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FEATURED Q&A

Is Chile's Bachelet Likely To Shake Up the United Nations?



While serving as Chile's president, Michelle Bachelet addressed the United Nations General Assembly in 2016. // Photo: United Nations.

Q The U.N. General Assembly on Aug. 10 unanimously approved former Chilean President Michelle Bachelet as the new U.N. high commissioner for human rights. U.S. Ambassador to the United Nations Nikki Haley urged Bachelet "to avoid the failures of the past" and said the U.N. Human Rights Council, from which the United States withdrew, has failed to address human rights abuses in Venezuela and Cuba. Meantime, Bachelet's predecessor at the United Nations, Jordanian Prince Zeid Ra'ad al-Hussein, has criticized the White House for separating migrant children from their parents at the U.S.-Mexico border. What does Bachelet bring to the position, and is she the right person for the job? What are the biggest tasks she faces in her new role? How might her approach differ from that of al-Hussein? Will human rights controversies within the Americas see more attention at the U.N. from Bachelet than her predecessors?

A Ted Piccone, senior fellow of foreign policy at Brookings Institution: "Michelle Bachelet is a smart choice to serve as the next U.N. high commissioner for human rights, a position that places her as the United Nations' moral conscience on human rights. Bachelet's own experience—as a torture victim during the Pinochet regime, a pediatrician, the first executive to run the United Nations' agency for women and a former head of state—uniquely strengthen her credibility as both a voice for victims and a seasoned politician who knows the bad and good that governments can do to their citizens. The question is which direction she will lean when tough criticism of political leaders, both public and private, is warranted. This includes the Trump adminis-

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TODAY'S NEWS

ECONOMIC

Argentine Central Bank Raises Rates on Currency Rout

President Mauricio Macri this week decided to start tapping an International Monetary Fund bailout package earlier than scheduled, but international markets reacted with caution, and the move appears to have sparked a crisis of confidence.

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POLITICAL

Spanish Prime Minister Pledges Aid For Migrants

Spanish Prime Minister Pedro Sánchez said on Thursday that the European Union would give Latin American countries \$40 million to help them cope with migrants.

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POLITICAL

Venezuela Arrests 131 for Hoarding and Speculation

Venezuelan Attorney General Tarek William Saab said on Thursday the arrests included "several managers" of large chain stores accused of "speculating and hoarding" basic goods.

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Saab // File Photo: Venezuelan Government.

ECONOMIC NEWS

Argentine Central Bank Raises Rates on Currency Rout

Facing historic pressure on its peso currency, Argentina's central bank raised interest rates 15 percentage points to 60 percent in an unscheduled meeting on Thursday, The Wall Street Journal reported. President Mauricio Macri this week decided to start tapping an International Monetary Fund bailout package earlier than scheduled, but international markets reacted with caution, and the move appears to have sparked a crisis of confidence domestically over growing social unrest and skepticism with inflation. The peso had depreciated 8 percent on Wednesday on the IMF news and another 12 percent by Thursday morning before the bank took action on rates. The bank also said it was committed not to lower the restrictive policy rate until at least December. Wall Street economists said Thursday that the efforts to anchor the currency are important, but that the country's fiscal deficit has become another major concern for investor sentiment. "While frontloading of the IMF disbursements is a step in the right direction, it is not altogether clear that will be in isolation sufficient to restore market sentiment and stabilize markets," Alberto Ramos, an economist at Goldman Sachs, told clients in a research note Thursday. "The gradual fiscal adjustment strategy seems to have outlived its usefulness," he added. Ramos suggested authorities ought to consider a "fiscal adjustment shock" as the antidote for market mistrust of a gradual approach. Rather than the programmed reduction of the primary fiscal deficit to 1.3 percent of GDP in 2019, Ramos said the Macri administration could commit to a zero primary deficit already in 2019, "if not a small surplus,"

SUBSCRIBER NOTICE

The Advisor will not be published next Monday in observance of the Labor Day holiday in the United States.

in order to further reduce the funding needs and turn around expectations. "We acknowledge that would require deeper politically-sensitive spending cuts but the alternative of not doing so may well be costlier economically, politically, and socially," Ramos added. While the Macri administration's pro-market policies had been favored by investors, the U.S. Federal Reserve's gentle tightening of monetary policy has pushed up the dollar's value, making it harder for countries such as Argentina to sell or service dollar-denominated debt it took on in recent years to fund growth strategies.

