

BOARD OF ADVISORS

Diego Arria

Director, Columbus Group

Devry Boughner Vorwerk

Corporate VP, Global Corporate Affairs
Cargill

Joyce Chang

Global Head of Research,
JPMorgan Chase & Co.

W. Bowman Cutter

Former Partner,
E.M. Warburg Pincus

Dirk Donath

Senior Partner,
Catterton Aimara

Barry Featherman

Senior Director,
International Government Affairs,
Gilead Sciences

Marlene Fernández

Corporate Vice President for
Government Relations,
Arcos Dorados

Peter Hakim

President Emeritus,
Inter-American Dialogue

Donna Hrinak

President, Boeing Latin America

Jon Huenemann

Vice President, U.S. & Int'l Affairs,
Philip Morris International

James R. Jones

Chairman, ManattJones
Global Strategies

Craig A. Kelly

Director, Americas International
Gov't Relations, Exxon Mobil

John Maisto

Director, U.S. Education
Finance Group

Nicolás Mariscal

Chairman,
Grupo Marhnos

Thomas F. McLarty III

Chairman,
McLarty Associates

Carlos Paz-Soldan

Partner,
DTB Associates, LLP

Beatrice Rangel

Director,
AMLA Consulting LLC

Gustavo Roosen

Chairman of the Board,
Envases Venezolanos

Andrés Rozental

President, Rozental &
Asociados and Senior
Policy Advisor, Chatham House

Shelly Shetty

Head, Latin America
Sovereign Ratings, Fitch Inc.

Roberto Sifon-Arevalo

Managing Director, Americas
Sovereign & Public Finance Ratings,
Standard & Poor's

FEATURED Q&A

Should the U.S. Be Sending Criminals to El Salvador?



Deportations of gang members to El Salvador are on the increase this year. U.S. federal agents are pictured detaining MS-13 gang members in Maryland in 2013. // File Photo: U.S. Immigration.

Q The United States has deported nearly 400 gang members to El Salvador so far this year, indicating deportations to the country in 2017 will likely surpass last year's total of 534. In particular, U.S. President Donald Trump's administration has focused on deporting gang members from groups including MS-13, leading Salvadoran officials to hold meetings to create plans for handling a likely growing number of gang members in the country. What will be the security and economic effects of increased deportations to El Salvador? How should the Salvadoran government address the threat of increased violence as a result of gang members returning to Salvadoran soil? Should the United States do more to address the consequences of increased deportations of Salvadorans from the United States?

A Dan Stein, president of the Federation for American Immigration Reform (FAIR) in Washington: "One of the few conditions we set for legal immigrants to the U.S. is that they not engage in criminal activity. It goes without saying that we should not tolerate the presence of criminal aliens who are also in this country illegally. No country should be burdened with and endangered by another country's criminals. Lax border enforcement, the Obama administration's catch-and-release policies that turned hundreds of thousands of illegal border-crossers loose in the United States, and state and local sanctuary policies that shield criminal illegal aliens from removal have resulted in the presence of large numbers of violent foreign criminals in our country. In particular, the notoriously violent Salvadoran Mara Sal-

Continued on page 2

TODAY'S NEWS

POLITICAL

Brazilian Court Split on Evidence in Temer Case

Brazil's Supreme Electoral Tribunal was divided on whether to accept new evidence from plea-bargain testimony in a case that could lead to President Michel Temer's removal from office. The debate delayed the court's proceedings.

Page 2

POLITICAL

U.S. Seeking Extradition of Former Guatemalan VP

Roxana Baldetti, who resigned from office amid a corruption scandal in 2015, was indicted on drug charges in the United States earlier this year.

Page 3

ECONOMIC

Germany's Merkel Begins Trip to Argentina, Mexico

German Chancellor Angela Merkel is expected to discuss trade and push for a joint G-20 position on climate change during her three-day visit to Latin America.

Page 3



Merkel // File Photo: World Economic Forum.

