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## FEATURED Q&A

# Does Uruguay Have the Right Approach on Marijuana?



Uruguay became the first nation in the world to legalize, regulate and participate in marijuana's production, sale and taxation under a law that took effect in 2014, during the administration of then-President José Mujica. // File Photo: Uruguayan Government.

**Q** In Uruguay next month, a new law takes effect that will legalize the sale of cannabis in pharmacies. Buyers will need to sign up on a national registry, and will be limited to purchasing no more than 40 grams of the substance per month.

The drug's sale in pharmacies comes after Uruguay legalized cultivation, distribution and consumption of marijuana in 2013. Since then, how successful has the country's new approach to marijuana been, and how should that success be measured? What effect is legalized cannabis having on drug trafficking and public health in Uruguay? Should other countries in Latin America follow Uruguay's lead and also move toward marijuana legalization?

**A** Barry R. McCaffrey, president of BR McCaffrey Associates, a retired U.S. Army four-star general and former director of the White House Office of National Drug Control Policy: "It is very difficult for me to be critical of Uruguay on its concept of the legalization of marijuana. The United States is firmly headed down the same road. Between medical pot and recreational pot, most of the U.S. states are accepting THC in smoked or edible form as a legal substance. No good will come of it. A reasonably small group of well-funded and organized drug legalizers have very cleverly sold an argument that in the longer run will have serious adverse health and social consequences in the United States. Our U.S. scientific understanding of drug addiction is extremely well developed by the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism. We have a good

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## TODAY'S NEWS

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## Trump Rolls Back Parts of Obama's Cuba Opening

In a speech in Miami's Little Havana neighborhood, Trump called his predecessor's deal with the communist nation "one-sided."

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### POLITICAL

## Bomb Blast Kills Three in Colombia Shopping Center

The explosion happened Saturday in the upscale Centro Andino mall in Bogotá. In addition to those killed, nine were injured. The capital city's mayor called the attack a "cowardly terrorist bombing."

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### ECONOMIC

## Peruvian Finance Minister Defies Opponents' Calls for Resignation

Finance Minister Alfredo Thorne denied wrongdoing after the release of an audio recording in which is allegedly heard asking the comptroller's office to approve an airport contract in exchange for a larger budget.

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Thorne // File Photo: Peruvian Government.

## POLITICAL NEWS

## Trump Rolls Back Parts of U.S. Opening With Cuba

In a speech Friday in Miami's Little Havana neighborhood, U.S. President Donald Trump announced that he is rolling back some parts of the U.S. opening with Cuba that were implemented under his predecessor, Barack Obama. In his speech, in a crowded theater Trump announced policy changes that ban Americans' transactions with the Cuban military, which controls much of Cuba's tourism trade. The changes will also likely close a loophole that has allowed virtually any American to visit Cuba by self-certifying their trip under an allowed category. While the details of the new policies are not yet written, Trump signed a directive ordering the Commerce and Treasury departments to draft new regulations to replace parts of Obama's policies toward the island, *The Washington Post* reported. The actual policy changes are still months away, the White House said. "Effective immediately, I am

canceling the last administration's completely one-sided deal with Cuba," Trump said Friday. Trump's move won praise from Cuban-Americans, including Sen. Robert Menendez (D-N.J.) who said Obama's opening with Cuba "only emboldened an oppressive dictatorship to tighten its stranglehold over its citizens." However, Trump's action also drew criticism from both Republicans and Democrats. Rep. Eric Crawford (R-Ark.) whose state is seeking to export agricultural products to Cuba, called Trump's move "failed, outdated and isolationist." In a statement Friday night, Cuba's government called the decision a "setback" in relations between the two countries.

## Bomb Blast Kills Three in Bogotá Shopping Center

Three people were killed Saturday when a bomb exploded in a women's bathroom in one of the busiest shopping centers in Colombia's capital, the *Associated Press* reported. The blast happened in the upscale Centro Andino mall in Bogotá. Among those killed was a

## NEWS BRIEFS

## AIB Approves Argentina as New Member

The Asian Infrastructure Investment Bank on Friday approved Argentina as one of its new members, *The New York Times* reported. The action made Argentina the sixth Latin American member of the multilateral financial institution. The AIB's growth in the region shows Latin America's close relations with Asia, said the bank's vice president, Danny Alexander, *MercoPress* reported. The bank also approved Madagascar and Tonga as new members.

