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FEATURED Q&A

Why Have Voters Soured on Chile's New Constitution?



Chilean President Gabriel Boric received a copy of the country's proposed new constitution on July 4. // Photo: Chilean Government.

Q The Chilean Constitutional Assembly on July 4 presented President Gabriel Boric with its proposed new constitution following months of debate and revisions to the document. Chileans elected the assembly following social uprisings in 2019, and the country is set to vote in September on whether to adopt the new charter. What are the key changes included in the proposed constitution, and what has been the general Chilean response? How likely is the proposed charter to win voters' approval, and what are the arguments for and against its implementation?

A Carolina Goic, former Chilean senator and former presidential candidate: "Having seen Chile's proposed new constitution, many of us who had strongly supported a constitutional rewrite in order to address problems that our country is facing feel very disappointed. Instead of generating a text that unites us, the constitutional convention presented one that divides us even more, establishes changes that threaten the concept of a unitary state and that weaken many of the institutions that underpin our democracy. It is true that the proposed constitution would guarantee many legitimate social rights that we support. However, that is not enough to approve a proposal that, after knowing its content, has been losing support among citizens. The change to the political system and a mistaken concept of plurinationality are the main problems. It must be added that the drafting process was plagued by maximalist speeches by members of the constitutional convention that alienated the citizenry. Given this scenario, the idea of

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TODAY'S NEWS

POLITICAL

Process Begins to Extradite Mexican Drug Lord to U.S.

Mexican drug lord Rafael Caro Quintero was informed after his capture on Friday that a process had begun for his extradition to the United States. Caro Quintero had evaded capture for more than a decade.

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BUSINESS

Crédito Real Faces Liquidation Amid Irregularities

A commercial court in Mexico has ordered lender Crédito Real to wind up its business after it acknowledged flawed accounting practices related to the value of its loan portfolio.

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ECONOMIC

Colombia May Cut Corporate Tax Rate: Ocampo

Colombia may cut its corporate tax rate by as much as five percentage points if conditions allow, the country's incoming finance minister, José Antonio Ocampo, said Friday.

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Ocampo // File Photo: Columbia University.

POLITICAL NEWS

Process Begins to Extradite Mexican Drug Lord to U.S.

A federal official in Mexico said Sunday that captured Mexican drug lord Rafael Caro Quintero was informed the previous day that a process has begun to extradite him to the United States for crimes including the 1985 murder of a U.S. drug agent, the Associated Press reported. Caro Quintero, 69, was captured Friday in an operation carried out by Mexico's navy and federal prosecutor's office. Caro Quintero had served 28 years of a 40-year prison sentence in Mexico for the torture and killing of U.S. Drug Enforcement Administration agent Enrique "Kiki" Camarena when a Mexican court released him from prison on a technicality in 2013. The appeals court ruled that Caro Quintero's case should have been heard by a state court instead of a federal court, The Wall Street Journal reported. The same year, the Mexican Supreme Court overturned the appeal, and authorities issued a warrant for his

arrest, which he had evaded until his capture on Friday. Caro Quintero was captured in the municipality of San Simón in western Sinaloa state. "Today's arrest is the culmination of tireless work by DEA and their Mexican partners to bring Caro Quintero to justice for his alleged crimes, including the torture and execution of DEA Special Agent Enrique 'Kiki' Camarena," U.S. Attorney General Merrick Garland said in a statement, The Wall Street Journal reported. Roberta Jacobson, who previously served as U.S. ambassador to Mexico, said that during her time in Mexico she frequently raised the case with authorities in the country. "The U.S. government tends never to forget people who kill one of our officials," said Jacobson, The Wall Street Journal reported. Caro Quintero was on the U.S. Federal Bureau of Investigation's 10 most wanted list, and the U.S. government had offered a reward of \$20 million for his capture. Mexico's capture of Caro Quintero came at a high cost. A Black Hawk helicopter involved in the operation crashed near the city of Los Mochis, killing 14 of the 15 personnel on board, Mexico's navy reported. The navy said the crash was an accident, adding that the cause remains under investigation, BBC News reported.

