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FEATURED Q&A

Whose Job Is it to Fight the Spread of 'Fake News'?



Brazil, where Folha de S.Paulo has stopped posting its content on Facebook, has the world's third-largest number of users of the social network, Peter Knight says below. // Image: mikegi via Creative Commons/Pixabay.

Q Brazilian news outlet Folha de S.Paulo, one of the country's largest newspapers, has stopped publishing its content on Facebook. The company said that Facebook's new algorithm privileges content posted by users rather than professional journalism and reinforces consumption of content that reflects users' own worldviews, leaving readers exposed to "fake news." How important has social media become for news dissemination in Latin America? Will pushback from Brazil's media giants force Facebook and other social media platforms to re-evaluate their policies? How real is the fake-news threat in Latin America, and should more be done to prevent the dissemination of fabricated articles that pass themselves off as news? Is it the role of governments or corporations to decide what is real news and what is made up, and what are the implications for freedom of expression?

A Luis Manuel Botello, deputy vice president of new initiatives and impact at the International Center for Journalists: "We are living in the middle of a tech revolution that is not only continuing to challenge our way of consuming news and information, but it is pushing the limits of how we define fact-based news and even freedom of expression. What Folha de S.Paulo did could be the trend if the tech giants do not fix the way they operate, which often favors news and information created by citizens with hidden agendas that are disrupting democracies, including in Latin America, where residents are among the most avid users of social networks. With the excuse of combating disinformation, some governments in Latin America are promoting

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TODAY'S NEWS

POLITICAL

U.S. Making Staff Reductions at Cuba Embassy Permanent

The U.S. State Department announced it was making permanent staff reductions that were first announced in September, saying it has been unable to determine the source of "sonic attacks" that left some diplomats injured.

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BUSINESS

Lundin Plans Growing Output at Ecuador Mine

Lundin Gold's CEO said the company is planning one million ounces of gold production annually at its Fruta del Norte mine.

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ECONOMIC

Chile's Piñera Plans Pension Reforms

Sebastián Piñera, who takes office as Chile's president on March 11, is planning to present a pension reform proposal to the country's Congress in the first half of the year.

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Piñera // File Photo: Chilean Government.

POLITICAL NEWS

U.S. Making Staff Reductions at Cuba Embassy Permanent

The United States is making the reductions of its embassy staff in Cuba permanent, the State Department announced Friday, as officials have still been unable to determine the cause of so-called “sonic attacks” that

“**We still do not have definitive answers on the source or cause of the attacks, and an investigation into the attacks is ongoing.**”

— U.S. State Department

affected diplomats in Havana, The Wall Street Journal reported. Secretary of State Rex Tillerson last September ordered most of the embassy staff to leave. About two dozen staffers will remain at the embassy. Also in September, the United States ordered Cuba to reduce its embassy staff in Washington. The State Department said its embassy in Havana “will operate as an unaccompanied post,” meaning that diplomats will not be able to bring family members, an arrangement also in place in dangerous postings such as Iraq and Afghanistan, USA Today reported. The “sonic attacks” began in late 2016 and continued sporadically into the summer of 2017, affecting at least 24 U.S. embassy officials or family members, who suffered symptoms including headaches, dizziness, hearing loss and mild cases of brain damage, The Wall Street Journal reported. The victims had reported hearing strange buzzing, grinding or other sounds in their homes and hotel rooms. “We still do not have definitive answers on the source or cause of the attacks, and an investigation into the attacks is ongoing,” the State Department said Friday in a statement. A recent study by researchers at the University of Pennsylvania

found that the Americans who were affected had suffered concussion symptoms even though they had not sustained any blows to the head. On Friday, the State Department also said it was continuing to recommend that Americans reconsider visiting Cuba because it was unable to determine the source of the sounds. Cuba’s government has denied attacking the diplomats. By law, the United States can only order its diplomats to leave an embassy for six months before either sending them back or making the staffing reductions permanent, the Associated Press reported. That six month period expired on Sunday. The U.S. decision is part of a tightening of U.S. policy toward Cuba under the administration of U.S. President Donald Trump, who took office in January of last year. It has amounted to a reversal of the policies under Trump’s predecessor, Barack Obama, who instituted a thaw of U.S. relations with Cuba. [Editor’s note: See related [Q&A](#) in the Oct. 11 issue of the Advisor.]

