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## FEATURED Q&A

# Who Has the Edge Ahead of Peru's June Runoff Vote?



Pedro Castillo (center) won the most votes in the first round of Peru's presidential election on Sunday. Former legislator Keiko Fujimori appears to have also secured a spot in the second round in June. // File Photo: Castillo Campaign.

**Q** Far-left candidate Pedro Castillo emerged as the top vote-getter in the first round of Peru's presidential election on Sunday. In the June runoff, it appears that he will face right-wing former legislator Keiko Fujimori, who looks to have come in second, ahead of opponents Rafael López Aliaga and Hernando de Soto. What accounts for Castillo's unexpected first-round lead, and how will that shape the second round? What are Castillo's most important proposals, and why did they resonate with voters? With far-left and far-right candidates in the running, is there a risk that political extremism will come to dominate Peru's politics in the coming years?

**A** Cynthia McClintock, professor of political science and international affairs at The George Washington University: "The two candidates at ideological extremes who reached Peru's runoff expose the abyss between the 'two Perus'—the coast, including Lima, where globalization and progress have been considerable, and Peru's interior, where citizens have felt abandoned and angry, and only more so during the pandemic. A schoolteacher in the highlands department of Cajamarca, Castillo has never held elective office; his leadership of a major teachers' strike in 2017 led to grassroots support in remote highland areas (which pollsters did not visit until the final days of election campaigns). Castillo has proposed a new constitution; state intervention of companies in the mining, energy and other sectors; the replacement of the Constitutional Tribunal (Peru's highest court) with a popularly elected court; and (like almost every candidate) dramatic increases in resources for education and health. On social issues, he

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## TODAY'S NEWS

### POLITICAL

## Venezuela Restricts Vaccine to State Loyalty Card Holders

The government of Venezuelan President Nicolás Maduro is reportedly restricting access to Covid-19 vaccines to people with a state loyalty card, known as the Carnet de la Patria.

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### BUSINESS

## Ecuador Arrests Officials in Corruption Case

Ecuadorean authorities have made arrests in connection with an investigation into a corruption case at state-run institutions including oil company Petroecuador.

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### POLITICAL

## Haiti's Prime Minister Resigns as Violence Surges

Haitian Prime Minister Joseph Jouthe announced today that he is resigning, a move that came amid a surge in killings and kidnappings in the Caribbean nation.

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Jouthe // File Photo: Haitian Government.

## POLITICAL NEWS

## Venezuela Restricting Vaccine to People With Loyalty Card

Venezuela's government is restricting access to Covid-19 vaccines to people holding a state loyalty card that is used to keep track of voter support and grant state subsidies, Bloomberg News reported today. The country began vaccinating elderly people last week, and the government said it was selecting holders of the loyalty card, known as the *Carnet de la Patria*. The card is disproportionately held by people who depend on state aid and are more likely to be loyal to the government of President Nicolás Maduro, the news service reported. Medical experts, nongovernmental organizations and the opposition have criticized the use of the registry, which includes approximately 20 million people of the country's population of 28 million. Maduro's government in recent years has used the loyalty card as a condition for receiving welfare payments, fuel subsidies and access to government food programs. "Not even in the cruelest of dictatorships there's discrimination to access a vaccine," said opposition leader Juan Guaidó, whom several countries recognize as Venezuela's legitimate president. Venezuela's Health Ministry did not reply to request for comment by Bloomberg News. On Tuesday, the head of the government-controlled National Assembly said the government wants to use money frozen in the United States for buying Covid-19 vaccines, Reuters reported. Jorge Rodríguez said the government needs the "kidnapped" funds. In 2019, the United States froze \$342 million that the Venezuelan central bank had been holding in the United States. The money was put under the control of Guaidó and his interim government, but accessing the money requires a license from the U.S. Treasury's Office of Foreign Assets Control, or OFAC. Allies of Guaidó and health ministry officials have been in talks for months on accessing the funds through a working group created last year to ensure Venezuela's access to the global COVAX initiative.

## Haiti's Prime Minister Resigns as Violence Surges

Haitian Prime Minister Joseph Jouthe announced early today that he was resigning, a move that comes amid a surge in killings and kidnappings in the Caribbean nation, the Associated Press reported. President Jovenel Moïse has reportedly named Claude Joseph to succeed Jouthe, who had served as prime minister since March 2020. Jouthe did not explain why he was stepping down. Jouthe's resignation came amid an escalating number of killings and kidnappings in Haiti. On Tuesday, Moïse vowed to "do everything the law allows" in order to secure the release of 10 people, including seven Catholic clergy members, who were kidnapped on Sunday, BBC News reported. The people were abducted in the town of Croix-des-Bouquets as they were on their way to the installation of a new priest. The people kidnapped included five Haitians as well as a French nun and a French priest. The archdiocese of Port-au-Prince said in a statement that Haiti is facing a "descent into hell," The Guardian reported. "For some time now, we have been witnessing the descent into hell of Haitian society," the archdiocese said in a statement, the newspaper reported.

