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FEATURED Q&A

What's the Best Way for El Salvador to Handle Gangs?



Some human rights groups suggest the secret behind President Nayib Bukele's success in lowering the murder rate might lie in informal deals between the country's gangs and his government. // File Photo: Salvadoran Government.

Q Authorities in El Salvador have arrested former Defense Minister David Munguía Payés in connection with a pact involving the country's main gangs in 2012, during which the homicide rate fell from about 14 killings per day to five. Meanwhile, a recent report by International Crisis Group suggested that the drop in the number of killings in El Salvador during President Nayib Bukele's first year in office might be partially due to informal nonaggression agreements between gangs and the authorities. How powerful have gangs become in the Central American country? To what extent are deals with gangs the only realistic way to bring down the murder rate in El Salvador, and what implications might this bring in terms of security and the rule of law? What has Bukele's government done right, and what has it gotten wrong, in its fight against organized crime?

A Yulia Vorobyeva, research fellow at Florida International University: "While gangs have long wielded informal control over marginalized neighborhoods in Salvadoran cities, the 2012 truce revealed how much political clout they have by controlling murder rates. The absence of the state is especially evident in some localities, where the implementation of any social project or an electoral campaign must be negotiated with gang leaders who control a given community. There is evidence that informal arrangements with gangs to reduce violence have become reality for every administration for the past decade, including Bukele's while he was mayor of San Salvador. Given the powerful role gangs play in the society, a dialogue with them may be the only way to achieve meaningful outcomes. However, any

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TODAY'S NEWS

POLITICAL

Brazilian State Signs Deal With Russia for Covid-19 Vaccine

The governor of Paraná, Ratinho Júnior, and Russian Ambassador Sergey Akopov are expected to sign the deal today.

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POLITICAL

E.U. Will Not Send Observers for Venezuela Election

More than two dozen opposition parties have announced a boycott of the Dec. 6 election, aiming to undermine the vote's legitimacy and force a delay, something the European Union supports.

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BUSINESS

Former President of Mexico Accused in Odebrecht Case

The former CEO of Mexico's Pemex, Emilio Lozoya, told prosecutors that former President Enrique Peña Nieto ordered him to distribute more than \$22 million in bribes for political campaigns and legislative support.

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Lozoya // File Photo: Petroleromx via CC license.

POLITICAL NEWS

Brazilian State Signs Deal With Russia for Covid-19 Vaccine

Brazil's Paraná state government is planning to sign an agreement with Russia to produce a newly launched Covid-19 vaccine, the head of the Paraná Technology Institute, or Tecpar, said on Tuesday in comments broadcast on cable news channel GloboNews, Reuters reported. Earlier that same day, Russian President Vladimir Putin announced that Russia had become the first country in the world to approve a Covid-19 vaccine after less than two months of human testing, G1 reported. Although the vaccine still has to complete final trials, Russian business conglomerate Sistema has said it expects to put it into mass production by the end of the year. Some experts have shown



Ratinho Júnior // File Photo: Brazilian Government.

trepidation over the vaccine's approval ahead of final trials, Reuters reported. Still, Kirill Dmitriev, who heads Russia's sovereign wealth fund, said the so-called "Sputnik V" vaccine will be partially produced in Brazil. The agreement between Russia and the state of Paraná is expected to be signed by Gov. Ratinho Júnior and Russian Ambassador Sergey Akopov today. Tecpar would be in charge for all stages of production, from research to distribution, G1 reported. Jorge Callado, who heads Tecpar, said distribution would likely not occur before the first half of 2021. "Before the release, there is no possibility of putting anything into practice," Callado said. "I reiterate that prudence and security are key words in this process," he added. Brazil has seen the second-highest number of

cases and deaths related to coronavirus in the world, behind only the United States. Meanwhile, Mexico's government has signed a deal with U.S. and Chinese companies to conduct late-stage clinical trials for Covid-19 vaccines under development, the Mexican foreign ministry announced Tuesday, Reuters reported. Under the deal, large-scale phase three human testing for Janssen Pharmaceuticals, a unit of U.S. firm Johnson & Johnson, could start in the second half of September, the company has said. The Latin American country will also help test candidates for Chinese companies CanSino Biologics and Walvax Biotechnology, the ministry said, Reuters reported. [Editor's note: See also the Advisor's July 1 [video](#) with Arachu Castro on vaccine nationalism.]

