

## BOARD OF ADVISORS

**Diego Arria**  
Director, Columbus Group

**Merike Blofield**  
Director, Institute for Latin American Studies, GIGA

**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

**Ernesto Revilla**  
Head of Latin American Economics, Citi

**Gustavo Roosen**  
President, IESA

**Andrés Rozental**  
President, Rozental & Asociados

**Shelly Shetty**  
Managing Director, Sovereigns Fitch Ratings

## FEATURED Q&A

# Who Has the Edge in Colombia's Presidential Race?



Colombians cast ballots in the country's presidential election on May 29, and polls show a tightening race between leftist Gustavo Petro and conservative Federico "Fico" Gutiérrez (L-R). // File Photos: Petro and Gutiérrez Campaigns.

**Q** Polls published in early April show a tightening presidential race in Colombia between leftist Senator Gustavo Petro and his main rival, conservative former Medellín Mayor Federico Gutiérrez. While Petro has led in polls for months, surveys do not show him with the majority of the vote that would be needed for a first-round victory on May 29. In the likely event of a runoff in June, recent polls have shown Petro and Gutiérrez within a few percentage points of each other. To what can Petro and Gutiérrez attribute their support? Will Petro's vow on April 19 not to expropriate private property win him support from moderates? What developments could influence the vote between now and the first round?

**A** Peter DeShazo, visiting professor of Latin American, Latino and Caribbean Studies at Dartmouth College and former U.S. deputy assistant secretary of state for Western Hemisphere affairs: "Colombia follows the Latin American trend of political polarization at the expense of centrist parties and candidates. Polls point to the leftist Gustavo Petro winning the first round of voting on May 29 by a comfortable margin over the likely runner-up, Federico Gutiérrez, with the second round in June looking to be closer. Petro is the candidate of change, benefiting from deep citizen dissatisfaction with the incumbent Duque administration and the socioeconomic status quo. The economy—especially high unemployment—and corruption are key voter concerns, favoring Petro. The rightist Gutiérrez also promises change but must have votes from the weakened Uribe/Duque camp, placing him

Continued on page 2

## TODAY'S NEWS

### POLITICAL

## Peru's Ruling Party Seeks to Cut President's Term

Legislators from Peruvian President Pedro Castillo's own party proposed legislation to cut his term from five years to two, a move that would lead to general elections next year.

Page 2

### ECONOMIC

## Cuba Issues Rules for Digital Money Service Providers

Cuba's central bank issued regulations for digital money service providers following the country's approval last year of cryptocurrencies for personal use.

Page 3

### POLITICAL

## Mexico's López Obrador Proposes Broad Changes to Election Laws

Mexican President Andrés Manuel López Obrador proposed a sweeping package of reforms to the country's election laws. However, the overhaul does not appear to have needed legislative support.

Page 2



López Obrador // File Photo: Mexican Government.

## POLITICAL NEWS

## López Obrador Seeks Reforms for Mexico's Election System

Mexican President Andrés Manuel López Obrador on Thursday proposed wide-ranging reforms to the country's electoral system, the Financial Times reported. The broad overhaul, which would need congressional approval to go forward, would dissolve the federal agency that oversees elections, the national electoral institute, or INE and replace it with a body that voters would directly elect but which would receive less funding than the INE, the newspaper reported. The reforms also would reduce public funding for political parties and relax campaign propaganda rules. López Obrador's overhaul also would reduce the size of Congress and state legislatures, the Associated Press reported. "There is no intention of imposing a single party," López Obrador said in proposing the changes, the AP reported. "What we want is that there is a true democracy in the country and that electoral frauds end ... to leave a true democratic state established," he added. However, the president does not appear to have the two-thirds support in Congress that would be needed in order for the reforms to proceed.

