

Americas

QUARTERLY

THE PRESIDENT WHO ALMOST WASN'T

Inside Bernardo Arévalo's Guatemala

BY JOSÉ ENRIQUE ARRIOJA

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Reasons for Hope in Guatemala

Central America's most populous country faces big challenges, but its president is making some progress.



IT'S NOT MAKING HEADLINES in the manner of Mexico, Venezuela or Argentina. But Guatemala is absolutely critical to many issues facing Latin America, from migration and climate change to the resilience of democracy itself.

That's why we chose to spotlight Central America's most populous country, and largest economy, in this issue of *AQ*. Under its new President Bernardo Arévalo, Guatemala has made some tentative progress in growing the economy, shoring up its institutions and bringing down homicides.

He almost didn't get the chance. As our managing editor José Enrique Arrijoja writes in our cover story, Arévalo persevered even as parts of the Guatemalan judiciary and political establishment tried to prevent him from taking office in January 2024, after he campaigned and won on an anti-corruption platform. He continues to face huge challenges, and his approval rating has fallen of late as some Guatemalans grow impatient with the slow pace of change. But his resilience has impressed many, and earned bipartisan support in Washington, including from Secretary of State Marco Rubio during his visit to Guatemala in early February.

Guatemala is a country with enormous social debts: A turbulent history, some of the region's worst inequality, bad infrastructure, and a wispy state that struggles to deliver services for all its 18 million people. But it also shows that success is possible: Its murder rate has fallen by half over the last decade or so, its economy is expected to grow 4% this year, and it is within reach of achieving a coveted investment rating for its debt.

With migration to the United States no longer an option for many Guatemalans, the need to make Guatemala itself a better place is even more acute. Arévalo himself was cautious, telling *AQ* he saw his presidency as part of a longer-term project: "I'll be happy if, as a result of this presidential term, the population reaffirms their commitment to the democratic system." Time will tell, but today there are reasons for hope. [AQ](#)

Arévalo's Guatemala

After a tumultuous election and first year in office, President Bernardo Arévalo aims to modernize Central America's largest country and fortify its democracy. His administration is rolling out ambitious reforms and infrastructure programs, but critical challenges remain.

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José Enrique Arrijoja

Arrijoja is the managing editor of *Americas Quarterly*. He has covered financial markets and politics in Latin America as a radio, TV and print journalist for more than 20 years at Bloomberg, *The Wall Street Journal Americas* and other outlets.



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Garip is a Santiago-based journalist focused on natural resources, geopolitics and social conflict in the Americas. Her work has appeared in *The Wall Street Journal*, *Foreign Policy*, *World Politics Review* and other outlets. She currently heads Chile's international press association.



Gema Kloppe-Santamaría

Kloppe-Santamaría is a Nicaraguan-born sociologist and historian specializing in violence, religion and gender in Mexico and Central America. She is an associate research professor of Latin American history at George Washington University, a lecturer in sociology at University College Cork, and author of *In the Vortex of Violence: Lynching, Extralegal Justice, and the State in Post-Revolutionary Mexico* (University of California Press, 2020).



Julia Young

Young is a historian whose research focuses on Latin America, religion and migration. She is an associate professor of history at the Catholic University of America in Washington, D.C., and the author of *Mexican Exodus: Emigrants, Exiles, and Refugees of the Cristero War* (Oxford University Press, 2015).



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



Americas Quarterly hosted writers Alex Cuadros and Marie Arana in New York City in early 2025 for discussions about their recent books. Above, *AQ*'s editor-in-chief Brian Winter, left, with Cuadros. The events formed part of an ongoing 60th anniversary membership drive for the Americas Society. An organization dedicated to examining the culture and current affairs of Latin America, Americas Society is one of two twin nonprofits that publish *AQ*.



Ricardo Zuniga
Founding Partner at Dinámica Americas
United States Institute of Peace · University of Virginia

I recommend this quick read in [Americas Quarterly](#) by [Matteson Ellis](#) regarding the implications of the Trump administration's pause in FCPA enforcement. Apart from the excellent analysis of how companies might respond to the order and the key point that the law remains in the books even if it isn't being enforced, Ellis discusses potential new risks associated with the designation of multiple criminal groups in Latin America as Foreign Terrorist Organizations. Evolving terrain for those focused on compliance matters.



