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Latin America Advisor

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FEATURED Q&A

What's the Impact of Trudeau's Exit in the Americas?



Justin Trudeau announced last week that he will step down as Canada's prime minister. // File Photo: Canadian Government.

Q Canada's Justin Trudeau announced on Jan. 6 that he will resign his post as prime minister and leader of the Liberal Party amid a leadership crisis. The move sets Canada on the path to a parliamentary election, which must be held before late October; Trudeau's replacement as party leader, who has yet to be named, will serve as interim prime minister until the election. What is the significance of Trudeau's resignation in the context of global politics? What implications does the development have for Canada's allies in the region, specifically the United States and Mexico? Who is best situated to win the upcoming parliamentary election, and what policies will Canada's next government likely adopt toward other nations in the Western Hemisphere?

A Tequila Brooks, attorney and former labor law advisor to the North American Commission on Labor Cooperation Secretariat: "During Justin Trudeau's nine years as Canada's prime minister, his center-left Liberal Party relied on coalitions with the more progressive New Democratic Party (NDP) and labor interests to partner on progressive policies. The coalition with working people and their representatives has frayed for the same reasons as it has in the United States—the inflation spike in the wake of individual and business support expenditures during Covid, the declining value of wages, rising housing costs and the sense that government is out of touch and not acting fast enough to fix these issues. Roberto Zepeda of UNAM observed that Canada's human development index ranking dropped from second in the world in the 1990s to 11th in 2012, with voters electing more NDP and

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TODAY'S NEWS

POLITICAL

Cuba Starts Releasing People Imprisoned After Protests

Cuba on Wednesday began releasing prisoners who were arrested following anti-government protests in 2021 after reaching a deal with the Biden administration.

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BUSINESS

Chinese Firm Planning Investment Funds in Brazil, U.S.

China Asset Management Company is planning to launch new investment funds this year in Brazil and the United States, the company's CEO said today.

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ECONOMIC

Chilean Gov't, Opposition Reach Deal on Pensions

Chile's government and the opposition have reached an agreement on key provisions of a planned pension reform, Labor Minister Jeannette Jara announced Wednesday.

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Jara // File Photo: Chilean Government.

POLITICAL NEWS

Cuba Starts Releasing People Imprisoned After Protests

Cuba on Wednesday began releasing prisoners, including ones arrested following anti-government protests in 2021, as part its deal with the outgoing administration of U.S. President Joe Biden, the Associated Press reported. The White House announced a day earlier that it was removing Cuba from its state sponsors of terrorism list and that Cuba would release “a substantial number of political prisoners.” The deal was brokered by the Vatican. Hours after the White House made the announcement, Cuban President Miguel Díaz-Canel said Cuba would “gradually” free 553 prisoners, Reuters reported. In all, at least 1,000 people were arrested after the protests in 2021. More than a dozen prisoners were released on Wednesday, the AP reported, citing Cuban civil groups. One of those freed was Reyna Yacnara Barreto Batista, a 24-year-old tattooist who was arrested during the 2021 protests and sentenced to four years in prison after being convicted of public disorder and committing attacks, the AP reported. She told the wire service that eight men were freed along with her from a prison in Camagüey province. Also freed on Wednesday was Daniel Cruz García, 23, who had been sentenced to 15 years in prison after being convicted of sedition following the protests, Reuters reported. His sentence had since been shortened, and authorities told him late Tuesday that he could serve the remainder of his sentence at home. “I escaped from hell to be with my family. I’ll behave myself so I can move on,” he told Reuters after arriving back at his home in La Guinera. Other prisoners who had been imprisoned with him were also released, said Cruz García. Maricela Sosa, the head of Cuba’s top court, said Wednesday that those freed would be monitored to ensure their good behavior and would again be imprisoned if they violate their parole, Reuters reported. “This is neither an amnesty nor a pardon,” Sosa said in an appearance on state television.

ECONOMIC NEWS

Chile’s Government, Opposition Reach Deal on Pensions

Chile’s government has reached an agreement with opposition lawmakers on several key provisions of President Gabriel Boric’s flagship pension reform, paving the way for the country’s Senate to vote on the legislation before Feb. 1, Labor Minister Jeannette Jara announced on Wednesday, Bloomberg News reported. Jara met Wednesday with senators from all three parties of the unified right-leaning opposition bloc: Renovación Nacional, Unión Demócrata Independiente and Evópoli. In the meeting, the government agreed to have employer pension contributions be directed

“It’s not perfect, but it’s a big step forward.”

