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FEATURED Q&A

Will Vizcarra's Reforms Win Approval in Peru?



Peruvian President Martín Vizcarra is pushing an ambitious package of health care and other reforms. // File Photo: Peruvian Government.

Q Peru's government last month announced an ambitious social and economic reform package that includes injecting \$270 million into the country's health care system. President Martín Vizcarra's administration will also try to push early next year to raise the minimum wage and pensions for state workers, new Prime Minister Vicente Zeballos said. Does Vizcarra have the right plan, and what other economic and social reforms need to be prioritized? Who will the proposed measures benefit the most? How will Vizcarra's recent dissolution of Congress, and legislative elections scheduled for January, affect the reforms' passage?

A Carlos Arata, partner in the corporate practice at Rubio Leguía Normand in Lima: "Indeed, Vizcarra has announced a very aggressive investment plan in infrastructure (although the details of the plan have not yet been published), for different sectors, including health, roads and sanitation. However, what we have experienced in recent years (even from the term of former President Ollanta Humala) is a lack of capacity to get things done, to approve new projects and have them awarded within reasonable terms (or at least within the terms set forth in the applicable legislation). All of this has discouraged foreign investors, who are switching to more stable and predictable markets. Accordingly, Vizcarra's plan should not only be aggressive, but he needs to put it into action and get things done. Only that will make investors focus again on Peru. Social reforms are urgently required in Peru (such as minimum wage, social health care, public edu-

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TODAY'S NEWS

ECONOMIC

Deforestation in Brazil Rises Sharply: Gov't

Deforestation in Brazil's Amazon rain forest hit its highest level since 2008. In the 12-month period ending in July, 3,769 square miles of rain forest were lost.

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POLITICAL

Ex-Venezuelan Spy Chief Remains Missing: Official

Ex-Venezuelan spy chief Hugo Carvajal, who is accused of attempting to traffic drugs into the United States, remains missing since a Spanish court approved his extradition.

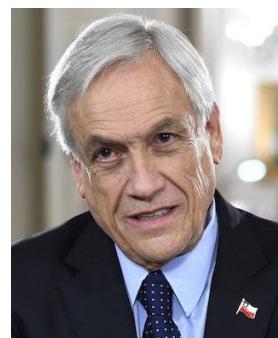
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POLITICAL

Protests Continue in Chile After Piñera Admits Excess Force

Protesters again took to the streets in Chile after President Sebastián Piñera admitted that authorities have used excessive force in the demonstrations that have convulsed the country.

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Piñera // File Photo: Chilean Government.

POLITICAL NEWS

More Protests Erupt in Chile After Piñera Admits Excess Force

Protesters again took to the streets Monday in Chile following President Sebastián Piñera's acknowledgment the night before that authorities had used excessive force against demonstrators in recent weeks, the Associated Press reported. Thousands of protesters gathered in a Santiago plaza, carrying signs calling for "justice," improved pensions and Piñera's resignation. The gathering was peaceful until some 300 masked protesters started throwing rocks at police officers who responded by using water cannons and tear gas on the crowd. In a televised address Sunday night, Piñera said authorities had used excessive force against demonstrators with legitimate demands, and he added that there would be "no impunity" for anyone who commits violent acts. The protests were sparked last month by an increase in Santiago subway fares, but they have since grown in scale as Chileans have demonstrated against wider issues of inequality in the country. "We have all changed—because the social pact cracked and made its wounds visible," Piñera said in the address. So far, 26 people

have been killed, and thousands have been injured, the AP reported. Police have reportedly shot pellets directly at demonstrators' eyes, leading to at least 230 cases in which people have lost their sight in at least one eye. Among the protests on Monday, a group of demonstrators donning eye patches gathered outside the country's Supreme Court. [Editor's note: See the Advisor's [interview](#) on protests in the region with Monica de Bolle of the Peterson Institute for International Economics and the Johns Hopkins University's School of Advanced International Studies.]

Ex-Venezuelan Spy Chief Still Missing: Spanish Official

A Spanish national court official said Monday that Maj. Gen. Hugo Carvajal, a former Venezuelan spy chief accused of attempting to traffic drugs into the United States, remains missing since an order for his arrest pending extradition was issued this month, the Associated Press reported. Authorities issued an order for Carvajal's arrest in Madrid on Nov. 8, the official said. On Monday, Spain's High Court released a new ruling, also dated Nov. 8, that reversed an earlier decision that had rejected the United States' extradition request. The court said there was

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cation, and water and sanitation). However, they need to come along with an aggressive plan to formalize our economy. One of Peru's biggest problems is that our economy is incredibly informal, which certainly limits the government's capacity to expend and invest in social reforms. Finally, regarding the dissolution of the Congress, although one can be in favor of such an extreme measure, the bottom line is that every urgency decree passed by Vizcarra during this period (without Congress) will be reviewed by the incoming lawmakers, who can even derogate those urgency decrees. This obviously creates a very uncertain atmosphere for investments,

especially when we are not sure which party (or even which tendency) will have the majority during this new term."