POLITICAL NEWS

Spanish PM Promises Aid, Suggests Quotas to Address Migrants

Spanish Prime Minister Pedro Sánchez said on a visit to Colombia on Thursday that the European Union would give Latin American countries 35 million euros (\$40 million) to help them cope with migrants fleeing economic hardship in Venezuela, Reuters reported. Sánchez, who is on a four-nation tour of the region this week, also said in Bogotá that Latin America should adopt a "quota system" to better manage the Venezuelan migrant crisis, a process similar to what Europe is considering in the face of years-long migration waves from Africa and the Middle East, Agence France-Press reported. The notion involves each country agreeing to take responsibility for a certain number of refugees and resettling them within their borders. "If we think of Latin America as a supportive community, it's clear that a quota system could be a good solution," Sánchez told Blu Radio. Earlier this week, Brazilian President Michel Temer floated the idea of giving numbered tickets to Venezuelans crossing the border as a way of organizing daily entries and prioritizing those willing to cross through normal channels, Folha de S.Paulo reported Thursday. Some 2.3 million Venezuelans have left the country of 30.6 million in recent years, according to the United Nations, with the numbers heading to

NEWS BRIEFS

French Insurer Reaches Deal With Brazil's Caixa

French insurer CNP Assurances has reached an agreement with the insurance division of Brazilian state-owned bank Caixa Econômica to sell life insurance across the lender's branches in the South American country, Insurance Business magazine reported Thursday. According to a company statement, the agreement creates a joint venture that can sell life insurance products until February 2041. Caixa will own 60 percent of the business, while CNP will acquire a 40 percent stake for 4.65 billion reais (about \$1.12 billion).

Artificial Intelligence to Boost Latin America Economic Growth: Study

Artificial intelligence can facilitate commerce and add one additional percentage point of growth to Latin American and the Caribbean economies, according to a study by the Inter-American Development Bank released Thursday. In the mid-term, gains in productivity from artificial intelligence could boost regional GDP to 4 percent from current 3 percent projections. The economies of countries in the region that embrace artificial intelligence could grow 25 percent higher, on average, than those that do not, the report finds.

U.S. May Press Mexico, Canada on Steel Quotas

The United States is pushing for Mexico and possibly Canada to accept a quota on steel and aluminum imports, according to sources involved in the talks, Reuters reported Thursday. An agreement on metal tariffs is not expected until after the three parties reach a deal to update the North American Free Trade Agreement, but officials see it as a key move toward normalizing trade relations, the sources said. The quota would replace the tariffs the Trump administration imposed earlier this year.

Colombia, Ecuador, Peru, Chile, Argentina and Brazil steadily increasing. Officials from three Andean nations—Colombia, Peru and Ecuador—met in Lima on Wednesday and called for more international aid to help manage a surge in migrants that has overwhelmed public services in those countries, in some cases leading to violent pushback and temporary border closings. In a joint statement, the three countries called on Caracas to facilitate passports for Venezuelan citizens to strengthen regional security. Peru started requiring passports instead of national ID cards from Venezuelans on Saturday, following a similar decision by Ecuador. [Editor's note: See related [Q&A](#) in the Aug. 24 issue of the Advisor.]