— Jeannette Jara

to individuals’ savings accounts, rather than distributing pensions disproportionately to poorer Chileans, as Boric’s administration had originally proposed. Boric’s government also agreed to remove language from the legislation that would do away with private pension fund managers in the country, according to Bloomberg News. The legislation would still lead to a substantial increase in national savings through the private and public pension systems, according to the news service. “We will finally be able to give more concrete news to the citizens on a project that has taken two and a half years to move forward,” Jara said at a press conference following her meeting with opposition senators, Chilean news outlet BioBioChile reported. “It’s not perfect, but it’s a big step forward,” she added. Boric is fast-tracking the pension reform legislation—and conceding on key points quicker than expected—because time is running out for his administration to complete its policy objectives before leaving

NEWS BRIEFS

Guatemala’s Arévalo Voices Optimism About Relations With Trump

Guatemalan President Bernardo Arévalo said Wednesday that he expects to have cordial relations with the incoming administration of U.S. President-elect Donald Trump, the Associated Press reported. Arévalo said issues like immigration will likely generate tension, but he promised to cooperate with the new administration regarding its plans to deport millions of unauthorized migrants, many of whom are Guatemalan citizens.

U.S. Should ‘Re-explore’ Venezuela Oil Licensing: Sec’y of State Pick Rubio

The incoming Trump administration should “re-explore” existing sanctions waiver licenses that allow oil companies like Chevron to continue operating in Venezuela, U.S. Secretary of State-designate Marco Rubio said Wednesday at his Senate confirmation hearing, Bloomberg News reported. The administration of U.S. President Joe Biden “got played” by granting oil licenses in order to encourage Venezuelan President Nicolás Maduro to hold free and fair elections, which turned out to be “completely fake,” Rubio told senators. Chevron declined to comment to Bloomberg News and has consistently said it operates in accordance with the law in both the United States and Venezuela.

U.S. Prosecutors in Plea Deal Talks With Mexican Drug Lord Zambada

Prosecutors in the United States said Wednesday that they are in talks about a potential plea agreement with Mexican drug lord Ismael “El Mayo” Zambada, who was arrested last year, the Associated Press reported. Zambada’s son may testify against him if the case goes to trial, the wire service reported.

office in March 2026, according to Bloomberg News. Jara said that she hopes Chile's senate will vote on the reform legislation before adjourning for recess in February, the news service reported.

BUSINESS NEWS

Chinese Investment Firm Planning New Funds in Brazil, U.S.

China's second largest asset management firm is planning to launch new investment funds this year in Brazil and the United States, Reuters reported. China Asset Management Company (ChinaAMC), which is majority owned by the central Chinese government, plans to cross-list an exchange-traded fund in Brazil



Li // File Photo: LinkedIn Profile of Li Yimei.

that will offer investments in Chinese products and services, ChinaAMC CEO Li Yimei told Reuters today in an interview. ChinaAMC is also seeking a partner in the United States to roll out a similar investment fund there, Li said. She added that U.S. financiers are likely to look past the rhetorical posturing that continues to take place between the Chinese and U.S. governments, and that the Chinese Communist Party's planned economic stimulus package will help draw wary potential investors to the fund, Reuters reported. Li did not disclose the size of the planned funds. Last June, Qatar's sovereign wealth fund agreed to acquire a 10 percent stake in ChinaAMC, becoming the first middle eastern nation to substantially invest in a Chinese state-owned enterprise, Bloomberg News reported.

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fewer Liberal Party representatives. Canadian political observers project that conservative populist Pierre Poilievre will prevail in the election later this spring. Meantime, a host of Liberal Party members are vying for the position of interim prime minister—including former Finance Minister Chrystia Freeland, the chief negotiator of USMCA, and former central banker Mark Carney. Should Freeland or another female candidate like Karina Gould prevail in the contest for Liberal Party leadership, access to abortion and gay marriage may come to the fore in this spring's parliamentary election. Whomever prevails, it is unlikely Canada's international positions will change much. Canada is likely to continue to advocate for its softwood lumber and dairy industries under USMCA and continue to be a leader on labor, women's rights and environmental issues in global trade negotiations."

