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## FEATURED Q&A

# What Do Cabinet Changes Mean for Chile's Government?



Chilean President Gabriel Boric on March 10 introduced several new cabinet members. // Photo: Chilean Government.

**Q** Chilean President Gabriel Boric on March 10 shuffled his cabinet for the second time since he took office last year, a move that came after lawmakers shelved his government's tax reform proposal. Boric named Alberto van Klaveren as his foreign relations minister, replacing Antonia Urrejola. He also tapped Jessica López as his public works minister, replacing Juan Carlos García in the post. Boric also assigned new ministers of culture, sports and science, in addition to 15 undersecretaries. Who are the most prominent people named to new roles, and what changes will they push for? What does the cabinet reshuffle say about the direction of Boric's government, and the future of its proposals?

**A** Carla Alberti, assistant professor in the Department of Political Science at the Pontificia Universidad Católica de Chile: "The most important change in the recent cabinet reshuffle is the appointment of Alberto van Klaveren at the Ministry of Foreign Affairs. Van Klaveren's arrival in this ministry signals a move toward a professionalization of the post. The new minister has a long trajectory in the area of international relations, working in the ministry in different capacities. More generally, the new ministers have greater experience working in their respective areas and share similar political trajectories, as most of them have previously worked for the government, especially during President Bachelet's two terms. Examples of this include Van Klaveren, who served as undersecretary of foreign affairs, and Jaime Pizarro, the minister of sports, who was undersecretary of sports

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## TODAY'S NEWS

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## Mexican Court Issues Six Arrest Warrants After Deadly Fire

A Mexican court on Thursday issued warrants for the arrests of six people following a fire that killed at least 39 people at a migrant detention facility.

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### BUSINESS

## Valero Seeking OK to Import Crude From Venezuela

U.S.-based Valero Energy said it was seeking approval from the U.S. Treasury to import Venezuelan crude.

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### POLITICAL

## Opposition Has Evidence Against Ecuador's Lasso: Lawmaker

Ecuador's opposition has convincing evidence that it plans to present in an effort to impeach President Guillermo Lasso, a National Assembly member said Thursday.

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Lasso // File Photo: Ecuadorean Government.

## POLITICAL NEWS

## Mexican Court Issues Six Arrest Warrants After Deadly Fire

A court in Mexico issued warrants on Thursday for the arrests of six people following a deadly fire earlier in the week at a migrant detention facility in Ciudad Juárez, the Associated Press reported. The people being sought include three officials of Mexico's National Migration Institute, two private security guards and the detained migrant accused of starting the blaze, said Sara Irene Herrerías, the federal prosecutor heading the investigation. At least 39 people were killed in the fire that happened Monday night. An attorney, Jorge Vázquez Campbell, filed a complaint on Wednesday to Mexico's attorney general's office accusing Chihuahua state's top immigration official of

ordering that the migrants not be released despite being aware of the fire. Salvador González Guerrero, the state delegate for the National Immigration Institute, "gave the order by way of a phone call that under no circumstances should the migrants 'housed' inside the place where the fire started be released," Vázquez alleged. The agency did not immediately respond to a request for comment by the AP nor to a request for comment by González. Vázquez declined to identify his clients, beyond saying that they had connections to the case. He added that one of his clients told him that the fire began after a detained migrant asked a guard for a cigarette and lighter and then five migrants who had been detained earlier in the day began a protest. "The officials made fun of them, they got irritated, and two [migrants] set a mattress on fire," said Vázquez. At that moment, immigration officials at the facility informed González about the fire, and he instructed them "not to do anything and under no circumstances should they let them leave," the

## NEWS BRIEFS

## Death Toll Rises to 17 in Ecuador Landslide

The death toll rose to 17 following a landslide caused by heavy rains in Ecuador's Andean region, authorities said on Thursday, Reuters reported. The Sunday landslide swept over the city of Alausí, destroying 57 houses, according to Ecuador's risk agency. Authorities said 72 people remained missing. The government said rescue efforts are underway. Earlier this month, an earthquake struck the country and prompted President Guillermo Lasso to declare a state of emergency.

## Taiwan's President Visiting Guatemala, Belize After Honduras Cuts Ties

Taiwan's president, Tsai Ing-wen, began a visit to Central America today following a trip to the United States, Agence France-Presse reported. Tsai is seeking to strengthen relations with allies after Honduras severed diplomatic ties with Taipei in favor of Beijing. She is scheduled to meet with President Alejandro Giammattei today in Guatemala before traveling to Belize on Sunday to meet with Prime Minister John Briceno.