Opposition parties have already criticized the proposals. Still, López Obrador called on lawmakers to study the reforms, make the public aware of them and then decide on them, the AP reported. The president said he was responsible for proposing the overhaul "even if it's not approved," the wire service reported. [Editor's note: See [Q&A](#) on López Obrador's support in the April 13 issue of the Advisor.]

## ECONOMIC NEWS

## Anti-Fracking Activists Facing Threats in Colombia

Colombian activists opposed to hydraulic fracturing are facing increasing violence and threats as fracking pilot projects in the Andean nation are progressing, Reuters reported Thursday, citing five unnamed campaigners. Some of the activists have been forced to flee because of the threats, the sources told the wire service. Colombia currently bans commercial fracking activities, but an administrative tribunal has approved pilot projects in order to collect scientific data that officials plan to study in order to decide whether to allow commercial use of the controversial tech-

## NEWS BRIEFS

## Peru's Ruling Party Seeks to Cut President's Term to Two Years

Legislators from the ruling Peru Libre party on Thursday proposed a measure to cut current President Pedro Castillo's term from five to two years, Reuters reported. The move from members of Castillo's own party would lead to presidential and congressional elections next year. Since taking office last July, Castillo has survived two impeachment attempts and has had four separate cabinets. Polls show that 60 percent of Peruvians want Castillo to resign and call for new elections, the wire service reported. [Editor's note: See related [Q&A](#) in the April 11 issue of the Advisor.]

## Ecuador's Lasso Sacks Energy, Agriculture Ministers in Shuffle

Ecuadorian President Guillermo Lasso has requested the resignations of several ministers, including Energy Minister Juan Carlos Bermeo and Agriculture Minister Pedro Alava, as part of a cabinet shuffle, the government said Thursday, Reuters reported. Lasso also replaced Human Rights Secretary Bernarda Ordóñez. Earlier in the week, Lasso also replaced Defense Minister Luis Bolívar Hernández, replacing him with Luis Lara Jaramillo, El Universo reported.

## Mexico, South America Help Fuel Results of Spain's BBVA

Spanish bank BBVA on Thursday beat analysts' estimates in reporting a 36.4 percent rise in profit for the first quarter, results the bank said were in part fueled by strong performance in Mexico and South America, Reuters reported. In Mexico, which accounts for half of BBVA's earnings, net profit increased 59 percent year-on-year. Overall, BBVA reported net profit of 1.65 billion euros (\$1.74 billion) in the quarter.

## FEATURED Q&amp;A / Continued from page 1

in the position of courting uribista support while fending off charges that he is the candidate of former President Uribe. As with Uribe, his trump card is security, which may not play as well as in past elections. If they are the contenders, both Petro and Gutiérrez will look to the center and to independents for additional votes in a second round. This will be the moment when many voters choose between concerns over Petro's leftist background and positions—which the Gutiérrez camp will try to stoke—and a desire for change. Petro's pledge not to expropriate private property indicates vulnerability on this point. This election is

particularly important. Colombia faces a daunting array of challenges and needs a new government that inspires confidence and promotes consensus—a tall order under the circumstances."

**A** **Maria Velez de Berliner,** managing director of RTG-Red Team Group, Inc.: "Barring a miracle favoring Gustavo Petro on May 29, there will be a second round on June 19. More than voting for today's projected final contenders, Petro (socialist/left) and Federico 'Fico' Gutiérrez (center/right), voters will choose between retaining

