

# Americas

## QUARTERLY



# A (RELATIVELY) BULLISH CASE FOR LATIN AMERICA

BY BRIAN WINTER

NO. 4, 2023 AMERICASQUARTERLY.ORG \$9.95



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# Americas

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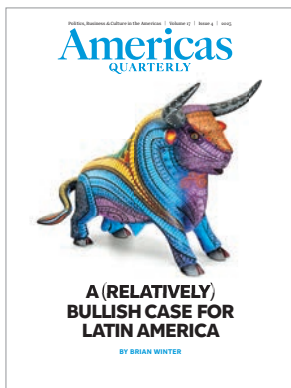
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# Running (Cautiously!) with the Bulls

**Latin America's politics remain dicey, but a changing global economy could boost the region's prospects anyway.**




IT ALWAYS FEELS RISKY to express optimism about Latin America and the Caribbean. A “lost decade” of stagnant economies, dysfunctional politics and profound challenges like organized crime and low productivity mean that “LatAm bears” make the loudest, most convincing arguments — and have often been proven right in recent years.

But if you look carefully, the region is clearly benefiting from tectonic shifts underway in the world right now. The Ukraine war, mounting U.S.-China tensions, climate change and a broad reorganization of supply chains in the wake of the pandemic mean that countries and companies everywhere need dependable sources of food, energy and workers close to the United States. These needs are so great, in fact, that they may be enough to overcome the region's undeniable headwinds.

Skepticism abounds, and with good reason. No one is predicting a return to the glory days of the 2000s commodities boom. But even a small uptick in growth would be meaningful, and there are signs that's happening: Foreign direct investment (FDI) in Latin America and the Caribbean soared 55% in 2022 to its highest value on record, during a year when FDI flows globally were shrinking. So far this year, FDI to Mexico is up another 40%, led by the “nearshoring” trend that studies suggest could also benefit countries as far south as Argentina.

There are other reasons to be cautiously optimistic, our editor-in-chief Brian Winter writes in this issue's cover story. The region's generally neutral posture on the China-U.S. competition has, at least for now, made it a safe place for both countries to do business. Latin America's digital economy offers growth in e-commerce and fintech. Commodities like green hydrogen, lithium and rare earths, along with old-fashioned oil and natural gas, also bring opportunities.

The bottom line: Not everything in Latin America and the Caribbean is about politics — at times like these, the global context arguably matters more. That's an odd argument for a politics-focused magazine like ours to make, but it may prove to be the mantra of a new, relatively bullish era. 



# A Cautious Optimism

After a tough decade for Latin America, there's a feeling that the worst may have passed. Challenges persist, but nearshoring is advancing and the region is producing what the world needs.

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Despite turmoil, the region has concrete reasons for optimism.

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### **Brian Winter**

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Winter is the editor-in-chief of *Americas Quarterly* and a seasoned analyst of Latin American politics and economics, with more than 20 years following the region's ups and downs.



### **Angela Boldrini**

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Boldrini is a staff reporter at *Folha de S.Paulo*. She has covered gender inequality for almost a decade and is the host of the podcasts *Caso das 10 Mil* and *Sufrágio*.



### **Mat Youkee**

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Youkee is a freelance journalist and researcher based in Panama City. His work has appeared in *The Guardian*, *The Economist* and *Foreign Policy*, and he is currently researching a book on the Colombian Amazon and its Indigenous peoples.



### **Yuri Segalerba**

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Segalerba is an Italian documentary photographer. He specializes in sociological and anthropological work in remote regions of Latin America.

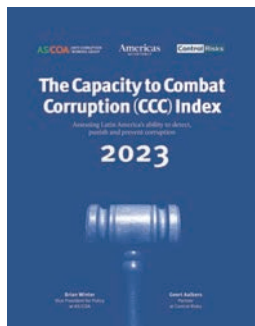


### **Jordana Timerman**

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Timerman is a Buenos Aires-based reporter and the editor of the *Latin America Daily Briefing*. Her work has appeared in *Americas Quarterly*, *The New York Times*, *Le Monde Diplomatique*, *Foreign Policy* and *The Nation*.

Tell us what you think. Please send letters to [Brian@as-coa.org](mailto:Brian@as-coa.org)



Above, news clippings from around Latin America feature findings from the fifth edition of the Capacity to Combat Corruption Index, a collaboration between Americas Society/Council of the Americas and Control Risks.



AQ's special report on cybersecurity launched with a luncheon event in New York sponsored by Florida International University. Above from left, panelists Brian Winter, Louise Marie Hurel, Randy Pestana and Cecilia Tornaghi discuss the issue.





**Carlos Santiso** · 3rd  
Head of Division - Digital, Innovative and Open Government - OECD #Agile #GovTech - All views my own  
OECD - OCDE · Harvard Kennedy School

Great analysis and insights on the urgent need for #Latam governments to upgrade their approach to #cybersecurity by Cecilia Tornaghi in Americas Quarterly of Americas Society/Council of the Americas



**Kevin Neslage, CIPP/US** · 3rd  
U.S. Incident Response Claims Counsel at Resilience  
Resilience · University of Miami School of Law

Excellent article in Americas Quarterly about the cyberattack on Costa Rica, and the lessons to be learned for leaders in both the business and political space.



**Patricia Garip** ✓  
@GaripChile  
Freelance correspondent. @WSJ @ForeignPolicy @gasoutlook @WPReview @AmerQuarterly @GlobalAmericans @CNTraveler @UChicago @Villanova Ex-Argus,ELG,Rtrs,VenEconomy

A chilling overview of the cyberthreat in Latin America, from @ctornaghi



americasquarterly.org  
The Dramatic Cyberattack That Put Latin America on Alert



**Nito Cortizo** ✓  
@NitoCortizo  
Presidente de la República de Panamá 2019-2024. Orgullosamente panameño, padre de dos hijos, abuelo, esposo de Yazmín.

También, de acuerdo al Informe del Consejo de las Américas, nuestra capacidad para combatir la corrupción continúa en una trayectoria ascendente, que nos ha llevado del puesto 10 en el 2020, a la posición 6 en el 2023.  
[#PanamáSigueCreciendo](#) 🇵🇲

**Juanita Goebertus**

**@JuanitaGoe** No se pierdan el último #CCCIndex de @AmerQuarterly sobre los problemas para combatir la corrupción en las Américas. La región en su conjunto desmejora. Especialmente preocupantes los retrocesos de Guatemala, México y Venezuela.

**Joe Devanny**

**@josephdevanny** Great to see cybersecurity in Latin America getting a special report from @AmerQuarterly. Looking forward to reading this closely.

**Ryan Berg**

**@RyanBergPhD** #Mexico: Xóchitl Gálvez has given the opposition in Mexico the best chance to beat #AMLO. Her ride has been meteoric. @CarinZissis has a great profile on her in this week's @AmerQuarterly

**Edmin De Los Santos**

**@HablaMeLatino** It is no secret. The crime rate in #Honduras remains high. This has produced a continued flow of migration northward. However, @AmerQuarterly argues that what has kept @XiomaraCastroZ 's presidency afloat are the remittances the diaspora sent back.

**Arianna Kohan**

**@AriannaKohan** The latest @AmerQuarterly piece by @nataliealcoba outlines possible next steps for JxC presidential candidate Patricia Bullrich, explaining how Bullrich's political career can be interpreted as a "constant pilgrimage across the political spectrum."



THE BIG  
PICTURE

Cargo ships wait to cross the Panama Canal in September. Vessels have been forced to wait for days before crossing, as intense droughts during Panama's rainy season have forced limits on traffic, likely leading to higher freight costs during the busy Christmas season.

PHOTO BY WALTER HURTADO/BLOOMBERG/GETTY







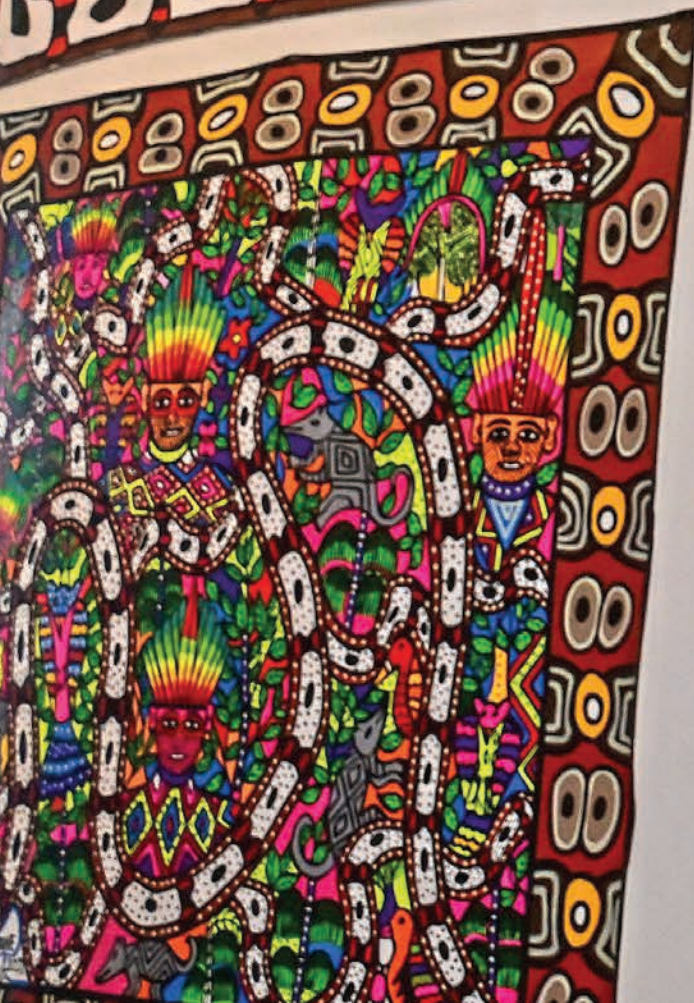
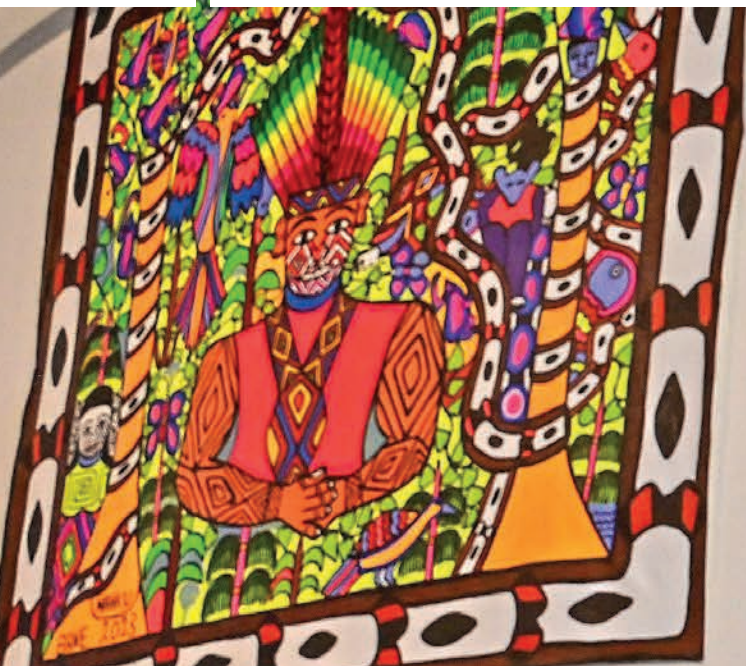


AQ

THE BIG  
PICTURE

At the 35th São Paulo Biennial, a woman checks her cell phone in front of work by the Movimento dos Artistas Huni Kuin, a group of Brazilian Indigenous artists. This year's edition had the largest number of Indigenous artists in the event's history.

PHOTO BY NELSON ALMEIDA/AFP/GETTY













In Bogotá, Venezuelan migrants wait in line to receive Temporary Protection Permits, identification cards issued by the Colombian government that grant access to health care, education and employment opportunities for 10 years. Authorities have been carrying out a "massive issuance" of the cards.