A **Francisco Sagasti, congressional candidate of the Partido Morado for the Metropolitan Lima district:** "The set of piece-meal reforms offered by the current government address some key social concerns, but it is doubtful they will be fully implemented. More money is necessary, but not sufficient, to improve the health system. The problem is one of delivery on the ground, which requires public sector reforms and combat-

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NEWS BRIEFS

Colombia to Allow Riot-Control Measures Ahead of Planned Protests

Colombia's government on Monday said it would authorize local authorities to adopt exceptional riot-control measures to contain protests that are planned nationwide for Thursday, Reuters reported. Student groups and unions have called for the demonstrations, saying President Iván Duque's government is seeking to impose labor and pension reforms, which Duque has denied. Interior Minister Nancy Gutiérrez said on Monday that there were "false motivations for the call to strike," adding that the government has no plans to increase the retirement age or lower the minimum wage.

Mexico, Uruguay, Caricom Members Reject Use of Force in Venezuela

Mexico, Uruguay and representatives of the Caribbean Community on Monday issued a statement rejecting the use of force and human rights violations in Venezuela and calling for a peaceful and democratic solution, Reuters reported. The statement followed nationwide protests by the Venezuelan opposition against President Nicolás Maduro's government on Saturday and a call for more demonstrations in a bid to force Maduro out of power. "We call on all actors to take the path of a broad, credible and inclusive dialogue," the statement said.

Mutua Madrileña Buys 45% of Colombia's Seguros del Estado

Spanish insurance company Mutua Madrileña has purchased 45 percent of private Colombian insurance provider Seguros del Estado, Finance Colombia reported Monday. In the deal, the Spanish company also acquired an option to take control of Seguros del Estado in four years. Mutua Madrileña previously purchased Chile-based BCI Seguros.

"sufficient evidence to justify the extradition," Reuters reported. However, Carvajal has not yet been found. He has previously denied accusations that he collaborated with the Revolutionary Armed Forces of Colombia, or FARC, rebel group to "flood" the United States with cocaine. Prosecutors in New York say Carvajal should face trial for "narcoterrorism" as part of a group of Venezuelan officials charged with trafficking drugs. Carvajal, a former military intelligence chief to the United States, was close to former Venezuelan President Hugo Chávez, Reuters reported. Carvajal's lawyer told Reuters on Monday that she had "no idea" where he was, adding that she planned to use all legal means to fight the extradition.

ECONOMIC NEWS

Deforestation in Brazil's Amazon Rises Sharply

Brazil's Amazon rain forest lost an area equal to nearly 12 times the size of New York City from August last year through July of this year, according to government data released on Monday, The New York Times reported. The 3,769 square miles of forest lost during that period amounts to the highest net loss since 2008, and a nearly 30 percent increase from the previous 12 months, according to data from Brazil's National Institute for Space Research, CNN reported. The data shows an evident upward trend since President Jair Bolsonaro was elected in October of last year, The New York Times reported. Bolsonaro has been dismissive of environmental measures that successfully reduced deforestation levels between 2004 and 2012. His government has weakened enforcement of environmental laws, including by reducing funding and staff at key government agencies, as well as cutting efforts to fight illegal logging, mining and ranching, according to the report. "[The level of deforestation] is far from what we wanted, but it's also far from the three-digit numbers that had been reported," said Environment Minister Ricardo Salles.

HEALTH BRIEFS

Ecuador Shuts Down Cuban Medical Program

Ecuador's government announced Nov. 12 that it will stop hiring nearly 400 Cuban doctors in the latest setback to the Cuban government's controversial program, the Miami Herald reported. "These agreements will no longer be renewed, they will be terminated, and that will open 400 vacancies" for Ecuadorean doctors, Government Minister María Paula Romo said during a press conference. She added that the government was evaluating the entry of 250 people with Cuban passports during the violent protests that erupted in the Andean country last month over the elimination of a fuel subsidy program, a decision that President Lenín Moreno later reversed. "We are working with the embassy of Cuba to find out what use was given to these types of passports," Romo said, adding, "In most cases, this is related to Cuban doctors who are in the country under this type of agreement," the newspaper reported.

