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FEATURED Q&A

Will International Pressure Against Ortega Intensify?



Nicaraguan President Daniel Ortega's government has pursued and imprisoned opponents, but the International Monetary Fund has continued financing, and the country remains an active member of the Organization of American States. // File Photo: Nicaraguan Government.

Q In its sprawling crackdown, Nicaraguan President Daniel Ortega's government has arrested dozens of opponents, targeted journalists, banned the main opposition party from participating in the country's November elections and barred several U.S. and European nongovernmental organizations from operating in the country. While the United States and the European Union have sanctioned Ortega and his allies, the International Monetary Fund recently disbursed \$353.5 million to Nicaragua aimed at helping it mitigate the economic impact of the Covid-19 pandemic in a controversial move blasted by some of Ortega's critics. Will international funding soon dry up if Ortega continues his crackdown? Will Nicaragua be expelled from CAFTA-DR, Central America's free trade agreement with the United States, as some U.S. lawmakers have demanded, and will Nicaragua be suspended from the Organization of American States? What impact would such actions by international players have on Ortega's ability to govern?

A Bianca Jagger, founder, president and chief executive of the Bianca Jagger Human Rights Foundation: "In Nicaragua today we have a state of terror. Daniel Ortega represses the people with his police, army, paramilitary forces and a subservient judicial system. As of mid-July, there are some 147 known political prisoners in Nicaragua. Political leaders have been jailed, effectively eliminating any meaningful opposition leadership. The world needs to pay more attention to Nicaragua. The international system designed to defend human rights is not working. Solidarity, public resolutions and

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TODAY'S NEWS

POLITICAL

Supporters of Bolsonaro Rally Across Brazil

Supporters of Brazilian President Jair Bolsonaro took to the streets in more than 100 cities on the country's independence day.

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ECONOMIC

Colombia's Congress Passes Tax Reform Plan

Colombia's Congress approved President Iván Duque's tax reform measure, which is to raise \$4 billion annually. Duque has said the reform is crucial as the country faces a rising debt level and a growing fiscal deficit.

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POLITICAL

Mexico's Supreme Court Effectively Decriminalizes Abortion in Ruling

In a unanimous ruling, Mexico's Supreme Court effectively decriminalized abortion. Court President Arturo Zaldívar called the ruling a "watershed" for the rights of women.

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Zaldívar // File Photo: Mexican Government.

POLITICAL NEWS

Mexico's Supreme Decriminalizes Abortion in Ruling

In a unanimous ruling on Tuesday, Mexico's Supreme Court effectively decriminalized abortion, annulling several provisions of a law in Coahuila state that had made abortion a criminal act, the Associated Press reported. The immediate effect of the ruling will only affect the northern border state. However, it will establish a legal precedent and "obligatory criteria for all

“Today is a watershed in the history of the rights of all women, especially the most vulnerable.”

— Arturo Zaldívar

of the country's judges," which will require them to rule the same way in similar cases, said the court's president, Arturo Zaldívar. "From now on you will not be able to, without violating the court's criteria and the constitution, charge any woman who aborts under the circumstances this court has ruled as valid," he added. "Today is a watershed in the history of the rights of all women, especially the most vulnerable," Zaldívar said following Tuesday's court session, the Financial Times reported. Abortion is already decriminalized in Mexico City as well as in the states of Veracruz, Hidalgo and Oaxaca for pregnancies up to 12 weeks, the Financial Times reported. The procedure is only allowed in limited circumstances in Mexico's other states. The Mexican Supreme Court's decision came as Texas, which lies across the Rio Grande from Coahuila, implements the most restrictive law against abortion in the United States. Last week, the U.S. Supreme Court refused to stop the Texas law, which allows private citizens to file lawsuits against people who facilitate or provide abortions after six weeks of pregnancy.

Supporters of Brazil's Bolsonaro Rally in More Than 100 Cities

Supporters of Brazilian President Jair Bolsonaro took to the streets in more than 100 cities across the South American nation on Tuesday, the country's independence day, as the president steps up criticism of next year's presidential election, Reuters reported. More than 100,000 Brazilians filled the streets of São Paulo, according to state security officials, draped in Brazilian flags and yellow and green clothing, The Wall Street Journal reported.

