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FEATURED Q&A

What Is Behind Recent Protests in Honduras?



Honduran President Juan Orlando Hernández has pushed health care and education reforms, which has led to violent protests. // File Photo: Honduran Government.

Q Police and protesters in Tegucigalpa clashed last month in violent demonstrations over reforms they say will privatize health services and education. Honduran President Juan Orlando Hernández's government, which has pushed the reforms, denies that the changes would lead to privatizations and mass layoffs. The demonstrations, which included protesters setting government buildings on fire, prompted lawmakers to announce they would suspend the legislation. What is behind the protesters' opposition to the bills, and are their fears well-founded? To what extent does the country need major changes to its health care and education systems, and would Hernández's measures take appropriate actions? Will the reforms eventually become law, despite the protesters' opposition?

A Enrique Rodríguez Burchard, former member of Honduras' Congress and former general secretary of the Liberal Party: "Honduras' health and education systems are in intensive care. In an economy with accentuated growth and indebtedness problems, it is not viable for the country to return to investing 8 percent of GDP in education as occurred at the end of the last decade. According to the FEREMA foundation, learning outcomes are extremely low, too many children remain outside the education system, and access appears related to socioeconomic conditions. Although fiscal revenues increased by 100 percent from 2013 to 2018, fewer resources are now allocated to prevention and primary care, leaving a large part of the population without coverage. Thus, in a country characterized by weak

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TODAY'S NEWS

POLITICAL

Pentagon to Shift \$1.5 Billion for Border Barrier Construction

The U.S. Department of Defense will shift \$1.5 billion from its budget to replace fences along parts of the country's border with Mexico. The allocation is in connection with President Donald Trump's vow to build a wall along the border, which he says is needed to prevent illegal immigration.

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Brazil's Caixa Seeking Partners for Insurance Unit

Caixa Econômica Federal is seeking partners for its Caixa Seguridade Participações unit.

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Cuban Gov't to Ration Sales of Basic Goods

Cuba's government is planning to ration the sales of goods including eggs, cooking oil and chicken amid widespread shortages, said Commerce Minister Betsy Díaz.

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Díaz // File Photo: Cuban Government.

ECONOMIC NEWS

Cuba to Ration Sales of Basic Goods

Cuba is planning to ration the sales of basic goods, officials said on Friday, as tighter U.S. sanctions and an economic crisis in key ally Venezuela have heightened pressure on the Communist island nation to import food staples, The Wall Street Journal reported. Commerce Minister Betsy Díaz said the government would begin rationing items such as eggs, cooking oil, chicken, sausage and soap, as the country struggles with widespread shortages that have caused a wave of panic buying. "We are calling for calm," Díaz said on state television. Officials recognized that the government had failed to meet production targets for products including eggs and pork. "One day there's no chicken, then the following day there's a shortage of ground beef," Lorenzo Almaguer, a truck driver from Havana, told The Wall Street Journal. "Meanwhile, the price of pork has tripled," he added. Cuban officials blame the shortages on the Trump administration's decision to harden its trade embargo of the island, but economists say that reduced shipments of subsidized oil from Venezuela have also hit Cuba, the Associated Press reported. Limited rationing of some products has already begun

in many parts of the country. [Editor's note: See related [Q&A](#) in the Jan. 7 issue of the Advisor.]

POLITICAL NEWS

Pentagon to Shift \$1.5 Billion for Border Barrier Construction

The U.S. Department of Defense will shift \$1.5 billion from its budget to replace fences along the country's border with Mexico, in connection with President Donald Trump's vow to build a wall long the border, U.S. military newspaper Stars and Stripes reported Friday. More than half of the reallocated money will come from funding that had earlier been intended for support to Afghan security forces and a military retirement system, according to Pentagon officials. The announcement came nearly three months after Trump declared a national emergency in order to use approximately \$6 billion in military funding and personnel in order to build his long-promised border wall, which Trump says is needed to fight illegal immigration. "The Department of Defense is fully engaged in addressing the crisis on our southwest border, with more than 4,000 service members and 19 aircraft currently

NEWS BRIEFS

Argentine Lawmaker Dies After Shooting That Also Killed Provincial Official

Héctor Olivares, the Argentine lawmaker who was shot last week outside the Congress building in Buenos Aires, has died of his injuries, BBC News reported today. Police believe the shooting was not politically motivated and that the target was Miguel Marcelo Yadón, a friend of Olivares who was a provincial official. He died at the scene. Authorities have arrested members of a mafia-style gang in connection with the attack, including one who had fled to Uruguay, Reuters reported.