Technology Helping to Mitigate Dengue Outbreak in Honduras: Medical Charity

Honduras is using high-tech mapping and mobile phone applications to combat the outbreak of dengue fever that has swept the country this year, medical charity Médecins Sans Frontières, or MSF, said Nov. 14, Reuters reported. The Central American nation is struggling to fight the worst outbreak of the mosquito-borne disease on record, with some 92,000 suspected cases and 250 deaths recorded this year, according to the Pan-American Health Organization, or PAHO. Honduras has one of the America's highest incidence rates of dengue, but the region this year as a whole has also registered its worst dengue fever outbreak on record, with 2.7 million people with the virus, and 1,206 deaths so far in 2019, according to PAHO figures. The new technology allows health workers to identify dengue hot spots to bring prevention and awareness-raising campaigns to the most-affected areas, according to the report. "It allows you to see the evolution of the epidemic in each neighborhood and city and all over the country per day, per week," said Pascal Olivo, MSF logistics coordinator for Mexico, Honduras and Guatemala.

Sexually Transmitted Infections on the Rise in Brazil Amid Push to Limit Sex Education in Schools

As Brazilian cities have passed laws that limit sex education in schools at the local level and President Jair Bolsonaro supports similar federal legislation, the South American country has seen a hike in sexually transmitted diseases, Public Radio International reported Nov. 15. The number of new HIV cases each year in Brazil in the 15-24 age range has more than tripled over the past 10 years, and syphilis has also skyrocketed, with new annual cases among all Brazilians more than tripling since 2014, according to Brazilian government figures. "We've seen difficulties in implementing sex education programs for years, but now are seeing more outright prohibitions," said sociologist Jacqueline Pitanguy, who co-directed a study comparing contraception access in five Latin American nations for Brazilian human rights organization Cepia and the International Planned Parenthood Federation. The reduction of safe sex education in schools is "a repeatedly proven, serious risk factor" for the spread of HIV, epidemiologist Lígia Kerr of Brazil's Federal University of Ceará told PRI.

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ing corruption, and the situation is similar in other social services. Public sector wage increases should be welcome, but within the bounds of fiscal prudence. More important are measures to improve the situation of the self-employed, casual, seasonal and part-time workers, which constitute the majority of the labor force in Peru. The Congress that will be elected in January will last just 16 months; it should focus on key legislation, including matters such as political and

“The main contribution the soon-to-be elected legislators should make is to behave decently and begin the process of restoring public trust in politics.”

— Francisco Sagasti

judiciary reforms, improving citizen security, strengthening education, eradicating violence against women, supporting research and innovation, and passing more realistic and effective environmental legislation. The main contribution the soon-to-be elected legislators should make is to behave decently and begin the process of restoring public trust in politics. This means rejecting measures that shield corrupt legislators, government officials, members of the judiciary and businessmen; as well as avoiding conflicts of interest and putting the common good ahead of petty political concerns. The Partido Morado will actively participate in the 2020 electoral process; our aim is to rebuild citizen confidence in its elected representatives, to leave behind the legacy of one of the worst Congresses of recent history and to provide a good legislative

foundation for the next government that will start its term in 2021, the bicentenary of our independence.”

A **Francisco Durand, professor of political science at the Catholic University of Peru:** “The ‘populist measure’ that President Vizcarra issued came at a time when surprising and intense episodes of sociopolitical violence have shaken Ecuador, Chile and Bolivia. Peru is the bomb that doesn’t explode. The reasons? Unlike its neighbors, much of the political tensions were directed toward an unpopular Congress whose leaders protected corruption rings in the judicial system. Besides, the president has made wise moves. Vizcarra succeeded in dissolving Congress. Now, citizens expect Vizcarra to ‘govern,’ thus, the measures are helping maintain a slightly declining popularity and prevent possible convergence of dissatisfied citizens. Rising wages will affect only 30 percent of formal workers. The health measures are important because they expand national insurance coverage for the poor in the cases of expensive procedures. Also, pharmacies must have a stock of generics and might be sanctioned if they do not offer them. Both measures are popular. Now the country is moving fast to organize legislative elections, and people’s attention is more focused on candidates and party competition. These recent moves indicate Vizcarra’s surprising ability to stay in tune (unlike other countries) with popular demands. The package will increase fiscal spending, but the macroeconomic fundamentals are strong enough to absorb the expenses without risking inflation or larger deficits.”

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

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