European Union Will Not Send Observers to Venezuela Election

The European Union said Tuesday it will not send observers to monitor Venezuela's Dec. 6 congressional election, the Associated Press reported. "I have to conclude that conditions are not met, at this stage, for a transparent, inclusive, free and fair electoral process," the European Union's foreign policy chief, Josep Borrell, said in a statement. President Nicolás Maduro's government had invited international observers for the elections, which will fill seats in the National Assembly now headed by opposition leader Juan Guaidó, 37, whom the United States and more than 50 other nations recognize as the country's legitimate leader. However, 27 opposition parties earlier this month announced a boycott, aiming to undermine the vote's legitimacy and force a delay, something the European Union supports. "Venezuela, a nation undergoing a humanitarian crisis that is also subjected to a criminal, oppressive dictatorship, deserves free, democratic and transparent elections," the parties wrote in a statement published on the National Assembly's website earlier this month, Reuters reported. Maduro's foreign minister had sent E.U. leaders a letter saying a sector of the opposition is in talks with the socialist gov-

NEWS BRIEFS

Brazil Interest Rates Close to as Low as Possible

Interest rates in Brazil are close to as low as possible without destabilizing financial markets, according to minutes from the central bank's policy meeting last week, Reuters reported Tuesday. The minutes suggest further reductions in Brazil's benchmark Selic rate will likely be gradual and spaced out. Policymakers cut interest rates last week by 25 basis point to a low of 2 percent, which the minutes said is unlikely to be raised over the next year or into 2022 unless inflation rises toward the central bank's targets.

Jamaicans to Head to Polls Sept. 3

Jamaican Prime Minister Andrew Holness on Tuesday called for a general election on Sept. 3, the Jamaica Gleaner reported. Holness' Jamaica Labor Party has been in office since February 2016, when the JLP registered a surprise one-seat win over the People's National Party in parliament. Holness, 48, hopes to stay in office for a second consecutive term, something the right-of-center JLP has not accomplished in more than half a century. The PNP is led by veteran politician Peter Phillips.

Amazon Rolls Out Brand Protection Program in Brazil

Seattle-based Amazon announced Tuesday it had expanded its brand-protection program, called Project Zero, to Brazil and six other countries. Project Zero uses the company's technology to scan more than five billion attempted daily product listing updates to look for suspicious listings, Amazon said. Project Zero also offers services from Amazon's counterfeit crime unit, which investigates and brings legal action against bad actors. The project also aims to help business owners obtain intellectual property rights and brand protection.

ernment about a possible election delay. Other parties that don't include Guaidó and claim to be opposed to Maduro have been in talks with the government and have agreed to go ahead with the vote, according to the report. In June, Venezuela's top court—which is stacked with judges loyal to Maduro—ousted the leaders of two major opposition parties, replacing them with Maduro loyalists, and in July, a similar move suspended the leadership of Voluntad Popular, the former party of Guaidó, Foreign Policy reported. The supreme court “is undermining Venezuelans’ rights to free and fair elections and freedom of association,” Human Rights Watch said in a statement in response to the action last month.

ECONOMIC NEWS

Mexican Retail Sales Fall 9.1 Percent

Mexican retailers’ association ANTAD said on Tuesday that its members reported same-store sales falling by 9.1 percent in July as compared with the same month a year earlier, Reuters reported. The data reflects an improvement from June, when same-store sales fell by 17.9 percent from the same month a year earlier due to closures related to the coronavirus outbreak. The figures reflect sales at more than 62,000 stores across Mexico.

BUSINESS NEWS

Former President of Mexico Accused in Odebrecht Scandal

The former CEO of Mexican state oil company Pemex, Emilio Lozoya, has told prosecutors that former President Enrique Peña Nieto and his closest aid, Luis Videgaray, ordered him to distribute more than 500 million pesos (\$22 million) from Brazilian contractor Odebrecht to

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negotiation would be effective only under the conditions of transparency, legality and neutrality. If a deal is hijacked for political purposes, it risks granting even more power to criminal actors and embroiling politicians in internecine battles. Any reduction in homicides in this case would be only a quick fix, instead of delivering socially meaningful results to the affected communities. In addition, it would exacerbate the lack of trust and significantly undermine future negotiations. The Bukele administration’s security policy can be praised by including (on paper) the most important aspect of tackling the country’s violence: prevention and rehabilitation measures. A change in societal attitudes toward former gang members and public-private partnerships are crucial for truly sustainable solutions for El Salvador. So far, however, the president has leaned on ‘iron-fist’ policies against gangs and largely overlooked community initiatives.”