POLITICAL NEWS

Brazilian Court Split on New Evidence in Temer Case

Brazil's Supreme Electoral Tribunal, or TSE, was split on Wednesday over whether to allow new evidence from plea-bargain testimony from construction conglomerate Odebrecht into a case concerning alleged illegal campaign funding for President Michel Temer that could lead to his ouster, Reuters reported. The debate delayed proceedings in the court, which extended the trial until Friday or over the weekend, as justices held off from voting Wednesday on whether to annul Temer's election as vice president in 2014 over his alleged receiving of illicit campaign donations, The Wall Street Journal reported. A TSE vote on the matter could take

weeks or even months, and Temer could appeal the ruling. The judge leading the case, Herman Benjamin, said he was in favor of accepting the plea-bargain testimony from Odebrecht as evidence in the case, saying the testimony is



Benjamin // File Photo: Superior Tribunal de Justiça.

vital to understanding whether or not former President Dilma Rousseff and Temer received illicit funding when running for president and vice president, respectively. However, Judge Napoleão Nunes Maia said he would oppose the inclusion of the plea statements, saying the

NEWS BRIEFS

Colombia's FARC Has Handed Over 30% of its Weapons to U.N.

Colombia's Revolutionary Armed Forces of Colombia, or FARC, rebel group on Wednesday said 30 percent of its weapons had been handed over to United Nations officials, as part of the terms of the rebels' peace agreement with the Colombian government, Agence France-Presse reported. "This is the beginning of the end of our demobilizing," FARC leader Rodrigo Londoño, known as Timochenko, said in a speech. The next 30 percent are expected to have been handed over and stored by June 14, with the last 40 percent stored by June 20.

Venezuela Names Martínez as Head of PDVSA

The Venezuelan government has tapped Oil Minister Nelson Martínez to be the head of state oil company PDVSA, Reuters reported late Tuesday. Martínez will replace the current president of PDVSA, Eulogio Del Pino, according to two PDVSA sources. Martínez formerly ran U.S.-based oil refining company Citgo and was named oil minister in January, taking over the position from Del Pino.

Peru Relaxes Air Quality Standards to Aid Mining

Peru on Wednesday agreed to adopt more flexible air quality standards after facing criticism from the mining sector and President Pedro Pablo Kuczynski that the standards were too strict, Reuters reported. The maximum amount of sulfur dioxide, a byproduct of smelting copper and other base metals, was raised to 250 micrograms per cubic meter per 24 hours, up from a previous 20 micrograms per cubic meter. Peru is the world's second-largest copper producer, and mining companies had previously complained that air quality standards were too strict, and that the technology required to meet the standards did not exist.

FEATURED Q&A / Continued from page 1

varucha-13 (MS-13) and 18th Street gangs have established beachheads across the United States, terrorizing communities from coast to coast. The U.S. government not only has a right to deport foreign criminals, it has an obligation to do so. Moreover, all nations should be expected to accept their returning citizens. For far too long, corrupt governments, like El Salvador's, have ignored the basic social, economic and justice issues of their citizens and have been happy to have the United States relieve them of those obligations through illegal migration. The phenomenon of mass immigration and the emergence of foreign criminal gangs in the United States are direct results of countries, like El Salvador, failing to address systemic corruption and malfeasance at home. The United States can offer reasonable assistance to our hemispheric neighbor, but ultimately the responsibility rests with them. It is unreasonable to expect the United States to absorb endless flows of migrants, much less allow violent gang members to remain here."

A Douglas Farah, president of IBI Consultants: "The deportation of hundreds—and perhaps thousands—of gang members back to El Salvador will have significant negative security and economic effects in a country already reeling from gang violence, massive corruption and increased drug trafficking and consumption. Where the state has proved largely incapable of keeping the existing social chaos from worsening, the returnees will be fuel for the fire of the near-failed state. The returning gang members, especially those with specific military skill sets or training, will be welcomed into the local gang structures and provide a quick and significant boost in capacity, as well as a wealth of contacts in the United States that can help grow the relationships with drug-trafficking gangs and other criminal groups. The government of El Salvador should have a full identification process for the returnees and family reunification programs to avoid the returnees joining the gangs by default. It should also have

Continued on page 4

campaign funding case would never end if the court continued to accept new evidence from testimonies related to the massive corruption scandal at Odebrecht. The head of the TSE, Gilmar Mendes, also rejected Benjamin's argument, The Wall Street Journal reported. Temer has denied wrongdoing.

