LATIN AMERICA ADVISOR

A DAILY PUBLICATION OF THE DIALOGUE -

www.thedialogue.org

Monday, December 6, 2021

BOARD OF ADVISORS

Diego Arria

Director, Columbus Group

Devry Boughner Vorwerk

CEO, DevryBV Sustainable Strategies

Joyce Chang

Global Head of Research, JPMorgan Chase & Co.

Paula Cifuentes

Director of Economic & Fiscal Affairs, Latin America & Canada, Philip Morris International

Marlene Fernández

Corporate Vice President for Government Relations, Arcos Dorados (McDonald's)

Peter Hakim

President Emeritus, Inter-American Dialogue

Donna Hrinak

Senior VP, Corporate Affairs, Royal Caribbean Group

Jon E. Huenemann

Council Member, GLG Inc.

James R. Jones

Chairman, Monarch Global Strategies

Craig A. Kelly

Senior Director, Int'l Gov't Relations, Exxon Mobil

Barbara Kotschwar

Executive Director, Visa Economic Empowerment Institute

John Maisto

Director, U.S. Education Finance Group

Nicolás Mariscal

Chairman, Grupo Marhnos

Thomas F. McLarty III

Chairman,

McLarty Associates

Beatrice Rangel

Director, AMLA Consulting LLC

Jaana Remes

Partner, McKinsey Global Institute

Ernesto Revilla

Head of Latin American Economics. Citi

Gustavo Roosen

President,

Andrés Rozental

President, Rozental & Asociados

Shelly Shetty

Managing Director, Sovereigns Fitch Ratings



FEATURED Q&A

Will Protests Against the Government Continue in Cuba?



Cuban President Miguel Díaz-Canel's government deployed security forces last month, quashing planned anti-government protests. // File Photo: Cuban Government.

Cuban activists' "Civic March for Change" rally, which had been scheduled for Nov. 15, did not take place following the government's mass deployment of security forces. Police officers, as well as civilian militants, questioned and kept activists and journalists from leaving their homes, and there were no reports of the expected anti-government demonstrations. Moreover, the Cuban government denied the rally's organizers a permit and claimed that the planned protest was connected to U.S.-financed "subversive organizations." What does the Cuban government's response mean for future protests and social unrest, and how are the rally's organizers responding to the crackdown? What are the security and human rights implications of the use of communication technologies and surveillance by the Cuban government as a method to repress the rally? To what extent do civilian militants and so-called neighborhood watch committees play a role in monitoring dissident activity?

Vicki J. Huddleston, retired U.S. ambassador and former chief of the U.S. Interests Section in Havana: "The crackdown on activists planning the Nov. 15 protest march was exactly what the Cuban government announced it would do. It illustrates the failure of the Díaz-Canel leadership to deal with peaceful and legitimate complaints. But those who encouraged the protest made a terrible mistake. Had it gone forward, many Cubans would have been injured and jailed, while achieving nothing for themselves. Nor would it have led—as some in the United States hoped—to U.S. or international in-

Continued on page 2

TODAY'S NEWS

POLITICAL

Dissident FARC Leader Reportedly Killed in Venezuela

Hernán Darío Velásquez a dissident leader of Colombia's former FARC rebels, was killed in an ambush in Venezuela, Colombian media reported.

Page 3

BUSINESS

Mexico's Interjet Announces it Will Resume Flights Next Year

Mexican budget airline Interjet said it will resume flights next year after halting them in 2020 amid the Covid-19 pandemic. Interjet said it will return to service with 10 leased Airbus jets and may add 10 Czech-made planes.

Page 3

POLITICAL

Venezuela's Borges Leaves Opposition Government

Venezuelan opposition figure Julio Borges announced that he is leaving the opposition government of Juan Guaidó, the latest indication of fractures in the opposition.

Page 2



Borges // File Photo: Facebook Page of Julio Borges.

