# LATIN AMERICA ADVISOR

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#### FEATURED Q&A

# Are South America's Leftists Willing to Work With the U.S.?



During his trip to South America last week, U.S. Secretary of State Antony Blinken met with leaders including Chilean President Gabriel Boric (L-R). // Photo: @SecBlinken via Twitter.

U.S. Secretary of State Antony Blinken visited South America Oct. 3-7 to meet with the recently elected leftist presidents of Colombia, Chile and Peru. The trip sought to strengthen ties and find common ground on a host of issues including regional security and migration. What did Blinken set out to accomplish on the trip, and how successful was he? What more should the United States be doing with its foreign policy agenda in the hemisphere? What determined the selection of the three countries?

Arturo Sarukhan, board member of the Inter-American Dialogue and former Mexican ambassador to the United States: "Secretary Blinken's trip was mostly characterized by the press as an effort to reassert Washington's commitment to the region and meet with three new left-leaning leaders, amid concerns that neglect of the continent has let China make economic inroads. While this at 35,000 feet may be generally true, the real challenge is that the Biden administration has struggled to find partners to work with and devise policies that will gain traction as it attempts to re-engage after four years of generalized indifference from the previous administration, beyond the politically expedient pimping of Venezuela, Nicaragua and Cuba in Florida ahead of the 2020 elections. The two diplomatic giants in Latin America-Mexico and Brazil-have been AWOL, with both countries punching well below their weight when it comes to regional and global affairs and with Mexico resorting to diplomatic malfeasance and nostalgia as a policy paradigm. Both governments clearly and overtly bet on Trump, and now on a Trump-infused GOP making electoral inroads.

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# U.N. Security Council Eying Sanctions on Haiti Gang Leader

The U.N. Security Council is considering a weapons embargo, an asset freeze and a travel ban on powerful Haitian gang leader Jimmy Cherizier.

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# Puerto Rico's Energy Bureau to Investigate Luma Over Bills

The U.S. commonwealth is probing Luma Energy over bills customers complained of receiving for electricity they didn't receive.

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# Colombia Seeking Missing Assets Seized From Criminal Groups

Colombian President Gustavo Petro's government launched an investigation to find missing assets that were seized from drug traffickers and other criminals.

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Petro // File Photo: Colombian Government.

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#### **POLITICAL NEWS**

# U.N. Security Council Eying Sanctions on Haiti Gang Leader

The United Nations Security Council is considering sanctions that would impose a weapons embargo, an asset freeze and a travel ban on Jimmy Cherizier, a powerful Haitian gang leader, the Associated Press reported Thursday. The resolution, drafted by the United States, mentions Cherizier by name, saying that he and "his G9 gang confederation are actively blocking the free movement of fuel from the Varreux fuel terminal—the largest in Haiti," the wire service reported after viewing a copy of the draft text of the resolution. The resolution also expresses "grave concern about the extremely high levels of gang violence and other criminal activities, including kidnappings, trafficking in persons and the smuggling of migrants, and homicides, and sexual and gender-based violence including rape and sexual slavery, as well as ongoing impunity for perpetrators, corruption and recruitment of children by gangs and the implications of Haiti's situation for the region," the AP reported. Cherizier, nicknamed "Barbeque," is a former police officer who leads an alliance of gangs known as the "G9 Family and Allies." In addition to sanctioning Cherizier, the resolution would also establish a committee at the U.N. Security Council to identify other Haitians and groups in the country to also be subjected to sanctions, the wire service reported. The situation in Haiti has worsened in recent weeks, following Prime Minister Ariel Henry's elimination of fuel subsidies last month. The move led fuel prices to double, and gangs proceeded to block the entrance to the Varreux fuel terminal, leading to a severe shortage of fuel, the AP reported. Cherizier's "actions have directly contributed to the economic paralysis and humanitarian crisis in Haiti," the U.N. resolution says. Alongside the shortage of fuel, Haiti is also facing a scarcity of clean drinking water and a deadly outbreak of cholera. "Haiti is facing a humanitarian catastrophe," Jean-Martin Bauer, the United

Nations World Food Program's country director in Haiti, told journalists Thursday, Reuters reported. The situation in the country is "close to the breaking point," Bauer added. Approximately 4.7 million people, nearly half the country's population, are facing hunger, the U.N. agency said. About 19,000 people in Port-au-Prince's impoverished Cite Soleil neighborhood are facing "catastrophic hunger," it added.