Bolsonaro supporters carried signs demanding the jailing of communists and a congressional shutdown. The number of participants was far short of the record turnout the president had forecast, but the marches were nonetheless seen as a show of force in support of the far-right leader ahead of presidential elections



Bolsonaro greeted supporters in São Paulo. // Photo: Brazilian Government.

next year. Bolsonaro in recent weeks has been casting doubt on the integrity of the voting system, a message he reiterated in São Paulo. "We cannot accept a voting system that does not offer any security in the elections," Bolsonaro said, Reuters reported. "I can't participate in a farce like the one sponsored by the electoral court." Critics say Bolsonaro is sowing doubt about Brazil's electoral system as opinion polls show him drastically losing the election to former President Luiz Inácio Lula da Silva if Lula were to run. Bolsonaro is facing falling approval ratings amid surging inflation and more than 584,000 deaths from Covid-19. Authorities had prepared for possible violent clashes after demonstrators broke down police barricades outside government buildings late on Monday.

NEWS BRIEFS

At Least One Person Killed as Quake Strikes Acapulco

A 7.1-magnitude earthquake rocked central Mexico late on Tuesday, killing at least one person, The Wall Street Journal reported. The earthquake struck near the Mexican resort city of Acapulco, according to Mexico's national earthquake service. Mexican President Andrés Manuel López Obrador said in a televised message that there had been no reports of serious damage. About 1.6 million people were left without power across central Mexico, according to electric utility CFE.

Cape Verde Court Allows Extradition of Maduro Ally to U.S.

A court in Cape Verde ruled on Tuesday that Colombian businessman Alex Saab, who is close to Venezuelan President Nicolás Maduro and who was arrested last year in the West African nation, can be extradited to the United States on money laundering charges, the Associated Press reported. Cape Verde's Constitutional Court unanimously rejected Saab's appeal, which was filed after another African court approved his extradition five months ago. It was not immediately clear when Saab might be transferred to the United States.

Guyana Awards Oil Tender to Unit of Saudi Aramco

Guyana's government on Tuesday awarded a unit of Saudi Aramco a tender to market a portion of the South American country's oil production, Reuters reported. Last month, 15 companies sent bids to Guyana in efforts to market the country's allocation of light crude that a consortium led by ExxonMobil producing, the wire service reported. Guyana only awarded the unit, Aramco Trading Ltd., a tender for the next loading, but the company will likely get a one-year contract, said Natural Resources Minister Vickram Bharrat.

Some analysts have drawn parallels between supporters of Bolsonaro and those of former U.S. President Donald Trump, warning beforehand that the demonstrations could resemble the Jan. 6 riot at the U.S. Capitol. However, Tuesday's marches resembled street parties, with vendors selling beers and souvenirs, The Wall Street Journal reported.

ECONOMIC NEWS

Colombia's Congress Approves \$4 Billion Tax Reform Plan

Colombian legislators late on Tuesday approved the government's latest tax reform, which is set to raise \$4 billion annually, Reuters reported. President Iván Duque's administration has insisted that the overhaul is crucial as the country faces rising debt and a growing fiscal deficit just as social expenditures ticked up in response to the Covid-19 pandemic. The current legislation seeks to raise 15.2 trillion pesos per year, or about 1.5 percent of Colombia's GDP, which will initially be earmarked toward financing spending for this year and next, Reuters reported. The government said the bill's passage on Tuesday will provide a road map for the Andean nation to alleviate investor concerns and recover investment-grade credit ratings from Standard & Poor's and Fitch. The agencies earlier this year cut the country's ratings to junk status after massive and months-long protests against Duque's original tax bill thwarted the possibility of a significant tax reform. However, Richard Francis, director of Latin American sovereigns at Fitch Ratings, told the Advisor in July that Duque's latest tax proposal is "consistent" with the agency's July 1 decision to downgrade Colombia to 'BB+' with a stable outlook. "The updated proposal's 1.2 percent of GDP target is about half of that of the April proposal, and the corporate income tax measures essentially amount to unwinding some cuts and deductions introduced three years ago," Francis said in a [Q&A](#) published July 30.

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condemnations are important and welcomed but not sufficient. This dictatorship will continue to terrorize the people of Nicaragua if prompt, concrete actions are not taken. Ortega must immediately release all presidential candidates, political leaders, civil society members, students, poor farmers, private sector leaders and journalists who are currently imprisoned under bogus and fraudulent charges. The U.S. NICA Act needs to be fully implemented, particularly the parts pertaining to further scrutiny of funds from international financial institutions.

The Renacer Act should be also approved and implemented as soon as possible. The overseas investments of the Ortega family and its collaborators need to be frozen. Any remaining U.S. ties with the Nicaraguan military must be severed. Nicaragua has a free trade agreement with the United States, and Freedom House has designated it 'not free.' This is unsustainable, as a country without rule of law cannot responsibly comply with the obligations of labor, competition, environmental or any other kind of rule. If OAS members do not urgently and responsibly apply Article 21 of the Inter-American Democratic Charter, the charter will be rendered useless, and with it the hopes for a continent of freedom and democracy. The moment is now. Nicaragua's Central American neighbors need to pressure the Ortega regime to uphold the Tegucigalpa Protocol of 1991 and the Democratic Security Framework Treaty of 1995. Additionally, the secretary general of the United Nations can no longer remain on the sidelines of the situation in Nicaragua.

