

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 (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, Americas
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

Jaana Remes

Partner,
McKinsey Global Institute

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

What Will Result From the Recent Protests in Cuba?



Protests earlier this month in Cuba against the government of President Miguel Díaz-Canel were the island's largest in decades. // File Photo: Cuban Government.

Q Massive protests broke out across Cuba on July 11, with demonstrators calling for President Miguel Díaz-Canel to step down as citizens struggle amid the country's worst recession in years, rising Covid-19 cases and decades of limits on civil liberties. The government responded by deploying security forces, which have reportedly arrested more than 100 people, and by blocking access to the Internet on the island. What sparked the nationwide demonstrations in Cuba, and why are they happening now? How significant are the recent protests, and will they lead to substantial changes or more repression against dissidents on the island? How big of a role did social media play in organizing mass mobilizations, and how likely is the government to maintain restrictions on Internet access as a result?

A Everett Briggs, former U.S. ambassador, National Security Council advisor and president of the Council on the Americas: "The latest signs of widespread unrest in Cuba result from a gradual build-up of dissatisfaction with the regime: mounting scarcity of basic needs; the regime's general mishandling of Covid-19, including a lack of medicines and medical personnel (with many forced to serve as 'slave labor' abroad); a new nomenklatura lacking in any revolutionary charisma, who flaunt their privileged lifestyles while the people starve; the popularization of anti-regime folk art and music, led by the San Isidro Movement; and an increasingly outspoken, pro-democracy Catholic Church—a distinct change from its previous accommodationist

Continued on page 2

TODAY'S NEWS

POLITICAL

Pedro Castillo Named President-Elect of Peru

Six weeks after Peru's razor-thin runoff, the National Elections Jury declared leftist Pedro Castillo the winner, dealing a defeat to his rival, conservative former lawmaker Keiko Fujimori.

Page 2

BUSINESS

Settlement in Samarco Dam Collapse Could Reach \$19 Billion

A settlement from iron mining company Samarco following a deadly 2015 dam collapse in Brazil could reach \$19 billion.

Page 3

POLITICAL

Haiti's Joseph Agrees to Step Down, Handing Power to Henry

Haiti's interim prime minister, Claude Joseph, agreed to step down in favor of Ariel Henry in an agreement to bring stability to the country following the assassination of President Jovenel Moïse.

Page 2



Joseph // File Photo: Haitian Government.

POLITICAL NEWS

Haiti's Joseph Agrees to Step Down, Will Hand Power to Henry

Interim Haitian Prime Minister Claude Joseph, who has led the country since the July 7 assassination of President Jovenel Moïse, agreed Monday to step down and hand power to challenger Ariel Henry in a bid for stability, The Wall Street Journal reported. Just more than a day before Moïse was killed, he appointed Henry to as prime minister, but Henry was not yet sworn in when gunmen burst into Moïse's home, fatally shooting him and wounding his wife. Joseph told The New York Times in an interview that he sought to calm the country in the wake of the

president's murder. "I'm a courageous man. I took charge, and I spoke to the population and said, 'Keep calm. We need to behave intelligently,'" Joseph told the newspaper. "Otherwise, no one knows what would have happened." Haiti's elections minister, Mathias Pierre, said Monday that Joseph's stepping aside is part of a broad agreement that the United States and other powers encouraged in order to stabilize the Caribbean nation, The Wall Street Journal reported. The agreement includes Joseph serving as foreign minister in Henry's cabinet. Henry sent an audio recording to reporters, saying he would seek to unify political factions in the country. "As prime minister, I make a solemn appeal to national unity...to protect our country from the multiple dangers that trouble us," he said. "It is going to be through dialogue and collaboration that we will shape together the policies to implement in this interim period."

FEATURED Q&A / Continued from page 1

stance. This is very significant, and while the regime may feel compelled to ease up on certain restrictions—allowing greater leeway to individual entrepreneurs—scenes of armed troops patrolling empty city streets and the hundreds of arrests (and some executions) strongly suggest repression will continue to be its preferred response. Social media has proven to be extremely important to mobilizing dissident action throughout the island, previously absent. The 'Maleconazo' 27 years ago was confined to Havana. Now, the entire populace is aware—and thousands have participated—in the recent anti-government demonstrations. The regime has tried to silence Internet and cell phone links, but in the modern world of electronic wizardry, and perhaps with an assist from abroad, Cubans will find ways to stay in touch, and informed. And maybe, to act."

