FEATURED Q&A

What Would Make the Summit of the Americas a Success?

The next Summit of the Americas will be held in Los Angeles in June. The opening session of the last summit, in Peru in 2018, is pictured. // File Photo: Peruvian Government.

The White House announced Jan. 18 that the next Summit of the Americas will be held in Los Angeles in early June. The summit, which was last convened in 2018 in Peru, will mark the first time the United States is hosting the gathering since the summit’s Miami launch in 1994. What are the most important expectations from the Los Angeles Summit of the Americas? What will the gathering mean for U.S. influence in Latin America and the Caribbean and for the Biden administration’s objectives in the region? At a time when some Latin American presidents, including Venezuela’s Nicolás Maduro, Nicaragua’s Daniel Ortega and El Salvador’s Nayib Bukele, are being criticized as undemocratic, who is likely to be invited, who might accept the invitation and what will be the significance of who attends—and doesn’t?

Eric Garcetti, mayor of Los Angeles: “The Summit of the Americas is a chance for our region—North, Central and South America and the Caribbean—to collaborate and advance our shared goals for security and prosperity. As host city for this year’s summit, Los Angeles offers deep familial and cultural ties and economic and trade connections throughout the Western Hemisphere. We believe these global partnerships bring real benefits to our communities, as we work together on the greatest challenges of our time. Cities are where we invest in our infrastructure and develop solutions that deliver greater equity and a better quality of life. And cities aren’t just the laboratories of progress—they are the factories of our future, transforming how we heat and cool our buildings, move around our cities and generate our electricity. Continued on page 3

POLITICAL

Castro Sworn in as Honduras’ First Female President

Democratic socialist Xiomara Castro was inaugurated amid a political crisis in the country’s Congress over who will lead the legislative body.

ECONOMIC

Puerto Rico’s Control Board OKs Fiscal Plan

The federal control board that oversees Puerto Rico’s finances approved a fiscal plan that includes pay raises for public-sector employees. The board defended the plan, saying many government employees have gone without a pay raise since 2014.

BUSINESS

China’s Great Wall Motors to Invest $1.9 Bn in Brazil

China’s Great Wall Motors, led by CEO Wang Fengying, is planning to invest $1.9 billion to build electric vehicles. A new plant is expected to create 2,000 jobs.
POLITICAL NEWS

 Castro Takes Office as Honduras’ First Female President

Democratic socialist Xiomara Castro took office Thursday as Honduras’ first female president, leveling criticism at her predecessor’s administration for leaving the country with high levels of debt, the Associated Press reported. “My government will not continue the vortex that has condemned generations of young people to pay the debt taken on behind their backs,” Castro said in her inaugural address at the national stadium in Tegucigalpa. “We have the duty to restore the economic sector on the basis of transparency, efficiency, production, social justice, wealth distribution and national revenue,” she added. Castro’s government faces high rates of unemployment, violence and corruption, as well as troubled education and health care systems, among other problems. A week ago, a dispute erupted in Honduras’ Congress over who would lead the body, with lawmakers throwing punches at each other on the floor of the legislative chamber. Some members of Castro’s Libre party sought to install a member of the ruling party, Jorge Cálix, as the Congress’ president instead of naming Luis Redondo of the allied Savior Party of Honduras, or PSH, as the legislature’s leader. The dispute led to competing simultaneous legislative sessions on Tuesday. “We have called for dialogue between the parties, which is what we need to achieve an efficient government that provides us with a climate of peace and stability in all senses,” Juan Carlos Sikaffy, the president of the Honduran Council of Private Enterprise, or COHEP, told the Advisor in a Q&A published Thursday. U.S. Vice President Kamala Harris attended Castro’s inauguration and met with her shortly after the ceremony. Harris and Castro discussed “the root causes of migration, combating corruption and expanding economic opportunity,” according to a statement from Harris’ office, the AP reported. “Vice President Harris welcomed President Castro’s focus on countering corruption and impunity, including her intent to request the assistance of the United Nations in establishing an international anti-corruption commission and commitment to advancing necessary legislative reforms to enable such a commission to succeed,” the statement said.

ECONOMIC NEWS

 Puerto Rico Federal Control Board Approves Fiscal Plan

The federal control board that oversees Puerto Rico’s finances on Thursday approved a fiscal plan that includes pay raises for public sector employees in a move that critics say is imprudent as the island struggles to escape bankruptcy, the Associated Press reported. The board defended the fiscal plan, saying government workers have not received a pay raise since 2014, according to the AP. “This is a very important moment for [Puerto Rico],” the fiscal plan stated. “For the first time in years, it can manage its resources without the cloud of uncertainty of bankruptcy.” Teachers, firefighters and police will all see pay raises of between 17 and 36 percent, according to the report. Last week, the U.S. commonwealth had its $70 billion debt slashed to roughly $7 billion after a federal judge approved a debt restructuring plan, NBC News reported. The company’s La Pampilla refinery leaked some 6,000 barrels of oil on Jan. 15. Repsol blamed the spill on huge waves following the eruption of an under-water volcano near Tonga.