LATIN AMERICA ADVISOR Monday, December 6, 2021

POLITICAL NEWS

Venezuela's Borges Leaves Guaidó's Opposition Gov't

Venezuelan opposition figure Julio Borges, who has been serving as foreign minister in the U.S.-backed government of opposition leader Juan Guaidó, announced Sunday that he is leaving his post, the latest indication of fractures in the country's opposition government, Reuters reported. The move came just weeks after allies of President Nicolás Maduro trounced the opposition in local and regional elections, which international observers have seen as stacked in favor of the ruling party, on Nov. 21. "The [interim] government makes sense as an instrument to get out of the dictatorship. But at this moment, in our way of seeing it, the interim government has been damaged," Borges said in departing from Guaido's cabinet, Reuters reported. "Instead of being an instrument to fight the dictatorship, the interim government has become a kind of ... caste." Borges, who lives in exile in Bogotá, is a member of the First Justice party, which is part of Guaido's coalition. Neither the party nor Guaido's office commented immediately on Borges' departure. Borges said he would officially resign from his position as foreign minister in Guaidó's government on

Tuesday, adding that the interim government should "disappear" and only serve to manage foreign-based Venezuelan assets such as U.S.based refiner Citgo. "We can't be an interim government that wants to perpetually stay in power and is turning into part of the problem, rather than the solution," said Borges, The Wall Street Journal reported. Guaido's approval rating has fallen to about 15 percent, roughly the same as Maduro's, according to a Datanalisis poll in October, the newspaper reported. Borges announced his departure just days after Brian A. Nichols, the assistant secretary of state for Western Hemisphere affairs, reiterated the support of the Biden administration for Guaido's government. "We support the interim government's important work to forge a path to democracy and end Venezuela's humanitarian crisis," Nichols said in a posting on Twitter. The opposition has "had plenty of failures that don't inspire confidence in their leadership," Vanessa Neumann, who served as Guaido's ambassador to the United Kingdom, told the Advisor in a Q&A published Nov. 29. Among them, it has had "no common goals and objectives, other than to take posts away from the Chavistas," it has "never defined why people should vote for them" and it is "completely disunited." The opposition also does "not reflect the electorate" and has been plagued by "blatant misogyny," Neumann told the Advisor. Also on Sunday, Maduro named a former foreign minister of his government, Jorge Arreaza, to be the ruling party candidate in Barinas state, where officials

FEATURED Q&A / Continued from page 1

tervention. The greater question is what type of policy would improve the lives of Cubans? It is evident that the Cuban people are better off when U.S. pressure and sanctions are reduced. Most notably under the Obama opening and during periods when George W. Bush and Bill Clinton permitted people-to-people travel, which supported children with down syndrome, artists and Cuban families who were providing hospitality to U.S. visitors. Unfortunately, the chances of an opening have become more distant with the recent protests. The Biden administration, having

delayed reducing the stringent Trump sanctions, now finds itself in a Catch-22. It is afraid of beginning to open because of criticism from major media outlets, human rights activists and conservatives. Yet, better relations would improve the lives of Cubans, reduce the threat of massive immigration and block the creeping influence of Russia, China and the rise of authoritarianism in the hemisphere. The only way forward—and we should know this after more than 60 years of a failed punitive policy—is through dialogue, remittances and people-to-people visits."

Continued on page 4

NEWS BRIEFS

Honduras' President-elect to Seek U.N. Mission to Help Fight Corruption

Incoming Honduran president Xiomara Castro said in an interview with Agence France-Presse that she is planning to request the help of the United Nations to fight corruption in Honduras through a high-level mission. Castro, the leader of the leftist Libre party, also plans to repeal the so-called "laws of impunity" that she said have allowed and covered up for alleged corruption during the current administration of Juan Orlando Hernández.

Mexico's Auto Production, Export Levels Fall Sharply in November

Mexican automotive production and exports fell in November as compared to the same month last year, the Mexican National Institute of Statistics and Geography said today, Reuters reported. Production and exports fell by 20.25 percent and 16.46 percent, respectively, from November 2020. In October, the country's automotive production had fallen by 25.9 percent in comparison to the same month last year, which had been the lowest production level for the month since 2012, Bloomberg News reported in November.

El Salvador's Bukele Announces Purchase of Additional Bitcoins

Salvadoran President Nayib Bukele announced on Friday that the country had purchased an additional 150 Bitcoins, following the drop in the digital currency's value, Reuters reported. Bitcoin's value is down approximately 30 percent since its record high on Nov. 10. In September, El Salvador became the first country in the world to use Bitcoin as legal tender. The IMF has cited concerns about price volatility in recommending that El Salvador cease using the cryptocurrency as legal tender.

