British investment and interests across the whole of the Southern Cone. Obviously, there is a theology in many Latin American countries about who owns what is underneath the land. Also, because extractive industries require permissions and all sorts of involvement with local and national governments, they can tend towards monopoly and, therefore, corruption. I wonder how you see Britain's engagement in extractive industries in the Southern Cone.

Cristina Cortes: They are potentially very important. Obviously, there is a tremendous amount of expertise to offer. It is very apparent that even with the more privatising type of initiatives that you have got within, say, Brazil, Argentina and Chile, as typical examples, there is still a reticence to actually allow the ownership to go too far. I was involved in the oil industry back in the '90s, when we had another apertura. There is a balance between the political imperatives and the need to develop resources. It is clearly a different situation from the Venezuela one, where you have a whole industry to resurrect.

Bolsonaro, for example, has said that the privatisation of state entities is on the cards, but on the other hand it does not look as though Petrobras, for example, will be part of that explicitly, although some of the assets may get moved into different management or auctioned off in that sort of way. Argentina is busy signing contracts for the development of shale gas in Vaca Muerta, so that is very open. They are not just doing it with YPF, their own indigenous company, but with the likes of Shell and Chevron. Again, that is rather open.

Q35 **Chris Bryant:** But they are keeping YPF theirs?

Cristina Cortes: As far as I can tell, yes. Chile is another example. They have the second biggest lithium deposits on the continent after Bolivia. Those have been run by private Chilean companies up to now, but there is a bit of a controversy going on at the moment because a Chinese company has bought one of them, or is trying to. It looks as if it will go through, but it has stirred up that whole thing about control of some really significant resources. That tension is always there, but in most of the countries I would say the emphasis is toward opening up, subject to a certain amount of control, and that that absolutely provides opportunities for a skill set that we have in great depth in the UK.

Professor Pereira: As Julia was saying on the previous panel, the tendency is going toward centre-right Governments, so there is not the kind of challenge to foreign ownership of mineral wealth that existed in previous eras, but I think there are environmental and indigenous concerns that mining companies come up against. I notice that BHP was talking about re-evaluating its decision to reopen Mariana, the dam that burst a few years ago, in the light of Brumadinho, the dam that just broke

open and caused more loss of life than the Mariana did—it is not as bad environmentally, but more people have been killed.

Q36 **Chris Bryant:** When there was a right-wing Government in Peru, you had some of the biggest demonstrations against extractive industries from indigenous people, didn't you? If British companies did not do well at that relationship with the local community and caused environmental degradation and things, they are not going to prosper, are they?

Professor Pereira: They have to be able to deal with it, yes.

Q37 **Mike Gapes:** Can I take you to the long-term developments in Brazil? This Committee, or a previous Committee, did an inquiry looking at Brazil 10 years ago. We came out with a quite optimistic view of the future, so my short question is: how much is the current political development in Brazil a direct result of the global downturn from 2008 onwards, and how much is it actually domestically produced because of the corruption scandals and so on? Bolsonaro was a Member of Parliament for that whole period and was regarded as a fringe figure, and now he is able to be this new force for change, which I find quite odd. I would be interested in your assessment of why that is.

Professor Pereira: I think I was here 10 years ago and I was being optimistic. There is a bit of both. The commodities cycle did come to an end and there were some adverse tail winds because of the financial crisis. Brazil had a recession in 2009 and then again in 2015-16, so, not to sound like a defender of those previous Governments, but there were some external pressures on them. There were other things as well, such as public security, with violent crime getting out of hand, so it is a combination of both. Right now, it is such early days in the Bolsonaro Administration and there is so much noise and so much being said that is later contradicted by other people in the same Government; it is early days to conclude.

Q38 **Mike Gapes:** So it is a bit like the Trump Government, is it?

