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Americas

QUARTERLY

NAVIGATING TRUMP

**...and three other trends that will define
Latin America in 2025**

BY BRIAN WINTER



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The Risk from the North

Our annual survey examines the risks from Donald Trump's return, and other global disruptions.



LATIN AMERICA IS NO stranger to political risks, but usually the biggest ones come from within. 2025 looks like an exception.

The return of Donald Trump is the biggest question mark amid what otherwise seems like a fairly placid outlook for the region this year. Some downplay the risk, pointing to relatively benign outcomes for Latin America in Trump's first term. But this time seems different, with a real possibility of tariffs, sanctions and even military action directed at the region, writes our editor-in-chief Brian Winter in this issue's cover story.

In other ways, the region looks resilient. GDP growth is forecast at around 2.3% this year, up slightly from 2024. Inflation is coming down, as are interest rates in most countries. Unemployment and poverty are also broadly in decline. Argentina seems poised to return to growth, and some Andean nations are also expected to do better. The region's two giants, Mexico and Brazil, look shakier — with Trump's policies one of the reasons why.

Yet the man in the White House is not the only global risk. Climate change shook Latin America like never before in 2024, contributing to flooding in southern Brazil and crippling drought in a host of other countries. Climate must now be regarded as a major political issue, as evidenced by how Ecuadorian President Daniel Noboa's approval rating suffered following a drought that led to electrical blackouts, making his reelection uncertain.

Organized crime is another old issue taking on new importance. But amid all the uncertainty, Winter writes, it's important not to lose sight of reasons for optimism. Latin America continues to receive about 15% of global foreign direct investment, about double its relative share of the world economy. Despite risks at home and abroad, many continue to bet on better days ahead. **AQ**

2025 Trends to Watch

Donald Trump's return to the White House will affect policy throughout the Americas.

But organized crime and climate disruption—with all their manifold consequences—will also be front and center.

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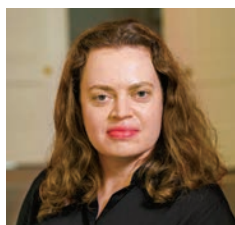
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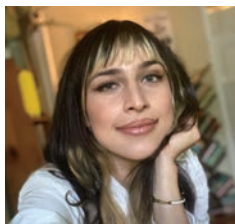
Brian Winter

Winter is the editor-in-chief of *Americas Quarterly* and a seasoned analyst of Latin American politics and economics, with more than 25 years following the region's ups and downs.



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Patricio Navia is a professor of liberal studies at New York University and a professor of political science at Diego Portales University in Chile. He also is a member of *AQ's* editorial board.

Tell us what you think. Please send letters to Brian@as-coa.org

EL TIEMPO

ANÁLISIS

Latinoamérica, la principal región exportadora de alimentos, pero una de las que más sufre de hambre

Alrededor del 28 % de las personas en la región viven una inseguridad alimentaria moderada o grave, lo que significa que carecen de acceso regular a suficientes alimentos saludables y nutritivos para una salud y un desarrollo normales.



Un trabajador de una plantación de cítricos separa las mandarinas para la venta, el 6 de junio de 2024, en Piedade dos Gerais, en el estado de Minas Gerais (Brasil). Foto: Getty Images

John Otis - Americas Quarterly
08.11.2024 20:43 | Actualizado: 10.11.2024 00:00

elmostrador



3 noviembre, 2024

La "paradoja alimentaria" de América Latina: más exportaciones agrícolas y menos acceso a alimentos

Escuchar: América Latina: más exportaciones agrícolas y menos acceso a alimentos 00:00

Continue

Por: Francisca Castillo
Periodista El Mostrador

América Latina se ha convertido en el granero del mundo. En las dos últimas décadas, el valor de sus exportaciones agrícolas aumentó 500%. Al mismo tiempo, alrededor de 28% de las personas sufren inseguridad alimentaria moderada o grave", señala un artículo de la Americas Quarterly.

La última edición de la revista Americas Quarterly publicó como reportaje principal una extensa investigación del periodista estadounidense, John Otis, donde describe la llamada "paradoja alimentaria" de América Latina que afecta a millones de personas en la región.

News clippings from around the hemisphere feature content from AQ's previous issue on food security.

ECONOMIS

INFORMACIÓN PARA TOMAR DECISIONES

SOJA EN SUDAMÉRICA



EL MUNDO LA CHAGRA

Pasado, presente y futuro de la soja en Sudamérica

By Redacción Economis 2 meses ago



Shawn F. Sullivan
Managing Director and Head of Government Affairs for Latin America and the Caribbean at Citi
Citi

The [Americas Quarterly](#) just put out a very good article on [#nearshoring](#) which includes a useful ranking of countries based not just on their proximity to the [#US](#) market but other important factors such as the [#ruleoflaw](#), [#logistics](#), [#politicalstability](#), [#propertyrights](#) and [#fonancialdevelopment](#). "The success of [#nearshoring](#) heavily depends on nearby countries' [#labor](#), [#infrastructure](#), [#regulations](#), [#bureaucracy](#), and [#stability](#) —[#social](#), [#economic](#) and [#political](#)."



Christian Wlaschütz
| International Consultant | Peacebuilding | Latin America
| Organizational Development | Mediation - Conflict Resolution | Political Science | University Lecturer
Vienna University · Universität Wien

Fascinating interview with Marie Arana by [Brian Winter](#) in the recently published [Americas Quarterly](#) podcast. Arana is the author of the much celebrated book "latinoland" that analyzes the heterogeneous group of latinos in the U.S. This group of around 20% of the U.S. population is getting more and more attention due to its "conservative shift" in recent years.



James Craig
@jbcraig
Communications advisor, Chevron Corp.
Opinions are my own. RTs ≠ endorsements.

"The time when [#BRICS](#) membership had only upsides and virtually no downsides for Brazil seems to have come to an end," writes [@OliverStuenkel](#) in [@AmerQuarterly](#). 



americasquarterly.org
Brazil's BRICS Balancing Act Is Getting Harder



Diego Marroquín Bítar 
@DiegoTMEC
Inaugural Bersin-Foster North America Scholar
@TheWilsonCenter | Think Tanker | @ExiTAM &
@McCourtSchool | Opiniones personales

México ocupa el lugar 11/20 en un índice de [#nearshoring](#) de [@AmerQuarterly](#), por detrás de países como Jamaica y Costa Rica.

Con geografía estratégica, [#TMEC](#) y capital humano superior a la mayoría de LATAM; es como ser el Real Madrid y quedar a media tabla.  [@BrazilBrian](#)

Cristina Tardáguila

[@ctardaguila](#) Fantastic article about food insecurity in Latin America at [@AmerQuarterly!](#) [@BrazilBrian](#)

Joe Weisenthal

[@TheStalwart](#) Very interesting read. "Every day I pray that even the Indians go back to eating meat," said Luiz Inácio Lula da Silva at a business forum in July.

Luis Felipe López-Calva

[@LFLopezCalva](#) How can Latin America reignite progress in reducing poverty? Despite significant achievements, the region still faces major challenges: 25% of the population remains in poverty, and factors like inflation, job informality, and uneven labor income growth are slowing progress. In his latest piece for [@AmerQuarterly](#), [@WBG_Poverty](#) senior economist [@hugonopo](#) outlines key solutions.

Jason Marczak

[@jmarczak](#) How might [@marcorubio](#) approach [#LAC](#) as Secretary of State? Great snapshot of previous statements made by the Senator who has long focused on the region as a son of Cuban immigrants in [@AmerQuarterly](#).

Esteban Actis

[@actis_esteban](#) Que Brasil exporte hoy 3 veces más soja q ARG no es sólo mayor superficie sembrada. El uso de fertilizantes es clave para mayores rindes, los productores brasileños consumen 8 veces ... (más de) ese vital insumo. Vía [@AmerQuarterly](#) [@BCRmercados](#)

AQ

THE BIG
PICTURE

Rolando Albeiro Acevedo, center, is part of a group of former FARC combatants that organizes civil society dialogues and runs this organic farm at the southern edge of Bogotá. Colombia's peace process is at a delicate moment, as progress on the 2016 accords' objectives has stalled.

PHOTO BY JUANCHO TORRES/ANADOLU/GETTY









Brazilian President Luiz Inácio Lula da Silva, left, with tears in his eyes as he awards former Uruguayan President José Mujica the National Order of the Southern Cross. Lula's visit to Mujica's home in Montevideo in December was seen as a possible farewell between the two leaders, given the faltering health of Mujica, 89.

PHOTO BY RODRIGO BUENDIA/AFP/GETTY



THE BIG
PICTURE



A new Chinese-built pier in La Libertad, El Salvador, features a restaurant and infrastructure to support the local fishing industry. Other projects financed by China in the country include a water treatment plant and the national library. El Salvador switched diplomatic recognition from Taiwan to China in 2018, joining the Belt and Road Initiative the following year.

PHOTO BY APHOTOGRAFIA/GETTY



THE BIG
PICTURE



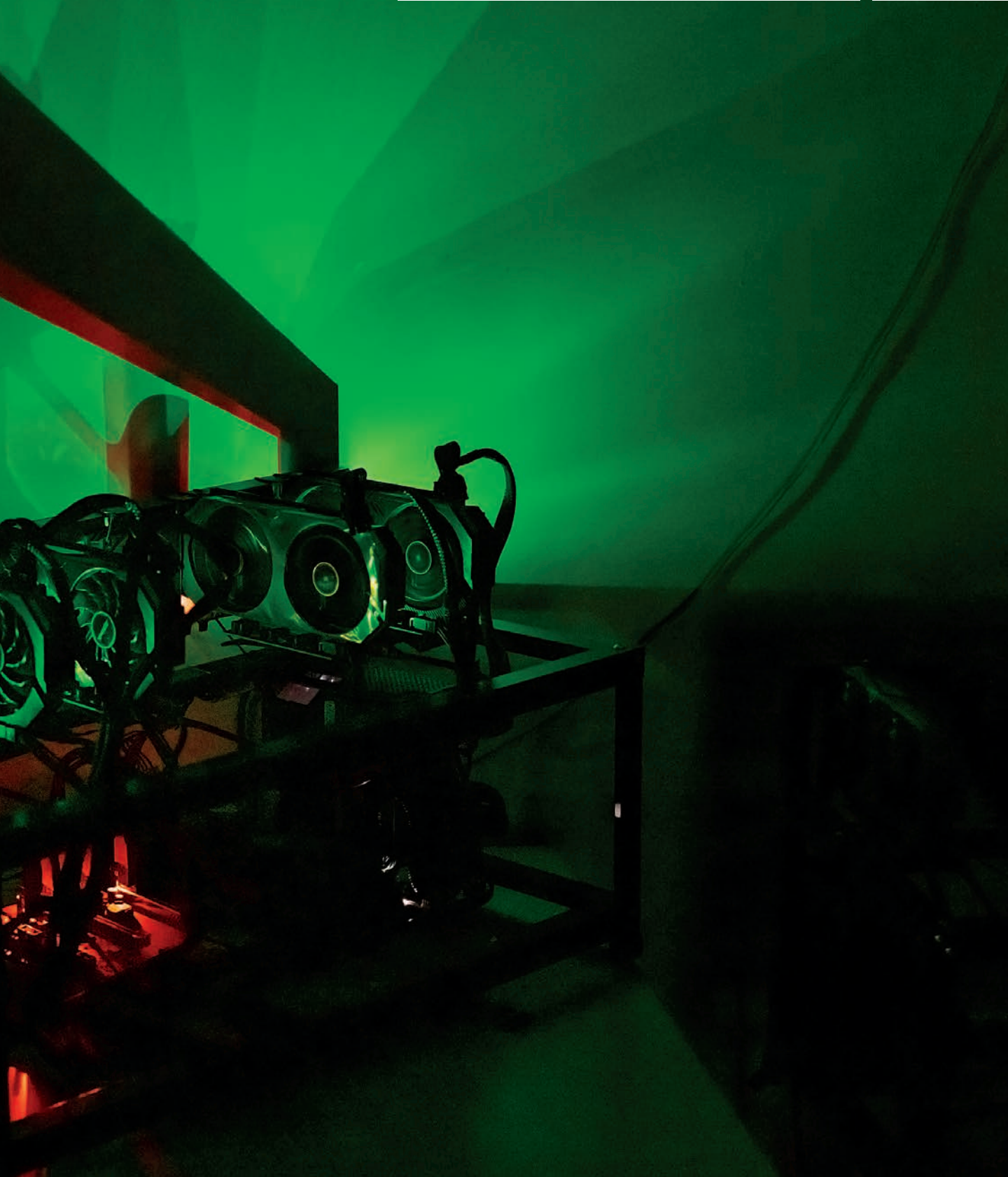


Cryptocurrency mining machines running in Buenos Aires in December. Thanks in part to high inflation and low trust in the financial system, Argentina has one of the world's highest rates of cryptocurrency use. The price of Bitcoin hit an all-time high of \$100,000 per coin in late 2024.

PHOTO BY SARAH PABST/BLOOMBERG/GETTY



THE BIG
PICTURE





AS HEARD ON THE AMERICAS QUARTERLY PODCAST

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



The Trump agenda is reinvigorating the opposition to current governments in places like Chile, Colombia, Brazil, where the left has been in power. People are looking at Trump, Milei, Bukele and saying, "That agenda resonates with voters." So what we're going to see is a more politically contested landscape in Latin America.

—Mauricio Cárdenas, former finance minister of Colombia and a professor at Columbia University's School of International and Public Affairs



Latinos in the U.S. have come to work and they want to work. They will take more than one job. They will do anything to advance the next generation to a more equitable, prosperous future. You ask a Latino, "Do you care about being represented more in Hollywood or in the media or on broadcast TV?" and they will say, "No, just give me a job and make me able to advance the American dream that I am after."

—Marie Arana, author of *LatinoLand: A Portrait of America's Largest and Least Understood Minority*



Lula feels a bit frustrated that he's not polling higher. At the same time he does not have a stable legislative majority, he is dealing with a private sector that has a lot of doubts over his government, in financial markets and in the real economy, and a lot of concerns on fiscal management.

—Christopher Garman, managing director for the Americas, Eurasia Group

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Luisa Palacios

An energy and finance expert sees opportunities in decarbonization, carbon markets and low-cost alternative energies like biofuels.



Interviewed by Rich Brown

AQ: What's ahead for green energy in Mexico and Brazil?

LP: For Mexico, the upcoming USMCA review is existential. Given this risk, I don't think green targets are going to be the priority, especially because Mexico's recent judicial and regulatory reforms are making the energy transition more difficult.

Mexico's state-owned oil and electricity companies are now even more dominant in the sector, with less space for private sector players. These SOEs are also under financial difficulty, which means less ability to conduct the required investments to meet energy demand growth. This means that investment in renewable energy will probably be sluggish. There is a risk that the even more limited role of private companies in the electricity sector could ironically lead to more electrical integration with the U.S. Some years from now, the U.S. may become a more important exporter of electricity to Mexico if domestic generation capacity fails to grow, building on what it sends to Baja California, for example.

Brazil is the opposite of Mexico. It has attracted huge amounts of climate finance and renewable investment by providing clear rules for private sector participation, even though it also has state-owned companies in the energy sector. Brazil is thinking about renewable energy and sustainability from the point of view of competitiveness, and so will continue to find success.

AQ: What region-wide trends will you be watching this year?

LP: Most countries in the region are net importers of petroleum products like diesel and gasoline. This is extremely expensive, but there's a homegrown

solution available: biofuels. Latin America can use its huge agricultural potential to cut costs and reduce emissions, which could help its biofuels sector to grow under the right policy framework.

I also expect more interest in voluntary carbon markets. The 2025 UN Climate Change Conference, COP30, is going to be in Brazil, where the Amazon rainforest is a huge carbon sink for the planet. There are major transparency and governance problems with the carbon offsets that are sold in the voluntary carbon markets. But just because offsets are difficult doesn't mean they're impossible to get right, and the region could benefit immensely from setting the right institutional framework for this market to grow.

Finally, methane will be increasingly important to how Latin America thinks about decarbonization. There's a realization that reducing methane emissions from oil and gas infrastructure is one of the most cost-effective things you can do anywhere in the economy to cut emissions.

AQ: Any big takeaways from 2024?

LP: For Latin America, 2024 was a year of fires, drought and water problems, from Mexico to the Panama Canal to Brazil, and policymakers are very clear-headed now about the gravity of climate risks. This is changing how people are thinking about climate finance, energy infrastructure and climate adaptation. They are becoming priorities. **AQ**

Palacios is Deputy Research Director at Columbia University's Center on Global Energy Policy, adjunct faculty at Columbia's School of International and Public Affairs, and a member of AQ's editorial board.

