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## FEATURED Q&A

# Should Central America Do More to Curb Migration?



Thousands of Central Americans have joined caravans, trekking to the United States this month. A group is pictured about to cross the Suchiate River from Guatemala into Mexico. // Photo: Radio TGW.

**Q A group of as many as 3,000 Honduran migrants heading to the United States entered Mexico earlier this month, prompting U.S. President Donald Trump to threaten cutting aid to Honduras, Guatemala and El Salvador if authorities in Central America failed to stop the group from moving ahead. In response, the foreign ministry of Honduras urged the country's citizens not to join the group, and Guatemalan authorities detained the migrants' organizer. Why do Central American migrants continue to seek entry into the United States despite Trump's warnings? What are Northern Triangle countries doing to curb migration, and is it enough? How can the United States work with them more effectively to reduce the number of migrants fleeing north?**

**A Manuel Orozco, director of the Migration, Remittances & Development program at the Inter-American Dialogue:** "The reason why Central Americans continue to migrate is not accidental. The continuity of underdevelopment and violence has influenced a wave of outmigration that may currently constitute the third or fourth largest migration crisis in the world. Central American governments have been unable to tackle this problem effectively for two main reasons. First, the strategic efforts by the Alliance for Prosperity were not directly connected to the root causes of migration, but rather to broader chronic problems (infrastructure) or traditional markets (agriculture), with a strong emphasis on security issues not directly connected to the systemic presence of organized crime. Moreover, there is no leveraging on the inflow of migrants' money to capitalize on development

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## TODAY'S NEWS

### ECONOMIC

## Mexicans Vote to Cancel Airport Project

In a public consultation, Mexicans voted to cancel the project to build a new airport to serve Mexico City. President-elect Andrés Manuel López Obrador has been critical of the project.

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### ECONOMIC

## IMF Boosts Argentina Loan Deal to \$56.3 Bn

The lender also toughened measures to zero out the country's fiscal deficit. The deficit currently stands at 2.7 percent of gross domestic product.

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### POLITICAL

## Bolsonaro Defeats Haddad in Brazil Election

Far-right candidate Jair Bolsonaro defeated his leftist rival Fernando Haddad in Brazil's presidential runoff on Sunday. Bolsonaro won just over 55 percent of the vote, with Haddad garnering just under 45 percent.

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Bolsonaro // File Photo: Bolsonaro Campaign.

## POLITICAL NEWS

## Bolsonaro Defeats Haddad to Win Brazil Presidential Election

Far-right nationalist Jair Bolsonaro was elected Brazil's president on Sunday, defeating Fernando Haddad of the leftist Workers' Party. Bolsonaro won 55.1 percent of the votes to Haddad's 44.9 percent, with 99 percent of the votes counted, according to Brazil's Superior Electoral Court, or TSE. In his victory speech Sunday

“This country belongs to all of us, Brazilians who were born here, and those who are Brazilian at heart.”

— Jair Bolsonaro

night, Bolsonaro said he was committed to upholding Brazil's Constitution and individual freedoms including “freedom to come and go, political and religious freedom, freedom of opinion,” O Estado de S.Paulo reported. Bolsonaro's candidacy also raised alarm due to his controversial statements about women, minorities, gays and other groups. During a Facebook Live address Sunday night, Bolsonaro blasted his political opponents, including the Workers' Party, and said the country cannot continue “flirting with socialism, communism, populism and the extremism of the left,” The Washington Post reported. However, he later called for unity, saying “This country belongs to all of us, Brazilians who were born here, and those who are Brazilian at heart. Brazil is a country of diverse opinions, colors and orientations. The law is for everyone.” A former army captain, Bolsonaro has also defended Brazil's former military dictatorship, and previously said that it did not kill enough dissidents. At times, he has also seemed to echo statements of U.S. President Donald Trump, saying he wanted to make Brazil “great” and has feuded with the media over what he has called “fake news.”

