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FEATURED Q&A

What Does a Cabinet Shuffle Mean for Chile's Direction?



Chilean President Gabriel Boric on Sept. 6 shuffled his cabinet, putting more moderate leftists in key positions. // Photo: Chilean Government.

Q Less than 48 hours after Chileans decisively rejected the country's proposed constitution, President Gabriel Boric on Sept. 6 announced a major cabinet overhaul. Boric, who took office last March, announced new ministers of mining, energy and the interior, and also replaced his secretary-general of the presidency, who oversees the administration's legislative agenda. What are the main reasons behind the cabinet shuffle? Who are the most prominent people named to new roles, and what changes will they push for? What does the cabinet overhaul say about the direction of Boric's government?

A Carla Alberti, assistant professor in the Department of Political Science at the Pontificia Universidad Católica de Chile: "The most immediate reason behind the cabinet shuffle was the result of the referendum on a new constitution, which 62 percent of voters rejected. However, the fact that some of the ministers who were removed from their posts had also been heavily criticized for previous mistakes might also have affected the president's decision to replace them. Carolina Tohá is arguably the most prominent figure in the cabinet overhaul. As the new minister of interior, and based on her past experience, she is expected to craft a new relationship with opposition forces in order to deal with difficult matters, including public security, the conflict between the state and the Mapuche people in the south of the country and migration, among others. Similarly, the arrival of Ana Lya Uriarte in the Ministry General Secretariat of the Presidency goes in the

Continued on page 2

TODAY'S NEWS

POLITICAL

Two Haitian Journalists Killed in Port-au-Prince

Two Haitian journalists who were covering an increasing crime rate in the impoverished Cité Soleil district of the capital were fatally shot last weekend.

Page 2

ECONOMIC

Colombian Congress Passes Record Budget

Colombia's Congress approved a record \$93.3 billion budget for next year, including more funding for social programs pushed by President Gustavo Petro.

Page 3

POLITICAL

Venezuela to Act as 'Guarantor' in Colombia-ELN Talks: Maduro

Venezuelan President Nicolás Maduro said Tuesday that Colombia's government has asked his country to act as a "guarantor" in Colombia's planned peace talks with the National Liberation army, or ELN, rebels.

Page 2



Maduro // Photo: Venezuelan Government.

POLITICAL NEWS

Venezuela to Act as ‘Guarantor’ in Colombia–ELN Talks

Venezuelan President Nicolás Maduro on Tuesday said his government will act as a “guarantor” in peace talks scheduled to start later this year between Colombia’s government and the National Liberation Army (ELN) rebel

Maduro said new Colombian President Gustavo Petro asked Venezuela to take on the role.

group, the Associated Press reported. Leftist Colombian President Gustavo Petro asked Venezuela to take on the diplomatic role, Maduro said. Venezuela was a guarantor nation in a previous round of negotiations between Colombia and the ELN, in 2016, but the following year Venezuela broke off diplomatic relations with Colombia. Peace negotiations continued but were suspended three years ago after ELN rebels detonated a car bomb at a Bogotá

police academy, killing more than 20 cadets. “Negotiations with the ELN will be an early test for [Petro’s] government,” Douglas M. Fraser, retired general and former commander of the U.S. Southern Command, told the Advisor in a [Q&A](#) published Aug. 31. Venezuela and Colombia on late last month exchanged ambassadors posted in each other’s capitals. The restoration of diplomatic ties came less than a month after Petro’s inauguration as president of Colombia. Within weeks the two countries re-established diplomatic ties and announced plans to reopen their 1,400-mile-long shared border to cargo trucks. [Editor’s note: See related [Q&A](#) in Monday’s issue of the Advisor.]

Two Haitian Journalists Killed in Port-au-Prince

Two Haitian journalists were shot and their bodies were burned in an attack that occurred last weekend on reporters covering violence in an impoverished neighborhood in Port-au-Prince, the Associated Press reported Tuesday, citing a local journalists’ association. The two journalists killed, Tayson Latigue and Frantzsen Charles, were part of a group of seven reporters that were attacked Sunday while investigating a recent uptick in crime in the gang-con-

NEWS BRIEFS

Argentine Appeals Court Allows Crew of Grounded Venezuelan Plane to Leave

An appeals court in Argentina on Tuesday said it would allow 12 crew members from a Venezuelan plane grounded in Buenos Aires since June to leave the country, Agence France-Press reported. The cargo plane has been tied up in judicial proceedings related to U.S. sanctions on Venezuela and Iran. One of the Iranian crew members has been linked to the Al Quds Force, a group of the Iranian Revolutionary Guards classified as a terrorist organization by the United States, according to the report.