Continued on page 4

nique. Supporters of fracking say the method is needed in order to boost production of oil and gas, while opponents of the practice say it can harm the quality of water in the areas where it is used as well as residents' health, Reuters reported. Colombian state-owned oil company Ecopetrol operates the Kale and Platero fracking projects along with partner ExxonMobil. Both projects are located near the town of Puerto Wilches, along the Magdalena River in Santander province. Ecopetrol has rejected the violence against activists and said it would pursue due diligence in order to identify anyone connected to the company who may be acting illegally. ExxonMobil told Reuters in a statement that it is "committed to conducting business in a manner that is compatible with the environmental and economic needs of the communities in which we operate." In February, a consultation to discuss the fracking pilot projects had to be moved to a remote venue due to security concerns, said the ANLA licensing authority, BNAméricas reported at the time. "Protesters ... burst onto the stage by force, failing to comply with biosafety protocols, refusing to carry out any registration and disturbing the normal democratic exercise of participation," ANLA said in a statement. Last week, a judge in the city of Barrancabermeja suspended an environmental license that had been granted for the Kale project, saying local communities had not been properly consulted about the project, Reuters reported. The Platero project is still waiting on an environmental license, Reuters reported.

## Cuba Issues Rules for Digital Money Service Providers

Cuba's central bank issued regulations for digital money service providers after the communist government last year approved cryptocurrencies for personal use, Reuters reported Wednesday. The move could help cash-strapped Cubans and also offer a way around U.S. sanctions, according to the report. Cryptocurrencies use a system that allow for anonymous financial transactions to take place anywhere there is an Internet connection, and

## THE DIALOGUE CONTINUES

### Is Chile's Rewrite of the Constitution Going Off Course?

**Q** Recent opinion polls in Chile indicate that, for the first time, more Chileans would reject the new draft of the constitution than approve it. Survey results released on April 4 show that 40 percent of respondents would vote in favor of the new constitution, while 46 percent would reject it, according to Reuters. An elected assembly is tasked with rewriting Chile's dictatorship-era constitution, which will be put to voters in a referendum this year. What accounts for the sharp decline in support for the constitutional initiative? What specific proposals drafted by the assembly—which is dominated by leftists and independents—have been the most polarizing? What are the consequences for the country if the new constitution is rejected by a majority of Chileans?

**A** Pamela Figueroa, professor in the Institute of Advanced Studies at the University of Santiago de Chile: "The constitutional drafting process is in the final stages. So far, 177 articles have been approved, and they address everything from a social and democratic state and the concept of plurinationality, to sexual and reproductive rights, parity, environmental and animal protections, among other things. Last week, various surveys showed that a growing number of people say they would

reject the draft constitution in its current form. These surveys have set off alarm bells among experts, political leaders and civil society groups. The dynamic that the work of the Constitutional Convention has taken is that a wide variety of issues and points of view have been deliberated in the commissions, and what goes to the plenary session is approved by a majority, where each of the proposals must be approved by two-thirds vote. Given the fragmentation of the political forces, the approved norms are those that represent a large majority of conservatives and moderates, and those that are more radical tend to fall by the wayside. However, the debates prior to the votes have generated uncertainty due to the controversy related to how the new constitution is being drafted. Time is limited; the time to communicate clearly to Chileans about how the text is deliberated upon and approved is now. Above all, the convention must articulate how the draft constitution's aim is to create a broad political and social agreement which addresses the demands of citizens and deepens democracy in Chile."

---

**EDITOR'S NOTE:** The comment above is a continuation of the Q&A published in the April 15 issue of the Advisor.

---

the digital transactions are impossible to trace or be subjected to capital controls. However, businesses that allow for cryptocurrencies to be traded and stored in "digital wallets" can often be tracked. Cuba's central bank said it would require people who want to make transactions using cryptocurrencies to obtain a license, Reuters reported, adding that it would study the legality and socioeconomic interests of any request before providing a license. The rollout of mobile Internet three years ago paved

the way for cryptocurrency transactions to take place on the island. The number of crypto users is growing in Cuba and allows residents to overcome obstacles related to U.S. sanctions, according to the wire service. "If the central bank is creating a cryptocurrency-friendly legal framework, it is because they have already decided that it can bring benefits to the country," said Pavel Vidal, a former Cuban central bank economist who teaches at Colombia's Pontifical Xavierian University in Cali, told Reuters.

