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FEATURED Q&A

Will Venezuela's Talks Lead to Any Real Progress?



Representatives of Venezuela's government and the country's opposition met last weekend for talks in Mexico City. // Photo: Norwegian Government.

Q Mexico hosted representatives of Venezuelan President Nicolás Maduro's government and the opposition from Sept. 3-6 for a round of talks following preliminary meetings in mid-August. The objective of these talks has been to overcome the country's political gridlock and economic crisis, which have resulted in a regional migratory exodus of more than five million Venezuelans in recent years. Given that one of the government's primary demands is the lifting of U.S. and E.U. sanctions on officials and institutions, how much progress can be made without a change in international actors' approach? With the release of opposition leader Freddy Guevara prior to the talks, is the Venezuelan government likely to continue freeing more people whom the opposition considers political prisoners? How much are government-opposition relations likely to change as a result of the talks?

A Elliott Abrams, senior fellow at the Council on Foreign Relations and former U.S. special representative for Venezuela: "Both sides of the negotiations have something to gain. For the regime, possible achievements are some legitimization and a potential relaxation of sanctions or agreement to use some frozen assets for health and related objectives. For the opposition, this is a chance to reinvigorate politics and political parties and lay the groundwork for the 2024 election. Moreover, when the opposition team that Juan Guaidó appointed sits across from Jorge Rodríguez, we see a united opposition that the regime recognizes as a necessary interlocutor.

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Glitches Hinder El Salvador's Rollout of Bitcoin

Salvadorans trying to use Bitcoin continued to have problems with the digital currency a day after El Salvador adopted it as a legal tender.

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ECONOMIC

Ecuador, IMF Reach Deal Potentially Worth \$1.5 Bn

Ecuador's government and the International Monetary Fund reached a deal that could result in disbursements of \$1.5 billion this year.

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POLITICAL

Bolsonaro Bans Removal of Some Social Media Posts

Brazilian President Jair Bolsonaro, who has used social media to spread misinformation about topics including Covid-19, banned social media companies from deleting some content without a court order.

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Bolsonaro // File Photo: Brazilian Government.

POLITICAL NEWS

Bolsonaro Bans Removal of Some Social Media Posts

Brazilian President Jair Bolsonaro has temporarily banned social media companies from removing some content from their sites, a move that appears to be the first time a national government has prohibited private companies from removing content that violates their rules, The New York Times reported today. The decree, which Bolsonaro issued earlier this week, allows tech companies to remove content only in limited cases, such as nudity, violence and drugs, or if they violate copyrights or encourage crime, the newspaper reported. Removing other content would require a court order. Throughout the pandemic, Bolsonaro has used social media to transmit misinformation about Covid-19, such as by touting unproven remedies for the disease. Facebook, YouTube and Twitter have all removed social media posts from Bolsonaro containing misinformation about Covid-19. Bolsonaro has also used social media to level unsubstantiated allegations of fraud in Brazil's voting system ahead of next year's election, which he has said he will lose only if the vote is rigged. The removal of social media posts involving such false claims would be banned under

Bolsonaro's decree. On Wednesday, the chief justice of Brazil's Supreme Court, Luiz Fux, blasted Bolsonaro, a day after the president said he would refuse to abide by any rulings by Supreme Court Justice Alexandre de Moraes, the Associated Press reported. De Moraes is overseeing an investigation of Bolsonaro and two of his sons. "Any decision from Mr. Alexandre de Moraes, this president will no longer comply with. The patience of our people has run out," Bolsonaro told supporters on Tuesday. Bolsonaro's statement drew the rebuttal from Fux. "Encouraging noncompliance with court decisions is undemocratic, illicit and intolerable," Fux said in a televised message, the AP reported. "No one will close this court, we will keep it standing."

ECONOMIC NEWS

Glitches Hinder El Salvador's Rollout of Bitcoin

Salvadorans trying to use Bitcoin continued to have problems with the digital currency on Wednesday, a day after it officially became a legal tender in the Central American country, the Associated Press reported. The Salvadoran government's Chivo digital wallet was experiencing numerous problems, an attendant at a

NEWS BRIEFS

Haiti's Government Publishes Draft of New Constitution

Haiti on Wednesday published a draft for a new constitution, with Prime Minister Ariel Henry pushing for a reform as the country continues to face myriad crises following the assassination of President Jovenel Moïse in July and back-to-back natural disasters last month, Agence France Presse reported. Among the changes, the new constitution would eliminate the position of prime minister and create a vice presidency. The charter would also strengthen the powers of the president and weaken the powers of parliament.

