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FEATURED Q&A

How Will El Chapo's Conviction Change the War on Drugs?



El Chapo intends to seek a new trial after one of the jurors who convicted him told Vice News that jurors read media about the case despite the judge's instructions not to, his attorneys said in a court filing on Friday, Reuters reported. // File Photo: U.S. Government.

Q A jury in New York on Feb. 12 found Mexican drug kingpin Joaquín "El Chapo" Guzmán guilty of all 10 charges brought against him for drug conspiracy. He now faces life in prison at a sentencing scheduled for June. Meanwhile, Mexican President Andrés Manuel López Obrador declared an end to his country's war on drugs last month, announcing that the army would no longer prioritize capturing cartel bosses. To what extent was Guzmán's trial a "watershed moment" in the U.S. war on drugs, as prosecutors asserted? Are citizens of the Americas safer with El Chapo in jail? What changes lie ahead for U.S. and Mexican anti-narcotics efforts in the wake of the conviction? Will López Obrador's approach to addressing drug cartels have better results than in past administrations?

A Barry R. McCaffrey, president of BR McCaffrey Associates, retired U.S. Army four-star general and former director of the White House Office of National Drug Control Policy: "The brave Mexican people are disgusted and fearful of the corruption and incompetence of their federal, state and local governments. Violence is incredible, with 33,000 people murdered in 2018. At least 37,000 people are missing and presumed dead since 2007. The police and the court system are barely functioning. Crimes are 94 percent unreported. The underpaid police are 50 percent understrength. Only 42 percent meet basic competence. The media and local government are intimidated. López Obrador won a stunning landslide victory. He has astronomical 86 percent approval ratings. He has promised to fight corruption, put the army back in barracks and fix the economy. His focus

Continued on page 2

TODAY'S NEWS

POLITICAL

Cuba Sees High Turnout for Vote on Constitution

More than 80 percent of Cuba's electorate of 8.7 million had cast votes for a new constitution by 5 p.m. on Sunday, an hour before polls closed.

Page 2

ECONOMIC

Mexico Inflation Slows to Two-Year Low

Consumer prices rose 3.89 percent in the first half of February, a two-year low. In 2017, Mexico's rate of inflation hit its highest level in more than 16 years following a cut in gasoline subsidies.

Page 2

POLITICAL

Opposition Calls for Intervention in Venezuela Crisis

President Nicolás Maduro blocked international humanitarian aid from getting into Venezuela on Saturday. U.S. Sen. Marco Rubio (R-Fla.) said his actions had "opened the door to various potential multilateral actions not on the table just 24 hours ago."

Page 2



Rubio // File Photo: @marcorubio via Twitter.

POLITICAL NEWS

Opposition Calls for Foreign Intervention in Venezuela Standoff

For the first time, Venezuela's opposition on Sunday called on the international community to consider the use of military force against President Nicolás Maduro, The Wall Street Journal reported. "We will present firm positions which are an escalation of diplomatic measures, and political measures including the use of force for blocking the humanitarian aid and generating an unprecedented violence," said Julio Borges, a top opposition leader. The escalation follows the opposition's failed attempt to bring international humanitarian aid into the country Saturday, when Venezuelan security forces and paramilitary groups along the borders with Colombia and Brazil turned back efforts to get food and medicine across the frontier. Soldiers opened fire on civilians, using a mixture of live ammunition and rubber bullets. At least four people were killed Friday and Saturday, with more than 300 wounded. Two aid trucks were burned, apparently by forces loyal to Maduro. More than 160 Venezuelan soldiers defected Saturday and are seeking

refuge in local churches, BBC News reported. They now worry about reprisals from Maduro's supporters back home and fear for the safety of their families left behind, according to the report. The Lima Group of countries will discuss proposals for increased pressure on Maduro's socialist government today in Bogotá. Opposition leader Juan Guaidó, who is recognized as Venezuela's interim president by more than 50 countries, will participate, along with Colombian President Iván Duque and U.S. Vice President Mike Pence, among other regional leaders. U.S. Sen. Marco Rubio (R-Fla.) said Sunday that Maduro's actions had "opened the door to various potential multilateral actions not on the table just 24 hours ago." Analysts have warned that the United States would "own" unintended consequences of instigating a coup in Venezuela. [Editor's note: See related [Q&A](#) in the Feb. 21 issue of the Advisor.]

ECONOMIC NEWS

Mexico Inflation Slows to 3.89 Percent

Mexico's rate of inflation in the first half of February slowed to its lowest level in more

NEWS BRIEFS

Cuba Sees High Turnout for Constitutional Vote

Cubans went to the polls in high numbers on Sunday to approve a new constitution offering broad economic and social changes while maintaining the one-party socialist system, Reuters reported. More than 80 percent of Cuba's electorate of 8.7 million had cast votes by 5 p.m., an hour before polls closed, according to the national electoral commission. The new constitution would also restructure government, adding a prime minister and setting term limits for the president, among other changes. [Editor's note: See related [Q&A](#) in the Aug. 3 issue of the Advisor.]