## FEATURED Q&amp;A / Continued from page 2

a plutocratic, bureaucratic governing system based on free markets, private property and unrestricted capital flows (Gutiérrez) or a socialist/leftist system (Petro) committed to the creation of a new societal, economic, political and cultural governing system in Colombia, as many voters fear. Granted, the existing plutocratic bureaucracy is allegedly sold to the highest bidder through corruption and collusion, as well as dark money that is everywhere. But what passes for Colombia's socialist left is subject to the same alleged charges. Colombians have learned to live amid profound economic, gender, social, cultural, age, health care, pension, education and opportunity inequities, as well as violence, insecurity, crime and political polarization. But they are not used to changes as drastic as Petro threatens to implement, despite his public oaths to the contrary. Everyone knows that campaign promises are easy to make, but governing is not easy. Once elected president, Petro or Gutiérrez would need to negotiate with a politically divided Congress whose support will depend on how policy proposals affect individual political aspirations rather than constituents' needs. Given the stark differences between the plutocratic system Gutiérrez promises to amend to benefit all Colombians and the socialist/leftist system Petro envisions, voters will be wise to choose Gutiérrez over the jump into the socialist/leftist experiment that Petro seems determined to create."

**A** **Elvira Maria Restrepo, associate professor of international studies at The George Washington University's Elliott School of International Affairs:** "The midterm election results in March showed that Colombia has changed. For the first time, a candidate from the left has a chance at becoming president. Impoverishment amid Covid, the escalation of violence given Duque's lack of implementation of the 2016 peace accord and the unmet youth demands from the 2019-2021 social protests are channeling anger against

the incumbent government. This new electoral reality has scared Colombians who support the status quo, and fear of Petro has forced conservatives to reorganize around Gutiérrez, who has the endorsement of Duque's discredited party. In contrast, Petro supporters are against continuity. Ultimately, fear and anger define the current voting preferences. Petro's vow not to expropriate private property has no value, as the expro-

**“Ultimately, fear and anger define the current voting preferences.”**

— Elvira Maria Restrepo

priation of private property for the public interest is allowed in Colombia's constitution. Petro can reverse this publicly notarized personal act at any time. Petro's confusing public declarations to explain visits from his brother to a maximum-security prison can cost him support, while Gutiérrez's support may be hurt by the censure vote in Congress against the current defense minister over the reports of alleged extrajudicial executions. Additionally, judicial investigations against allies or candidates can also play a part, and some are already evolving. Flagrant violations of the constitution, such as recent declarations of the head of the armed forces, could mobilize Petro supporters. The latter is unprecedented as the military cannot participate in electoral politics. Some media poll results and dubious surveys can also influence voters' preferences. Finally, Rodolfo Hernández and Sergio Fajardo, who are running in third and fourth place, are still in the picture. The eight million Colombians who did not vote in the midterms could give Hernández or Fajardo a spot in the runoff."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gene.kuleta@thedialogue.org](mailto:gene.kuleta@thedialogue.org).*

## LATIN AMERICA ADVISOR

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

**Erik Brand**  
Publisher  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Gene Kuleta**  
Editor  
[gene.kuleta@thedialogue.org](mailto:gene.kuleta@thedialogue.org)

**Leticia Chacón**  
Reporter  
[lchacon@thedialogue.org](mailto:lchacon@thedialogue.org)

**Mark Kennedy**  
Reporter  
[mkennedy@thedialogue.org](mailto:mkennedy@thedialogue.org)

**THE DIALOGUE**

**Rebecca Bill Chavez**, President

**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**, Director, Migration, Remittances and Development Program

**Xiaoyu Pu**, Nonresident Senior Fellow

**Jeffrey Puryear**, Senior Fellow

**Michael Shifter**, Senior Fellow

**Tamar Solnik**, Director, Finance & Administration

**Lisa Viscidi**, Nonresident Senior Fellow

**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](http://www.thedialogue.org)

Subscription inquiries are welcomed at [ebrand@thedialogue.org](mailto: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.