THIS INTERVIEW HAS BEEN EDITED FOR CLARITY AND LENGTH

NAVIGATING TRUMP



AND THREE OTHER TRENDS SHAPING LATIN AMERICA IN 2025



by Brian Winter



LATIN AMERICA'S BIGGEST RISK this year resides not in the region itself, but in a terracotta-roofed resort some 110 miles to the north — in Palm Beach, Florida.

The return of Donald Trump is not the only trend likely to shape Latin America in 2025. Climate change is disrupting the region like never before, affecting presidential elections in Ecuador, shipping routes in the Panama Canal and Strait of Magellan, and harvests in Argentina and Brazil. Organized crime, an old scourge, is evolving in new ways — compromising governments and economies alike. An unexpectedly steep plunge in birth rates is raising questions about the viability of pensions, and the region's long-term growth prospects.

There are trends to celebrate, too. Inflation continues to come down across most of the region, as do

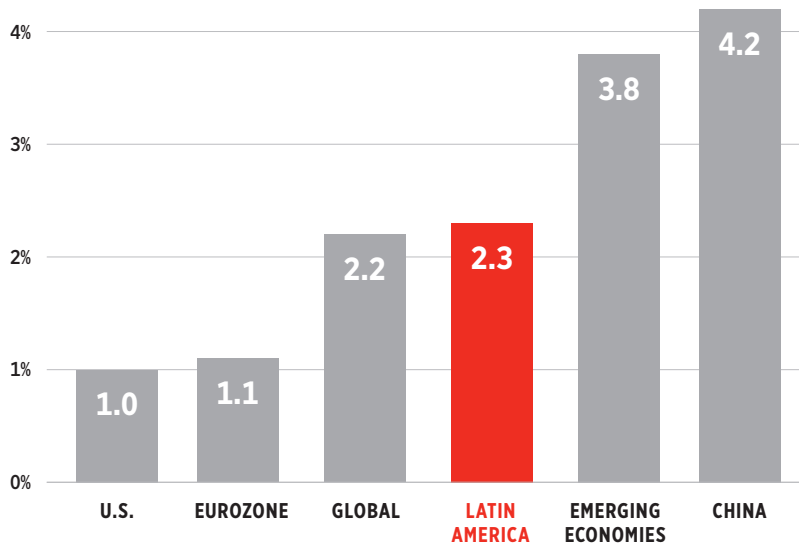
unemployment and poverty. Argentina's economic rebound under President Javier Milei, if it holds, would revive one of the region's long-dormant giants, and provide a reform blueprint for some other countries, too. Latin America remains blissfully far from the world's wars and other hotspots, with resources the world needs to feed a growing global middle class and fuel the energy transition.

Add it all up, and 2025 looks like a somewhat positive year for Latin America — with regional GDP expected to grow about 2.5%, a touch better than 2024 (2.1%) and the average rate of expansion over the past decade (0.9%).

That would probably still make Latin America the world's slowest-growing cluster of emerging markets, a title it has held for several years. But it's also a region where stability is never taken for granted, and the pervasive pessimism of the late 2010s and

LATIN AMERICAN ECONOMIES LOOK OK IN GLOBAL CONTEXT

2025 GDP FORECASTS (ANNUAL CHANGE, %)



NOTE: VALUES ARE ESTIMATES.
SOURCE: CITI RESEARCH ESTIMATES



Then-candidate Donald Trump on the campaign trail in November. Trump's return has many in the region wondering whether he will follow through on tariffs and other threats.

pandemic era has given way to a little more hope.

“It’s not a crisis mood. People are not complaining that this is the end of the world. It’s like, things are not perfect, but they’re not bad either,” Mauricio Cárdenas, a former finance minister of Colombia, told me from Bogotá following a week that also took him to Paraguay and Peru.

“Interestingly, what people don’t know is whether with Trump things are going to get better or worse. There’s a lot of uncertainty,” he added.

For *Americas Quarterly’s* annual regional overview, I spoke to about two dozen leading figures in politics and business around the Americas. The mood seemed to vary more than usual by country, with concern in regional giants Brazil and Mexico, but considerable optimism in some smaller countries including the Dominican Republic, El Salvador and Uruguay.

Nearly everyone agreed the main question mark revolves around the man in the White House — whether he will follow through on tariffs and other threats, or perhaps pursue a more benign strategy of integrating supply chains and cooperation on security issues.

“If you were to do the outlook for Latin America in 2025, and you only look at the economics, Latin America would look relatively OK,” Ernesto Revilla, Citi’s chief economist for the region, told me recently on the *Americas Quarterly* Podcast, calling Trump “clearly the biggest risk.”

Based on these interviews, and a review of recent reports from the Inter-American Development Bank (IADB) and other institutions, here are the four trends that seem most likely to shape events in Latin America this year:

1

NAVIGATING TRUMP

“HOW WORRIED should we be?” I’ve heard this question a lot since November, including from business leaders and politicians throughout Latin America who rather like Donald Trump. Indeed, the question recognizes that Trump is an unpredictable disruptor willing to challenge even reliable allies — as evidenced by his surprising December threat to try to take back the Panama Canal.

Overall, Trump’s top domestic priorities of reducing migration and drug flows mean he will be more focused on Latin America than in his first term — and perhaps more than any U.S. government since the 1990s. Trump’s Cabinet is unusually filled with officials who know the region well, and whose interventionist ideas such as the Monroe Doctrine could be used to justify tariffs, sanctions and even limited military action.

As for which countries are at risk ... it’s probably best thought of in tiers.

Mexico is alone in the first tier. Uniquely in Trump’s crosshairs because of the border, and also singularly vulnerable because of extensive trade and manufacturing links, any confrontation could send Mexico’s economy, already vulnerable due to fiscal concerns and souring investor sentiment under new President Claudia Sheinbaum, tumbling into recession.

“I think there’s an enormous underestimation of the risks of what Trump 2.0 might mean to Mexico,” Revilla told me.

In the second tier are the socialist dictatorships of Venezuela, Cuba and Nicaragua — although no one knows how aggressive an approach Trump and his team will take. Some observers believe he will avoid a return to the “maximum pressure” policies of his first term, for fear of triggering an even bigger wave of migration.

The third tier includes a desire to help conservative allies such as Javier Milei of Argentina and Nayib Bukele in El Salvador. At the same time, Trump is likely to antagonize non-aligned leaders he sees as weak and sympathetic to China, such as Colombia’s Gustavo Petro, Brazil’s Luiz Inácio Lula da Silva and Peru’s Dina Boluarte.

Few of these leaders seem likely to just roll over. Presidents across Latin America are generally more popular than they were a few years ago, and Mexico’s president has said she is willing to retaliate with tariffs of her own if necessary.

For countries that manage to navigate the tensions, there could be cooperation on security issues and nearshoring deals. As one official who served in the first term told me: “There will be a faction in Washington urging him to see Latin America not just as a threat, but an opportunity.”

Trump’s top domestic policies of reducing migration and drug flows mean he will be more focused on Latin America than in his first term.

TRUMP'S KEY FIGURES ON LATIN AMERICA



Marco Rubio | SECRETARY OF STATE**

A son of Cuban immigrants and fluent Spanish speaker, Rubio will be the best-connected U.S. official on Latin American issues to serve in such a high position in decades. Prone to seeing the region in left-versus-right terms, Rubio has advocated a tougher stance against dictatorships in Cuba and Venezuela, while touting “opportunities for collaboration” with conservative-led countries including El Salvador, Argentina and the Dominican Republic.



Christopher Landau | DEPUTY SECRETARY OF STATE**

Ambassador to Mexico during Trump's first term, known for a prolific social media presence and a broad enthusiasm for Latin America. A lawyer and fluent Spanish speaker, he attended high school in Paraguay, where his father was the U.S. ambassador. Landau has said halting irregular migration should be “a top global priority for U.S. foreign policy,” not just an issue with Mexico.



Mike Waltz | NATIONAL SECURITY ADVISER

A former Florida congressman, Waltz is among many Republicans who support the Monroe Doctrine—the 202-year-old tenet that the Western Hemisphere should be free of interference from outside powers. He has been a strong critic of China's expanding presence in the region, particularly in Cuba. Waltz introduced a bill in 2023 that sought to authorize U.S. military force against Mexican cartels, including drone strikes.



Richard Grenell | “PRESIDENTIAL ENVOY FOR SPECIAL MISSIONS”

A Trump confidant who served as acting director of national intelligence in his first term, Grenell's portfolio will focus on trouble spots around the world—including presumably Venezuela and Cuba. In 2020, Grenell met with a key ally of dictator Nicolás Maduro in Mexico City in what the *New York Times* described as an effort to persuade Maduro to give up power.



Mauricio Claver-Carone | SPECIAL ENVOY TO LATIN AMERICA

Trump's top Latin America adviser during his first term, Claver-Carone has advocated greater economic engagement in the Americas as a way to address migration and other challenges, writing of “the inextricable link between U.S. national security and mutual economic growth.” He has also supported tariffs on goods imported through Chinese-controlled ports in the region as a way to combat Beijing's influence.

** STILL TO BE CONFIRMED BY SENATE AT PRESS TIME

VIA COMMONS.WIKIMEDIA (4). RUBIO: UNITED STATES SENATE; LANDAU: U.S. DEPARTMENT OF STATE; WALTZ: UNITED STATES CONGRESS; GRENELL: OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE; CLAVER-CARONE: VIA COMMONS.WIKIMEDIA

2

A DISRUPTIVE CLIMATE (LITERALLY)

CLIMATE CHANGE IS NOT a new issue, but 2024 was the year it seemed to “graduate” to become a major political and economic risk in Latin America.

Take the case of Ecuador. In September, conservative President Daniel Noboa enjoyed popularity above 50% and seemed to be cruising to reelection this February. But then Ecuador’s worst drought in at least 60 years impaired the function of hydroelectric dams, resulting in blackouts lasting as long as 14 hours a day over the course of several weeks. Noboa’s numbers plunged, and the left is now within reach of returning to power.

Also last year, a major regional capital and metropolitan area of 4 million people in Brazil, Porto Alegre, was devastated by floods that closed its main airport for six months and had an impact on national GDP figures. Elsewhere in Brazil, the problem was drought, with Amazon tributaries falling to their lowest level in 120 years; UNICEF estimated more than 400,000 children in Brazil, Peru and Colombia were left without access to school or health care because rivers were too low to be navigable. These conditions contributed to the worst fire season in the Amazon since 2010.

Across the region, no country — or sector of the economy — was immune. Drought disrupted shipping through the Panama Canal, caused historic wildfires in Chile that killed 130 people, and damaged harvests throughout the region. Even Bogotá, a city known for its regular rains, had to resort to

water rationing.

El Niño and deforestation were also factors in last year’s disasters, but few scientists doubt climate change was a major cause. The IADB called Latin America and the Caribbean one of the “world’s most vulnerable regions to climate change” and said related disasters were capable of reducing up to 0.9% of GDP of smaller countries, and as much as 3.6% of Caribbean nations, while also driving millions to migrate in coming years.

What does it mean for investors? Even more uncertainty for economic and political risk in a region already known for it. Some also speak of a more disastrous “tipping point” in which fires cause the Amazon forest to lose the critical mass it needs to generate rainfall, disrupting weather patterns throughout South America in a more permanent way.

That said, climate change is also an opportunity for the region, which possesses the minerals such as lithium necessary to fuel the energy transition. Worsening disasters may force the world to continue to reckon with climate change, even with a skeptic in the White House. The 2025 United Nations climate summit will take place in Belém, in the Brazilian Amazon, giving the region’s leaders, several of whom are not on speaking terms, a chance to coordinate more effectively.

“Conserving the Amazon is not for the left, nor for the right, nor for the center — it is a moral duty,” former Colombian President Iván Duque, a conservative, told a recent conference.

CLIMATE RELATED DISASTERS IN 2024

Panama Canal

DROUGHTS:

A drought from July 2023 to April 2024 disrupted traffic through the canal, causing some shippers to seek alternative routes. Restrictions were lifted in August.



Bogotá, COLOMBIA

DROUGHTS:

Officials started rationing water in April as droughts caused by El Niño pushed reservoirs to their lowest levels in 40 years. President Petro said that a "predatory development model" caused the capital's water shortages.



Brazilian Amazon

FIRES:

Over 50,000 wildfires were burning at one point, the highest level since 2010. The smoke spread to São Paulo, making it the most polluted city in the world for a period.



Brazil's Cerrado

DROUGHTS:

Central Brazil's tropical savanna is experiencing its worst drought in at least 700 years. Deforestation and expanding agriculture already strain the region's water supply.



Mexico City, MEXICO

DROUGHTS:

Water shortages are frequent in the capital, but severe droughts in the city of 22 million people led to water rationing until rains finally arrived in June, replenishing reservoirs that were at critically low levels.



Valparaíso, CHILE

FIRES

Chile's deadliest forest fires on record burned across several regions but were concentrated along the central coast, causing an estimated \$700 million in damages.



Porto Alegre, BRAZIL

FLOODS

Historic floods devastated the regional capital, causing an estimated \$15 billion in damage to the state of Rio Grande do Sul. The city's airport was closed for six months.



KEY



FIRES



FLOODS



DROUGHTS

MEXICO CITY, MEXICO: GERARDO VIEYRA/NURPHOTO/GETTY;
 PANAMA CANAL: WALTER HURTADO/BLOOMBERG/GETTY;
 BOGOTÁ, COLOMBIA: JHOJAN HILARION/AFP/GETTY;
 BRAZILIAN AMAZON: LOURIVAL IZAQUE/STR/AFP/GETTY;
 BRAZIL'S CERRADO: EVARISTO SA/AFP/GETTY;
 ECUADOR: FERNANDO MACHADO/AFP/GETTY;
 VALPARAÍSO, CHILE: JAVIER TORRES/AFP/GETTY;
 PORTO ALEGRE BRAZIL: RAMIRO SANCHEZ/GETTY;

3

“RE-ORGANIZED CRIME”

ORGANIZED CRIME IS another issue that has been part of Latin America’s landscape for decades — but is evolving in new ways.

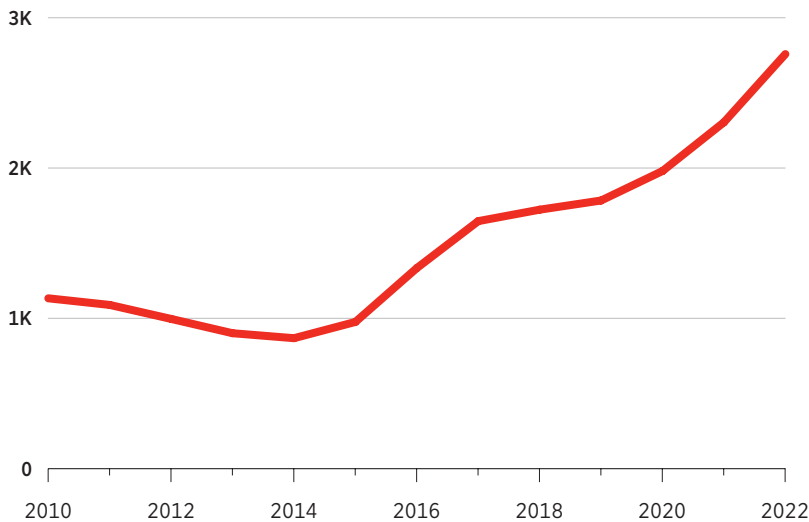
Indeed, cartels have enjoyed a massive boost in income over the past decade as cocaine production has more than doubled, according to the United Nations. Meanwhile, cocaine is not just flowing northward anymore to the United States and Europe — but south, east and west to Asia, Africa, and to Latin American nations that have themselves become major consumers of the drug.

The changes have been seismic. New smuggling routes transformed previously peaceful nations such as Ecuador and Chile into epicenters of violence as cartels battle over control of ports like Guayaquil and San Antonio. Even Costa Rica, long thought of as one of the region’s most placid countries, with no standing army, has often been the world’s leading transshipment point for cocaine, driving homicides up 53% since 2020.

The flood of new money has seeped ever deeper into politics at the local and national level, observers say.