Professor Pereira: There are some similarities in the sense of the amount of noise and reversal. What Bolsonaro was able to tap into was all the indignation about corruption, about crime and about the distance between the citizens and the elected representatives. Of course, the Trump election in 2016 was a demonstration effect, and they were able to use some of the Trump tactics such as social media. Bolsonaro has been very good at convincing people that almost everything they are angry about was the result of the PT Governments of 13 years, between 2003 and 2016. Whether he will be able to deliver on a lot of what he has promised in terms of economic reform, public security reform and anti-corruption is a big question. How high will the expectations be? How well will he have to perform for those voters to say, "That's what I wanted; they are delivering what I wanted."?

Cristina Cortes: I would very much agree with that, and I think it is a combination of the recessionary pressures. Also, a lot of it is crime and corruption. A few things sprang out at me from what was going on in the

election campaign. One was that Bolsonaro ended up with some really quite surprising demographics among his supporters. Despite all the things he is famously reported as having said about gays, women and Afro descendants, he nevertheless had some pretty surprising amounts of support from those groups. Over 25%, I think, of the female vote went to Bolsonaro, for example. Some of the interviews that were being done were quite interesting, because the priorities that the voters were coming out with were putting a lot more emphasis on the risk of crime and violence than they were on their own individual minority rights, if you like, because that to them had a priority.

The social media piece is also interesting. I think Chris Bryant was talking just now about being able to actually bring protests together with campaign groups. WhatsApp is absolutely rife through Brazil, and Bolsonaro made tremendous use of it, getting to a different group of the population that probably had not been participating that much before—more the younger voters. The evangelical support was also ramping up behind him. So there were a number of factors in the background, of which they were the headline ones—and there is another group; it is not quite clear where these will all go.

Q39 **Mike Gapes:** What does this mean for Brazil's position in the world and its foreign policy and aspiration to be a big player? There was all that talk about the BRICs. In the previous session we touched a little bit on attitudes to what is going on in Venezuela. What does it mean for Brazil's relations with the United States—or with China and Russia, if we are talking about BRICs?

Professor Pereira: I think there is a really interesting battle within the new Administration about the China relationship. The new Foreign Minister, Ernesto Araújo, is very pro-Trump. He wants to align Brazil to the Trump Administration. He is echoing some of the language about China, but a lot of the business interests are saying, "Hang on. We have got a big trade surplus with China. We don't have a deficit like the US does, and we are getting investment in infrastructure from China, so maybe we should do things with the Trump Administration but not everything, because if we antagonise China we may be punished far more by China than China is capable of punishing the US." So there are some interesting debates, but certainly the new Foreign Minister has talked about things like moving the Brazilian embassy to Jerusalem, to align with Trump. There was some talk initially about leaving the Paris agreement. They walked back on that. They decided not to do that. They wanted to merge the Environment Ministry with the Agriculture Ministry. Again, they were told, even by some business interests, that this is not actually very good for Brazil's image and the image of its agro-exporters.

So there are some really interesting debates, I think, about what this rapprochement with the Trump Administration really means in terms of policy. The Vice-President, General Mourão, recently complained that he did not see a coherent foreign policy in what the new Foreign Minister has written. I think that is going to be interesting to watch.

The obvious allies are Piñera in Chile, the new President in Colombia, Macri in Argentina—and of course they all have the same views on Venezuela. They have all recognised Guaidó. Beyond that I am not convinced that Bolsonaro really wants to be a regional leader. He is very focused domestically, and of course Brumadinho—the dam bursting—has focused him internally. I am not sure that he, at least, has a vocation to be a regional leader, the way that Lula tried to be, for example. I am not sure how activist he is going to be in the region, or globally even.

Cristina Cortes: It is almost as if we are going back to the Brazil which has always struggled to make itself as important in the international arena as its size maybe would suggest. As you say, Lula tried to be something rather more. My sense is that Bolsonaro is coming more from the previous tradition. To be honest, it is only in the last few weeks that we have had any sense that he has got even a developing foreign policy, with conflicts, at all.