Brazil Court Again Halts Boeing, Embraer Tie-Up

A Brazilian federal judge on Friday suspended the planned tie-up of U.S.-based aircraft manufacturer Boeing and Brazil's Embraer, Reuters reported. Judge Victorio Giuzio Neto suspended an Embraer shareholders meeting that had been scheduled for Tuesday. In the meeting, shareholders were to have voted on whether to approve a deal that the two companies have already agreed upon. Neto's decision is likely to be appealed. Courts have suspended the tie-up several times in the past, and those decisions were repeatedly overruled.

North America Braces for Swine Fever Threat

The United States, Mexico and Canada are working together to keep African swine fever from entering North America, the Voice of America reported Friday. U.S. Agriculture Secretary Sonny Perdue said last week hogs in China and parts of Europe have already been infected. The highly contagious disease can kill an animal in just two days. Smithfield Farms, the world's largest producer of pork, has increased safety measures at its farms in the United States, Reuters reported.

FEATURED Q&A / Continued from page 1

is on extreme inequality and poverty. Mexico is the 11th richest nation in the world. Senior politicians tend to be well educated and competent. They have a hard-working labor force and immense natural resources. The armed forces are competent. Mexican culture is rich with strong families and effective business leaders. López Obrador has grossly overpromised the Mexican people. He stated, 'we'll find a way to face the violence problem without using force.' In earlier years, he absolved the just convicted El Chapo of 'any responsibility for the insecurity of the state.' Solutions would be through 'political, economic, social and cultural means.' López Obrador says he will create a new National

Guard hybrid organization in three years to back up new police forces. Mexico will end up as a narco-state if López Obrador proceeds down this illusionary path. Trump will be little help in the process. This is a very dangerous situation for Mexico and its friends."

A Arturo Sarukhan, board member of the Inter-American Dialogue and former Mexican ambassador to the United States:

"Guzmán's trial won't move the needle in the efforts to deter and roll back transnational criminal organizations. Einstein has been attributed the maxim describing insanity as

Continued on page 4

than two years, the national statistics agency announced Friday, *Expansión* reported. Annual inflation slowed to 3.89 percent year-on-year in the month's first half, bringing the figure back to the Bank of Mexico's target range for the first time in 24 months. The last time inflation was as low was in December 2016, when it dropped to 3.4 percent. The reported inflation figure was less than the median 4.07 percent that economists had expected in a recent Reuters poll. The latest data could lead to a stronger argument for interest rate cuts later this year, economists at Capital Economics told clients in a note. In 2017, Mexico's rate of inflation hit its highest level in more than 16 years following a cut in gasoline subsidies.

BUSINESS NEWS

Prosecutors Seek New Arrest Over Vale Dam Disaster

Prosecutors in Brazil are appealing a judge's decision to allow a senior executive of mining giant Vale to remain free following last month's collapse of a dam that is feared to have killed more than 300 people, *Folha de S.Paulo* reported Friday. Peter Poppinga, Vale's director of ferrous metals, presents "a risk to the public order and his freedom could hurt the enforcement of criminal law," said prosecutor Gustavo Oliveira. In requesting the arrest, Oliveira accused Vale and its ferrous division of being at fault in the collapse of the Brumadinho dam, which failed Jan. 25. In a statement, the mining company said the judge's decision was "absolutely right" and added that none of its executives intended to cause the dam collapse. However, authorities have uncovered documents suggesting employees at Vale and its safety inspectors with a German contracting firm knew for months of dangerous conditions at the mine-waste dam, *The Wall Street Journal* reported. Yet inspectors certified the dam as safe, expressing worry about losing contracts with Vale. [Editor's note: See related [Q&A](#) in the Feb. 12 issue of the Advisor.]

IN PROFILE

Panama's Presidential Front-Runner

Name:

Laurentino "Nito" Cortizo Cohen

In the News:

Laurentino Cortizo Cohen, widely known as Nito, represents the Democratic Revolutionary Party (PRD) in Panama's May 5 presidential election. He leads opinion polls with 48.7 percent of support, according to a survey this month by StratMark Consultores. His closest contender, Rómulo Roux of the Democratic Change Party, has 23.9 percent of voter intentions.

