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## FEATURED Q&A

# Why Is Ecuador's Correa Attacking His Successor?



Ecuadorian President Lenín Moreno has become increasingly at odds with his predecessor and former mentor, Rafael Correa (L-R). // File Photo: Ecuadorean Government.

**Q** Ecuadorean President Lenín Moreno on Aug. 3 stripped power from Vice President Jorge Glas over corruption allegations that emerged in connection with the Odebrecht corruption scandal. Glas has denied wrongdoing and has accused Moreno of betraying former President Rafael Correa's trust and legacy. In recent weeks, Correa has grown increasingly critical of Moreno, attacking his economic policies and willingness to work with the opposition. How will the disputes among Ecuador's top politicians affect the country's political stability and Moreno's ability to legislate? What is behind Correa's disparaging comments against his one-time ally? How important is it for Moreno to have Correa's backing?

**A** Francisco X. Swett, chairman of Pallas Management Corp. and former Ecuadorean minister of finance, member of Congress and central bank president: "The best laid plans often go awry. When Correa planned and executed the election of Lenín Moreno as president, he assumed, wrongly as it turned out, that Moreno was the perfect puppet, and would be the ideal person to cover up the tracks of corruption that have become Correa's main legacy. He also chose Jorge Glas as his trustworthy gatekeeper. The problem? Glas is, politically speaking, a 'dead man walking.' His name appears prominently in the Brazilian press as having received \$14 million in kickbacks from Odebrecht. The return of Carlos Pareja Yannuzzelli, the former oil minister, who has chosen to cooperate with the investigations into corrupt practices, and who is privy to the inner workings of the Correa government, has Correa's nerves on edge, as evidenced by the nearly hysterical

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The first of several rounds of negotiations began in Washington, with Trump administration officials saying the 1994 trade accord has disadvantaged the United States.

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## Pence Urges Latin American Nations to Split With North Korea

U.S. Vice President Mike Pence said the governments of Brazil, Peru, Chile and Mexico should break diplomatic ties with North Korea.

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### POLITICAL

## At Least 37 Killed in Venezuela Prison Clashes

The 37 prisoners were killed after security forces were brought into the prison in Puerto Ayacucho, in southern Amazonas State, according to Liborio Guarulla, the state's governor.

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Guarulla // File Photo: Venezuelan Government.

## POLITICAL NEWS

## At Least 37 Killed in Venezuela Prison Clashes

At least 37 prisoners were killed as inmates clashed with security forces in a small prison in Venezuela's southern Amazonas State, the state's governor said Wednesday, Reuters reported. The clashes began Tuesday night in the prison in Puerto Ayacucho, the state capital, when fighting began between armed inmates and the jail guards, said Gov. Liborio Guarulla, the Associated Press reported. Inmates had seized control of the facility weeks ago, the governor said. He added that after the fighting erupted, security forces stormed the facility in an effort to restore order. "At midnight, special forces showed up, and through the night we heard gunfire and explosions," said Guarulla. In addition to the inmates who were killed, 14 prison guards were also injured, according to the office of Venezuela's chief prosecutor. "There was a massacre," Guarulla said on Twitter, Reuters reported. "The morgue is totally overwhelmed," he said later in an interview. The death toll was the worst in a Venezuelan prison since 2013, when a prison riot left 61 people dead, the AP reported. Venezuela has approximately 30 prisons, and in many of them, criminal gangs traffic in guns and drugs and also plan crimes to be committed outside the prisons. Many Venezuelan prisons suffer from overcrowding.

## Pence Urges Latin American Countries to Split With N. Korea

U.S. Vice President Mike Pence on Wednesday urged the governments of Brazil, Peru, Chile and Mexico to break relations with North Korea, Reuters reported. "The U.S. places great importance on the ongoing diplomatic isolation of the Kim regime and we strongly urge Chile today, and we urge Brazil, Mexico and Peru

to break all diplomatic and commercial ties to North Korea," Pence told reporters alongside President Michelle Bachelet in Santiago, one of Pence's stops on a visit to South and Central America. None of the countries Pence mentioned announced immediate plans to break ties with North Korea. Last week, U.S. President Donald Trump said North Korea would face "fire and fury" if it threatened the United States, prompting the Asian country to say it was considering a plan to fire missiles at Guam. North Korean leader Kim Jong Un later delayed a decision to fire at the U.S. territory.

