

# LATIN AMERICA ADVISOR

A DAILY PUBLICATION OF THE DIALOGUE

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

Friday, April 17, 2020

## 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

**Peter Hakim**  
President Emeritus,  
Inter-American Dialogue

**Donna Hrinak**  
President, Boeing Latin America

**Jon E. Huenemann**  
Former Corporate and  
Government Senior Executive

**James R. Jones**  
Chairman,  
Monarch Global Strategies

**Craig A. Kelly**  
Director, Americas International  
Gov't Relations, Exxon Mobil

**John Maisto**  
Director, U.S. Education  
Finance Group

**Nicolás Mariscal**  
Chairman,  
Grupo Marhnos

**Thomas F. McLarty III**  
Chairman,  
McLarty Associates

**Carlos Paz-Soldan**  
Partner,  
DTB Associates, LLP

**Beatrice Rangel**  
Director,  
AMLA Consulting LLC

**Jaana Remes**  
Partner,  
McKinsey Global Institute

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

**Gustavo Roosen**  
Chairman of the Board,  
Envases Venezolanos

**Andrés Rozental**  
President, Rozental &  
Asociados

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

## FEATURED Q&A

# Should Social Media Platforms Police Elected Officials?



Twitter recently removed posts about coronavirus by presidents including Venezuela's Nicolás Maduro. // File Photo: Venezuelan Government.

**Q** Twitter says it has removed from the platform more than 1,100 tweets "containing misleading and potentially harmful content" about Covid-19. Among the removed postings were tweets by Brazilian President Jair Bolsonaro in which he called for an end to social-distancing efforts, which health officials say are needed to fight the pandemic, and also endorsed an experimental treatment for the disease. Twitter also removed a tweet about coronavirus by Venezuelan President Nicolás Maduro, and Facebook removed a video of Bolsonaro, saying it does "not allow misinformation that could lead to physical harm." Are the social media platforms taking the right actions in deleting the postings about the virus? What benefits or risks can come from private-sector companies removing such postings by world leaders and other elected officials? Are other social media platforms taking similar action, and how should affected officials or governments respond? Should social media platforms' actions be expanded to other areas beyond Covid-19?

**A** **Vanda Felbab-Brown, senior fellow at The Brookings Institution:** "Social media platforms can and should remove incorrect statements about coronavirus by leaders, such as Brazilian President Jair Bolsonaro. When incorrect or offensive speech can jeopardize people's lives, or when statements directly incite violence or physical or emotional abuse, removing and regulating content becomes a moral and policy imperative. Denying the dangers of Covid-19 and the need for policies such as stay-at-home ordinances borders on criminally negligent behavior. Such dangerous demagoguery

*Continued on page 3*

## TODAY'S NEWS

### ECONOMIC

#### Argentina Unveils Plan for Debt Restructuring

Argentine Economy Minister Martín Guzmán unveiled the government's debt restructuring proposal, which includes a three-year grace period and large coupon cuts.

Page 2

### BUSINESS

#### Embraer, Union Agree to Keep Brazil Plant Open

Brazilian aircraft manufacturer Embraer and the union representing workers at its plant in São José do Campos agreed to keep the factory open with a fraction of its workers.

Page 3

### POLITICAL

#### Bolsonaro Fires Brazil's Popular Health Minister

Brazilian President Jair Bolsonaro fired Health Minister Luiz Henrique Mandetta after the two repeatedly clashed over Brazil's handling of the Covid-19 pandemic.

Page 2



Mandetta // File Photo: Brazilian Government.