Colombia’s Ecopetrol Seeks to Suspend Two Fracking Projects

Colombian state-run oil company Ecopetrol has asked the country’s National Hydrocarbons Agency (ANH) for a temporary suspension of its two fracking pilot projects in Santander province, El Espectador reported Tuesday. The measure would be for 90 days. ExxonMobil and Ecopetrol are partners in both projects, but Ecopetrol is the entity responsible for operating them. Lawmakers last month proposed a bill to Congress that would ban fracking.

Brazilian Fintech Ebanx Announces Expansion Into Africa

Brazilian payment fintech Ebanx on Tuesday announced that it is expanding into Africa, Reuters reported. The start-up company, which is valued at more than \$1 billion and processes payments in 15 Latin American countries, said it began operating in Kenya, South Africa and Nigeria in late August with an initial focus on providing digital wallet services to consumers. The company said Africa’s digital economy provides large opportunities and that it will seek to reach agreements with major e-commerce stores in the region.

FEATURED Q&A / Continued from page 1

same direction of negotiating with the opposition in order to advance an agenda that includes these issues, but also the future of the constitutional process. More generally, given the political background of the new ministers, this cabinet overhaul seems to imply that the Boric government will seek to move closer to the country’s center-left.”

A Peter Winn, professor emeritus of history at Tufts University: “It was no coincidence that Gabriel Boric’s first cabinet shakeup followed hard on the rejection of the new constitution. Ratification of the new consti-

tution to replace General Pinochet’s authoritarian constitution of 1980 was Boric’s chief policy goal. Its rejection by some 60 percent of the electorate was both a personal and a political defeat for Boric, one that required a new beginning and a broadening of his base. What was less expected was Boric’s willingness to sacrifice his ‘road companions,’ many of whom had been with him since their student days and who represented what Boric had hailed as the takeover of Chilean politics by a new generation. His signal appointment was Carolina Tohá as interior minister, which not only brought a prominent center-left politician to Chile’s most

Continued on page 4

trolled Cité Soleil district of Port-au-Prince, Haiti's Association of Independent Journalists said. A reporter from the association said that the group came under attack from two warring gangs while reporting. The other journalists were able to flee, and the bodies of the two victims have not been recovered. The associ-

Gang violence in Haiti has worsened since last year's assassination of President Jovenel Moïse.

ation condemned the attack and called on the government to work to improve Haiti's security situation, which has worsened since the assassination of President Jovenel Moïse in July 2021. The U.S.-based Inter American Press Association also urged the Haitian government to find those responsible for the attack and said Haitian journalists "carry out their work in conditions of extreme risk and at a disadvantage in terms of resources and protection." A similar attack occurred last January, when two reporters working in the Laboule 12 neighborhood on the outskirts of Port-au-Prince were killed. They were shot and burned alive, BBC News reported. The reporters were working in an area where rival gangs were battling for control and were attacked by a gang.

ECONOMIC NEWS

Colombian Congress Approves Record \$93.3 Billion Budget

Colombia's Congress on Tuesday approved total spending of 405.6 trillion pesos (\$93.3 billion) in the country's 2023 budget, Reuters reported. The figure is the highest in the country's history and includes an additional 14.2 trillion pesos proposed by the administration of current President Gustavo Petro on top of the original proposal made by the previous administration of Iván Duque. Colombian

THE DIALOGUE CONTINUES

Will Another IMF Loan Help Argentina Avoid a New Crisis?

Q In search of some relief from soaring inflation, a shortage of foreign currency reserves and large fiscal deficit, Argentina's government on Aug. 25 confirmed that it will request a draw from the International Monetary Fund's new Resilience and Sustainability Trust (RST), which is designed to help countries stabilize growth. Under the trust's rules, Argentina's request would be capped at \$1.3 billion, Reuters reported. Is the additional IMF funding a good move for Argentina? How well is President Alberto Fernández's new economy minister, Sergio Massa, navigating Argentina's complicated economic circumstances? What did Massa accomplish on his recent trip to the United States? What is the outlook for Argentina's economy for the rest of this year and for 2023?

