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## FEATURED Q&A

# What Is Driving the Increase in Crime in Ecuador?



Crime has been on the increase in Ecuadorean cities. A crime scene in Cuenca is pictured. // File Photo: Ecuadorean Government.

**Q Ecuador has seen an increase in violent crime in recent weeks, especially in the cities of Quito and Guayaquil. Some 80 percent of homicides in the Andean country relate to illicit drugs, according to law enforcement officials.**

**What are President Guillermo Lasso and security forces doing to stem growing violence in the country? How have security concerns shaped the public's views of Lasso's administration, which is coming up on its first anniversary in May? With a change in government underway this year in Colombia, political uncertainty in Peru and continued crime along Venezuela's border areas, how can the Andean region pull together to address the drug trade and rise in power of criminal gangs?**

**A Tamara Taraciuk, acting director of the Americas Division at Human Rights Watch:** "President Guillermo Lasso should prioritize addressing the crisis in the country's prison system. Prisons in Ecuador are overcrowded, with some holding roughly twice as many detainees as they have capacity for, and they have insufficient and poorly trained guards. In an alarming reminder of the lack of control in the prison system, more than 300 detainees were killed in four violent massacres nationwide last year. Prisons in the country are often controlled by criminal organizations that extort detainees and their families. Many detainees, including those held in pre-trial detention or sentenced for minor crimes, are forced to work with organized crime groups to protect their own integrity or to access basic necessities, such as mattresses, bedding and health supplies. Detainees have reportedly

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## TODAY'S NEWS

### ECONOMIC

## IMF to Decide Today on Deal With Argentina

The executive board of the International Monetary Fund is expected to decide today on its \$45 million debt restructuring agreement with Argentina.

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### ECONOMIC

## Ecuadorean Lawmakers Reject Lasso's Investment Legislation

Ecuador's National Assembly on Thursday rejected legislation proposed by President Guillermo Lasso, who said the measure would help attract investment to the Andean nation.

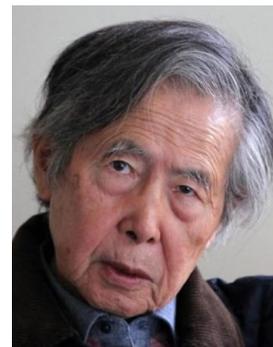
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### POLITICAL

## Judge Bars Fujimori From Leaving Peru

A judge in Peru barred former President Alberto Fujimori from leaving the country once he is released from prison following the reinstatement of a humanitarian pardon.

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Fujimori // Photo: TV Perú.

## POLITICAL NEWS

## Judge Bars Fujimori From Leaving Peru After Prison Release

A judge in Peru barred former President Alberto Fujimori from leaving the country once he is released from prison following a controversial decision by Peru's Constitutional Court to reinstate a pardon he was granted more than four years ago, Reuters reported. In Thursday's ruling, Judge Miluska Cano accepted a request from prosecutors to order that Fujimori remain in Peru while he is investigated on charges related to the kidnapping, torture and murder of six people in 1992. The former president is expected to be released soon, but after he is freed he faces a new trial related to the killings, the Associated Press reported. Fujimori, who was Peru's president from 1990 to 2000, is serving a 25-year prison sentence for human rights abuses. The Constitutional Court on March 17 reinstated a humanitarian pardon that then-President Pedro Pablo Kuczynski granted him in 2017 on the grounds that Fujimori was suffering from a heart condition that his imprisonment had worsened. The Constitutional Court's reinstatement of the pardon could lead it to be questioned again by the Costa Rica-based Inter-American Commission on Human Rights, or IACHR, but a ruling could take months, according to experts, Reuters reported. Relatives of victims of human rights abuses have said they will appeal the ruling to the IACHR.

## ECONOMIC NEWS

## Ecuador's National Assembly Rejects Business Reforms

Ecuador's National Assembly on Thursday rejected President Guillermo Lasso's package of business-friendly reforms he says would

have attracted billions in foreign investment to the country, Reuters reported. Eighty-seven lawmakers voted against the bill, with many saying it would have led to the privatization of state-owned assets. The legislation that Lasso submitted to lawmakers last month would have created free-trade zones for companies in key sectors. The reforms would also have attracted \$30 billion in private investment, Lasso argued. They also would have provided incentives to boost formal employment. Lasso, whose party does not have a majority in the National Assembly, can present the bill to lawmakers again, Reuters reported. "Ecuador should be a very attractive investment destination for both Chinese and Western firms, particularly in a post-Covid environment," R. Evan Ellis, a Latin America research professor at the U.S. Army War College, told the Advisor in a Q&A published March 3. Others were more sympathetic to the concerns of the bill's opponents. "In order to advance along a new economic path, the type of contracts offered to investors should include clauses that protect the environment and local communities," Leonardo Stanley, associate economics researcher at the Center for Study of State and Society, said in the same issue of the Advisor.

