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## FEATURED Q&A

# Is Chile's Piñera Doing Enough to Defeat Covid-19?



Despite successes at rolling out vaccines against Covid-19, Chilean President Sebastián Piñera's government is facing a surge in Covid-19 cases. Piñera (right) is pictured visiting a laboratory last week. // File Photo: Chilean Government.

**Q** Chilean President Sebastián Piñera on March 22 announced new emergency spending measures worth \$6 billion, or about 2 percent of GDP, to respond to the country's most severe wave of Covid-19 infections since the pandemic began. The emergency plan, which would bring the government's total Covid spending to \$18 billion, includes additional aid for families under mandated lockdowns, new job subsidies and increased unemployment insurance. Why is Chile seeing a surge in Covid-19 cases despite having the region's most successful vaccination program? How effective have Piñera's actions been in mitigating the pandemic's economic impact so far, and how significant are the latest emergency measures? To what extent is Piñera's response to the pandemic influencing political dynamics in Chile ahead of local elections in May and a presidential vote scheduled for November?

**A** Michael Albertus, associate professor in the Department of Political Science at the University of Chicago: "Chile's brutal second Covid wave illustrates how no country or region will be entirely out of the woods until herd immunity is close or reached. Despite rapid and laudable progress on vaccination rollout, cases in Chile are on the rise due to factors including summer travel, young people bucking public health guidelines and the spread of more contagious variants. Much of the country is back under strict lockdown as a result. Like all countries in the region, Covid has slammed the Chilean economy, causing a sharp economic contraction. But Chile has not fallen as far as some other countries in the region. Part of this is due to Piñera's

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## U.S. Shuttters Unit Within Detention Center at Guantanamo Bay

The United States has shuttered a previously secret unit within its Guantanamo Bay detention center in Cuba.

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## Mexican Gov't Reaches Deal on Outsourcing Ban

Mexico's government announced it has reached a deal with business leaders and unions on a controversial measure to prohibit outsourcing.

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### POLITICAL

## Venezuela Creates Military Unit for Area Along Border

Venezuela has created a military unit for an area along its border with Colombia, where Venezuelan troops and illegal armed groups from Colombia have been engaged in fighting, said Venezuelan Defense Minister Vladimir Padrino.

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Padrino // File Photo: Venezuelan Government.

## POLITICAL NEWS

## Venezuela Creates Military Unit for Area Along Border

Venezuela has created a military unit for an area along its border with Colombia where troops and illegal armed groups have battled since last month, sending thousands of refugees into Colombia, Reuters reported Monday. Venezuelan Defense Minister Vladimir Padrino announced the creation of the military unit, called the Integrated Operational Defense Zone, or ZODI. The unit will operate in Venezuela's Apure state, where the clashes between



Molano // File Photo: Colombian Government.

Venezuelan troops and Colombian armed groups have occurred in recent weeks. "We are not going to allow any type of force, be it conventional, irregular, criminal, drug trafficker, et cetera, to come to Venezuelan territory to commit crimes," Padrino said in televised remarks. Eight Venezuelan soldiers have been killed, and 34 have been wounded in recent fighting with the armed groups, said Padrino. Additionally, he said nine members of the illegal armed groups have been killed, and 33 are facing prosecution in the Venezuelan military justice system, he added. Venezuela's military campaign began March 21 in Apure with several days of airstrikes, The New York Times reported last week. Security experts have described the assault as Venezuela's largest use of military force in decades. The military campaign has sent some 5,000 Venezuelans fleeing over the border into Colombia, the newspaper reported. On Monday, Colombia's Foreign Ministry urged Venezuela to respect

the rights of civilians living in the border area. "Armed conflict in the border area of Arauca and Apure is seriously affecting the lives of the civilian population and has forced families to abandon their homes and belongings," the Colombian Foreign Ministry said in a tweet. Venezuela's government has been enmeshed in fighting with some factions of the former Revolutionary Armed Forces of Colombia, or FARC, rebels, and it is allied with some drug trafficking groups, Colombian Defense Minister Diego Molano told newspaper El Tiempo over the weekend. Molano added that the Venezuelan armed forces and dissident allies have met in order to coordinate attacks against other former members of the FARC, Molano added. "The objective of the operations there is not the protection of the border, it's the protection of the drug trafficking business," Molano told El Tiempo. Venezuela's government denies having any links to drug trafficking groups or guerrillas, Reuters reported.