Venezuela Arrests 131 People for Hoarding and Speculation

Authorities in Venezuela have arrested 131 people accused of attempting to undermine economic reforms implemented by the administration of socialist President Nicolás Maduro, the Telegraph reported. Attorney General Tarek William Saab said on Thursday the arrests included “several managers” of large chain stores accused of “speculating and hoarding” basic goods that are subject to prices fixed by the government. Of those arrested, 29 have been permitted conditional release and 10 others exonerated, according to Saab. Confusing new currency rules, days-long electricity blackouts and shortages of goods and raw materials have left Venezuela's economy in tatters, with nearly half of businesses now shuttered, their owners unable to find goods to sell to people without hard currency to buy them. Saab also said Thursday that 989 people have been accused of crimes related to corruption, with 569 having been convicted after admitting to the charges, El Universal reported. Saab singled out state oil company PDVSA, where he said an office created by former Energy Minister Rafael Ramírez had “altered” domestic crude oil sale prices, lowering them to the price for Mexican oil and costing state coffers some \$4 billion over a period of years.

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22nd Annual CAF Conference

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President, CAF – Development Bank of Latin America

Luis Almagro

Secretary-General, Organization of American States

Michael Shifter

President, Inter-American Dialogue

Catalina Botero

Dean, Faculty of Law, Universidad de los Andes

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Luís Ernesto Gómez

Former Vice Minister of the Interior, Colombia

Sept. 5-6, 2018

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tration, which is actively abandoning the U.S. leadership role on international human rights, as well as Russia and China. Her main challenge is to hold the line against further politicization and erosion of the United Nations' human rights system, particularly as a rising China steps up its long game to undermine the fundamental norms of the U.N. Declaration of Human Rights, which turns 70 this year. She will need some cover from U.N. Secretary General Guterres to do this. She is likely to focus on the persistent breach of women's rights around the world as well as economic and social rights, which have long animated her politics. Given the Americas' relatively robust system for human rights protection, and the lack thereof in Asia and the Middle East, she may steer her attention away from Latin America with some exceptions, like abuse of migrants, that are a growing global phenomenon."

A **Mario Polanco, director of Grupo de Apoyo Mútuo in Guatemala City:** "Those of us who defend human rights have received the appointment of such an exemplary woman to lead UNHCR with great satisfaction. We expect that she will work for Latin America, although it is clear that there are great challenges in all five continents, especially in some countries that face grave conditions in terms of human rights. She will have to work for the children who have been separated from their parents at the U.S.-Mexico border, for the thousands of people that try to migrate from the south of the world to the rich and developing north, risking their lives in deserts and oceans in search of a better future. Moreover, she will have to deal with subjects that directly affect human rights such as corruption and the capturing of states by criminal organizations. Vulnerable groups must be within her priorities, including marginalized women, who are not respected because of their gender, and children who have been enslaved and forced to work, many times by their own parents. States must intervene to guarantee the

end of such abuses and respect for human rights. Those of us who work to defend human rights trust that Michelle will work for the most vulnerable groups, those who have no voice, who are persecuted on the basis of their political ideas or religion. We trust that she will maintain the work the UNHCR has done since 1994, and that, moreover, she will strengthen and enrichen it."

A **David Lovatón, professor of law at the Pontifical Catholic University of Peru and consultant at the Due Process of Law Foundation:** "As a Latin American, the incoming U.N. high commissioner for human rights has more knowledge about the big challenges involving human rights in the region. First, she should condemn the corrupt Venezuelan regime and say bluntly that the country faces a deep humanitarian and human rights crisis, that it's now a real regional crisis, and that bordering countries

“ **She should condemn the migration policies of the current U.S. government.”**

— David Lovatón

until now have not had the best answers. Second, she should condemn the migration policies of the current U.S. government as grave human rights violations against children and families. There are no excuses for it. Nevertheless, the U.S. government isn't unique in incurring human rights violations against migrants. The Mexican and Central American governments are also at fault. What are these governments going to do to address this situation? Michelle Bachelet has a choice to become one of the best U.N. high commissioner, or just another of them."

Disclosure: Michelle Bachelet is a former chair of the Inter-American Dialogue, which publishes the Advisor.

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Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
gkuleta@thedialogue.org

Anastasia Chacón González
Reporter
achacon@thedialogue.org



Michael Shifter, President

Genaro Arriagada, Nonresident Senior Fellow

Sergio Bitar, Nonresident Senior Fellow

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