LATIN AMERICA ADVISOR Monday, December 6, 2021

plan to run a re-do of its Nov. 21 gubernatorial election, the Associated Press reported. On Nov. 29, Venezuela's Supreme Court barred Freddy Superlano, the opposition candidate who had claimed victory in the gubernatorial election, from taking office. The race is symbolically significant to the ruling party as Barinas has been a party stronghold and the home state of late Venezuelan President Hugo Chávez.

Dissident FARC Leader Reportedly Killed in Venezuela

Hernán Darío Velásquez, a dissident leader of the former Revolutionary Armed Forces of Colombia, or FARC, rebel group, was killed by other rebels in an ambush in Venezuela, Agence France-Presse reported, citing Colombian media. Velásquez, nicknamed "El Paisa," was believed to be the perpetrator of several armed attacks, including a February 2003 car bombing in Bogotá that killed 36 people and left dozens more injured, AFP reported. Colombian media cited Venezuelan and Colombian intelligence sources in reporting Velásquez's killing, but neither government has confirmed the reports. Colombian authorities told El Tiempo that they would not confirm the death until they saw Velásquez's body. A spokesperson for Colombian President Iván Duque told Reuters that the president's office was seeking more information about the reports.

BUSINESS NEWS

Mexico's Interjet Announces it Will Resume Flights in '22

Mexican budget airline Interjet on Friday said it would resume flights next year after shutting down in December 2020 due to the Covid-19 pandemic, Reuters reported. The airline said it has prepared a fleet of 10 leased Airbus SE A320 jets, with the possible addition of

THE DIALOGUE CONTINUES

What Has Peru's Castillo Achieved in His First 100 Days?

Peruvian President Pedro Castillo last month marked his 100th day in office. While Castillo ran under the banner of the Marxist Perú Libre party, he is seemingly distancing himself from the Peruvian far left, with his last known meeting with the party taking place on Oct. 6, when he swore in his new cabinet, including a more moderate prime minister. What has Castillo accomplished in his first hundred days, and how much stability can be expected during the rest of his five-year term? Why has Castillo distanced himself from Perú Libre. and will his actions calm fears of extremism? To what extent is his distance from the party resulting in new coalitions in Peru's Congress, and in what ways could a shift in legislative dynamics affect Castillo's ability to enact his agenda?

Gino Costa, former member of Peru's Congress and former interior minister of Peru: "The first 100 days of President Castillo's term were accompanied by increasing weariness by daily mistakes of his ministers and collaborators, many of whom lacked professional competence and/or moral suitability. His administration has few achievements: the rapid advancement of Covid-19 vaccination inherited from former President

Francisco Sagasti, the continuity of monetary policy and a bonus for the families that the pandemic hit hardest. These were all well beyond the expectations of those who elected him. His break with the party that brought him to power gives him the freedom to seek new parliamentary backing, but it deprives him of half of Avanza País, which controls a third of Congress. The right that controls another third wants to oust him. His challenge is to put together a parliamentary bloc with the remaining third. It will not be easy; there he will find neither ideological agreement, stable loyalties or enthusiasm to sustain his government. For now, that third does not support his dismissal, but it could change its mind. Citizen support is also key for the president. However, polls show a rapid erosion of his popularity. His saving grace is that Congress, where lawmakers already presented a motion on Nov. 18 to oust him, is even more unpopular. There is no doubt that the political landscape for the coming months and years will be highly uncertain and highly unstable."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Nov. 22 issue of the Advisor.

10 Czech-made Let L-410 planes, Bloomberg News reported. The pandemic's impact on global tourism aggravated existing operational and debt problems at Interjet, which had placed the company on the verge of bankruptcy, leading to the 2021 flight pause. The news of the 2022 flight resumption plan comes after Interjet's November announcement of the company's new CEO and general director, Federico Bertrand Rubio, who had previously been the CEO of Toluca International Airport, Simple Flying reported. Bertrand said that Interjet "is

alive, is viable, and we're going to get it ahead," Reuters reported. During its best period, the Mexican airline had a fleet of 87 planes and approximately 5,600 employees, Bloomberg News reported. The newly announced business plan will be significantly smaller, and Bertrand said that Interjet will only need 600 to 700 employees, which can be drawn from the company's current labor pool and recertified. Of the 10 leased Airbus planes, six are expected to fly out of Mexico City, two from Toluca and two from Santa Lucía, Reuters reported.

