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FEATURED Q&A

Why Has Ecuador's Lasso Declared a State of Emergency?



Following a prison riot that left more than 100 inmates dead, Ecuadorean President Guillermo Lasso last month declared a state of emergency, saying it was needed to fight drug trafficking and other crimes. // File Photo: Ecuadorean Government.

Q President Guillermo Lasso of Ecuador declared a state of emergency on Oct. 18, allowing authorities to restrict freedom of movement, assembly and association in the country for the next 60 days. A response to drug trafficking and other crimes in the country, the announcement allows the Ecuadorean military to patrol the streets to provide civilian security. How likely is it that this short-term state of emergency will become part of a long-term militarized effort against drug trafficking by the Ecuadorean government? How will prison and migration policies be modified to fall in line with this security effort? What are the political and social implications of the limitations of the freedoms of movement, assembly and association?

A Claudia Donoso, assistant professor in the Department of International Studies and Global Affairs and St. Mary's University in Texas: "President Guillermo Lasso's declaration of the state of emergency coincided with U.S. Secretary of State Antony Blinken's visit to Ecuador one day later. Based on the principle of shared responsibility, Lasso desperately needs to demonstrate to the United States his administration's commitment to tackling organized crime. Not only is the United States Ecuador's main trading partner, but it also provides support to Ecuadorean counternarcotics efforts through training and equipment. This short-term state of emergency allows security authorities in the Andean country to restrict freedom of movement, assembly and association due to social discontent. The military has joined the police to patrol and confiscate weapons and drugs in the nine most

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TODAY'S NEWS

ECONOMIC

Remittances to Mexico Grow 23% in September

Mexico's level of remittances totaled \$4.4 billion in September, the seventh consecutive month that the money transfers exceeded \$4 billion, the central bank said.

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BUSINESS

Facebook Shuts More Than 900 Pages Linked to Nicaraguan Gov't

Meta Platforms, which runs Facebook, said it had shut down more than 900 accounts linked to the Nicaraguan government.

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POLITICAL

U.S. Prosecutors Drop Several Charges Against Maduro Ally

U.S. federal prosecutors dropped several charges against Colombian businessman Alex Saab, an ally of Venezuelan President Nicolás Maduro. Saab now faces a single count of money laundering.

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Saab // File Photo:
www.alexsaab.co.

POLITICAL NEWS

U.S. Prosecutors Dismiss Several Charges Against Saab

Federal prosecutors in the United States have dismissed several charges against Colombian businessman Alex Saab, a key ally of Venezuelan President Nicolás Maduro, the Associated Press reported Monday. Saab, who was extradited last month to the United States from Cape Verde, now faces a single count of money laundering. Prosecutors dropped several of the charges due to assurances they made to Cape Verde as they were attempting to secure his extradition, the wire service reported. If convicted on the one money laundering charge, Saab faces a prison sentence of as long as 20 years, the maximum to which the African island nation agreed when it consented to Saab's extradition. Saab, who denied wrongdoing and has called the accusations against him politically motivated, was expected to be arraigned Monday in Miami. However, that court date was postponed until Nov. 15. Saab stands accused of paying bribes in order to siphon some \$350 million from state contracts out of Venezuela. Maduro's government has condemned Saab's extradition and arrest. In retaliation, Maduro suspended talks with the country's opposition.

"Maduro's decision to suspend his government's participation in the latest round of negotiations in Mexico is a blow to an opportunity to advance much-needed agreements for a country immersed in a humanitarian emergency," Carolina Jiménez Sandoval, president of the Washington Office on Latin America, told the Advisor in a [Q&A](#) published Monday.

ECONOMIC NEWS

Remittances to Mexico Grow 23% in September

Mexico's level of remittances grew 23.3 percent year-on-year in September to \$4.4 billion, the seventh consecutive month that the money transfers surpassed \$4 billion, the country's central bank said Monday, EFE reported. For the first nine months of this year, remittances totaled \$37.3 billion, a 24.6 percent increase as compared to the same period last year, the Bank of Mexico added. In September, the average size of a remittance transfer was \$374, higher than the \$339 average in September 2020, the central bank added. The number of transfers also rose to 99.76 million in September of this year as compared to 88.34 million in the same month last year. "Generous

NEWS BRIEFS

Brazil Vows to Halve Greenhouse Gas Emissions by 2030

Brazil on Monday vowed to halve greenhouse gas emissions by 2030, a more ambitious goal than its previous target of 43 percent fewer emissions by 2030, both as compared to 2005 levels, the Associated Press reported. Environment Minister Joaquim Leite made the announcement at the U.N. COP26 climate conference in Glasgow. However, critics received the news with skepticism, alleging the government has significantly increased the estimate for its baseline, making it easier to reach the target, the AP reported.