PHOTO BY NATHALIA ANGARITA/BLOOMBERG/GETTY



THE BIG  
PICTURE



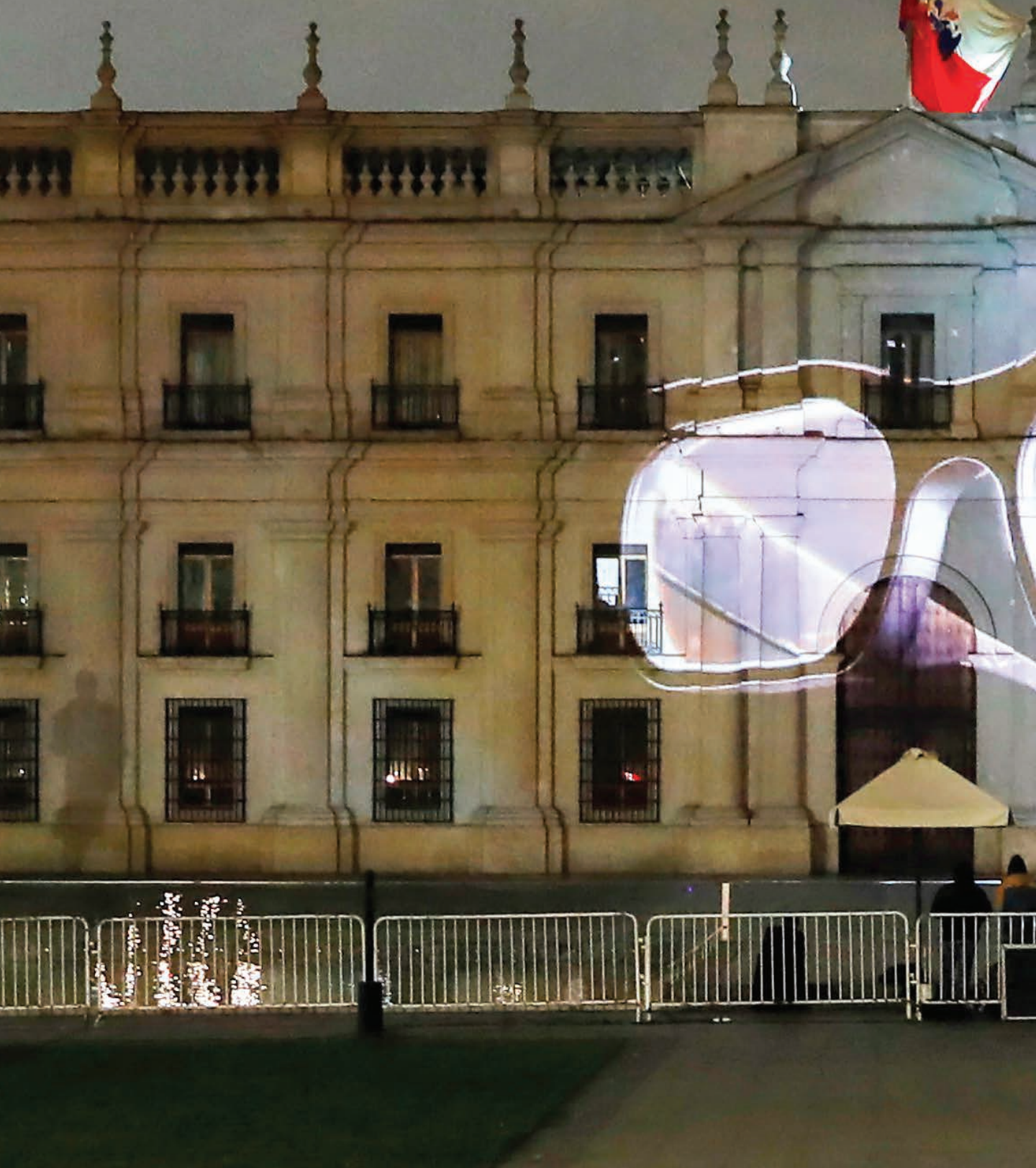


AQ

THE BIG  
PICTURE

To mark the 50th anniversary of the coup that brought Augusto Pinochet to power in Chile, a pair of glasses representing those used by former President Salvador Allende were projected onto La Moneda. Allende died at the presidential palace on September 11, 1973, amid a siege on the building by the armed forces.

PHOTO BY JAVIER TORRES/AFP/GETTY









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## AS HEARD ON THE AMERICAS QUARTERLY PODCAST

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Experts and policymakers join AQ's Editor-in-Chief Brian Winter to discuss the issues currently shaping Latin American politics, economics and culture.



*“All the big names in Argentine politics are seeing that the Argentine economy now is very bad, but it has the potential to become much better. God knows that the Argentine economy has managed to snatch defeat from the jaws of victory many times. But Argentina now has something that it didn't have for almost all of the 20th century, which is things that the world can buy.”*

—**María Esperanza Casullo, political scientist and professor at the National University of Río Negro**



*“China is slowing down, but there is significant new demand for commodities from other countries, due to the decarbonization trend around the world that requires raw materials Latin America has. That's a very positive story for the region. It doesn't mean that [China's low growth] is not going to be a headwind, but overall, the situation is better than it could have been.”*

—**Ernesto Revilla, chief economist for Latin America, Citigroup**



*“I think some Latin American countries expect investment will just come. Foreign direct investment needs to be wooed. It needs to be easy for them to make it to your nation.”*

—**Shannon K. O'Neil, vice president, deputy director of studies and Nelson and David Rockefeller senior fellow for Latin America Studies at the Council on Foreign Relations**

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# Thiago Macêdo Correia

*Co-founder and producer of Filmes de Plástico*

by Jack Quinn

**Founded in 2009 by four Brazilian cinephiles from humble roots, production company Filmes de Plástico has created dozens of films that shed light on underrepresented communities in Minas Gerais.**

**AQ:** Where does the name Filmes de Plástico come from?

**TMC:** André Novais Oliveira and Gabriel Martins (directors and co-founders of the group) met in a technical school for cinema. One day Gabriel decided to make a short in his parents' house over a weekend with his closest friends. A plastic whale was used as a prop. After Gabriel finished the film, he and (co-founder) Maurílio Martins named the collective after the toy — it's still our logo. We started to make some noise on the festival scene in Brazil and the company started to grow. A lot of critics throughout the years have noted "It's very interesting that a company that is called *Filmes de Plástico* makes such naturalistic films!"

**AQ:** How have your own lives and experiences shaped Filmes de Plástico's work?

**TMC:** We are all from the same industrial town in the outskirts of Belo Horizonte. It's impossible for us to detach from our backgrounds, and we've never made a film that we're not interested in. Low-income areas were being shown in cinema always from an outsider perspective. And we could do something different. We had an inside perspective, which helped the films seem legitimate, and not artificial.



From left: co-founders Maurílio Martins, Gabriel Martins, Thiago Macêdo Correia and André Novais Oliveira. Their films have won dozens of awards.

**AQ:** How, if at all, has recent critical acclaim affected the production company?

**TMC:** There are more people who know us now and appreciate the films, and we have more social media followers. Some people compare Filmes de Plástico to A24 (the independent studio behind successes like *Everything Everywhere All at Once*). There is also a small group of people who think we sold out — but that's only natural. None of us came from an "elite" of cinema. We now occupy a place that I know was not made for us — it was made for other, privileged people. But we're happy to occupy our corner. **AQ**

Quinn is an editorial assistant at AQ

THIS INTERVIEW HAS BEEN EDITED FOR CLARITY AND LENGTH

SPECIAL REPORT

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**A (RELATIVELY)**  
**BULLISH**  
**CASE**  
**FOR LATIN**  
**AMERICA**

**BY BRIAN WINTER**





A (RELATIVELY) BULLISH CASE FOR LATIN AMERICA

# Introduction

IF THERE'S A SYMBOL OF THE CURRENT, cautiously hopeful, things-are-looking-up-but-let's-not-get-carried-away moment in Latin America, it's probably the Néstor Kirchner Pipeline in Argentina.

The \$2.7 billion, 335-mile pipeline was inaugurated to great fanfare in July, connecting the Vaca Muerta gas field to the central part of the country. In one fell swoop, it ended Argentina's colossal dependence on imported gas, saving the crisis-hit economy an estimated \$4 billion a year in dollar reserves.

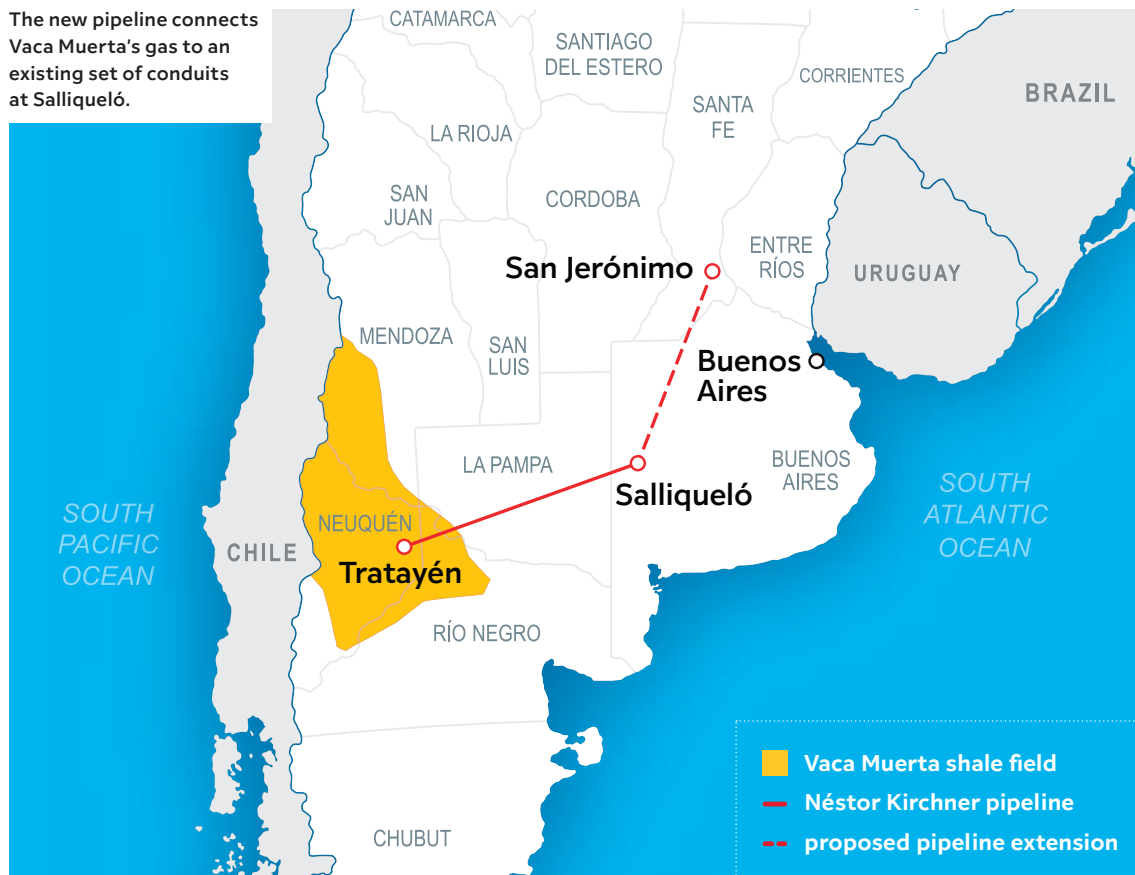


Argentine President Alberto Fernández, third from left, and Vice President Cristina Fernández de Kirchner, third from right, at the ceremonial opening of the Néstor Kirchner pipeline in Salliqueló, in Buenos Aires province.



Like so much else in Latin America and the Caribbean (LAC) today, the reality could be much better. The pipeline for now only allows Argentina to supply more gas at home; further extensions will be necessary before it can export to neighbors like Brazil and Bolivia, much less serve the energy-hungry European market amid the war in Ukraine. While Vaca Muerta is the world's second-largest shale gas reserve, and companies including Shell, YPF and Exxon have made big bets there, the field only produces perhaps a third of its potential due to Argentina's capital controls, insufficient infrastructure and political instability.

The new pipeline connects Vaca Muerta's gas to an existing set of conduits at Salliqueló.



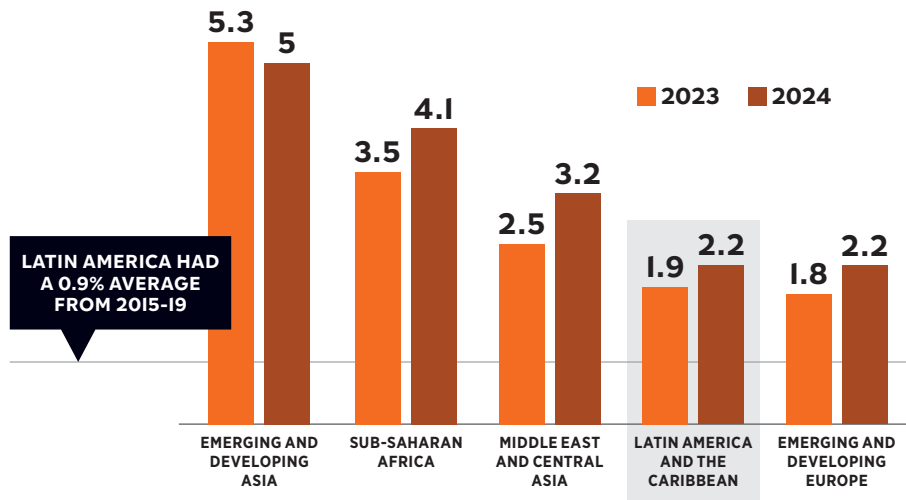
But still, it's a clear step forward.  
Despite the bad politics.  
Despite the pessimism of recent years.

Indeed, after a "lost decade" that saw economies stagnate across Latin America and the Caribbean, a new optimism appears to be taking hold in some areas. It's uneven, concentrated in certain countries (especially Brazil and Mexico) and sectors (energy, agribusiness and "nearshoring," among others). But the bottom line still looks like an increase in growth, and a chance at better times for investors and many of LAC's 660 million citizens.



## Latin America's growth lags peers, but is improving

GDP PROJECTIONS (% CHANGE)



SOURCE: IMF WORLD ECONOMIC OUTLOOK (JULY 2023)

Skeptical? Frankly, everyone is. But many are making bets anyway. Foreign direct investment (FDI) in LAC soared 55% in 2022 to \$224 billion, its highest value on record, during a year when FDI flows globally shrank 12%. This year, the world's top performing emerging market currencies have been Colombia, Mexico and Brazil, with Peru not far behind, as global capital flows in. Mexico passed China in July to become the United States' top trading partner for the first time in 20 years. Underlying all this is the idea that, at a time of rapidly shifting global trade and capital flows, Latin America has much of what the world needs: strategic commodities, renewable energy sources, skilled workers close to the U.S. market, and more.

"I'm seeing not just optimism, but action," Ilan Goldfajn, the president of the Inter-American Development Bank, told me. "People realize there are global challenges that Latin America is uniquely positioned to be part of the solution for."