## IMF to Decide Today on Argentina Debt Refinancing Deal

The executive board of the International Monetary Fund is expected to decide today on its \$45 billion debt restructuring program with Argentina, Reuters reported. Argentina's Congress last week signed off on the financing aspects of the plan, though not the policies that would be required to keep the country's debt level sustainable. The IMF's executive board must reach agreement on the plan by consensus rather than through a vote, and a source familiar with the matter told Reuters that approval was "most probable." The Financial Times also reported that the IMF's board is likely to give its approval, after which Argentina would receive \$9.8 billion. Some analysts have outlined the conditions contained

## NEWS BRIEFS

## Nicaragua Expels International Red Cross Representative

Nicaragua's government has expelled the local representative of the International Committee of the Red Cross, a Red Cross spokeswoman said Thursday, the Associated Press reported. Spokeswoman María Cristina Rivera said the government had sent it a letter ordering the representative, Thomas Ess, out of the country, the AP reported. Rivera said it was unclear why the government took the action, but she said the Red Cross would continue doing humanitarian work in Nicaragua.

## Former Haitian Senator Wanted in Assassination Agrees to Extradition

Former Haitian Senator John Joël Joseph, who is accused in connection with the assassination last July of Haitian President Jovenel Moïse, has agreed to be extradited to the United States, where he faces charges, the Associated Press reported, citing Joseph's attorney. It was unclear when Joseph, who was arrested in Jamaica last January, would be extradited, his attorney said. Two other suspects in Moïse's killing, Haitian-Chilean businessman Rodolphe Jaar and Colombian soldier Mario Antonio Palacios, were recently extradited to the United States. More than 40 people in total have been arrested in connection with the assassination.

## Citigroup's Mexico Unit Expected to Define Terms for Sale in April

Citibanamex, Citigroup's retail unit in Mexico, is expected to define the terms of its sale in April, Reuters reported Thursday, citing country head Manuel Romo. The unit will open its "data room" next month for prospective buyers, Romo told reporters. Citi's chief executive officer, Jane Fraser, announced in January that the financial services firm would sell the unit.

in the agreement between Argentina and the IMF as unrealistic, saying they do not address structural problems in the Argentine economy, the Financial Times reported. The restructuring refinances debt that is outstanding following Argentina's 2018 agreement to borrow a record \$57 billion from the lender, a loan deal that quickly went off track, the newspaper reported.

## BUSINESS NEWS

### Mexican Start-up Clara to Expand to Colombia

Mexico-based Clara, which provides corporate credit cards and resources for expense management, is expanding into Colombia, the company announced Thursday, Reuters reported. Clara is investing \$10 million in the expansion, Leonardo Ramos, the Colombia head at the start-up, told the wire service. Clara allows businesses to register for physical or virtual Mastercards in minutes without visiting a bank branch. Company co-founders Gerry Giacoman and Diego Garcia, who met while working at Grow Mobility, launched Clara in 2020 after seeing the difficulty in starting businesses in Latin America and obtaining corporate credit cards, Reuters reported. "We've lived this," Giacoman told Reuters in an interview. "And we don't want that, we want to help businesses here to be more competitive and to operate with agility and clarity with their finances," he added. Last December, Clara reached so-called "unicorn" status, a valuation of at least \$1 billion, after raising \$70 million in a Series B round that was led by Cotaue, which has also invested in businesses including TikTok, Deel and Bitso, Contxto.com reported. DST, Monashees, General Catalyst, Avid Ventures, Global Founders Capital and Alter Global also participated in the funding round. Also last December, Clara opened an office in Brazil. "We hope to grow our number of clients around five times by the end of the year. So that's around 15,000 between the three countries and others we're working on expanding to," said Giacoman, Reuters reported.

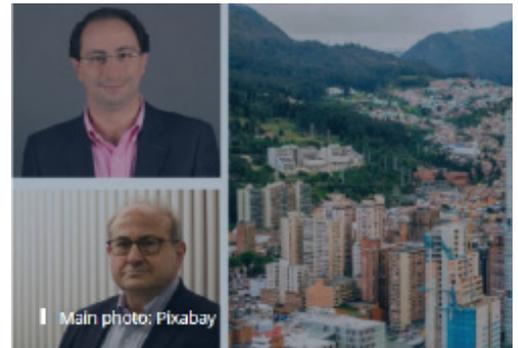
## EVENT SUMMARY

### Private Roundtable with Colombian Finance Minister José Manuel Restrepo

Last month, the Inter-American Dialogue hosted a private roundtable with Colombian Finance Minister [José Manuel Restrepo](#). The discussion centered on the country's economic policy and measures needed for it to recover from the Covid-19 pandemic.

