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FEATURED Q&A

What Does Boric's Cabinet Say About Chile's Direction?



Among the cabinet members that Chilean President-elect Gabriel Boric has tapped is Izka Siches, a physician who is to head the country's Interior Ministry. // File Photo: @izkia via Twitter.

Q Leftist Chilean President-elect Gabriel Boric announced his cabinet selections on Jan. 25, with more than half the seats filled by women and an overall mean age of 49. While the cabinet includes some new and young faces in Chilean politics, Boric has selected widely respected veterans as well, including Mario Marcel, the current head of the central bank, whom Boric tapped as his finance minister. What will the new cabinet mean for the success of Boric's policy proposals, and who will be the most pivotal ministers in the first months of his presidency? What do Boric's choices for ministers indicate about the pace of change to expect in Chile and the potential for major disruptions to the nation's economic outlook and business climate?

A Sergio Bitar, nonresident senior fellow at the Inter-American Dialogue and former Chilean minister of mining: "Chile has a great historical opportunity. An intense popular movement that shook the foundations of society has been institutionalized. Seven elections were held in 2021 for municipal leaders, governors, a plebiscite, convention representatives, primaries, parliamentarians and the president in an impeccable manner. And Gabriel Boric obtained an overwhelming electoral majority. He leads a new generation that shows the aspirations for the future, with equality, participation and diversity, that is also green, digital and feminist. He has shown the political capacity to turn to the center-left and make his government viable. That center-left, which has governed for 24 of the last 32 years, gave him its support in the second round and will support him. The new government

Continued on page 3

TODAY'S NEWS

POLITICAL

Nicaragua's Nat'l Assembly Outlaws Four Universities

Nicaragua's National Assembly, which is allied with President Daniel Ortega, outlawed four universities as well as four professional or university organizations.

Page 2

ECONOMIC

U.S. Agencies Vow to Help Puerto Rico Modernize Power Grid

Three U.S. agencies signed an agreement with the commonwealth to help it modernize its hurricane-battered power grid.

Page 2

BUSINESS

China National Nuclear to Build \$8 Billion Power Plant in Argentina

China National Nuclear Corp. announced that it would build an \$8 billion nuclear power plant in Argentina. The announcement came just ahead of Argentine President Alberto Fernández's planned state visit to China.

Page 3



Fernández // File Photo: Argentine Government.

POLITICAL NEWS

Nicaragua's National Assembly Outlaws Four Universities

Nicaragua's National Assembly, which is allied with President Daniel Ortega, on Wednesday outlawed four private universities, some of which are connected to the Catholic Church, the Associated Press reported. Among the blacklisted universities is the Polytechnical University of Nicaragua, from which some anti-government protests originated in 2018. The National Assembly also targeted six aid groups with connections to the church and four university or professional organizations, the AP reported. Among the organizations is the Association of Nicaraguan Songwriters, which folk musician Luis Enrique Mejía Godoy created. Some of the organizations have been critical of Ortega, who was re-elected last November to a fourth term in a vote widely seen as a sham after his government imprisoned dozens of his opponents, including virtually any potential candidate who could have mounted a serious challenge to him. In some cases, the National Assembly outlawed organizations alleging that they failed to comply with financial reporting requirements. "These institutions are focused on social projects and aid," Monsignor Carlos Avilés, vicar of the Archdiocese of Managua, told the AP. "This is an unjust form of repression," he added. In a [Q&A](#) published Nov. 5, Jennie Lincoln, senior advisor for Latin America and the Caribbean at the Carter Center, said "democracy is dead" in the Central American country. "Its slow death began earlier but took a giant leap at the brutal response of the Ortega-Murillo regime to the civic protests that erupted in April 2018." Nicaraguan authorities announced Monday that they would start the trials of 46 political figures who were arrested in the months leading up to the country's Nov. 7 election. Relatives of 39 of the people who were arrested said the prisoners have been subjected to isolation, have been given insufficient amounts of food and have been subject to constant interrogation, the AP reported.

ECONOMIC NEWS

U.S. Agencies Vow to Help Puerto Rico Update Power Grid

The U.S. departments of Housing and Urban Development, Homeland Security and Energy announced a plan Wednesday to modernize and strengthen Puerto Rico's power grid, the Associated Press reported. The territory's power grid was battered in 2017 by Hurricane Maria, and a portion of the available \$12 billion in federal recovery funds will go to financing dozens of grid modernization projects set to begin this year, according to the U.S. Department of Housing and Urban Development, the AP reported. The modernization effort is a part of the Biden administration's plan to transition Puerto Rico's energy grid to 100 percent renewable energy by 2050, the Energy Department said in a statement Wednesday. The PR100 Study is also meant to "improve power sector resiliency and increase access to more affordable energy and cleaner air," the statement said. Homeland Secretary Alejandro N. Mayorkas said the department will work to "help create a more sustainable future and ensure communities have access to affordable energy and cleaner air." He added that the Biden administration is working to invest in communities to "help them adapt and become more resilient." More than 130 projects are planned to soon be under construction or begin the bidding phase, the Associated Press reported.