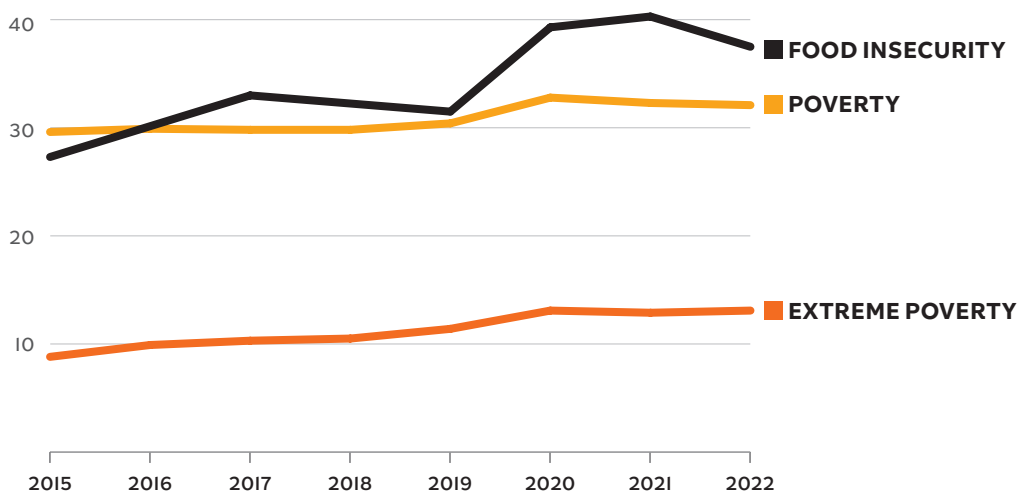
No one is “throwing butter at the ceiling,” to use an old Argentine expression for boom times. The region’s growth rates remain below their potential, trailing other emerging markets in Africa and East Asia. But 2023 will be the third year in a row that the International Monetary Fund (IMF) and others were forced to raise their LAC growth forecasts after they proved too bearish. The pessimism that enshrouded the region in the wake of COVID-19 appears to have been exaggerated. Even 2% GDP growth would be double LAC’s average in the five years prior to the pandemic.

Populism and other -isms could still smother the recovery. Much of the rosier scenario depends on the global economy, and the health of both the United States and China were question marks as this issue went to press. The incomplete Argentine pipeline highlights how critical further infrastructure expansion will be going forward. Enduring high levels of poverty and hunger, a legacy of the lost decade, means it could still take years for everyday people to feel a meaningful improvement in their lives.

Nonetheless, there is still a relatively bullish case to be made for Latin America and the Caribbean in the years ahead. In this article, I will focus on five main reasons for optimism, based on interviews with business leaders, politicians, analysts and everyday people who were brave enough to express at least some hope.

## The pandemic’s social impact endures

PERCENT OF POPULATION (%)



NOTE: POVERTY AND EXTREME POVERTY FIGURES FOR 2022 ARE ECLAC PROJECTIONS  
 SOURCES: ECLAC (2022) AND THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD (2023)





A (RELATIVELY) BULLISH CASE FOR LATIN AMERICA

# 1 Latin America is far.

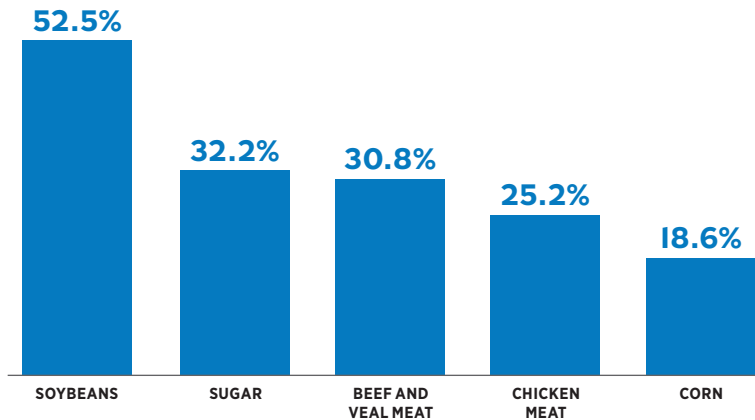
A FEW YEARS AGO, in a conversation with former Brazilian President Fernando Henrique Cardoso about the growing U.S.–China rivalry, Cardoso told me: “I think we have to take advantage of our greatest strategic asset: Brazil is far.”

He explained with a wry smile that in a volatile new era of great power competition, Brazil’s sheer geographic distance from hot spots like Ukraine or Taiwan was an underappreciated advantage. If his country and others in Latin America could maintain a certain neutrality, they would be considered a safe haven for everyone to invest, even in a fragmenting world. Perhaps, Cardoso said, they could even benefit from a kind of bidding war as Washington, Beijing and other powers competed for influence and natural resources.

That’s exactly what seems to be happening in LAC in 2023. The morality and long-term strategic wisdom of neutrality, or “non-alignment,” are debatable. But for now, in the lobbies of business hotels in São Paulo, San-

## Latin America, global breadbasket

LATIN AMERICA’S SHARE OF GLOBAL PRODUCTION, 2022-2023 (%)



NOTE: FIGURES ROUNDED TO NEAREST DECIMAL POINT.

SOURCE: PERCENTAGES BASED ON DATA FROM USDA FOREIGN AGRICULTURAL SERVICE

tiago, Panama City and Bogotá, you will hear an amazing variety of Chinese, English, Arabic and French as deals are being made.

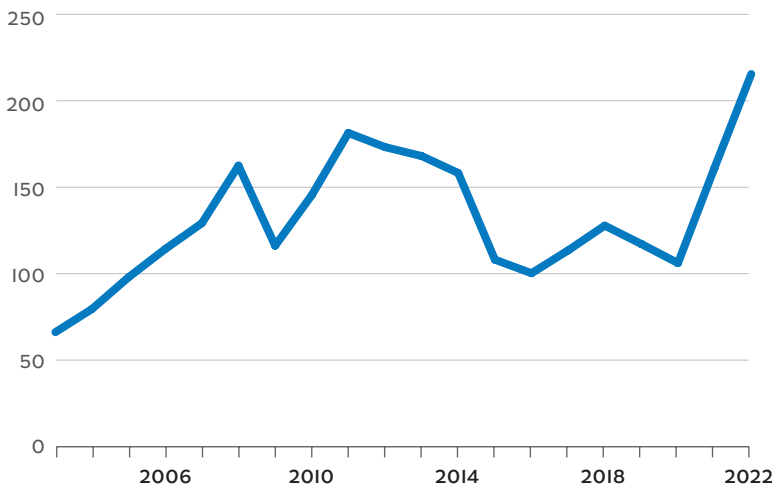
In July, the European Commission announced investments worth \$48 billion over five years throughout the region in areas including green hydrogen. That same month, more than 100 officials and business leaders from Saudi Arabia visited Brazil, signing 26 bilateral investment deals focused on mining and agribusiness. The Chinese are making one of their biggest strategic investments in a new \$1.3 billion deepwater port north of Lima, which could reduce average shipping times to Asia from 45 to 35 days. The United States remains LAC's biggest investor, accounting for almost 40% of FDI.

The common thread in many deals is agribusiness — Latin America is the world's largest net exporter of food, critical as the world's middle class is projected to double over the next three decades, to 3 billion people. Brazil has been the main beneficiary so far, but Argentina is poised to join in if, as expected, 2024 brings better weather (after its worst drought in 40 years) and better politics (following this October's elections).

Unlike the commodities boom of the 2000s, this cycle is “not mainly a price boom. It's more of an investment boom” that could increase yields and efficiency, Goldfajn told me. As such, it won't be as dramatic — but it may prove more sustainable.

## A rising tide of commodities

AN IMF INDEX OF COMMODITY PRICES SHOWS AN INCREASE IN THE LAST FEW YEARS.



NOTE: ALL COMMODITY PRICE INDEX, 2016 = 100, INCLUDES BOTH FUEL AND NON-FUEL PRICE INDICES. FIGURES ROUNDED TO NEAREST DECIMAL POINT. SOURCE: IMF





A (RELATIVELY) BULLISH CASE FOR LATIN AMERICA

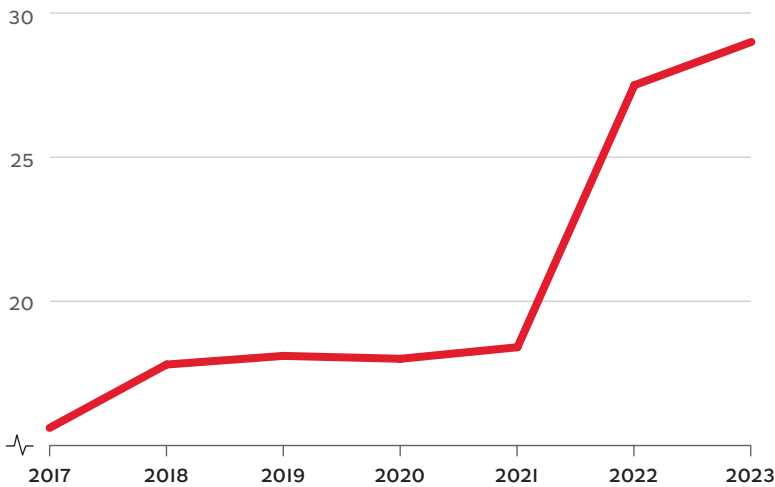
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# Latin America is near.

AT THE SAME TIME, many countries are taking greater advantage of their proximity to the United States, as companies bring manufacturing closer to home following the pandemic and rising tensions with China. The trend of “nearshoring” has been more lucrative than some predicted — mainly (but not exclusively) in Mexico, where FDI is up 40% this year, helping the economy grow at a 3% pace after years of stagnation.

## FDI in Mexico soars

FOREIGN DIRECT INVESTMENT (BILLIONS USD), FIRST SEMESTER



NOTE: 2022 FDI INCLUDES \$6.8 BILLION FROM RESTRUCTURING OF AEROMÉXICO AND MERGER OF TELEVISIÓN AND UNIVISIÓN. 2023 FIGURES ARE PRELIMINARY.  
SOURCE: SECRETARÍA DE ECONOMÍA DE MÉXICO (AUGUST 2023)

The politics around nearshoring could be a lot better. Andrés Manuel López Obrador’s government has a difficult relationship with business, and 2024 could see the return of Donald Trump, who routinely threatened Mexico with border closures during his first presidency. Inconsistent supplies of electricity and water, infrastructure bottlenecks and bad security are all barriers. Real estate in manufacturing hotspots like Mon-

terrey is so scarce that some industrial parks are requiring a 10-year commitment from tenants.

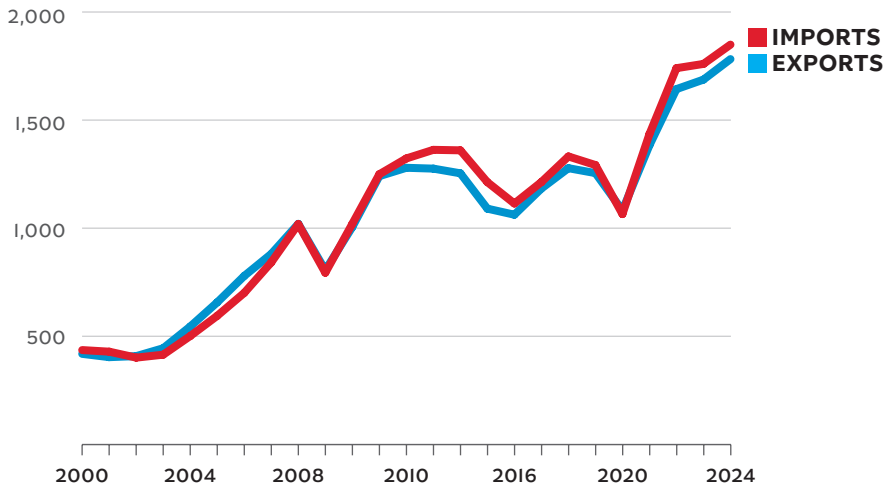
And yet, investments keep coming: Tesla in March made its first foray into Mexico, a \$5 billion “gigafactory” to help it meet a goal of cutting manufacturing costs for its electric vehicles in half. (The U.S. Inflation Reduction Act allows tax credits for electric vehicles even if they are built in Mexico, due to its trade agreement.) Meanwhile, non-U.S. companies are also eager to gain a foothold in North America: Taiwanese electronics manufacturer Quanta Computer announced a \$1 billion investment in Mexico in May. Throughout LAC as a whole, nearshoring has the potential to add \$78 billion per year to the region’s exports, according to the IDB.

The bank said more than half the additional nearshoring potential lies outside Mexico. Intel said in August it would invest \$1.2 billion in Costa Rica, after Washington agreed to include that country in U.S. efforts to boost the manufacturing of semiconductors. Other countries in the Caribbean basin like Honduras (\$1 billion in potential added exports), Trinidad and Tobago (\$480 million) and Jamaica (\$140 million) could join in, the IDB says.

It’s a heady era. “Honestly, we never expected to see semiconductors being manufactured in Mexico, or electric cars and so on,” Marcelo Claire, the Bolivian-American former CEO of Sprint and Softbank International, who is now running an investment fund focused on Latin America, told me. “Think about how far we’ve come, and you realize what could still be ahead.”

## Latin America’s trade keeps rising

TOTAL IMPORTS/EXPORTS OF GOODS AND SERVICES (BILLIONS USD)



SOURCE: IMF





A (RELATIVELY) BULLISH CASE FOR LATIN AMERICA

# 3

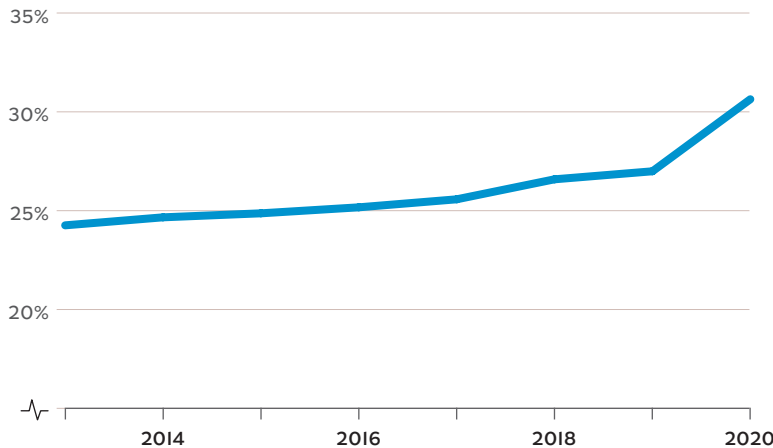
## It's a potential energy powerhouse.