It is very obvious within the region that he has been very much on the side of making Venezuela go outside of Mercosur and be recognised by Europe straight away and so on. He is also, interestingly, providing assistance to Venezuelan migrants willingly, so there is not an anti-immigration piece there. He was quoted as saying, "They are not merchandise or objects to be returned." One of the reasons he gave for not having Maduro invited to his inauguration was that it was out of respect for the Venezuelan people, so there is a certain solidarity piece going on there within the region. He also condemns the Communist Government in Cuba, as he calls it. He was very negative about Mercosur coming into the campaign. He subsequently decided to stick with it, but very much emphasised the economic side rather than the political ideology.

Relations with the US are interesting. He has been dubbed the "Trump of the tropics" and he seems to embrace that, at least from a popularity or headline point of view. Interestingly also, I gather the US is negotiating a military base in Brazil in Alcântara, which is basically where the air force's space agency is. There is certainly a level of co-operation going on.

On China, I don't think we heard a great deal to begin with, but, apart from a certain distrust and complaints that perhaps China was buying Brazil, effectively, which seemed a little exaggerated, obviously there are sensitivities on energy and infrastructure investments and that sort of thing. As you say, he seems to be soft pedalling on that, perhaps because of tensions in the Cabinet or because it is a reality check.

One curious thing for me was that he came out at one point and said what his top five democratic countries were, the ones he regarded as most democratic, and on the list was the US, Israel, Japan, South Korea and Taiwan. I am not entirely sure what that tells us. His relationship with Israel is interesting.

Mike Gapes: He doesn't like Europe.

Cristina Cortes: An interesting thing, apart from the idea of moving the Brazilian embassy to Jerusalem from Tel Aviv, was that, with the dam bursting recently, a team came in immediately from Israel to assist, so that relationship seems to be quite close. There is an interesting mix in the foreign policy as it emerges, which is puzzling at the moment. There is not an obvious pattern.

Q40 **Chair:** What does that mean for the UK's relationship with Brazil?

Cristina Cortes: Good question. There is not a great deal to go on at the moment. He is on record as a tremendous admirer of Churchill and he is for respect for the "fatherland"—I quote. I am not sure what to make of that. There is not a great deal to go on.

Professor Pereira: My impression of Araújo, the Foreign Minister, is that he regards the European project as decadent and too socialistic, but I think he would probably bracket the UK in a different category. He would see the UK as somehow more a part of the Anglo-American robust market-oriented part of the world that he wants to deal with, so the UK might be treated quite differently from the rest of Europe because of that view.

Q41 **Chair:** So an opening for engagement.

Professor Pereira: Yes, and I think that on their side they are very much watching Brexit because they think that if, for example, food that comes from the EU might not be imported to the level it is now, maybe the Brazilian exporters of food can make inroads into the UK market, so why not talk about trade opportunities? I think they are very interested in the transformation in the UK and whether that opens up possibilities for partnership.

Q42 **Chris Bryant:** Can I ask about evangelical churches? Religion is obviously a very important part of Latin American society, and some right-wing political leaders have deliberately fostered evangelical churches with a particular theological outlook and ideology. Is that a present aspect of things?

Professor Pereira: Yes.

Cristina Cortes: Very much so. If we stick with Brazil, it is partly what is behind the attitudes that Bolsonaro has. He is very much pro-life. Interestingly, he has backed off some off his anti-gay messages, but he is still saying he doesn't want LGBT taught in schools. A whole bunch of things that you tie to the traditionally evangelical side of things are definitely coming through quite prominently.

Professor Pereira: His wife is evangelical. He makes a lot of use of that. He claims that he is nominally Catholic, but he often goes to the Baptist church. In a way, Record—which is the TV network owned by the owner of the Assembléia de Deus—is his Fox News. He likes to go to them, because they are owned by evangelicals. The one thing I would say is that sometimes people assume that the evangelical bloc is a monolith, and it is all a particular set of socially conservative values and a certain ideology, but I would say that it is quite pluralistic in Brazil. There is an assumption

that they are all going to vote or think the same way. However, aside from some particular issues, such as education and abortion, there is a bit more nuance there than one sometimes thinks of the evangelical bloc.