## Australia's SolGold Raises More Than \$40 Million to Expand Ecuador Project

Australia-based gold and copper miner SolGold said Friday it had raised more than \$40 million to expand its Cascabel project in Ecuador. In a notice posted with the London Stock Exchange, SolGold said Newcrest Mining Limited, an existing 10 percent shareholder of SolGold, had purchased the shares, increasing their stake in the company to 14.54 percent. Another \$1.23 million has been placed with local investors in Ecuador, the company said. The Cascabel project is a porphyry copper-gold deposit located about 3 hours north of Quito.

## Viva Air Peru Reportedly Close to \$5 Billion Deal With Airbus

Viva Air Peru, the low-cost carrier that launched service last month, is close to signing a \$5 billion deal with European aircraft maker Airbus, *Reuters* reported Sunday, citing unnamed industry sources. The Peruvian startup, formed by Dublin-based Irelandia Aviation, is set to order about 30 recently upgraded A320neo jets and 15 current-generation models known as A320ceo from Airbus. To date, Viva Air Peru has been flying to six destinations within the Andean nation. Airbus declined to comment on the deal.

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

grasp of the nature of compulsive drug abuse, prevention approaches that work to reduce substance abuse and treatment protocols that have significant success in achieving and maintaining sobriety. It all starts with the proposition that you can reduce and delay the exposure of adolescents to pot, alcohol and other drugs through credible programs by parents, health professionals, educators, coaches and others. If there is wide availability of drugs, a low level of social and legal stigma for using them and credible youth mentors remain mute, then drug use goes up. In 2016, the number of 12th graders who had used pot rose 15 percent as compared to the previous year in states with medical marijuana laws, according to the Monitoring the Future study. Pot is a harmful drug. Societies are not better off with our workforce and families smoking

pot, abusing alcohol or using cigarettes. Uruguay, good luck with all that. Watch the effect on your children and your labor force and your culture. Collect valid scientific data. Ask yourselves if you are happy with the outcomes 10 years from now."



**Héctor B. Viana, partner, and Mariela Ruanova, associate, at Jiménez de Aréchaga, Viana & Brause in Montevideo:**

"As with any other policy, the success of this law will have to be measured against the achievement of its principal objectives: in this case, the fight against drug trafficking and also the protection of consumers through regulated access to this drug. The success of the principal objective—fighting drug trafficking—is too early to determine. However, measurement of the second objective—con-

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23-year old French woman. Nine others were injured, the AP reported. Bogotá's mayor, Enrique Peñalosa, called the incident a "cowardly terrorist bombing" and urged residents to be on high alert, though he said there was no hint of additional planned attacks. President Juan Manuel Santos ordered the head of the country's police force to lead the investigation.

## ECONOMIC NEWS

### Peruvian Finance Minister Defies Demands to Resign

Peruvian Finance Minister Alfredo Thorne said Sunday that he would remain in his post, defying calls to resign by the opposition-dominated Congress, Reuters reported. The opposition Popular Force party called for Thorne's resignation following the release of an audio tape in which Thorne is allegedly heard asking the government's comptroller's office to approve a \$520 million airport contract in exchange for a larger budget. Thorne has denied wrongdoing.

## BUSINESS NEWS

### Maduro Accuses Twitter of Blocking Supporters' Accounts

Venezuelan President Nicolás Maduro on Saturday accused U.S.-based social media company Twitter of suspending accounts linked to his government, Reuters reported. The suspensions, which the news service was not able to confirm separately with the company, was an "expression of fascism," Maduro said. "Twitter in Venezuela today deactivated thousands of people's accounts," Maduro said on local television. Maduro encouraged supporters to circulate photos of the executive who heads Twitter in Venezuela, to show people "who was responsible for the manipulation," Reuters reported, although it was not immediately clear

## THE DIALOGUE CONTINUES

### Has Brazil Pulled Out of its Worst Recession Ever?

**Q** **Brazil's economy grew 1 percent in the first quarter as compared with the previous three-month period, officially ending the country's worst recession on record and marking the economy's first quarter-on-quarter growth following eight consecutive quarters of contraction. What factors were behind the return to growth this year, and what challenges lie ahead as Brazil navigates its ascent from recession? How can the government keep the economy from backsliding into recession? How will the current political scenario affect future economic stability in the country?**

