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## FEATURED Q&A

# Will Protesters Keep Taking to the Streets in Colombia?



Violent protests erupted this month in Colombia after a civilian died in police custody. An overturned police car at a protest in Bogotá is pictured above. // File Photo: @petrogustavo via Twitter.

**Q** Violent protests exploded in Colombia earlier this month following an incident in which Javier Ordóñez, a 46-year-old lawyer, died following an interaction with police over alleged violations of coronavirus-related distancing measures.

**Colombian Defense Minister Carlos Holmes Trujillo later apologized on behalf of the police, and President Iván Duque said the death would be investigated and that no abuse by police would be tolerated. What is at the root of the recent demonstrations? Will social tensions continue in Colombia into the foreseeable future, and will the government be able to contain them? Will the demonstrations lead to any changes in government policy?**

**A** Arlene B. Tickner, professor at the School of International Political and Urban Studies at the University of Rosario: "At the root of the demonstrations in Colombia last November were grievances related to flawed implementation of the 2016 peace accord with the FARC, political violence, a controversial tax reform, deficient state provisions for education, health and retirement, and police brutality. Although President Iván Duque responded with a 'national conversation,' the distinct organizers of the mobilizations and Colombian society at large considered this a mostly empty gesture. Protests resurfaced on Sept. 9, after an unarmed civilian, Javier Ordóñez, died in police custody after being tortured with a taser gun. Thirteen people were killed, and more than 300 were injured in the ensuing violence between law enforcement and demonstrators, many at the hands of uniformed police who fired directly into the crowds. Although Defense Minister Carlos

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## TODAY'S NEWS

### ECONOMIC

## Moody's Lowers Debt Ratings of Bolivian Gov't

Moody's lowered its ratings for the Bolivian government's debt, saying the move reflects a "material erosion" of reserve buffers and lower prospects for growth.

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### BUSINESS

## U.S.-Based Asphalt Company Fined for Bribes in South American Nations

Sergeant Marine acknowledged bribing officials in Brazil, Venezuela and Ecuador in order to obtain contracts and has agreed to pay \$16.6 million in fines, the U.S. Justice Department said.

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## Brazil's Bolsonaro Defends Record on Environment in Address to U.N.

President Jair Bolsonaro defended his government's record on protecting the Amazon rain forest, saying the country has become a global target for unfair criticism.

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Bolsonaro // Photo: Brazilian Government.

## POLITICAL NEWS

## Bolsonaro Defends Environmental Record at U.N.

In his speech at the virtual meeting of the United Nations General Assembly, Brazilian President Jair Bolsonaro defended his government's record on protecting the Amazon rain forest, the Associated Press reported. Brazil's agricultural sector has increased exports in order to provide food to a growing world population, which has made it into a global target for criticism, said Bolsonaro. "We are victims of one of the most brutal disinformation campaigns about the Amazon and the Pantanal wetlands," the Brazilian president said in his speech to the General Assembly. "The Brazilian Amazon is well known to be very rich. That explains why international institutions support such campaigns based on ulterior interests, joined by self-serving and unpatriotic Brazilian associations, with the objective of harming the government and Brazil itself." Last week, several European countries, led by Germany, issued a statement known as the Amsterdam Declarations of Partnership. The statement says that deforestation in Brazil is making it "increasingly difficult" for Brazilian businesses and investors in the country to fulfill environmental, social and governance criteria, the AP reported. In recent months, European investment firms have reportedly threatened to divest from Brazilian assets including beef producers, grains traders and government bonds if the country does not make progress in protecting the Amazon rain forest. "Divestment is a real option for managing risks arising from deforestation, but our hope is that the government will listen to our concerns and take action to reduce deforestation significantly," Emine Isciel, head of climate and environment at Storebrand Asset Management in Norway, told the Advisor in a [Q&A](#) published July 14. In July, Bolsonaro banned the setting of agricultural and forest fires for 120 days, the AP reported. Deforestation may have reached a 14-year high in the 12 months through July, according to preliminary

data that Brazil's space agency published last month. Also on Tuesday, Brazil's government said it disagrees with claims that a trade deal between the European Union and the Mercosur trade bloc would increase destruction in the Amazon, Reuters reported. Last week, France's government cited a report for its opposition to the latest version of the E.U.-Mercosur trade deal. Brazil said the report, which it said the French government commissioned, "reveals the real protectionist concerns of those who commissioned it when dealing with the agricultural concessions made by the E.U. to Mercosur," according to a joint note by Brazil's Foreign Affairs Ministry and its Agriculture Ministry.