A Agustín Crivelli, economist at the Scalabrini Ortiz Center for Economic and Social Studies in Buenos Aires: "The search for additional financing by the economy minister is part of the economic plan agreed upon with the IMF when the extended fund facility program was approved in order to cancel the stand-by agreement that former President Mauricio Macri's government signed in 2018. Its economic model is 'outward looking,' which requires low internal costs. In other

words, it requires labor that is cheap in dollar terms and in terms of the purchasing power of wages. In this framework, the defined priorities are a fiscal surplus, a trade surplus and the strengthening of international reserves. Given the configuration of Argentina's economy, a model based centrally on using low domestic costs to generate increasing international reserves is not sustainable. The current economic model entails subordination to the interests of the IMF, an organization that was an accomplice and necessary participant in the capital flight of \$45.4 billion that cannot sensibly or feasibly be paid over the next 10 years. If the aim is to avoid a new situation of social unrest and consequent cessation of payments, it is essential to renegotiate an agreement with the IMF in which payments are linked to growth, not only of the economy but also to the level of income of the whole population. This is because the only way to sustain growth, and thus the country's payment capacity, is through a virtuous cycle, which in Argentina requires strengthening the domestic market."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Sept. 9 issue of the Advisor.

Finance Minister José Antonio Ocampo said the increased funding will go toward the government's main priorities, including rural reform and development, the health sector, anti-hunger initiatives and peace efforts, including crop substitution. The amount also includes funding for increases in public sector salaries and pensions due to inflation. Ocampo said the government has incorporated an increased projection of 10.5 percent inflation into its calculations, up from the previous 8.5 percent. Overall, the

approved amount represents a 15-percent increase from the 2022 budget, which the government says will be financed by increased tax revenue due to higher economic growth as well as dividends from state-owned oil company Ecopetrol and credits from multilateral institutions, Bloomberg Línea reported. Now that Congress has approved the total amount to be included in the 2023 budget, legislators have until Oct. 20 to debate and approve the exact allocation of resources.

FEATURED Q&A / Continued from page 2

important cabinet position, but also replaced a close Boric collaborator with an experienced older-generation leader. In addition, it brought Tohá to the position that her father had occupied under Salvador Allende, with the difference that José Tohá was Allende's closest confidante, while Carolina Tohá is replacing one of Boric's closest confidantes. Other former student leaders survived the shakeup—Giorgio Jackson as minister of planning and Camila Vallejo as government spokesperson. But all eyes will be on Tohá and the center-left intergenerational political model that she now represents. Getting negotiations for a new constitution off the ground will be her first task. Eighty percent voted to have a new constitution, but 60 percent voted against the proposed constitution that emerged. Tohá will need to come up with a text and a method of approving it that has broad support or face another cabinet shakeup in the future."

A Jennifer Pribble, associate professor of political science at the University of Richmond:

"President Gabriel Boric's cabinet reshuffle was predicted before the defeat of the proposed constitution, but the content of the changes reflects Boric's desire to respond to that outcome, negotiate a new path toward constitutional reform and boost support for his struggling government. The most notable changes were Boric's decision to remove his former campaign chief, Izkia Siches, from the post of minister of the interior and to transfer his long-time confidant, Giorgio Jackson, from his role as general secretariat to minister of social development. Siches was replaced by a Carolina Tohá, a well-known leader from the traditional center-left Party for Democracy (PPD), while Jackson was replaced by Ana Lya Uriarte of the Socialist Party (PS). Boric also replaced the minister of energy, minister of health, and minister of science

and technology. Boric's cabinet changes reveal three broad trends. The first is generational. The shake-up expanded the role of older leaders with a longer track record of service. Second, the reshuffle marked an effort to incorporate leaders from Chile's traditional center-left PPD and PS parties, at the expense of the Communist Party and newer leftist parties. This suggests that Boric is seeking to expand his support base and strengthen relations with a more centrist sector in his coalition. In this way, the move signals a third trend: Boric's desire to focus his governing efforts on addressing security and violence (via the Ministry of the Interior) and to negotiate a path forward for rewriting or reforming the country's constitution, with the help of Uriarte."

A Diego Valenzuela, retired Chilean ambassador: "President Boric publicly supported the draft constitution as its provisions were in line with his agenda. However, rejection of the proposed constitution by a broad majority of voters in the Sept. 4 referendum, coupled with a notable decline in public support for the government's achievements in critical matters, were determinant factors for a cabinet reshuffle. In the two key ministries—one responsible for policy on internal security, the other on negotiations with the National Assembly on legal matters—President Boric chose members of his coalition who are known for their experience in government and politics. This reshuffle is expected to provide conditions for restoring local and international trust in the government's ability to control inflation, improve investment and procure healthy financing of social reforms."

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

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