**A** **Joel Korn, president of WKI Brasil and senior international partner at UPITE Consulting Services:** "Brazil's economy reached an inflection point in the first quarter in its struggle to reverse a long period of recession. A strong performance from the agriculture sector was a key contributing factor for the GDP's expansion. In addition to continued commitment to fiscal discipline, the positive expectations regarding Congress' approval of critical labor and social security reforms, along with a planned agenda of micro-economic measures, have helped improve overall confidence in a gradual economic recovery. It will take a while, though, for investments in the industrial sector to resume, given the current level of idle

if Twitter has employees in Venezuela. Information Minister Ernesto Villegas said Saturday that 180 accounts were hit. Maduro also encouraged his supporters to keep using the service and to open more accounts. "If they shut down a thousand, we will open 10,000 or more with the youth," Maduro said. "The battle on social media is very important." Violent street protests have led to the deaths of more than 60 people in recent months across Venezuela,

capacity. By the same token, retail activities remain weak, despite the liquidity injection prompted by the release of blocked deposits in the public retirement fund (FGTS). A more vigorous recovery is constrained by the high and still growing unemployment level, now hitting 14 percent, and skyrocketing interest rates for consumer lending, notwithstanding the central bank's easing of its monetary policy, in response to the sharp reduction in inflation in the recent months. Recent developments amid the ongoing investigations of corrupt practices have further fueled the country's severe political crisis, undermining President Temer's leadership and further worsening the low credibility of the Brazilian Congress. As a result, the government's ability to move forward with the economic agenda and secure the passage of critical reforms in a timely fashion has been constrained, jeopardizing the central actions required to achieve sustainable growth. While it is expected that at least the labor reform will pass, there will be a likely delay in the approval of the hard-negotiated social security reform, which will be a setback in the efforts to keep up the momentum of economic recovery."

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**EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the June 13 issue of the Advisor.**

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as political gridlock has given way to chaos amid dire shortages of food and medicine. The political crisis in the Andean nation will be the main topic at this morning's special session of the foreign ministers of the Organization of American States in Cancún, Mexico, where the 47th General Assembly meeting of the OAS convenes through Wednesday, El Universal reported.

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sumer protection, may already be evident. According to recent data, there are some 20 cannabis clubs already approved (each of which may have as many as 45 members), and some 30 pharmacies (including a chain with numerous selling locations) that have joined the program. And consumers have started with the registration process, in numbers that are increasing daily. At this stage, with sales on hold until next month, the program is slowly picking up, with an incipient but steady growth, breeding expectations as time passes. A more timely and complete analysis should be ready by year's end, when the specially created evaluation and control agency delivers its report. It is worth mentioning that the government has launched publicity aiming at prevention on the consumption and health consequences of recreational use of marijuana, while also stressing the principal reason of enactment, that is, the fight against drug trafficking. It is too early to say whether other countries should move toward marijuana legalization based on Uruguay's law. Time will tell whether this was a good approach or not, or an approach to follow but with different conditions."

**A** Melvyn Levitsky, professor at the University of Michigan's Gerald R. Ford School of Public Policy, former assistant U.S. secretary of state for international narcotics matters and former member of the International Narcotics Control Board: "First, some facts: Uruguay is the only country to fully legalize cannabis. Even before the 2013 law, possession of cannabis or any other illegal drug for personal consumption was not considered a criminal act in Uruguay. The three international drug conventions obligate signatories to limit drugs strictly to medical and scientific purposes, and the International Narcotics Control Board has stated that Uruguay is in violation of its obligations under these conventions. According to the INCB, Uruguayan police indicate

that trafficking in marijuana has remained fairly constant; in fact, seizures of illegal cannabis have risen substantially. Until now, 'recreational' marijuana was allowed only for home growers and cannabis 'clubs.' Now

“The three international drug conventions obligate signatories to limit drugs strictly to medical and scientific purposes...”

— Melvyn Levitsky

pharmacies will be allowed to sell marijuana to licensed users (40 grams a month—anywhere from 40 to 120 'joints'—at 15 percent THC, the intoxicating ingredient). Some reports indicate that the price of the drug will be held very low to undercut the illegal market. A number of presently undetermined factors will make assessing 'success' quite complicated. Will increased availability and low prices spur marijuana use, particularly among young people whose brains are still developing and whom scientific studies have shown are vulnerable to developing a host of psychological problems from such abuse? Will drugged driving, traffic fatalities and emergency room admittances rise as they have in Colorado and Washington State? What effect on public health and at what cost would this have? And, will legalization really reduce drug trafficking, a goal that may be undermined by the normalization of drug abuse, reluctance to register for pharmacy-supplied marijuana or dissatisfaction with the strength or quality of government pot? These and other questions make it difficult to predict results. It will take many years for an objective analysis. In the meantime, I would certainly not recommend that other countries legalize marijuana or any other 'recreational' drug."

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2017

**Erik Brand**

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

**Gene Kuleta**

Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)

**Nicole Wasson**

Reporter, Assistant Editor  
[nwasson@thedialogue.org](mailto:nwasson@thedialogue.org)



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

ISSN 2163-7962

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

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