A Coco Fusco, author and professor at The Cooper Union for the Advancement of Science and Art in New York: "Cubans have taken to the streets to express their discontent because the contradictions

between the triumphalist rhetoric of the state and the dire conditions of their lives are simply unbearable. They are struggling with food and medicine shortages, decaying housing, frequent blackouts, skyrocketing inflation, increasing police repression, exorbitant taxes on freelancers and shockingly high fines for minor infractions. They see the state as a repressive force that has betrayed its promise to them. The U.S. trade embargo does place restrictions on the Cuban economy, but many Cubans are tired of their government blaming the 'blockade' for all their woes and refusing to address the chronic dysfunction of the Cuban economy and political order. Most Cubans living on the island were born long after the revolution began and did not choose their government or the political system. They are demanding change. The protests that began in Cuba on July 11 are the largest since the struggle to oust dictator Gerardo Machado in 1933. Many journalists have compared them to the Maleconazo of 1994, but that protest only lasted for one day and only occurred in Havana. The most recent uprising took place in more than 50 cities and towns. It was

Continued on page 4

NEWS BRIEFS

Colombia's Duque Unveils Police Reforms

Colombian President Iván Duque on Monday announced a series of police reforms that he said are designed to improve accountability and lower human rights abuses, the Associated Press reported. Among the reforms, the government will establish a human rights directorate, led by a retired colonel, that will report to Colombia's police chief, Duque said.

Britain Defends Recognition of Guaidó Amid Venezuela Gold Case

Britain's government on Monday defended its recognition of Venezuelan opposition leader Juan Guaidó in a U.K. Supreme Court case that could grant Venezuelan leader Nicolás Maduro access to nearly \$2 billion worth of gold held by the Bank of England, the Associated Press reported. The case hinges on the question of who should be considered the South American nation's president. Guaidó has sought to preserve the funds abroad, alleging corruption in the Maduro government, while Maduro has pledged to use at least half the amount to fight the coronavirus pandemic, The New York Times reported in October.

Canada to Allow in Vaccinated U.S. Travelers

Canada's government announced Monday that, beginning on Aug. 9, citizens and permanent residents of the United States will be allowed to enter the neighboring country as long as they have been fully vaccinated against Covid-19 for at least 14 days before travel, The New York Times reported. Canada could allow visitors from other countries beginning Sept. 7, a date that may change depending on conditions. The Canada-U.S. border has been closed to nonessential travel on March 21, 2020, which has severely affected sectors related to tourism.

Pedro Castillo Declared Peru's President-Elect

Peru's National Elections Jury on Monday declared leftist school teacher Pedro Castillo the country's president-elect, more than six weeks after the razor-thin June 6 runoff election, El Comercio reported. The election authority's announcement followed its rejection of the final five appeals filed by the Popular Force party of Castillo's rival, right-wing former legislator Keiko Fujimori. Castillo won the election 50.13 percent to Fujimori's 49.87 percent, a margin of just over 44,000 votes, according to the elections jury. In his first speech as president-elect, Castillo urged Fujimori not to put up "more obstacles" in the "journey to move the country forward." [Editor's note: See related [Q&A](#) in the June 8 issue of the Advisor.]

BUSINESS NEWS

Settlement in Brazil Dam Collapse Could Reach \$19 Billion

The definitive financial settlement that local government officials in Brazil expect from iron mining company Samarco over a deadly tailings dam collapse in 2015 could reach 100 billion reais (\$19.06 billion), Reuters reported Monday. The wire service cited an exclusive interview with Romeu Zema, the governor of Minas Gerais state, where the disaster occurred. That figure is nearly four times higher than an initial agreement struck in 2016 with mining companies, including BHP and Vale, which principally own Samarco. In related news, Samarco this week escalated a legal battle with a group of hold-out creditors, including asset manager Ashmore and Canyon Partners, over a debt restructuring deal following the incident, which killed 19 people and polluted one of Brazil's largest river basins, the Financial Times reported.

CAPITOL HILL WATCH

A Look at U.S. Congressional Activity on Latin America

Members of Congress Meet With Duque

U.S. Senators Rob Portman (R-Ohio) and Tim Kaine (D-Va.), both members of the Senate Foreign Relations Committee, this month visited Colombia with the bipartisan congressional delegation, or CODEL, to Central and South America, which also includes Senators Mike Crapo (R-Idaho), John Hoeven (R-N.D.) and Ben Ray Lujan (D-N.M.). The members of Congress met with Colombian President Iván Duque "to highlight ways to deepen bilateral cooperation" on issues ranging from trade to economic development, to anti-drug efforts and human rights, according to a statement posted on Kaine's website on July 8. The delegation also discussed implementation of the 2016 peace accords as well as the importance of protecting human rights in the context of recent protests, the statement added. Duque has faced strong criticism for his government's response to massive nationwide demonstrations that began in April over a now-canceled tax reform and lasted for more than two months. [Editor's note: See related [Q&A](#) in the July 16 issue of the Advisor.]

