

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.

Dirk Donath

Senior Partner,
Catterton Aimara

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,
Monarch 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

Carl Meacham

Associate VP for Latin America
Int'l Advocacy Division, PhRMA

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

Roberto Sifon-Arevalo

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

FEATURED Q&A

Will Trump's Immigration Plan Be Successful?



U.S. President Donald Trump proposed a four-pillar immigration plan during his State of the Union address on Jan. 30. // File Photo: White House.

Q During his first State of the Union address on Jan. 30, U.S. President Donald Trump called on Congress to pass his immigration reform plan. The plan includes the creation of a path to citizenship for 1.8 million immigrants who were brought illegally to the United States as children, toughening immigration enforcement by building a "great wall" along the U.S.-Mexico border and hiring more immigration agents, moving toward a "merit-based" immigration system, and limiting immigrants' ability to sponsor family members to also migrate to the United States. How much of a chance does Trump's plan have of becoming law? What effects would the plan have on Latin American immigrants who are already in the United States? Will the new policy change the U.S. economy and state of security for the better or worse?

A Jim Kolbe, senior transatlantic fellow at the German Marshall Fund of the United States and former Republican member of the U.S. House of Representatives from Arizona: "There have been so many variations on President Trump's proposal to deal with the DACA (Deferred Action on Early Childhood Arrivals) group of immigrants, and the larger issue of immigration reform, that it is hard to know where and how the issue and any proposed solution will next turn up. The president's apparent agreement to accept the broad principles set forth by Democrat leaders in the House and Senate—and his abrupt reversal of position almost immediately after—has undermined confidence in negotiations on immigration reform with both Republicans and Democrats. The prospect of enacting any broad reform seems very

Continued on page 3

TODAY'S NEWS

ECONOMIC

Peru, Australia Sign Free-Trade Accord

Representatives of the two countries signed the deal in Canberra following nine months of talks.

Page 2

BUSINESS

Ecopetrol Halts Production at Three Oil Fields

The Colombian state oil company halted production at the oil fields in Meta province after four workers were injured during protests. Protesters had been demonstrating for four days. The company called on local authorities to "immediately re-establish public order."

Page 3

POLITICAL

Colombia's FARC Halts Campaigns Amid Violence

Colombia's demobilized FARC said it will halt its campaigns following violence against activists and threats against its candidates, including FARC leader Rodrigo Londoño, or Timochenko, who is running for president.

Page 2



Londoño // File Photo: Colombian Government.

POLITICAL NEWS

Colombia's FARC Halts Campaigns Amid Violence

Colombia's demobilized FARC rebels announced Friday that they are suspending their political campaigns, saying their activists are being killed and top candidates, including their top commander, who is running for president, have been the targets of threats, The New York

“Colombia cannot become a failed state electorally because of the enemies of peace.”

— FARC

Times reported. “We’ve decided to suspend our campaign activities until we have sufficient guarantees” of safety, said the FARC, which cited a “coordinated plan” of attacks against it, including threats over social media, photos that have been taken of activists’ homes and the killing of a former fighter last Tuesday. Dozens of former rebels have been killed since the FARC and Colombia’s government signed their peace accord in November 2016. “Colombia cannot become a failed state electorally because of the enemies of peace,” the FARC added. On Friday, the FARC demanded “security guarantees” for its candidates, BBC News reported. Imelda Daza, who is running for vice president as a FARC candidate, told Colombia’s Blu Radio that the FARC wanted the government to provide stepped-up security in order to control “mobs” who were attacking candidates, including FARC leader Rodrigo Londoño, also known as Timochenko, who is running for president. Daza also accused rival political parties of inciting protests ahead of the country’s congressional elections on March 11 and the presidential election, scheduled for May 27. “They are not spontaneous demonstra-

tions; they are premeditated actions,” she said. Another top FARC official, Pablo Catatumbo, said the FARC would meet today with national police in order to “rethink strategies and analyze the situation.” After signing their peace deal with the government, the group, previously known as the Revolutionary Armed Forces of Colombia, began campaigning as the Common Alternative Revolutionary Force, maintaining the FARC acronym in Spanish. Under the terms of the peace accord, the FARC is guaranteed five seats in each chamber of Congress until 2026, when it would then have to run for seats in Congress like any other party. On Friday, Colombian Interior Minister Guillermo Rivera said the FARC’s decision to halt campaigning was not what the government wanted, The New York Times reported. “We will keep offering the guarantees so they can safely continue campaigning,” Rivera told the newspaper. Although former fighters had been killed in recent months, no candidate had been killed, and the FARC had declined protection in some instances, he added. More than 260,000 people were killed in the more than five decades of armed conflict between the FARC, right-wing paramilitary groups and Colombia’s government. [Editor’s note: See [Q&A](#) on the FARC’s political future in the Aug. 11 issue of the Advisor.]