Q43 **Chris Bryant:** Well, liberation theology had some evangelical or Protestant supporters, particularly in Argentina and Chile. There is an element of that, but I think that it hasn't been felt to be the thrust of it. Can I ask you about Argentina? If you had been asked 100 years ago what the future held for Argentina, you would have said, "It is going to be one of the world's biggest, greatest economies, it has enormous resources—it is set fair." But 100 years later, it is nowhere near being one of the great economies. Haven't Argentinian politicians just successively let their country down?

Cristina Cortes: It is interesting, if you do a direct comparison, for example, between Chile and Argentina, you will see that they have a heck of a lot in common in terms of their geography, the economic sectors that are important to them, and indeed their history—whether it is military and then coming back to democracy, or whatever. If you look at the progress of the two of them, all of the things that Chile has done, Argentina has almost done the reverse. Argentina has been going in and out of these rather strange policies that have basically put the brakes on its economic growth, so it has been going back, whereas Chile has just carried on trucking. The difference that you see between them as a result is really quite amazing. It is almost a case study. One is a control and the other is what not to do, or vice versa.

Professor Pereira: The Brazilians always used to measure themselves by the Argentines. If they were better at something than Argentina, they were really doing well. That used to be their frame of reference. Of course now, they don't really do that; they look beyond the region. It is going to be interesting to see if Macri can hold on, because a lot of what he is having to do economically, to keep inflation down, is not necessarily what you do to get re-elected. It is not necessarily the optimal set of economic policies to get people to re-elect you. I think he is walking an interesting tightrope, but he has support from the IMF.

Q44 **Chris Bryant:** Sorry to ask an irritatingly British question about the Falklands. As a country, we have relied quite heavily on being able to use bases in Chile, Brazil and even Uruguay, to be able to maintain our relationship with the Falklands. It feels now as if we have the best relationship with Argentina that we have had for a very long time. There seems to be a thawing of many of these issues. You do not have Kirchner bouncing up and down, making stupid speeches and trying to rattle the sabre all the time. Is that a fair analysis?

Cristina Cortes: I think so. Although Macri toes the line, as you would expect him to, in terms of ownership and so on, he seems to be much more relaxed about it and much more prepared to put it on the back burner. Perhaps a demonstration of that is the fact that the weekly flight between Brazil and the islands stop in Córdoba once a month. That is not something that we would have imagined a few years ago.

Chris Bryant: Córdoba in Argentina, not in Spain.

Cristina Cortes: Yes, exactly. Basically, I think it is at a much more tranquil level. Nevertheless, formally it is not moving. But it does not feel like a priority within the kind of things that we can talk about, even dealing with the diplomats here. The Argentine ambassador here, Carlos Sersale, has done a marvellous job in improving the mood music between the two Governments and the two populations. We cannot talk to him directly about that, but anything else is absolutely up for grabs, which is an amazing improvement on the previous incarnation.

Chris Bryant: Indeed.

Q45 **Ian Murray:** I am quite keen to get your views on where the population sits, particularly in Brazil. They have obviously been swept along in this populist wave in the recent elections. That is because of corruption, the economic situation and so on, but it sort of flies in the face of what normally happens for countries like Brazil. They had the World cup in '14 and the Olympics in '16—their national pride was on the world stage—but that seems to have dissipated rather quickly. Are the public really looking for something dramatic with this populist wave, or are they just kicking back at something else? It seems to fly in the face of what would normally have happened in such circumstances, where national pride would have prevented such a populist move.

Cristina Cortes: It is difficult to pin it down to one thing. A lot of it was directed at the PT—the Workers' party. Fundamentally, they were being punished. They were seen as being completely corrupt and not necessarily interested in what the voters really needed—that they were playing their own game.