U.S. Seeking Extradition of Ex-Guatemalan VP

The United States has formally requested the extradition of former Guatemalan Vice President Roxana Baldetti on drug trafficking charges, the Central American country's foreign ministry said late Wednesday, the Associated Press reported. Baldetti resigned as Guatemala's vice president in 2015 amid a graft scandal and was slapped with corruption charges there the following year. She has remained jailed since then. In February of this year, the U.S. District Court for the District of Columbia indicted her on drug charges, alleging that she and others conspired to import cocaine into the United States between 2010 and 2015. She denies the charges. Guatemala's foreign ministry also said Wednesday that it had received a request from Mexico for the extradition of Javier Duarte, a former governor of Veracruz, Reuters reported. Duarte was arrested in Guatemala in April after several months on the lam. Duarte is wanted in Mexico on embezzlement and organized crime charges. He has denied wrongdoing.

ECONOMIC NEWS

German Chancellor Begins Trip to Argentina, Mexico

German Chancellor Angela Merkel today begins a three-day trip to Argentina and Mexico where she has trade and climate change at the top of her agenda for discussion, Politico reported. The two issues are ones on which world

leaders have repeatedly been at odds with U.S. President Donald Trump. Accompanied by a 10-person business delegation, Merkel begins her visit today in Buenos Aires and during the trip is expected to call for the completion of ongoing trade negotiations between South American trade bloc Mercosur and the European Union. She is also expected to attempt to gain support for a joint position on climate change among G-20 countries. Merkel chairs the G-20 this year and Argentine President Mauricio Macri will chair the group next year, while Mexico is also a member. "She's essentially

trying to arrive at a 19-to-1 outcome on these issues," Jacob Kirkegaard, a senior fellow with the Peterson Institute for International Economics in Washington, told Bloomberg News in a telephone interview. "She's trying to isolate the Trump administration as much as possible." Merkel has called Trump's decision to withdraw the United States from the Paris Agreement on climate change "extremely regrettable." After leaders from China and India visited Berlin last week, the prime ministers of both countries vowed to continue efforts to fight global warming.

HEALTH NEWS

Puerto Rico Declares End to Zika Outbreak

Puerto Rico on Monday said the 2016 Zika virus outbreak was over, citing a significant decrease in the transmission of the virus, which can cause birth defects if pregnant women are infected, Reuters reported. Only approximately 10 cases per four-week period were reported of the disease since April, down from a peak of 8,000 cases reported in a four-week period in August 2016, the Puerto Rico Health Department said in a statement. The U.S. Centers for Disease Control and Prevention said the mosquito-borne disease is expected to "circulate indefinitely" in most regions where there were significant instances of the virus. The CDC has not changed its travel advice in light of Puerto Rico's announcement, saying pregnant women should still not travel to the island.

HIV Infections Rising in Jamaica, Cuba: U.N. Envoy

The U.N. special envoy on HIV/AIDS to the Caribbean, Dr. Edward Greene, said Jamaica and Cuba are among the countries in the region that have seen significant increases in the transmission of HIV, Stabroek News reported Monday. Greene said that after 10 years of decline in the prevalence rate of HIV infections, Caribbean countries have seen a 9 percent increase in new infections, making the region second behind Eastern Europe and Central Asia in the prevalence rate. Only 32 percent of Jamaicans living with AIDS are receiving treatment, Greene said, while Cuba has the highest coverage rate in the Caribbean at 67 percent.

UPS Opening Health Care Facility in Colombia

U.S.-based package delivery company United Parcel Service on Monday announced the opening of its new health care facility in Colombia. The center is aimed at helping pharmaceutical, biopharma and medical device companies improve their global supply chains as they expand in Latin America. The facility is Current Good Manufacturing Practice-compliant and follows both international and local regulations required by the Colombian Drug Regulatory Authority and the Colombian Ministry of Health. The facility will provide health care company clients with full inventory visibility, standardized processing and reporting. Clients will also have access to UPS' global transportation technology network.

