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FEATURED Q&A

Have Latin America Forums Outlived Their Usefulness?



Mexican Foreign Minister Marcelo Ebrard and President Andrés Manuel López Obrador, and Alicia Bárcena of the U.N. Economic Commission for Latin America and the Caribbean, participated in last month's CELAC meeting. // Photo: Mexican Government.

Q The September meeting of the Community of Latin American and Caribbean States, or CELAC, produced sharply different views about the Organization of American States from participating heads of state—from Mexican President Andrés Manuel López Obrador, who hosted the meeting and suggested that the OAS is a tool of the United States, to Uruguayan President Luis Lacalle Pou, who defended the OAS and decried eroding democratic practices among several participating countries. Latin American presidents were also on a world stage last month in New York, where several addressed the U.N. General Assembly. What did the CELAC and U.N. General Assembly meetings show about the current state of relations among Latin American and Caribbean countries? How much consensus did leaders find at the CELAC meeting, and what will come of the gathering? What were the most notable themes that Latin American leaders raised at the U.N. General Assembly?

A Carlos Mesa, former president of Bolivia: “The challenge for Latin America is to establish what form its regional integration will take. The articulation of subregional blocs must be defined beyond rhetoric (the region’s geographical dimension and diversity demand it), following the E.U. model in the search for results that are efficient in the social, economic and political spheres. But, without a doubt, whatever route it follows, the region must count on the OAS as an essential lever. The OAS is a very important hemispheric forum because all the nations of the Americas and the Caribbean (except

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TODAY'S NEWS

POLITICAL

Latin American Leaders Named in ‘Pandora Papers’

Three current and 11 former Latin American presidents were named in a leak of confidential documents showing public officials’ use of tax havens. Brazil’s economy minister and the president of its central bank are also named.

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ECONOMIC

Remittances to Mexico Set New Record of \$4.74 Bn

Mexicans living abroad sent \$4.74 billion back home in August, a new record that beat analysts’ estimates. The transfers grew 32.7 percent in August as compared to the same month last year.

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POLITICAL

Tens of Thousands Protest Bolsonaro

Tens of thousands of demonstrators took to the streets in Rio de Janeiro, São Paulo and other Brazilian cities in protest of President Jair Bolsonaro over his government’s response to the Covid-19 pandemic.

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Bolsonaro // File Photo: Brazilian Government.

POLITICAL NEWS

Latin American Leaders Named in ‘Pandora Papers’

Three current and 11 former presidents of Latin American countries, as well as 90 high-level politicians, religious congregations, artists and billionaires have used tax havens over the years, according to the so-called Pandora Papers, a journalistic investigation based on a major leak of confidential documents from 14 offshore service providers in tax havens such as Panama, the British Virgin Islands and the Bahamas, El País reported Sunday. The three heads of state named in the documents are Chile’s Sebastián Piñera, Ecuador’s Guillermo Lasso and the Dominican Republic’s Luis Abinader. Former presidents mentioned in the leak include Colombia’s César Gaviria and Andrés Pastrana, Pedro Pablo Kuczynski of Peru, Porfirio Lobo of Honduras, Horacio Cartes of Paraguay, and Panama’s Juan Carlos Varela, Ricardo Martinelli and Ernesto Pérez Balladares. Among other Latin American politicians, the Pandora Papers also reference Brazilian Economy Minister Paulo Guedes and the president of the country’s central bank, Roberto Campos Neto. Neither disclosed their offshore activities to the public before taking

on their positions, which could amount to a possible conflict of interest, as they handle decisions on these types of investments, El País reported. The massive leak of more than 11.9 million financial documents allegedly tie about 35 world leaders and more than 330 politicians and public officials in 91 countries and territories to offshore tax havens, including King Abdullah of Jordan and Russian President Vladimir Putin, Reuters reported.

ECONOMIC NEWS

Mexico’s Remittances Set New Record in August at \$4.74 Billion

Remittances sent to Mexico set a fresh record in August, as people living abroad sent \$4.74 billion back to the country, Mexico’s central bank said Friday. The amount of money transfers grew 4.5 percent as compared to July and beat economists’ median estimate of \$4.42 billion in a Bloomberg survey. The economic recovery in the United States has allowed Mexican workers there to send a growing amount of money back home, Bloomberg News reported. Transfers in August averaged \$387, according to the central bank. The increase in remittances in August was the sixth consecutive month in

NEWS BRIEFS

Nine Cuban Baseball Players Defect During Tournament in Mexico

Nine of the 24 players on Cuba’s national baseball team at the U-23 World Cup in Mexico defected during the competition, the Cuban government confirmed Sunday, the Associated Press reported. Cuban officials slammed the players’ actions as “vile abandonments” in a note published on the web portal of the country’s National Sports Institute. Officials did not identify the players who remained in Mexico. The nine-player defection is one of the biggest for Cuban teams playing abroad.