## U.S. Shuts Unit Within Guantanamo Bay Detention Center

The United States has shuttered a unit within its Guantanamo Bay detention center in Cuba that was once a secret, and the prisoners have been transferred to another facility on the U.S. base on the Caribbean island, the U.S. military said Sunday. Camp 7, as the unit is known, was closed and the prisoners were moved in an effort to "increase operational efficiency and effectiveness, while reducing operational cost," the U.S. Southern Command said in the statement. "This adjustment does not compromise force protection, safety, or the mission to provide safe, legal and humane care" to the prisoners, it added. It did not detail how many detainees were moved to an adjacent unit known as Camp 5, although officials have previously said that about 14 men were imprisoned at Camp 7. There is a total of 40 prisoners at Guantanamo, the Associated Press reported. The announcement came after White House Press Secretary Jen Psaki told reporters in mid-February that the National Security Council

## NEWS BRIEFS

## U.S. Government's Special Envoy Starts Trip to Guatemala, El Salvador

Ricardo Zúñiga, the U.S. special envoy to the so-called Northern Triangle countries of Central America, on Monday began a two-country trip to the region aimed at addressing a surge in migration to the United States, Reuters reported. Zúñiga met with Guatemalan President Alejandro Giammattei on Monday afternoon, though the Guatemalan government provided few details about the meeting. It added that Zúñiga is set to hold further talks today about economic development, security and immigration. He is also scheduled to visit El Salvador later this week.

## Chile's Congress Passes Economic Aid Package

Chile's Congress on Monday approved an emergency aid package for people whose economic situation has worsened in recent months due to the Covid-19 pandemic, MercoPress reported. Under the aid package, workers who have salaries of up to 1.5 million Chilean pesos (\$2,079) will receive a bonus of 500,000 pesos. The aid will decrease gradually for people earning higher incomes.

## Brazil's ECB Group to Use Honeywell Technology at Paraguay Fuel Plant

U.S.-based Honeywell announced Monday that Brazil's ECB Group will use its "UOP ecofining" technology to process vegetable oils and inedible animal fats into renewable diesel and aviation jet fuel at its Omega Green production center near Asunción, in Paraguay. This is the first advanced biofuels project in Paraguay, in addition to being the biggest private investment in the country's history, according to the statement. Honeywell UOP will provide technology and engineering services for the refining project.

had begun a review of the detention facility, United Press International reported. She also said U.S. President Joe Biden wants to shut down Guantanamo by the end of his term in office. "That is certainly our goal and our intention," Psaki said at the time, UPI reported.

## ECONOMIC NEWS

## Mexico, Businesses Reach Deal on Outsourcing Ban

The government of Mexican President Andrés Manuel López Obrador has reached an agreement with union and business leaders on a bill to ban outsourcing, the government announced Monday, Bloomberg News reported. With the aim of closing tax loopholes, the legislation had sparked controversy when first proposed last year as business leaders said an increase in costs would hurt the country's economic recovery. The president claims the bill is necessary because current arrangements unfairly limit employer obligations and evade taxes. During a meeting at the National Place in Mexico City on Monday, union and business chamber leaders and the government agreed to prohibit the outsourcing of personal to third-party firms, except for specialized work outside a company's main economic activity, the labor ministry said, Bloomberg News reported. They also agreed on a new profit-sharing model. During negotiations with the government, business leaders had reportedly proposed capping profit-sharing rates. Companies in Mexico commonly set up separate firms to employ workers as a way to avoid legal and tax burdens. The ban "will probably dampen the demand for outsourced workers in the formal sector," Tapen Sinha, professor at the Instituto Tecnológico Autónomo de México, told the Advisor in a [Q&A](#) published Dec. 3. "We only have to remember that in Mexico, more than half of the labor force is in the informal sector. No amount of regulation will make any dent on that part," he added.

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fairly robust fiscal interventions to protect many Chileans from the pandemic's worst economic consequences and to stimulate the economy. Another part is due to luck, such as stable metal prices, on which the Chilean economy is relatively dependent. Chile's economy is now predicted to go on a tear in 2021, more than compensating for last year's contraction. The economy will likely lap many of its peers. That outlook is boosted by the rosier long-term picture of a population that is moving toward very high vaccination coverage in the coming months. Recent polls suggest that Piñera's approval ratings are on the rise. This is true across the political spectrum. While his ratings are still dismal overall, this could sap some of the political support from the opposition. If Piñera delivers big on vaccination in the coming months, as anticipated, it could shake up the presidential race, boosting the right."

