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FEATURED Q&A

Who Is Positioned to Be the Next President of Chile?



Opinion polls have leftist Gabriel Boric as the front-runner ahead of Chile's November presidential election. // File Photo: Facebook Page of Gabriel Boric.

Q Approximately 50 percent of the Chilean population was undecided on whom to vote for in the Nov. 21 presidential election as campaigns began on Sept. 21, according to a recent poll by the Center of Public Studies (CEP). Leftist Gabriel Boric of the Apruebo Dignidad party is currently the front-runner with 23 percent support, with Sebastián Sichel of the right-leaning party Chile Podemos Más and José Antonio Kast of the Republican Party in second and third place, respectively. How is the race shaping up, and which candidates have the most momentum? What issues will be most important to Chilean voters, and how is the planned rewrite of Chile's constitution expected to influence the results of the November elections? Could the two right-leaning candidates divide votes and change the course of the election?

A Jorge Heine, research professor at the Pardee School of Global Studies at Boston University and former cabinet minister in the Chilean government: "Chile's presidential election is turning out to be quite a cliffhanger. The right had a disappointing performance in the May elections for the Constitutional Convention, barely managing to get 20 percent of the vote. This led many to believe that the leading candidates for the presidential election would be the ones from the Frente Amplio, the new left-wing coalition, and from the Nuevo Pacto Social, the old, center-left coalition that once formed the Concertación. Yet, the right has come from behind, and both Sichel, the candidate of the ruling coalition, and Kast, of the Pinochetist Republican Party, have done better than expected in the polls. Senator

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Honduras' leading opposition parties united behind presidential candidate and former First Lady Xiomara Castro in an effort to oust the ruling party.

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Brazil's Itaú Triples Number of Clients of Digital Bank

Brazilian lender Itaú Unibanco tripled the number of clients in its digital bank since January.

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POLITICAL

Chile's Opposition Seeks Piñera's Impeachment

Chilean opposition members launched an impeachment effort against President Sebastián Piñera over alleged irregularities related to the sale of a mining project. The sale came to light through the leak of the so-called Pandora Papers.

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Piñera // File Photo: Chilean Government.

POLITICAL NEWS

Opposition Members Seek Impeachment of Chile's Piñera

Chilean opposition lawmakers on Wednesday launched impeachment proceedings against President Sebastián Piñera over alleged irregularities related to the sale of a family mining company, the Associated Press reported. Alleged details about the sale of the Dominga mining project came to light as part of the release earlier this month of millions of leaked documents related to offshore accounts reportedly used by dozens of world leaders, businesspeople and celebrities. Piñera used "his office for personal business," lawmaker Thomas Hirsch alleged in presenting the accusations to the Chamber of Deputies, Agence France-Presse reported. On Wednesday, a committee of Chile's lower house of Congress selected five legislators to review arguments against Piñera, the AP reported. They will then make a recommendation to the full chamber on whether it should continue with impeachment proceedings. At that point, the committee would formally notify Piñera of the proceedings, and he would have 10 days to respond, the AP reported. Leaked documents related to the sale of the Dominga mining project indicate that Piñera used companies in the British Virgin Islands in connection with the sale of the project, which his family partially co-owned with a friend. Last week, Chile's prosecutor's office said it was opening an investigation of Piñera over alleged tax violations and bribes related to the project's sale. Piñera has denied wrongdoing. He added that he has "full confidence that the courts, as they have already done, will confirm there were no irregularities, and also my total innocence," AFP reported. According to leaked documents, the final payment on the 2011 sale of the mining project hinged on the government not declaring an area in northern Chile a protected natural reserve, the AP reported. Piñera was president at the time, and his government did not declare the area a protected reserve, despite appeals

from environmentalists to do so. Last week, the president's office said the courts and prosecutors determined in 2017 that Piñera was not involved in managing the company and that Piñera's holdings are currently managed in a blind trust, the AP reported. Jaime Bellolio, a spokesman for Piñera, criticized lawmakers for launching the impeachment effort, saying it involved "an accusation based on facts that are not true." However, opposition member Gabriel Ascencio told local media, "It's impossible not to think that the president is guilty." In order for the impeachment proceeding to advance, the five-member committee must recommend it, and 78 of the Chamber of Deputies' 155 members would have to approve it.