Tens of Thousands Protest Brazil’s Bolsonaro

Tens of thousands of protesters took to the streets of São Paulo, Rio de Janeiro and dozens of other cities across Brazil calling for the impeachment of President Jair Bolsonaro over his government’s response to the Covid-19 pandemic, the Associated Press reported. However, the demonstrations were smaller than pro-Bolsonaro marches held last Sept. 7. Bolsonaro has underplayed the seriousness of the novel coronavirus since the pandemic hit Brazil in March 2020. More than 597,000 people have died of Covid-19 in Brazil.

Fire Destroys 40% of Honduras’ Guanaja Cay

A fire that tore through the small, densely populated Honduran island of Guanaja Cay destroyed some 40 percent of the cay’s area and left hundreds homeless, Mayor Spurgeon Miller told the Associated Press Sunday. There were no reports of deaths, but at least six people were injured, the AP reported. More than 800 people were left homeless, said Miller. He added that 130 homes were completely destroyed on Guanaja and 10 more were damaged on nearby Bonacca Cay. Approximately 5,700 people live on Guanaja.

FEATURED Q&A / Continued from page 1

Cuba) participate in it. It is a body that has generated action of fundamental relevance on issues crucial to democracy. I will mention three. First, the OAS provides credible monitoring and oversight of electoral processes in which it has almost always made an accurate judgment (Peru in 2000 or Bolivia in 2019, for example). Second, it has a court and an Inter-American Human Rights Commission, which do great work, and have their respective governing documents. Third, it has achieved a historic document: the Inter-American Democratic Charter, whose principles and values—accepted unanimous-

ly—mark the path of respect for our common way of life in society and which, despite the great obstacles of today, is the guiding document of the democratic values of the hemisphere. For just these aspects, the debate about its existence is part of the absurd ideologization that seeks confrontation from a partial political perspective. Strengthening the OAS seems to me not only useful, but essential. It certainly requires changes, improvements and balances, but the history of its existence has shown many more benefits than drawbacks.”

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which the money transfers exceeded \$4 billion, Alberto Ramos, managing director and head of Latin America economic research at Goldman Sachs, said in a note. The amount that Mexico received in remittances in August was 32.7 percent higher than the same month last year. When measured in local currency, the transfers rose 19.7 percent year-on-year in August due to a 10.9 percent strengthening of the Mexican peso against the dollar during that period, said Ramos. Moreover, record levels of remittances in addition to Mexico's trade balance surplus "have more than offset the loss of income from international travel/tourism, leading to a current account surplus in 2020 of 2.4 percent of GDP, the strongest current account outturn in more than 30 years," said Ramos.

BUSINESS NEWS

Lawyer Who Battled Chevron Sentenced to Six Months in Jail

A disbarred U.S. lawyer who launched a landmark case against oil giant Chevron over accusations of pollution in Ecuador's Amazonian region has been sentenced to six months in jail, the latest event in a years-long legal saga, the Financial Times reported. U.S. District Judge Loretta Preska found human rights lawyer Steven Donziger guilty of willfully and deliberately disobeying court orders. In July, Preska ruled he was guilty of contempt of court for refusing to provide information to Chevron about the case. "Mr. Donziger has spent the last seven-plus years thumbing his nose at the U.S. judicial system," Preska said. "It's now time to pay the piper." Donziger has served more than two years of house arrest, was forced to wear an ankle bracelet and has been barred from the legal profession, and his passport has been confiscated. "I think by any objective measure I've already been punished quite severely," Donziger said during the hearing, the newspaper reported. Donziger, who is planning to appeal the ruling, has been involved in a years-long legal battle with Chevron. He represented villagers in Ecuador's Lago Agrio

THE DIALOGUE CONTINUES

What Will the U.S.- Mexico Economic Talks Accomplish?

Q After a four-year hiatus, U.S. and Mexican officials on Sept. 9 relaunched the High-Level Economic Dialogue, or HLED, an initiative started in 2013 to advance strategic economic and commercial priorities for both countries. What does relaunching HLED indicate about the state of economic relations between the Biden and López Obrador administrations? How have the HLED's agenda and goals evolved in recent years? What are the principal tasks facing a new bilateral working group on supply chains, which the two countries plan to create? What disagreements will the group likely seek to overcome, and how much headway will the two countries make in addressing them through the HLED mechanism?