ECONOMIC NEWS

Chile’s Piñera Eyes Pension Reforms

Chile’s president-elect, Sebastián Piñera, plans to present a proposal to reform the country’s pension system to Congress in the first half of 2018, Reuters reported, citing an interview with his future labor minister published Saturday in local newspaper La Tercera. Nicolás Monckeberg, who is to take office when Piñera’s term starts on March 11, said that lower-than-expected payouts and aging demographics have made reforming the private system, once touted as a model for many countries, an urgent priority. “It is an obligation and a moral duty to present a pension reform,” Monckeberg said. “We expect to do it in the first half of this year.” Some elements of a reform plan presented by outgoing socialist President Michelle Bachelet, including the creation of a new state firm to increase competition between private pension fund administrators, known as AFPs, would be included in the new plan, he added. Last year, tens of thousands of people protested in the

NEWS BRIEFS

Former Bolivian President Going on Trial in U.S.

Former Bolivian President Gonzalo Sánchez de Lozada and his defense minister, José Carlos Sánchez Berzain, both of whom live in the United States, are going on trial today in Florida in a lawsuit in which eight Bolivians claim their family members were killed by the government in attacks in 2003, NBC 6 in Miami reported. The victims claim the two planned the killings to crush political opposition.

Peruvian Court Orders Freezing of Toledo’s Bank Accounts

A Peruvian court on Friday ordered four bank accounts belonging to former President Alejandro Toledo frozen as part of Odebrecht-related corruption probes, state news agency Andina reported. Judge Santos Roger Benites Burgos barred Toledo, who was president from 2001 to 2006, from accessing his accounts at Scotiabank, Banco de Crédito del Peru and Banco de la Nación. Toledo stands accused of crimes of influence peddling, collusion and money laundering linked Brazilian construction company Odebrecht. He denies the charges and currently resides abroad.

Equifax Reports 16 Percent Increase in Latin America Revenue

Atlanta-based data services firm Equifax Inc. on Friday said its revenue reached \$839 million in the fourth quarter of 2017, up 5 percent. In Latin America, revenue was \$55.2 million, a 16 percent increase from the fourth quarter of 2016 and up 19 percent on a local currency basis. Canada revenue was reported at \$35.9 million, up 18 percent from the fourth quarter of 2016 and up 12 percent on a local currency basis. Equifax said it had \$114 million in expenses last year related to its massive data breach in September.

streets against the privately managed pension system, chanting “No more AFPs.” Piñera’s older brother, José Piñera Echenique, who served as minister of labor and social security in the military government of Augusto Pinochet, is considered the architect of Chile’s private pension system.

BUSINESS NEWS

Lundin Plans Growing Output at Ecuador Mine

Vancouver-based Lundin Gold plans to be producing at least one million ounces of gold annually at its first mine in Ecuador within three or four years, its chief executive, Ron Hochstein, told Reuters on Sunday. “We can’t stumble now,” Hochstein said, noting that his priority is to show shareholders the company can build in Ecuador on time and within budget. The Fruta del Norte mine, which is on track to be Ecuador’s biggest gold producer, should start production by the end of 2019 and is ex-



Hochstein // File Photo: Lundin Gold.

pected to operate for 15 years. Fruta del Norte was sold for \$240 million in 2014 by Kinross Gold after the company struggled to reach agreement with the government on developing the site. Ecuador has been a marginal producer of precious metals, especially compared to neighboring Peru and nearby Chile. Under President Lenín Moreno, however, international investors are positioning for better results. Mining investment in Ecuador is forecast to jump 360 percent in the next four years compared to between 2013 and 2016, to \$4 billion, according to BMI Research.

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their own propagand machines and are finding reasons to control and censor the press. In Venezuela, the government created the ‘Noticiero de la Patria,’ which broadcast networks are forced to air. In other countries, such as El Salvador, Bolivia, Guatemala and the Dominican Republic, the independent press has been accused of promoting ‘fake news’. And in Brazil, a new government council was created to define what is ‘fake news’ and monitor the media. Governments should not intervene in how social networks or news organizations prioritize news and information because it opens the doors for direct censorship, reducing diversity of voices. The solution should come from the tech industry, which must not allow the creation of fake accounts hidden behind anonymity. This problem has unimaginable negative consequences for democracies because citizens are already losing trust in its democratic institutions, including the media.”