A **Leonor Arteaga, program director at the Due Process of Law Foundation:** “After Nayib Bukele took office in 2019, there was a drastic drop in homicides in El Salvador—once known as the bloodiest nation in the world—which provided popularity for his presidency, but several experts suggest that factors unrelated to the government’s security policy are driving the drop in murders. One possible explanation is that with campaigns running for the February 2021 congressional and municipalities election, the reduction in homicides may be directed to influence

fund their successful 2012 election and bribe legislators, El Universal reported Tuesday. Attorney General Alejandro Gertz said a dossier of video evidence and witness testimony against Peña Nieto has been opened. Lozoya alleges that Peña Nieto and Videgaray directed him to distribute 120 million pesos to a deputy and five senators, whose names were withheld, as payment for the approval of structural reforms in 2013 and 2014, among them a major

the outcome of the election, in order to receive benefits from candidates. Some even suggest that there could be an agreement between gang leaders and government officials, similar to the criticized truce of 2012. Bukele has repeatedly said that he is ‘not open to having a dialogue with criminal groups,’ accusing previous FMLN governments of illegally negotiating with gangs, even though he has recognized that he also negotiated with gangs when he was the mayor of the capital city. Regardless of what

“**The international community and private businesses must continuously give a hand to at-risk youth...**”

— Leonor Arteaga

the true reason may be, though, homicides in El Salvador are a sensitive matter, with painful effects on people’s lives that should not be used for electoral purposes. This seems to be the case of Bukele’s tactics. The recent arrest of former Defense Minister Gen. David Munguía Payés, prosecuted for his involvement in the 2012 truce, regardless of his alleged criminal responsibilities, feels more like a purge of political enemies than a serious investigation from the prosecutor’s office. There is no doubt that gangs exercise territorial control and fear, and that they commit pervasive crimes, but hardline

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energy reform. Lozoya also told investigators that former President Felipe Calderón granted economic benefits to Odebrecht through the Ethylene XXI petrochemical plant in Veracruz. Peña Nieto, who was in office in 2012-18, has so far made no comments publicly on the matter. Last year, a witness testifying at a U.S. trial of Mexican drug kingpin Joaquín “El Chapo” Guzmán said Peña Nieto had accepted a \$100 million bribe.

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anti-gang measures lack legality and effectiveness and increase the risk of security forces committing abuses. In this context, it is urgent to push for transparency in public security strategies and operations with a long-term result focus. At the same time, the international community and private businesses must continuously give a hand to at-risk youth and ex-gang members so that they are integrated into local communities.”

A Tom Hare, senior associate at the Pulte Institute for Global Development of the University of Notre Dame: “The question should be: how do we empower gang members to be part of the solution? After close to two decades of repressive, heavy-handed tactics, it is clear that the militarized approach to gang suppression doesn’t work. What if we had spent the past decade increasing the agency of young adults—providing them with the skills and opportunity to choose a nonviolent path? What if we had increased modest and often-pilfered budgets for education and social services, provided psycho-emotional services that increase resilience and reduce impacts of trauma, and focused efforts on rehabilitation versus

demonizing gang members and prisoners as the Bukele administration has done? According to numerous studies, including those by the International Crisis Group and our own research with the Pulte Institute, the reduction of violence and recidivism is most successful when young adults are actively engaged in problem-solving, when their self-confidence and resilience is built and supported. This is not news. Programs such as Alcoholics Anonymous have shown that self-admission and discussion of a problem are the first steps in recovery, and an example of de-escalation and dialogue in Colombia shows promise. Instead of questioning the power gangs have, we should question whether those with power recognize and respond to the humanity, dignity and rights of the most vulnerable and marginalized. We’ll know that we’ve made progress when mainstream society provides the protections and structures currently offered by gangs. That begins with talking more, not less, with at-risk youth and gang members.”

Editor’s note: The Advisor requested a commentary from El Salvador’s ambassador to the United States and to El Salvador’s security minister but did not receive a response.

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2020

Erik Brand

Publisher
ebrand@thedialogue.org

Gene Kuleta

Editor
gkuleta@thedialogue.org

Anastasia Chacón González

Reporter & Associate Editor
achacon@thedialogue.org



Michael Shifter, President

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Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

www.thedialogue.org

ISSN 2163-7962

Subscription inquiries are welcomed at ebrand@thedialogue.org

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Advisor Video

Economic Recovery and the Potential for Expanding Production in the Americas

An Inter-American Dialogue event with:

Martha Bárcena, Amb. of Mexico to the United States

Michelle DiGruttolo, Senior Managing Director, Ankura

Gabrielle Trebat, Managing Director, McLarty Assoc.

Edgar Villanueva, Co-Executive Director, U.S. – Guatemala Business Council



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