NEWS BRIEFS

 One Soldier Killed, Two Dozen Wounded in Bomb Attacks in Colombia

One person was killed and about two dozen were injured in a series of attacks on army bases across Colombia on Thursday, local media reported. A soldier was killed and another was wounded after an explosion at the army base in Chiriguaná in Cesar province, El Espectador reported. In a second attack Thursday, two soldiers were hospitalized and another 18 were lightly wounded in an explosion at the Aguachica military base, also in Cesar province, El Tiempo reported. A third bombing in Ocaña in Norte de Santander province wounded two soldiers, El Espectador reported. One military official blamed the attacks on the ELN guerrillas.

 Peruvian Prosecutors Seek Travel Ban for Refinery Executives After Spill

Prosecutors in Peru on Thursday requested that the president of the Spanish oil firm Repsol’s refinery in the country and three other executives, be banned from leaving the South American country for 18 months amid an investigation of an oil spill, Reuters reported. The company’s La Pampilla refinery leaked some 6,000 barrels of oil on Jan. 15. Repsol blamed the spill on huge waves following the eruption of an under-water volcano near Tonga.

 Argentine Digital Banking Start-up Ualá to Launch in Colombia

Argentina-based digital banking start-up Ualá announced Thursday that it would launch operations in Colombia, Reuters reported. The digital bank said it would begin operating in Colombia with an initial investment of $80 million. Ualá, which has investors including China’s Tencent and Japan’s SoftBank, offers Mastercard-branded prepaid bank cards.
of mismanagement, corruption and excessive borrowing to balance budgets over a period of decades, the AP report noted.

**BUSINESS NEWS**

**Great Wall to Invest $1.9 Bn in Brazil to Build Electric Cars**

Great Wall Motors company will invest $1.9 billion in Brazil over the next decade to build electric cars, the Financial Times reported today. The investment is part of the Chinese automaker’s expansion strategy overseas. The company, which is headquartered in Baoding, China, announced that it would open a new plant at a former Mercedes-Benz factory in São Paulo state, and that it would serve as an export hub in Latin America. The Brazil venture by one of China’s biggest carmakers follows a series of Chinese deals in Latin America focused on mining, materials processing and production assets in the electric vehicle supply chain, an industry that Beijing has prioritized, according to the Financial Times. Many regions in the south of Latin America are rich in lithium and copper, metals that are critical for electric vehicle battery production. Great Wall’s investment is expected to boost Brazil’s auto sector, which has suffered closures and job losses as the economy slowed. Ford left Brazil last year following decades of manufacturing in the country, the Financial Times reported. “This is the first factory dedicated only to hybrid and electric cars in Latin America,” Pedro Bentancourt, director of government relations for Great Wall in Brazil, told the Financial Times. The new plant is expected to create 2,000 jobs and turn out 100,000 vehicles a year.

**Great Wall Plans to open a new factory in São Paulo state.**

electricity. Our cities are where development and democracy take shape, and where we grow our next generation of leaders. We have so much to learn from one another. Los Angeles, as a global crossroads where nearly half our residents identify as Hispanic or Latinx, is proud to host this summit. Working together, our nations and our region will emerge stronger and better prepared to build a sustainable, resilient and equitable future.”

**Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue:** “The Summit of the Americas has not been an effective platform for building an integrated or cooperative inter-American community. Yes, the first Summit in Miami in 1994 did launch negotiations for hemisphere-wide free trade, but a decade later policy disagreements sunk this worthy initiative. Free trade arrangements were subsequently established between the United States and 10 Latin American nations, but hemispheric trade integration was scotched. The third summit in Canada in 2000 led to the framing of the Inter-American Democratic Charter, a historic, but overly ambitious document that defied implementation. Today, there is less democracy and less cooperation in the hemisphere than any time in the past 30 years—not a promising setting for the Los Angeles Summit this June. Moreover, the two-year old pandemic has highlighted the limits on cooperation by sparking Covid nationalism, leaving every country on its own. Within Latin America, efforts at economic coordination—from the three-decade old Mercosur accord to the Central American Integration System to the recently forged Pacific Alliance—have accomplished little, and today are at a standoff. Once-heralded political accords, joining the nations of different regional groupings, have broken down. The failure of hemispheric cooperation encompasses the Organization of American States and the Inter-American Development Bank, the two longest-standing and most inclusive, hemispheric institutions. Confidence in both has sharply diminished in recent years. Relations between the United States and Latin America are today unanchored and adrift. Given the troubled state of hemispheric affairs, the prospects are bleak for progress on key inter-American issues—whether on economic ties, migration, environmental protection, democratic revival, controlling corruption and violence, or whatever. It is hard for me to imagine, in the short period left for preparation, a productive outcome of the upcoming summit, unless the participating countries lay their quarrels aside and agree their main task is to spell out an agenda of problems confronting the Americas and then spend the next several years working together to devise a few practical solutions.”