At Least Three Arrested in Unauthorized Gay Pride Parade in Havana

Plainclothes Cuban police officers on Saturday arrested at least three people who were taking part in a gay pride parade that the Cuban government had not authorized, The New York Times reported. The government warned activists not to hold the parade, calling it "subversive," but 100 people still marched in Havana in a rare show of civil disobedience in Cuba.

Venezuelan Government Reopens Borders With Brazil, Aruba

Venezuela has reopened its borders with Brazil and Aruba, the country's economy vice president, Tareck El Aissami, said on Friday, Reuters reported. Venezuelan President Nicolás Maduro had shut down the borders in February to block humanitarian aid arranged by the opposition to enter the country. El Aissami said the government had received assurances that there would be no interference "with matters that should be dealt with by Venezuelans." Aruba's government said it had not received an official notification from the Venezuelan government about a reopening, adding that it would not be "opportune."

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institutions and high levels of corruption, the management of health and education services only increases inequality and poverty. Reforms are necessary, but the end does not justify the means, and the solution to these problems can't be built on a law approved without the participation of the main actors. The inclusion of provisions that grant the authorities the power to adopt 'any necessary measure' to achieve the reform's objectives was interpreted as a blank check so that the government had full freedom for massive layoffs. Protesters do wrong to sow chaos and street violence, but the state is the one that has the responsibility to form

consensus. Tear gas bombs that dissolve the protests also stifle any possibility of dialogue. For now, the government has taken note, and despite the need for reforms, the president's limited political capital is not enough to lead these sensitive changes."



Eduardo Atala, president of the American Chamber of Commerce (AmCham) in Honduras:

"The opposition still questions our most recent election, which has left the country in a state of democratic fragility. This has led opposition groups to protest any initiative that the government proposes.

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supporting the Department of Homeland Security. Today, I authorized the transfer of \$1.5 billion toward the construction of more than 80 miles of border barrier," Acting Defense Secretary Patrick Shanahan said Friday, a day after the White House announced Shanahan would be nominated for the permanent defense secretary position. "The funds were drawn from a variety of sources, including cost savings, programmatic changes and revised requirements, and therefore will have minimal impact on force readiness." The money would be used to replace fences along parts of the border near Tucson, Ariz., and El Centro, Tex., the Pentagon said. On Friday, 10 Democratic senators blasted the move in a letter sent to Shanahan. "Once again, the Department of Defense has ignored decades of precedent and cooperation with the Congress in carrying out a transfer of funds without regard to any consultation with the Appropriations Committee," read the letter from several members of the Senate Appropriations Committee.

BUSINESS NEWS

Brazil's Caixa Seeking Partners for Insurance Business

Brazilian state-owned lender Caixa Econômica Federal is looking to attract partners for its insurance business, Caixa Seguridade Participações, Reuters reported Friday, citing documents sent to potential partners. The bank is looking to finalize the deals before listing Caixa Seguridade, a move that is part of its plans to raise up to 100 billion reais from the sale of assets that the lender owns or manages, according to the report. Partnerships will last for 20 years, starting in February 2021, the documents show, in four of Caixa Seguridade's units, including residential insurance, car insurance, premium bonds and the sale of quotas for purchasing pool vehicles, real estate and other products. For residential insurance, premium bonds and consortia products, Caixa intends to forge one joint venture, with partners having 50 percent of the new com-

HEALTH BRIEFS

Changes in Drug Buying Plan Lead to Shortages of HIV Medicine in Mexico

Hundreds of people with HIV in Mexico may have gone without lifesaving treatment for weeks, health advocates said May 7, after changes in the way the government bought the medicine resulted in shortages across the country, Reuters reported. Mexico's health ministry said May 6 that it would move to address the HIV drug shortages wherever they had been reported, and the country's health secretary said there was enough medication to cover patients until new supplies of drugs could be purchased. "The instruction is not to suspend treatment for any of the 97,000 people who receive medication to control HIV infection," the ministry said in a statement. "[Authorities] have felt the pressure of the media, of civil society associations, and they had to respond in some way," said Aaron Rojas, a program manager at local HIV organization Inspira Cambio, Reuters reported.

