

BI-WEEKLY LATIN AMERICA SNAPSHOT

February 19, 2026

In this biweekly edition, **Peru** resurfaces with yet another interim presidency ahead of elections, highlighting persistent governance fragility. We examine **Argentina's** sweeping labor reforms amid rising union resistance and **Washington's** push to consolidate hemispheric alliances through a selective **regional summit**. We also track **Venezuela's** transition as institutional restructuring and oil-sector liberalization gather pace, while **Cuba** faces a deepening energy crisis under mounting U.S. pressure. **Brazil's** accession to the TIR Convention points to deeper integration of hemispheric supply chains, even as the region's governance backdrop remains challenging, with the latest **Corruption Perceptions Index** confirming continued stagnation across the Americas and reinforcing persistent institutional and security risks.

Top Developments

Peru names new interim president amid political instability. Peru's Congress has appointed José María Balcázar as interim president, making him the country's eighth head of state in the past decade and underscoring entrenched political instability driven by repeated congressional crises. Balcázar, an 83-year-old lawmaker from Perú Libre and former Supreme Court judge, was sworn in on February 18 after Congress removed interim president José Jerí following a fast-tracked impeachment. He will govern until July 28, when he is expected to hand over power to the winner of the April 12 presidential elections. Despite a controversial personal and judicial record, he has pledged to oversee a peaceful and credible electoral transition, maintain the current economic policy framework, and prioritize public security. The appointment underscores Peru's chronic institutional fragility and the outsized role of Congress in driving executive turnover, heightening uncertainty around governance predictability and policy continuity as the country approaches elections.

Argentina's senators approve labor reform. Argentina's Senate has approved President Javier Milei's labor reform, advancing one of the administration's most contentious economic initiatives aimed at increasing labor market flexibility and reducing business costs. The reform allows workdays of up to 12 hours through a "bank of hours" system, enables vacation periods to be split and rotated, revises sick-leave compensation and severance calculations, and classifies workplace blockades as serious offenses affecting the right to strike. The proposal is expected to move quickly through the legislative process ahead of the March 1st opening of the congressional session. Still, Argentina's main labor confederation, the General Confederation of Labor (CGT), has moved toward calling a general strike in protest as the bill heads to the lower house for debate. Labor groups and civil society organizations argue that the reform represents a major rollback of worker protections, particularly due to changes affecting compensation during sick leave and non-work-related accidents. Following criticism, Congressional leadership signaled potential adjustments to guarantee full salary payments in cases of severe illness. Still, the government maintains the overhaul is necessary to reduce Argentina's high labor informality, affecting more than 40% of workers, and stimulate job creation by lowering employer costs. Growing union backlash highlights rising social and political friction around Milei's reform agenda, even as the administration frames labor market changes as essential to long-term growth and improved investment conditions.

Miami Summit aligns with the White House strategy towards the Western Hemisphere. U.S. President Donald Trump will host a high-level summit of Latin American and Caribbean leaders in Miami on March 7, marking his first regional gathering since returning to office and coming weeks after the removal of Nicolás Maduro from power in Venezuela. The meeting is

expected to bring together the presidents of Argentina, Javier Milei; Paraguay, Santiago Peña; Bolivia, Rodrigo Paz; El Salvador, Nayib Bukele; Ecuador, Daniel Noboa; and Honduras, Nasry Asfura, in what is widely viewed as an effort to consolidate cooperation with governments politically aligned with Washington. The summit is intended to coordinate regional security, migration, and economic priorities and aligns with the administration's national security strategy to reinforce U.S. influence in the Western Hemisphere amid China's expanding presence. The gathering signals a coalition-driven U.S. approach to Latin America that could reshape regional trade alignment and geopolitical positioning in the near term.