**POLITICAL NEWS**

## Brazil's Bolsonaro Fires Health Minister Following Clashes

Brazilian President Jair Bolsonaro, whose downplaying of the coronavirus pandemic has angered health experts, on Thursday fired his popular health minister, who has called for more aggressive measures to fight the disease. Bolsonaro and the health minister, orthopedist Luiz Henrique Mandetta, repeatedly clashed over the government's response to the pandemic. Mandetta called for broad isolation measures that state governors enacted, while Bolsonaro has dismissed the disease as "a little flu" and has called for businesses and schools to reopen. "I have just heard from the president I have been fired," Mandetta said Thursday in a tweet. Later, in a televised press conference, Mandetta told fellow workers in the health ministry that the pandemic is far from over, the Associated Press reported. "You should have absolute certainty that we fought a good fight until now," Mandetta told health ministry workers. "But we're at the start of the battle." On Thursday, Bolsonaro again called for a return to normal. "Life is priceless, but the economy and employment need to return to normalcy" the president told reporters, adding that he would not criticize Mandetta. "It was a consensual divorce because more important than me and more important than him as a minister is the health of the Brazilian people." Bolsonaro named oncologist Nelson Teich as Mandetta's replacement. Teich is a senior consultant at medical services company Teich Health Care. He also has a master's degree in business administration, according to his page on LinkedIn. Speaking alongside Bolsonaro, Teich said he was not announcing any immediate changes, saying that much is unknown about the novel coronavirus, the AP reported. Teich added that he and Bolsonaro are "completely aligned." After Mandetta's firing, people in apartment buildings in São Paulo and Rio de Janeiro went to their windows to shout insults at Bolsonaro. Earlier this month, a Datafolha

survey showed that three-quarters of Brazilians approved of the way the health ministry was handing the pandemic. Only one-third of respondents said they approved of the way Bolsonaro was handling it. Brazil has 30,891 confirmed cases of Covid-19 and 1,952 confirmed deaths related to it. However, a recent study by Rio de Janeiro's Pontifical Catholic University said the actual number of people infected is likely to be 12 times higher because of an inadequate amount of testing, The Wall Street Journal reported.

**ECONOMIC NEWS**

## Argentina Unveils Parts of Plan for Debt Restructuring

Argentine Economy Minister Martín Guzmán on Thursday unveiled parts of the country's debt restructuring proposal to international creditors, involving a three-year grace period, large coupon cuts and a smaller reduction in capital, Reuters reported. The proposal would also include about \$41.5 billion of relief, largely in the form of reduced interest payments, as



Guzmán // File Photo: Argentine Government.

Argentina faces a striking recession this year amid the coronavirus pandemic. Earlier this week, the International Monetary Fund said it expects the Argentine economy to contract by at least 5.7 percent, marking the country's third year of recession. "The reality is that we haven't been able to come to an understanding with bondholders about what is sustainable," Guzmán said in a televised presentation from Buenos Aires, The Wall Street Journal reported.

**NEWS BRIEFS**

## Guatemala Again Halts Deportation Flights From U.S. After Positive Tests

Forty-four Guatemalans deported on one flight from the United States on Monday have tested positive for Covid-19, an unnamed Guatemalan government official told the Associated Press on Thursday. Later, Guatemalan Foreign Affairs Minister Pedro Brolo said that the government had again suspended deportation flights. Brolo said the move was temporary but that he did not know when flights would restart. Presidential spokesman Carlos Sandoval contradicted the unnamed source, saying the official number of infected deportees was five.

## IMF Approves \$515 Million Disbursement for Panama to Address Pandemic

The executive board of the International Monetary Fund has approved an emergency disbursement of \$515 million for Panama to help the country address the Covid-19 pandemic, the IMF said Thursday in a statement. The Central American country had requested the emergency financial assistance under a Rapid Financing Instrument. The pandemic has "significantly weakened Panama's economic outlook for 2020," the IMF said.

## Residents in Poor Parts of Bogotá Protest Lack of Government Assistance

Residents in poor parts of Bogotá on Thursday blocked roads to protest the lack of government aid during the nationwide lockdown amid the coronavirus pandemic, Reuters reported. Colombia is in its fourth week of quarantine, and it is set to last at least until April 27. Residents in the southern part of Bogotá said they had not received any of the government assistance that had been announced. Many said they were going hungry because they cannot work in their usual informal jobs.