U.S. to Send Military Hospital Ship to Venezuela

The United States will deploy a Navy hospital ship to South America in response to the deteriorating humanitarian crisis in Venezuela, officials announced May 7, The Hill reported. The Pentagon will send the USNS Comfort, the same ship that was deployed last year to aid Venezuelan refugees in Central and South America, for a five-month humanitarian mission starting in June. The move is "part of ongoing planning that we are doing here in the department," said Acting Defense Secretary Patrick Shanahan. The aim is for U.S. military personnel working alongside partners to provide medical assistance to communities "based on needs identified by host-nation health ministries" and to "help relieve pressure on host national medical systems in countries hosting Venezuelans who have fled the country's crisis," the Pentagon said in a separate statement. The countries that will host the ship during the mission will be announced later, officials said.



Shanahan // File Photo: U.S. Department of Defense.

Shortages Threaten Two Million Patients in Brazil

Two million patients in Brazil depend on medicines that are scarce or whose supply will run out in coming days, according to the National Council of Health Secretaries, or Conass, the Rio Times reported May 9. Of the 134 drugs that are compulsorily distributed by the country's Health Ministry, there is zero supply for 25, and 18 are expected to be exhausted within the next 30 days, according to O Globo, which analyzed the Conass study and reports from 10 state health secretariats in recent weeks. Among the medicines in shortage are drugs that treat diseases such as breast cancer, leukemia and several types of inflammation, as well as for people who recently underwent kidney and liver transplants, according to the report.

pany's common shares and 25 percent of its economic rights, Reuters reported. To qualify for the partnership, Caixa is requiring Brazilian

companies to have at least \$300 million in shareholder equity, and more than \$1.5 billion for international firms.

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The recent confrontational protests have become the norm in Honduras, creating a complicated environment for business in the country. Still, the government's proposed reforms are going in the right direction. International organizations have given money for years to improve health and education in Honduras, but little seems to have been achieved. We cannot continue executing the same projects that have failed to produce long-term results in the areas of education and health. We all know that changes are needed. The problem in Honduras is not the reforms, but rather the lack of consensus with the opposition and the unions involved. The ruling party passes reforms without dialogue and ample consideration about changes in improving the quality of health and education. This is really all about the government against the opposition. In the application of the reforms, health and education unions fear losing their status quo, even with guarantees that there would be no mass layoffs, and when changes were made to the reforms, the protests have continued. More than the basic issues of health and education, it is a matter of confrontation and demonstration of power, trying to make the government seem that it lacks leadership and execution to discredit it at the international level. NGOs come into play here, as they are interested in changes to the country's democratic model with a more socialist orientation."

A **Laura Carlsen, director of the Americas Program at the Center for International Policy:** "Honduras is a tinderbox where a spark can ignite slow-burning discontent. The law that included an authorization for the cancellation of contracts and a hiring freeze brought thousands of organized teachers and health care workers into the streets. The mass mobilization resulted in

victory when the law was repealed five days later, but workers have vowed to hit the streets again if their demands are not met. These demands include the elimination of special administrative commissions and the repeal of related decrees that declare a state of emergency in the health and education systems. In a statement delivered during protests on May 1, opposition leaders cited a context of unemployment and underemployment, poverty, violence and attacks on the opposition and called for unity across sectors to remove Juan Orlando Hernández from power. The essential backstory to the demonstrations is that much of the population doesn't believe that Hernández is a legitimate president, following an election the OAS considered too dirty to call, and a campaign based on a questionable legal maneuvers to permit re-election. The president's brother and close collaborators have been accused of links to drug trafficking, and Hernández's presidency has been tainted by corruption cases. With support from the U.S. Embassy, Hernández has pushed a neoliberal agenda leading to land grabs, low wages, insecurity and inequality—all factors in the historic exodus from the country that intensified last fall. While there's no question that the public systems need funds, neoliberal programs that enrich the elite and foreign investors and eliminate much-needed jobs and services will dangerously exacerbate the country's social and political crises. On the broader political plane, Hondurans are calling for a legitimate government that is responsive and not repressive, an end to U.S. intervention and priority for their wellbeing. Without these changes, the instability, violence and exodus that have plagued the country will inevitably continue."

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