Venezuela's Oil Exports at Lowest Level Since Sept.

Venezuela's oil exports fell in January to their lowest level since September, Reuters reported Wednesday, citing tanker-tracking data and internal documents of state-run oil company PDVSA. Returned and rescheduled cargoes of crude oil have led to loading bottlenecks, the

NEWS BRIEFS

Fourth Mexican Journalist Slain After Receiving Threats

A Mexican journalist who worked for online news outlet Monitor Michoacán was fatally shot while preparing to record a video interview, the news organization said Wednesday, the Associated Press reported. Roberto Toledo was the fourth journalist killed in Mexico in less than a month. Thousands of journalists have demonstrated across Mexico in recent days demanding justice and protection.

U.S. Authorities Charge Former Bolivian Anti-Narcotics Chief

Maximiliano Dávila-Pérez, a former Bolivian anti-narcotics chief, was charged in the United States with conspiring to import cocaine, as well as a weapons offense related to the use and possession of machine guns, the U.S. Attorney's Office for the Southern District of New York said Wednesday. "Instead of rooting out drug trafficking in [Bolivia], Dávila-Pérez ... sought to send more than a thousand kilograms of cocaine to the United States," U.S. Attorney Damian Williams said in a statement. Dávila-Pérez is currently detained in Bolivia.

Workers at Mexico GM Plant Vote in Independent Labor Union

Employees at the General Motors' pickup truck plant in the Mexican city of Silao voted to be represented by Sinttia, an independent labor union supported by U.S. and Canadian labor groups, Reuters reported, citing a Thursday statement by Mexico's federal labor center. According to the center, Sinttia won with more than 75 percent support. The union received more backing to represent the employees than the Confederation of Mexican Workers (CTM), whose contract with the employees was dissolved in 2021, Reuters reported.

wire service reported. PDVSA and joint ventures in which it is involved have been receiving a regular supply of Iranian diluents that have allowed it to boost production, but Venezuela has had a difficult time exporting amid problems with quality of its crude and poor conditions of ports and storage tanks, Reuters reported. In January, Venezuela shipped an average of 416,387 barrels per day of crude and refined products, a 34 percent decline from the month before. More than three quarters of the exports were destined for Asia. [Editor's note: See [Q&A](#) on Venezuela's oil output in the Dec. 24 issue of the Dialogue's weekly Energy Advisor.]

BUSINESS NEWS

China Nat'l Nuclear to Build \$8 Billion Plant in Argentina

China National Nuclear Corp. announced Tuesday that it is planning to build a new \$8 billion nuclear power plant in Argentina, Reuters reported. The state-owned company said in an announcement over its WeChat channel that it signed an engineering, procurement and construction contract with Argentine authorities. The multibillion-dollar deal came just days before Argentine President Alberto Fernández is set to travel to China in an official state visit. The Chinese firm will build the Atucha III nuclear power plant using China's Hualong One technology, a pressurized water reactor system, the Chinese ruling party-run Global Times newspaper reported. "Atucha III will have a gross power of 1,200 MW and an initial useful life of 60 years, and will allow the expansion of national nuclear capacities," the company said, Reuters reported. Construction of the plant, which is to be installed at the Atucha Nuclear Complex near Buenos Aires, is set to begin in late 2022, the Global Times reported. Argentina currently has three nuclear reactors generating about 5 percent of its electricity, according to the World Nuclear Association. The country's first commercial nuclear power reactor began operating in 1974.

FEATURED Q&A / Continued from page 1

will face significant obstacles. There are four fundamental challenges. The first is that a new constitution be approved with support from two-thirds of the members of the Constitutional Convention. Second is to reduce the gap between expectations and fiscal constraints. Third is to contain the violence and loss of state authority in the public order. The Araucanía region will require dialogue and action against violent groups. The penetration of drug cartels has spread in the cities, and it must be firmly combated. The fourth challenge is to overcome the parliamentary minority, relying on the Christian Democrat party and exploring sectors of the moderate right. Success is not assured. It will require agreements, step-by-step reforms and majority support. It will be complex, because a sector of the right will be tenaciously opposed, and a sector of the left will oppose gradualism. However, Chile has a realistic president, a progressive citizen conscience, a solid institutional base and a sustainable growth program with social inclusion. It will be essential to strengthen the government to make the changes that guarantee long-term democratic governance."