Opposition Unites Behind Honduras' Castro Ahead of Vote

Honduras' leading opposition parties on Wednesday joined forces behind presidential candidate and former First Lady Xiomara Castro ahead of the November elections in a bid to oust the ruling National Party, which is leading in the polls, Reuters reported. Representatives of the National Opposition Union, or UNO, party announced it would back Castro, 62, the wife of former President Manuel Zelaya and candidate for the Liberty and Refoundation, or Libre, party. A poll last month showed ruling party candidate and Mayor of Tegucigalpa Nasry "Tito" Asfura as the front-runner, with 21 percent of the vote. UNO's previous candidate, Salvador Nasralla, received 18 percent of support, as did Castro. "If we don't come together today, the country will lose," Nasralla told a news conference. "Together, nobody can beat us," he added. Nasralla narrowly lost to current President Juan Orlando Hernández in 2017 and alleged fraud. Castro ran in 2013 but lost, and in 2017 she endorsed Nasralla, the Associated Press reported. Among her campaign promises, Castro has said she would establish diplomatic relations with China and legalize abortion in some situations. She has also said she seeks to better handle Honduras' external and internal debt, which stands at around \$13

NEWS BRIEFS

U.N. High Commissioner Calls for Investigation Into Death of Dissident

The U.N. High Commissioner for Human Rights on Wednesday called on the government of Venezuela to allow for an "independent investigation" into the death in custody of well-known dissident Raúl Baduel, Agence France-Presse reported. Gen. Baduel, an ally of late President Hugo Chávez who later broke ranks with the former president and spent years as a political prisoner, died of Covid-19, according to an official announcement earlier this week. The U.N. human rights office also called on Venezuela to provide health care to detainees and release those who were arbitrarily arrested.

U.N. Commission Faults Paraguay in Indigenous Peoples' Land Case

The U.N. Human Rights Committee on Wednesday ruled that Paraguay failed to prevent toxic contamination of Indigenous peoples' lands by commercial farming, violating the community's rights and sense of "home." The committee monitors countries' adherence to the International Covenant on Civil and Political Rights. The ruling marks the first time the committee has issued a decision outlining Indigenous peoples' sense of "home" in the context of their relationship with their territories, including their livestock, crops and way of life, the United Nations said in a statement.

Argentine President Wants Deal Soon With IMF

Argentine President Alberto Fernández said Wednesday that he wants a new agreement with the International Monetary Fund as soon as conditions allow it, Reuters reported. "We want to reach that agreement as soon as we have the right conditions," Fernández said in a tweet, downplaying a newspaper report saying that no deal could be struck before next year.

billion. The ruling National Party has been in power in Honduras since elections following the 2009 coup that ousted Zelaya. [Editor's note: See related [Q&A](#) in the Oct. 6 issue of the Advisor.]

BUSINESS NEWS

Brazil's Itaú Triples Clients in Digital Bank Since January

Brazilian lender Itaú Unibanco has tripled the number of clients in its digital bank since January, a bank executive told Reuters Wednesday. "We're perfectly in the game," bank director João Araújo told the wire service, referring to the bank's competition with start-ups. Itaú's digital bank, iti, has sought to attract customers from areas in Brazil's North and Northeast regions, where Itaú has fewer customers, said Araújo. The digital bank unit has sought to attract clients as other financial technology start-ups have brought in millions of clients from traditional banks and from those who did not previously have formal financial accounts. Itaú's digital bank had approximately three million clients at the beginning of this year and mainly focuses on people who are in lower income brackets, Reuters reported. Those segments of the population include some 213 million people. Approximately 80 percent of iti's clients did not previously have accounts with Itaú Unibanco, and more than half of the digital bank's clients are younger than 30, Reuters reported. The digital bank launched a physical credit card in March.

Brazil's Nubank Posts \$13.7 Mn in Profit for First Half of Year

Brazilian financial technology firm Nubank posted a profit in the first half of the year for its local units, as more clients turned to its credit cards service, Reuters reported Wednesday, cit-

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Yasna Provoste, however, after taking too long to throw her hat into the ring as a candidate for the Nuevo Pacto Social, has had trouble gaining traction. Yet, in the candidates' debate on Oct. 11, Provoste did well in confronting Sichel. Revelations about Sichel's previous activities as a lobbyist, and about dubious financing of his 2009 congressional campaign, have dealt heavy blows to his candidacy. Few doubt that Boric of the Frente Amplio will win a plurality of the vote on Nov. 21. Given Chile's election system, the real question is who will be the runner-up, and thus make it to the second round. If Provoste manages to displace Kast from his current position as #2 in the polls (a big if), she might have a fighting chance in the second round on Dec. 19. That said, the momentum would seem to be with Boric."