Mexico Unveils 2022 Budget That Eases Some Austerity Measures

Mexico's new finance minister, Rogelio Ramírez de la O, has proposed a slight easing of President Andrés Manuel López Obrador's austerity measures, with a less conservative budget for next year, Bloomberg News reported. López Obrador maintained tight austerity measures even during the Covid-19 pandemic. However, the new budget foresees a general deficit of 3.1 percent next year, up from 2.4 percent in the preliminary budget submitted in March.

American Airlines Begins Nonstop Flights to Suriname

American Airlines this week started nonstop flights to Suriname from Miami International Airport, the only such route from the United States to the South American nation, South Florida Business Journal reported Wednesday. The air carrier will offer the flight five times a week. American Airlines earlier this year began moving more long-haul aircraft to Miami International Airport in anticipation of growing demand for service from the hub, especially to and from Latin America.

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Whether any good or possible agreements come from these talks depends in part on international pressure. These will not be fair elections at all, by any standard. Maduro will open the smallest possible political space (freeing political prisoners, allowing exiles to return, allowing some freedom of the press, stopping arrests) to get some international recognition. How much space that turns out to be depends on how tough the Americans, Europeans, Canadians and Latin Americans decide to be. If they accept token steps, that's all the regime will give up. If they insist on more, they will get more—though

again, no one should believe that Maduro plans to allow an equal contest, or that he will recognize the results if some contests are lost. The best guide for those democracies interested in the negotiations and in progress toward freedom in Venezuela is to support the main opposition leadership, not one or two breakaway politicians. And they should absolutely stick to international standards for free elections, making no compromises that will both harm Venezuela and risk undermining global agreement on what constitutes a free election."

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Chivo help center told the wire service. “The servers collapsed, more than a million people were trying to download the application Chivo wallet,” said the attendant. President Nayib Bukele, who pushed for Bitcoin to be made a legal tender in El Salvador, told users to report problems via his Twitter feed. Users should close and restart the app if they received a “currently under maintenance” error message, the president said. The government has promised commission-free transactions via the Chivo app, which Bukele said Tuesday night was being disconnected for the second time in order to “improve user experience and the problems it had during the day,” Reuters reported. The Salvadoran central bank’s president, Douglas Rodríguez, who was in neighboring Honduras for an event in Tegucigalpa, said the “eyes of the world” were on El Salvador.

Ecuador, IMF Reach Deal Possibly Worth \$1.5 Billion

The government of Ecuadorean President Guillermo Lasso announced Wednesday that it had reached a deal with the International Monetary Fund that could result in new disbursements of as much as \$1.5 billion this year, Reuters reported. Finance Minister Simón Cueva’s announcement followed Lasso’s promise last week to cut the fiscal deficit by half to around \$2.4 billion next year through austerity measures that would include layoffs of state employees. “We’ve been in talks with the [International] Monetary Fund about how to reorient the program that was in place with the IMF to align it with the objectives and priorities of the current government,” Cueva said at a news conference, Reuters reported. The government of then-President Lenín Moreno last year reached a \$6.5 deal with the lender as it faced an economy that had been lagging for years amid low oil prices and which was further hit by the Covid-19 pandemic. “The current government seeks economic recovery and sustained growth, and to ensure fiscal equilibrium in the medium term,” Cueva added. The finance minister also said the Lasso administration, which took office earlier this year, is planning a fiscal

THE DIALOGUE CONTINUES

Will International Pressure Against Ortega Intensify?