THE WORD “POTENTIAL” here is important. There has been so much hype about lithium, for example; Latin America has about 60% of the world’s identified resources. Yet production has been stagnant, as governments in Chile and Bolivia, especially, have passed legislation requiring the state to take a major role in exploitation. The recent discovery of an apparently massive lithium deposit along the Nevada-Oregon border raises the question of whether by the time countries get the policy mix right, the world will have moved on.

LAC attracted only \$20 billion in renewable energy investment in 2022, representing just 4% of the world’s total. That means the region is punching at only about half its weight in the global economy, despite the clear potential for solar, wind and hydropower. “Taking advantage of these will require greater integration into the global economy. Yet, paradoxically, in the face of these opportunities, LAC is becoming less integrated,” said a recent study led by the World Bank’s chief economist, William Maloney.

### Renewables on the rise

RENEWABLE PROPORTION OF LATIN AMERICA’S TOTAL ENERGY SUPPLY (%)



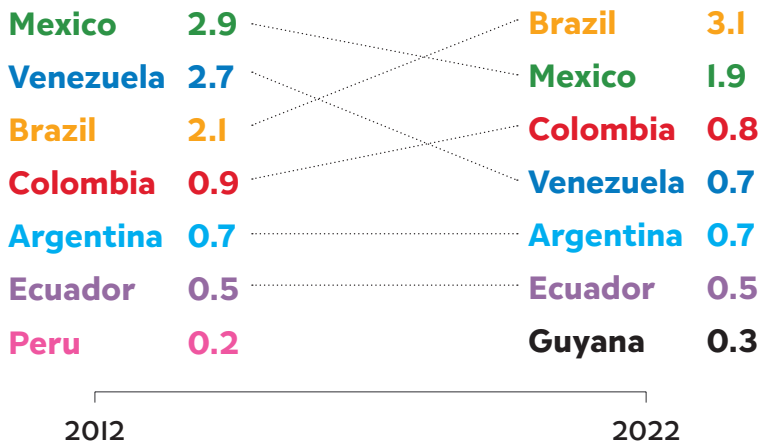
NOTE: RENEWABLE ENERGY INCLUDES GEOTHERMAL, HYDROPOWER (LARGE AND SMALL SCALE), WOOD ENERGY, CHARCOAL, BIOENERGY SUSTAINABLE UNRELATED TIMBER (CANE PRODUCTS), WIND AND SOLAR ENERGY.

SOURCE: ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

Some counsel patience, arguing the region's abundant resources, and the needs of the global energy transition, will eventually win the day. More than a quarter of LAC's primary energy already comes from renewables — a level twice the global average. Brazil's wind power industry has doubled its capacity since 2018, potentially putting the country in line to be the world's fourth-biggest producer by 2027, behind China, the U.S. and Germany, according to a local industry body. Uruguay in June announced \$4 billion in new renewable energy projects, half of which focused on green hydrogen — an area where Chile and others also have vast potential.

## Latin America and the Caribbean's top oil producers

PRODUCTION (MILLIONS OF BARRELS PER DAY)



NOTE: OIL PRODUCTION DATA INCLUDES CRUDE OIL, SHALE OIL, OIL SANDS AND OTHER DERIVATIVES.  
 SOURCES: ENERGY INSTITUTE STATISTICAL REVIEW OF WORLD ENERGY (2023); GUYANA DATA: ECLAC (2023)

Latin America's old-fashioned oil and gas sector also still offers some opportunities. The region's overall oil output has fallen 20% in the last decade to 7.8 million barrels per day, mainly due to declining production in Mexico and Venezuela. But ascendant players Brazil and Guyana may together account for half of LAC's oil output by the end of this decade, according to a Columbia University study.

There is vast potential elsewhere, including in Argentina, although the backlash against oil, and extractivist activities more broadly, was on display in August when 59% of Ecuadorians voted to end oil production in a national park in the Amazon, turning their backs on as much as \$13 billion in projected revenue over the next 20 years.





A (RELATIVELY) BULLISH CASE FOR LATIN AMERICA

# 4

# The politics aren't as bad as you think.

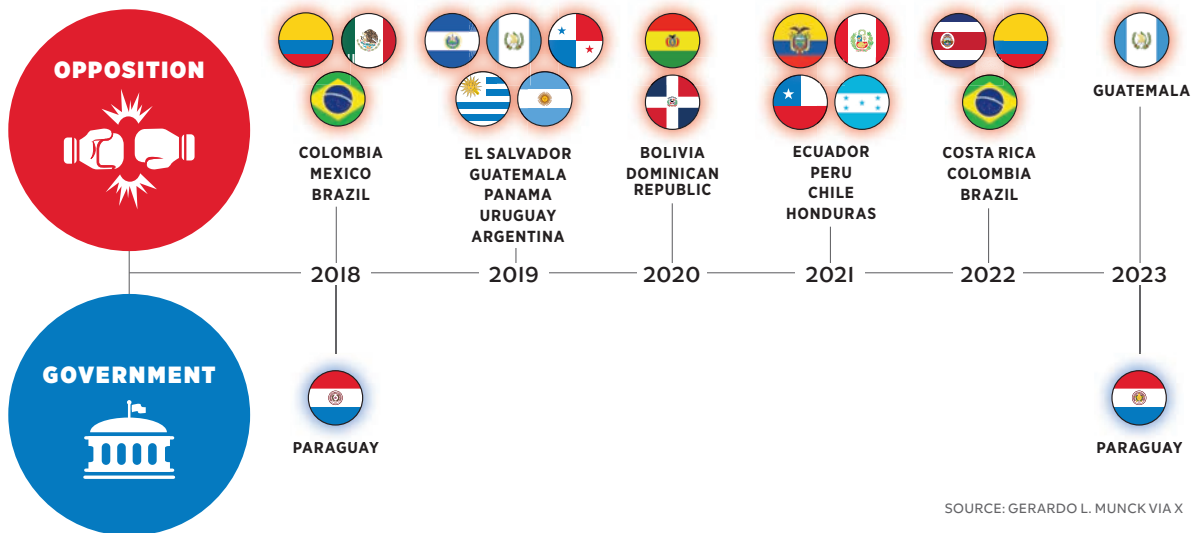
I ASKED CLAURE, the veteran CEO of global companies, if politics were at risk of sabotaging Latin America's more promising moment.

"What about politics in the U.S.? Or Europe?" Claure retorted. "I'm not sure they're any worse in Latin America, to be honest."

That's not exactly a ringing endorsement, but he has a point. In this era of polarization and social media, we risk becoming so obsessed with day-to-day dysfunction that we miss the moments when officials actually deliver. For example, Latin America's central banks understood, arguably faster than in any region in the world, that the inflation of the pandemic era was not "transitory" — and interest rate hikes were needed. As a result, inflation is slowing almost everywhere but Argentina — and banks in Brazil, Chile and Uruguay are cutting rates, even as they continue to

## A clearly anti-incumbent mood

Of the region's last 20 free and fair presidential elections, only Paraguay has seen government party candidates win.



SOURCE: GERARDO L. MUNCK VIA X



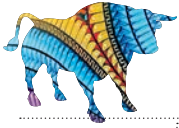
Brazil's President Luiz Inácio Lula da Silva, right, meets President Gustavo Petro of Colombia after being sworn in in January 2023.

rise in parts of the developed world.

There is no doubt that populist policies around the region continue to suppress economic growth. But today's "new pink tide" of leftist presidents such as Colombia's Gustavo Petro, Chile's Gabriel Boric, Mexico's Andrés Manuel López Obrador and Brazil's Luiz Inácio Lula da Silva have mostly defied doomsday predictions by keeping a steady hand on fiscal management. Voters' fears of "becoming the next Venezuela" are often exaggerated — but in practice, the specter of repeating that tragedy has probably limited the ambitions of an entire generation of leftist leaders in Latin America.

For better and for worse, this is also an era when it's difficult for any one politician to gain too much power. Of the last 20 free and fair presidential elections in Latin America, an opposition party has won in 18 of them. This is partly a result of dysfunction; leaders usually fail to meet expectations and lose popularity soon after taking office, opening the door to a different kind of leader — often an "outsider."

In that environment, democratic erosion remains a real concern. But when presidents try to stay in power by interfering in elections, persecuting their opponents or illegally grabbing power for themselves, as happened in Brazil, Guatemala and Peru in the past year, institutions have held their ground. "The single most exciting thing in Latin America right now is the strength of democracies," said Susan Segal, CEO of the Americas Society and Council of the Americas, the organizations that publish *AQ*. "It's a surprise to everybody, and contrary to the way things used to work in the region."



A (RELATIVELY) BULLISH CASE FOR LATIN AMERICA

# 5

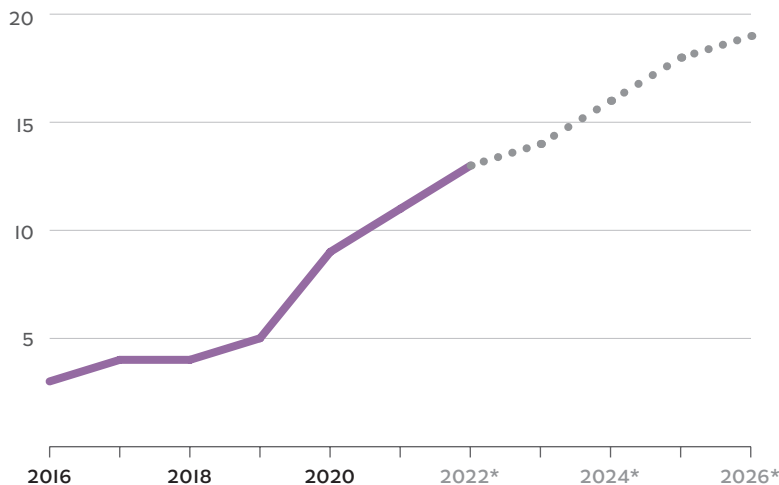
## The digital story really is fantastic.

THE PANDEMIC WAS INDISPUTABLY awful in Latin America and the Caribbean, which accounted for perhaps a third of deaths globally despite having just 8% of the world's population. But it did accelerate the transition to a more digital economy, as the region's relatively young population, which has some of the world's most intense rates of smartphone use, embraced e-commerce, fintech and other segments.

The expansion's speed has been stunning. Mercado Libre, the region's largest e-commerce company, said in April it will hire an additional 13,000 people, bringing its total headcount to 53,000 — up from just 10,000 at the end of 2019. More than 80% of the company's new hires will be in Brazil and Mexico. Overall, e-commerce is expected to account for almost a fifth of retail purchases in LAC by 2026, according to a Morgan Stanley study.

### Latin America's e-commerce boom

E-COMMERCE AS % OF RETAIL SALES IN LATIN AMERICA



NOTE: ESTIMATED SALES STARTING IN 2022.  
SOURCE: MORGAN STANLEY (2022)

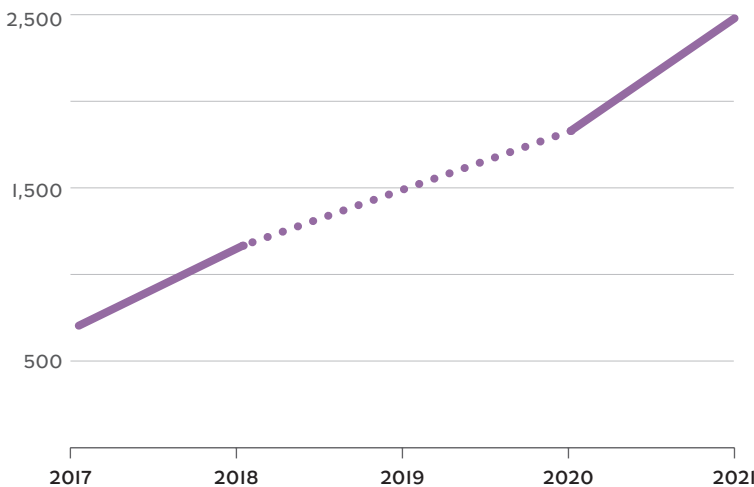


New technologies are allowing Latin America’s working classes, many of whom work in the informal sector and have never had a bank account, to access credit for the first time. According to the IMF, the value of transactions at fully online digital banks or “fintechs” mushroomed to \$123 billion in 2021, up from just \$17 billion four years previously. The value of digital payments has also doubled in that time, to \$215 billion, often using innovative new platforms such as Mexico’s CoDi, Costa Rica’s SINPE Móvil or Brazil’s Pix.

Nubank, the region’s fintech leader, now has more than 85 million customers — enough to put it among Latin America’s largest financial firms, Bloomberg reported in August. Yet David Vélez, the company’s Colombian-born CEO and founder, told me: “It’s still very early days for fintech,” noting that traditional banks still own more than 85% of “every single vertical,” including insurance and credit to small businesses.

## Latin America’s growing fintech ecosystem

NUMBER OF FINTECH STARTUPS, ACCORDING TO IDB



SOURCE: FINTECH IN LATIN AMERICA AND THE CARIBBEAN: A CONSOLIDATED ECOSYSTEM FOR RECOVERY. FINNOVISTA, IDB, IDB INVEST (APRIL 2022)

Looking forward, Vélez said artificial intelligence “is going to be a horizontal technology that could genuinely revolutionize access to education and health care.” Some of that innovation will likely come from Latin American tech firms, which have traditionally punched above their weight. “We’re really now seeing the second or third generation of tech entrepreneurs in Latin America,” Segal said. “They’ve created this network community where the successful leaders are funding and mentoring a lot of the younger people.”