## ECONOMIC NEWS

## Mexicans Vote to Cancel Project to Build New Airport

Mexicans voted to cancel the Mexico City airport project, which was already under construction, in a public consultation held last week, The Wall Street Journal reported today. Although the results are not legally binding, President-elect Andrés Manuel López Obrador has said the vote would be the decisive factor for the \$13.3 billion project's continuance. More than one million people participated in the public consultation, which López Obrador organized, to vote on whether the new airport in Texcoco, northeast of the capital, should be finalized or cancel it, keep the existing airport in Mexico City and revamp a military base in nearby Santa Lucía. The project is currently about one-third complete, and experts deem canceling it will imply the loss of more than \$5



López Obrador // File Photo: López Obrador Campaign.

billion already spent, the newspaper reported. During his campaign earlier this year, López Obrador called the airport a waste of money. Last week, the president-elect said his government would keep the contracts with major companies involved in the new airport, including the Spanish conglomerate Acciona and a construction firm owned by Mexican billionaire Carlos Slim. “The same work they have assigned at Texcoco they'll still do, only at Santa Lucía, if that's what the people decide,” he said, The Wall Street Journal reported. The public vote was controversial for several reasons, including having citizens vote on a highly technical issue and the fact that the electronic voting system

## NEWS BRIEFS

## IMF Boosts Argentina Loan Agreement to \$56.3 Billion

The International Monetary Fund on Friday agreed to increase the amount of its standby loan agreement to Argentina to \$56.3 billion while toughening previously agreed upon measures to bring the South American country's fiscal deficit, which stands at an estimated 2.7 percent of GDP, to zero next year, Reuters reported. IMF Director Christine Lagarde applauded a budget proposal approved by Argentina's lower house of congress last Thursday, saying it would help the government meet its targets.

## Mexico's Femsa Reports 86% Drop in Net Profit

Mexico's Fomento Económico Mexicano announced on Friday that its third-quarter revenue was 118.4 billion pesos (\$6.3 billion), up 8 percent from the 109 billion pesos it reported in the same period last year, Reuters reported. The bottler and retailer said higher traffic at its Oxxo convenience store chain drove the growth. However, net profit, at 4.7 billion pesos dropped nearly 86 percent compared to a year earlier, when the company sold a stake in Heineken, at 32.4 billion pesos.

## Colombia's Ecopetrol Will Be Ready to Use Fracking Next Year: Bayón

Colombian state-owned oil company Ecopetrol said it would be ready to begin using a hydraulic fracturing technique, widely known as fracking, to extract oil and gas in the country's unconventional basins next year, Ecopetrol's president said last week, local radio Blu reported Thursday. Activist groups in the South American country have campaigned against the drilling practice for potential damage to the environment, including water contamination, but company president Felipe Bayón said fracking could be done “in a safe manner.”

reportedly allowed individuals to cast ballots up to four times at different polling stations, El Universal reported. [Editor's note: See related [Q&A](#) in the Oct. 19 issue of the Advisor.]

## Chile's Piñera Releases Pension Reform Plan

Chilean President Sebastián Piñera on Sunday released his long-anticipated plan to reform the country's once-lauded pension system, Reuters reported. In a bid to boost payouts for increasingly agitated retirees who had come to expect larger withdrawals upon retirement, Piñera said in a televised address that he would ask employers to pay for an additional 4 percent contribution to each of their workers' pension

**The plan would ask employers to pay an additional 4 percent to their workers' accounts.**

accounts. The government also would boost its contribution to a collective fund to 1.12 percent of gross domestic product from 0.8 percent, while kicking in additional funds for the middle class, women and those who delay retirement, according to the report. Workers would be able to select from a wider diversity of for- and non-profit fund managers, thereby boosting competition in the industry, Piñera added. The plan, which has an overall price tag of \$3.5 billion, will be phased in gradually. Employees can choose to work with one of six private pension fund administrators currently operating in the country, known as AFPs. In recent years, a wide-ranging social movement demanding the end of the AFP system has resulted in protests and clashes with police. Chile's Congress must approve the changes before they can be implemented. [Editor's note: See related [Q&A](#) in the March 23 issue of the Advisor.]

### FEATURED Q&A / Continued from page 1

and business opportunities. Second, most of the Northern Triangle, and Honduras in particular, have only paid lip service to the implementation of the Action for Peace-keeping (A4P), a problem that has distracted them from taking a serious approach to migration. Withdrawing foreign aid would be a strategic mistake. A better strategy would be to reduce migration. This strategy should focus on increasing financial access for all and credit for microenterprises, to reduce the size of the informal economy and to invest in new markets. It needs not to ignore a transitional justice approach: the 500 tons of cocaine that are transshipped from the Northern Triangle and consumed in the United States are responsible for the organized crime that makes economic growth and political fragility less likely. The United States and the Trump administration must consider renewing the A4P and hold the governments accountable for a new strategy. It needs to consider the reality of this migration, provide humanitarian relief to those leaving their homelands and a guest worker program that realistically recognizes the U.S. demand for foreign labor."