#### What has Colombia's finance ministry done differently in response to the pandemic?

Economic challenges that arose over the past two years included a decrease in economic productivity due to lockdowns and reduced tax revenue to the state in order to alleviate financial pressure on citizens. The loss of employment and decreases in income for many Colombian families was tackled with social investments programs such as Ingreso Solidario, direct cash transfers, subsidies, and other measures for small- and medium-sized enterprises, or SMEs.



After the most severe first phases of the pandemic, when the government increased spending in the health sector, the priority became the Compromiso por el Futuro de Colombia package of investments. The projects under the plan included investments ranging from the rural and agricultural sector, vaccination campaigns, infrastructure spending, and green investments, such as the Canal del Dique project connecting Cartagena Bay to the Magdalena River.

These efforts are bearing fruit, Minister Restrepo said. The 10.6 percent growth of the country in 2021 that was announced earlier this month is higher than forecast and an encouraging signal as it represents something more than merely a rebound from the previous year of economic slump, he added. However, a direct consequence of these measures was the rise in sovereign debt and the fiscal deficit. The objective has now moved to the need for fiscal consolidation (typically achieved through raising more tax revenue and/or cuts in spending). The fact that Colombia has reduced its debt-to-GDP ratio to 62 percent is another indicator of Colombia's strong economic recovery since the depths of the downturn, he said.

Questions from the roundtable participants focused on the potential for expanding and extending the Ingreso Solidario program, a request for more details on the plans in Colombia to cut tariffs on certain products in order to counter inflation, as well as questions about the outlook for economic policy continuity after the legislative elections that took place on March 13 and the upcoming presidential election in May.

[Editor's note: See more highlights from the event [here](#).]

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

coordinated criminal behavior with gang members outside Ecuador's prisons. In December, President Guillermo Lasso convened a commission to improve prison conditions in the country. The commission should create a plan to overhaul the prison system and the Lasso administration should prioritize funding and supporting it. Ecuador should address violence within the prison system and ensure that it is not a breeding ground for crime and violence."

**A Daniel Pontón, dean of the School of Security and Defense at Ecuador's Institute for Higher National Studies (IAEN):**

"Criminal violence in Ecuador is growing dangerously, and there seems to be no stopping it. The homicide rate in 2021 was over 14 per 100,000—more than eight above 2018. In January 2022, homicides tripled as compared to January 2021. According to the Ecuadorean police, 80 percent of crimes are due to disputes between criminal groups for territorial domain of drug trafficking on a micro and macro scale. For this reason, crime and insecurity have become the main problem for Ecuadoreans. At the government level, the war on drugs has been positioned as the main strategy to deal with this problem. However, the achievements that the government has shown in terms of seizures in 2021 contrast with the high number of deaths attributed to this war. The government seems to be systematically losing the war against crime, and it has become a very sensitive political issue. The future international outlook for Ecuador is complex, given the political changes that are taking place in the region. Despite this, proposing a common agenda in the fight against crime can generate an excellent opportunity to strengthen regional integration. International recommendations suggest that the issues of impunity and arms control are fundamental factors to achieve significant reductions in crime. This is where collaborative efforts between countries should be established."

**A Ángel Zapata, deputy director of protection and security at Ecuador's National Service for Comprehensive Attention to Adults Deprived of Liberty and Adolescent Offenders (SNAI):** "Violence in Ecuador has escalated in an astonishing way in the last five years, especially in 2021 when the death rate related to crime went into double digits. Citizens perceive that there is no longer a safe place or time for their daily and business activities. The data indicates that this trend will not improve in the short term. The government's strategies have

**“ Violence in Ecuador has escalated in an astonishing way in the last five years.”**  
— Ángel Zapata

been ineffective. In addition to causing fear and terror, criminals have disrupted the rule of law, and they have seized important and extensive parts of cities. Behind the people who have been beheaded, hanged from bridges, bagged, quartered and shot in targeted attacks with multiple victims, there are illegal economies that only drug trafficking and money laundering could obtain and finance. The tentacles of organized crime have also manifested themselves in the justice system, whose rulings often give rise to questions by the public, as well as debate and controversy. The authorities responsible for security react daily with shows of power. Primary and secondary prevention have gone into the background, and community prevention has disappeared. The only tool used is the deterrence with the support of the armed forces. This scenario demonstrates the need and importance of redirecting the security plan, changing the centralized model of national coverage and addressing a comprehensive but local strategy, accompanied by a legal reform that incorporates reviewable permanent prison."

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