ECONOMIC NEWS

Peru, Australia Sign Free-Trade Deal

The governments of Peru and Australia today signed a new trade deal, following nine months of talks, China’s state-run Xinhua news agency reported. Negotiations for the Peru-Australia Free-Trade Agreement, or PAFTA, opened last May. The time span of the talks was the shortest for any trade accord that Australia has ever concluded. The deal, which was signed in Canberra, will eliminate tariffs on 99 percent of Australian goods that are exported to Peru within five years. The accord will make Australia one of Peru’s largest suppliers of sugar within 18 years as it is expected to contribute 30 percent of the South American

NEWS BRIEFS

At Least 18 Killed in Clash at Illegal Gold Mine in Venezuela

At least 18 people were killed Saturday in a clash between an armed criminal gang and the Venezuelan military near an illegal gold mine in the country’s Bolívar State, an official said Sunday, the Associated Press reported. Soldiers were not among those killed, officials said. The violence broke out after the army traveled to the Cicapra mine after receiving information that the gang was threatening wildcat miners in the area.

Right-Wing Candidate Has Double-Digit Lead Ahead of Costa Rica Runoff

Costa Rican right-wing evangelical singer and lawmaker Fabricio Alvarado Muñoz has a 14-point lead ahead of his center-left rival, former labor minister Carlos Alvarado Quesada, ahead of the country’s April 1 presidential runoff, Reuters reported Friday, citing a poll by OPol Consultores. The survey of 2,000 people was taken between Feb. 8 and Feb. 9. Alvarado emerged from obscurity to become the front-runner in the race days before the first round of vote Feb. 4 amid his fierce opposition to same-sex marriage. The Inter-American Court of Human Rights said governments, including Costa Rica’s, must recognize same-sex marriage.

Eight Killed When Gas Canister Explodes at Parade in Bolivia

A gas canister used by street vendors exploded Saturday evening at a parade in Bolivia, killing eight people and injuring at least 40, the Associated Press reported. Police Commandant Romel Rana said three children were among those killed in the incident in the city of Oruro. Rana said police believe hot oil had spilled and burned a hose that was connected to the gas tank, causing the blast.

country's total imports of the commodity. The trade deal also includes recognition by Peru of Australian higher-education degrees, helping to attract more Peruvian students to Australian universities, said Steven Ciobo, Australia's trade minister.

BUSINESS NEWS

Colombia's Ecopetrol Halts Production at Three Oil Fields

Colombia's Ecopetrol halted production at three of its oil fields in Meta province after four workers were injured during protests, the state oil company said Sunday, Reuters reported. Protesters were demonstrating for four days and intensified their activities early Sunday, setting "fires, [throwing] fireworks and blunt objects at the facilities, putting peoples' safety at serious risk," the company said in a statement. The protests forced the company to turn off all wells and suspend operations at the Acacia and Chichimene plants and the facilities at the Castilla, Chichimene and CPO-9 fields. Perforation workers also suspended activity. Ecopetrol did not specify how much oil the fields usually produce, but last year the Castilla and Chichimene fields had an average output of about 200,000 barrels per day, or about one-third of all oil production in the country, Noticias RCN reported. Ecopetrol rejected the protests and called on local authorities to "immediately re-establish public order and protect the workers and their right to work as well as protect the integrity of the oil facilities." Attacks by the ELN rebel group, community protests and referendums banning the exploration and production of oil in certain Colombian municipalities are all recurring threats to the consistent and stable oil production in the country, Reuters reported. Operation of the country's second-largest oil pipeline, the Caño Limón-Coveñas pipeline, has been halted since January due to a bomb attack by the ELN. The pipeline has the capacity to transport 210,000 barrels per day.