GLOBAL COCAINE PRODUCTION IS UP 143% SINCE 2010

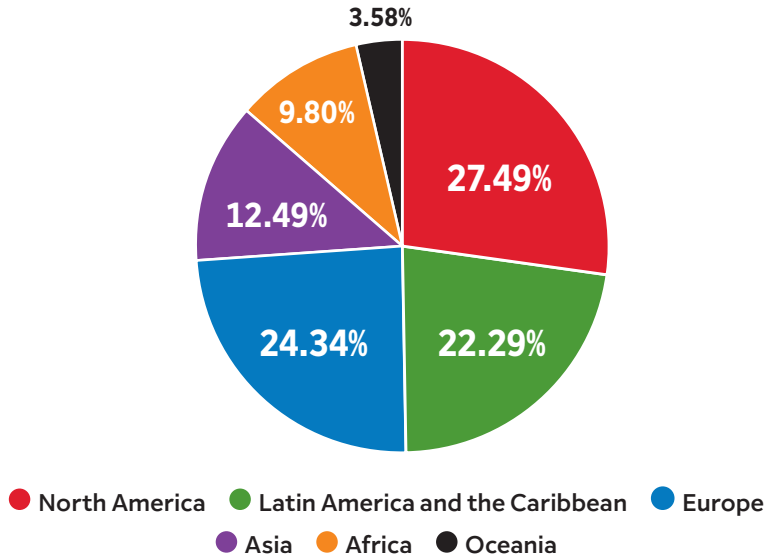
ESTIMATED COCAINE MANUFACTURE (TONS)



SOURCE: UNITED NATIONS OFFICE ON DRUGS AND CRIME WORLD DRUG REPORT (2024)

THE COCAINE MARKET HAS BECOME MUCH MORE GLOBAL

THERE ARE ABOUT AS MANY USERS WITHIN LATIN AMERICA AND THE CARIBBEAN AS IN EUROPE.



SOURCE: CALCULATIONS BASED ON UNITED NATIONS OFFICE ON DRUGS AND CRIME WORLD DRUG REPORT (2024)

“We’ve always had criminal cartels, but they’ve never been so close to governments,” Moisés Naím, the longtime observer of regional politics and former Venezuelan minister, told me. “Government capture by criminals has now reached unprecedented levels.”

Meanwhile, gangs are diversifying into new areas — a phenomenon that Will Freeman, an *AQ* columnist and fellow at the Council on Foreign Relations, has called “re-organized crime.” Illegal gold mines in Latin America now account for 11 percent of global gold production, producing a windfall even greater than cocaine in Colombia and Peru. Cartels are also deeply involved in the smuggling of migrants north to the United States.

The impact on day-to-day life has been enormous. In Peru, the amount of money spent on private security now exceeds the national budget for police, Luis Miguel Castilla, a former finance minister, told me. He said the pressures of illegal mining also threaten to

disrupt Peru’s legitimate copper sector, the world’s second-largest behind Chile.

Overall, crime and violence now cost Latin America and the Caribbean an estimated 3.4% of GDP annually — discouraging tourism and investment, steering funds toward security instead of productivity, and contributing to emigration, according to a December report by the Inter-American Development Bank. The losses are the equivalent of 80% of the region’s education budgets, and double its social assistance spending.

There does seem to be a shift underway in the public’s tolerance for the status quo. El Salvador’s Nayib Bukele, who has built new prisons and jailed nearly 2% of the adult population, is frequently cited in polls across the region as a model to follow. While it’s early, conservatives are favored to win upcoming elections in Chile in 2025, and may have the upper hand in Brazil and Colombia in 2026.

4

RESILIENCE

AND YET ... FOR all the risks and challenges, most Latin American economies are in decent health.

Beyond the moderate GDP growth, average inflation in the region fell to about 3.4% last year, down from a peak of 8.2% in 2022. Most central banks are expected to continue cutting rates this year, with Brazil a notable exception. Capital flows are at healthy levels, with current account deficits across the region averaging below 1% of GDP and international reserves at “comfortable levels in most countries,” according to the International

Monetary Fund.

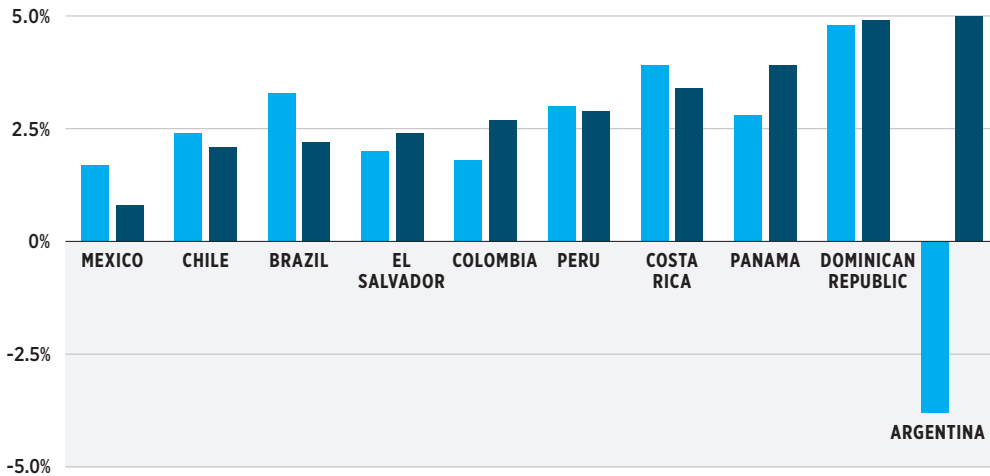
Throughout Latin America’s history, good macro numbers have sometimes failed to translate into better lives for everyday people. But average real wages rose in 2024 in seven of the nine regional countries tracked by the United Nations Economic Commission for Latin America and the Caribbean. Poverty has continued its decades-long downward trend.

As a result, the vibes are pretty good: The percentage of Latin Americans who are optimistic about their personal economic future reached 52%

A MIXED BAG OF FORECASTS FOR 2025

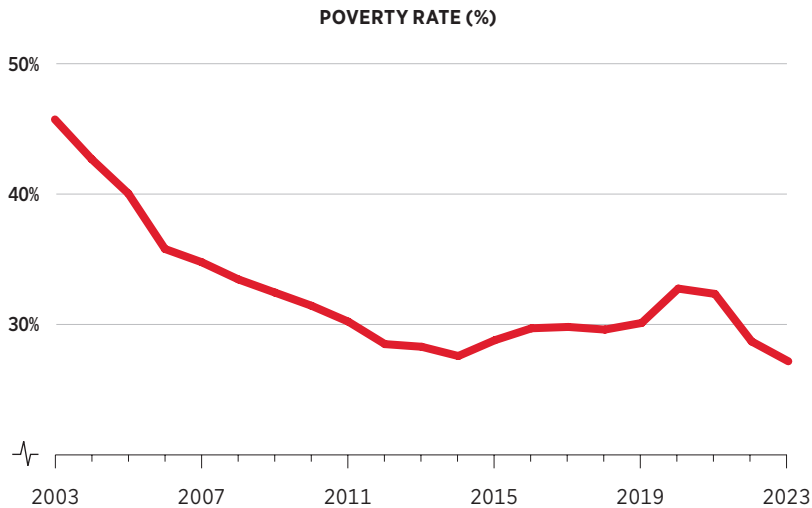
GDP GROWTH (%)

2024 2025



NOTE: VALUES ARE ESTIMATES. SOURCE: CITI RESEARCH ESTIMATES

POVERTY IN LATIN AMERICA RESUMES ITS LONG-TERM DECLINE



NOTE: DATA INCLUDES ARGENTINA, BOLIVIA, BRAZIL, CHILE, COLOMBIA, COSTA RICA, THE DOMINICAN REPUBLIC, ECUADOR, EL SALVADOR, GUATEMALA, HONDURAS, MEXICO, NICARAGUA, PANAMA, PARAGUAY, PERU, URUGUAY AND VENEZUELA.

SOURCE: ECLAC (NOVEMBER 2024)

last year — an all-time high in the 30-year history of polling firm Latinobarómetro, which tracks sentiment in 17 countries across the region.

Foreign investors remain optimistic too, showing interest in a commodities-rich region that has, at least so far, managed to transcend the tensions between Washington and Beijing. Saudi Arabia held a major investment conference in Rio de Janeiro in June, announcing a raft of initiatives. The opening of the port of Chancay in Peru may herald a new era of trade with Asia, although it is now in the crosshairs of the Trump administration.

Overall, Latin America received 15% of the world’s foreign direct investment (FDI) — double its relative share of the world’s economy — in 2023, the last year data was available, according to the UN. Commodities and minerals critical for the energy transition were the biggest sectors, with green hydrogen and green ammonia also attracting major funds.

The storm clouds around the region’s two big-

gest economies are major question marks. Under the new Sheinbaum administration, Mexico’s economy is slowing. Growing worries about Brazil’s fiscal management under Lula may finally derail an economy that has otherwise surprised to the upside since the pandemic, growing about 3% a year.

As always in Latin America, there are two ways to see the status quo. The IADB estimates the region’s long-term growth rate around 2%, which it calls “insufficient to meet the rising demands of the growing population.” Productivity growth, public investment and human capital all remain challenges.

But it’s also, as ever, a place of opportunity for those who can live with risk and uncertainty. “Every year we have these storms,” Angela Mercurio, who runs a small chain of bakeries in Mexico City, told me recently. “But we’re still here. We’re still growing.” ^{AQ}

Winter is AQ’s editor-in-chief

Latin America Is an Opportunity for Trump

The region is eager for greater U.S. attention, writes AS/COA's CEO.

by Susan Segal




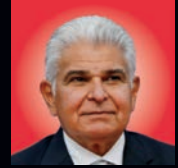
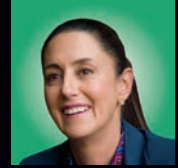
Susan Segal is the CEO of Americas Society/Council of the Americas

LEADERS IN LATIN AMERICA are spending quite a lot of time trying to figure out the policies of the new Trump administration and how they will impact their countries. However, President-elect Trump and his team must also spend time figuring out Latin America. Countries in Latin America have the potential to be our most important partners, not just economic but political, if they receive the urgent U.S. attention they deserve.

On the economic front, Latin America is home to almost everything the world needs, with critical minerals of every type, abundant energy and agriculture, as well as a similar entrepreneurial spirit. Latin America can also provide a strong and secure supply chain for our industrial base. But Latin America also requires investment, a fact that China has already discovered. And while U.S. investment comes from the private sector, which needs to respond to private shareholders, there are ways to support investment that reduce some of the sovereign risk. In most countries private investment, particularly from the U.S., is still preferred to Chinese investment.

There are many other challenges which require U.S. attention. First and foremost, the need for democracy in Venezuela — a goal which, if achieved, would certainly reverse the immigration flows of recent years. Organized crime is inflicting security challenges from Mexico to Chile, driving illicit drug trafficking including fentanyl and other criminal activity. The U.S. and Latin America need to work together to confront this shared challenge.

So, the Trump administration will have a choice and an opportunity. If we look at Latin America as a continent of shared values and opportunities, we can work together and be the most competitive and prosperous hemisphere in the world — creating growth, development and quality jobs for our peoples. 



Latin America and the Caribbean: A Political and Economic Snapshot

AQ tracks trends to watch and key indicators in 12 of the region's largest economies.

by Emilie Sweigart

Argentina



PRESIDENT
Javier Milei
IN OFFICE 2023–2027

While Argentina's economy emerged from a recession in the third quarter of 2024, the country faces renewed challenges, with midterm legislative elections on the horizon. After implementing economic "shock therapy" in his first year in office, President Javier Milei needs to find access to international funding, as capital controls may dampen the recovery, and fight against inflation. Monthly inflation followed a downward trend in 2024 and annual inflation registered 166% in November. With chronically diminished reserves, Argentina is scheduled to make a \$3 billion payment in interest to the IMF and bond payments are due in January and July, close to \$4.3 billion in each instance. In a geopolitical reversal, Milei was expected to visit China in January for a joint summit hosted by the Asian country and the Community of Latin American and Caribbean States (CELAC). Argentina renewed a \$5 billion portion of its currency swap with China in June, and in September Milei described China as a "very interesting trade partner." The IMF projects 5% economic growth and annual inflation of 62.7% for 2025. If sustained, Milei's relative popularity may help secure him more support in October's elections. An ardent Trump supporter, Milei has stated that he will seek a free trade agreement with the U.S.

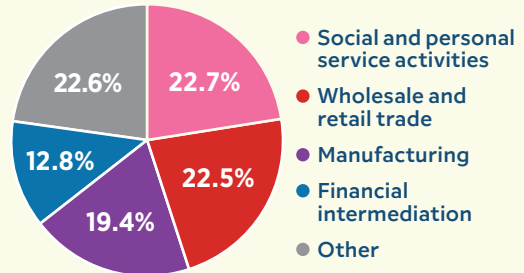
Presidential approval rating	54%
Population (millions)	47.2
Homicide rate (per 100,000 people)	4.4
% who say they would like to emigrate in next three years	25%
Capacity to Combat Corruption Index ranking (out of 15 Latin American countries)	



TRENDS TO WATCH

ARGENTINA'S ECONOMIC RECOVERY
LEGISLATIVE MIDTERM ELECTIONS
IN OCTOBER
BOND AND IMF PAYMENTS

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



Brazil, China, U.S.

TOP 3 IMPORT PARTNERS



China, Brazil, U.S.



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$574.2	+5%
GDP per capita (current USD)	\$12,054	
Inflation	62.7%	
Unemployment rate	7.6%	
Poverty rate (World Bank definition, see note below)	15.6%	
Fiscal balance (% of GDP)	+0.9%	
FDI (2023, billions USD)	\$22.9	
Remittances inflows (2023, billions USD)	\$1	

NOTE: Poverty rate is \$6.85 in 2017 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Figures rounded to nearest decimal. SOURCES: Presidential approval: Universidad de San Andrés Encuesta de Satisfacción Política y Opinión Pública (November 2024); Population, GDP and growth, inflation, unemployment: IMF World Economic Outlook (October 2024); Homicide rate: Ministerio de Seguridad (2023); Emigration polling: AmericasBarometer (2023); Corruption index: AS/COA and Control Risks (2023); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2023); Poverty and fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).

Brazil



PRESIDENT

Luiz Inácio Lula da Silva

IN OFFICE 2003–2010; 2023–2027

Markets' worries about Brazil have mounted amid broad concerns about public finances under President Luiz Inácio Lula da Silva. In November, the *real* fell to six to the dollar after Finance Minister Fernando Haddad announced plans to cut public spending by a less-than-expected \$11.8 billion. While unemployment hit a 10-year low in mid-2024, the IMF projects 2.2% growth this year following growth rates of about 3% from 2022–24, and forecasts 3.6% inflation in 2025 (above the central bank's 3% target rate). In his third term, Lula has sought to reassert Brazil's role as a major player in the Global South, weighing in on Ukraine, Gaza and Venezuela. Brazil assumed the BRICS presidency on January 1, and the Lula administration is expected to concentrate on BRICS-related activities in the first half of the year before the Amazonian city of Belém hosts the COP30 conference on climate in November. State oil company Petrobras seeks to drill in the Foz do Amazonas Basin, which has created divisions within his administration. Although he is barred from running for office until 2030, former President Jair Bolsonaro stated that he will seek Trump's help to run in the 2026 presidential election. Last November, Brazil's federal police accused Bolsonaro and 36 others of attempting a coup after the 2022 election, which all denied.

Presidential approval rating	52%
Population (millions)	212.5
Homicide rate (per 100,000 people)	18.7
% who say they would like to emigrate in next three years	22%
Capacity to Combat Corruption Index ranking (out of 15 Latin American countries)	



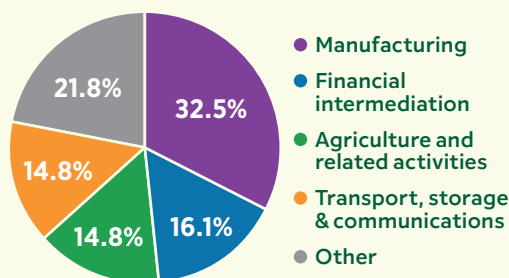
TRENDS TO WATCH

FISCAL AND INFLATION CONCERNS

ENERGY AND CLIMATE POLICY AHEAD OF COP30 SUMMIT IN NOVEMBER

CANDIDACIES AHEAD OF 2026 PRESIDENTIAL ELECTION

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



China, U.S., Argentina

TOP 3 IMPORT PARTNERS



China, U.S., Argentina



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$2,307	+2.2%
GDP per capita (current USD)	\$10,815.5	
Inflation	3.6%	
Unemployment rate	7.2%	
Poverty rate (World Bank definition, see note below)	21.1%	
Fiscal balance (% of GDP)	-6.3%	
FDI (2023, billions USD)	\$65.9	
Remittances inflows (2023, billions USD)	\$4.4	

NOTE: Poverty rate is \$6.85 in 2017 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Figures rounded to nearest decimal. SOURCES: Presidential approval: Quæst (December 2024); Population, GDP and growth, inflation, unemployment: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2024); Emigration polling: AmericasBarometer (2023); Corruption index: AS/COA and Control Risks (2023); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2023); Poverty and fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).