Background:

Cortizo, 66, was born in Panama City to a Spanish father and a mother of Greek heritage. He graduated from Norwich University in Vermont with a Bachelor's degree in Business Administration and later from the University of Texas at Austin with a Master's degree and Ph.D. in international trade and marketing. He then moved to Washington, D.C., to work at the Organization of American States. Returning to Panama in 1986, he was general manager of Grupo Cortizo, Panablock and Hacienda Hermacor, firms linked to the construction and livestock sectors. He was a deputy for the PRD in the National Assembly between 1994 and 2004, serving as president of the assembly from 2000 to 2001. He was Minister of Agricultural Development during the administration of Martín Torrijos, from 2004 to 2006, when he resigned in protest of what he described as "the relaxing of sanitary norms that were imposed by the negotiations of the free trade agreement with the United States," according to his campaign website. He participated in the primary elections for the PRD in 2008 and in 2012 but withdrew early from both races. Cortizo won the PRD's primary endorsement last September with 67 percent of the vote, easily beating Deputy Zulay Rodríguez, with just 18 percent.



Cortizo Cohen // Campaign Photo.

Of Note:

Cortizo has been a sharp critic of the administration of current President Juan Carlos Varela. After winning the PRD primaries, Cortizo said the days were numbered for "this incapable regime, full of lies and promises that they never thought to fulfill," *Panama Today* reported. "The Martinelli-Varela disastrous decade ends. Years of looting the people and corrupting the institutions, 10 years of corruption and incapacity were just too much," he added.

Cortizo has campaigned on addressing what he calls "the sixth frontier," or the challenge to fight poverty and inequality in Panama. Among his proposals, Cortizo has suggested the creation of a sustainable agriculture policy to serve as the basis for Panamanian development and economic growth for the next 20 years. He has also vowed to encourage job creation and dual education—combining apprenticeships with vocational school—with an emphasis on better employment opportunities for women.

Sources: *La Estrella de Panamá*, Nito Cortizo campaign, *Panama Today*.

FEATURED Q&A / Continued from page 2

doing the same thing over and over again and expecting different results. That is what Mexico and the United States—as well as others and the United Nations—have been doing for more than three decades, with meager results, whether measured by the footprint of organized crime and its ability to corrupt and intimidate, the strength of institutions and rule of law, human security and resilience, harm reduction, or consumption of drugs. You don't need to be a Nobel laureate to understand that as long as the supply of drugs is completely elastic and the demand completely inelastic, the underlying paradigm—the more you interdict/eradicate, the less demand there will be—will only provide continued incentives for new actors to enter the market as producers/traffickers. The kingpin strategy foisted by the United States and accepted by Mexico

“**The United States should stop fiddling and move to effectively deter southbound shipments of guns and bulk cash.**”

— Arturo Sarukhan

in the early 2000s has failed. Moreover, now that de facto legalization of cannabis is mushrooming across the United States, Mexico should openly tell its partner that it will no longer invest in its Churchillian quota of 'blood, sweat, tears and toil' in eradicating and interdicting marijuana, and will rather dedicate resources and manpower to going after more dangerous substances and confronting the more violent groups. The United States should stop fiddling and move to effectively deter southbound shipments of guns and bulk cash, and both countries would do well to significantly elevate the role that prevention of money laundering plays in our overall strategy. And both nations should significantly rebalance efforts in favor of harm reduction and mitigation as the core

tenets of our efforts. If not, we will have missed what the trial in Brooklyn revealed, once again.”

A Gary J. Hale, Drug Policy and Mexico studies fellow at Baker Institute and retired DEA Houston Division Chief of Intelligence: “On Feb. 12, 2019 a jury in New York found Mexican drug kingpin Joaquín ‘El Chapo’ Guzmán guilty of all drug trafficking charges brought against him. Guzmán’s arrest and extradition to the United States from Mexico was the result of the kingpin strategy that was developed by the Drug Enforcement Administration (DEA) to target the command-and-control elements of major drug trafficking organizations. When the strategy was applied in Mexico during the Calderón administration (2006-2012), critics asserted that arresting cartel bosses would leave a leadership void, fracturing the four dominant cartels and causing violence to increase in Mexico. Indeed, the phenomenon has evolved as predicted, and now there are many smaller organizations that are violently fighting for market share in Mexico. While it can be argued that Guzmán’s conviction represented a ‘watershed moment’ in the U.S. war on drugs, that judicial victory may ultimately become short-lived. In January, Mexican President Andrés Manuel López Obrador declared an end to his country’s drug war by stopping all military counterdrug operations in the field, ending a combined 12 years of the application of the kingpin strategy in Mexico. The removal of Chapo Guzmán from his throne as the world’s richest drug ‘capo’ will have little effect on reducing the flow of drugs from Mexico into the United States, and violence levels in Mexico will likely remain the same or worse as López Obrador’s implied immunity will embolden the remaining drug cartels to reign freely and without government interference.”

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

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