**A Jenny Pribble, associate professor of political science and global studies at the University of Richmond:** "Chile's new surge in cases, despite Covid-19 vaccination success, is paradoxical, but reflects long-lasting political and social policy trends that have complicated the country's pandemic response for more than a year. A loosening of restrictions during the summer months at least partially explains Chile's new wave. While the country has excelled at vaccine delivery, relaxation of social distancing occurred too early, allowing the virus to spread in a setting of low immunity. On March 22, Sebastián Piñera announced a new lockdown, but unlike many other Latin American leaders, Piñera has resisted closures, taking a more targeted approach of tightening and easing restrictions. Critics note that the state has been lax in regulating employer adherence to public health measures and that enforcement has been uneven across social classes and neighborhoods. All of this has meant that even during lockdown,

circulation in Chile has remained higher than in other countries. Piñera's April 1 announcement of new restrictions seeks to address some of these gaps. Chile has spent more than almost any other Latin America country on mitigating the effects of Covid-19, but the policies are unable to overcome weaknesses built into the social protection system, labor market and growth model. A recent report shows that squatter settlements grew by nearly 21 percent during 2020, with pronounced increases in Santiago. Hunger is also on the rise. All of this points to lingering weaknesses in Chile's social welfare system and deep inequalities that have complicated the country's pandemic response since day one."

**A Daniela Jara Leiva, director of the School of Sociology at the University of Valparaíso:** "After infection rates reached a peak last June, Sebastián Piñera's government achieved the immunization of a significant part of the population with a vaccination plan that began at the end of December. To date, almost seven million people have been vaccinated with the first dose, and about half with the second, with a focus on the elderly population, teachers and high-risk patients. This was catalogued at some point as a Chilean miracle. However, the optimism quickly led to a serious health emergency when infection rates reached their worst point since the beginning of the pandemic, surpassing 7,000 daily cases at the end of March. Analysts have described the situation as the product of a flawed communication policy on risks, and others have attributed it to the government's stubbornness to succeed. There has been criticism, for example, of allowing vacations, the reopening of shopping malls and the insistence of a return to school in March. The country is undergoing one of its strictest quarantines and a dramatic scenario regarding the spread of the new strains of the virus. Although the latest economic package increases Covid

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expenditure from \$12 million to \$18 million, it promotes public spending on vulnerable families and creates solidarity loans without interest for the middle class, which has seen a significant drop in income. Analysts agree that the package is hyper-targeted. There are questions around social aid conditioned on quarantine zones, for example. Even allies of the government coalition have shown dissatisfaction with the measures and have harshly criticized them in the media, demanding more universal aid. The third withdrawal out of pension funds is currently under discussion—an unthinkable measure a year ago. Analysts agree that this shows how the crisis has been financed mainly by workers, through mortgaging and by making their future riskier.”

**A** **Guillermo Holzmann, CEO of Analytika Consulting:** “Chile’s April 11 elections have finally been postponed to May 15 and 16 due to the significant increase in Covid-19 infections and the difficulties controlling the spread of the pandemic. Amid the paradox of vaccine success and an increase in disapproval, the government has had to give in to pressure of a unified opposition to increase financial aid to individuals and SMEs in amounts and conditions that are

still under debate and that will have to be reviewed by the Constitutional Court, delaying the delivery of these subsidies and aid (both to vulnerable populations and the middle class). Meanwhile, a third withdrawal of pension funds is currently being debated. All this comes against the backdrop of presidential candidates co-opting local electoral campaigns (for governors, mayors and councilors). In government decisions, the priority has been economic recovery, followed by controlling the pandemic and then the population’s tranquility. The increase in infections places the government in a complex scenario, where institutional misalignment has revealed a crisis of leadership in a context of intense competition for the distribution of power among political actors. There is an increase in civil disobedience despite the fact that more than 70 percent of the population is under lockdown. The scenario for the May elections is complex given that it’s four simultaneous elections, and it ensures crowds. With this, the degree of politicization can negatively affect the constituent process, adding new scenarios of social and political conflicts.”

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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# Advisor Video

## Peru's Presidential Election

A Latin America Advisor interview with Mercedes Aráoz, former vice president of Peru



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