Chile



PRESIDENT

Gabriel Boric

IN OFFICE 2022–2026

In the final full year of his term, President Gabriel Boric faces an uphill battle to carry out his progressive agenda, with general elections scheduled for November 16. Top priorities include the pending pension reform and addressing mounting concerns over public safety. Boric had hoped to achieve reforms through a constitutional rewriting process, which concluded in 2023 after two failed attempts. His approval ratings have fluctuated in the 20s and 30s over the past year, as scandals have affected some members of his administration and Boric faces tensions with his coalition and the center-left. Boric aims to boost sustainable lithium production through a national strategy of using private-public partnerships, launched in April 2023. The IMF projects that strong mining and service exports, along with an expected recovery of domestic demand, will contribute to GDP growth rates of 2.3% in 2024 and 2% to 2.5% this year. Higher electricity rates (a cumulative 60% increase from June 2024 to February 2025) are expected to add to inflation, forecasted at 4.2% at the end of 2025. Polling indicates that former Providencia Mayor Evelyn Matthei, former President Michelle Bachelet, and 2021's presidential runner-up José Antonio Kast lead voter preferences in November's presidential race. Amid rising political polarization, crime and pensions are the top issues on voters' minds.

Presidential approval rating	28%
Population (millions)	20.1
Homicide rate (per 100,000 people)	4.5
% who say they would like to emigrate in next three years	21%
Capacity to Combat Corruption Index ranking (out of 15 Latin American countries)	

NOTE: Poverty rate is \$6.85 in 2017 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Figures rounded to nearest decimal. SOURCES: Presidential approval: Plaza Pública Cadem (January 2024); Population, GDP and growth, inflation, unemployment: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2024); Emigration polling: AmericasBarometer (2023); Corruption index: AS/COA and Control Risks (2023); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2023); Poverty and fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).



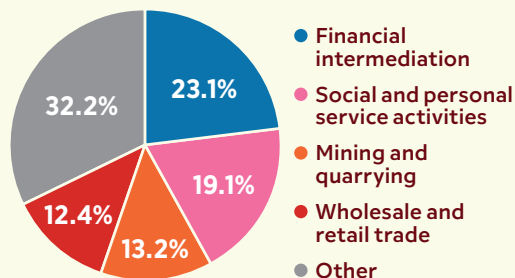
TRENDS TO WATCH

NOVEMBER PRESIDENTIAL
AND LEGISLATIVE ELECTIONS

PENSION REFORM

BORIC'S SECURITY POLICY

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



China, U.S., Japan

TOP 3 IMPORT PARTNERS



China, U.S., Brazil



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$362.2	+2.4%
GDP per capita (current USD)	\$17,926.5	
Inflation	4.2%	
Unemployment rate	8%	
Poverty rate (World Bank definition, see note below)	4.8%	
Fiscal balance (% of GDP)	-1.4%	
FDI (2023, billions USD)	\$21	
Remittances inflows (2023, billions USD)	\$0.07	

Colombia



PRESIDENT

Gustavo Petro

IN OFFICE 2022–2026

President Gustavo Petro is facing headwinds, including scandals and concerns over public safety, as attention is already shifting to the next presidential election. After Congress rejected the government's tax reform and 2025 budget proposal last year, Petro issued the budget by decree in December. However, Petro scored a legislative victory with the approval of his pension reform, which takes effect this July, and a decentralization bill approved in early December. Other reforms are under discussion and will likely test his political capabilities again this year. Scandals have affected Petro and his inner circle, and amid corruption allegations, his second finance minister, Ricardo Bonilla, resigned in December (he denies any wrongdoing). In late 2024, Petro's approval rating stood at 39%, compared to 62% at the start of his term. The president's "Total Peace" strategy of negotiating ceasefires with armed groups has low levels of public support, and Colombia's potential cocaine production rose by 53% from 2022 to 2023, according to the UNODC. The IMF forecasts that GDP growth will pick up over the next few years, reaching 2.5% in 2025, with inflation at 4.5%. Some observers predict that Petro and Trump may clash over issues related to security and drug policy, straining existing divisions in the U.S.-Colombia relationship.

Presidential approval rating	39%
Population (millions)	52.7
Homicide rate (per 100,000 people)	25.7
% who say they would like to emigrate in next three years	30%
Capacity to Combat Corruption Index ranking (out of 15 Latin American countries)	9



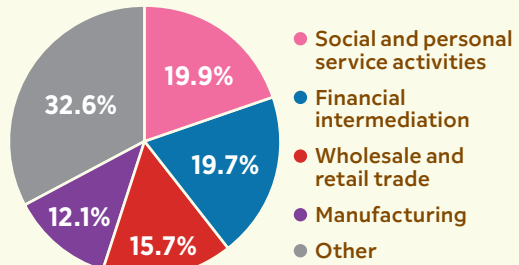
TRENDS TO WATCH

PETRO'S REFORM AGENDA

SECURITY STRATEGY AND RELATIONSHIP WITH THE U.S.

CANDIDACIES AHEAD OF 2026 PRESIDENTIAL ELECTION

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



U.S., Panama, Netherlands

TOP 3 IMPORT PARTNERS



U.S., China, Brazil



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$419.3	+2.5%
GDP per capita (current USD)	\$7,895.4	
Inflation	4.5%	
Unemployment rate	10%	
Poverty rate (World Bank definition, see note below)	31.4%	
Fiscal balance (% of GDP)	-4.3%	
FDI (2023, billions USD)	\$17.4	
Remittances inflows (2023, billions USD)	\$10.1	

NOTE: Poverty rate is \$6.85 in 2017 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Figures rounded to nearest decimal. SOURCES: Presidential approval: La Silla Vacía (November 2024); Population, GDP and growth, inflation, unemployment: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2024); Emigration polling: AmericasBarometer (2023); Corruption index: AS/COA and Control Risks (2023); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2023); Poverty and fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).

Dominican Republic



PRESIDENT
Luis Abinader
IN OFFICE 2020–2028

President Luis Abinader is a popular pro-business conservative focused on fighting graft and bolstering economic growth as violence escalates in neighboring Haiti. Elected on an anti-corruption platform in 2020, Abinader won reelection with 57% of votes last May. His Partido Revolucionario Moderno and allies secured 60% of municipalities in last February's elections and have a wide majority in both houses of Congress. Abinader's administration has taken a tough stance on Haiti's crisis, constructing a \$120 million border wall and announcing a goal of deporting Haitians living illegally in the Dominican Republic, at a rate of 10,000 per week. Abinader has called on the international community to provide additional assistance, and in December, he said that the Kenya-led security mission in Haiti has not been implemented as planned. The Dominican Republic is one of the region's fastest-growing economies, with 5% growth forecasted for 2025. The IMF has called for a comprehensive fiscal reform to attract more investment, boost revenues, and achieve investment-grade status. Abinader introduced a fiscal reform bill last October, but following protests and criticism he withdrew it later that month, citing a lack of consensus. The country will host the next Summit of the Americas in Punta Cana this December.

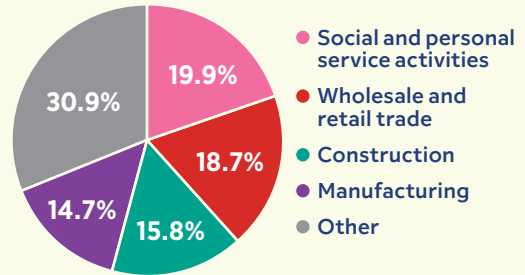
Presidential approval rating	69%
Population (millions)	10.8
Homicide rate (per 100,000 people)	11.5
% who say they would like to emigrate in next three years	40%
Capacity to Combat Corruption Index ranking (out of 15 Latin American countries)	



TRENDS TO WATCH

- FISCAL CONSOLIDATION CHALLENGE
- POLICY TOWARD HAITI
- SUMMIT OF THE AMERICAS IN DECEMBER

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



U.S., Switzerland, Haiti

TOP 3 IMPORT PARTNERS



U.S., China, Brazil



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$135.5	+5%
GDP per capita (current USD)	\$12,451.9	
Inflation	4.5%	
Unemployment rate	6%	
Poverty rate (World Bank definition, see note below)	16.9%	
Fiscal balance (% of GDP)	-2.9%	
FDI (2023, billions USD)	\$4.4	
Remittances inflows (2023, billions USD)	\$10.6	

NOTE: Poverty rate is \$6.85 in 2017 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Figures rounded to nearest decimal. SOURCES: Presidential approval: CID Gallup (September 2024); Population, GDP and growth, inflation, unemployment: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2024); Emigration polling: AmericasBarometer (2023); Corruption index: AS/COA and Control Risks (2023); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2023); Poverty and fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).

Ecuador



PRESIDENT

Daniel Noboa

IN OFFICE 2023–2025

President Daniel Noboa has made combating organized crime his top priority and faces an increasingly competitive election on February 9 amid a challenging security and economic landscape. The scion of a powerful family, he won a snap election in October 2023 to complete the remainder of his predecessor's term, which ends in May. As gang violence escalated, Noboa declared an "internal armed conflict" in January 2024, deployed the military to take on gangs, and ordered the construction of a new maximum-security prison. Homicides have dropped slightly during his term, but remain above 2022 levels. To generate more resources, Noboa increased the value-added tax by 3 percentage points and reduced subsidies for low-octane gasoline, but economic growth remains slow. The IMF forecasts 0.3% GDP expansion for 2024 and 1.2% this year, and in May, the lender approved a \$4 billion deal to help stabilize the economy. Noboa's approval ratings declined ahead of the election, where his main rival is again *correísta* candidate Luisa González, who lost in the second round in 2023. Droughts in 2024 led to planned blackouts, which generated losses of about \$12 million per hour, according to estimates from private sector groups, and may diminish Noboa's chances. If needed, a presidential runoff will be held on April 13.

Presidential approval rating	47%
Population (millions)	18
Homicide rate (per 100,000 people)	44.5
% who say they would like to emigrate in next three years	39%
Capacity to Combat Corruption Index ranking (out of 15 Latin American countries)	10



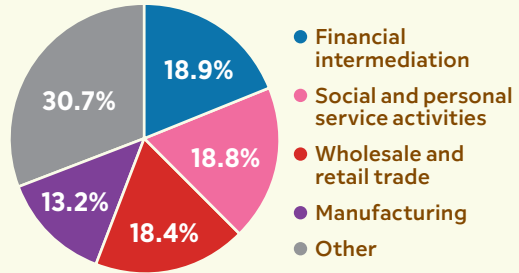
TRENDS TO WATCH

PRESIDENTIAL AND LEGISLATIVE ELECTIONS IN FEBRUARY

FIGHT AGAINST ORGANIZED CRIME

DROUGHT AND ELECTRICITY CRISIS

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



U.S., China, Panama

TOP 3 IMPORT PARTNERS



U.S., China, Colombia



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$125.7	+1.2%
GDP per capita (current USD)	\$6,941	
Inflation	2.2%	
Unemployment rate	4%	
Poverty rate (World Bank definition, see note below)	29.2%	
Fiscal balance (% of GDP)	-1.5%	
FDI (2023, billions USD)	\$0.4	
Remittances inflows (2023, billions USD)	\$5.5	

NOTE: Poverty rate is \$6.85 in 2017 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Figures rounded to nearest decimal. SOURCES: Presidential approval: CID Gallup (September 2024); Population, GDP and growth, inflation, unemployment: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2024); Emigration polling: AmericasBarometer (2023); Corruption index: AS/COA and Control Risks (2023); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2023); Poverty and fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).

Guyana



PRESIDENT

Irfaan Ali

IN OFFICE 2020–2025

The world's fastest-growing economy, Guyana, is slated to hold general elections in November, and it is widely expected that President Irfaan Ali will be reelected for a new five-year term after a contentious vote in 2020. Enjoying the oil wealth to fund broad government spending on infrastructure and social programs, Ali's People's Progressive Party/Civic (PPP/C), may gain a more decisive majority in parliament from the current 33 of 65 seats. Leaders from civil society have been pushing to hold a referendum to renegotiate the nation's production-sharing agreement with the ExxonMobil-led consortium before the elections, but it's unclear if the three main political parties will agree on the matter. Poverty levels remain high. Last October, Ali announced measures to distribute part of Guyana's oil wealth, providing one-off \$1,000 cash payments to each household, free university tuition, and minimum wage increases. After 44% GDP growth in 2024, the IMF predicts a 14% expansion this year. This would boost nominal GDP to \$24.5 billion, a 410% increase compared to 2018, before Guyana's oil boom. With the globe's highest level of oil reserves per capita, crude production is currently at 650,000 barrels per day (bpd), and several additional projects are expected to raise output to 1.4 million bpd.

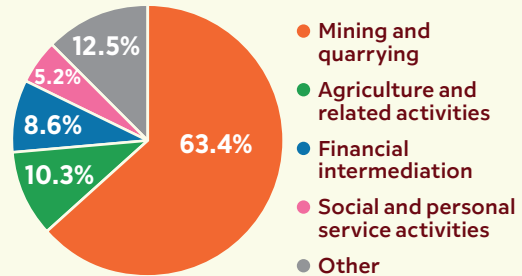
Population (millions)	0.8
Homicide rate (per 100,000 people)	19.7
% who say they would like to emigrate in next three years	31%
World Justice Project Rule of Law Index ranking <i>(out of 142 countries)</i>	



TRENDS TO WATCH

- NOVEMBER GENERAL ELECTIONS
- PRODUCTION-SHARING AGREEMENT (PSA)
- PUBLIC INVESTMENTS

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



Panama, Netherlands, Italy

TOP 3 IMPORT PARTNERS



Trinidad & Tobago, U.S., China



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$24.5	+14.4%
GDP per capita (current USD)	\$30,650.1	
Inflation	4.5%	
Unemployment rate (2023)	12.4%	
Poverty rate (2019) (World Bank definition, see note below)	48.4%	
Fiscal balance (% of GDP)	-14.7%	
FDI (2023, billions USD)	\$7.2	
Remittances inflows (2023, billions USD)	\$0.5	

NOTE: Poverty rate is \$5.50 in 2011 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Fiscal balance refers to share of non-oil GDP. Figures rounded to nearest decimal.

SOURCES: Population, GDP and growth, inflation: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2023); Emigration polling: Americas Barometer (2021); Rule of Law Index: World Justice Project (2024); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2022); Unemployment: ILO (2023); Poverty: World Bank; Fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).

Mexico



PRESIDENT
Claudia Sheinbaum
IN OFFICE 2024–2030

President Claudia Sheinbaum will confront sizeable domestic and international challenges in her first full year in office. President-elect Donald Trump's threat to apply 25% tariffs on Mexican imports sets the stage for confrontation not only on trade but also on immigration, organized crime and border security ahead of the 2026 USMCA review. Mexico and the U.S. are each other's largest trading partners. At the same time, a slowing economy will test her sizeable political capital (S&P slashed its GDP growth estimates to 1.2% for this year), marking a fourth consecutive year of diminishing economic performance. The IMF recently flagged that private consumption and investment are decelerating in the country, while employment growth is also slowing, factors that could erode the president's popularity. In the early stages of her term, Sheinbaum has pursued reforms supported by her predecessor Andrés Manuel López Obrador. A judicial overhaul was approved in September, and Congress recently voted to dissolve seven independent watchdog agencies, a decision that critics say will concentrate power and diminish transparency. Sheinbaum has rolled out a security strategy that differs somewhat from AMLO's, strengthening the National Guard, intelligence-gathering and inter-agency coordination.