A Earl Anthony Wayne, former U.S. ambassador to Mexico and co-chair of the Mexico Institute Advisory Board at the Wilson Center: "Mexican and U.S. ministers launched the renewed High-Level Economic Dialogue (HLED) with an agenda aimed at boosting supply chains, border management, jobs skills and stakeholder dialogue and helping reduce migration flows. Done well, this process can energize bilateral economic relations with more inclusive processes and concrete improvements. Progress reports from working groups are due in early November. This new HLED recognizes the value of sustained cooperation as demonstrated from 2013-2016 and of learning from

the pandemic that exposed weaknesses in cross-border supply chains. It also reflects agreement to address the root causes of migration. There are four pillars for HLED work. The first pillar, 'building back together,' includes steps to support the creation of more resilient supply chains and modernizing the U.S.-Mexico border. Semiconductor supply chains will get a first review, with electric vehicle, medical device and pharmaceutical supply chains as additional candidates. Importantly, work includes renewed attention to improving border crossing processes and infrastructure, and better dialogue with private and subfederal government stakeholders. The HLED's second pillar, 'promoting sustainable economic and social development in Southern Mexico and Central America,' will entail the hard work of trying to identify the mix of programs to produce good results. The third pillar, 'securing tools for future prosperity,' can foster needed cooperation on cybersecurity and resilient information technology networks. The fourth pillar, 'investing in our people,' gives needed attention to work force development, such as applying best practices for upskilling workers, and can usefully target specific groups in need as well as small and medium-sized enterprises (SMEs)."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Sept. 27 issue of the Advisor.

region who sued Chevron for water and soil contamination by oil company Texaco between 1964 and 1992. Chevron acquired Texaco in 2000. Donziger won a \$9.5 billion judgment against Chevron in an Ecuadorean court in 2011. However, three years later, U.S. District Judge Lewis Kaplan refused to enforce it, say-

ing it had been secured through bribery, fraud and extortion. The oil company then sought to retrieve money that Donziger personally reaped in the case, and Kaplan ordered Donziger to hand over electronic devices to Chevron's forensic experts. Donziger refused, prompting Kaplan to charge him with criminal contempt.

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A **John Maisto, member of the Advisor board, director of U.S. Education Finance Group and former U.S. ambassador to the Organization of American States:** “The CELAC meeting was a resounding regional success due to the attention given to Covid, and the important role of Alicia Bárcena and ECLAC to keep the public health focus central. Weaknesses were addressed, and the need for regional cooperation to deal with Covid and future pandemics were underscored. Of course, political will, organization and resources are critical here, but CELAC addressed it all frontally. With regard to the

“**The CELAC meeting was a resounding regional success...**”

— John Maisto

long declaration and the rest of the hemispheric agenda, including the role of the OAS, there were no surprises. Complaints about the OAS based on neo-sovereignty sensitivity were debated; the dated arguments came from the usual quarters. The OAS, the oldest regional body in the world, is an organization of equals—one country, one vote. Members’ issues are dealt with through the component parts. OAS’ politically independent human rights work, the commission and the court, are the most credible such organizations worldwide—not so the United Nations’ Human Rights Council with Cuba and Venezuela as members. The Inter-American Democratic Charter is unique; no other regional organization has anything similar. OAS election observation and horizontal cooperation against international crime, narcotics, human trafficking and terrorism deliver results below the radar. The OAS hosts ministerial follow-ups per Summit of the Americas mandates. The OAS has been and will continue to be what the member states want it to be, which is its continuing challenge. Meanwhile, CELAC is a useful

regional forum to hash out differences and try to agree on solutions.”

A **Roberta Lajous, former Mexican ambassador to Cuba, Bolivia and Spain and former coordinator of the Mexican CELAC presidency:** “It was not necessary to hold a meeting of CELAC to learn about divisions among major Latin American leaders; they have been in the open for a long time.

The first achievement is that the summit actually took place despite the conspicuous absence of Brazil, for the first time since 2017. Presidents expressed their political disagreements, as expected, but agreed on major cooperation projects that could make a difference for the region that has been the hardest hit by the Covid pandemic and its side effects. Latin America has experienced both a greater human toll and worse economic consequences than any other region. The second result was the universal agreement on the plan to achieve basic health coverage, which the United Nations Economic Commission for Latin America and the Caribbean proposed. Third, but probably the most important agreement, was continuous regional commitment to cooperate on achieving universal access to the Covid-19 vaccine. Other achievements relate to regional cooperation on various issues, including debt relief for the Caribbean nations that climate change has hit hardest and reseeding tourism, with special consideration for emergency action in Haiti. This year’s General Assembly meeting was an opportunity to call attention to the emergencies facing Latin American and Caribbean countries. Unfortunately, the OAS has lost its capacity to address pressing issues, such as universal access to Covid vaccines, therefore there is a need for a different kind of regional leadership.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gene.kuleta@thedialogue.org.

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

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Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

www.thedialogue.org

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