# **ECONOMIC NEWS**

# Puerto Rico's Energy Bureau to Investigate Luma Over Bills

Puerto Rico's Energy Bureau announced on Thursday that it will investigate Luma Energy over electric bills after Hurricane Fiona knocked out the U.S. territory's power grid last month, the Associated Press reported. The announcement came as a mounting number of customers reported being charged for electricity and receiving unusually high bills for power they did not receive. In response to the

More than 8,800 of Luma Energy's 1.47 million customers in Puerto Rico remain without power.

hurricane, the power company said it temporarily transferred its direct billing system inquiries to its app, website, mail or in-person appointments, but the bureau required it to resume telephone and online services immediately, as well as to extend the deadline for clients to file a complaint. Last month, U.S. President Joe Biden authorized the Federal Emergency Management Agency to coordinate relief in light of the destruction on the island, The New York Times reported. To date, more than 8,800 of Luma Energy's 1.47 million customers in Puerto Rico remain without power. The energy company took over the transmission and distribution of power in the territory, but it has

#### **NEWS BRIEFS**

# Colombia Launches Search for Missing Assets Seized From Criminals

Colombia's government launched an investigation on Thursday into missing assets that were seized from drug traffickers and criminal groups, Reuters reported. The total value of the seized assets amounted to 25.7 trillion pesos (\$5.6 billion) and were to be invested in social programs. The value of the missing assets, however, was not disclosed. President Gustavo Petro said in a statement the scandal could become "one of the most painful events from the point of view of transparency, the public pulse and national heritage."

# Ex-Honduran Legislator Sentenced in United States for Drug Trafficking

Former Honduran Congressman Fredy Renan Najera Montoya was sentenced on Thursday to 30 years in prison by a federal judge in New York over his involvement in a large-scale drug trafficking ring, the Associated Press reported. The prosecutors say Najera imported more than 30 tons of cocaine from Honduras into the United States while he was in office between 2008 and 2015. He was also ordered to forfeit \$46 million and pay a \$10 million fine.

# Mexico to Take Money From Dormant Accounts to Pay for Security Tasks

Mexico's Congress has approved a law that will allow the government to take money from abandoned bank accounts in order to pay for security tasks, The Yucatán Times reported Thursday. There is likely to be between 10 billion pesos and 75 billion pesos (between \$500 million and \$3.76 billion) in abandoned accounts in the country, the newspaper reported. The reform to the Law of Credit Institutions allows the seizures if there has been no activity in an account for six years.

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faced repeated criticism over periodic power outages. The island's weak power grid, which was largely destroyed under hurricane Maria in 2017 and whose reconstruction has only recently begun, is undermining efforts to restore power, Luma officials said in a statement.

# **BUSINESS NEWS**

# A.M. Best Raises Outlook for Costa Rica's Insurers

Insurance-focused ratings agency A.M. best said Wednesday that it has raised its outlook for Costa Rica's insurance sector to stable from negative. As of last December, the Central American country's insurance market saw premium growth of 6.9 percent to 900 billion colones (\$1.44 billion) year-on-year. However, by last July, year-over-year growth rose to 14.4 percent "aided by a loosening of restrictions imposed during the pandemic that led to sustained growth in compulsory auto insurance

# Costa Rica's real GDP grew 7.6 percent last year.

and occupational injury insurance," the ratings agency said in a statement. A.M. Best added that it expects Costa Rica's insurance market to "withstand its current challenges." It added that "the residual effects of the pandemic, the volatile economic environment and uncertainty about public finances will continue to strain the country insurance industry." Overall, Costa Rica's real gross domestic product grew by 7.6 percent last year, and the ratings agency said that growth is expected to continue despite economic headwinds. "Growth is expected to continue, albeit hindered by obstacles, including rising commodity prices and supply chain disruptions due to a volatile economic environment," Olga Rubio, a senior financial analyst at the ratings agency, said in a statement.