Fabrizio Scrollini 
Currently serving as Acting Co-Executive Director for the Humanitarian OpenStreetMap Team

A well argued article on what [#LatinAmerican](#) countries should be doing about AI policies and investment [Eduardo Levy Yeyati](#) and Soledad Aguilera via [Americas Quarterly](#). The region is not starting from scratch but would benefit from a shared approach. Easier said than done. [#LATAM #AI](#)

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Gaby Castro-Fontoura
[@uklatinamerica](#)
Passionate about trade with Latin America. 20 yrs international experience. 200+ companies supported. Economist (University of Durham). Proud 🇺🇸 13 yrs 🇬🇧

Hugely interesting read and completely recommended.
Trump, climate, crime, resilience - how Latin America deals with this all can make a huge difference to this year. Remembering, too, that each country has its own reality/realities and its own navigation tools... 🇺🇸 🇬🇧

 Americas Quart...  [@AmerQuar...](#) · Jan 14

NEW: Latin America's biggest risk this year resides not in the region itself, but in Florida, writes [@BrazilBrian](#). [americasquarterly.org/article/four-t...](#)



Iván Duque 
[@IvanDuque](#)
Esposo de María Juliana, padre de tres. Demócrata. Ambientalista. Presidente de Colombia 2018 -2022

Un análisis imperdible de Brian Winter ([@BrazilBrian](#)) en [@AmerQuarterly](#) sobre las tendencias clave que definirán el futuro político, económico y social de América Latina en 2025. Una lectura esencial para entender los desafíos y oportunidades de nuestra región.

Paulo Carreño

[@paulocarreno](#) Muy buen artículo de [@FernandoReimers](#) en [@AmerQuarterly](#) sobre la oportunidad que tiene el actual gobierno de revertir la catástrofe en materia de educación que dejó el anterior. "Sheinbaum Has a Crucial Decision to Make on Mexico's Education".

Edmin De Los Santos

[@HablamelaTiNo](#) It's no secret. "#Ecuador's crisis of violence is at an alarming level. The country's homicide rate has risen 430% the last five years." Political pundits argue that president [@DanielNoboaOk](#) should prioritize reforms to the justice system. [@AmerQuarterly](#) .

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Carlos Santiso

[@carlos_santiso](#) Latin America in 2025. Sharp insights on 4 trends that will define the region in 2025 by Brian Winter [@BrazilBrian](#) in [@AmerQuarterly](#) I. Navigating Trump 2. A disruptive climate 3. Re-organized crime 4. Resilience

Andres Talero

[@AndresTaleroGut](#) El escenario político será difícil para Petro. Lejos de tender puentes y buscar acuerdos, el presidente escala la pugnacidad. Mientras tanto la economía podría sufrir gran deterioro con un déficit fiscal creciente. Análisis imperdible de [@ravilapinto](#)

Uruguay's new President Yamandú Orsi, right, and Vice President Carolina Cosse, center, wave during their inauguration in Montevideo in March. Turnout in November's election was almost 90%, and Orsi's victory over Álvaro Delgado returned the left-of-center Frente Amplio to power for the first time since 2019.

PHOTO BY GUILLERMO LEGARIA/GETTY







The U.S. deported more than 250 people, mostly Venezuelan immigrants, to El Salvador's CECOT mega-prison, accusing them of belonging to gangs. The deportations occurred despite a court order instructing the Trump administration to refrain from using powers invoked under a 1798 law to immediately deport people. Here, deportees arrive in San Salvador on March 16.