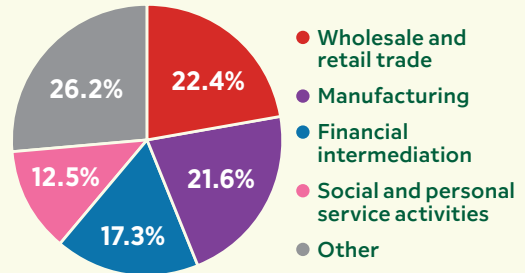
Presidential approval rating	78%
Population (millions)	132.3
Homicide rate (per 100,000 people)	23.3
% who say they would like to emigrate in next three years	14%
Capacity to Combat Corruption Index ranking (out of 15 Latin American countries)	



TRENDS TO WATCH

- POTENTIAL U.S. TARIFFS AHEAD OF USMCA REVIEW IN 2026
- TRUMP'S DEMANDS ON MIGRATION AND DRUGS
- SHEINBAUM'S SECURITY STRATEGY

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



TOP 3 IMPORT PARTNERS



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$1,818	+1.3%
GDP per capita (current USD)	\$13,630.2	
Inflation	3.8%	
Unemployment rate	3.3%	
Poverty rate (World Bank definition, see note below)	20.1%	
Fiscal balance (% of GDP)	-3.5%	
FDI (2023, billions USD)	\$36.1	
Remittances inflows (2023, billions USD)	\$66.2	

NOTE: Poverty rate is \$6.85 in 2017 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Figures rounded to nearest decimal. SOURCES: Presidential approval: El Financiero (December 2024); Population, GDP and growth, inflation, unemployment: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2024); Emigration polling: AmericasBarometer (2023); Corruption index: AS/COA and Control Risks (2023); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2023); Poverty and fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).

Panama



PRESIDENT

José Raúl Mulino

IN OFFICE 2024-2029

President José Raúl Mulino is expected to continue prioritizing a crackdown on migration through the Darién Gap and a reform of Panama's social security system. Last November, he submitted to Congress a bill that includes raising the retirement age by three years. The president has also pledged to "close" the Darién Gap. Shortly after taking office in July, he signed an agreement with the U.S., and in August Panama began deporting migrants on U.S.-funded flights. Following Trump's recent threats to take back control of the Panama Canal, Mulino stated that "The canal is Panamanian and belongs to Panamanians." Mulino intends to "revive" the canal, which has lifted restrictions following droughts in 2023-4, while pushing a \$1.6 billion project to dam the Indio River to improve the canal's water supply. Panama's fiscal deficit reached 7% of GDP in the first three quarters of 2024, amid rising spending and falling revenues. Fitch downgraded Panama to junk status in March, and in November S&P followed suit, pushing Panama to its lowest investment grade, while Moody's cut its outlook to negative. This year Mulino's administration is expected to address issues related to the closure of the Cobre Panamá mine. The IMF has alerted that "significant fiscal risks" may arise from mine-related arbitration proceedings.

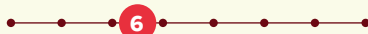
Presidential approval rating **76%**

Population (millions) **4.5**

Homicide rate (per 100,000 people) **11.5**

% who say they would like to emigrate in next three years **21%**

Capacity to Combat Corruption Index ranking
(out of 15 Latin American countries)



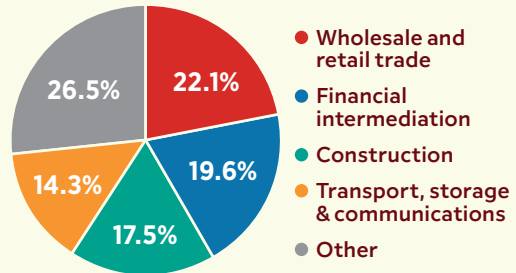
TRENDS TO WATCH

SOCIAL SECURITY REFORM

MIGRATION LEVELS / DARIÉN GAP

PANAMA CANAL DAMMING PROJECT

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



China, Japan, South Korea

TOP 3 IMPORT PARTNERS



U.S., China, Mexico



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change **\$91.7 +3%**

GDP per capita (current USD) **\$20,092.1**

Inflation **2%**

Unemployment rate **8%**

Poverty rate (World Bank definition, see note below) **13.3%**

Fiscal balance (% of GDP) **-3.8%**

FDI (2023, billions USD) **\$2**

Remittances inflows (2023, billions USD) **\$0.5**

NOTE: Poverty rate is \$6.85 in 2017 PPP. Pie chart indicates total value added of GDP by economic activity at current prices. Figures rounded to nearest decimal. SOURCES: Presidential approval: CID Gallup (September 2024); Population, GDP and growth, inflation, unemployment: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2024); Emigration polling: AmericasBarometer (2023); Corruption index: AS/COA and Control Risks (2023); Trading partners: World Integrated Trade Solution (2022); GDP by economic activity: ECLAC (2023); Poverty and fiscal balance: World Bank (October 2024); FDI: UNCTAD (June 2024); Remittances: World Bank (June 2024).

Venezuela



PRESIDENT
Nicolás Maduro
IN OFFICE 2013–2031

Nicolás Maduro began a third presidential term on January 10, despite demonstrations, international recriminations and overwhelming evidence that opposition candidate Edmundo González won July's presidential election by a landslide. Following the contest, Maduro's government imprisoned almost 2,000 citizens, likely giving Venezuela the highest number of political prisoners in the Western Hemisphere. Venezuela has had a surge in out-migration, adding to the 7.8 million refugees and migrants that have fled the country's economic and humanitarian crisis over the past decade. Maduro said that Trump's second term would mark a "new start," and some analysts predict that Trump may move away from his former "maximum pressure" strategy toward Venezuela and seek a deal to stem migration. With diminished international recognition, Maduro's regime faces limited room to navigate expected lower global oil prices and a harsher economic environment marked by declining investment and lack of access to capital markets. Last October, Venezuela failed to join the BRICS bloc after Brazil vetoed its accession to the group. The IMF projects 3% growth for 2024 and 2025 as total oil production recovers, while inflation has decelerated more than some analysts anticipated, likely ending 2024 at around 60%.

Population (millions) **26.5**

Homicide rate (per 100,000 people) **26.8**

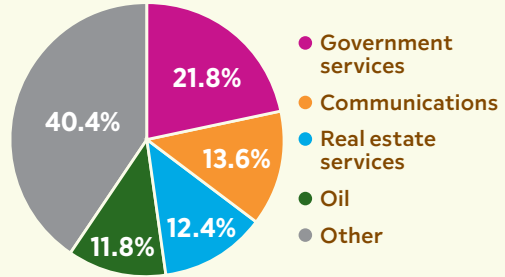
Capacity to Combat Corruption Index ranking
(out of 15 Latin American countries)



TRENDS TO WATCH

- POLITICAL REPRESSION AND RISING OUT-MIGRATION
- RECOVERING OIL PRODUCTION
- VENEZUELA POLICY UNDER TRUMP

GDP BY SECTORS



TOP 3 EXPORT PARTNERS



TOP 3 IMPORT PARTNERS



ECONOMIC INDICATORS (2025 PROJECTIONS)

GDP (current USD, billions) and % change	\$110	+3%
GDP per capita (current USD)	\$4,121.9	
Inflation	71.7%	
Unemployment rate (2023)	5.5%	
Poverty rate (2023) (ENCOVI definition)	51.9%	
Fiscal balance (2024, % of GDP)	-12.6%	
FDI (2023, billions USD)	\$0.7	
Remittances inflows (2023, billions USD)	\$2.5	

NOTE: Pie chart indicates GDP by economic activity at constant 1997 prices. Figures rounded to nearest decimal.

SOURCES: Population, GDP and growth, inflation: IMF World Economic Outlook (October 2024); Homicide rate: InSight Crime (2024); Corruption index: AS/COA and Control Risks (2023); Trading partners: Observatory of Economic Complexity (2022); GDP by economic activity: Calculations based on data from Banco Central de Venezuela (2018, latest year available); Unemployment: ILO (2023); Poverty: Encuesta Nacional sobre Condiciones de Vida (2023); Fiscal balance: Universidad Católica Andrés Bello Informe de Coyuntura Venezuela (April 2024); FDI: UNCTAD (June 2024); Remittances: Ecoanálítica (2023).

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THE AQ PROFILE

Lula's “Golden Boy” at the Central Bank

Gabriel Galípolo has ties with the left and the private sector, making him a key bridge-builder at a time of market concerns.

by Luiza Franco and Nick Burns

DURING HIS CONFIRMATION HEARING for the presidency of Brazil's central bank, Gabriel Galípolo said with a nervous but friendly grin: "I'm sorry that I seem to have disappointed people who expected that when I got into the central bank, a big reality show with big fights and disputes would break out."

The comment, while made partly in jest, acknowledges the very real minefield that awaits Galípolo, 42, as he recently moved from his previous position of director of monetary policy at the bank to its top job this January.

Over the past two years of President Luiz Inácio Lula da Silva's third term in office, the Central Bank of Brazil (BCB), an autonomous body charged with keeping inflation near a 3% target, has frequently been pulled into the political fray. As of December, inflation was running at 4.9%, above the top of the bank's target range.

The government had a strained relationship with the former central bank head, Roberto Campos Neto, who was appointed by Lula's conservative predecessor Jair Bolsonaro. Lula called Campos Neto an "adversary," accusing him of strangling economic growth and stymieing the government's agenda with high interest rates.

The tensions, along with rising levels of government spending and debt, at times spooked investors, causing Brazil's real to be one of the worst-performing currencies of 2024 despite an economy that grew about 3% and other indicators like unemployment pointing in the right direction.

On December 11, the central bank hiked interest rates by a full percentage point, to 12.25%. The deci-

sion, made by the bank's monetary policy committee, which included Galípolo, was unanimous. That's not abnormally high by Brazil's historical standards, but up from 10.5% in July 2024. And at a time when the U.S. Federal Reserve and other central banks have been cutting rates, Brazil is expected to hike them even further in the months ahead under Galípolo's leadership, according to recent central bank surveys of economists, raising the prospect of further strife.

Whether anyone can navigate the tensions is unclear. But it's hard to imagine anyone better positioned to do so than Galípolo.

Feet in two worlds

GALÍPOLO HAS ALWAYS OPERATED in a space between left and right in economic debates. He served from 2017 to 2021 as the CEO of Banco Fator, a São Paulo-based bank with about 9 billion reais (about \$1.5 billion) under management and a history of working on public-private partnerships. The most important project of his tenure was the bank's role in designing the privatization model for Rio de Janeiro's sanitation company, Cedae.

He got his start as a student at São Paulo's Catholic University (PUC), whose economics department follows a heterodox line — that is, one that sees a bigger role for government in the economy and often advocates for lower interest rates. He taught undergraduate courses there until 2012. Galípolo is also a close associate of Luiz Gonzaga Belluzzo, a professor and columnist for Brazil's leading financial paper, *Valor*, and one of Brazil's most influential left-wing economic thinkers, who has advocated against fis-

During the 2022 campaign, Lula called Galípolo his “golden boy,” and tasked him with being an unofficial ambassador to financial markets.



Galípolo, left, with President Lula, center, in 2023 at the inauguration of a new head of the state-owned Banco do Brasil.

cal austerity measures and excessive deregulation of markets, arguing such policies exacerbate inequality.

But Galípolo seemed to look more favorably than many heterodox intellectuals on the private sector and was also a professor in the public-private partnerships graduate program in business administration at the São Paulo School of Sociology and Politics Foundation (FEPESP).

His career in politics also reflects his ideological complexities. It started when he was still a graduate student, in 2007, under the center-right governor of São Paulo José Serra. While working with Serra he became head of the economic advisory office for the metropolitan transport department, and in 2008 he was named director of the Project Structuring Unit of the Economy and Planning Department of the state of São Paulo. Three years later, he helped

the Workers' Party (PT) candidate for São Paulo governor draft his economic platform, strengthening his ties within that party.

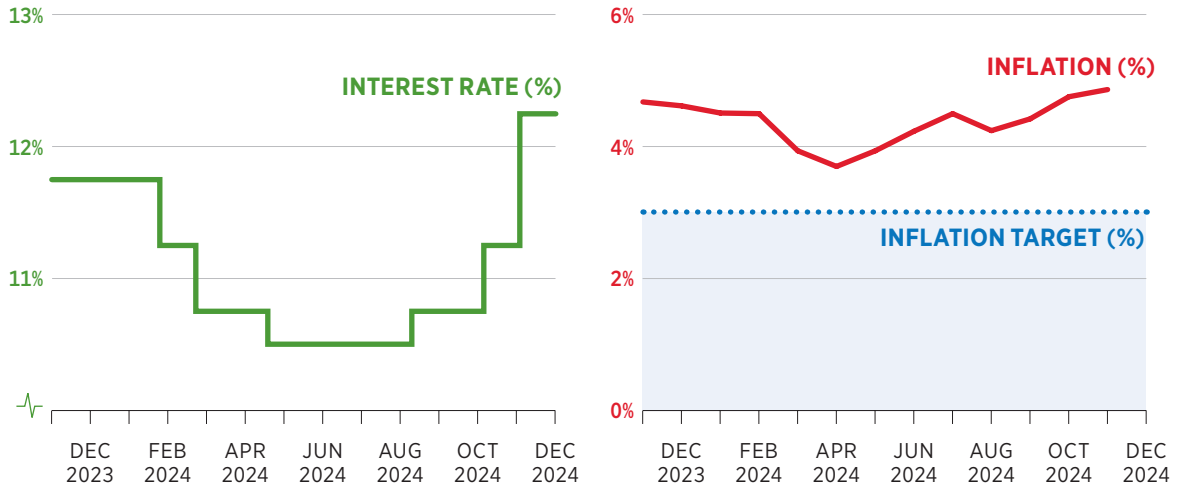
During the 2022 campaign, Lula called Galípolo his “golden boy,” and tasked him with being an unofficial ambassador to financial markets, explaining each side’s concerns to the other.

It hasn’t been an easy assignment. As during his first presidency, from 2003 to 2010, Lula’s relationship with financial markets has been complicated, with government spending being a particular point of contention.

Fiscal problems have been a repeated trigger of Brazilian financial crises over the decades, including the 2014-15 recession that ultimately led to the 2016 impeachment of Dilma Rousseff. Although Lula’s government is bound by a fiscal rule that limits spending

Brazil has seen inflation go above the central bank's target

INFLATION, INTEREST RATES AND INFLATION TARGET IN THE PAST YEAR



NOTE: THE BCB'S 3% INFLATION TARGET INCLUDES A "TOLERANCE INTERVAL" OF 1.5 PERCENTAGE POINTS IN BOTH DIRECTIONS.
SOURCE BRAZIL CENTRAL BANK

growth to 2.5%, it has boosted spending on transfers to the poor and other categories. Markets expected Brazil to close 2024 with a budget deficit in excess of 7% of GDP, one of the highest levels in Latin America.

The corresponding increase in Brazil's public debt — which now stands at nearly 80% of GDP, and is projected to reach 97.6% by 2029 — has triggered alarm in markets. Lula's finance minister, Fernando Haddad, has been under pressure to cut or freeze government spending for 2025 and beyond in an effort to show the budget is under control.

Reading between the quotes

GIVEN THE FISCAL PRESSURE, markets are particularly keen to garner hints as to how independent and willing to raise rates Galípolo might be.

Galípolo repeatedly defended a low interest rate policy in his past writings, and at a central bank board meeting in May 2024, he sided with the other Lula-appointed bank directors in favor of a larger

rate cut. That decision provoked a market uproar, and since then he, along with all other members of the board, has voted in favor of hiking rates.

Since his nomination for the lead office in August 2024, Galípolo has signaled he is willing to take a more hawkish approach.

Galípolo himself has acknowledged a change of heart. "People in academia or market actors have greater freedom to develop theses and make bets. But the central bank's position is always to be more conservative," he said at an event sponsored by Brazilian bank Itaú BBA.

Given his recent statements, markets have mostly taken Galípolo's appointment in stride.

"Since his time in the finance ministry, we didn't feel investors were spooked because of his time as head of Fator. He was there for a long enough time and his tenure was considered successful, so since the beginning he was seen as the person who would build this bridge between (Finance Minister Fernando) Haddad's team and markets," said Rodrigo Russo, a partner at Control Risks, a consultancy firm

Since his nomination, Galípolo has signaled he is willing to take a more hawkish approach.

whose clients include investors and businesses.

Galípolo also seems to have Lula's backing — at least for now.

“Look, if Galípolo comes to me one day and says, ‘Hey, we have to raise the rate, that’s great,’ Lula said in an interview in August. “If they have to go up then they have to go up.”

In fact, Lula's dispute may have been more with Campos Neto himself than with his decisions on interest rates. Campos Neto wore a green and yellow shirt to vote in the 2022 elections, a gesture that signifies support for the right in today's Brazil. Campos Neto also raised eyebrows on the left after being the honoree at a dinner party hosted by the current governor of São Paulo Tarcísio de Freitas, a Bolsonaro ally.

Nevertheless, Galípolo himself has always maintained a good relationship with Campos Neto, and the former head of the central bank held a symbolic event on December 19 to commemorate the hand-off.