"Today, Argentina can't pay anything," he added. The offer, which is set to be formally launched today, is a long-awaited step in Argentina's bid to revamp its heavy debt load after the elections and a market crash last year pushed bonds into distressed territory, Reuters reported. The proposal includes a significant cut to interest payments, totaling around \$37.9 billion, or 62 percent of the current total. The average proposed new rate would be 2.33 percent. Additionally, there would be a smaller capital cut of around \$3.6 billion, or 5.4 percent of the total debt stock, Guzmán said. Analysts were mixed on the offer, and some urged for more details. "It sounds better than what markets were pricing in," Gabriel Zelpo, director of economic consultancy Seido, told Reuters. "Bondholders were afraid of something radical, like no coupon payments or high capital haircuts," he added.

#### BUSINESS NEWS

## Embraer, Union Agree to Keep Main Brazil Factory Open

Brazilian plane maker Embraer and the union representing its workers in the South American country said on Thursday that they had approved a plan to keep its main factory, in São José dos Campos, open with a fraction of its employees while furloughing the rest with lower salaries, Reuters reported. Embraer, like many other manufacturers in Brazil and beyond, has reduced operations due to social-distancing protocols and a drop in demand for travel and new aircraft amid the coronavirus pandemic. Leaders of the metalworkers' union in São José dos Campos had initially opposed both proposed measures, but workers overwhelmingly approved them, with 92 percent voting in favor, Reuters reported. Unions representing other Embraer employees had already approved a similar plan last week. Salaries will be reduced by as much as 36 percent for the furloughed workers, the union said, adding that the federal government is offering subsidies to

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

kills people and undermines public health, social services and economic well-being. And the effects spread beyond borders. Social media are private organizations. Thus, they have the right to choose their standards for ethics and regulations, such as of swearwords or sexually explicit content. But since they serve billions of people around the world as a source of information, they are also semi-public utilities. Accordingly, they also have an obligation to regulate content that leads to violence and deaths. Notoriously, hatred-inciting radio critically inflamed Rwanda's genocide. Social media platforms have been exploited to ignite Hindu mob violence against Muslims and foreigners and genocide against Rohingyas in Myanmar. Moves by providers of social media to police and remove such content are therefore essential. Removing fallacious content about Covid-19 does not eliminate free speech. Leaders such as Bolsonaro can still give press conferences. And even these pose dangers: accusations by India's health ministry officials blaming an Islamic seminary for spreading coronavirus, and governing party officials' vilification of Muslims as 'human bombs' spreading 'corona jihad,' have set off waves of attacks on Muslims. Such dangerous content could even be exploited to ignite wars or massive civil unrest by outside actors, such as Russia's use of faked news to manipulate U.S. elections and inflame social protests in Latin America. Social media platforms, governments and civil society groups should adopt a set of policies: They can establish boards and systems to police and remove fake news and lies disguised as reporting and content inciting violence. But as prominent journalist José Díaz-Briseño urges, countries must

invest in 'social media literacy' to be taught at an early age, teaching people to discern fake from real information."



**Alberto Arebalos, chief executive officer of MileniumGroup Inc. and former Latin America communications director for Facebook and Google:**

"A decade ago, the surge in the use of social media and social networks heralded a new era of power being transferred to the people. The Arab Spring arose from a Facebook group. The largest march for peace in Colombia was born in another group in Facebook. Twitter was a source of instant information for professionals and people interested in current affairs.



**The networks must be regulated ... and be held accountable for the content they distribute."**

— Alberto Arebalos

But those networks, all of them, are not what they seem. Despite their founders (best?) intentions, social networks are not 'social media' but rather big advertising platforms. In social networks, as in any other free product on the Internet, the 'user' is not the client. The advertiser is the client, and in order to have more advertisers (and more money) you need more eyeballs, and in order to have more eyeballs you need more content, no matter what. That logic made the networks reluctant to police content. Disguised in their support for 'free speech,' the social networks, mainly Twitter and Facebook,

Continued on page 4

replace a portion of that cut. The measure, in a bid to avoid layoffs, will be in place for at least 60 days. Only 1,000 workers will continue work in the factory, about 6 percent of the plant's total work force, and their salaries will not be cut. Union leaders protested the policy, saying

the company was "being irresponsible" by keeping more than 1,000 workers at the plants. Embraer in late March said it was suspending its financial forecast for 2020 due to the economic fallout of the pandemic, Aviation Today reported.