A **Pamela Figueroa, professor at Universidad de Santiago de Chile:** "Chile's upcoming presidential election is probably the most wide open in decades. This is because of the political moment of change and the significant number of undecided voters. As in previous elections, the presidency is likely to be decided in the second round. Of the seven presidential candidates, four seem to have the best chances of being on the runoff ballot. The front-runner is Gabriel Boric, a leftist who not only leads the polls, but also defined his candidacy in a primary in which he obtained more than one million votes. Public opinion surveys show a significant variation in recent weeks as to who is in second place. Initially, Sebastián Sichel, one of the right-wing candidates, was in second

ing a statement on the company's website. Nu Pagamentos, as Nubank is formally known, had a net income of 76 million reais (\$13.7 million) between January and June, compared to a loss of 95 million reais in the same period a year earlier. It was the bank's first time registering a profit for a full six-month period, Reuters reported. The fintech's loan portfolio ended June at 23 billion reais, roughly twice its level from a

place. However, José Antonio Kast, the other right-wing candidate, has surpassed him in the polls. Yasna Provoste, the candidate of the center-left coalition, was the last to join the presidential race and seeks to recover

“ **Chile's upcoming presidential election is probably the most wide open in decades.”**

— Pamela Figueroa

the traditional center vote. The presidential election is taking place in the context of the constitutional reform process, which has focused on both short-term and long-term issues. The demand for a more inclusive, more egalitarian and nondiscriminatory society has put social security policies, guarantees of rights and political democratization at the center of the debate."

A **Francesco E. Penaglia V., academic coordinator of the public administration degree program at Universidad Alberto Hurtado in Santiago:** "The elections in Chile, if there are no surprises or major political communication errors, today seem to favor Boric. This considering that his minimum voter base is 1.7 million votes, and that he has no competitive rivals on the left. Furthermore, the center, center-right and the right are divided by five candidates (only three of whom are competitive). This would win Boric a

Continued on page 4

year earlier, according to Brazil's central bank. Nubank is evaluating an initial public offering in the United States by early 2022, with a valuation of more than \$55 billion, the wire service reported. Nubank is Latin America's largest fintech and the world's biggest digital bank by number of customers at 40 million, according to TechCrunch. It is backed by U.S. billionaire Warren Buffet's Berkshire Hathaway.

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spot in the runoff, where, according to polls, he would defeat his potential competitors. Everything suggests that the dispute is over which right-wing candidate will come in second, which will allow the second-place finisher to be positioned as the leader of the opposition ahead of the 2025 elections. In this context, the struggle within the right maintains the same tension that began decades ago but worsened with the popular revolt of October 2019. On the one hand, right-wing sectors that are more open to social, political and economic reforms seek to expand toward the political center and independents. On the other hand, advancing ultra-right sectors are anchored in conservative, xenophobic, nationalist and authoritarian rhetoric. In the first camp is Sichel, who won the primaries and has the support of the government parties. In the second group is Kast, who is the candidate who best represents the 20 percent of the population that rejected the constituent plebiscite and who speaks to traditional right-wing voters. In this context, Kast has slowly begun to receive support from members of Congress who have been supporting Sichel's candida-

cy. In recent polls, he appears to be running in second place. The issues in the debate today are migration, the fourth pension fund withdrawal and the constitutional indictment

“Everything suggests that the dispute is over which right-wing candidate will come in second...”

— Francesco E. Penaglia V.

of President Sebastián Piñera. In this framework, keeping Sichel and Kast with even and competitive candidacies could create a small opportunity for the Christian Democratic candidate, Yasna Provoste, to have an active role in the constitutional indictment against Piñera. In this context, Provoste could come in second in the runoff.”

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

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

Subscription inquiries are welcomed at ebrand@thedialogue.org

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An Inter-American Dialogue discussion with
Gabiella Bighetti, United Way
Maria Victoria Fazio, Inter-American Development Bank
Ana Tacite, Coca-Cola Brazil Foundation
Jamie McAuliffe, Aspen Institute Forum for Community Solutions
... and others

View a webcast of the Oct. 13 discussion.

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