A Duane Bratt, professor of political science at Mount Royal University in Calgary: "After months of speculation, on Jan. 6 Canadian Prime Minister Justin Trudeau announced his intent to resign in March, following a Liberal Party leadership race. Once a new leader, who automatically becomes prime minister, is sworn in and Parliament returns, it is highly likely that the government will fall in a non-confidence vote. This means that an election will occur in April with a new government—probably led by Conservative leader Pierre Poilievre—in early May. In normal times, this extended period of political uncertainty would not be a big deal (it has happened before, in 2003, 1993 and 1984). Unfortunately, these are not normal times. Next week, U.S. President Donald Trump will be inaugurated, and he has promised across the board tariffs of 25 percent on goods from Canada and Mexico. Trump has justified these tariffs in many ways: U.S. trade deficits, bringing in revenue to the U.S. Treasury, believing that China uses Mexico to access the U.S. market,

concerns about lax border security allowing for drugs and migrants to enter the United States and pushing Canada to increase its defense spending. Trump has made a series of threats resembling 19th century imperialism: annexing Canada and making it the 51st U.S. state, changing the name of the Gulf of Mexico to the Gulf of America, bombing drug cartels inside of Mexico, seizing control of the Panama Canal. This situation with Canada's erstwhile most important ally and trade partner means that it is the worst possible time for Canada to be rudderless at the top for months until a new prime minister is chosen with an electoral mandate that gives it political legitimacy."

A Halina B. Ostrovski, president of HBO International Consulting in Toronto: "In the context of global politics, Ukraine will miss a good friend and great supporter in Trudeau. Considering allies in the region: With Mexico, Canada may re-establish old connections and create new ones. With the United States, we will continue to be each other's best and most significant trading partners, regardless of who is prime minister. In terms of who is best situated to win the upcoming parliamentary elections, it depends who gets elected. What new policies the next government will adopt toward other nations in the Western Hemisphere also depends on who is elected. It remains to be seen how the next government will manage the specific issues of immigration, tariffs and inflation."

A Barry Eidlin, associate professor of sociology at McGill University in Montreal: "Justin Trudeau's resignation as Canadian prime minister and leader of the Liberal Party is part of a global pattern we have seen in the aftermath of the Covid pandemic: Incumbent parties that have presided over post-pandemic inflation have suffered negative political consequences,

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often being turned out of office. And in the Canadian context, it follows a pattern in recent decades of federal governments lasting roughly nine to 10 years before being ousted. What is unusual in Trudeau's case is that there was no specific event triggering his decision to step down. There was no scandal, and even if there were, he has weathered several in the past. He was not required to stand for re-election until this fall, so he technically could have held on for several more months. Rather, he resigned because the members of his party caucus lost faith in his leadership, and didn't believe

“Trudeau leaves office at a delicate moment for regional politics...”

— Barry Eidlin

he could win a new electoral mandate. In this, his resignation resembles Joe Biden's withdrawal from the 2024 U.S. presidential election. Trudeau leaves office at a delicate moment for regional politics, right as Donald Trump prepares to take office and return to his habit of violating norms of international diplomacy and upending existing relationships. He and his successor as prime minister will be lame-duck leaders, making it difficult to enter serious negotiations with their regional counterparts. Once Parliament reconvenes in late March, the opposition parties will vote to bring down the Liberal minority government and trigger new elections. If current polling patterns hold, it is likely that the Conservative Party led by Pierre Poilievre will form a majority government. Poilievre has adopted elements of Trump's style and politics, notably in his populist rhetoric and denunciation of mainstream media outlets, but is not quite as extreme as Trump or U.S. Republicans. Nonetheless, he is likely to find much more common ground with Trump than would have Trudeau,

particularly around the promotion of fossil fuels. A Poilievre government will also leave Sheinbaum in Mexico as a lone progressive voice in the region.”

A Malcolm Fairbrother, professor of sociology at Uppsala University and the Institute for Futures Studies in Sweden:

“Justin Trudeau has chosen to exit the stage just when the Canadian government is being put under severe strain by Donald Trump's return to power and his threats to impose punishing trade tariffs. Given the Canadian economy's tight connection to America's, but its much smaller size, the effects of a trade war would be far more costly for Canada. Unfortunately, Canada has never made serious efforts to form an alliance with its obvious potential ally in this situation—Mexico. Alternatively, as The Economist noted last week, there is an increasingly strong case to be made for Canada looking across the Atlantic and joining the European Union. In some respects, Trudeau has been a liberal force in regional and world affairs—positive about social inclusion, immigration, the legalization of marijuana and allowing for medical assistance in dying. His resignation must be seen as a setback for liberalism, in this sense. Looking ahead, the Conservative Party under Pierre Poilievre is soon likely to win power, and Canada has never had a prime minister quite like him—bombastic, negative and relentlessly cynical. In some respects, he could get along with Donald Trump—with their common love of brashness, loose relationships to the truth, and total lack of interest in the issue of climate change. (Despite some efforts by Trudeau, Canada remains a generally abysmal performer on climate change.) But Canadians can't stand Donald Trump, and so Poilievre will be careful not to appear too chummy.”

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

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