## ECONOMIC NEWS

## Moody's Downgrades Debt Ratings of Bolivian Government

Moody's Investors Service on Tuesday downgraded the Bolivian government's debt ratings to B2 from B1. The New York-based ratings agency said the downgrade decision reflects a "material erosion" of Bolivia's fiscal and foreign exchange reserve buffers, as well as medium-term prospects for reduced economic growth, lower government revenue generation and weaker foreign exchange earnings. Relatively low hydrocarbon sector demand and "persistent policy uncertainty" also contributed to the downgrade. Bolivia's fiscal savings buffer declined to around 10 percent of GDP last year, as compared to 27 percent of GDP in 2013, while nonfinancial public sector debt increased to more than 57 percent of GDP from 38 percent over the same period. "After nearly 15 years of strong government-led investment, the Bolivian economy has entered a challenging period of moderating growth, which will weigh on future government revenues and foreign exchange earnings," Moody's said. "The coronavirus will negatively impact an already-slowing economy leading to the country's first recession since the 1980s," the company added.

## NEWS BRIEFS

## Thousands of Protesters Return to Streets in Colombian Cities

Thousands of protesters returned to the streets on Tuesday in several locations across Colombia, nearly two weeks after a 46-year-old man died in police custody after officers repeatedly shocked him with a taser gun, *El Espectador* reported. Violent protests began soon after the death of the man, Javier Ordoñez, and on Tuesday, some 5,600 people reportedly took part in 142 demonstrations across Colombia. In Bogotá, protesters gathered at 11 rallies and three marches to the Plaza de Bolívar.

## Argentina Won't Risk Economic Recovery in IMF Talks: Fernández

Argentine President Alberto Fernández told the U.N. General Assembly on Tuesday that his country will repay the \$44 billion it owes to the International Monetary Fund, but he warned his negotiators will not agree to terms that jeopardize the country's economic recovery, Reuters reported. Any agreement with the IMF should avoid "putting at risk the conditions that allow economic reactivation and the construction of an inclusive and sustainable development path," Fernández said.

## Brazil's FitBank Plans to Expand to More Latin American Nations, U.S.

Brazilian fintech FitBank Pagamentos Eletrônicos plans to open an office in the United States in the first half of 2021, as well as start operations in Colombia, Mexico and Peru next year, Bloomberg News reported Tuesday. In an interview with the news outlet, FitBank chief executive Otavio Farah said he expects headcount to reach 200 employees next year. In July, JPMorgan acquired a minority stake in the company. [Editor's note: See related [Q&A](#) in the most recent Financial Services Advisor.]

## BUSINESS NEWS

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

## U.S. Asphalt Firm Fined for Bribes in South America

A U.S.-based asphalt company has agreed to pay \$16.6 million in fines after pleading guilty to bribery charges stemming from its business in three South American countries, the U.S. Justice Department said Tuesday in a statement. Between 2010 and 2018, Sergeant Marine paid millions of dollars in bribes to officials in Brazil, Venezuela and Ecuador in order to obtain contracts or sell asphalt to state-owned or state-controlled companies in those countries, the company has admitted, according to the Justice Department. Sergeant Marine, which is based in Florida, acknowledged that it bribed officials at Brazil's Petrobras, Venezuela's PDVSA and Ecuador's Petroecuador, the Justice Department said.

## Emerson Signs Deal to Modernize Salto Grande Generators

St. Louis-based Emerson said Tuesday it has signed a five-year contract to modernize 14 hydroelectric turbine governors at the binational Salto Grande Hydroelectric Complex. The project is the first of a three-stage, 30-year, \$960 million investment to extend the life and improve the efficiency and safety of the 40-year-old complex located between Argentina and Uruguay. "This major effort will help safeguard plant operation that is critical for the interconnected power systems of Argentina and Uruguay," said Bob Yeager, president of Emerson's power and water solutions business. The facility, which was completed in 1979, provides renewable energy to 17 million consumers in Argentina and Uruguay. More than half of the world's hydropower capacity was installed before 1990, according to the World Bank, with many dams requiring major maintenance and rehabilitation efforts in the coming years.

Holmes Trujillo apologized 'for any violation of the law' that the institution committed, he and other state officials also claimed that FARC dissidents and ELN guerrillas had infiltrated the demonstrations, suggesting that on some level police action had been warranted. There is little to suggest that social unrest in Colombia will diminish or that the government will be able to address rising discontent in any meaningful way. Since assuming office, Duque has been hard-pressed to govern, in no small part due to his lack of experience and leadership, and to the fact that he has operated under the shadow of former President Álvaro Uribe, who is currently under house arrest. Lack of progress on key facets of the peace accords, systematic killing of social leaders, human rights defenders and excombatants, and an alarming rise in massacres will continue to be a source of domestic and international reproach. Colombia's socioeconomic ills are bound to worsen."

**A** Sergio Guzmán, director of Colombia Risk Analysis: "Pent-up frustration in Colombia reached a boiling point on Sept. 9.

