LATIN AMERICA ADVISOR

A DAILY PUBLICATION OF THE DIALOGUE

www.thedialogue.org

Thursday, August 3, 2023

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THEDIALOGUE

FEATURED Q&A

Why Has Ecuador Been Facing a Surge in Violence?

A riot last month left 31 people dead at the Guayas 1 prison in Ecuador. Police displayed weapons and ammunition seized from inside the prison. // Photo: @PoliciaEcuador via X.

Q The inmate death toll rose to 31 following a riot at the overcrowded Guayas 1 prison in the Ecuadorean port city of Guayaquil, officials said July 25. The clash between rival gangs was part of a violent weekend that saw the assassination on July 23 of Agustín Intriago, the mayor of the city of Manta, during a public event. The wave of violence led President Guillermo Lasso to declare a state of emergency in the provinces of Manabí and Los Ríos as well as in the city of Durán. The government also issued a decree announcing a 60-day state of emergency in all of the country's prisons. What is at the root of the surge in violence in Ecuador? Why has Lasso's government failed to put an end to prison riots, and what does the next administration need to do to improve security, both inside and outside of prisons?

A Daniela Chacón Arias, executive director at Fundación TANDEM, and former Quito vice mayor and city council member: "Over the last decade, Ecuador's role in the drug trafficking and organized crime market has changed. It began as a transit point for drugs produced in Colombia; however, it now plays a strategic role in the cocaine value chain. The interdependence between the proximity of illicit crops and production laboratories along the southern border of Colombia, the presence of laboratories on the Ecuadorean border, weak controls of state institutions on the border and Ecuadorean coast, as well as dollarization and low banking penetration that facilitate illicit activities and money laundering are some of the main factors driving this change. In recent years, major Latin American and European

Continued on page 3

TODAY'S NEWS

POLITICAL

Police Raids in Brazil Leave at Least 45 Dead in Past Week

Police raids in three states in Brazil have left at least 45 people dead in the past week. Most recently, 10 people were killed Wednesday in a raid in a Rio de Janeiro slum.

Page 2

ECONOMIC

Remittances to Mexico Rise to $30.24 Billion in Year's First Half

Mexico's level of remittances grew nearly 10 percent in the first half of the year to $30.24 billion, a record high for the period.

Page 3

ECONOMIC

Brazilian Central Bank Cuts Key Rate by Half Point

Brazil's central bank, led by Roberto Campos Neto, on Wednesday cut its key interest rate by a larger-than-expected 50 basis points. The move came amid an improving inflation outlook.

Page 2

Campos Neto // File Photo: Brazilian Government.

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POLITICAL NEWS

Police Raids in Brazil Leave at Least 45 Dead in Past Week

Police raids have left at least 45 people dead across three Brazilian states in the past week as authorities have intensified operations against gangs, The Washington Post reported today. Ten people were killed Wednesday in a raid in Rio de Janeiro, according to state news agency Agência Brasil. Two suspected drug kingpins were among those killed in the raid in the Vila Cruzeiro slum north of the city when authorities launched a raid at a planned meeting of gang leaders. "We went there to arrest them, but they fought back and ended up dead," military police spokesman Marco Andrade said in a televised statement. Andrade said officers returned fire only after the suspects fired first. Most of the officers who were part of the operation were not wearing body cameras despite a push by the government for officers to use the equipment in order to reduce abuses and improve accountability, The Washington Post reported. In other incidents, raids in Bahia state last weekend left 19 people dead, the Associated Press reported, citing local media. Police killed 16 others this week during a five-day raid in São Paulo state after a police officer was fatally shot during a patrol, Reuters reported. The incidents have led lawmakers in Rio de Janeiro state to criticize the state government's strategy for combating crime and organized violence, particularly officers' use of lethal force, The Washington Post reported. On Wednesday, residents of Guarujá, in São Paulo state, protested against police, holding banners and walking amid dolls on the street that represented people killed in shootings, the AP reported.

> **"We went there to arrest them, but they fought back and ended up dead."**
>
> **— Marco Andrade**

Colombia, ELN Rebels Begin Six-Month Cease-Fire

Colombia and the National Liberation Army, or ELN, rebels today began a six-month cease-fire, Reuters reported. The two sides agreed to the cease-fire amid ongoing peace talks, which restarted last year. "The ELN central command orders all units to suspend offensive operations against the armed forces, police and security organizations of the Colombian state," the ELN's top commander, Eliecer Herlinto Chamorro, also known as Antonio García, said in a video released Monday.