## Argentina's Poverty Rate Rises Amid Triple-Digit Inflation

Argentina's poverty rate rose in the second half of last year, to 39.2 percent, up from 36.5 percent in the year's first half, according to government statistics published Thursday, Bloomberg News reported. The higher poverty rate is below the peak reached during the Covid-19 pandemic, but the rise shows how inflation, which reached 103 percent in February, is taking a toll on the population. Wages for informal workers rose 63 percent at the end of last year, meaning their wages lost purchasing power. [Editor's note: See related [Q&A](#) in Wednesday's issue of the Advisor.]

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between 2007 and 2009. The appointment of the new ministers and undersecretaries reflects President Boric's attempt to move toward the center and, in particular, the need to build stronger linkages with the socialist party and other members of the former Concertación/Nueva Mayoría. The government seems to be aware that it is important to reach out to these sectors in order to ensure legislative majorities and thus the approval of key reforms."

**A** **Ignacio Walker, former Chilean foreign minister:** "The democratic socialist component of the current administration—composed, in fact, of two coalitions—has been gaining terrain over the Apruebo Dignidad (Communist Party plus Frente Amplio) component. This has meant a gradual shift from the radical left toward a more social democratic, moderate left, which has implications in terms of public policies. Camilo Escalona, the secretary general of the

Socialist Party, called the Sept. 4 plebiscite results the most severe defeat of the Chilean left in its history. This defeat has been at the core of this shift and the new political scenario. There are 20 parties represented in Congress, and 10 parties in the government coalition, all of which pose a serious challenge in terms of democratic governance. The government's proposed tax reform was defeated in Congress, which demands a new negotiation with the opposition toward a more moderate reform. The prospects of a new constitution are quite positive in terms of a more inclusive, consensus driven constitutional process. The most severe problem for the government and the country at large is the question of security (narcotrafficking and organized crime). The administration has been weak and erratic in this respect. President Boric has a 35 percent approval rate. The new cabinet and the more salient position of democratic socialism in the government coalitions should mean a more stable condition in political terms. Chile is

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AP reported. Also on Thursday, a Mexican government official told Bloomberg News that the country's government will cancel its contract with the private company that provides security at the facility.

## Opposition Has Evidence Against Lasso: Lawmaker

Ecuador's opposition has convincing evidence to present in an effort to impeach President Guillermo Lasso, a legislator said Thursday, the Associated Press reported. "The evidence is compelling, it is irrefutable, and we are going to present it," said lawmaker Viviana Veloz. The evidence involves irregularities in a crude oil shipping contract, she said. Lasso has denied wrongdoing. On Wednesday, Ecuador's Constitutional Court gave its approval for impeachment hearings to begin.

### BUSINESS NEWS

## Valero Seeking U.S. Approval to Import Venezuelan Crude

Valero Energy, the second largest oil refiner in the United States, is seeking authorization from the U.S. Treasury Department to import Venezuelan crude, according to people familiar with the matter, Reuters reported Thursday. The refiner is reportedly seeking a license similar to the one the Treasury granted to Chevron in November after a four-year ban. U.S. President Joe Biden's administration imposed sanctions on Venezuelan state oil company PDVSA in 2019, following Nicolás Maduro's successful bid at another term as Venezuela's president in an election that was widely perceived as fraudulent. The United States has since relaxed some its sanctions in an effort to encourage political dialogue with the country's opposition, Bloomberg News reported. Venezuela resumed exporting oil to the United States in January, under a Treasury Department license granted

## THE DIALOGUE CONTINUES

### How Much Is Triple-Digit Inflation Harming Argentina?

**Q** Argentina's annual inflation rate in February exceeded 100 percent, the country's National Institute of Statistics and Census, or INDEC, announced on March 14. It marked the first time the consumer price index (CPI) hit triple digits since 1991. February's 102.5 percent inflation rate was a result of a higher-than-expected 6.6 percent monthly increase in the CPI, as well as a 13.1 percent year-to-date rise. **How is Argentina's inflation rate affecting the country's \$44 billion program with the International Monetary Fund? How is the Argentine government responding to rising prices, and how is it affecting the people? What implications might the country's economic struggles have on the October presidential election?**