The fact that Nicaragua is becoming a failed state that terrorizes its own citizens and is a factor of regional instability requires that the secretary general take action."

A Michael Shifter, president of the Inter-American Dialogue:

"Ortega's brutal and relentless crackdown—the likes of which Latin America has not seen in at least a generation—has no bounds. It appears to be the

product of desperation and a determination to eliminate any potential challenge to his despotic rule in advance of the Nov. 7 sham election. In the face of mounting condemnation internationally, chiefly from the United States and Europe, Ortega has been defiant and become more brazen. It is hard to know whether any available policy instrument or pressure point would be effective in moderating his ruthless behavior. Unfortunately, options are fairly limited. Ortega seems intent on weathering scathing criticisms from governments and international bodies—as well as sanctions targeting individuals and Nicaraguan government institutions responsible for human rights violations—for the sake of clinging to power and, it seems, fighting to the end. To date, the record on the impact of sanctions in changing the behavior of the region's dictators has not been encouraging, as reflected in the Venezuelan and Cuban cases. Experience shows that economic sanctions rarely have much effect on regimes and turn out to be counterproductive and instead hurt the population, especially the poor. This possible consequence must be weighed in evaluating stringent terms for continued funding from the IMF and other financial institutions as well as Nicaragua's membership in CAFTA-DR. It is crucial to explore ways to exercise leverage and apply greater pressure on Ortega without increasing the suffering of the Nicaraguan people and spurring more migration."

A Robert Callahan, former U.S. ambassador to Nicaragua:

"It is inaccurate to say that Daniel Ortega is creating a police state—he and his wife have already established one. He has imprisoned dozens of his political opponents, many of whom are my friends, and held them incommunicado. In many cases, their loved ones don't know where they are or how they are. It is a nightmare and, if Ortega is not halted, it will get worse. Although it is late and it will

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be difficult to dislodge Ortega/Murillo, the democratic world must use the appropriate instruments of statecraft to restrain them. If there is to be an effective response, it must be economic and diplomatic. This may temporarily harm many Nicaraguans, but it will be to their benefit in the longer term. For that reason, it was a mistake for the IMF to provide Ortega's government with a generous loan, which he will use to perpetuate his authoritarian regime and continue his barbarous behavior. It is now time—past time, really—for the United States to expel Nicaragua from CAFTA-DR and for the OAS to suspend the country's membership in that body. After all, the Sandinistas seem to use the OAS only as a forum to insult the other members and accuse them of being America's lackeys. In addition, those countries that support democracy and respect human rights must no longer provide Ortega with money or encouragement. Already on his way to being an international pariah, he should now be made a penurious one. If he is isolated diplomatically and desperate for financing, he will find it increasingly difficult to govern a population that has become restive. But if he is allowed to continue to consolidate his police state, he will become more emboldened, more corrupt and more intolerant. The time to act is now."

A **Katya Rimkunas, regional deputy director for Latin America and the Caribbean at the International Republican Institute:** "Nicaragua has become one of the most dangerous places for pro-democracy activists in the hemisphere. Countless human rights violations have taken place under Daniel Ortega, all to remain in power and crush any opposition that threatens him in the November elections. Ortega's actions are not new, and democratic space has shrunk

over the last few years, with an acceleration as the elections near. The international community has been slow to respond, but the latest U.S. and E.U. sanctions are good initial steps to placing strong, coordinated pressure on the Ortega government. Yet, more is needed. The international community would benefit from closely reviewing lessons learned from its approach to Venezuela. Multilateral coordination and pressure are important, but there must also be incentives for democratic openings and a strong opposition. Ortega has shown that he will use economic resources available to him to control and suppress democratic processes and institutions. The Biden administration aims to ensure that trade cooperation does not directly benefit the Nicaraguan government and have put CAFTA-DR on the table. Suspension from the OAS has also been raised and could be possible given lagging support within the body. Such stronger sanctions and international pressure will probably hinge on whether Ortega continues to escalate his repressive tactics and the execution of the November elections. However, it is important to remember that Ortega, who has lived through a civil war and trade embargo in the 1980s, is used to ruling under the direst of conditions."

[Editor's note: The Advisor repeatedly requested a commentary for this issue from Nicaragua's ambassador to the United States, Francisco Campbell, but received no response. Additionally, several Nicaraguans both inside and outside the country whom the Advisor contacted for commentary declined to comment, citing fears for their and their family members' safety.]

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