PHOTO BY SARAH PABST/BLOOMBERG/GETTY

AQ

THE BIG
PICTURE



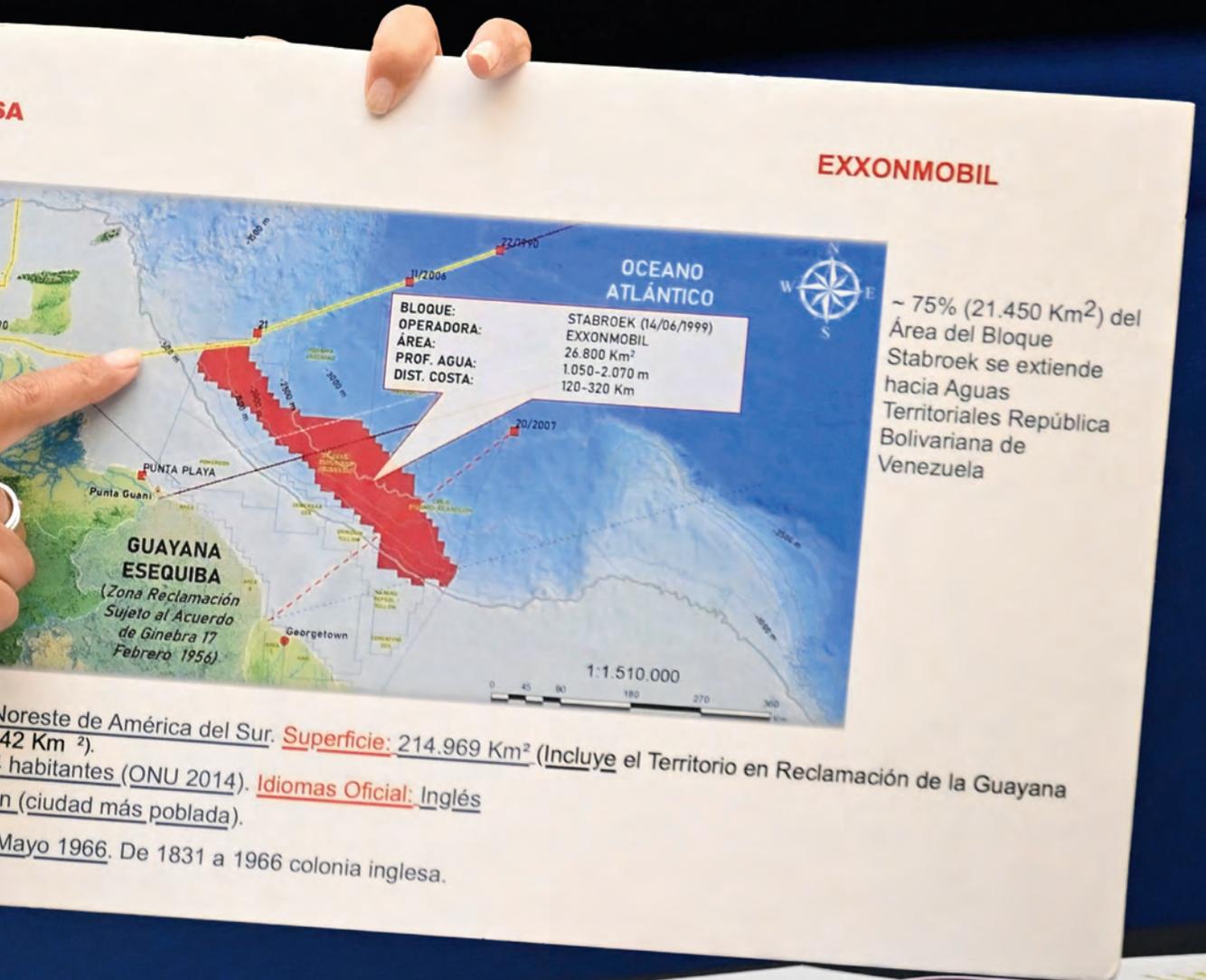


Venezuelan Vice President Delcy Rodríguez, at a March press conference in Caracas, points at a map that claims much of Guyana's offshore oil reserves for Venezuela. Venezuela has reasserted its claims to the area since December 2023, as Guyana's oil boom gathers momentum.

PHOTO BY JUAN BARRETO/AFP



THE BIG PICTURE



AQ

THE BIG
PICTURE

Aurora the polar bear, left, with her cub Nur at the São Paulo Aquarium in February. Nur is the first polar bear born in Latin America—and the star of this year's International Polar Bear Day celebrations in Brazil.

PHOTO BY GUILLERMO LEGARIA/GETTY







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.



“Now we Panamanians know what the [Trump] game is about. It seems to be mostly about China. If we can get some of that resolved via the ports issue then maybe we can address whatever else comes up via agreements down the road. My best hope is that other subjects may take away the time and concentration that Mr. Trump has on Panama right now.”

—Rodrigo Noriega, political analyst



“Peru is a small country, as opposed to Brazil or Mexico, where there is a lot of demand for China’s products. That tells me that the big companies from China are not going to invest in Peru. What will happen is that Peru will become a port hub. That’s probably the role that we will play in international trade.”

—Alfredo Thorne, economist and former finance minister of Peru (2016-17)



“You can trace a line from the Roosevelt Corollary, and the idea the U.S. had the right to intervene in situations of misgovernment that threatened its interests, to Latin American nationalism, Peronism, Fidel Castro. Of course there were other factors, but this was an important one, a reaction to the Colossus of the North.”

—Michael Reid, writer and journalist

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Eugene Zapata-Garesché

An expert on urban issues argues cities are where Latin America's political future is being forged.



Interviewed by Luiza Franco

AQ: What are the key trends defining Latin American cities in 2025?

EZG: Megalopolises like São Paulo and Mexico City are slowing down, and it's the midsize cities that are growing. Megacities have become crowded and too expensive, and commuting in them too hard. Decentralization, that is, more political and financial independence from central to subnational governments, has advanced in recent decades. However, there are exceptions, like Venezuela, El Salvador or Haiti. But while political regimes come and go, urbanization is here to stay. And mayors have risen in power, not just locally but at the national level.

AQ: Are cities more of a springboard to national politics now?