**FEATURED Q&A / Continued from page 3**

avoided being regulated as any other media and thus being forced to police content and be responsible for it as any newspaper. That was a fertile land for conspiracy theories, misinformation and yes, fake news. Now the cat is out of the bag, and social networks are confronting the problems of not being responsible for the content they help to distribute and make viral. It goes without saying that editorial supervision and control is a must, but I doubt the networks will do it, as that implies editors and journalists (and salaries and costs) as artificial intelligence is not ready yet for such a task. The networks must be regulated as any other editorial enterprise and be held accountable for the content they distribute."

**A**shley Friedman, senior director of policy at the Information Technology Industry Council: "The technology industry is committed to supporting an inclusive, safe online environment that promotes both innovation and the open exchange of ideas. Technology

companies, including ITI members, depend on user trust in their services. During a global public health crisis such as Covid-19, it is imperative that we work to eliminate misinformation on these services that millions of users rely on for information and interaction. ITI's member companies work closely with governments, law enforcement, users and communities around the world to ensure that their products and services help create a safe environment, and the decisions by these companies to proactively moderate content are an important factor in their ability to serve their customers. Laws that allow companies to restrict the access and availability of harmful content and ensure they will not be held liable for removal of that content are paramount to a company's ability to ensure its platforms and services work as intended."

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

**LATIN AMERICA ADVISOR**  
is published every business day by the  
Inter-American Dialogue, Copyright © 2020

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

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

**Anastasia Chacón González**  
Reporter & Associate Editor  
[achacon@thedialogue.org](mailto:achacon@thedialogue.org)



**Michael Shifter**, President  
**Rebecca Bill Chavez**, Nonresident Senior Fellow  
**Sergio Bitar**, Nonresident Senior Fellow  
**Joan Caivano**, Director, Special Projects  
**Michael Camilleri**, Director, Rule of Law Program  
**Kevin Casas-Zamora**, Nonresident Senior Fellow  
**Héctor Castro Vizcarra**, Nonresident Senior Fellow  
**Julia Dias Leite**, Nonresident Senior Fellow  
**Ariel Fiszbein**, Director, Education Program  
**Peter Hakim**, President Emeritus  
**Nora Lustig**, Nonresident Senior Fellow  
**Margaret Myers**, Director, Asia and Latin America Program  
**Manuel Orozco**, Director, Migration, Remittances & Development  
**Xiaoyu Pu**, Nonresident Senior Fellow  
**Jeffrey Puryear**, Senior Fellow  
**Mateo Samper**, Nonresident Senior Fellow  
**Tamar Solnik**, Director, Finance & Administration  
**Lisa Viscidi**, Director, Energy Program  
**Denisse Yanovich**, Director of Development and External Relations

**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 [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.

**JOB POSTINGS**

**EDITOR'S NOTE:** We are pleased to share Latin America-related job postings that companies reading the Advisor and others have posted recently.

**Rappi:** Public Relations Manager, Brazil

**Apple:** Trade Compliance Analyst, Latin America, Austin, Tex.

**U.S. Institute of Peace:** Director, Latin America, Washington, D.C.

**The College Board:** Vice President, Latin America and Puerto Rico, San Juan

**Merck:** Director, Regulatory Affairs Liaison, Vaccines and Infectious Disease

**Albright Stonebridge Group:** Analyst—The Americas, Washington, D.C.

**State Street:** AVP, Latin America Caribbean Global Market Client Services, Massachusetts