There is a revenge strategy in this. That is partly to do with crime and corruption, and partly to do with the fact that you had a lot of people who had increased their standard of living very significantly, even under the Lula Government, so you might have expected that they would be grateful, but whose standard of living was either flattened or reversed because of the recession that happened under Dilma and who lost their expectations of continued progress. Frankly, the party took a kicking. There was residual support for Lula that Haddad did not manage to grab hold of, even though he tried.

Bolsonaro was riding in on the crest of a wave on that one. He has it all to deliver, in terms of whether he can actually get them back to a stage where they can start growing in terms of the economy and individuals' welfare. He also has to do something about the crime waves and the level of corruption, because he came in on an anti-corruption ticket. The fuse before the voters decide that they are not happy with him is quite short. He will have to make some serious progress to keep that wave rolling in his direction.

As I said earlier, however, there is a complete disassociation, frankly, between the voters and the institutions that are trying to represent them.

They are just not matching. The answer may be to try to get more young people who are on social media, and who have been partly kicking back, involved in politics. That is a huge uphill exercise, but it probably needs doing, because there is something pretty broken about Brazilian structural politics.

Professor Pereira: Coming back to your question, there was a hangover from the World cup and the Olympics. There is evidence that there were a lot of kickbacks for the stadiums, so Cabral, who was the Governor of Rio during that time, is in prison for corruption to do with that.

We should not necessarily interpret the victory of Bolsonaro to mean the unalloyed triumph of Bolsonarismo—the ideologies associated with him. If you look at the vote, it was 55% to 45% in the second round, so it was pretty close to even. A lot of people voted for Bolsonaro not because they particularly liked a lot of what he was associated with or what he was saying, but because they just did not want the PT to come back—they thought that just was not right—after what had happened under its leadership.

According to most of the polls on the changes to the gun laws that have just happened, which make it slightly easier to own guns as a response to rising crime, a slight majority of people actually oppose the move and are worried about it. They think it might add fuel to the fire and create more violence.

It is really difficult to parse the vote for Bolsonaro. A lot of it was a situational vote, where they were voting for the one they did not want—the one that they were least unhappy about. There is a sense that he has been in Congress for 27 or 28 years, so he is not really an outsider, but a lot of people are thinking, "Give him a chance." It is an interesting one.

Bolsonaro's party has 10% of the seats in the lower House—that gives you an idea that this is not a massively majoritarian party sweeping to power with a national populist agenda. It is a kind of maverick candidate with the very difficult job of trying to create a working majority in a Congress that is totally fragmented with 30 parties.

Cristina Cortes: To build on that point, what is quite interesting is that whereas the Workers' party had a relatively large number of seats, they now have more or less the same number of seats as Bolsonaro's party within the lower House of Congress. That shows how much they have been damaged, and yet, as Anthony says, Bolsonaro has not got a huge number of people either.

Professor Pereira: And the centre right shrunk much more than the Workers' party did. The left held up okay in terms of Congress. It was the traditional centre right parties that really collapsed—the PMDB and the PSDB.

Q46 **Mike Gapes:** If you go back 30 years, Lula created the PT from virtually nothing. I can remember when he sent people over here to learn from

the Labour party about how you have an Opposition and establish shadow portfolios. Then he kind of created this party which then displaced the old Social Democracy party in Brazil's tradition. Is there a new figure who is capable of coming through and rebuilding the centre left in Brazil, or is the dominant personality of Lula so strong that that will be blocked off?

Cristina Cortes: That is a difficult question. It depends in part on what happens with Lula and whether he comes out of prison any time soon. There is no doubt that if he had been in the fray—if he had actually been allowed to run—there is a good chance he would have got it.

Q47 **Mike Gapes:** He could have won.

Cristina Cortes: He could have done. Until his shadow is somehow out of the way, I suspect it will be hard for anyone to come through for PT as such.