EZG: Yes, and you see that everywhere. Most recently, Yamandú Orsi, a former mayor of Canelones, was elected president of Uruguay. Claudia Sheinbaum was the mayor of Mexico City and Gustavo Petro was the mayor of Bogotá. Cities are where voters are. Latin America is the most urbanized region in the world, and that will continue. Cities offer politicians a lot of visibility — mayors are people you know. You know where they live and what school their kids attend. And they are always dealing with things that are dear to the population, to their neighborhoods. For the common citizen, the mayor will always be the closest political authority.

AQ: What are your biggest concerns for Latin American cities?

EZG: Inequality and climate, including shocks like the floods we saw in Porto Alegre in 2024, but also more silent trends, like extreme heat. Also aging infrastructure — Mexico City's subway collapse, for example — and the impact of migration.

AQ: What cities should we be watching?

EZG: Cali, Colombia: They just hosted a very successful COP 16 on biodiversity, and there's governance and innovation; it's become a hub for startups. Cuenca, Ecuador: They're highlighting their cultural heritage and green tourism in a new way. Montevideo: They implement integral policy that brings together risk reduction for climate disaster, waste management and electric mobility from bikes to trams. Finally, Campeche, Mexico, a mostly unknown destination: They decided to put the city on the map, opened to the world and established relations with companies, universities, civil society, students outside of Mexico. They came up with a strategy to launch "Global Campeche." Never in Mexico's history had a local government come up with a global plan like that. **AQ**

Zapata-Garesché is program team leader at Germany's International Development Cooperation Agency (GIZ) and served as senior international adviser to the mayor of Mexico City. He is a member of *AQ's* editorial board.

THIS INTERVIEW HAS BEEN EDITED FOR CLARITY AND LENGTH

THE PRESIDENT WHO



At President Bernardo Arévalo's office in Guatemala's Palacio Nacional, he displays a photo of his father, Juan José Arévalo, the nation's first democratically elected president (1945-51).

ALMOST WASN'T

INSIDE BERNARDO ARÉVALO'S GUATEMALA

BY JOSÉ ENRIQUE ARRIOJA



GUATEMALA CITY — When you enter Bernardo Arévalo's office today, everything seems almost normal.

There is no sign of the upheaval that nearly stopped him from assuming the presidency after he won 61% of the vote in Guatemala's 2023 election. No hint of the court battles, the opposition's efforts to destroy his political party, the street protests in his favor, nor the repeated desperate interventions by the international community that many credit with letting him take office — and, perhaps, helping keep him alive.

There is, instead, only a calm, goateed 66-year-old who sounds exactly like the trained sociologist and philosopher he is — analyzing the numerous challenges of one of Latin America's most unequal nations with a kind of scholarly remove, urging patience even as some of his supporters grow frustrated with the slow pace of change.

"We are creating a space, an institutional rescue. And for us, the institutional rescue is the *sine qua non* that (will) allow us to generate development later," Arévalo told *AQ* in an interview.

Since he took office in January 2024, in a ceremony delayed several hours as the opposition mounted one last dramatic attempt to stop him, several things have gone right. Guatemala's economy is expected to grow 4% this year, and Arévalo's center-left government has passed some important reforms, including an antitrust law and a new legal framework for building infrastructure, one of the country's most pressing challenges. Arévalo has forged a constructive relationship with parts of the private sector. Guatemala's homicide rate, among the world's

highest just a decade ago, has continued its decline — and now stands at an all-time low, even lower than that of Costa Rica.

On the diplomatic front, Arévalo has survived the departure of his most critical international ally, Joe Biden, and surprised some observers by building a seemingly positive relationship with the Donald Trump administration, cooperating closely on key issues like immigration and drug interdiction while avoiding — at least so far — any of the turbulence that has hit peers like Mexico, Colombia and Panama.

Indeed, many celebrate the fact Arévalo is still here at all. The powerful segment of the Guatemalan establishment that resisted his inauguration, seeing Arévalo as an existential threat to their grip on political and economic power, has certainly not given up. Since taking office, Arévalo has faced 13 impeachment petitions and six attempts to remove his immunity from prosecution. His biggest rival, Attorney General Consuelo Porras, whom the U.S. has sanctioned for alleged corruption, remains in office and seemingly ready to act upon any hint of weakness or wrongdoing.

No one believes he's out of the woods. Arévalo's popularity has fallen from 78% at the beginning of his term to only 39% in January, according to CID Gallup. Some Guatemalans see him as overly contemplative and not decisive enough. Others are angry he hasn't yet done more to change the status quo in a country where 56% of the population lives in poverty, child malnutrition is entrenched, and millions have emigrated in recent years in search of a better life, though that exodus has slowed of late.