But the continued skepticism of Brazilian markets, and global factors, may make it hard for Galípolo to realize Lula's clear vision of bringing down rates over time. Tariffs and tax cuts in the U.S. under incoming President Donald Trump are expected to drive interest on U.S. government debt higher, causing the dollar to appreciate and adding to upward pressure on interest rates in other countries.

“Central banks in other countries have no way to avoid pressure coming from higher interest rates” in the U.S., said Otaviano Canuto, former World Bank vice president and fellow at the Policy Center for the New South. “Either countries in South America raise interest rates or they lose money.”


Playing a long game

IT SEEMS INEVITABLE THAT sooner or later, as BCB president Galípolo will have to disappoint someone — whether it's markets and his contacts in the financial world, or Lula and his allies in the Workers' Party.

One possibility is that Lula understands that efforts must be made to calm markets now in order to secure important gains later. That would fit with the effort to rein in Brazil's public spending currently being led by Finance Minister Haddad, perceived as a more moderate, relatively more business-friendly force within the Workers' Party.

“Galípolo comes with Haddad's support. And what's going on at the central bank reflects a tension inside the government more broadly between different factions inside the Workers' Party. And at the end of the day, in that debate, Lula has often sided with the economic team, betting on Haddad,” said Russo.

Galípolo may also establish credibility with financial markets now so that, if conditions allow, he may be able to lower rates before the next presidential election in 2026. That could boost short-term growth and let the government spend more, putting wind in its sails.

That's far from a sure thing. In the meantime, it boils down to yet another balancing act from Galípolo — a skill in which he has practice. 

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Franco is an editor and podcast producer at *Americas Quarterly*

Burns is an editor and social media manager at *Americas Quarterly*

Colombia's First Unicorn Keeps Delivering

Rappi's rise to a multi-billion-dollar company preparing for an IPO shows the potential for disruption in Latin America's economies and job markets.

by Rich Brown

SINCE ITS FOUNDING IN 2015 as a food-delivery service, Rappi has grown at a dizzying pace. In less than a decade, the Soft-bank-backed startup has morphed into a “super-app” with operations in nine Latin American countries and a market valuation above \$5 billion — beyond, perhaps, the wildest dreams of its three Colombian founders. So far it has disrupted the region's delivery and fintech sectors, and more is on the horizon.

The company has built a rising empire by taking supply chain efficiency and business diversification to new levels. Through its subsidiary Rappi Turbo, rolled out for stores in 2021 and restaurants in 2023, customers can order groceries or meals and expect them delivered within 10 minutes — an almost incomprehensible accomplishment in cities like Bogotá that have some of the worst traffic in the world. To make this possible, Rappi partners with hundreds

Venezuelan nationals
make deliveries
for Rappi in Bogotá
in this file photo.





Luz Miryam Figue, a motorcycle courier and president of Colombia's Digital Platform Workers Union (Unidapp), picks up an order at a restaurant in Bogotá.

of businesses, but has also pursued intensive vertical integration. Using algorithms to predict demand and manage performance, it has rolled out its own robust networks of warehouses, cooking stations and personalized delivery for workplaces and households.

Although much of the global quick-delivery industry is struggling to find ways to grow — services like Gopuff and Gorilla in the U.S. and Getir in Europe are facing challenges — Rappi is preparing to sell part of its shares to international investors over the coming year. The IPO, expected to take place in the U.S., aims to reinforce the sense that Rappi is just getting started.

Rappi has invested in AI to find new ways to streamline consumption and has embraced fintech. It has delivered credit cards to over 200,000 Colombians and savings accounts to over 300,000, offering the country's highest interest rate of 14%. Beyond Colombia, the company provides financial services in

Mexico, Brazil, Peru and Chile. Thanks to aggressive partnership campaigns, customers can use Rappi for everything from ordering medicines to online gambling and booking travel, and the list is growing.

Even as Latin American and Caribbean countries endure low growth, major progress on financial inclusion and the penetration of smartphone technology have facilitated Rappi's exponential growth. In 2017, just 54% of the region's population had a bank account. Today, the number is around 74%. From 2014 to 2021, mobile internet access exploded from 230 million to 400 million people. This has resulted in a surge of platform-based work in the region that promises to upend labor relations. "In Latin America, we've already seen similar models of digital platforms start to disrupt other sectors from beauty to health care to education," said Óscar Maldonado, a professor at Rosario University in Co-

lombia and co-author of Fairwork reports on digital platform labor relations. “What is happening with digital delivery workers and drivers is just a precursor to something much bigger.”

Beyond fundamentals

RAPPI'S THREE FOUNDERS, Sebastián Mejía, Simón Borrero and Felipe Villamarín, worked in software development in the early 2010s and developed Grability, a grocery shopping app that grew quickly in Latin America, Asia and Europe. They then leaped into the task of building an app to bridge shopping and delivery. A big break came in 2017 when Y Combinator — a U.S. VC firm focused on early-stage startups that has backed Airbnb, Twitch and Instacart — made Rappi the first Latin American company to receive its support.

Soon enough, Rappi embraced the move-fast-and-break-things ethos of Silicon Valley. By pushing boundaries, the company attracted fines for illegal promotions; investigations for withholding refunds and allowing minors to buy alcohol; and a long list of labor disputes from workers. But it also grew rapidly by focusing on algorithmic development.

In 2019, it received \$1 billion from SoftBank, the largest tech investment for any Latin American company and the first from SoftBank's “Innovation Fund.” The same year, it launched digital banking system RappiPay, setting itself up for major growth just before COVID-19 supercharged the delivery sector. By June 2020, capitalizing on the pandemic reality, the company announced a major expansion: a music streaming service, 150 mobile games, and a live events capability to sell virtual tickets to concerts and other shows.

But COVID-19 also brought challenges. Rappi received waves of bad press for becoming overwhelmed during Colombia's Mother's Day in 2020 and failing to deliver meals and gifts, inviting competition. Rappi proved resilient, in large part due to its diversification. It was ready to operate at a loss to win delivery market share, but also bought up

COMPANY PROFILE

RAPPI

FOUNDED: 2015 in Bogotá, Colombia

FOUNDERS:



Simón Borrero
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\$5.25 billion

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REACHED UNICORN STATUS
(a valuation of at least \$1 billion)
2018

REACHED BREAK-EVEN FINANCIALS: 2023

2023 NET REVENUE:
\$800 million

OPERATING IN:
400+ cities
in Colombia, Mexico, Argentina, Chile,
Uruguay, Peru, Brazil, Costa Rica, Ecuador

35 million active users

150 million app downloads

125k+ restaurant partnerships

MOST PROFITABLE MARKET: Mexico

EMPLOYEES

Direct employees

5,200

Active delivery workers

350,000

NEXT MOVES

A planned U.S. IPO and expansion
in Central America

SOURCES: VALUATION, CFO HIRING, BREAK-EVEN: BLOOMBERG (2024); NET INCOME: FORBES (2024); MOST PROFITABLE MARKET: EL UNIVERSAL (2024); CITIES, USERS, DOWNLOADS, PARTNERSHIPS, EMPLOYEES, DELIVERY WORKERS: RAPPI (2024); NEXT MOVES: LA TERCERA (2024).



Workers make Rappi Turbo paper bags at the Ditar manufacturing facility in Barranquilla, Colombia, in September.

Tens of thousands descend on the Petronio Álvarez Festival's main stage to see major acts and a four-category battle of the bands. They bounce for hours to the Pacific coast's infectious rhythms, waving traditional kerchiefs in the air. The festival attracts fans of all ages and is growing rapidly.



PHOTO ESSAY

AFRO-COLOMBIAN MUSIC'S GLOBAL PARTY

The five-day Petronio Álvarez Festival in Cali, which organizers call “the largest African diaspora cultural event in Latin America,” draws massive crowds — and the world’s attention.

PHOTOGRAPHS BY JESSE PRATT LÓPEZ
REPORTING BY TIMOTHY PRATT



The festival's main entrance greets visitors with an arch representing the Pacific coast's nature and culture. The festival also features halls with dozens of local food, drink and craft vendors (below right). All vendors are chosen by a jury and pay no fee to participate.





In recent decades, more than 600,000 Afro-Colombians have migrated to Cali, some of them fleeing the country's internal armed conflict and drug war. The city is now home to Latin America's second-largest Black population after Salvador, in Bahía, Brazil — and one of the hemisphere's most vibrant musical scenes.

Every year, the Petronio Álvarez Festival takes to the streets to celebrate Afro-Colombian traditions. The gathering, which marked its 28th anniversary in August, is named after a Colombian musician who immortalized life and customs in Valle del Cauca through his music. It is a raucous, free five-day event that revels in rhythms like brass-band *chirimía* and *currulao*, the only Black music featuring marimba in the Americas, as well as new fusions of rap and pop.

The festival takes place in a city still healing from the COVID-19 pandemic and its social wounds. In 2021, when the government pushed an unpopular tax reform during the height of the pandemic, Cali and Bogotá, Colombia's capital, became the main poles of national protests amid growing public discontent. That year, Amnesty International labeled Cali the "epicenter of repression" as over 2,000 protestors were detained, hundreds were injured, and more than 40 were killed, according to two independent monitoring groups. The deaths are now memorialized on a vast mural stretching across La Quinta, one of the city's main thoroughfares. The protestors' faces fill huge letters spelling *Memoria Viva* ("Living Memory").

In August, the event drew an estimated half-million people to Cali. Even Prince Harry and Meghan Markle — speaking in Spanish — took the stage with the nation's first Afro-Colombian vice president, Francia Márquez, to join the celebration.







The 2024 Petronio Álvarez Festival opened with an ensemble of aging marimba and percussion maestros from Colombia's Pacific coast playing alongside young relatives, a sort of Colombian version of Cuba's Buena Vista Social Club. Hugo Candelario, left, played the festival's first year, 1997, with his band Grupo Bahía.

The night's oldest marimba maestro, 87-year-old Genaro Torres, above, rehearses before taking the stage. Candelario said the lack of music schools and other resources on Colombia's Pacific coast creates the "danger that ancestral magic and wisdom will go to the grave" with older marimba players like Torres.



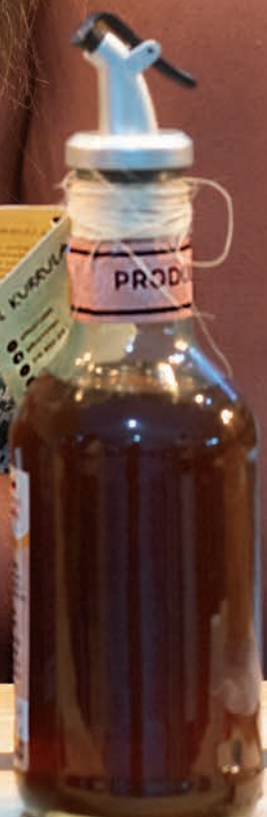


Duchess Meghan Markle and Prince Harry join Colombian Vice President Francia Márquez and her husband, Yerney Pinillo, on stage. Márquez, a longtime rights activist and winner of the prestigious Goldman Environmental Prize, invited Harry and Meghan to Colombia and hosted their visit. "It's quite important that the Duke and Duchess came here," Cali Mayor Alejandro Eder said, citing Colombia's reputation for crime. "We need the world to start looking at us in a different way."

PHOTO BY ERIC CHARBONNEAU/ARCHEWELL FOUNDATION/GETTY

Viche, a traditional sugarcane liquor, was considered an illegal moonshine for hundreds of years until a 2021 federal law legalized it as part of Colombia's cultural heritage. The law was intended to ensure that the production, distribution, and marketing of *viche* stayed in Afro-Colombian communities, but disputes have already arisen over white entrepreneurs buying and marketing the drink under their own labels.





Colombia's Pacific coast, about as long as California's, is home to many musical genres and other cultural expressions. These women wear T-shirts announcing their home city of Quibdó, capital of Chocó, a department known for brass-heavy *chirimía* music.







El valle Azucarero
necesitó de la Sangre
Negra... y hoy necesita
paZ con Justicia
social

64



A mural depicts the coastal region's sugarcane industry and its roots in slavery. "The sugar-growing valley needed Black blood ... and now it needs peace and social justice," it reads. The mass protests of 2021 and the election of Márquez in 2022 have helped create an environment where Black pride is more openly expressed. Two festival attendees, above, wear T-shirts saying "I am Afro-Colombian" at one of the many smaller concerts held throughout Cali.





Beyond music, the 2024 festival featured 59 stands selling local seafood and other specialties and 43 stands dedicated to *viche*. Vendors have reported making \$10,000 or more in sales during the festival, a windfall in a country where the monthly minimum wage is around \$300.





After-hours shows can be found throughout Cali during the festival, immersing the city in Pacific coast rhythms. This show, called "Petronio Power," took place in a cavernous club and lasted into the early morning hours. It featured Alexis Play, an artist from Quibdó who fuses traditional brass *chirimía* with electric guitar and rap. A projected image outside the venue, above, advertises the show.







Nidia Góngora is one of the few musicians from the Pacific coast widely perceived to have “made it,” having recorded albums with European artists that have been streamed extensively on Spotify. She maintains firm contact with her roots, performing in last August’s festival with a group of older women in an homage to her mother, Olivia Bonilla Ángulo, who died in early 2024. Olivia’s portrait hangs in Góngora’s seafood restaurant in Cali, called Viche Positivo. She also founded a music school to pass down the region’s rhythms to new generations of performers.



Jesse Pratt López is a freelance photographer born in Cali, Colombia, and based in Atlanta, Georgia. Her work has appeared in *The Guardian*, *The New York Times*, *Vogue* and other publications.

Timothy Pratt is a bilingual journalist whose work has been published in *The New York Times*, *Esquire* and *The Atlantic*, as well as Colombia’s *El Tiempo* and *El Espectador*, among other outlets.

The Bolivia-Brazil Bridge Running 121 Years Behind Schedule

Promised in a 1903 treaty, the Mamoré International Bridge is set to finally take shape — on a continent increasingly geared toward trade with Asia.

by *Luiza Franco*

Foreground: Bolivian and Brazilian diplomats who negotiated the sale of the state of Acre.

Background: A reproduction of the Treaty of Petrópolis, which sealed that deal.



TRATADO

ENTRE O

BRAZIL E A BOLIVIA

CONCLUIDO EM

Petropolis aos 17 de novembro de 1903



ARTICULO II

La transferencia de territorios resultante de la limitación de-
toría en el artículo anterior, comprende todos los derechos que les
son inherentes y la responsabilidad derivada de la obligación de
mantener y respetar los derechos reales adquiridos por nacionales
y extranjeros, según los principios del derecho civil.

Feito na cidade de Petropolis, aos dezesseis dias do mez de no-
vembro de mil novecentos e tres.

ARTIGO IX

Qu' desaccórdios que possam sobrevir entre os dois Governos
quanto á interpretação e execução do presente Tratado, serão sab-
mettidos á Arbitragem.

ARTIGO X

Este Tratado, depois de approvado pelo Poder Legislativo de
cada uma das duas Repúblicas, será ratificado pelos respectivos Go-
vernos e os ratificações serão trocadas na cidade do Rio de Janeiro
na mais breve prazo possível.

Em fé do que nós, os Plenipotenciarios acima nomeados, assi-
namos e presen-te tratado, em dois exemplares, cada um nas linguas
portuguesa e castelhana, apponndo nelles os nossos sellos.

(L. S.) RIO-BRANCO.

(L. S.) J. F. DE AGUIAR BRASILEIRO.

(L. S.) BARRAGAN.

ARTICULO I

La frontera entre la República de los Estados Unidos de
Bolivia quedará así establecida:
1.ª Partiendo de la latitud Sud de 29. 03'. 35", frente
al Rio de la Bahía Negra, en el Rio Paraguay, subirá por
un punto en la margen derecha distante nueve kil-
ómetros de la roca del fuerte de Coimbra, esto es, aproximada-
mente 28. 05' de latitud y 14. 29. 14' de longitud Oeste del C.
de Rio de Janeiro (57. 47'. 40" Oeste de Greenwich),
de la frontera levantado por la Comisión Mixta de Lí-
mites, y continuará desde ese punto, en la margen derecha
por una línea geodésica que irá a encontrar otro punto
en el paralelo de latitud 27' Norte de

ARTICULO IX

Los desacuerdos que puedan sobrevenir entre los dos Go-
biernos a la interpretación y ejecución del presente Tratado
someteránse á Arbitraje.

ARTICULO X

Este Tratado despues de aprobado por el Poder Legisla-
tivo de cada una de las dos Repúblicas, será ratificado por las res-
pectivas Gobiernos y las ratificaciones serán trocadas en la ciudad de
Janeiro, en el mas breve plazo posible.