## BUSINESS NEWS

## Ecuador Arrests Officials in Corruption Case

Ecuadorian authorities on Tuesday arrested the country's comptroller and a former energy minister as part of a probe in connection with a corruption case at three state institutions, including oil firm Petroecuador, the national's prosecutor's office announced, Reuters reported. The arrests follow the recent guilty plea of an employee of Switzerland-based trading house Gunvor Group, Raymond Kohut, who

## NEWS BRIEFS

## France Suspends Brazil Flights Over Concerns About Coronavirus Variant

France on Tuesday suspended all flights to and from Brazil over concerns of the P.1 variant of the novel coronavirus, which originated in the South American nation's Amazon region and is more contagious than other strains of the virus, the Associated Press reported. The variant is ravaging Brazil and many other countries in the region, including Uruguay, Chile and Peru. "We note that the situation is getting worse, and so we have decided to suspend all flights between Brazil and France until further notice," French Prime Minister Jean Castex said in announcing the move to parliament.

## Bogotá to Repeat Three-Day Lockdown in Effort to Slow Infections

Bogotá will repeat a three-day lockdown this weekend in an effort to slow Covid-19 infections, Mayor Claudia López told reporters Tuesday, Reuters reported. The lockdown will be in force from Friday through Sunday. A similar lockdown last weekend helped slow infections, said López.

## Guatemala's Congress Refuses to Seat Crusading High Court Justice

Guatemala's Congress on Tuesday refused to appoint a graft-fighting judge as president of the country's Constitutional Court, a move critics say could hinder Guatemala's combat against corruption, Reuters reported. Magistrate Gloria Porras is recognized as one of Central America's leading figures in the fight for the rule of law and efforts to end impunity. She was to take her seat today following re-election, but she was unable to do so due to open legal challenges against her, according to Congress President Allan Rodríguez. She has described the lawsuits as unfounded attacks.

said he was engaged in a bribery scheme that involved securing business with Petroecuador from 2012 to August of last year, Bloomberg News reported. Ecuadorean prosecutors said they arrested a total of eight people in connection with the case, including Ecuador's comptroller and a former presidential secretary whom they identified as Pablo C. and José A.B., respectively, the wire service reported. The current comptroller is Pablo Celi, and José Augusto Briones was secretary for President Lenín Moreno before taking over the energy ministry in November 2019. Briones resigned from that post in March of last year. An attorney for Celi said the authorities' actions were "excessive," adding that "prosecutors have not yet indicated the reasons for which he was arrested." Reuters could not reach Briones for comment. "We're finally seeing a prosecution that is acting according to the information in its possession," Mauricio Alarcón, a lawyer and head of transparency watchdog Fundación Ciudadanía y Desarrollo, told Bloomberg News.

## Televisa, Univisión Strike Deal to Merge Television Content

Mexican broadcast and media company Grupo Televisa has agreed to merge its television content business with Univisión Communications into a new company, to be called Televisa-Univisión, the firms announced Tuesday, The Wall Street Journal reported. The merger, which intends to expand streaming-video services in Spanish-speaking markets, comes as traditional broadcasters and cable TV firms struggle to compete with streaming services that have huge budgets for film and series production as more and more viewers get their programming directly over the Internet. The new Televisa-Univisión is set to receive a \$1 billion equity investment by a consortium led by SoftBank Group through its SoftBank Latin America Fund, which also includes Google and The Raine Group, the newspaper reported. Televisa, which owns 36 percent of Univisión, will be the largest shareholder in the merger.

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is conservative. Critics have charged that Castillo has ties to Shining Path's political arm, which he denies. On the campaign trail, Castillo is lucid—not a firebrand—and it is possible that his positions will moderate. Indeed, at one time he was a candidate for a mayoralty for Alejandro Toledo's moderate party. He swept the highlands vote, even defeating mainstream leftist candidate Verónica Mendoza in her Cusco base. By contrast, rightist candidates—Keiko, de Soto and López Aliaga—swept the coastal vote. Extremes prevailed because the 'muddy middle' was disgusted by mainstream politicians' corruption and pre-occupied by the devastating—and yet worsening—pandemic. At more than 25 percent, absenteeism was unprecedented. In addition, candidates could not campaign conventionally, and citizens could not meet to assess them; the large field failed to narrow sufficiently, and it was not possible to know which moderate candidate had a chance. Peru's highly fragmented legislature will include ideological extremes; legislatures can impeach presidents on the vague grounds of 'moral incapacity.' The risks of extremism and instability are high."