Brazil's Nubank Targets Valuation of More Than \$50 Billion for U.S. IPO

Brazilian financial technology firm Nubank is targeting a valuation in excess of \$50 billion for its proposed initial public offering in the United States, the Financial Times reported Monday, citing a regulatory filing. The fintech is seeking to raise more than \$3 billion from investors through the IPO, the newspaper reported. The company is targeting an IPO price of between \$10 and \$11 per share, which would give it a market capitalization of between \$46 billion and \$50.6 billion. This would value it higher than Brazilian lender Itaú Unibanco.

Britain's Ardonagh Group Completes Acquisition of BGC's Insurance Units

Britain-based insurance broker Ardonagh Group has completed its acquisition of the insurance operations of BGC Partners for \$500 million, Insurance Journal reported Monday. BGC's Besso Insurance, Ed Broking and Piiq Risk Partners units will become part of the Ardonagh Specialty and Capital platform, with offices in countries including Chile, Brazil and Bermuda.

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insecure provinces. This measure came after several political controversies within the Lasso government such as links to the Pandora Papers and unmet social demands evidenced in protests. Rather than launching an arms and drug control campaign within prisons, the state of emergency was strategically used to restrict Indigenous protesters from gathering on Oct. 26 in response to Lasso's latest policies, which removed gas subsidies and promoted private investment in the mining sector. The securitization of drug trafficking and consumption obscures its roots as a social problem and health

concern. This militarized response ignores the structural violence that has deeply affected security in Ecuador even before the pandemic, and it doesn't acknowledge factors such as economic instability causing youth recruitment by gangs or the fact that many gang members are forcibly recruited. There are several true reasons behind this state of emergency: to increase counternarcotics cooperation with the United States, restrict the right of social protest and deny the inability of the administration to design public policies aimed at addressing structural violence and prison reform."

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wage/income support fiscal transfers in the U.S., a competitive MXN/USD level and a deep contraction of activity and employment in Mexico have acted as both push and pull drivers of dollar remittances from the U.S. to Mexico," Alberto Ramos, managing director and head of Latin America economic research at Goldman Sachs in New York, said in a note.

BUSINESS NEWS

Facebook Shuts More Than 900 Pages Tied to Nicaraguan Gov't

Facebook said Monday that it had shut down 937 accounts linked to the government of Nicaragua and the Sandinista party of President Daniel Ortega, the Associated Press reported. Meta Platforms, which runs the social media website, also said it had eliminated 140 deceptive pages, 24 groups and 363 Instagram accounts for violating the company's policy against "coordinated inauthentic behavior on behalf of a foreign or government entity." The company described the accounts as an example of a "troll farm," which it defined as attempts to "corrupt or manipulate public discourse by using fake accounts to ... mislead people about who's behind them," the AP reported. The nearly 1,000 accounts came online following massive anti-government protests in Nicaragua in 2018, Facebook said. Among their recorded activity, the accounts sought to criticize members of the opposition as well as praise the government. Some accounts pretended to be students from the Nicaraguan university where the 2018 protests began. "This was really a cross-government operation, the troll farm consisted of several clusters which were run from multiple ... government entities at once," Ben Nimmo, threat intelligence lead for Meta, told Agence France-Presse. Ortega is seeking a fourth term in a presidential election scheduled for Sunday. Nicaraguan authorities in the past six months have arrested or exiled virtually all possible opponents who could pose a challenge to Ortega.

CAPITOL HILL WATCH

A Look at U.S. Congressional Activity on Latin America

Republican Representatives Urge Pelosi to Call Vote on Nicaragua 'Renacer' Act

Republican U.S. Representatives María Elvira Salazar, Carlos Gimenez and Mario Diaz-Balart, all of Florida, on Oct. 22 sent House Speaker Nancy Pelosi (D-Calif.) a letter urging her to call for a vote on the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform (Renacer) Act. The letter came just weeks before the Nov. 7 presidential elections in Nicaragua. The vote has drawn widespread international condemnation as undemocratic as President Daniel Ortega's government has imprisoned or forced several potential presidential candidates into exile. The Renacer Act, which the U.S. Senate approved in August, proposes new initiatives and mechanisms to monitor, report on and address human rights abuses committed by Nicaraguan security forces, as well as alleged corruption by Ortega.