En fé de lo cual los otros Plenipotenciarios arriba nom-
brados firmamos el presente Tratado, en dos ejemplares, cada uno
en las lenguas portuguesa y castelhana, y los poseerán
respectivos sellos.

Hecho en la ciudad de Petropolis, a los diez y siete
dias de Noviembre de mil novecientos tres.

(L. S.) RIO-BRANCO.

(L. S.) J. F. DE AGUIAR BRASILEIRO.

IN SOME TOWNS ON the border between Brazil and Bolivia there's a slight feeling of bitterness among Bolivians towards their Brazilian neighbors. An old debt is due.

Latin Americans are eager to see more regional integration — 70% of them are in favor of that. But although Brazil borders every country in South America except for two (Ecuador and Chile), it has often struggled to truly engage with them — perhaps because of linguistic differences, or the fact that the borders themselves, often located in the Amazon, make greater connectivity more difficult.

In light of those difficulties, it's relevant that Brazil seems poised to deliver on a very old project: the construction of a new bridge between Guajará-Mirim (Brazil) and Guayaramerín (Bolivia), expected to be completed in 2027 at an estimated cost of \$70 million.

The question is: Why now? The Mamoré International Bridge was supposed to be built 121 years ago, as part of a deal between Brazil and Bolivia in which the latter agreed to give up part of its territory. Never completed, today the bridge may finally become reality, but for a very different reason: It is part of a wider plan to develop infrastructure that would open paths for Brazilian commodities to the Pacific Ocean.

“We are beginning a new era in Brazil-Bolivia relations,” Brazilian President Luiz Inácio Lula da Silva said during a visit to Bolivia in July. “We are convinced that integration is no longer just rhetoric for election campaign speeches. Integration is a necessity for the survival of South American countries.”

The history of the project helps illustrate why regional integration in South America, while frequently presented as a lofty political goal, has proved so difficult over time.

And its present iteration suggests the extent to which Latin American leaders see integration as a way of connecting not only with each other, but with Asia.



The bridge will connect the towns of Guajará-Mirim (Brazil) and Guayaramerín (Bolivia).

A sour deal

IN THE FIRST YEARS of the 20th century the northwestern Amazon region of Brazil, where the state of Acre is now, belonged to Bolivia — but around 100,000 Brazilians lived in the area. Particularly rich in rubber trees, for years it attracted Brazilian rubber tappers eager to exploit its natural wealth.

Bolivian maps described that part of the Amazon as *tierras non descubiertas* — undiscovered lands. But as European and North American demand for rubber grew, Bolivia started to stake its claim.

In 1899, the Bolivian government set up a customs office in Puerto Alonso, which today is called Porto Acre, and entered a deal with the U.S.-based consortium Bolivian Syndicate, giving them the right to produce and export rubber, collect taxes and act as a police force. It was a way the Bolivians found to gain back control of the territory.

The Brazilian residents were furious. Armed rubber tappers expelled the Bolivian Army in the Acrean Revolution (1902–03), and twice tried to set up an



Above: A group of Bolivian and Brazilian men photographed during a Brazil-led expedition to determine the frontier lines between the two countries, in 1901.

Left: Workers building the Madeira-Mamoré Railway, sometime between 1907 and 1912.

When Lula came back into office, he began implementing a project to connect the continent's countries to both the Atlantic and Pacific Oceans.

independent republic.

Things had gotten out of hand. Brazil's republic, only 14 years old at the time, had to that point not challenged Bolivia's official claim of the territory of Acre. Faced with rebellious citizens, it decided to defend a negotiated solution in which Acre would be incorporated into Brazilian maps.

Brazilian and Bolivian diplomats met in Petrópolis, in the state of Rio de Janeiro, to talk it through, and the Treaty of Petrópolis was signed on November 17, 1903. Per the agreement, Brazil annexed the Acre region — it is no coincidence that the state's capital, Rio Branco, is named after the Brazilian diplomat who led the negotiations, José Maria da Silva Paranhos do Rio Branco. So as not to sour relations with Bolivia, in exchange, Brazil would grant their neighbors land in the Paraguay River Basin, 2 million British pounds and the commitment to build a railway cutting across the Amazon to facilitate Bolivian access to the Atlantic Ocean. A bridge would complement the project.

Despite huge financial and human costs (construction of the railroad cost an estimated 6,000 lives), the railway was eventually completed in 1912.

But the Treaty of Petrópolis has aged bitterly for Bolivians. With the end of the rubber boom, the railway's relevance diminished and it was abandoned in 1972 — along with much of Brazil's railway network, which was dropped in favor of highways. The bridge was never built.

“From Bolivia's perspective, it had lost a resource-rich territory, Acre, an important source of rubber at a time of high global demand. The goal of the railway, to give Bolivia the right of free transit, although partially realized, was limited over time. All of this reinforced the sense that Bolivia had lost a valuable opportunity for economic development, as

the ceded territory to Brazil progressed at a faster rate than Bolivia's Amazon region,” said Regiane Bressan, associate professor in the International Relations Program at the Federal University of São Paulo — Unifesp.

The memory of the deal is still fresh in the minds of those who live in border towns in the rubber-producing region of the Amazon. “The bridge today is seen as Brazil finally honoring its debt to Bolivians. This is something you hear in everyday conversation with regular people in the streets,” said Marta Cerqueira Melo, an expert on Latin American political economy and integration who has spent the past few years developing her PhD thesis in that very frontier region.

Picking a project back up from the shelf

THE BRIDGE PROJECT WAS left in limbo for decades, despite repeated attempts by the Bolivian government to revive it. In 2007, under Lula in Brazil and Evo Morales in Bolivia, who were ideologically aligned, Brazil agreed to pay for the bridge.

Between 2020 and 2023, the current Bolivian government wrote to then-Brazilian president, conservative Jair Bolsonaro, monthly to try to push construction forward. Although the idea of building infrastructure in the Amazon was in line with Bolsonaro's project for economic development, nothing was done, perhaps due to the leftist nature of Bolivia's government — the success of regional integration in Latin America, it is often said, depends on ideological alignment between governments.

When Lula came back into office for a third term in 2022, he began implementing the South American Integration Routes project, which aims to con-



Guyana's Promise Is Still a Work in Progress

As President Ali seeks a second term, the government is resorting to cash transfers and free college tuition ahead of November's general elections.

by José Enrique Arriola

GUYANA CONTINUES TO SURPRISE. When we published our broad overview of the nation a year ago, its economy was expected to grow 21% in 2024. However, as total crude oil output exceeded expectations, the nation's gross domestic product likely rose 44% last year, according to the most recent projections from the IMF. With the start of its oil boom in 2019, Guyana's remarkable sequence of 19 years of uninterrupted expansion took on new proportions.

Once one of the poorest countries in the Western Hemisphere, Guyana is cementing its status as

a rising regional star. Using proceeds from its oil wealth, President Irfaan Ali announced in October a one-off cash transfer of \$1,000 for every household and reinstated free college tuition. Completing the large-scale fiscal stimulus, the government promised to raise the monthly minimum wage from \$350 to \$500 starting in 2025 and cut onerous electricity bills by half. According to the government, the measures seek to tackle the rising cost of living, but one fact is inescapable: Guyana holds general elections in November, and Ali's People's Progressive Party/Civic (PPP/C) is trying not only to get him reelected,



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Legendary Brazilian musician Chico Buarque performs in Lisbon in 2023 (Music, p. 95).

Books 88

Patricio Navia reviews *Why Presidents Fail: Political Parties and Government Survival in Latin America* by Christopher Martínez

Andrea Moncada reviews *Bad hombre* by Pola Oloixarac

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Ena Alvarado reviews *Zafari*
by director Mariana Rondón

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Sebastián Zubieta surveys the storied career and recent releases of Brazilian legend Chico Buarque

Visual Arts 96

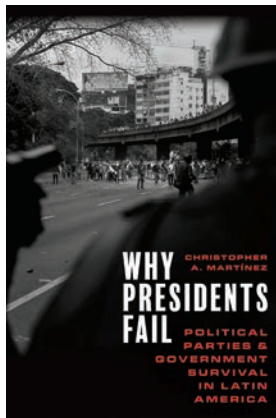
Cristóbal Scitutto Rodríguez on an exhibition of works
by Stefania Bril at Instituto Moreira Salles (IMS)

Books

Nonfiction

A new book casts light on the role of strong political parties in helping Latin American presidents survive political crises.

Reviewed by Patricio Navia



***Why Presidents Fail:
Political Parties and
Government Survival
in Latin America***

By Christopher Martínez
Stanford University Press
Hardcover
324 pages

IN DECEMBER 2017, a year and a half into his five-year term, Peruvian President Pedro Pablo Kuczynski (PPK) reversed a campaign pledge and issued a pardon for controversial former President Alberto Fujimori. The move was meant to bargain with parties in Congress that supported Fujimori, but proved so unpopular that PPK was soon forced out of the presidency, becoming one of more than 20 presidents across Latin America who have not finished their terms since the 1980s. What's behind this trend?

In *Why Presidents Fail: Political Parties and Government Survival in Latin America*, Christopher Martínez combines rigorous quantitative analysis with detailed case studies for seven countries in South America to account for why some presidents are forced out of office before the end of their terms. Using data for countries since the early 1980s (or after the third wave of democratization), Martínez suggests that the resilience of party systems is a key factor in determining why some presidents are able to survive political crises — the weaker the party system, the harder it is for presidents to successfully navigate major problems.

For specialists, Martínez's argument is not novel. As Martínez himself discusses in the introductory chapter of the book, the importance of political parties for a well-functioning democracy has been known for decades. Similarly, party system institutionalization — a concept that attempts to measure the stability in the party system, the roots of political parties in society, and the ability of parties to successfully represent the different interests and views prevalent among the electorate — has been central to the study of democratic stability for decades.

Prior works on Latin American presidential democracies have noted the importance of a strong and stable party system for the development of competitive democracies in the mid-20th century and for the consolidation of democratic governments after authoritarian rule in the later part of the century. Scholars who studied democratic consolidation underlined the importance of a stable, competitive and institution-



Former Peruvian President Pedro Pablo Kuczynski outside the presidential palace in Lima after announcing his resignation in 2018. Kuczynski was one of seven presidents of Peru over six years between 2016 and 2022.

alized party system for democracy to thrive. Others who looked into why some democracies have experienced backsliding or full reversal noted the weakened party system as a key factor.

But Martínez contributes to the debate on the reasons why presidents fail by providing detailed and carefully crafted statistical analysis for 18 Latin American countries from 1980–2020 and analyzing the experiences of seven countries with different levels of party system institutionalization (from low to high: Peru, Ecuador, Paraguay, Bolivia, Brazil, Argentina and Chile).

Martínez’s book is thought-provoking, showing that while more popular presidents usually do better, having a fragmented party system or little support in the legislature makes them more likely to struggle. But some questions remained unaddressed. Since Martínez does not discuss the breakdown of democracies in the 1960s and 1970s in some of these countries, he does not address the question of why seemingly institutionalized party systems failed to prevent the fall of democratically elected presidents. Chile, Argentina, Brazil and Uruguay experienced full democratic breakdowns — far worse than cases when presidents are removed before their term ends. But strong party system institutionalization did not prevent the breakdown of democracy in the past and might not be a strong enough safeguard to prevent democratic backsliding, as the case of Venezu-

ela showed in the 1990s and the case of El Salvador clearly shows today.

Martínez’s rich discussion of Paraguay exemplifies how the study of parties requires looking at the party system level and at the individual party level. While most outside observers know that the Partido Colorado has been dominant for decades in Paraguay, most people are unaware that there is plenty of competition within the Colorado Party between the two dominant and established factions, Honor Colorado and Fuerza Republicana. When one party becomes so dominant, there is often strong competition among factions within the party.

Party systems often change — aligning, dealigning, realigning. Individual parties emerge, decay and vanish. If an emerging party replaces old parties, the party system might survive and remain institutionalized even if the number and labels of the political parties change. For example, while in Chile the once-dominant Christian Democratic Party is no longer a major player in national politics, the country continues to have a strong level of party institutionalization. Party system institutionalization might or might not require strong partisanship — the academic jury is still out on whether a country where few people identify with political parties can still be labeled as having a highly institutionalized party system.

Those who wonder why some presidents fall in the midst of political crises and others survive and are

able to complete their terms will find, in Martínez’s book, a compelling argument in favor of having democracies with a strong party system and with individual parties that have strong roots in society. Martínez joins an accomplished group of scholars that have studied the party system and illuminated readers about the importance of having stable, strong and reliable political parties.

But the book — like most of the previous major books on this subject — does not take on the very important question of why some countries have high levels of party institutionalization and others do not,

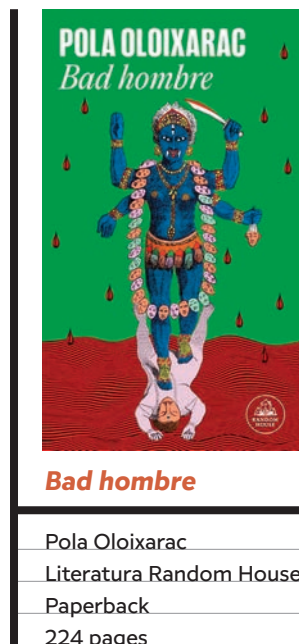
or why many countries are seeing partisanship decline and parties evolve into personalist electoral vehicles for populist leaders. Answering that question is a tall order for a discipline that often has more answers than questions. By highlighting the importance of party system institutionalization for democracy, Martínez’s book reminds us that those countries that have an institutionalized party system should work hard to preserve it. A strong party system is the best defense system for the survival of democracy. **MQ**

Navia is professor of liberal studies at NYU

Fiction

An Argentine novelist’s provocative critique of contemporary feminism leaves out the broader social picture.

Reviewed by **Andrea Moncada**



IN HER LATEST BOOK, which levels a critique against “progressive feminism,” Argentine novelist Pola Oloixarac recounts an episode of brutal gender violence that took place in her own family. Her great-aunt Ana was beaten to death at her doorstep by her boyfriend, in front of her neighbors, in Lima in 1956.

Stories like this one remain common in Latin America — and have galvanized feminist movements to take to the streets. Oloixarac acknowledges the severity of gender violence in Latin America, but in *Bad hombre*, a “work of fiction about real events,” her attention is mostly directed at a different phenomenon: the reckoning over sexual harassment and assault that spread through workplaces and social circles across the globe in the wake of the #MeToo movement in the U.S. In doing so, Oloixarac makes the provocative allegation that elite women exploit feminism to serve their own personal interests. “Is it fair,” she writes, “to use Ana’s suffering and those of so many murdered women as a virtuous alibi that conceals personal revenge?”

Between 2016 and 2018, Oloixarac says she was approached by women who wanted to punish certain men by accusing them of sexual misconduct, inviting the author to join them in their cause; their stories form the basis of the book. In Oloixarac’s telling, the men had perhaps been careless in their behavior, but none of them had committed any crime. The women knew that by declaring they were victims of violence, they could cast a shadow on these

men that others would not question, out of fear of being punished themselves for not upholding a mandate in their social circles: to believe women.

In short, these men were “canceled,” not out of authentic concern for women’s rights, but for the personal gain of the accusers. This is the central thesis of *Bad hombre*: Elites weaponize their own language to “purge what no longer serves them,” writes Oloixarac. In some of the stories she narrates, women are treated badly, but others are about “cancellations” driven entirely by professional envy.

There’s Laurent, a university professor in France who, shortly after having an online affair with a woman he never actually meets, is anonymously accused of sexual misconduct and loses his job, just as he was coming up for tenure. David, a successful and charming Colombian writer in the U.S., is ostracized by his literary friends and colleagues after one of them spreads the word that he raped a former girlfriend, despite the girlfriend in question insisting that no rape took place.

Bad hombre is mainly an exploration of “elite capture,” the phenomenon coined by the philosopher Olufemi O. Taiwo. Taiwo argues that legitimate grievances such as sexism and racism are exploited by those in power to serve their own narrow interests — like getting rid of rivals. It’s telling that Oloix-

arac’s protagonists are all academics, writers and journalists: These are influential people. The stories she tells are quite familiar in these circles in Latin America, which makes *Bad hombre* a very engrossing read. Ask a Peruvian writer, a Uruguayan journalist, a Brazilian academic — they most likely have witnessed similar cases in recent years.

But where Oloixarac falls short is in failing to offer a broader commentary on the very persistent and troubling phenomenon of sexual violence in Latin America. Significant awareness has been raised in the last decade by feminist movements like #NiUnaMenos, which took off first in Argentina in 2015 and then spread to other countries. But women still die every day, mostly at the hands of the men in their lives. In 2022, according to the UN, at least 4,050 women were victims of femicide in the 26 countries that make up the region.