# A Renewed Optimism

**Democracy is one of several reasons to think Latin America has a bright future.**

*by Susan Segal*



Susan Segal is the CEO of Americas Society/Council of the Americas

**F**OR THE LAST 40 YEARS I have been an eternal optimist on Latin America. Even in some of the most difficult moments, I have always seen the positive side of almost every country and have believed that every challenge represents an opportunity.

Today there are many reasons to be bullish, but if I had to pick just one, I would say: democracy. This may sound surprising, given all that we hear today about institutions being under pressure throughout the Western world. But as I look around the region, I see many countries where democracies have withstood the tests of recent years and emerged stronger.

Indeed, as we have seen time and again, when governments do not meet expectations, they are replaced in free and fair elections. I certainly remember an era in the early 1980s when that was not the case, and it is not something we should take for granted. Democracy over time is the backbone for strengthening institutions and predictability, critical for confidence and investment.

There are other reasons to be optimistic today. Latin America has what the world needs. It is abundant in energy: traditional oil and gas but also alternative clean energy as well as strategic minerals which are needed globally. The region could also feed the world. And as I have mentioned before, it has some of the best and most innovative entrepreneurs.

Finally, we speak about “friendshoring” or “nearshoring.” The opportunity to move supply chains or create new supply chains in our hemisphere is enormous. I don’t believe we have even begun to imagine or measure the dimension.

So as we look over the next 40 years, I am very optimistic that Latin America will leverage its many resources to bring renewed growth, prosperity and opportunity to its citizens. **AQ**



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**CONFERENCE:** 9:00 AM – 1:30 PM ET

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@ASCOA #womenASCOA

**For more event information:** Alexia Braun [abraun@as-coa.org](mailto:abraun@as-coa.org)

**Sponsorship Opportunities:** Constanza Guarino [cguarino@as-coa.org](mailto:cguarino@as-coa.org)

**Press Inquiries:** [mediarelations@as-coa.org](mailto:mediarelations@as-coa.org)

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Tuesday, November 28, 2023  
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8:30-9AM REGISTRATION  
9AM WELCOMING REMARKS

Americas Society/Council of the Americas (AS/COA), in partnership with the Ministry of Foreign Affairs of Peru, will hold its seventeenth conference in Lima as part of the annual Latin American Cities Conference series. The half-day event will focus on Peru's investment outlook, where key public- and private-sector figures will gather to discuss opportunities to vitalize investment in the country to achieve sustainable and inclusive economic growth.

*The conference will be held in Spanish. The program will be webcast live, and no prior registration will be needed to watch the transmission.*



Get more info and watch the live webcast: [as-coa.org/Peru2023](https://as-coa.org/Peru2023)

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**Points of Contact:** Guillermo Zubillaga [gzubillaga@as-coa.org](mailto:gzubillaga@as-coa.org)

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**Press Contact:** Claudia Torrens [ctorrens@as-coa.org](mailto:ctorrens@as-coa.org)

Erika Hilton in the Chamber of Deputies, on February 1, 2023, the day she was sworn in as a representative for São Paulo state







THE AQ PROFILE

# An Uphill Battle

**Erika Hilton's** pursuit of minority rights illustrates the challenges of the Brazilian left in the post-Bolsonaro era.

*by Angela Boldrini*

**B**RASÍLIA — For years, Erika Hilton struggled to survive on the streets of São Paulo. Now, as a lawmaker, she’s trying to change the legislation and culture that made her an outcast in the first place.

As a newly elected representative for São Paulo, Brazil’s most populous state, Hilton is one of the first transgender women ever to be elected to Congress in a country where 131 trans people were killed last year, according to a national organization, ANTRA, that advocates for trans rights. A social media sensation with more than 1 million followers on Instagram, a fashion icon, and a grassroots activist, she entered politics after years of living on the streets; her family shunned her when she came out as trans.

Hilton’s election reflects an uncertain moment in Brazilian politics in the wake of Jair Bolsonaro’s 2018–22 presidency, which saw repeated setbacks for transgender rights and other LGBTQ+ issues. As a member of the Freedom and Socialism Party (PSOL), Hilton is on the left flank of a Congress that remains clearly right-of-center. While she has faced several incidents of discrimination, including from congressional colleagues, she said she is trying to work with her peers to get as much done as possible.

“When I first arrived in Congress, even my party colleagues expected me to be aggressive, more in-your-face, you know?” Hilton told *AQ*. “But I am very pragmatic. I love fashion, and I know that there’s an adequate dress code for every situation. So, when I’m here, I’m following a different ‘dress code’ than when I’m at a rally or speaking with people on the street.”

LGBTQ+ rights are a priority for Hilton, but her personal experience also made her a vocal advocate for the rights of the homeless. “Brazil has become a country with a huge number of people living on the streets, and one with anti-homeless and dehumanizing policies,” Hilton said, standing in a corridor of the Senate on a morning in August. A 2022 study by the Universidade Federal de Minas Gerais estimates the Brazilian homeless population at 206,000.

On the day she spoke to *AQ*, the congresswoman

was negotiating with colleagues to advance a bill she wrote that would create a national employment program for the homeless. The next day, she succeeded, and the House approved the bill in a preliminary vote. It was her first win in Congress, six months into her first term.

Hilton, 30, attributes her electoral success in part to a growing wish among Brazilian youth not only for political renewal but also for the representation of minorities. “I believe the setbacks that we had in the last few years really made the population understand that participating in elections and discussing politics is important, and so is choosing whom to vote for,” she said.

Hilton also has a talent for turning her social media platforms into her main campaign asset. Her feed on Instagram is a mix of high-fashion photoshoots, clippings from news stories, clips of interviews, and videos about daily life in Congress. On July 29, for example, she posted a reel about her trip to the U.S. during a parliamentary recess in Brazil, complete with Beyoncé’s “Already” playing in the background. The post had over 40,000 likes.

“I always say that the youth, especially the LGBTQ+ youth, is constantly looking for an icon, a pop diva. It’s their universe; it’s ingrained in them. So, I try to replicate that in politics as a way to bring them closer. And I think it’s working.”

## The new left

**H**ILTON’S TRAJECTORY in politics began as she joined the student movement at Universidade Federal de São Carlos in São Paulo’s countryside, where she studied education and gerontology before eventually dropping out to start a political career. Before that, she lived as a sex worker on the streets of São Paulo for six years. Sex work is the main occupation of Brazil’s trans population, with ANTRA estimating that 90% of trans women are in that line of work.

Born to a poor, evangelical family in the outskirts of São Paulo, Hilton was raised by her mother and





Erika Hilton takes part in a march against homophobia and transphobia in São Paulo in May 2022.

---

grandmother until her teenage years, when the family tried to send her to an uncle's house in the countryside to "cure" her of "homosexuality." She moved back in with her mother after a couple of years, but the fighting led to her being disowned.

This, too, is not uncommon for trans youth in Brazil. According to an assessment of the transgender and nonbinary population made by São Paulo's City Hall in 2021, 47% of transgender women left their parents' homes because of recurring arguments.

But Hilton's trajectory began to turn when her mother realized she had made a mistake and welcomed her daughter home. She resumed her studies and eventually was given a place at a federal univer-

sity. In 2020, she ran for city council in São Paulo. She obtained more than 50,000 votes and drew attention from the media as the first trans woman to be elected to the council. Last year, she again made headlines as one of the first two transgender representatives in Brazil's history. (Duda Salabert, a former teacher from Minas Gerais, was also elected.)

"In the U.S., the social agenda, such as equal marriage rights and women's rights, is largely related to the left in general. In Brazil, you had some leftist parties that were more able to capture the interest in that than others," said Graziella Testa, a professor at Fundação Getúlio Vargas who researches legislative elections and performance.

The growth of interest in issues such as racism, gender inequality and other minority rights has propelled not just Hilton's career but those of a host of others, including Sônia Guajajara, now minister of Indigenous populations under President Luiz Inácio Lula da Silva. But in office, Lula has so far largely refrained from tackling social issues head on, a tendency that likely reflects his caution in the face of a powerful right wing.

That also explains why parties like PSOL, to the left of Lula's Workers' Party, keep growing. "There are people who represent this agenda in the Workers' Party, of course, but the party wasn't able to house these demands organically inside it. Other parties like PSOL are better at it," Testa noted. PSOL was founded in 2004 by a group of representatives emerging from the Workers' Party following a clash over political strategies.

"As a newer party, PSOL also has more space for new leadership and new candidacies to flourish," said Testa. "Inside political groups, there is a line of those waiting for a turn to run for something. So maybe PSOL had fewer people in that line."

## A polarized Congress

**T**ESTA SEES A LINK between the rise of the far right and the decline of Brazil's traditional stronghold of center-right voters, the Brazilian Social Democratic Party (PSDB). When the PSDB began to falter, she said, the more extreme and vocal types of the right started to gain traction. "The far-right voter is very vocal, and they also have advantages in terms of campaign financing. And a part of these now-stranded voters from the center-right have turned to them," she said.

This often makes Congress a battlefield. "I think it's toxic," laughed Hilton when asked about what she thinks of the environment in the House. Then she became serious. "I think it's tiresome and even sometimes discouraging because you get to see how the dynamics of politics are carefully arranged by the groups in power. But it can also be very exciting because it pushes me toward everything I believe and the politics I want."

Congress can be a hostile environment for politicians who don't fit the male, white, cisgender and heterosexual norm. The Senate's first female bathroom was built in 2016. In the House, maternity leave was counted as absence from sessions until 2021. For the two trans women members, transphobia is a reality. In April, Nikolas Ferreira, a congressman from Bolsonaro's party, took to the House floor sporting a blonde wig and claiming to consider himself a woman. He insisted he would refuse to use female pronouns when referring to his colleagues Hilton and Salabert.

"First of all, I think it's gross that there are still Brazilians who would vote for this type of hateful person," said Hilton. Many did: In 2022, Ferreira was the top-voted candidate in the country with more than 1 million votes, surpassing even Bolsonaro's son Eduardo, who held the previous record. "But they do this to show off, so I try not to focus too much on that. It's a strategy of demoralization, of distraction. So, of course, he needs to be punished, but I just don't want to give him the attention he wants," she shrugged.

The disciplinary inquiry opened to investigate Ferreira's behavior in the House was shelved in early August. Neither Ferreira nor his press manager responded to requests for comment.

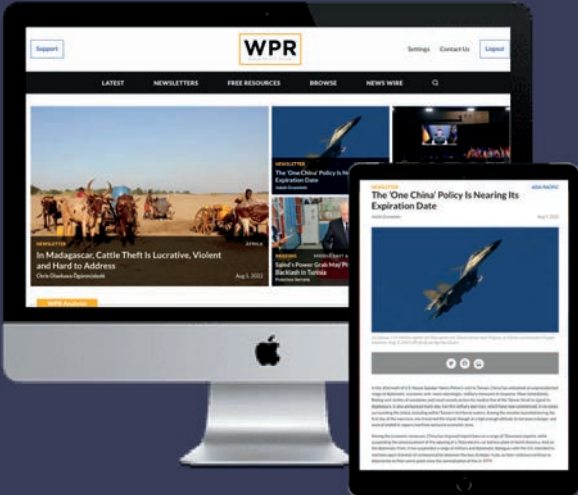
For Testa, the mere presence of Hilton and Salabert in Congress stretches the limits of male dominance there. "This coexistence is important even for the men who were never confronted with that reality before," she said. "In the end, the inquiry didn't move forward, but it set some limits as to what is acceptable to say. Maybe if there weren't a transgender person there, we wouldn't be talking about his transphobia at all," she said.

Hilton said that while she can't separate her politics from her trajectory, she doesn't want to be seen as a niche politician. "My body is marked by certain identities, and that shapes the way I make politics, of course, but I constantly run from stereotypes," she told *AQ*. "I'm here to fight for my view of how the country should be, and that is for all Brazilians."

*Boldrini is a staff reporter at Folha de S.Paulo and the host of podcasts Caso das 10 Mil and Sufrágio*



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PHOTO ESSAY

# UNDOCUMENTED IN HER OWN COUNTRY

*To escape violence, a mother moved with her children from Guayaquil to the Galápagos — but even paradise can be difficult.*

PHOTOGRAPHS BY YURI SEGALERBA

**E**CUADOR'S GALÁPAGOS ISLANDS are a sanctuary for a dizzying array of life. Three ocean currents converge on the isolated volcanic islands 600 miles off the mainland to create a unique refuge for thousands of species. The islands have become a conservation success story, and their biological riches attract over 100,000 tourists every year.

They also draw Ecuadorian families seeking reliable work and refuge from the country's rising tide of violent crime. But legal status in the Galápagos is difficult to obtain, even for Ecuador's own citizens; of 30,000 people living there, an estimated 5,000 lack residency permits. Like undocumented migrants throughout the Americas, they live under constant threat of deportation.

Elvia Margarita, 45, has been living without authorization on the islands for 11 years. She arrived as a single mother of four children, hoping to provide them the safety and stability they lacked in Guayaquil. For many Ecuadorians like them, the Galápagos are a complicated sanctuary.



Elvia looks across the ocean, which she hasn't crossed for 11 years. Elvia hopes to reunite with her mother and grandmother one day, but she doesn't know whether that will ever happen.











Puerto Ayora on Santa Cruz Island, where Elvia now lives, is the largest town in the Galápagos. As part of the Galápagos Marine Reserve, a UNESCO World Heritage site, it is a hub for tourism with a population of around 16,000, many of whom lack legal residency.

The Batallón del Suburbio neighborhood of Guayaquil, where Elvia grew up. The port city has long been a hotspot for crime, and Ecuador's murder rate has quadrupled since 2018. Organized crime has become such a force that a presidential candidate was assassinated just days before an election in August.





Two of Elvia's children play unsupervised on the shores of Santa Cruz Island. They enjoy a sense of safety and freedom that would be unthinkable in Guayaquil.







Elvia works several jobs to provide for her family. She leaves the house at 7 a.m., returns briefly to prepare lunch and dinner for her kids, and then works again until 11 p.m. She often goes all day without seeing them. Here, she advertises fresh catches to passersby at the restaurant where she works as a waitress.