ECONOMIC NEWS

Brazil's Central Bank Cuts Interest Rate by 50 Basis Points

Brazil's central bank lowered its benchmark interest rate by a larger-than-expected 50 basis points on Wednesday and signaled more cuts to come, Bloomberg News reported. The bank's rate-setting committee, Copom, lowered the Selic to 13.25 percent as a result of an improving inflation outlook. Only 11 of 41 analysts in a Bloomberg survey had expected the half-point rate cut. In the survey, 30 analysts expected a quarter-point reduction. "If the scenario evolves as expected, the committee members unanimously anticipate further reductions of the same magnitude in the next meetings," policymakers said in a statement. "It judges that this pace is appropriate to keep the necessary contractionary monetary policy for the disinflationary process," they added. It was the committee's first policy meeting with President Luiz Inácio Lula da Silva's nominees to the central bank's board, Gabriel Galípolo

NEWS BRIEFS

Brazil's Lula Expresses Support for Expanding BRICS Group

Brazilian President Luiz Inácio Lula da Silva on Wednesday expressed support for expanding the BRICS group of large developing nations, the Associated Press reported. The group, which currently includes Brazil, Russia, India, China and South Africa, is to hold a summit Aug. 22-24 in Johannesburg. Some 20 countries have applied to join the bloc, including Argentina and Venezuela, said Brazilian Foreign Minister Mauro Vieira.

Venezuela Taps New VP for Gas at PDVSA

Venezuela's government appointed Luis Gonzalez Nuñez as the new gas vice president of state-run oil company PDVSA, Reuters reported Wednesday. Nuñez will lead PDVSA's gas operations amid the country's license negotiations with foreign companies to develop its largely untapped natural gas reserves. The position was previously held by Juan Santana. Oil Minister and PDVSA CEO Pedro Tellechea last month said talks with companies interested in gas projects were progressing.

APA Confirms Extension of Oil Resources in Block off Suriname's Coast

Houston-based APA Corp. said Wednesday that its recent appraisal well in Block 58 off Suriname's coast confirmed the extension of oil resources, Reuters reported. APA's exploration in Suriname could become the South American country's first commercial deepwater project. "The results to date have provided more confidence as we advance toward developing the country's first offshore oil hub," said Chief Executive Officer John Christmann IV. APA estimated that the well discoveries could hold 800 million barrels of combined oil resources.

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and Ailton de Aquino. "Galípolo and Aquino dos Santos were deliberately selected with the understanding they will support Lula's views for lower interest rates and greater state participation in strategic areas," Allison Fedirka, director of analysis at Geopolitical Futures, told the Advisor in a **Q&A** published May 24. The South American country's interest rate cut is the first in three years, and it comes after the central bank maintained borrowing costs steady since last September, following 1,175 basis points of rate hikes to tackle inflation. It was the world's most aggressive monetary tightening at the time, Reuters reported. Brazil's move came just days after Chile lowered rates by more than economists expected, Bloomberg News reported. Mexico and Peru are also expected to start easing monetary policy by the end of the year.

Mexico's Remittances Rise to $30.24 Billion for Year's First Half

Remittances to Mexico increased by 9.9 percent annually from January through June, totaling a record $30.24 billion, the highest amount ever recorded for the period, EFE reported Wednesday. The average amount sent as a remittance for the period was $388, a 0.47 percent increase from the same period last year. The total amount for the first half of 2022 was $27.52 billion. Remittances previously reached record highs that same month, when Mexican households received an unprecedented $5.7 billion in May alone, likely attributable to Mother's Day, El Financiero reported on July 4. That indicated a jump of nearly 14 percent from April, Reuters reported on July 3. Remittances to Mexico hit a record high of $58.5 billion last year, making Mexico the second highest remittance-receiving country after India. More than 95 percent of remittances sent to Mexico are sent from the United States, according to 2021 statistics published by the Wilson Center. Totaling $615 million for the first half of this year, remittances sent from Mexico have also gotten larger, marking an increase of 11.1 percent, according to the Bank of Mexico, the EFE reported.

FEATURED Q&A / Continued from page 1

drug trafficking cartels have settled in Ecuador and operate through local criminal groups that fight for control of the lucrative business. Despite being a global problem that individual countries cannot solve alone, the Lasso government has been unable to develop and implement a comprehensive security policy. The interior utilized less than 10 percent of its allocated budget for the first half of the year. In two years, it has been unable to purchase bulletproof vests for the police. The underlying issues of this problem require a coordinated regional effort, while individual countries must also implement local strategies targeting the eradication of impunity and the enhancement of their citizens' living conditions. Ecuador is eagerly anticipating a change of government to witness if the necessary transformations will finally take place."