**A** **Jo-Marie Burt, associate professor at the Schar School of Policy and Government at George Mason University and senior fellow at the Washington Office on Latin America:**

"Pedro Castillo's surprise victory is similar in many ways to that of Alberto Fujimori in the first-round elections in 1990. Neither Castillo nor Fujimori registered in public-opinion polls and only emerged as real contenders just weeks before the first-round vote. In both cases, their meteoric rise was rooted in a context of intense economic, social and political crisis. Castillo's first-round victory is rooted in a crisis of political representation not dissimilar from the one that brought Fujimori to power in 1990, mediated not by an insurgency but rather by Covid-19. The failure of the Peruvian state to mount a meaningful

response to the pandemic, leaving families to fend for themselves in the face of overcrowded public hospitals and price gouging for life-saving oxygen and medicines, has also fueled voter discontent. The result: Peru has one of the world's highest Covid fatality rates. Peru's economy, once lauded for its record-breaking levels of growth, has tanked, largely because of the pandemic, fueling inequality and hunger. Last year, Peru's Congress ousted a sitting president, fueling a political crisis in the midst of the pandemic, leaving Peruvians distraught at the opportunism of their political leaders. Postponing the elections would have been reasonable in this context. The scant legitimacy of Peru's democratic institutions meant that this was not seriously considered, pushing the country, zombie-like, toward elections despite the surging rates of Covid infections and deaths. Castillo's anti-establishment discourse appeals to Peruvians left behind by Peru's neoliberal 'miracle,' abandoned by Peru's anemic state and treated like second-class citizens because of the color of their skin. He articulates an idea every Peruvian learns as a child: Peru is a poor country, sitting on a pile of gold. He promises to change all of this. More than his professed Marxism or his admiration for Fidel Castro, this is what led to his rapid rise among a fragmented field of candidates to make him a contender for the presidency of Peru."

**A** **Rocío Verástegui, professor in the Department of Social Sciences and the School of Government at Pontificia Universidad Católica del Perú:** "Understanding the electoral results in Peru allows us to understand the country as a whole, and what citizens expect from their representatives. My hypothesis about support surrounding a leader such as Castillo in the first round is related to the issues that have been left pending in Peruvian democracy over the years (and perhaps also in other democracies)—a democracy that does not take

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into account all its citizens and does not guarantee rights. The right to life in the context of the coronavirus pandemic, and the right to health and education, are voters' great demands, combined with a questioning of corruption and extreme inequality. Since the 2006 elections, in an investigation I conducted, I found similar electoral maps that showed voters' demand for rights. Castillo's claim, 'No more poverty in a rich country,' resonates with his voters, and his experience as a patrol leader and public-school teacher connects with a large part of the population. His main proposals are a constitutional change and a new economic model that promotes a greater presence of the state. Peru has the opportunity to reflect and recognize itself, to listen to citizens, to think of a decentralized country, to listen to our diversity and strengthen our citizenship, even when the risk of polarization is present, as the population has resorted to ideological extremes in order to kick out corruption and social precariousness."

**A** **Nicolás Saldías, analyst for Latin America and the Caribbean at The Economist Intelligence Unit:** "Although Pedro Castillo saw last-minute growth in support, his victory in the first round was unexpected. His electoral triumph is largely a result of a highly fragmented field of 18 presidential candidates and widespread disenchantment with the political class that allowed an outsider like Castillo to become a viable candidate for the presidency. Cas-

tillo's rise came at the cost of mainstream left-of-center candidates, such as Yonhy Lescano of Acción Popular and Verónica Mendoza of Juntos por el Perú. What set Castillo apart was his activism in the labor movement (gaining prominence as a union

“Castillo’s rise came at the cost of mainstream left-of-center candidates...”

– Nicolás Saldías

leader during the 2017 teachers' strike), his working-class roots and style, his in-person campaigning, as well as his mixture of statist policies and socially conservative stances. Castillo's policies include a constitutional reform by summoning a constituent assembly, threatening to nationalize strategic sectors of the economy, such as mining, as well as revising or pulling out of Peru's free trade agreements. If enacted, it would represent a rejection of Peru's orthodox economic model. Recent polls show that most Peruvians want the state to play a larger role in the economy, but it seems unlikely they would endorse such radical statist policies. Castillo will face Keiko Fujimori in the runoff. She has diametrically opposed economic policies and will utilize long-standing animus toward the left by a portion of the population to garner support. As a result, the likelihood of political destabilization is high leading up to the June 6 runoff and beyond."

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**Erik Brand**

Publisher  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Gene Kuleta**

Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)

**Anastasia Chacón González**

Reporter & Associate Editor  
[achacon@thedialogue.org](mailto:achacon@thedialogue.org)

**Diana Roy**

Editorial Intern  
[droy@thedialogue.org](mailto:droy@thedialogue.org)



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Subscription inquiries are welcomed at [ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

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