FEATURED Q&A / Continued from page 1

remote in this politically charged election year. A narrower agreement on the DACA immigrants is possible but will require substantial concessions by both sides—groups very dug into their positions. The passage of yet another short-term Continuing Resolution on appropriations gives the two sides another month to reach some agreement, but without forceful intervention by the president, it is hard to see how they bridge their differences—particularly on the issue of a path to citizenship for DACA immigrants. While the emotional force behind the DACA immigrants helps to drive Congress toward a narrow solution, there is no similar passion to achieve a broader agreement and little attempt on either side to search for common ground. The result is that a large number of undocumented immigrants will remain in this status and will continue to live and work in the shadows for the foreseeable future. A permanent solution would remove one of the most divisive issues from the political arena, allow policymakers to concentrate on other domestic issues, reduce enforcement costs and permit a large number of persons to more openly participate in the American economy with substantial gains for everyone. But for now, this will remain an effervescent, unfulfilled dream."

A **Karen A. Woodrow-Lafeld, research professor and faculty associate at the Maryland Population Research Center**

at the University of Maryland, College Park: "The first part seems likely, with the public supporting a permanent solution and demonstrated economic benefits. The other three parts are simplistic and diminish longstanding principles on employment-based immigration, family unification and humanitarianism. This plan seems unlikely to become law, given past failure at comprehensive immigration reform. Walling the United States off from Mexico cannot be necessary, except as a 'last resort to stop violence,' per the bipartisan Commission on

Immigration Reform. Mexico's cooperation, including as a barrier with Central America, should be valued. The United States already benefits from the substantial immigration of highly educated and skilled individuals. The

“ This plan damages national integrity without enhancing national security.”

— Karen A. Woodrow-Lafeld

Center on Global Development estimates the plan could markedly reduce the numbers of university-graduate immigrants. The CGD estimates annual flows of Hispanic immigrants would fall by 58.2 percent and of black immigrants by 63.9 percent. Visa applicants in the backlog might be allowed to come, but taking away citizens' sponsorship rights would alter willingness to migrate and consideration of other destinations within Latin America and elsewhere. This plan would reduce labor force growth, cut the rate of economic growth and reduce tax payments. Reduced payroll taxes would affect the funding crises for Social Security and Medicare. A 50 percent reduction to net immigration—present and future workers—could decrease the long-range actuarial balance by perhaps 0.6 percent of the taxable payroll. This plan damages national integrity without enhancing national security. Restrictions to family reunification, intensification of border enforcement, and economic and labor market demands have caused the rise in the vulnerable, unauthorized presence. Evidence is strong that immigrants are assimilating well within American society and that overall effects are positive at the national level, although the states are more complicated."

Continued on page 4

FEATURED Q&A / Continued from page 3

A **Louis DeSipio, associate professor of political science and chair of Chicano/Latino studies at the University of California Irvine:** “The ‘pillars’ of President Trump’s recent immigration proposals have long been a part of the national immigration debate. U.S. Senate debates over immigration reform in 2007 and the bipartisan bill that the Senate passed in 2013 included these components. The balance among them that Trump proposed was not the compromise that the Senate reached in 2013, but each—legalization, enhanced border security, increasing the share of visas allocated based on immigrant skills and training, and reducing opportunities for immediate family members of U.S. citizens and permanent residents to migrate—will be part of a comprehensive immigration reform when it is enacted. If President Trump was willing to negotiate and achieve a more bipartisan balance among these pillars (and to pressure conservative members of the House of Representatives who have blocked comprehensive immigration reform for the past decade), a bill creating the foundation for a 21st-century U.S. immigration policy could pass and become law. The president’s emphasis on border security and reducing family-based migration neglects

the economic cost to the United States of the changes he proposes. The economy certainly needs skilled immigrants—the

“**The economy certainly needs skilled immigrants—the current law ensures that immigrants with specialized skills are able to immigrate.**”

— Louis DeSipio

current law ensures that immigrants with specialized skills are able to immigrate. As the native population ages, the labor market also increasingly needs immigrants with less specialized skills. In previous immigration reform debates, employers were more a part of the debate. The nativist and exclusionary tone of the president’s proposals have limited the voices of business leaders who traditionally ensured that Republicans in Congress were more open to inclusionary immigration policies.”

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 © 2018

Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
gkuleta@thedialogue.org

Nicole Wasson
Reporter, Assistant Editor
nwasson@thedialogue.org

 **THE DIALOGUE**

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.

Advisor Video

Economic Development in the Caribbean

An Inter-American Dialogue Discussion with Joyce Wong & Sebastian Acevedo, Int’l Monetary Fund
Daniel P. Erikson, Blue Star Strategies

View a webcast of the Jan. 30 discussion.

PLAY