But even amid this adversity, Arévalo is seemingly

**"WE WILL WITNESS THE DEMOCRATIC SPRING (ONCE AGAIN)
WHEN WE TANGIBLY RESCUE THE INSTITUTIONS FROM THE
CORRUPT ACTIONS OF THE STATE."**

— President Bernardo Arévalo



Supporters of Bernardo Arévalo march during a protest in Guatemala City in December 2023, when his inauguration was still in serious doubt.

taking the long view. In our interview, he referenced the idea of a “democratic spring” — a phrase associated with his father, Juan José Arévalo, the country’s first-ever democratically elected president, who governed from 1945 to 1951 and implemented several reforms including a national minimum wage and social security system. That period of promise ended when his successor, Jacobo Árbenz, was toppled in a 1954 CIA-led coup, ushering in several decades of civil war, authoritarian rule, and — in more recent years — fragile, often flawed democracy.

“We will witness the democratic spring (once again) when we tangibly rescue the institutions from the corrupt actions of the state and put them to work for what they were created for,” Arévalo told me. Over the course of 40 minutes, he outlined a bold vision for progress on social spending, education, infrastructure, security, and democratic reform — which, if implemented, would be game-changers for Central America’s most populous nation and largest economy.

A rocky road to the presidency

ARÉVALO WAS BORN in Uruguay in 1958, a few years after his father was forced into exile. Despite his family’s history, for years, he steered clear of electoral politics and built a name for himself as a career diplomat, serving as vice minister of foreign affairs and ambassador to Spain. He then took several jobs on reconstruction and reconciliation projects, leading initiatives for the United Nations Development Program (UNDP) and Interpeace, an international organization that focuses on building peace and fostering connections in post-conflict societies.

Arévalo finally entered politics in 2020 as a lawmaker for Semilla, a small party. He ran in the 2023 presidential election as a long-shot candidate, and thus appears to have escaped the scrutiny of Guatemala’s entrenched elites. Three other candidates in that race were disqualified on technical grounds widely seen as political in nature; Arévalo, polling be-



low 3% in most surveys, was allowed to run.

But then Arévalo surprised virtually everyone by receiving 12% of the first-round vote, enough to get into a runoff, thanks largely to strong support in Guatemala City and other urban areas. Alarm bells went off right away: Running on an explicitly anti-corruption platform, Arévalo was very obviously not part of the club of politicians that has mostly dominated Guatemalan politics since democracy returned in the 1980s. Before and after the runoff, the Public Ministry went into open confrontation, with courts and opposition legislators engaging in numerous actions that Arévalo described at the time

as a “slow-motion coup.” (See timeline.)

The Biden White House, concerned about another source of instability in Central America and eager to support a fragile democracy, spun into action, urging then-President Alejandro Giammattei to guarantee the democratic transition as well as Arévalo's own security. The U.S. canceled hundreds of visas for politicians and business leaders alleged to be interfering with the transition, and sent a procession of officials to Guatemala City to pressure for the popular vote to be respected. The European Union, Chile, Colombia, Costa Rica, several other countries, and even the United Nations High Commis-

TIMELINE: GUATEMALA'S ELECTION CRISIS

Traditional powers tried to control the 2023 election, but demonstrations and international support allowed a reformer to overcome a gauntlet of challenges.

by Rich Brown

1944

A long-standing dictatorship falls and Juan José Arévalo wins Guatemala's first democratic election.

1960

Guatemala's internal armed conflict begins. It would last 36 years and leave over 200,000 dead, the vast majority of whom were civilians killed by the military or government-aligned armed groups.

2015

President Otto Pérez Molina, a former general, is ousted by popular demonstrations and jailed on corruption charges brought by Guatemalan investigators and the International Commission Against Impunity in Guatemala (CICIG), a United Nations-backed body.

2020

Alejandro Giammattei becomes president and makes few changes to the status quo. He reappoints Consuelo Porras to a second term as attorney general despite U.S. sanctions against her for undermining democracy and rule of law.



1954

A U.S.-backed coup d'état overthrows Arévalo's successor, Jacobo Árbenz, and installs a military regime.



1985

Guatemala approves the current constitution, beginning a slow and often fragile transition to democracy in which impunity remains the norm for the powerful and well-connected. Peace accords would be signed in 1996.



2019

After implicating a range of military, government, and private sector elites in corruption investigations, the CICIG is expelled from the country. Many reform and transparency efforts are walked back as the government prosecutes anti-corruption advocates.