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Several other governments, with their eyes fixed on the uncertainty of what could happen in 2024, may be holding back and calculating how much diplomatic capital and bandwidth to expend in the relationship with Washington. And there are any number of governments that simply don't share interest in a rules-based regional-or global-system, whether it's regarding trade or democratic values, human rights, or international peace and security. Therefore, at a more granular level, Blinken's trip was also an opportunity to gauge whether Chile can become the strategic partner of choice, the country to call in the region and whether an issue-driven agenda-a coalition of the willing with a variable set nations, case by case and topic by topic-can be a feasible template for U.S. traction, engagement and leadership, with the right counterpart in the Americas."

Maria Velez de Berliner, chief

strategy officer of RTG-Red Team Group, Inc: "Secretary Blinken sought not to 'lose' Colombia, Chile and Peru to the 'commies,' a long-standing fear in the United States. Hopefully, Blinken accepted that each country has its own political dynamics, needs and objectives, which each will meet as best it can. Each country today has an expanding generation of politicians that must manage the consequences of underperforming market capitalism. This generation will seek alternative ways of governing, but not necessarily going against the United States or market capitalism. However, the United States needs to amend its policies and see these three countries as political, social, economic, cultural, security and safety laboratories where market capitalism and socialist-leaning policies (not Soviet Communism/Marxism or Castro-Chavismo) work together to stave off current social unrest, destruction and stoppages against the established order that has become each country's modus operandi. Cooperation might continue to exist in illicit drug control,

with each country collaborating with the U.S. government in a mutually beneficial manner, not under Washington's terms alone. Clearly, all this could change pending the results of the U.S. election in November and on whether Presidents Petro, Boric and Castillo succeed or fail, and on who will replace them, how, and when. The U.S. must recognize Petrismo, Boricismo, and Castillisimo will remain a main feature of these countries' overall operational environment, albeit under different names. And, so far, with support from some of the traditional political elites that have lost their grip on governing each country's majority fairly and effectively, if they ever did."

David Castrillón-Kerrigan, research professor at the School of Finance, Government and International Relations at Universidad Externado de Colombia: "Secretary Blinken visited South America amid three key transitions and dynamics: the leftward

key transitions and dynamics: the leftward shift of the region, the increase in irregular migration to the United States, and growing global economic volatility and uncertainty owing to the war in Ukraine as well as interest rate hikes in developed markets. On a diplomatic level, the visits sought to convey the message that the Biden administration remains committed to its partners in the region regardless of ideology, so long as shared values and democratic traditions are upheld. This newfound pragmatism reflects not only U.S. concern over the possibility of further 'losing South America' to extra-hemispheric great powers like China, but also a recognition that, unlike more conservative governments like that of Bolsonaro in Brazil, leftist governments echo the White House's positions on issues such as human rights and climate change. On a practical level, much of the visit to the region—including Blinken's participation in the OAS General Assembly in Lima-centered on migration, acting as a follow-up to the Los Angeles Declaration of the recent Summit of the

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Americas. By pledging new aid to address both the short-term consequences of migration waves and some of the structural causes behind it, the United States serves its own interests and the needs of others at the same time. Ultimately, the messaging of the visit was correct, but regional governments are no fools. Actions speak louder than words. Much of the attention will be set on the results of the November congressional elections in the United States, and the possible impact to the region of a divided U.S. government."

director of academic program assessment at Palmetto College and professor of political science at the University of South Carolina Union: "Secretary of State Antony Blinken visited the leftist presidents of Colombia, Chile and Peru recently to help create strong democracies, tackle climate change, discuss the effects of drug trafficking and address 'irregular migration.' What should have been discussed is the need for economic prosperity in countries that, despite recent economic growth, are experiencing high inflation, unaffordable energy and food insecurity in the coming months. How will these

**Christine Sixta Rinehart**,

countries address the needs of the poor who may turn to violence due to desperation and starvation? Climate change policies come at a tremendous cost to the most vulnerable. Climate change should only be addressed once the poor experience economic development. It is borderline criminal for rich countries to impose climate change expectations on the poor. The Biden administration should be working to stop drug trafficking, the source of the problem, not the effects of drug trafficking. In addition, a safe and fair migration process for all people should have been discussed. The Mexico-U.S. border is a lawless area where drug traffickers, human smugglers and the poor cross daily. The United States cannot account for or provide for this open migration. Many Latin Americans suffer in the crossing from abuse, rape and death. Many Americans are hurting from the crime and lack of resources that an open border creates. Other countries along the route experience similar problems. Migration is a partnership between nations, not a decree."

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

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