Although the anger and pain have subsided significantly since that day, the government's unwillingness to demonstrate self-awareness on the need for reform is likely to signal that additional protests are ahead. The protests in Bogotá were motivated not only by the gruesome images of police brutality toward Ordóñez but also by the government's unwavering support for the police's heavy-handed response in the following days. Whereas the government delayed a necessary apology for Ordóñez's death, it has failed to atone for the death of 13 others who were also killed in confrontations with the police. Instead, the government has insisted on its hypothesis that members of ELN urban militias, anarchists and dissident FARC groups have been coordinating the protests and attacks against police stations. Although these groups are present in pro-

tests and opportunistically take advantage of the confusion to attack police targets, they are not the protest's main instigators. The Duque administration is likely to use the same playbook it employed last November, when it skillfully navigated through disruption promising a national conversation on social reforms without actually enacting any new policies. Protesters' concerns include economic malaise, killings of social leaders and the increase in massacres, the government's unwillingness to fully implement the peace agreement, forthcoming reforms to the pension and labor system and other issues, including the environment. Though the government's strategy proved successful a year ago, the issues that led to the protests have not subsided and protests are likely to resume when another event triggers a wave of unrest."

**A** Fernando Cepeda Ulloa, professor of political science at Universidad de los Andes in Bogotá and former Colombian interior minister:

"The government says the ELN and other armed groups are responsible for the acts of vandalism that occurred earlier this month and also last November. Colombia has a tradition of social protest, and it is respected as a democratic right. Cases of violence have not been lacking. Vandalism—perhaps by an urban guerrilla—discredits social protest, the work of police and the action of the government. Social protest and vandalism have already become part of Colombia's politics, and the country's political debate is being further radicalized. What the government agreed to with the guerrillas in the 2016 peace agreement was the FARC's transition to a political organization that would continue to fight for its objectives within the parameters of the Constitution. For this reason, benefits were included, such as privileged state financing of the political party they clumsily continued to call the FARC and a series of seats in the Senate and Chamber of Deputies, among others, and, of

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course, guarantees for them to exercise the right of opposition and social protest. This last factor does not exist in Chile or other countries. Nor is there an incomplete peace in those countries, as there is in Colombia. At least three fronts of the FARC dismantled the peace agreement—those that were in the criminal drug business—and then the head of negotiation, Iván Márquez, fled with Jesús Santrich and founded a new FARC. The ELN has also been strengthened, economically and militarily.”

**A** **Elizabeth Dickinson, senior analyst for Colombia at International Crisis Group:** “Ordóñez’s death stirred a deep well of public frustration with security forces. Critics complain that the police apply the law only when it suits them, targeting their arbitrary enforcement efforts at the most vulnerable. Over the last six months particularly, Colombia’s very strict quarantine rules handed the police extraordinary authority to block economic activity and basic movement. These controls led to a rise in cases of alleged police abuse and made officers the face of the lockdown, even as irritation over the restrictions and their impact grew. This initial spark of unrest may well reignite a wave of urban protest that began last fall and was only cut short by the pandemic. The long list of grievances that sent Colombians to the street in 2019 is now much longer. As in much of Latin America, the pandemic set off a devastating economic crisis that has disproportionately affected low-income workers. Colombia’s political polarization will color authorities’ responses and could cripple attempts at compromise. The Duque administration sees violence and insecurity in all its manifestations as a matter of criminal activity whose perpetrators need to be met with tougher police and military enforcement. By contrast, government opponents demand deep institutional police reform, demilitarization of security forces maintaining civic order and full implementation of the 2016 peace agreement to halt a new cycle

of conflict by addressing what they deem to be its underlying causes. A middle path that acknowledges the need for reform without denying real security threats from armed and criminal groups is possible, albeit made harder to pursue each day.”

**A** **Andrea Saldarriaga Jiménez, international political analyst:** “To understand the current circumstances in Colombia, one must remember that in 2019 the country faced weeks of protests where citizens listed demands on education, pensions, the containment of violence against social leaders and the implementation of the 2016 peace accord with FARC. These social grievances were not resolved then, and the Duque administration responded with excessive force rather than pragmatic solutions to disperse the hundreds of mostly young voices that marched in several cities. Enter 2020, the coronavirus pandemic, national quarantine orders and finally the lifting of the strict mobility restrictions that had been in place since March. Colombia faced a mounting number of massacres (hitting 34 massacres in 35 weeks) and the episode of police brutality against Javier Ordóñez in Bogotá. This, coupled with the dire economic reality the pandemic has brought about (Colombia currently has the highest unemployment rate among OECD members), created the perfect storm. It is one that the government has been unable to navigate, given its reluctance to read and respond to the population’s concerns and rather fall back to old-school strategies of responding to social resistance with force. If there is one lesson Colombia must have learned by now, it is that violence may bring about temporary political victories, but in the long term, only social dialogue and consensus, peace building and reconciliation can bring about lasting economic, political and social change. Until now, the government has not shown any signs of moving in this direction, so one should expect continued social mobilization in the foreseeable future.”

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