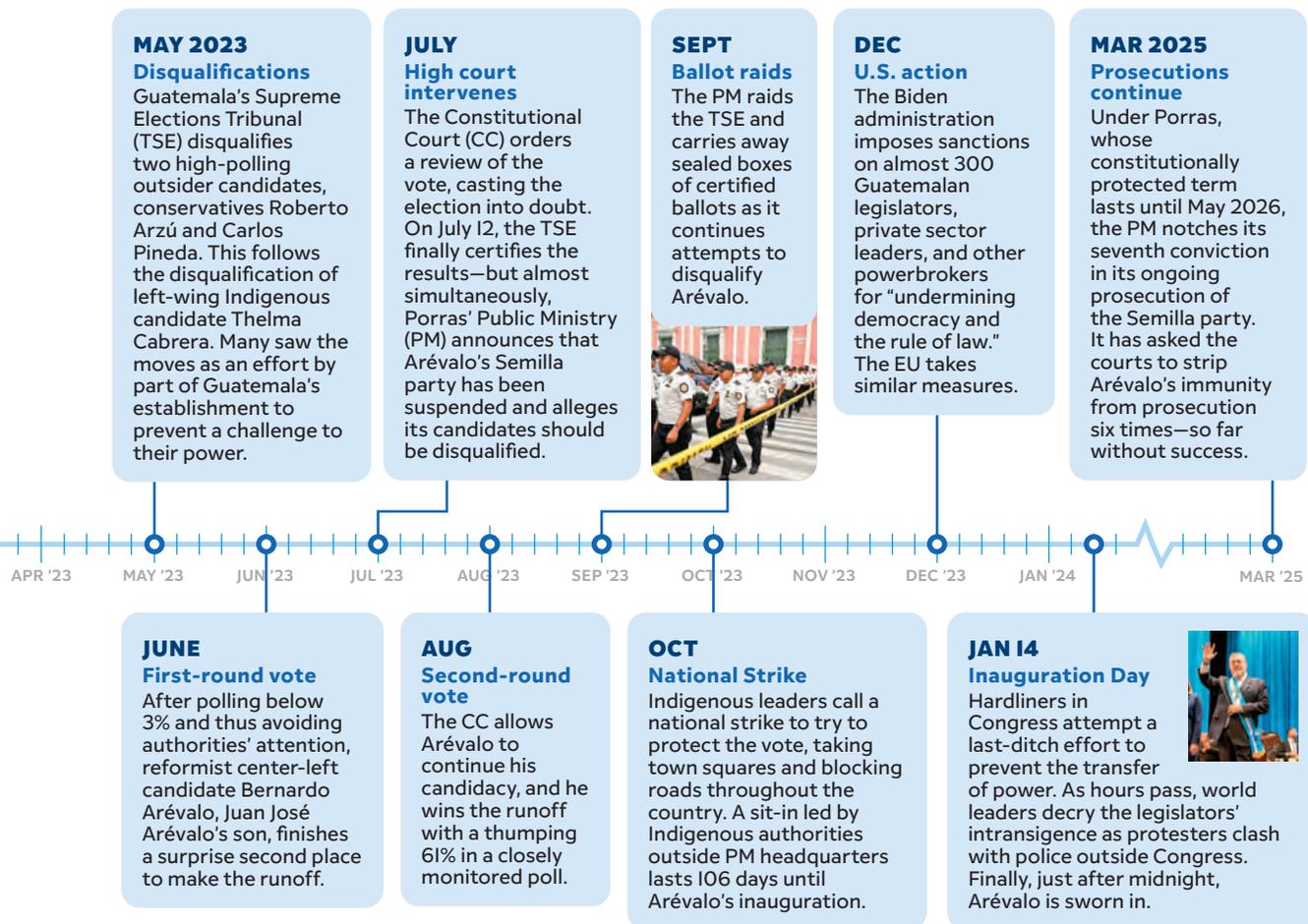
sioner for Human Rights supported Arévalo's cause. Much of Guatemala's private sector, including institutions such as FUNDESA, CACIF and the Chamber of Commerce, also spoke against efforts to overturn the election.

Today, Arévalo speaks with some relief of the forces arrayed against him: "With changes in the courts and the political landscape, this power is becoming increasingly isolated and is disappearing."

Nevertheless, the constant clash with the judiciary absorbed much of Arévalo's first year in office. More than a dozen everyday citizens I talked to in this city recognized he has been navigating against the current. At the same time, most complained that

the government has been slow to implement the expected changes and to show results in what Arévalo has called a "semi-destroyed" country.

"In politics, perception is everything," Raquel Zelaya, president of local think tank ASIES, told me. In a country with a pronounced authoritarian tradition, Arévalo is perceived as "a negotiator, a person of dialogue, who bridges gaps," but lacking the capability to impose his will and set a course. "That doesn't fit the idea of power and command that we suffered for years." Additionally, Arévalo and his newly empowered party show "surprising divisions when they should be fully united. They are confronting many challenges," she said.