**A** Lisa M. Schineller, managing director and lead analyst for sovereign and international public finance ratings at S&P Global Ratings: "Inflation of some 100 percent is a complex political and economic challenge for the Argentine government—a challenge we do not expect to be tackled ahead of the October presidential election. To meaningfully reduce inflation and reset inflation expectations requires a set of comprehensive economic measures, including significant correction in both fiscal and monetary

policies. These would likely be economically painful, politically unpopular, unfeasible and unsustainable in the run-up to the election. Some of the policy steps to strengthen fiscal results (such as higher electricity tariffs) and relieve balance of payments constraints (more peso depreciation) would complicate a near-term decline in inflation. They would also necessitate social support for the most economically vulnerable. Poverty indicators, available through the first half of 2022, indicate a decline from pandemic peaks, but they are likely to have risen since, given the rising inflation. Economic hardship tends to weaken prospects for incumbents, as was the case in 2019 when then-President Macri sought re-election. Current economic conditions, with limited expectation for any turnaround, are likely to hurt prospects for a victory by President Fernández, should he to run for re-election and/or the government coalition candidate. However, uncertainties abound amid a polarized political landscape with anti-establishment sentiment. Post-election, whoever wins faces an extremely difficult political and economic balancing act."

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

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to Chevron that allows the company to expand operations in the South American country and export crude. The move to grant Chevron a license was part of negotiations for humanitarian aid and a presidential election, although efforts to fund aid by unfreezing Venezuela's assets abroad have stalled, and further talks with the opposition have not occurred. Last week, Attorney General Tarek William Saab said Venezuelan authorities had detained

21 people—10 senior government leaders and 11 businesspeople—in connection with a corruption scheme involving international oil sales, the Associated Press reported. The announcement of the arrests came just days after Oil Minister Tareck El Aissami, a close ally of President Nicolás Maduro, resigned as the graft investigation into the state oil industry became public. El Aissami has not been charged with a crime.

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not falling apart, and the government is not on the floor. Government and opposition forces are equally represented in Congress, all of which demand reaching agreement through negotiation and compromise.”

**A** **Peter M. Siavelis, professor of politics and international affairs at Wake Forest University:** “As President Gabriel Boric entered his second year in office amid flagging approval ratings, his plan for a government reboot included a series of pension, health care and wage reforms. Their financing relied on a proposed tax overhaul that fell short of congressional approval in early March, with analysts tying the defeat to carelessness and lack of government coordination. Upon taking office, Boric made headlines with his initial female-dominated cabinet headed by young newcomers. Yet, consistent missteps and sloppy decision-making prompted him to name a series of more experienced veteran centrists to the ministries and subsecretariats in this second cabinet shake-up—many with ties to the traditional center-left Nueva Mayoría coalition. This continues a trend established in Boric’s first cabinet shake-up following the resounding defeat of his centerpiece proposal for a new constitution last September. The pace, timing and execution of decision-making have consistently been a problem for the government and the tax reform represented a quintessential example. Nonetheless, while Boric’s approval rating bottomed out at 25 percent in January, it now stands at 35 percent. The government seeks to take advantage of this upward trend to ride the tailwinds of improving inflation numbers, a stronger peso and stronger employment to recover and generate wider support for the ongoing process of constitutional reform. Still, despite a clear move toward the center with these new appointments, Boric’s governing woes have little to do with ideology or even experience. Rather, the problem has been strategic coordination and messag-

ing, with little indication that the cabinet shake-up will address these more serious challenges facing the government.”

**A** **Jorge Heine, research professor at the Pardee School of Global Studies at Boston University and former Chilean ambassador to China:** “What many expected to be a major cabinet reshuffle turned out not to be so. The main change was the one in foreign affairs, where Antonia Urrejola’s position became untenable. In an unprecedented move, not only was the minister removed, but the two deputy ministers, Ximena Fuentes and José Miguel Ahumada, were also dismissed. While the ministry of foreign affairs had been a source of major policy achievements that enhanced the government’s standing, that was not the case this time around. Diplomatic faux pas, questionable ambassadorial appointments (some of which had to be withdrawn) and intragovernmental, publicly aired differences on whether Chile should ratify the CPTPP trade deal, ended up being a major distraction, if not downright embarrassment for the government. In appointing Alberto van Klaveren, an old foreign affairs hand, Boric seemed to ratify his turn toward the ‘tried and true’ cadres of the old Concertación, as opposed to the younger militants of the Frente Amplio. The lack of experience of the latter and their unfamiliarity with the levers of power that make the Chilean government work, have become an obstacle to move the government’s agenda forward. There is much hope that Foreign Minister Van Klaveren will go back to the sound foreign policy principles that allowed Chile to play such a significant role in hemispheric affairs over the past 30 years. In that regard, rebuilding Unasur, hand in hand with Argentina, Brazil and Colombia, should be one of the key tasks in his inbox.”

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.*

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