It’s not difficult to find examples that suggest political correctness has gotten out of hand in the elite worlds of literature and academia. However, *Bad hombre* runs the risk of trivializing, or worse, delegitimizing the importance of what Oloixarac wants to prevent in the first place: women’s suffering. [AQ](#)

Moncada is a Latin America and Caribbean research analyst at the Economist Intelligence Unit

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352 pages

The Eternal Dice: Selected Poems
César Vallejo
Translated by Margaret Jull Costa
March 2025
New Directions
144 pages

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Knopf
656 pages

Reminiscences of the Cuban Revolutionary War
Che Guevara
March 2025
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320 pages

Film

Drama

The sad, real-life fate of a neglected hippo in a declining Venezuela inspires a film about the breakdown of norms amid social collapse.

Reviewed by Ena Alvarado

TEN YEARS AGO, A 30-year-old hippo died in Caracas after eating two rubber balls, presumably left behind by visitors of the zoo in which he lived. His name was Safari. News of his death spread along with denunciations of the zookeepers' neglect. Safari was malnourished, and when his stomach began to swell — an alarming sign of his fatal meal — no one did anything to help him.

It's no coincidence, of course, that this tragedy took place around the same time that Venezuela began to fall apart in earnest. Hyperinflation, food shortages and blackouts are only a few of the afflictions that spurred an exodus that now totals nearly 8 million. Loosely inspired by the sad story of Safari, Venezuelan filmmaker Mariana Rondón tells a different tale about a hippopotamus stuck in an unnamed society on the verge of collapse. In her newest film, *Zafari*, the titular animal unites seemingly irreconcilable strangers and pushes them to reassess their moral limits, exposing the frailty of social class and societal mores in the face of extreme hardship.

Zafari begins in a world of stark social divisions. The quiet and stern Ana lives in a well-appointed apartment with her husband, Edgar, and their teenage son, Bruno. Yet much to their chagrin, the uncouth Romeros move into the zoo next door to take care of the animals, *Zafari* included. The newcomers quickly develop a scheme to use their wealthy neighbors' pool. Once successful, they play reggaeton and dance lewdly for others to watch. Meanwhile, Ana and Edgar's attempts to strictly separate the two families fail spectacularly.

Over time, distinctions between rich and poor come to feel more and more tenuous, as everyone is forced to mingle with — and sometimes even rely on — each other. After all, they live in a country with no reliable access to food, water, or power. Ana, for instance, initially spends her days sneaking into her building's empty apartments and stealing whatever goods she can find, because her money has lit-



Zafari

Directed by Mariana Rondón

Screenplay by Mariana Rondón and Marité Ugas

Distributed by Feelsales

Peru, Mexico, Venezuela, France, Chile, Dominican Republic and Brazil

Starring Daniela Ramírez, Francisco Denis, Samantha Castillo, and Alí Rondón



Zafari, a zoo's hippo, is caught up in the collapse of human society in the eponymous film by Mariana Rondón.

tle purchasing power in a society racked with perennial shortages. With the Romeros around, the possibility of bartering and profiting from the zoo's resources happily materializes.

During moments of high-pitched necessity, the movie suggests, class divisions break down. Everybody faces the same predicament, and cooperation helps people survive. For all that, Rondón's *Zafari* becomes thought-provoking when it takes this premise one step further. The movie's Zafari, unlike the real-life Safari, does not die from rubber food poisoning. He is instead murdered by Edgar and his lower-class neighbor, Ali. They kill to eat. An act of cruelty that would otherwise never be committed becomes necessary and accepted. Norms — including who deserves death and what counts as legitimate food — suddenly appear less fixed and innate.

History offers numerous examples of people resorting to similarly desperate acts to survive.

During the 1870 siege of Paris, the French killed and ate rats, dogs, cats, and even elephants. Perhaps appropriately, a sense of universality is borne out by the film's setting, which features no distinctive landmarks. We know the characters must live in Latin America, but beyond that, they could be anywhere. In a recent interview, Rondón admitted, "I'm not just referring to Venezuela, I'm talking about the Peru of the 1980s, about the Argentina of the future, about (Jair) Bolsonaro's Brazil."

The impulse to transcend place and time gives *Zafari* a fable-like quality. With the specifics of Venezuela's current dilemma stripped off, we are left with animals looking to fill their bellies. Their wolfish exploits remind us of the grounds on which our righteous ways of life stand — and just how fragile they are. **AQ**

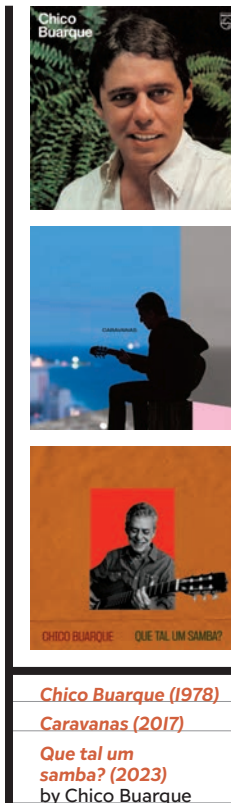
Alvarado is a writer and former assistant editor at *The Atlantic*

Music

Artist Spotlight

AQ's music columnist makes the case for why storied Brazilian musician Chico Buarque deserves the Nobel Prize in Literature.

by **Sebastián Zubieta**



IF THE SWEDISH ACADEMY again feels the desire to recognize literary work outside the traditional bounds (having given the Nobel Prize in Literature to U.S. singer Bob Dylan in 2016), I strongly recommend they consider Brazilian superstar songwriter, poet, and novelist Chico Buarque.

Buarque, who recently turned 80, is one of the founding fathers of MPB (Música Popular Brasileira), which took the country’s popular music to new dimensions in a kaleidoscopic explosion starting in the late 1960s. Francisco “Chico” Buarque de Hollanda was born in 1944 in Rio and, as was the case for artists of his generation, began his career against the backdrop of Brazil’s 20-year military dictatorship, which started in 1964 and became more authoritarian by the end of the decade.

After breaking into the mainstream musical scene in 1966 and quickly becoming “the only national unanimity,” in the words of journalist Millôr Fernandes, Buarque spent 1968–69 in exile. He returned to Brazil in 1970, facing ever-increasing censorship that forced artists to find ways to express their opposition to the regime and its oppressive social policies while still sharing their songs with the public and staying out of jail — or worse.

A pair of songs on the 1978 album *Chico Buarque* offer contrasting examples of his poetic-political *jogo de cintura* — a Brazilian football metaphor for brilliant solutions to a difficult situation, in this case the dangers of an artistic career in authoritarian environments. Early in the album, “Cálice” is a bleak protest song, starting with the title. “Cálice” means “chalice,” but the word also sounds exactly like *cale-se*, which means “Shut up!” so that every time the guest vocal ensemble shouts the word as a response to the singer, they are ordering him to stop, recreating the act of censorship. The refrain paraphrases Matthew 26:29, with the singer, speaking in Christ’s voice, asking the Father to spare him the cup of bloody wine of his Passion. In the final lines, the singer wants to “get drunk into oblivion on diesel fumes,” a reference to a torture technique deployed by the government. He wishes to let out an “inhuman scream” that will nonetheless be a way of being heard, suggesting that life is perhaps not a foregone conclusion.



Visual Arts

Museum Exhibition

Photographs from 1970s São Paulo depict acts of tender resistance in a city undergoing disruptive modernization.

by Cristóbal Sciutto Rodríguez

AT FIRST GLANCE, Stefania Bril's photographs of São Paulo impart a gritty social realism, just barely blunted by witty humor. But in one central image in a retrospective of her work currently on view at the city's branch of Instituto Moreira Salles (IMS), what comes through above all else is tenderness.

"Boy reading comics in a supermarket cart" shows an empty street in the wealthy Jardins neighborhood, closed off by the concrete walls of private residences. A boy lies with his body extended from the sidewalk to the inside of a shopping cart tipped on its back, handle lodged where curb and asphalt meet. Loitering in an improvised chaise longue, his body cuts across the vertical strips of the composition (sidewalk, verge, street), a tender dissident making the city his own.

Stefania Bril was born in Poland in 1922 to a Jewish family that survived the Holocaust with help from a resistance organization and falsified identities. She moved to Brazil in 1950, working in biochemistry labs until a course at the independent school Enfoco moved her to dedicate herself entirely to photography. *Desobediência pelo afeto* collects 160 images from IMS' archive of Bril's work, alongside her criticism and activity in the city's cultural scene. Almost erased from the art world since her death in 1992, an institutional effort is now being made to recover her critical eye for urban life.

Stefania Bril's "Boy reading comics in a supermarket cart" (1973) displays her critical eye for urban life.



"Moleza" (1971) contrasts a billboard, claiming how easy it is to invest with a bank, with an improvised kitchen in the street below.

Early street photography, as pioneered by the Magnum agency, was geared towards the exceptional — war, crime, and spectacle. Instead, Brill focused on daily life: a Black mother in headwrap leading her children through a parking lot, one of them defying her lead; shoeshine boys stealing a few minutes of sleep on a downtown sidewalk. In her criticism, Brill argued that a female photographer can “dive with more drive and passion into the world of ‘minorities,’ identifying herself with them — the world of children, women, the rejected, and the elderly.” She defused these images with humor that often came in juxtapositions of words and actions. In

one photo, under a sign that says, “Don’t step on the grass,” a suited man sleeps face down, only his feet sticking out past the perimeter of greenery.

But if Brill is a chronicler of the everyday, she also records a bigger picture: a São Paulo caught in a violent growth spurt, overseen by the country’s military dictatorship amid the promise of an “economic miracle.” Her photograph of giant walls of “lettuce crates” at the State Center for Food Supply (CEASA), founded in 1969, symbolizes the infrastructure developed for São Paulo: monumental, homogeneous and precarious. Brill’s singular images are found at the seams in which the everyday and the struc-

LATIN AMERICA AT A GLANCE

While Latin America and the Caribbean's labor force participation rate has recovered since the pandemic, it is below 2019 levels and major gender gaps remain. According to ECLAC, the regional labor force participation rate for men in 2023 (74.8%) was 23.3 percentage points higher than that of women.



GDP GROWTH

	ARGENTINA	BRAZIL	CHILE	COLOMBIA	DOMINICAN REPUBLIC	ECUADOR	GUATEMALA	MEXICO	PERU	VENEZUELA
2024 (projected)	-3.5%	3.2%	2.3%	1.8%	5.1%	0.3%	3.5%	1.5%	3.0%	4.8%
2025 (projected)	4.0%	2.0%	2.2%	2.5%	5.0%	1.7%	3.5%	1.1%	2.9%	3.5%
2026 (projected)	3.5%	1.9%	2.3%	2.9%	4.8%	2.1%	3.4%	1.8%	3.0%	3.9%

PROJECTIONS CURRENT AS OF DECEMBER 2024

2025 ECONOMIC INDICATORS

Inflation (projected)	47.3%	4.3%	4.2%	4.1%	3.8%	1.9%	3.6%	3.9%	2.2%	25.0%
Unemployment rate (projected)	7.8%	6.9%	8.1%	10.3%	6.0%	4.4%	N/A	3.3%	6.5%	N/A
Govt. deficit as % of GDP (projected)	0.0%	-8.3%	-2.0%	-5.0%	-2.9%	-2.0%	N/A	-3.9%	-2.8%	N/A

PROJECTIONS CURRENT AS OF DECEMBER 2024

2023 LABOR FORCE PARTICIPATION RATE (%)

Women	52.1	52.3	51.7	52.6	52.6	53.4	N/A	46.3	62.0	N/A
Men	70.6	71.9	71.0	76.6	76.7	77.5	N/A	76.4	78.4	N/A
Difference	18.5	19.6	19.3	24.0	24.1	24.1	N/A	30.1	16.4	N/A

RATE REFERS TO PROPORTION OF LABOR FORCE AS A PERCENTAGE OF THE WORKING-AGE POPULATION

PRESIDENTIAL APPROVAL RATINGS

President	Javier Milei	Luiz Inácio Lula da Silva	Gabriel Boric	Gustavo Petro	Luis Abinader	Daniel Noboa	Bernardo Arévalo	Claudia Sheinbaum	Dina Boluarte	Nicolás Maduro
Approval	54%	52%	28%	39%	69%	47%	54%	78%	4%	N/A

SOURCES: GDP growth forecasts, inflation rate, unemployment rate, government deficit as percentage of GDP: Bloomberg (December); Dominican Republic unemployment: IMF World Economic Outlook Database (October); Labor force participation rates: Economic Commission for Latin America and the Caribbean (2023). NOTE: Figures rounded to nearest decimal point.

PRESIDENTIAL APPROVAL: Argentina: Encuesta de Satisfacción Política y Opinión Pública - Universidad de San Andrés (November); Brazil: Genial/Quaest (December); Chile, Plaza Pública Cadem (January); Colombia, La Silla Vacía (November); Dominican Republic, Ecuador: CID Gallup (September); Guatemala: CID Gallup (May); Mexico: El Financiero (December); Peru, Ipsos (November).

NOTE: Figures rounded to nearest percentage.

CANCILLERÍA ARGENTINA VIA COMMONS.WIKIMEDIA; CASA ROSADA VIA COMMONS.WIKIMEDIA; GETTY; SEBASTIAN BARROS/NURPHOTO/GETTY; FLICKR; ASAMBLEA NACIONAL DEL ECUADOR FROM QUITO, ECUADOR VIA COMMONS.WIKIMEDIA; GOBIERNO DE GUATEMALA VIA COMMONS.WIKIMEDIA; RODRIGO JARDÓN VIA COMMONS.WIKIMEDIA; WORLD INTELLECTUAL PROPERTY ORGANIZATION VIA COMMONS.WIKIMEDIA; GABY ORAA/BLOOMBERG/GETTY

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Notable 2025 Signature Programs

Q1

Investment Mission to Southeast Mexico
February 18
Veracruz, Mexico

Latin American Cities Conferences: Santo Domingo
March 12
Santo Domingo, Dominican Republic

Q2

55th Washington Conference on the Americas
May 7-8
Washington D.C.

Q3

Latin American Cities Conferences: Buenos Aires
August 21
Buenos Aires, Argentina

Presidents of the Americas: UNGA Week
September 22 - 26
New York City, New York

Q4

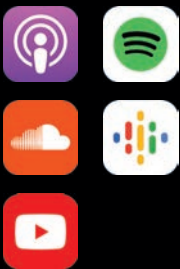
COA Symposium and 30th BRAVO Business Awards
October 16
Miami, Florida

AQ

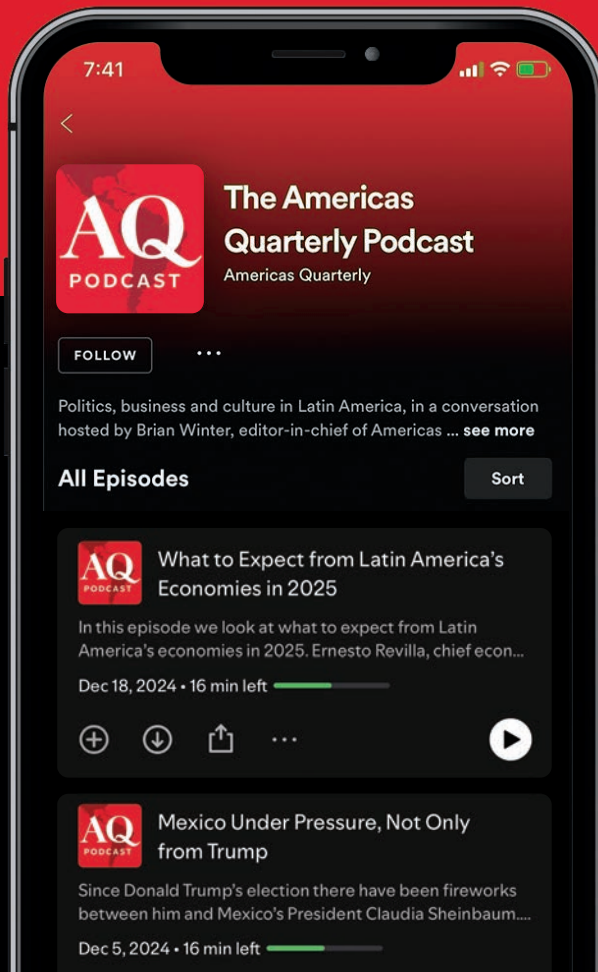
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