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 **Ryan C. Berg, senior fellow in the Americas Program at the Center for Strategic & International Studies:** “With an economy that has been in free fall for several years, the IMF’s recent infusion of more than \$350 million into Nicaragua through the Special Drawing Rights mechanism is a critical lifeline to the dictatorial Ortega-Murillo regime—and one current U.S. policy seeks

reform that would not affect the country’s most vulnerable, with additional tax revenue coming from high-income brackets. The IMF expects Ecuador’s real GDP growth to reach 2.5 percent this year. The lender’s new economic program “aims to support the economic recovery from

to curtail. International funding of this sort should have dried up years ago, precisely after the United States passed the NICA Act, a critical piece of legislation meant to block the dictatorial duo in Managua from receiving funds from multilateral banks on whose boards the United States sits. Unfortunately, this piece of legislation has not been enforced to its greatest extent, while the Ortega-Murillo regime continues to balloon Nicaragua’s debt as the IMF aids and abets one of the region’s worst human rights abusers. The critical question is how hard the Biden administration wants to push for a political transition in Nicaragua. There is a strong possibility that the passage of the Renacer Act in the U.S. House of Representatives (the final step) could nudge them in the right direction. This legislation, which began as a more modest package of sanctions, has been amended to include a raft of proposals, including tighter enforcement of the NICA Act and a review of Nicaragua’s continued participation in the CAFTA-DR agreement, with an eye to its possible suspension. Along with sanctioning the military as an entity and its lucrative pension fund (IPSM), the United States has an array of tools to pressure Ortega-Murillo and undermine their international support—if it can muster the political will.”

EDITOR’S NOTE: The comment above is a continuation of the [Q&A](#) published in Wednesday’s of the Advisor.

the pandemic, restore fiscal sustainability with equity and generate sustainable growth with high quality jobs,” the IMF said in a statement, in which it also commended the administration’s vaccination rollout. [Editor’s note: See related [Q&A](#) in the Aug. 16 issue of the Advisor.]

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A **Betilde Muñoz-Pogossian, director of diversity and social inclusion at the Organization of American States:** “The Maduro regime-opposition relations will probably continue to be adversarial, mostly because each side has very differing views of the problems the country faces, the structural reasons for those problems and the options for solutions. However, it is positive that both sides have chosen to focus on the few items on which consensus can be reached, and that they have discussed them in Mexico. An example of this includes the agreements reached following the first round of negotiations from Sept. 3-6 on the establishment of a working group to jointly address social protection and humanitarian challenges to help the most vulnerable Venezuelans. This could pave the way for future points of agreement on some of the issues on which these parties have profoundly diverging views. In this scenario, however, the maintenance—or not—of U.S. and E.U. sanctions continues to be the opposition’s leverage to reach agreements on the reinstatement of the country and the organization of free and fair democratic elections, with international election observation. In terms of agreements in future negotiations, they must address, for instance, the need to electorally include the more than five million displaced Venezuelans who are eligible to vote, and the necessary (pending) discussion on the use of affirmative action measures to increase women’s representation in politics. These could be points of future agreement between the two delegations, and may help get them warmed up for the more difficult issues, such as the recognition of the existence of political prisoners and their release by the Maduro regime, or the eventual lifting of some sanctions that the Unitary Platform delegation can deliver for the regime. In all of this, of course, the question is how to translate intentions into actions. The humanitarian working group is a positive

step forward, but we will have to see how it will be implemented and what indicators will be used to show success.”

A **Geoff Ramsey, director for Venezuela at the Washington Office on Latin America:** “Venezuela’s negotiations process is yielding important early results. After two rounds of talks in Mexico, the opposition and the Maduro government signed a declaration committing to create a joint working group that will use frozen funds to address Venezuela’s humanitarian emergency. This body, the National Roundtable for Social Care, will have three members chosen by each side who will work together to fill gaps in the country’s public health system. This first agreement may not mean very much to Washington’s think tank community. But if implemented well, this accord could make a massive difference in the lives of hundreds of thousands of people in Venezuela. Across the country, children and adults in critical condition are seeking alternatives to a broken-down national dialysis program, or are desperately awaiting organ transplants or other lifesaving care, all from a public health system in ruins. The success of this agreement will depend on many variables. The biggest of these are accountability in the execution of funds and a commitment to the humanitarian principles of neutrality, impartiality and independence. No lives will be saved if corrupt middlemen pocket the funds. For this reason, it is essential that U.N. agencies in Venezuela and international actors oversee implementation of the agreement. Success on this front could not only save lives, but also boost popular support for the negotiations themselves. This, in turn, could encourage the delegations in Mexico to commit even further to the talks, potentially paving the way for broader, urgently needed accords to restore democratic institutions.”

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