Torres Lauds State Department for List of Allegedly Corrupt Officials

U.S. Representative Norma J. Torres (D-Calif.), who is also the co-chair of the Congressional Central America Caucus, on July 7 lauded the State Department for publishing an updated list of corrupt Central American officials. The document names several high-level individuals, including former and current officials in El Salvador, Guatemala and Honduras, who the State Department says undermine democracy or are suspected of having links to corruption. "This latest list builds on my previous work exposing corrupt actors in Central America," Torres, who was born in Guatemala, said in the statement. "It once again demonstrates the corrosive impact that impunity and self-dealing have on all sector of society, and at every level of government," Torres added.

Rubio Outlines Steps to Support Cubans in Letter to Biden

U.S. Senator Marco Rubio (R-Fla.) on July 12 sent a letter to U.S. President Joe Biden outlining six steps he says the administration should take to support Cubans who have taken to the streets in the island's largest anti-government protests in decades. Among the recommendations were warning the Cuban government that any effort to encourage mass migration will be viewed and treated as a hostile action against the United States, facilitating open and free satellite Internet access on the island and engaging with the European Union and the Western Hemisphere to "coordinate a strong rejection and condemnation of the repressive actions taken by the Communist regime against the unarmed people of Cuba." The government of Cuban President Miguel Díaz-Canel deployed security forces as well as blocked access to the Internet in a bid to control the demonstrations.

FEATURED Q&A / Continued from page 2

spontaneous, and there is no leadership or organization behind it, despite the wild accusations levied by the Cuban government. Access to the Internet on cell phones since 2018 has enabled Cubans to communicate with each other and to bear witness to other's travails in real time, and that has been a critical galvanizing force."

A **William LeoGrande, professor of government at American University:** "The July 11 protests in Cuba were driven by economic desperation. Venezuelan oil shipments are down 50 percent, causing fuel shortages. Former U.S. President Trump's sanctions have blocked remittances, and the pandemic has closed the tourism industry. As a result, Cuba's government doesn't have the foreign exchange currency it needs to import basic necessities such as food and medicine, all of which are in short supply. Inflation is soaring, eroding people's real incomes. Covid, which Cuba managed to control at first, has broken out into the community; infections are at record levels, and the health care system is buckling under the strain. Social media played a pivotal role in catalyzing the demonstrations in a dozen cities. As they spread, more and more people joined. Young Cubans are active on social media, forming virtual social networks outside government control. On July 11, those virtual communities convened in the real world to express their grievances. The government shut down Internet access during the protests, but it cannot keep it closed; too many people rely on it. After a combative speech on July 11, President Díaz-Canel made a conciliatory one on Wednesday, promising a number of economic changes aimed at easing people's misery. But the government is broke and cannot do much to end shortages unless it gets an influx of humanitarian aid. The question in the near term is whether the July 11 events will trigger a cycle of protests, or whether the government can put the lid back on the boiling pot by arresting opposition leaders, calling out its supporters to

dominate the streets and taking the edge off people's economic misery."

A **Jose Azel, former scholar at the University of Miami's Institute for Cuban & Cuban American Studies:** "Between 1987 and 1991, the peoples of Estonia, Latvia and Lithuania fought Soviet occupation essentially by singing—two million people holding hands and singing patriotic songs across three countries. This was the Singing Revolution of the Baltic States. We are now witnessing massive protests across Cuba with protesters chanting 'Patria y Vida,' meaning 'homeland and life.' Patria y Vida is the theme of a song written by Cuban dissidents that has resonated with Cubans in dramatic contrast with the government's slogan of 'Patria o Muerte,'—'homeland or death.' The lyrics of Patria y Vida highlight the lack of freedom in Cuba. As in the Baltic States, this Cuban singing revolution marks the beginning of the end of the Castros' totalitarian dictatorship. Unlike the Maleconazo uprising of 1994, which did not have the benefit of social media technologies and was thus limited to Havana, the Patria y Vida protests spread quickly via social media to several cities throughout the country, forcing the government to block Internet service and to repress with brutality. Yes, years of severe shortages of food, medicines and other necessities, together with a wave of Covid infections were a precipitating factor, but this was not an uprising about economic shortages. This uprising reveals that Cubans no longer believe that their hardship is the result of U.S. economic sanctions, but rather that it is the result of the unproductive economic system imposed by their leadership. This Patria y Vida uprising shows that Cubans now realize that their hardships are the result of their lack of freedom."

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

LATIN AMERICA ADVISOR

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

Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
ekuleta@thedialogue.org

Anastasia Chacón González
Reporter & Associate Editor
achacon@thedialogue.org



Michael Shifter, President
Rebecca Bill Chavez, Nonresident Senior Fellow
Bruno Binetti, Nonresident Fellow
Sergio Bitar, Nonresident Senior Fellow
Joan Caivano, Senior Advisor
Santiago Cantón, Director, Peter D. Bell 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, Senior Fellow
Xiaoyu Pu, Nonresident Senior Fellow
Jeffrey Puryear, Senior Fellow
Tamar Solnik, Director, Finance & Administration
Lisa Viscidi, Director, Energy Program
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

Subscription inquiries are welcomed at 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.