Venezuela's interim government accelerates institutional reforms. Interim President Delcy Rodríguez has accelerated institutional changes by eliminating seven social programs and state entities linked to the Chávez and Maduro eras as part of a broader reorganization of the executive branch. The move accompanies a wider reform agenda that includes ministerial reshuffles, a proposed amnesty law, and the recent overhaul of the hydrocarbons' framework aimed at attracting investment and expanding oil production. Opposition groups have described it as a sign of the gradual dismantling of the former governing model and are calling for greater transparency in the transition. Opposition leader María Corina Machado has publicly backed the broader U.S. strategy toward Venezuela, arguing that the unraveling of the Maduro-era system is already underway and that institutional reconstruction has entered an early but decisive phase. Despite backing Washington's approach, Machado is pressing for presidential elections within roughly ten months and has signaled her intention to return to Caracas to challenge Interim President Rodríguez. Meanwhile, Rodríguez has pledged future free and fair elections without providing a timeline, while U.S. President Donald Trump has confirmed plans for an official visit to Venezuela amid improving bilateral ties.

Energy shortages deepen the risk of a humanitarian crisis in Cuba. Cuba's energy crisis has intensified following the U.S. declaration of a national emergency and the disruption of oil supplies from Venezuela, leaving the island facing severe fuel shortages, widespread blackouts, and mounting economic strain. The country requires roughly 100,000 barrels of oil per day to sustain electricity generation and basic fuel distribution, but produces less than half of that domestically, increasing the risk of a humanitarian emergency as imports decline. Mexico has proposed acting as a humanitarian air bridge to deliver aid and help sustain aviation fuel supplies, a move aimed at easing pressure on tourism and accelerating assistance flows while pursuing diplomatic channels with Washington to resume oil shipments halted amid tariff threats. The crisis has already affected transportation and public services, prompting warnings from the United Nations about the risk of humanitarian collapse if fuel deliveries do not resume, underscoring rising geopolitical and energy security risks in the Caribbean.

Brazil joins the Transports Internationaux Routiers (TIR) Convention, boosting regional logistics integration. Brazil has joined the UN-backed TIR Convention, becoming the 79th member of the global customs transit system designed to simplify cross-border cargo transport and reduce administrative barriers in road and multimodal logistics. The agreement, administered by the United Nations Economic Commission for Europe, will enter into force for Brazil on July 30, 2026, aligning the country with Argentina, Chile, and Uruguay and marking a major step toward deeper customs and trade integration in South America. The TIR system can reduce border transit times by up to 92% and logistics costs by as much as 50%, reinforcing efforts to improve regional supply chains and advance the Bioceanic Corridor connecting Brazil's port of Santos with Chilean Pacific ports. Brazil's accession comes shortly after the EU–Mercosur trade agreement, highlighting the growing urgency of modernizing logistics infrastructure and facilitating trade flows across the region.

Key Data

Americas: Corruption trends highlight governance and security risks. The 2025 Corruption Perceptions Index, published on February 10 by Transparency International, shows a worsening global anti-corruption outlook, with the Americas averaging just 42 out of 100 and showing no overall progress in recent years. According to the data, since 2012, 12 of the 33 countries in the region have deteriorated significantly, while only the Dominican Republic and Guyana have posted notable improvements. Canada (75), Uruguay (73), and Barbados (68) remain the best-performing countries in the hemisphere. The report warns that persistent corruption has weakened democratic governance, undermined public services and security, and enabled the expansion of transnational organized crime across the region.

Corruption Perception Index 2025, Americas

SCORE	COUNTRY/TERRITORY	SCORE	COUNTRY/TERRITORY
75	Canada	37	Colombia
73	Uruguay	37	Dominican Republic
68	Barbados	36	Argentina
64	Bahamas	36	Belize
64	United States of America	35	Brazil
63	Chile	33	Ecuador
63	Saint Vincent and the Grenadines	33	Panama
60	Dominica	32	El Salvador
59	Saint Lucia	30	Peru
56	Costa Rica	28	Bolivia
56	Grenada	27	Mexico
44	Jamaica	26	Guatemala
41	Trinidad and Tobago	24	Paraguay
40	Cuba	22	Honduras
40	Guyana	16	Haiti
38	Suriname	14	Nicaragua
		10	Venezuela

Source: Transparency International.

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