Juan Pablo Albán Alencastro, professor at the College of Law at the Universidad San Francisco de Quito: "The precarious situation in Ecuadorean prisons, which has led to hundreds of deaths and injuries since early 2019, and which has escalated in the past two years, is the consequence of an historical lack of appropriate public policies on crime, prisons and public security. Successive governments since the return of democracy in 1979, but particularly since 2007, have only implemented improvised solutions. They should have been strengthening and training security institutions, allocating sufficient budget and human resources to deal with public security and improving the poor conditions of the prison system, especially overcrowding and mistreatment. Moreover, the judicial system (including the Prosecutor's Office) lacks independence and has not been able to respond to the growing phenomena of organized crime and violent criminality, or it has done so in a selective and very suspicious manner. Trying to address these problems by simply issuing state of emergency decrees has been insufficient, and such a policy has in fact led to increased violence both inside and outside prisons as organized crime gangs struggle to maintain control of territory and are willing to harm anyone who stands in their way. The next government should start by designing—with national and international advice—security, prison and criminal policies that are legal, credible for the citizens, respectful of human rights and predictable (which is not the same as immutable). These policies are needed in place of the populist solutions that now dominate campaign speeches, or the cosmetic responses implemented thus far that overlook the roots of the problem: structural poverty, the critical economic situation, the lack of jobs and the dismal quality of education."

R. Evan Ellis, Latin America research professor at the U.S. Army War College's Strategic Studies Institute: "Ecuador is located between Latin America's two largest cocaine producers, with access to Pacific and Amazonian drug routes. The country has long had problems with spillover from Colombian guerrillas and narcotraffickers. In recent years, Mexico's Sinaloa cartel, and later Jalisco Nueva Generación, have worked with once weak local gangs to channel greater quantities of drugs through Ecuador, beginning with the Choneros, and the factions and rivals that emerged from its infighting (the 'Chone Killers,' Tiguerones and later Lobos). As elsewhere, the gangs, with weapons and resources augmented by the expanded illicit earnings, have fought over the areas through which drugs move: the coastal provinces of Manabí, Esmeraldas and Guayas, and more recently, the adjacent province of Los Rios. As elsewhere, those fights have spilled over into overcrowded, imperfectly controlled prisons, not well-oriented to manage externally empowered fighting gangs. Even with temporary emergency authorities, Ecuador's police and military, long under-resourced in the historically low-violence country,

Continued on page 4

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FEATURED Q&A / Continued from page 3

has struggled to respond. The gangs have responded with terror tactics to intimidate authorities, both in the provinces, and in prisons where administrators have moved gang leaders and imposed restrictions to disrupt their coordination. In the Aug. 20 election, Ecuador must not allow current violence to reopen the door to anti-U.S. populist governance. The country needs expanded resources and intelligence for prison control, disarticulation of the gangs and disrupting their financial networks and external connections with the help of the United States, as well as Colombia, Peru and Mexico, whose illicit organizations, drugs and resources enable these groups."

Maggie Feldman-Piltch, founder of Unicorn Strategies: "Over the last eight years, Ecuador has gone from relative peace to violent hotbed of instability. The deterioration of the rule of law and basic security is a terrifying reminder of how easy it is to destroy norms and institutions, how vital they are, and the real havoc their absence creates. The damage to Ecuadorean social society cannot be overstated, and it will take much longer to restore the systems, trust and processes than it did to erase them. Ecuador had a relatively robust civil society but actively, continuously chose to undermine it. Choices like Correa's decision to cease cooperating with the U.S. Drug Enforcement Administration loosened import/export controls and turned the nearly one million square exclusive economic zone off of Ecuador's coast into a narcotrafficker's dream. Simultaneously, a 2016 earthquake and the national response to it sent Ecuadorean criminal groups to find new ground and markets just as the FARC released the Colombian coca market. Just as institutions, particularly security and justice institutions, needed to be strengthened, Ecuadorean leadership weakened them. There are dramatic signs of corruption within physical prisons and across government. The infiltration of international criminal groups is so significant that it suggests a culture of tolerance for such behavior and an absence of processes and systems to prevent and respond to it. The next administration must build on the early steps of the Lasso administration reignition of U.S.-Ecuadorean defense and security cooperation. Facilitating frequent meaningful training, exchanges and opportunities for operational collaboration will help to remodel rule of law and its benefits. Ecuador must, in many ways, start at the beginning—it will be a long road back."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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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