Elvia meets one of her children's teachers. Any time spent attending to personal matters can mean a loss of income for informal workers like her.

Elvia stands by to attract customers at a travel agency as one of her sons waits inside. She is paid on commission, and sometimes earns nothing during her eight-hour shift. Because she lacks a work permit, she must rely on informal employment without protections.



ISLA SANTA FE



PLAZAS ISLAND  
ISLA PLAZAS



ISLAND  
TOLOME



D  
NA





Elvia's daughter Thairí, 22, hangs clothes behind the home she shares with her mother, her three siblings and her niece. They all pitch in to maintain the household.











Elvia's eldest child, Karla Pamela, 26, returned to Guayaquil three years ago. Here she videocalls her mother from Guayaquil. Elvia went five years in the Galápagos without a smartphone, and finally purchased one to be able to make these calls, the only way she has seen her mother and grandmother in 11 years.

Elvia's mother, Herminia, in her home in Guayaquil. Herminia doesn't own a smartphone and can only see Elvia when Karla comes to visit.











Elvia's mother and grandmother worry they might never again be together with her. They keep photos of Elvia in a drawer in the home they share. Here, Elvia's grandmother has scattered the photos across her kitchen table to look through them.





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The Galápagos are home to numerous critically endangered species, including giant tortoises. The islands' unique wildlife changed the history of human thought: Charles Darwin's 1835 visit was crucial to his development of the theory of evolution. Though Darwin wrote in his journals about riding—and eating—the tortoises, they and all other Galápagos wildlife are today subject to strict protections.





UNDOCUMENTED IN HER OWN COUNTRY







Elvia walks along a seaside pier. She worries about her grandmother's health, and wishes she could fly to see her. But she can't; a flight would mean being identified by authorities.

The threat of deportation is ever-present in Elvia's life—as is the strain of isolation, and the fear of losing her precarious informal work. But she knows this is where she wants her children to grow up.

.....  
**Segalerba** is an *Italian documentary*  
photographer focused on *Latin America*





ONE YEAR LATER



# Expect More Nayib Bukeles

**One year after AQ's special report on millennials in politics, our correspondent sees a difficult path ahead for democracy in Latin America.**

*by Andrea Moncada*

**A** YEAR AGO ON the *Americas Quarterly* Podcast, I was asked who I thought was more likely to become a model for millennial politicians in Latin America: Nayib Bukele of El Salvador, or Chile's Gabriel Boric. As the first millennials to reach the presidency in the region, they are examples of what the future could bring. And they're starkly different: Bukele is implementing *mano dura* policies without regard to the cost to human rights and constitutional order. Boric represents social demands for change through democratic means, emerging from a student protest movement.

It's hard to compare two such different countries. But I answered that ultimately, Bukele was the model most people would support — if problems like weak political representation and inequality of opportunity weren't tackled first.

Unfortunately, this possibility is now becoming a reality, as more Latin Americans lose patience with democracies (and political classes) that haven't become more inclusive, just or equitable. Recent events signal the region might be at a critical juncture between a continued democratic trajectory and erosion towards authoritarianism.

This year's Latinobarómetro report, published in July, shows that less than half of people now support democracy above any other form of government, a 15-percentage-point difference with the 64% reported

in 2010. More than half say they wouldn't mind if a non-democratic government took power, as long as it solved problems. Young people are the least likely to agree that "democracy is preferable to any other form of government." Support for democracy is firmest among those over 60.

Latin Americans are increasingly fed up with their elected leaders. This is fertile ground for authoritarianism. The Salvadoran president is an example of how receptive populations can be to undemocratic politicians who know how to connect with citizens through what most concerns them. In the case of El Salvador, that's security. Bukele is the result of years of lawlessness and violence fueled not just by the MS-13 and Barrio 18 gangs, but by previous governments' inability to bring the country under control. He presents his tough-on-crime policies as "common sense," and Salvadorans feel that he has delivered. No matter that they have resulted in thousands of human rights violations.

Gabriel Boric was also successful in connecting with Chileans at the beginning of his presidency by promising to dismantle political and economic inequality. But his administration struggled when the progressive left overcorrected, proposing a constitution too focused on identity politics that demanded changes beyond what the population wanted. After shifting the government's focus to tackling a surge in crime, an issue most Chileans now say is the most pressing problem in the country, Boric's approval rating briefly rose, although a recent survey put it at just 31%.

It's possible to listen to citizens' concerns and respect democratic processes at the same time. That is easier where there is already a solid democratic tradition. But democratic consolidation in Latin America is in peril. A look at the past year paints a somber picture. Nicaragua's president, Daniel Ortega, has virtually eliminated any opposition to his government by deporting political opponents and stripping them of

citizenship. Ecuador, a historically peaceful country, is now consumed by violence related to drug trafficking, with the shocking murder of presidential candidate Fernando Villavicencio serving as evidence that the drug trade is interfering with elections.

Peru's deeply unpopular president, Dina Boluarte, is holding on to power despite repeated protests demanding her resignation. In Guatemala, the political establishment tried its hardest to interfere in the recent presidential election and seems likely to continue to harass President-elect Bernardo Arévalo and his party.

Millennials in Latin America face a massive challenge. Young people seem more lured than ever by populist politicians who rail against "the system" — libertarian Javier Milei's performance in the Argentine primaries in August is a clear example. Other politicians are taking note. Lima's mayor and former presidential candidates in Ecuador and Colombia have all expressed admiration for the Salvadoran leader.

Meanwhile, the region's GDP forecast for this year is a meager 1.7%, according to ECLAC. Satisfaction with democracy was always going to be difficult to sustain under such conditions, so it's no wonder that millennials are turning increasingly toward efficiency over principles.

The political scientist Samuel Huntington, in a seminal 1991 paper, identified a series of factors that predicted a "reverse wave" that would drag democracies back toward authoritarianism. He pointed to the weakness of democratic values, economic setbacks, polarization, the exclusion of the lower class from political power and a breakdown in law and order. All of these exist in Latin America today — a fact that makes Nayib Bukele seem like a harbinger of Latin America's future. [AQ](#)

Moncada is a Peruvian journalist and political analyst currently based in the U.K.



# Reparations for Slavery: The Rise of a Caribbean Movement

**Activists have made reparations a mainstream concept. Will former colonial powers commit to paying at least a share of the estimated cost of slavery?**

*by Zahra Burton and Brian Ellsworth*

**K**INGSTON — When Jamaican history professor Verene Shepherd began advocating in the early 2000s for former colonial powers to compensate Caribbean nations for the horrors of slavery, the idea went largely unnoticed in Europe and the United States. In Jamaica, some thought it would come across as “begging,” while others worried it would offend the British monarchy.

Two decades later, the issue is routinely discussed by politicians throughout the Caribbean and is increasingly on the agenda of diplomatic summits. Countries across the region have created reparations commissions; the king of the Netherlands has formally apologized, as have a few prominent British families linked to the slave trade. But one question continues to dominate the debate: Will European countries really set aside taxpayer resources to meaningfully compensate the descendants of slaves in the Caribbean?

An estimated 5 million-plus Africans were forcibly taken to the Ca-



Verene Shepherd, chair of a U.N. committee on racial discrimination, at a hearing in Geneva in August 2022.

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ibbean, more than 10 times the number sent to mainland North America, and nearly 40% of the overall transatlantic slave trade from 1501 to 1866, according to a widely used database hosted by Rice University. Some estimates of the true economic and moral damage from slavery in the Caribbean run into the trillions of dollars. While most observers doubt that reparations amounts will ever come close to that, there is still optimism that reparations could provide meaningful financial resources for the region, perhaps involving numbers in the billions — in part because the conversation has picked up steam in the last few years.

Amid growing discussion of race relations in the United States and an increasingly public Caribbean reckoning with its colonial past, what was once a

fringe idea is being discussed as common sense in some quarters.

Though some European governments continue to meet the topic with silence or resistance, Shepherd believes reparations are possible. As a member of Jamaica's National Commission on Reparations, a vice chair of the CARICOM Reparations Commission, and Chair of the U.N. Committee on the Elimination of Racial Discrimination, Shepherd is working to pressure European governments for a meeting on concrete steps toward reparations.

“We’re talking about right across the former colonizing world. We’re talking about sitting down with the representatives of the countries that were harmed,” Shepherd said in an interview. “The heads





Irish businessman Denis O'Brien, center, in Port-au-Prince in 2010. O'Brien has launched The Repair Campaign, which seeks to pressure former colonial powers to commit to a long-term reparatory fund.

of government of CARICOM will have to lead on that meeting,” which she said is still under discussion. The European countries of focus are the United Kingdom, France, Spain, the Netherlands, Denmark, Germany, Norway, Sweden, Switzerland, and Portugal.

Barbados’ Prime Minister Mia Mottley, who has become an increasingly important global voice for Caribbean affairs, hinted at the expected tone of any such negotiations. “The conversation must take place as equal partners and not as recipient of some beneficence from a third country,” she said during a roundtable on reparations in Barbados in August.

The Caribbean reparations effort principally rests on a 10-point plan drafted by CARICOM that calls on European governments to make full and formal apologies, provide funding for health and education, and help improve Caribbean countries’ access to technology, among other points. Jamaica’s National Commission on Reparations, created in 2009, has for years worked to increase public awareness within Jamaica about the issue. Irish entrepreneur Denis O’Brien,

founder of Kingston-based Caribbean mobile network provider Digicel, has launched an effort called The Repair Campaign that seeks to pressure former colonial powers to commit to a long-term reparatory fund. The Repair Campaign is providing financing to help 15 Caribbean countries draw up Socioeconomic Reparatory Plans laying out how they would manage resources they could obtain through reparations.

### Will European countries pay?

**E**ARLIER THIS YEAR, Barbadian activist David Denny of the Caribbean Movement for Peace and Integration worked with campaigners in England to lead protests against conservative British parliamentarian Richard Drax, whose family is linked to the slave trade. The family still owns the Drax Hall estate in Barbados, a former slave plantation where sugar is still grown, which Denny said should be returned to the people of Barbados. “Barbados hasn’t received any form of reparations yet,” Denny said.





# The Fearsome History of the Darién Gap

**Centuries before it became a hazardous migrant corridor, the jungle between Panama and Colombia attracted visions for colonization and connection. So far, all have failed.**

*by Mat Youkee*

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A 19th-century engraving by an unknown artist presents a romanticized image of Vasco Núñez de Balboa's arrival at the Pacific shore of the Darién Gap in 1513. Portrayals like this one sought to glorify European explorers and downplay or ignore the destruction they wrought.

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**I**N THE CEMETERY of El Real de Santa María, a village accessible only by river in eastern Panama, stands a new mausoleum. Donated by the Red Cross in March 2023, the modest concrete structure contains a grid of 100 niches for human remains. Since 2021, over 130 migrants have died crossing the Darién Gap, 575,000 hectares of jungle where the Central American isthmus connects with Colombia — mainly from drowning, falls and acts of violence. For the dozens of bodies that cannot be identified, the mausoleum will become their final desolate resting place.

For five centuries, the Darién Gap has possessed a fearsome reputation as a uniquely inhospitable terrain and has accrued a litany of lonely deaths. Local legend has it that the final act of a Spanish conquistador, whose body was found floating in the Pacific waters of the Darién, was to inscribe in rock the phrase Panamanians most associate with the region: “When you go to Darién, entrust yourself to Mary, for in her hands is the entrance and in God’s the exit.” By the early 2000s Lonely Planet’s advice for backpackers eyeing up the trek to Colombia was more succinct but essentially unchanged: “Don’t even think about it!”

Despite these and other warnings, today the Darién is one of the most well-trodden migration routes in the world. While media reports of the Darién’s humanitarian crisis describe a “no-man’s-land” of hellish conditions, impenetrable jungle and deadly wildlife, in 2023 an estimated 400,000 migrants are expected to cross on foot northwards over a number of routes, some of which have come to resemble muddy highways. In August alone 58,000 made the crossing, a record. Colombia and Panama are the only countries in the Americas that share a land border but are not linked by even a rudimentary road.

That the Darién is the only land route between two continents makes the persistence of this blank space on the map an even more curious anomaly of

human geography. Over the course of its history, numerous attempts have been made to take advantage of the Darién’s strategic position — some more serious than others — but all have been thwarted by nature or politics.