**A Ray Walser, retired Foreign Service Officer and former Latin America policy analyst at Heritage Foundation:** "Now approaching 7,000 people, the caravan grows along with the high-stakes political drama. President Trump considers its movements a national emergency and seizes upon the polarizing fear of uncontrolled migration and 'open borders' as a political wedge issue in the upcoming midterm elections. In reality, the caravan, while large in number, reflects pervasive and ongoing challenges in the Northern Triangle with marchers heading north, driven to extremes by persistent poverty, crime, impunity and corruption and with little to lose. The caravan reflects human despair, misguided hopes and the possible work of media-savvy organizers. Why go it alone or with 'coyotes' when you

can march together with 24/7 media attention? Clearly, Northern Triangle nations are unable and possibly unwilling to curb this northward migration. Ranging from a lack of institutional capacity to the fact they are not police states limits their capabilities. Current U.S. policies that cut foreign assistance and end Temporary Protected Status, along with the absence of bipartisan immigration reform, toss additional fuel onto the fire. Threats to sever all economic assistance, including security assistance, will only worsen the crisis and reflect poorly on the United States. Addressing the recurrent migration challenge requires governments, the private sector and civil society to work together, backed by sustained but effective resources and broad international support. Clearly, the Trump administration cannot admit 7,000 migrants moving en masse without legal status. Smart diplomacy might explore utilizing U.S. consular and disaster response mechanisms to defuse the crisis in Mexico by reviews of asylum, refugee and family claims and a safe and orderly return for those denied entry. Defending the rule of law while intelligently addressing an ongoing humanitarian crisis with dignity and respect poses a far better outcome than the U.S. military arresting, caging and deporting thousands of desperate, unarmed Central Americans."

**A Ursula Roldán, coordinator of the migration department at the research and administration institute of Rafael Landívar University in Guatemala City:** "Migrants continue to want to enter the United States because crisis in Central America is worsening, and people see fleeing to the United States as their only option for employment opportunities and safety. Central American governments and North American policies are responsible for this crisis. Honduras is among the world's poorest and most unequal countries, with one of the highest rates of violence. The 2009 coup d'état and

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the electoral fraud in 2017, both situations that the U.S. government endorsed, ended in greater instability and political violence. Central American governments are doing very little to deal with migration. They are currently focused on defending their own interests, especially avoiding corruption trials. They back big business projects and the countries' armed forces to maintain their political support. To help with the migration crisis, the United States needs to go back to a consensus among Democrats and Republicans, one that concludes that the problem of forced migration does not lie at the borders, but rather in the origin country's unequal economies and co-opted states. It should continue supporting the fight against corruption and impunity, as well as policies that boost financing of small and medium enterprises and that generate well-paid jobs and a more balanced economy in general. At the same time, the United States should take up policies to strengthen Central American states so that they become democratized and, in this way, meet the basic needs of the population in terms of health, education, housing and social security. A better regulation of immigrants already there and recognizing what they contribute to the United States could also help generate economic mobility, as well as cultural and social exchanges. Establishing broader and more regulated labor programs in favor of workers in the countries of origin and destination would also help."

**A** **Oscar Chacón, co-founder and executive director of Alianza Americas:** "Even though nobody would guess it, given the dominant nature of the international debate on migration, the freedom to leave one's own country continues to be an essential human right, one the United States has nominally championed for most of the past 60 years. As data tells us, migration has been a vastly positive experience for nations of destination, as well as of origin. The caravan

of Hondurans traveling toward the United States for the past weeks represents something new only to the extent that people gathered at the point of departure. However, thousands of Hondurans have been making this trip, on a monthly basis, for a decade.

“**The U.S. government can help reverse this trend. However, it will require nothing short from a Marshall Plan-like approach...**”

— Oscar Chacón

Considering the abuses, including rape and murder, that these migrants often experience on their way north, as well as the hefty fees smugglers charge, joining a caravan that offers a minimum of protection in numbers, at no financial cost for the participants, is a no-brainer. To the extent that wealthy elites and national governments in the region remain indifferent before the urgency for widely available economic opportunity, broad social inclusion and well-being, scandalous homicidal rates and decaying democratic governance systems, Central Americans will continue to conclude that fleeing their countries represents their best survival strategy. The thousands of impoverished Hondurans participating in this caravan are also a collective outcry calling for a new generation of public policies, based on migration, and humanitarian protection, based on common sense and compassion. The U.S. government can help reverse this trend. However, it will require nothing short from a Marshall Plan-like approach, implemented with new partners and most certainly far more money than is so far the case. The opposite of this will only lead to more conflict, more migration and more misuse of U.S. taxpayers' money."

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