NEWS BRIEFS

U.N. Human Rights Office Expresses Concern About Rising Death Toll in Haiti

The United Nations Human Rights Office expressed concern on Saturday about rising violence between rival gangs in Haiti's capital of Port-au-Prince, saying that at least 99 people have been reported killed as a result of the violence in the Cité Soleil district near the capital, the Associated Press reported. Hours earlier, the U.N. Security Council had unanimously approved a resolution to renew the mandate of a U.N. office in the country and called on all countries to stop the transfer of light weapons, small arms and ammunition to anyone in Haiti supporting criminal activity and gang violence.

Peru's Congress OKs Re-establishing Bicameral Legislature

Peru's Congress on Friday voted to approve a reform to restore the country's bicameral legislature, which was merged into a unicameral legislature in the 1990s, Reuters reported. However, the lack of a supermajority in favor of the proposal means that there will need to be a referendum on the issue. Peru's Congress has been a unicameral body since former President Alberto Fujimori's administration, when he used the military to shut down the legislature and reform it. Peruvians rejected a similar referendum in 2018, the wire service reported.

Mexican Fintech Stori Reaches 'Unicorn' Status

Financial technology start-up Stori, which lends to Mexicans who lack bank accounts, on Friday announced that it became the second Mexican start-up to achieve "unicorn" status in 2022, with a valuation of more than \$1 billion, Reuters reported. The announcement came after a series C funding round that resulted in an additional \$150 million in funding.

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rejecting the proposal has been gaining ground. Such a move has cross-cutting political support and has also resulted in the emergence of powerful citizen bodies, such as the 'Yellows for Chile' movement, with a large national presence. I firmly believe that Chile needs to undertake a series of social changes without delay, but that they must be done under a constitution that unites us and not divides us, where we all have the same rights and opportunities."

A **Patricio Navia, professor of liberal studies at New York University:** "The new constitution drafted by the constitutional assembly failed to follow the reasonable 'if it ain't broke, don't fix it' logic. Instead of tackling the constitutional issues that gener-

ated wide consensus, the convention chose to rewrite the entire constitution, innovating on issues that don't really require changes. Claiming that they wanted to dismantle the neoliberal model imposed in the 1980 Pinochet constitution, the convention destroyed even constitutional principles and traditions that went back to the 1925 and 1833 constitutions—including the elimination of the 200-year-old Senate. Filled with unnecessary details and excessive wokeness, the extremely long new constitution has understandably generated concerns among a population that wanted to fix the country, not found it anew. While the proposed text guarantees a long list of social rights, it fails to outline how fiscal discipline can be accomplished in a much bigger social welfare state. Responding to the 1980 constitution's

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U.S. Lawmakers Call on Biden to Extend TPS for Nicaraguans

In a letter to U.S. President Joe Biden's administration, a bipartisan group of members of Congress from Florida on Friday requested that the government "redesignate and extend" Temporary Protected Status, or TPS, to eligible Nicaraguans already in the United States, the Miami Herald reported. TPS is a humanitarian protection that shields migrants in the United States from being deported. The letter cited political violence from Nicaraguan President Daniel Ortega's administration that could cause a "great risk to [Nicaraguans'] safety should they return to Nicaragua at this time." The United States first granted TPS to Nicaraguans in 1998 following Hurricane Mitch, which caused widespread devastation in Central America and killed more than 10,000 people. Former President Donald Trump moved to end the designation in 2017, but Nicaraguan beneficiaries of TPS sued to maintain it. Currently, a preliminary injunction remains in effect, allowing eligible Nicaraguans to maintain the status. However, the U.S. Department of Homeland Security has said it may "terminate the validity of relevant TPS-related documentation" if a final "non-appealable" court order were to take effect, the Miami Herald reported.