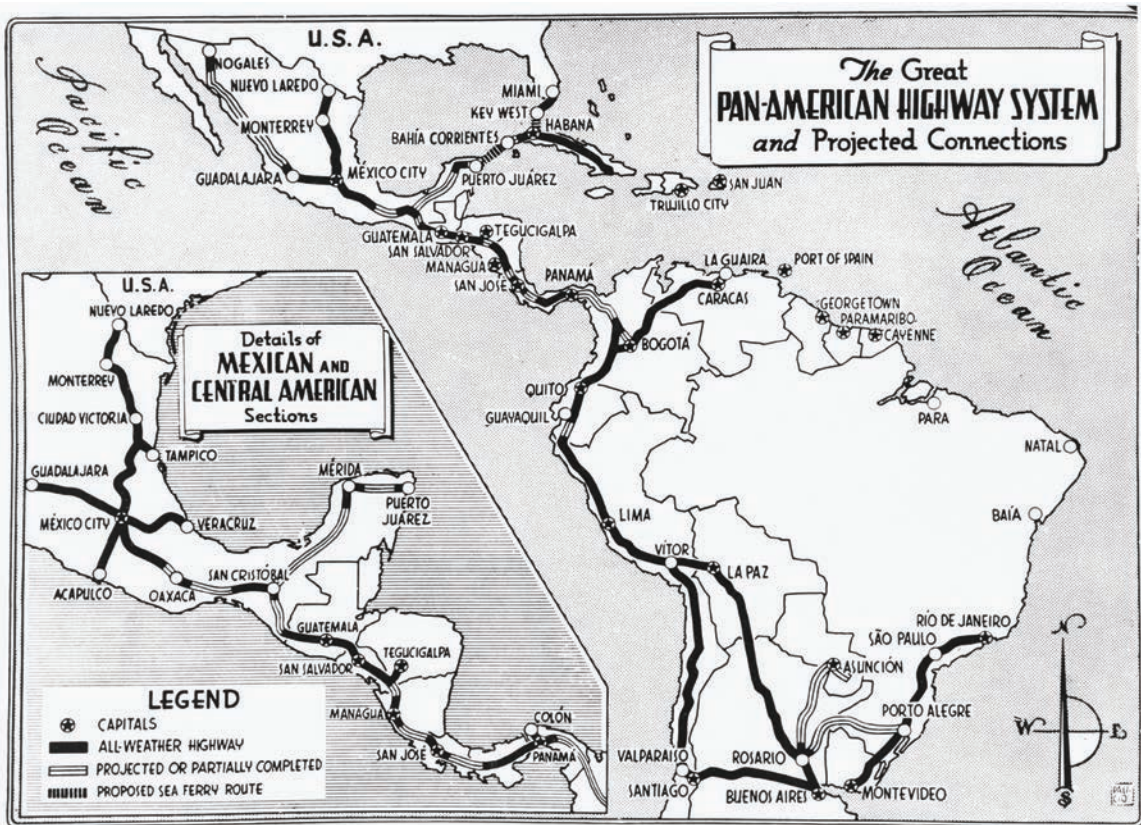
### Beachhead of colonization

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**I**N THE EARLY 16TH CENTURY, the Darién’s prospects looked different. Founded by conquistador Vasco Núñez de Balboa in 1510 on Caribbean shores close to the entrance to the Gulf of Urabá, the town of Santa María la Antigua del Darién was one of the first European settlements on mainland America. “The history of Spanish colonialism in Latin America began in the Darién,” said Hernán Araúz, a historian and veteran guide of eight trans-Darién expeditions. “Santa María la Antigua served as a jungle training school for the *conquistadores*.”

In September 1513 Balboa led an expedition through the jungles and mountains of the Darién, becoming the first known European to reach the American shores of the Pacific. The Indigenous Cueva people’s tales of a gold-rich kingdom to the south galvanized Francisco Pizarro, another early inhabitant of Santa María la Antigua, to set off on his bloody and treacherous conquest of the Inca. (Meanwhile, the Cueva were driven to extinction by violent Spanish conquest, European diseases and conflict with the Kuna people migrating north from Colombia.)

But the prominence of Santa María la Antigua was short-lived. Five years after Balboa’s voyage, the discovery of a flatter, quicker route allowed the Spanish to lay the foundations for Panama City. Santa María la Antigua was abandoned, then sacked by Indigenous groups — and the Darién fell quickly into an obscurity that made it a natural habitat for outlaws, including British pirates who used it to harass their Spanish rivals.



This 1942 map illustrates plans for the Pan-American Highway connecting North and South America through the Darién. Five years earlier, Canada, the U.S. and 12 Latin American states had signed a convention committing to build it.

## The Darién, graveyard of empires

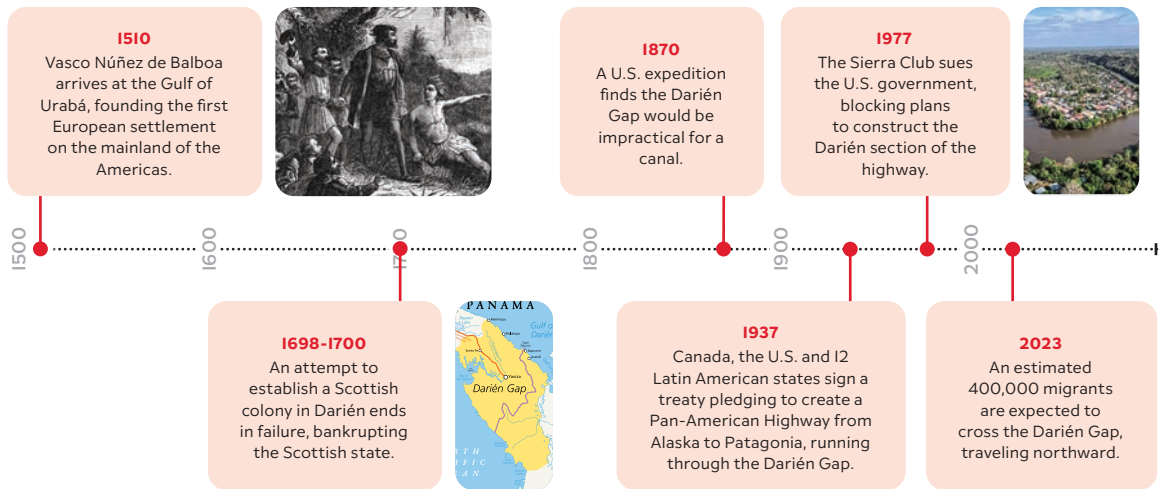
**I**n 1698, Scottish banker William Paterson hatched a scheme to colonize the Darién in the name of the Scottish empire. The former Bank of England governor had never set foot in Panama; his bold plan to create a “Scottish Amsterdam of the Indies” had been met with ridicule. Hindered

by poor preparation, cut off by an English trade ban and besieged by the Spanish, only a few hundred of the 2,500 Scottish settlers who set foot in the Darién made it out alive.

Paterson’s failure bankrupted the Scottish economy, helping force Scotland into unification with England in 1707. But his idea of using the Darién to



TIMELINE



control “these doors of the seas ... to give laws to both oceans, and to become the arbitrators of the commercial world” would inspire future daredevils and utopian thinkers. After the discovery of Californian gold in 1848, the race to find a sea route to the Pacific focused on the Darién, where the distance between the oceans was shortest.

In 1854 a U.S. expedition disappeared for 49 days in the jungle, battling starvation and insanity. Its leader, naval officer Isaac Strain, concluded the mountains made Darién “utterly impractical” for a canal. In 1870 the U.S. tried again, with an expedition team of over 100 men, an arsenal of the era’s most modern surveying equipment and a telegraph cable rolled out all the way to New York. But “in spite of the most careful preparations,” wrote captain Thomas Selfridge, “the expedition also depended upon extraordinary persistence and willingness to endure hardships.”

Promises of an easy Darién route had turned out to be a fabrication, but the idea of a sea-level canal in the Darién refused to die. In 1964, 50 years after the opening of the Panama Canal, the U.S. and Panama agreed to investigate the option of using 325 nuclear explosions to blast a 60-mile trench through the territory. A *New York Times* article suggested that the nuclear fallout would be safe given the deep jungle was only “sparsely populated.”

### Connecting the Americas?

**I**F THE GOAL OF connecting the oceans was a military and trade imperative for the U.S., the idea of connecting North and South America through the Darién was founded on Pan-Americanism, the ideal of greater commercial and cultural cooperation throughout the Western Hemisphere. At the Fifth International Conference of American States, held in Santiago in 1923, the idea of linking the Americas by road was first proposed, and in 1937 Canada, the U.S. and 12 Latin American states signed the Convention on the Pan-American Highway, each committing to build their sections of a road stretching from Alaska to Patagonia. In 1960 a crew from the National Geographic Society, including Araúz’s parents, crossed the Gap in jeeps. It took 101 days, averaging three miles a day, and required the construction of 125 makeshift bridges. The next year *National Geographic* magazine hailed the possibility of a road through the area.

“By the 1970s everything was ready,” said Omar Jaén, a Panamanian historian. “The U.S. had agreed to pay two-thirds of the construction costs for the Pan-American Highway, with Latin American countries paying one-third.” U.S. President Richard Nixon wanted to drive through the Gap in time for the 1976 bicentennial and hoped the Darién section might be named after him. The project became seen as “the



The town of Yaviza, Panama marks the start of the Darién Gap, where the Central American isthmus meets Colombia.

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material embodiment of Pan-Americanism.”

But the moment passed. In Panama, the arrival of the nationalist military government of Omar Torrijos shifted the focus of U.S.-Panamanian relations to negotiations over the future of the Canal and the surrounding U.S.-controlled zone. In South America, particularly Argentina, the highway came to be seen as a tool of U.S. imperialism and, following the election of Ronald Reagan, the U.S.’s principal goal in Central America became aiding the fight against left-wing guerrilla groups.

In an atmosphere of growing environmentalism, in 1977 the Sierra Club sued the U.S. Department of Transportation, claiming a Darién road would be a

disaster for the environment and Indigenous people. The argument that the Gap provided a natural barrier against foot-and-mouth disease swayed the decision in their favor.

That disease has since been controlled in South America, but opposition to the road on environmental and cultural grounds has remained strong. Thanks to its role as a land bridge between the Americas and a facilitator of biotic exchange between continents, the Darién is one of the most biodiverse spots on the planet, with one in five species being endemic to the region. The local Kuna people have also consistently opposed the road. “A road would brutally damage the ecology in the region,” said Araúz.





The 18,640-mile Pan-American Highway is interrupted in Yaviza, Panama. Resuming in Colombia, it ends in Patagonia.

## The Darién in crisis

**O**THERS BELIEVE THAT the current status quo is not sustainable. Over the last three decades, 40% of the region's rainforest has been cut down for cattle grazing and mainly illegal harvests of precious woods, such as the rare cocobolo tree. The Clan del Golfo, Colombia's largest criminal syndicate, has thrived by taxing the guides who charge migrants \$70 to \$150 to cross the Gap. The Darién province makes up a quarter of Panama's territory but remains one of its poorest areas.

Many locals say a link to Colombia would benefit the economy through ecotourism and agriculture. In recent years, the idea of a rail link between the two countries has reemerged, with the argument that it would be kinder to the environment, boosting Panamanian GDP by up to 8% a year, with funds ear-

marked for conservation and policing operations in the Darién. However, the project has yet to gain political traction and has little support from Panamanians overall.

For Jaén, popular rejection of a land link is a result of years of fear-mongering from the political elite, who use the "primordial fear" of the Darién as a cover for a deeper anti-Colombian sentiment.

"The Darién has been de-gapped in the most disorganized manner imaginable," said Jaén. "There are no lines of communication, no authority and criminal gangs run the region. We have to de-dramatize the Darién Gap, remove the taboo. The Darién myth benefits no one." [AQ](#)

*Youkee is a freelance journalist and researcher based in Panama City*



Oriel Camargo from the band Kaomi (Music, p.86) performs "Me dijo bella" in Portobelo, Panama.

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# Books

## Nonfiction

**Buenos Aires' gritty industrial ring has defined the last two decades of Argentine politics, a new book argues. Is that about to change?**

**Reviewed by Jordana Timerman**



***El nudo: por qué el conurbano bonaerense modela la política argentina***

By Carlos Pagni

Planeta

Paperback

776 pages

**B**UENOS AIRES — On the popular Instagram account known as the “Walking Conurban,” a photo from the warmest winter on record in the Buenos Aires area shows a makeshift pool on a sidewalk beside a ramshackle house. In other images, symbols of Western mass culture, like Disney characters and Minions (from the 2010 film *Despicable Me*), appear in crude, altered form on shabby suburban streets.

For its half a million followers, the Walking Conurban account celebrates the scrappy ethos of life in the sprawling *conurbano*, the string of 24 mostly poorer municipalities that surround Buenos Aires city. In capturing its unique culture and the stark contrast it forms with the wealthy, cosmopolitan capital city, these photos also serve as a reminder of the strange space the *conurbano* represents in the national psyche — separate, but all-important.

According to journalist Carlos Pagni, the area is critical to understanding the current paradigm of Argentine politics and its potential demise. Pagni’s best-selling book, *El nudo: por qué el conurbano bonaerense modela la política argentina*, released before primary elections in August, delves deep into the region’s history and its political relevance.

The streets of the *conurbano* are a prime site for political campaigns, where national politicians roam to show their connection to real people. The area is home to 10.9 million people, making the Buenos Aires metropolitan region one of the largest in the world. And boasting a quarter of Argentina’s inhabitants, it’s an electoral juggernaut that can make or break an election. It is the cradle of Peronism and the key to the movement’s decades of political dominance.

The PASO primary elections on August 13 left the *conurbano* as one of Peronism’s last bastions — with the Unión por la Patria coalition taking 37% of the *conurbano* vote — but also showed that its support is cracking. The movement lost more than a million votes in the area compared to its victory in the 2019 election.

But here, too, inroads have been made by the angry, anti-political



A boy walks past a wall in La Matanza, in the Buenos Aires suburbs.

discourse represented by libertarian Javier Milei, the upstart who won 30% of the national vote in August primaries, surpassing predictions to become the highest vote-getter. In the *conurbano* he came in third, but with a strong showing: 26% of the vote.

This is a sign of the deep-seated nature of Argentina's economic crisis, with half the country living in poverty and triple-digit inflation that is still rising. When *AQ* went to press, Argentines had yet to vote in the October 22 presidential election, but the surprise upset by an outsider candidate in the primaries reflects widespread exhaustion with the political status quo on both sides of the political divide.

For Pagni, the *conurbano* is not just a place, but also the embodiment of the rise and fall of “a social, productive and labor system” defined by Peronism's industrial and welfare policies. He describes a self-defeating, exhausted model in which politicians must respond to electorally relevant but short-term concerns in the region at the cost of national, long-term growth by favoring a strong peso and consumption over export-friendly policies, a strategy whose diminishing returns have morphed Argentina into a

“machine that produces poor people.”

The need to address the short-term concerns of the *conurbano's* population is underlined by its power to insert itself into national politics in a direct, emphatic manner. For Pagni, this power is exemplified by two popular eruptions: the famous 1945 workers' march to Plaza de Mayo that launched Peronism as a political movement and concentrated the *conurbano's* political clout, and the 2001 protests and looting that showcased the chaos-producing potential of the region's discontent.