FEATURED Q&A / Continued from page 2

a mandatory reintegration program to help those who have never been to El Salvador avoid some of the worst of the culture shock. But the Salvadoran government is essentially insolvent, in no small part due to the endemic corruption of past and current administrations of all political stripes. This, and the administration's plummeting approval ratings, limits what the administration of President Salvador Sánchez Cerén can do to meet this looming crisis. Much of the U.S. aid, with the notable exception of support for the attorney general's office and some other programs, is harder to justify, due to the lack of trusted counterparts. In that poisoned environment, there is little more the United States could do except delay the execution of the deportation program."

A **Christine Wade, professor of political science and international studies at Washington College in Chestertown, Md.:** "El Salvador has struggled (and failed) to reduce gang violence for more than a decade. Successive administrations have relied on militarized policing and other repressive policies, which have intensified violence rather than mitigating it. The one exception was the ill-fated gang truce of 2012-2014, which has since been criminalized. Little has been done to effectively address the root causes of violence or mitigate the growing displacement crisis, and the government has few tools available to address the repatriation of violent deportees. The Trump administration's focus on deporting MS-13 members will have a serious impact on El Salvador. It is nearly certain that the repatriation of gang members will increase violence and further limit the meager funds available for violence-reduction and other social programs. Mass deportations of other Salvadorans will compound the crisis. The United States has a moral obligation to assist El Salvador in addressing the consequences of increased deportations, as El Salvador's present-day security crisis is a direct outcome of U.S. policy in the country. Moreover, current U.S.

policy in the region defies logic and the national interest. These deportations will exacerbate the security and displacement crises, strain El Salvador's economy, and increase migration, placing pressure on both Mexico and the United States."

A **Adam Blackwell, vice president for international at Development Services Group and former Canadian ambassador to the Dominican Republic:** "There are many ironies here; El Salvador was originally designated for the short-term status known as Temporary Protected Status (TPS) in March 2001, in response to a series of earthquakes. Since then, the United States has announced extensions of TPS for El Salvador 11 times after determining that conditions in the country remain unsafe for return. What makes the country unsafe is no longer a natural disaster, but a very human one. The big gangs; MS-13 and 18th Street, were formed in the United States by Salvadorans fleeing the civil war of the 1980s. Those who have already been deported back were well-trained in the United States and have helped form strong and violent cliques that prey on each other and fellow citizens, turning El Salvador into one of the most violent countries on Earth. Like with TPS, it would be more helpful to both countries to put a temporary halt on gang deportations until the conditions in El Salvador have improved so that the government and institutions can effectively and humanely deal with them. Regardless of any deportation or immigration policy, we need an integrated transnational strategy to help deal with these gangs, whether on the streets of the United States or Central America—a plan that focuses not only on the crime, but on the social vulnerabilities that cause the crime and drive gang membership."

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

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2017

Erik Brand

Publisher
ebrand@thedialogue.org

Gene Kuleta

Editor
gkuleta@thedialogue.org

Nicole Wasson

Reporter, Assistant Editor
nwasson@thedialogue.org



Michael Shifter, President
Genaro Arriagada, Nonresident Senior Fellow
Sergio Bitar, Nonresident Senior Fellow
Joan Caivano, Director, Special Projects
Michael Camilleri, Director, Peter D. Bell Rule of Law Program
Kevin Casas-Zamora, Nonresident Senior Fellow
Ariel Fiszbein, Director, Education Program
Alejandro Ganimian, Nonresident Fellow
Peter Hakim, President Emeritus
Claudio Loser, Senior Fellow
Nora Lustig, Nonresident Senior Fellow
Margaret Myers, Director, China and Latin America Program
Manuel Orozco, Director, Migration, Remittances & Development
Jeffrey Puryear, Senior Fellow
Tamar Solnik, Director, Finance & Administration
Lisa Viscidi, Director, Energy Program
Denisse Yanovich, Director of Development and External Relations

Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

www.thedialogue.org

ISSN 2163-7962

Subscription inquiries are welcomed at freetrial@thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.