FEATURED Q&A / Continued from page 2

Jonathan Benjamin-Alvarado, assistant vice chancellor and professor of political science at the University of Nebraska

Omaha: "It is difficult if not impossible to compartmentalize one element of what is happening on the ground in Cuba today without losing the broader context and its implications. But in this instance, there is no doubt that the crackdown signals that the Cuban state apparatus is doubling down on the idea that dissent, debate



The recent spate of protests by 'subversive organizations' signals deep discontent with life on the island..."

- Jonathan Benjamin-Alvarado

and protest will only be tolerated so long as it adheres to the mantra of 'everything within the revolution, nothing outside of the revolution.' The recent spate of protests by 'subversive organizations' signals deep discontent with life on the island, and the utilization of social media platforms serves to work around the far-too-often ham-fisted overtures of Cuban state security to quell these movements. In essence, the genie is out of the bottle, and there seems little the regime can do to wrest control of dissent and messaging on the island. Ironically, this diffusion of information through the vaunted 'paquete' was tolerated because it provided entertainment and a release valve for Cuban complaints and potential unrest. But until the material condition of the Cuban people improves, we should expect that this will be the status quo: Cubans openly challenging the shortcomings of the regime. We should not forget that even with the continued poor management of the economy, there is still a significant impact from the 'change through impoverishment' policies of the United

States that have effectively 'starved' Cuba of many of the economic resources available to almost every other country in the world."

Jorge A. Sanguinetty, member of the board of advisors of DevTech Systems, Inc.: "Even though the deployment of the government's security forces was able to impede the civic march announced through social networks for Nov. 15, the nervous and voluminous show of force shows the profound impact that the spontaneous July 11 demonstrations had on the 63-year-old dictatorship. Never before did Cuban citizens have such an opportunity to convincingly show their discontent nationally and internationally with the regime that Fidel Castro imposed in 1959, which his brother Raul and other successors continued. Even though the planned Nov. 15 march failed to replicate the massive protests of July 11, everything seems to indicate that the accumulation of failures by the regime, the lack of all kinds of individual freedoms in Cuba, chronic economic crises and the inability of Cubans to express themselves freely about government abuses has forever changed the political environment in Cuba. It is unlikely that economic conditions and government policies will improve in the short run. Pro-government militants and watch committees are appearing to lose members and become less effective, so it is reasonable to expect more demonstrations of discontent organized with the assistance of communication technologies, which have also been essential in increasing citizens' awareness that they are not alone in their struggle for freedom. Social networks have also been instrumental in helping Cubans to be informed of what is happening in other parts of the world and realize how much Cuba has lost as a result of the Castro revolution."

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

LATIN AMERICA ADVISOR

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

Erik Brand

Publisher

ebrand@thedialogue.org

Gene Kuleta

Fditor

gkuleta@thedialogue.org

Leticia Chacón

Reporter

Ichacon@thedialogue.org



Michael Shifter, President

Rebecca Bill Chavez, Nonresident Senior Fellow

Bruno Binetti, Nonresident Fellow

Sergio Bitar, Nonresident Senior Fellow

Joan Caivano, Senior Advisor

Santiago Cantón, Director, Rule of Law Program

Kevin Casas-Zamora, Nonresident Senior Fellow

Julia Dias Leite, Nonresident Senior Fellow

Ariel Fiszbein, Director, Education Program

Sandra García Jaramillo, Nonresident Senior Fellow

Selina Ho, Nonresident Senior Fellow

Edison Lanza, Nonresident Senior Fellow

Nora Lustig, Nonresident Senior Fellow

Margaret Myers, Director, Asia Program

Manuel Orozco, Senior Fellow

Xiaoyu Pu, Nonresident Senior Fellow

Jeffrey Puryear, Senior Fellow

Tamar Solnik, Director, Finance & Administration

Lisa Viscidi, Director, Energy Program

Denisse Yanovich. Director of Development

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

Subscription inquiries are welcomed at ebrand@thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.