Alberto Arebalos, senior vice president at MileniumGroup Inc. and former head of communications at Facebook Latin

America: “The last decade has seen the exponential growth of Facebook. What was introduced to the world as a simple social network originated on a school campus has been transformed today into a gigantic advertising platform with tentacles in photographs (Instagram) and chats (WhatsApp). We spend more time online on Mark Zuckerberg’s platforms than on any other, maybe except on Google. Like so many other Silicon Valley creations, Facebook has great altruistic purposes (uniting the world), but its commercial logic is simply to maximize visitors in order to sell those aggregated audiences to the advertisers. If this looks like mass media, it is because it is, although the secret hidden from view is that while the media spends hundreds of millions of dollars to produce content, Facebook users are in charge of producing it—for free—to make the platform one of the most visited places, day

in and day out by almost two billion people around the world. Yes: on Facebook, you are the product. Nobody denies that as an advertising platform Facebook is effective. Profits of \$27 billion in the last fiscal year proves it. But all this does not imply that an advertiser (or a content generator, like Folha de S.Paulo) must mortgage its fate, and its relationship with consumers or users, to the whims of an algorithm.”

A Peter Knight, founding partner, researcher and member of the board of the Fernand Braudel Institute of World Economics

in São Paulo: “I doubt most users of social media go to mainstream media pages or tweets as their primary source of news, in Brazil or elsewhere. Normally, news stories from mainstream media are links posted by ‘friends’ (Facebook), ‘followers’ (Twitter) or ‘connections’ (LinkedIn). If mainstream news sources will not allow their readers to paste links into their posts or tweets, then users of social media will be even more exposed to fake news. Brazil has the third-largest number of Facebook users in the world, trailing only India and the United States. There were 130 million registered Facebook users in Brazil in January, about 60 percent of the country’s total population. Brazil has 18 million Twitter users, the sixth-largest user base in the world. In 2017, Brazilian social media users spent an average of 3 hours 43 minutes on social media daily. Brazil’s Supreme Electoral Court (TSE) chief says dealing with fake news will be a priority this year with elections coming up in October. The TSE has set up an advisory council to study solutions to the problem. The council is composed of representatives of the Ministry of Justice; Brazilian Intelligence Agency (Abin); Internet Steering Committee in Brazil (CGI.br); the Ministry of Science, Technology, Innovation and Communications; Safernet, and the Getúlio Vargas Foundation. Mainstream news outlets are being asked to help report fake news. The problem is real. As in

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all democratic countries, a balance must be reached between conflicting ideals: freedom of expression, and protection of citizens from misinformation.”

A **Michael Camilleri, director of the Peter D. Bell Rule of Law Program at the Inter-American Dialogue:** “Social media platforms have become an important source of news for citizens in Latin America and elsewhere. This has provided traditional media outlets an additional way to reach readers, but it has also generated new challenges—from the economics of compensating professional journalism to the proliferation of so-called ‘fake news.’ Facebook has taken a number of steps in response to these challenges, including hiring a prominent journalist to head its news partnership team, introducing measures designed to boost the quality of news on the site, and allowing publishers to require that readers subscribe. Nonetheless, the decision by Folha de S.Paulo is a sign that the relationship between news organizations and social media platforms remains a work in progress. The challenge of ‘fake news,’ in particular, has serious implications for the informed debate necessary in a democratic society. While some apply the term to news they happen to disagree with, genuine fake news is the deliberate, malicious dissemination of false information about matters of public interest. In the 2016 U.S. presidential election, this kind of disinformation—propagated at times by foreign entities, including Russian companies and individuals—was shared hundreds of millions of times on social media. Latin American citizens and governments are rightly worried about this phenomenon with elections approaching in several countries. Nonetheless, some of the mooted policy responses risk making law enforcement the arbiter of the truth. A better approach is for governments to mandate transparency about, for example, the purchasers of politi-

cal advertisements. Technology companies themselves should not intervene directly in content, but rather continue developing tools—in collaboration with third parties such as fact checkers where appropriate—to facilitate users’ digital literacy and their ability to identify and access real journalism.”

A **Ricardo Trotti, executive director of the Inter American Press Association:** “I understand but do not share the drastic position that Folha de S.Paulo has taken to no longer publish its content on Facebook. Amid the tension between the biggest social media platforms that distribute content and the media that produce it, the Brazilian newspaper’s action seems justified. It’s a declaration of independence, a valiant posture that reaffirms that quality journalism has a cost as well as prestige. Yet at the same time, a media leader as influential as Folha has an obligation, by its purpose and social responsibility, to be present in all places where there is a public conversation, even more so in order to denounce places where ‘fake’ news is said to proliferate. I believe that its content actually helps assure that there is quality news on that social media platform. Folha is right to note that Facebook, with the algorithm change, now is not a good way to distribute its content. However, even if usefulness is diminished, I don’t think it’s a good idea to withdraw, especially since Facebook offers other benefits such as the possibility of creating new communities of users. Many media take advantage of these new audiences, such as with content not necessarily shared on their traditional channels. While these efforts may not yet yield results, they do create some benefits and reaffirm the brand.”

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

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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 fretrial@thedialogue.org

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