## ECONOMIC NEWS

## U.S., Mexico, Canada Begin NAFTA Renegotiation Talks

The renegotiation of the North American Free Trade Agreement, or NAFTA, began on Wednesday in Washington with representatives from U.S. President Donald Trump's administration delivering criticism to their Canadian and Mexican counterparts, saying the agreement has



Lighthizer // File Photo: White House.

disadvantaged the United States, The New York Times reported. Behind closed doors, Trump administration negotiators sought concessions from the other two member states. "We feel that NAFTA has fundamentally failed many, many Americans and needs major improvement," said U.S. Trade Representative Robert Lighthizer, who is leading the U.S. delegation of negotiators. The representatives from Canada and Mexico publicly emphasized their commitment to North American trade and touted the

## NEWS BRIEFS

## At Least Seven Killed as Attackers Storm Guatemala City Hospital

At least seven people were killed Wednesday when gunmen stormed into Guatemala City's Roosevelt Hospital, one of the country's largest medical facilities, in an attempt to free an imprisoned gang member, the Associated Press reported. Another 12 were wounded. The jailed gang member, who had been taken to the hospital for tests, vanished during the melee. Five members of the Mara Salvatrucha gang were arrested, according to the National Civil Police.

## Peru's Kuczynski Asks Striking Teachers to Return to Work

Peruvian President Pedro Pablo Kuczynski on Wednesday asked striking school teachers to return to work and reject violence, after the teachers clashed with police while protesting for higher wages, Reuters reported. One of Kuczynski's campaign promises had been to raise the wages of school teachers, and the protests, some of which have been happening for more than two months, have contributed to the president's low approval rating, which reached its lowest level yet this month.

## Colombia Closes 12 Businesses Accused of Money Laundering

Colombian authorities on Wednesday said they closed down 12 businesses that have been accused of laundering \$27 million a year of drug trafficking revenue for neo-paramilitary group the Gaitanista Self-Defense Forces of Colombia, or AGC, according to Colombia Reports. The businesses, which were allegedly acting as a front for the money-laundering network, were operating in Bogotá, Córdoba, and six municipalities within Antioquia province, including the capital city of Medellín.

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tone of his tweets. The serious loss of political capital has caused his party, Alianza PAIS, to find itself in the bipolar role of being the government and main opposition party at the same time. As the story unfolds, it is increasingly likely that the political forces will be realigned, and that Correa will be the loser. Meantime, Moreno enjoys a honeymoon of credibility after having stripped Glas of all functions within the government, and denounced the faulty repairs of the Esmeraldas oil refinery, which cost more than \$2 billion and were conducted under the vice president's watch. But that is just the beginning; after that comes the real issue of reconstructing an economy left in tatters by Correa and his minions."

**A** **Marc Becker, professor of history at Truman State University:** "Correa has always possessed a strong-willed and explosive personality, and naturally that is on full display in the clash between Moreno and Glas. Ultimately, the conflict appears to have little to do with ideology or policy, and more to do with image and personal loyalties. For outsiders, it was never clear why Correa wanted Glas on the ticket. By all appearances, he was not Moreno's choice as a running mate, and his implication in the Odebrecht corruption scandal meant that he was more of a liability than an asset for the ticket. It is as if Glas were present to keep Moreno in check, and to the surprise of many, Moreno has been quite successful at establishing his independence from Correa and proceeding to operate as more than a placeholder president. Alianza PAIS was always a heterogeneous grouping, held together by the force of Correa's personality, and it is fully within the realm of possibility that it will splinter. Despite all the conservative criticism of Correa, he was able to bring an unusual and remarkable period of political stability and economic growth to a chronically unstable and dysfunctional country. Although Moreno's style of reconciliation with opponents,

rather than blasting them on Twitter, contrasts with that of his predecessor, if we look below that veneer, his fundamental policies have not changed that much. It is unlikely that Correa or his opponent could cause a collapse of Moreno's government, nor would it be in their interests to do so."

**A** **Walter Spurrier, president of Grupo Spurrier and director of Weekly Analysis in Guayaquil, Ecuador:** "What's behind Correa's attack is that he intended for Moreno to be his puppet: Correa wanted to rule by remote control from Belgium. As is often the case when a strongman does not retain a nominally subservient role in the new administration, as both Putin and Erdoğan did, the successor moves to become his own man. Correa found intolerable that Moreno came out for a free press, mended fences with the Indigenous Confederation (Correa had seized their headquarters) and renewed dialogue with the business sector. Also, Moreno has vowed to dismantle the corrupt mafia exposed by the Odebrecht confessions, the Panama Papers and the Caminosca case. Correa and his inner circle consider this treason. If Moreno did not remove his shackles, he could have legislated only insofar as he proposed the laws Correa wanted. From that standpoint, he now has more freedom. Moreno, of course, takes a risk in challenging Correa, and there is always the possibility that the Alianza PAIS bloc could move to impeach him. However, this is unlikely. Assembly chairman José Serrano seems to have opted to support Moreno, which suggests the bloc is split. Correa's comptroller was impeached and is at large, the interim comptroller seems willing to bring out reports damning some Correa officials, and if the evidence is overwhelming, the attorney general, a former Correa advisor, would have to bring charges against them. Glas may be impeached. A rapprochement is no longer feasible. Correa is the head of the opposition to Moreno."