**Roberta Lajous, former Mexican ambassador to Cuba, Bolivia and Spain:** “It is good news that the United States is back in the world and will focus on the Americas in 2022. The neighborhood welcomes back thoughtful U.S. engagement amid the competing influence of China, the largest trading partner of many countries in South America. More support is needed for Latin America and the Caribbean to recover from the devastating legacy of Covid. No other region has suffered as much in terms of lives lost and its impact on increasing migration north. In assuming the role of host in Los Angeles in June for the Summit of the Americas, hopefully the United States will do its best to take the initiative and recover its leadership in the region, after the shock of the Trump presidency. President Biden probably has more experience in the region than any of his predecessors and will do well to recover the spirit the 1994 Miami Summit when President Clinton committed to free trade in the Americas. Hopefully, President Biden will also draw from President Obama’s rapprochement with Cuba, which could advance dialogue with Venezuela and Nicaragua.

**Continued on page 4**
It is urgent to improve world governance. So, let’s start to show advances in our own hemisphere in Los Angeles in June. We need universal vaccine access in Latin America and the Caribbean to leave the pandemic behind. We also must get serious about climate change and its impact in migration in order to start managing its damaging effects for all involved.”

A Peter DeShazo, visiting professor of Latin American, Latino and Caribbean Studies at Dartmouth College and former U.S. deputy assistant secretary of state for Western Hemisphere affairs: “Hosting the Summit of the Americas provides both a challenge and an opportunity for the Biden administration to energize Inter-American cooperation and to demonstrate U.S. commitment to the Western Hemisphere. The key themes of the meeting—democracy, public health, environmentally sustainable and equitable economic recovery, and migration—are timely and closely interrelated. The summit should aim to produce realistic, funded mandates to address these themes and provide additional support to the OAS to coordinate implementation. If the summit conveys the optics of purposefulness and basic consensus among participants, it will have succeeded. The thorniest issue will be the invitation list. Senior U.S. officials have said commitment to democracy will be a key factor in determining participation, in which case the Maduro regime, Nicaragua and Cuba should not be invited. While excluding the Maduro regime is a given, some OAS member states will likely object to not inviting Nicaragua and Cuba and therefore the Biden administration—in conjunction with like-minded partners in the hemisphere—will have to work the issue carefully to avoid deeper cracks in regional consensus. Democratic institutions are weak or under threat in a number of other states in the hemisphere—most notably El Salvador—but participation by such countries should be encouraged, with the goal of reaffirming the obligation of OAS member states to promote and defend democracy, as stipulated by the Inter-American Democratic Charter.”

A Rubens Barbosa, former ambassador of Brazil to the United States: “Latin America is a very low U.S. foreign policy priority. The situation is different from the 1994 summit in Miami when the Free Trade Area of the Americas was launched. The expectations in the region for the Summit of the Americas are very low. Today, Latin America suffers more than other areas the effects of Covid, with low growth and increased poverty. The United States is facing a huge economic and trade challenge in the region, given the increased presence of China, Russia and Iran and even a potential political challenge with Russian troops in Venezuela and Cuba, depending on the evolution of the Russia-Ukraine crisis. The United States lacks a consistent and coherent policy related to its own interest in the defense of democracy and security, and in the expansion of trade and investment. Does the United States have any concrete proposals for the summit in these four areas beyond the rhetoric—‘Latin America is not our back yard but rather our front yard’? In a fresh attitude toward the region, the Biden administration should invite all countries, including Venezuela and Cuba, despite the restrictions and sanctions in force. It does not matter if some countries would not accept the invitation. As is the United States, the region is divided and nearly disintegrated. The social inequalities, poverty, economic and political difficulties in practically all countries in the region should be addressed at the summit. Leadership has a price. Brazil has given up its leadership role in South America. Will the United States follow the same path in the Americas?”

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

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