**“WE WANT TO SEE THE CONTINUATION OF THIS GOVERNMENT,
AND OUR PARTY IS IN FAVOR OF ADVANCING THE PROGRESS
AND DEMOCRACY IN OUR COUNTRY.”**

—Sonia Gutiérrez Raguy, lawmaker from the WINAQ-URNG party

A fragmented Congress

ONE OF THEM HAS been Congress. Throughout 2024, Arévalo faced a divided Congress, but Semilla's 23 lawmakers managed to broker consensus with 16 political blocs and the other 137 representatives that make up the chamber. At the end of the period, Congress approved 36 key laws or decrees, including an antitrust law. (Guatemala had been the only country in Latin America without such legislation.) Also relevant was the approval of the Priority Road Infrastructure Law, focusing on developing and maintaining the key roads that converge on and surround Guatemala City and connect the nation's maritime ports and main airport.

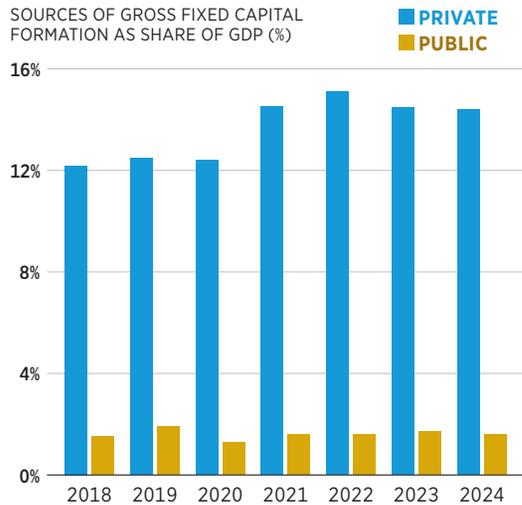
"This year, we have an ongoing dialogue with Congress and a clear agenda for the proposals we want to submit," Arévalo told me with an optimistic tone. A new law for civil aviation is needed to modernize the La Aurora airport, an outdated facility in the heart of the city that serves international and national flights and urgently requires expansion and upgrades. The government's procurement and acquisitions law is antiquated and distorted after several reforms, requiring a new bill. Civil service and water legislation also need updates, Arévalo said, as does legislation governing maritime ports on both the Atlantic and Pacific Oceans. The government also has two anti-corruption laws in the pipeline, one initiative on technology and a reform for the nation's criminal code to ensure more substantial jail and financial penalties for those who break the law.

"It is a challenge for a government to have a minority bloc in Congress," Arévalo told me, because "its performance depends on the ability to establish alliances necessary for governability."

Others agreed. Sonia Gutiérrez Raguay, the only self-described Indigenous member of Congress in a country in which about 40% of people identify as such, admitted that the Arévalo's administration didn't have "all the allies it needed" last year, complicating the government's performance during the "democratic crisis" the nation endured. "We want to see the continuation of this government, and our party is in favor of advancing the progress and democracy in our country," said the lawmaker from the WINAQ-URNG party.

Guatemala is falling short of its infrastructure investment goals

THE COUNTRY AIMS TO INVEST 24% OF GDP IN GROSS FIXED CAPITAL FORMATION, BUT REACHED JUST 16% LAST YEAR.



SOURCE: FUNDESA BASED ON DATA FROM BANCO DE GUATEMALA (2024)

The infrastructure link

FOR YEARS, Guatemala has tried to become a destination for investment in the textile, construction, and manufacturing sectors. However, an old and decaying infrastructure network, from incomplete roads and bridges to insufficient ports and railroads, has always limited the country's potential. Indeed, the need for better infrastructure was made tragically clear once again in February when a bus crossing a bridge in Guatemala City collided with several vehicles and plunged into a ravine, killing 53 people. Arévalo decreed three days of mourning.

"Guatemala's main problem right now is its poor road infrastructure quality," Elmer Palencia, the congressional leader of the opposition party Valor, told me in his office, citing "high logistics costs that ultimately translate into high living costs" for both regular citizens and companies.

Guatemala is known for its lack of government investment. In 2023, excluding Haiti, the country ranked last in public expenditure in Latin America

and the Caribbean, according to data compiled by the OECD and ECLAC. The public infrastructure investment rate is also the region's lowest, and with 19,000 kilometers of roads, it has little more than one meter of road per capita, the lowest in the Western Hemisphere. Aware of the challenge, Congress passed the Priority Road Infrastructure Law in November to repair, maintain, and expand more than 1,600 kilometers of critical roads. The legislation, which Palencia authored, will enable the government to invest as much as \$5 billion per year in public works. "The government now has the tools they need. Now they have to execute," he added. As the system is set up now, the government cannot build large-scale projects that surpass \$120 million, according to Juan Carlos Zapata, the director of the Foundation for the Development of Guatemala (FUNDESA), who applauded the approval of the infrastructure law as a "big achievement" for Arévalo and Congress. However, he said the country still needs additional legislation, such as reforming the current law for public-private alliances and the one that regulates the port system. "With those tools (laws), I'd say that projects worth \$250 million or \$300 million would be structured, which will be transformative."