BUSINESS NEWS

Mexico's Crédito Real Faces Liquidation Amid Irregularities

A commercial court in Mexico has ordered lender Crédito Real to wind up its business after the lender acknowledged flawed practices related to the value of its loan portfolio, The Wall Street Journal reported Friday. The court appointed a liquidator to review its records, the shadow-banking company said Thursday, the newspaper reported. Bondholders are favoring

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Cancer & Covid: New Challenges to Controlling Cancer in Latin America & the Caribbean

FEATURING

Anselm Hennis
Director, Department of Noncommunicable Diseases and Mental Health, PAHO

Cristian Herrera
Senior Health Specialist in the Health, Nutrition and Population Global Practice, World Bank

Mariana Rico
Regional Medical Director, Americas Health Foundation

Moderated by:

Alessandra Durstine
Board Member, Unión Latina Americana para la Lucha Contra Cancer de la Mujer

Online Event
Tuesday, July 26
11 a.m. - 12 p.m. EDT

To RSVP, click [here](#).

a bankruptcy process, which could allow Crédito Real to restructure and continue in business, The Wall Street Journal reported.

ECONOMIC NEWS

New Colombian Gov't May Cut Corporate Tax Rate: Ocampo

José Antonio Ocampo, who is set to become Colombia's finance minister when Gustavo Petro is sworn into office next month as the country's president, said that the new administration will not raise taxes on companies, but that if conditions allow it could cut the corporate tax rate by up to five percentage points, the Financial Times reported Friday. "There are too

many taxes on companies and not on individuals, and tackling the issue of personal income tax is essential if we want to make the system more progressive," he told the newspaper in an interview. Petro's incoming government is seeking to push a new tax reform plan by the end of this year, which will focus on the extraction of more taxes from wealthy individuals instead of businesses. The Petro administration will veer away from radical changes in Colombian monetary policy and remain fiscally responsible, Ocampo told the Associated Press in an interview last week. "We want a Western European kind of capitalism," he said. "Not a capitalist system in which the distribution of wealth is among the most uneven in the world," he added, the wire service reported. The incoming government will not immediately prioritize its planned pension reform, which will be similar to the U.S. pension system, Ocampo said, the Financial Times reported.

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failure to recognize Indigenous people, the new text gives a far more prominent role to pre-existing Indigenous nations and peoples, granting them veto power over issues that can potentially affect their livelihoods—a far too broad concept that can have a negative impact on mining, Chile's most important export sector. Despite its length, the new constitution leaves many issues to legislation that needs to be passed in the next few years. Thus, the uncertainty associated with constitutional design will last for years to come. As Chileans enter the campaign period before the Sept. 4 vote, advocates of the new constitution are focusing more on the symbolic importance of leaving behind the Pinochet-era constitution and downplaying the evident weaknesses of the proposed one. Those who oppose the new text are rushing to offer alternatives to replace the 1980 constitution to convince Chileans to reject the proposed text in the plebiscite. Polls show an advantage for the 'reject' option, but campaigns matter. Anything can happen on Sept. 4. However, Chile will remain trapped in the constitution writing mode for several years to come, either because the new constitution will require changes or because the old one needs to be significantly modified."

A **Pamela Figueroa Rubio, professor in the Institute of Advanced Studies at the University of Santiago de Chile:** "The proposal for a new constitution that emanated from the convention is a text that reflects the composition of that constituent body, a group without political majorities—equal, with representation of Indigenous peoples, political parties and independents, which tended toward fragmentation. The constitutional convention represents 'politics of identities,'

where various groups linked by common interests defended their proposals and demands in a context of public deliberation. The two-thirds vote required to approve each of the norms of the constitutional proposal encouraged the construction of agreements that combine transversal agreements and

“**The constitutional convention represents ‘politics of identities’... ”**

— Pamela Figueroa Rubio

agreements by addition. The key changes included in the proposed constitution, as compared to the current one, have to do with the conceptualization of the state, the definition of citizen rights and their guarantees, and the redistribution of power in territorial terms of new actors that are incorporated into the decision-making process. These changes update Chile's constitutional text to global democratic trends and the challenges of Chilean society. Probably the most relevant is the definition of the state, as a 'social and democratic' one of rights, giving a relevant role to the state in the promotion and guarantee of rights, with a fiscal rule of sustainability. Additionally, it would define the state as 'regional' and a parity democracy, which will also include plurinationality. Citizens are currently learning about the proposal. The polls show polarization over the text. In a vote on Sept. 4, Chile will voice their support or rejection."

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

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