Fear of a return to the collapse of 2001 has characterized Argentine politics for two decades. But instead of tackling the material causes of the discontent of 2001, President Néstor Kirchner and his successor Cristina Fernández de Kirchner simply managed the chaos by revamping Peronism. Where classic Peronism had found electoral support in the industrial working class, the Kirchners built a political empire on the unemployed masses that formed in the wake of the destruction wreaked by neoliberalism in the 1990s. But in the end, this proved self-defeating, Pagni contends. Thanks to the “imbalances” it









# Film

## Drama

**A wealthy woman's maid disappears, leaving behind her young granddaughter — and casting light on race and class in the Dominican Republic.**

**Reviewed by Ena Alvarado**

**A** SKINNY BLACK GIRL sits in a bathtub, while a snobby-looking white woman — bejeweled, with red nails and makeup fresh out of the salon — washes her coiled hair. The girl seems happy and at ease, and so does her older companion.

This unlikely pair animates Laura Amelia Guzmán's first feature film, *Babygirl* (originally titled *La hembra*), a sophisticated and subtle study of class and race tensions in the Dominican Republic. In the film, Guzmán avoids the temptation to indict her characters. Instead, she constructs a narrative that strongly favors ambiguity, showing just how interconnected are the worlds of rich and poor, black and white.

Contrasts still abound in *Babygirl*. Dominique, a middle-aged socialite, longingly awaits the birth of her first grandchild to a son who lives abroad. As she prepares for her trip to Canada, her longtime live-in maid, Carmen, begins to look after her own granddaughter, Yanet. A few days later, under circumstances never fully explained, Carmen disappears, leaving her granddaughter behind.

What follows is the development of a tender, if at times compromised, bond. Dominique tends to Yanet as though she were part of her family. She indulges her with shopping, takes her swimming, even casually calls her her granddaughter in front of strangers. These displays of affection mirror earlier ones that took place between Dominique's two sons and Carmen. A series of asides reveals Carmen essentially raised these boys and feels they are, to some degree, hers too. When the sons call their mom, they always ask to speak with Carmen too.

Such an arrangement is no anomaly in Latin America and the Caribbean. Up to 18 million people are believed to be employed as domestic workers in the region. The vast majority, 95%, are women. Many are of African descent and most are informally hired. Last year, the Dominican government took steps to protect these workers' rights with a minimum wage, insurance and pensions. As poverty declines and the middle classes expand, more initiatives of this kind are sure to arise.



***Babygirl*  
(*La hembra*)**

Directed by  
Laura Amelia Guzmán

Screenplay by  
Israel Cárdenas and  
Laura Amelia Guzmán

Distributed by  
Aurora Dominicana  
and Lantica Media

Dominican Republic

Starring Cecilia García,  
Aleska Vásquez and  
Xiomara Fortuna



Dominique (Cecilia García, left) and Yanet (Aleska Vásquez, right) form the unlikely pair that animates Laura Amelia Guzmán's *Babygirl*.

Yet in Guzmán's *Babygirl*, there is a cruel asymmetry between the matriarch and her servant: Dominique knows so little about Carmen's life, she can't restore Yanet to her family. ("I don't know where they live. I have no leads, I'm on my own," she explains to a friend.) But Carmen is intimately acquainted with Dominique's social life, her every idiosyncrasy. So why is Dominique so eager to take responsibility for Yanet?

Guzmán has said she sought to navigate the "emotional-moral conflicts that arise when class divides give way to matters of conscience and responsibility." Dominique is a woman beholden to the money-earning men in her life, namely her husband and two sons. Throughout *Babygirl*, we see her ignoring radio and TV announcements possibly implicating her family in corruption. In the face of her own powerlessness, Yanet seems to allow Dominique to shoulder accountability.

In this sense, *Babygirl* embodies a longstanding Latin American dynamic. Nearly 200 years ago, a

41-year-old Simón Bolívar wrote a letter to his sister, asking her to treat the enslaved Afro-Venezuelan woman who had raised him "as though she were my mother." *Babygirl* belongs to a lineage of contemporary films, including Alfonso Cuarón's *Roma* and Lucrecia Martel's middle-class dramas, that wrestle with these social relations unabashedly.

Despite its disparity, the relationship between Dominique and Yanet bears genuine love — and requires sacrifice from Dominique, in the form of rebukes from family and friends. But she continues to benefit from the wealth of her husband and sons, regardless of its possibly questionable origin. Even if Yanet were to absolve Dominique of her class sins, they would both still be left in a profoundly unequal country, full of precarity for the many and prosperity for the few. **AQ**

Alvarado is a writer and former assistant editor at The Atlantic



# Music

## AQ's Fall Playlist

**Musical styles travel the hemisphere, shaping love songs and social commentary in Spanish and Indigenous languages alike.**

**by Sebastián Zubieta**



**Me dijo bella**

by Kaomi



**Ixim**

by Ch'umilkaj



**Arriba**

by Fémina

**T**HE PANAMANIAN TRIO **Kaomi** (lead singer and guitarist Karina Castillo, pianist Oriel Camargo, and percussionist Karla Ruiz) has been together since 2011, and has released a handful of tracks. “Me dijo bella,” a collective creation as are most of their pieces, is a love song whose lyrics would not be out of place in a bolero. Traditional drums come in and out of focus as the opening electrocumbia morphs into reggaeton at the chorus and a surprising rap interlude by Camargo serves as a powerful contrast with Castillo’s soulful voice.

We move to more experimental territory with **Ch’umilkaj**, a Kaqchikel Maya singer-songwriter from Chixot, northwest of Guatemala City. She has been singing about her Indigenous *cosmovisión* (spiritual worldview) in Mayan languages and Spanish for over a decade and is no stranger to interesting collaborations. “Ixim” is a solo track from her 2020 debut album, in which a counterpoint of traditional wind instruments including shells, ocarinas and flutes sets the stage for her voice, accompanied by a subtle drum. The opening track, “Yojb’e Yotzolin,” in which rappers Débil Estar (of Salvadoran group Pescozada) and David Lemus speak about migration, features the same wind instruments, creating a seamless transition. Ch’umilkaj contributes a bilingual chorus that brings together the meaning of the song.

**Fémina**, a trio from San Martín de los Andes, a small city in Argentine Patagonia, was founded in 2004 and is now enjoying a successful international career. “Arriba,” a track from their latest release (*Perlas y conchas*), features the unusual combination of a soul-inspired rhythm groove (with brass and all) and a prominent *charango*, a small guitar-like instrument from the southern Andes traditionally built with an armadillo shell, backing their tight vocals. While in other tracks,





# Visual Arts

## Exhibition

**An artist in Lima turns colonial art upside-down to challenge idealized notions of the Peruvian past.**

**by Jorge Gallo**



***The Upside-Down World (El mundo al revés)***

Sandra Gamarra Heshiki

80m2 Livia Benavides

Lima

**T**HREE PORTRAITS dominate a room in *The Upside-Down World*, the latest exhibition by Peruvian artist Sandra Gamarra Heshiki. They imitate an artistic style from Peru’s colonial past: Each portraying an Indigenous person or profession, they are intended to categorize colonial society and instruct the viewer.

But in Gamarra Heshiki’s version, the portraits hang upside-down — and their faces have been painted over with colorful Peruvian dancing masks, testaments to an Indigenous culture that has survived to the present day in traditional festivals and religious celebrations. These unexpected additions pop out against the ghostly hues of the portraits, symbolizing the Peruvian present inverting and contesting depictions of its past.

*The Upside-Down World* takes its title from a historical report by Quechua nobleman Guamán Poma de Ayala about the sorry state of the colonial-era Peruvian Viceroyalty. In the exhibition, Gamarra Heshiki literally inverts colonial iconography to question the principles that, in her view, have brought the country to its current state: “permanent growth, linear progress, nature as the producer of goods.” To that end, colonial-era didactic drawings, labeled and organized into grids of local plants, animals, and native populations, are turned upside down and juxtaposed with archival photos of petroleum spills in the Peruvian Amazon.

Lately, these spills have become a common byproduct of the Peruvian petroleum business, which is largely based in the Amazon: In 2022, an average of one spill was recorded every three days, including an especially



Sandra Gamarra Heshiki  
inverts colonial-style portraits  
of Indigenous Peruvians to  
contest depictions of the past.







Upside-down colonial-era didactic drawings are juxtaposed with archival photos of petroleum spills in the Peruvian Amazon.



# LATIN AMERICA AT A GLANCE

According to the World Bank, from 2021 to 2022 remittance flows to Latin America and the Caribbean grew by 11.5% to \$145 billion, in part due to the strong U.S. labor market. This year, remittance inflows to the region are projected to increase by 3.3% to reach \$150 billion.



ARGENTINA BRAZIL CHILE COLOMBIA DOMINICAN REPUBLIC ECUADOR GUATEMALA MEXICO PERU VENEZUELA

## GDP GROWTH

2023 (projected)	-3.0%	3.0%	-0.2%	1.4%	2.6%	1.5%	3.4%	3.1%	0.9%	1.0%
2024 (projected)	0.0%	1.5%	2.0%	1.9%	4.5%	1.6%	3.1%	1.6%	2.5%	3.5%
2025 (projected)	2.0%	2.0%	2.4%	2.8%	4.8%	2.2%	N/A	2.2%	2.9%	N/A

PROJECTIONS CURRENT AS OF SEPTEMBER 2023

## ECONOMIC INDICATORS

2023 Inflation (projected)	124.4%	4.7%	7.6%	11.6%	4.9%	2.4%	7.4%	5.6%	6.6%	230.5%
2023 Unemployment rate (projected)	7.8%	8.2%	8.6%	10.5%	6.2%	3.6%	N/A	3.3%	7.0%	N/A
2023 Govt. deficit as % of GDP (projected)	-4.1%	-7.5%	-2.2%	-4.2%	-3.5%	-1.6%	N/A	-3.8%	-2.4%	N/A

PROJECTIONS CURRENT AS OF SEPTEMBER 2023 EXCEPT FOR DOMINICAN REPUBLIC AND ECUADOR UNEMPLOYMENT, GUATEMALA INFLATION (APRIL 2023)

## REMITTANCES

2022 remittances (billions USD)	1.3	5.0	0.7	9.4	10.3	4.7	18.2	61.1	3.7	N/A
% change from 2021	37.9	21.1	4.5	9.7	-4.3	8.7	18.0	12.9	2.8	N/A

## PRESIDENTIAL APPROVAL RATINGS

President										
Approval	17%	60%	31%	33%	65%	10%	22%	57%	16%	19%

SOURCES: GDP growth forecasts, inflation rate, unemployment rate, government deficit as percentage of GDP: Bloomberg (September); Guatemala GDP: ECLAC (September); Guatemala inflation: IMF (April); Dominican Republic and Ecuador unemployment: IMF (April); Remittances: World Bank-KNOMAD (June).

NOTE: Figures rounded to one decimal place.

PRESIDENTIAL APPROVAL: Argentina, Universidad de San Andrés (September); Brazil: Genial/Quaest (August), Chile, Plaza Pública Cadem (September); Colombia, Invamer (August), Dominican Republic, Guatemala and Venezuela, CID Gallup (May-June); Ecuador, Perfiles de Opinión (August); Mexico, El Financiero (August); Peru, Ipsos (September).

NOTE: Figures rounded to nearest percentage.

ALEJANDRO CEGARRA/BLOOMBERG/GETTY; CASA ROSADA VIA COMMONS.WIKIMEDIA; GETTY; SEBASTIAN BARROS/NURPHOTO/GETTY; FLICKR; HAMILTON LOPEZ/AGENCIA PRESS SOUTH/GETTY; JOHAN ORDONEZ/AFP/GETTY; RADIO ZÓCALO NOTICIAS; WORLD INTELLECTUAL PROPERTY ORGANIZATION VIA COMMONS.WIKIMEDIA; GABY ORAA/BLOOMBERG/GETTY

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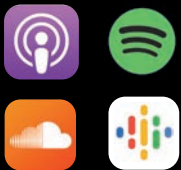


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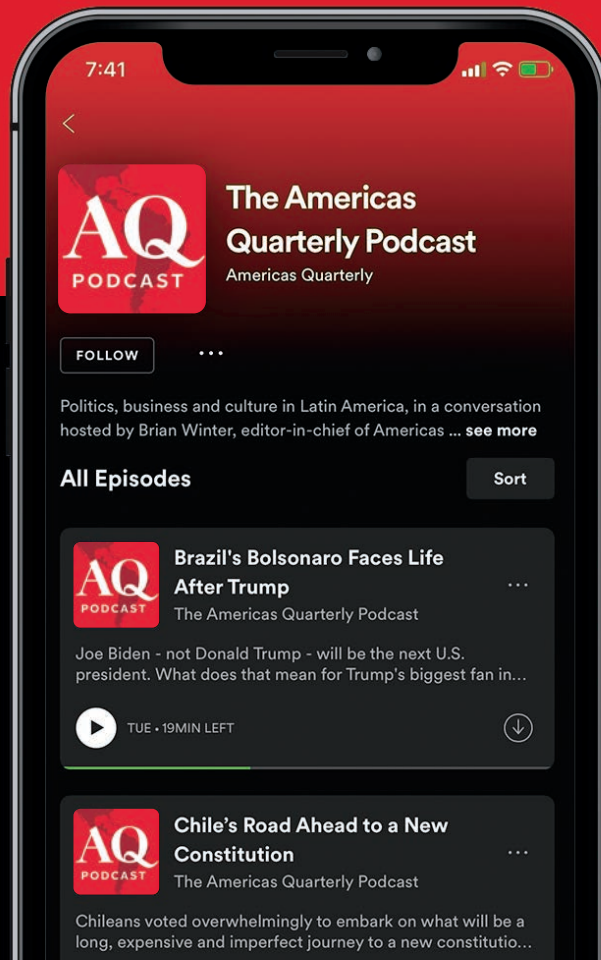
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