Salazar // File Photo: @RepMariaSalazar via Twitter.

House Members Call on Blinken to Take Action Against Corruption in Guatemala

U.S. Representatives Norma J. Torres (D-Calif.), Raúl M. Grijalva (D-Ariz.) and 15 other members of the House of Representatives in an Oct. 14 letter urged Secretary of State Antony Blinken to take steps to counter what they say is democratic backsliding and also combat corruption and promote human rights in Guatemala. The lawmakers said the U.S. partnership with Guatemala should depend on the protection of human rights, democracy and the rule of law in the Central American nation.

Florida Senators Introduce Legislation to Toughen Cuba Sanctions

Republican U.S. Senators Marco Rubio and Rick Scott, both of Florida, on Oct. 12 introduced the Denying Earnings to the Military Oligarchy in Cuba and Restricting Activities of the Cuban Intelligence Apparatus (Democracia) Act, with the goal of holding Cuban President Miguel Díaz-Canel's government accountable for alleged human rights abuses through severe sanctions and increased financial pressure. The legislation would allow U.S. President Joe Biden to end the sanctions only if the Cuban government releases all political prisoners, legalizes all political parties, establishes a free press and schedules free and fair elections, the senators said.

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Angel Zapata, deputy director of protection and security at Ecuador's National Service for Comprehensive Attention to Adults Deprived of Liberty and Adolescent Offenders (SNAI): "Ecuador currently has 36 detention centers (CPL), with a prison population of 37,500 persons deprived of liberty (PPL). Ninety-four percent of PPL are men, 58 percent are serving sentences and 42 percent are being prosecuted. The largest age group is made up of people between 20 and 35 years of age. There are also 1,630 penitentiary security agents (ASP) in charge of the internal security of Ecuadorean detention centers, and their main function is to ensure compliance with the rules, protocols and directives aimed at maintaining security and tranquility. We can easily conclude from this rapid antecedent that part of the crisis generated responds to the deficit of officials and lack of foresight in the management of structural aspects of the system in administrative, logistical, technological and regulatory components. 273 PPL have died this year within detention centers in Ecuador, and 95 percent of the violent events have occurred in four centers, whose characteristics distort the elementary norms developed by the United Nations about the basic standards for the acceptable administration of a penitentiary. There is a disproportionate growth of inter-prison violence, due to aforementioned factors and the fact that transnational organized crime has selected Ecuador, due to its strategic and geographical location on the continent, as a route for the collection, trafficking and transportation of illicit substances. Furthermore, the fact that Ecuador is a dollarized country allows for easy currency conversion and for money laundering to grow. I consider these to be collateral effects that are demonstrated in the increase in violence and focused crime within the CPL, to maintain power and criminal hegemonies. The state, its institutions and authorities have decided to take action against this criminal onslaught,

and a short-, medium- and long-term plan has been consolidated. It includes phases of containment, mitigation and restructuring of the prison system in our country, making international support and advice necessary for this matter."

Adaniel Pontón, dean of the School of Security and Defense at Ecuador's Institute for Higher National Studies (IAEN): "The involvement of the armed forces in a state of emergency is a valid constitutional recourse. The reasons for this declaration are varied and range from cases of aggression, international or internal armed conflict, serious internal commotion, public calamity or natural disaster. However, the frequent use of this practice is also due to the institutional prestige of the Armed Forces of Ecuador (FFAA), which has meant that the military resource can be used in a subsidiary manner in various complex internal security issues. The armed forces' possible human rights violations, due to the nature of their doctrine, training and weapons, are among their main criticisms. However, it is necessary to say that the state of emergency in Ecuador has sufficient institutional controls that minimize the potential for excessive force. A regulation for the field of action of the FFAA more precisely is essential. But the concern about this measure lies in its effectiveness. Given that the state of emergency is temporary, the involvement of the FFAA is of little use in solving problems as serious as the current prison crisis and rising crime. The purpose appears to be to make shock effects (that are not necessarily inexpensive) rather than a true intention of changing things. When the exception becomes the rule, one navigates a sea of errors that undermine the doctrine and the operational identity of the military institutions. The efficient management of public resources is vital especially in periods of austerity. Policies are needed for normal, not just exceptional, periods."

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