A **Jorge Heine, research professor at the Pardee School of Global Studies at Boston University and former Chilean cabinet minister:** "The rise in the value of the Chilean peso as well as that of the Chilean stock market indicates the favorable reaction of markets to the new cabinet. The initial alarmist reaction of the business community to Boric's election gave way to an expectation for real, but measured, step-by-step changes. Notably, the cabinet's 'inner core' (that is, those ministers with offices in La Moneda) is much younger than the rest, and they have an average age of 34. As recently as 2011, these officials—Izkie Siches, minister of the interior; Giorgio Jackson, secretary-general of the presidency; and Camila Vallejos, government spokesperson—were

all student leaders. They are all rumored to have presidential aspirations, which may make for some complex dynamics in the palace. Nobody could question their talent at mobilizations, communications and elections. The question is whether they also have what it takes to run a government. At other ministries, Boric will count on several old hands who know the Chilean bureaucracy and should deliver. For Mario Marcel, 62, the incoming finance minister, the main question is whether he will rise above the traditional 'nay-saying' role of his predecessors. Carlos Montes, 75, the veteran socialist senator, will have his work cut out for him in housing, as will Juan Carlos Muñoz, 51, in transport, whose commitment to sustainable modes of transportation has raised much hope. Many eyes will be on incoming foreign minister Antonia Urrejola, a past chair of the Inter-American Commission on Human Rights, and what sort of foreign policy proposals Chile's new government will put on the table at a time when Latin America is more fragmented than ever."

A **Santiago Cantón, director of the Peter D. Bell Rule of Law Program at the Inter-American Dialogue:** "On March 11, Boric will become the youngest Latin American president in modern history at age 36. His triumph represents a generational change and the end of a political era born out of the opposition to Pinochet. With 14 women, 10 men, two openly LGBT ministers and broad political and regional representation, the cabinet reflects his views of a more diverse and inclusive Chile. In the coming months, the work of three key ministers will offer a hint of the new Chile. Izkie Siches, the first woman to head the powerful Interior Ministry, will be responsible for addressing the recurrent conflict with Mapuche communities. In recent interviews, she has promised a switch from violence to dialogue, but how she plans to accomplish this remains to be seen. Antonia Urrejola, the incom-

Continued on page 4

FEATURED Q&A / Continued from page 3

ing minister of foreign affairs and former president of the Inter-American Commission on Human Rights, has been very outspoken about human rights violations in Venezuela and Nicaragua. Hopefully, she will continue to do so, and her voice will be a positive influence with other regional center-left governments that have provided solace to authoritarian leaders. The selection of Mario Marcel as finance minister brought calm to a financial market rattled by the election results. Appointed to Chile's central bank by center-left former President Bachelet, and confirmed by center-right President Piñera, the decades-long policy of fiscal responsibility seems secure. However, the pragmatic minister may struggle to find ways to respond to Boric's promises to expand social rights, and political tension inside the fragile government coalition will likely emerge."

A **Pamela Figueroa, professor in the Institute of Advanced Studies at Universidad de Santiago de Chile:** "The announcement of a cabinet is always very relevant as it includes several signals. In this case, it was even more relevant given that it shows how far Boric will expand his electoral alliance further beyond Apruebo Dignidad, a political alliance that brings together the Broad Front and the Communist Party. Boric's cabinet has been considered a political success for three reasons. First, it expands his political alliance toward democratic socialism in a concrete way. Second, it shows he recognizes female leadership by appointing women to a majority of the cabinet posts. Third, it guarantees diversity, moving away from the country's traditional political elites, with recognized specialists in each of the areas committed to the government program. There are three central appointees: Izkia Siches, a doctor and a key figure in Boric's electoral victory; Giorgio Jackson, a

long-time close friend of Boric; and Camila Vallejos, who is part of the new generation of the Communist Party. At the same time, the appointment of Mario Marcel as finance minister was read as confirmation that Boric's government will seek a gradual path."

A **Patricio Navia, clinical professor of liberal studies at New York University and professor of political science at Universidad**

Diego Portales in Chile: "Gabriel Boric's cabinet confirms that the president-elect is not yet sure as to which direction his government will go—the more radical version of the first-round campaign or the more moderate approach of the runoff campaign. The appointment of Mario Marcel in finance would point to the more moderate Boric, but the appointment of radical activists in the ministries of labor, education, health and environment signals that Boric remains committed to some of his more radical ideas. More worryingly, the cabinet lacks diversity in key dimensions. It is welcome news that there are 14 women and 10 men, openly gay ministers and people from outside Santiago. Several ministers also share Boric's professional and political trajectory. The three key political ministries are going to people who rose to prominence with Boric as former members of the university student movement. Successful past Chilean governments have combined diversity in terms of age and political trajectories. Thus, while there is some welcome news in Boric's first cabinet, it seems that the new president is making the same mistake as outgoing president Piñera in that his closest group of ministers fails to represent the diverse walks of life that exist in Chilean society."

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

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