Professor Pereira: I think they will try to rebuild the party. A lot of people wanted Haddad, the candidate for President this time, to do it more than he did and say, "We made mistakes in government. We were involved in corruption. I am not running as a representative of Lula." Of course, he did not do that. He was very close to Lula.

That day of reckoning is probably going to come, when the party thinks, "We have to move on." In a way, Lula becoming this dominant person inside the party and controlling it was not what it was supposed to be about. It was supposed to be a very institutionalised, democratic party that was not about personalistic leadership. In a way, by moving beyond Lula and making some sort of criticism of what they did in power would be going back to what they were originally trying to do in the 1980s.

Q48 **Mike Gapes:** Can it come out of the PT, or does it require some new phenomenon like the one he himself created, when he made a new party that effectively displaced the other parties on the centre left?

Professor Pereira: That is a great question, because people sometimes thought that PSOL was going to supplant the PT on the left and become the dominant party, but that has not happened so far. So far, the Workers' party is still the most important party and the others gravitate around it. They might think that the vessel is so tainted that they have to abandon it and try something new. It is not difficult to create new parties in Brazil; it is quite easy, given their rules about how to do that. Haddad is in his 50s, and it looks like for now a lot of people in that age group and younger are still sticking with the party. That might be the default option. It is a great question, because it used to be considered automatic that the Workers' party would dominate the parties on the left, but now it is not so clear. A lot of people in Brazil are asking the very same question you are asking.

Cristina Cortes: Part of the problem is that so many of the politicians of all the parties are so tainted by corruption. I do wonder whether the voters are going to buy into that set particularly well again, or whether you actually need to have the creation of new entities that actually have untainted politicians. Although Bolsonaro had been around for a long time,

one of the things that is to his credit—okay, other members of his family are being investigated, so maybe it is just a question of "they haven't found anything yet"—is that he seems to be reasonably taint-free. That, I think, is largely why he got elected.

Q49 **Chair:** Any further questions? I must say, I found that absolutely fascinating. Thank you very much indeed for your insight. May I ask just one last question, given that we addressed it with the Brazilian case? What do the changes in politics that we are seeing in Argentina and Chile mean for our engagement in both countries? What does it mean for the United Kingdom?

Cristina Cortes: In Argentina's case, it really depends on whether we get Macri back in power. If we go back to another rerun of the Kirchners, which is possible, then it is straight back on all fronts. The polls are basically saying that if Cristina Fernández de Kirchner is up against Macri at the next election, she'll take him to the second round, but ultimately he will win. From the UK's perspective, one has to hope that that does actually work out, because otherwise all bets are off.

Macri is obviously somebody who will work positively with other countries. That, to me, looks rather hopeful. In the case of Chile, one of the interesting aspects is the way it has been behind all of the initiatives, such as the Pacific Alliance and the Trans-Pacific Partnership, and its successor, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. As the UK was an observer of the Pacific Alliance, there is the question as to whether we should also be involved in the CPTPP. That is obviously an option. Working with a partner such as Chile and the other associates there could be very good news for the UK, I think.

Professor Pereira: I was speaking to an Argentine colleague yesterday and he thought that Cristina wouldn't run, and that she would run for something lower level, such as the Buenos Aires province. He was also thinking that this could be an election that the Opposition are not that keen to win, given the economic problems. I don't know about that, but it seems to bode well for Macri. Given the current line up, it seems that Argentina and Brazil could co-operate if there were talks on some sort of trade deal, representing Mercosur.

Cristina Cortes: Going back to Argentina, certainly the Peronists are very badly split at the moment and there is quite a lot of division between them, so there is an interesting question as to whether they would actually field a single candidate or not. So far the divisiveness between Cristina and her old party seems to be sufficiently deep that it is quite possible that they won't find a common candidate. If, of course, she took another level and didn't actually run at all, that changes the game, but I suspect the temptation might be a bit too strong when we get closer to it. The primaries are being held in August, so that is when we will get to find out actually who the candidates will be.

Chair: Thank you very much indeed. We are extremely grateful for your time.