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benefits of the agreement, but denied that the current agreement was targeted at disadvantaging the United States. The three countries have planned for a new round of negotiations every three weeks, with the goal of finishing changes to the deal by the end of the year. The United States and Mexico have national elections scheduled for next year, and it is not clear how the ruling parties of either country will fare in their respective national votes. During the opening news conference, Lighthizer said trade deficits would be of primary importance to the United States. Last year, the United States had a \$55.6 billion trade deficit with Mexico, which the Trump administration has said is evidence that Mexico is taking advantage of the United States in the trade deal. Lighthizer added that while trade has been more balanced with Canada, the United States has run a trade deficit with Canada too. Such deficits "can't continue," Lighthizer said.

## BUSINESS NEWS

## JN Money Services Expands Remittance Service to Honduras

A partnership with U.S.-based Transfast has allowed Jamaica-based JN Money Services to expand its remittance network to Honduras and India, South Florida Caribbean News reported Tuesday. Transfast, which has been in business for 25 years, is an international money transfer company that has offices in New York, the United Arab Emirates and the Philippines. "As a brand, we are no longer operating in locations where only Jamaicans live," said Horace Hines, acting general manager of JN Money Services. "Consequently, our customer base now includes persons from many countries; therefore, this partnership will allow us to enter new markets." The agreement allows customers of JN Money to send money to recipients in Honduras, India, the Philippines and Ghana, as well as from its more-established markets of the United States, Canada, Britain and the Cayman Islands.

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**A Daniela Chacón Arias, city councilor of Quito:** “Many Ecuadoreans are welcoming President Moreno’s stance against corruption and the actions he has taken to advance the investigations around the several corruption allegations of the Correa era. Most of the corruption scandals allegedly occurred under former President Correa’s commission to Glas to manage the so-called ‘strategic sectors,’ such as oil, mining and hydroelectric power, among

## “The National Assembly is divided between Correa’s and Moreno’s allies.”

— Daniela Chacón Arias

others. Stripping power from Glas was a bold but concordant move with Moreno’s declarations against corruption. All of the fingers point to Glas, as the president himself said, and therefore there is a need to proceed with the investigations and have the National Assembly and the prosecutor do their jobs, regardless of the high rank of the investigated official. Nonetheless, due to Correa’s grip on power for 10 years, there is little trust that either branch of government will act on corruption allegations. Most of the public institutions are still led by former collaborators of Correa. Therefore, the internal disputes seem like a cry to retain power, and they could definitely affect the country’s political stability and Moreno’s government. The National Assembly is divided between Correa’s and Moreno’s allies, but the country does not know how those forces will play out, especially when it comes to make tough decisions, such as the impeachment of Glas or passing the legislation needed to overcome the economic crisis and the hyperpresidentialist model Correa created. This childish partisan dispute must come to an end so the country can focus on what is necessary and important.”

**A Vicente Albornoz, dean of business and economics at the Universidad de Las Américas in Quito:** “Alianza PAIS, the political party of former president Correa and of the current president Moreno, is clearly divided, and the rifts seem insurmountable. There are two conflicting branches: the one loyal to Correa and the one loyal to Moreno, and the main reason for the evident disagreements is the treatment of many corruption allegations, mainly but not exclusively related to Odebrecht. Moreno’s government seems to be gathering information that compromises his current vice president (and close ally of Correa), Jorge Glas, who has been widely criticized for his cozy relations with many public-works contractors. Moreno’s latest achievement was the return to Ecuador of Carlos Pareja, a former chairman of the country’s state oil company, Petroecuador, who has been accused of public works-related embezzlement (although he denies all charges). It is widely expected that Pareja will contribute with information that will further compromise Glas’ position, thus amplifying the differences between Correa and Moreno. Correa’s reaction has been one of extreme disappointment with his successor, a disappointment that borders on rage against Moreno, as could be seen during Correa’s latest live video transmission over social media, where Correa directed many attacks against Moreno. This fight, instead of weakening Moreno, has invigorated his government, as he has freed himself of the heavy burden that means having a vice president suspected of wrongdoing. At the same time, as can be expected with populist political parties with weak ideological bases, most members of Alianza PAIS are aligning themselves with the current government. The opposition is still surprised with the latest events and, for now, seems to be predisposed to cooperate with Moreno. For the time being, Moreno doesn’t need Correa’s support and may even be stronger without it.”

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**Erik Brand**  
Publisher  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Gene Kuleta**  
Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)

**Nicole Wasson**  
Reporter, Assistant Editor  
[nwasson@thedialogue.org](mailto:nwasson@thedialogue.org)



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