The execution issue

THE PROBLEM WITH completing infrastructure projects goes beyond anything on paper. "It's a challenging task," Miguel Ángel Díaz Bobadilla, the minister of communications and infrastructure, told me at his office near the international airport. For years, the ministry "has not only been the booty, but the petty cash of many administrations," leaving behind uncompleted or poorly maintained works. "Over the last 40 years, this ministry has been used to embezzle the public treasury," he added. A sign of the ministry's challenges is its high turnover: Díaz Bobadilla is the fourth such minister under Arévalo. But ambitions are big. Arévalo wants to connect Guatemala's most isolated rural areas with a plan called *Rutas para el Desarrollo*. "We have identified that the country's poorest areas are those with the worst infrastructure," he said.

A second plan, called *Conecta*, will recover most of the national road system "which has been abandoned and neglected for a long time," Arévalo added. The government envisions the expansion of Puerto Quetzal (Pacific Ocean) and Santo Tomás de Castilla (Caribbean Sea). In the initial stage, the U.S. Army Corps of Engineers will design and execute the expansion of Puerto Quetzal. The administration also plans to rebuild the national railway system to connect the previously mentioned ports, creating a terrestrial interoceanic corridor that could be an alternative to the Panama Canal. A second railroad line would connect traffic from El Salvador to Mexico. For the nation's capital, the government plans to build an above-ground metro and expand the La Aurora airport, a project open to international companies.

Díaz Bobadilla admits that the government will need to accelerate its execution this year, as 2024 was a "lost year" in infrastructure due to political pressure from the government's adversaries, he said. "In Guatemala, the corruption is like Venice: It has many channels to flow," he added.

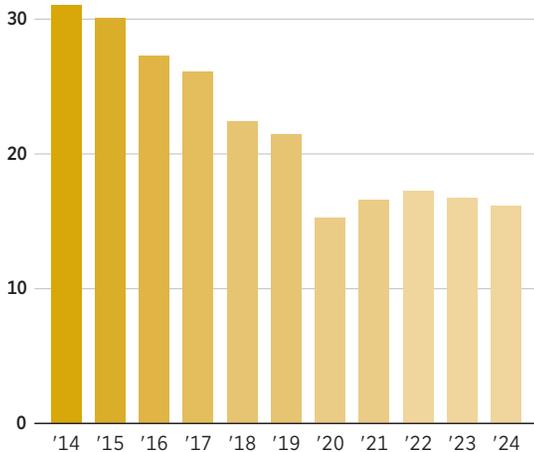
Making progress will require considerable national and foreign investment. Guatemala No Se Detiene, a government-private sector partnership focused on detecting key areas for national development, has put together a portfolio of \$8.7 billion in infrastructure projects needed to modernize the country. For the government, the clock is ticking, as Guatemala's population is expected to rise from its current 18 million to 24 million by 2040.

Climate change is another source of urgency. Guatemala regularly ranks in the top 10 countries most impacted by climate change, as major storms are becoming more frequent and dry seasons longer, affecting agriculture and especially communities with poor connectivity to main roads. This is a key driver of migration from rural areas already beset by high levels of land inequality, poverty, and food insecurity. Better infrastructure adapted to this new reality could mitigate future pain.

Semilla's 2023 governing platform calls for "urgent" investment in a range of infrastructure initiatives, but for most of these projects, Arévalo will

Guatemala's homicide rate has decreased over the last decade

HOMICIDES PER 100,000 PEOPLE



SOURCE: INSIGHT CRIME (2025)

not be cutting the red ribbon. “We are going to start processes and works that future governments will inaugurate. We decided that we needed to put this ship to the sea so it can start navigating,” he told me.

Security as a development hurdle

SECURITY HAS BEEN a brighter topic. New strategies and better cooperation with the U.S. have proven to be an effective combination. In 2009, the homicide rate was 45.6 per 100,000 people, but it sank to a record low of 16.1 last year.

To consolidate progress, more resources are needed, David Boteo, the Director of the National Civil Police, told me after speaking at an event at the National Palace. The institution under his watch operates with 41,265 officers nationwide, including 7,602 women, but “we need another 13,000 officers to get 20 policemen per each station in the country, which is the minimum that we should have.” Nowadays, each police station has 10 to 15 police officers, Boteo added. In early March, seven people were killed and another seven injured in two shootouts near the capital. Arévalo is implementing what the government calls a “democratic security program” to tackle as many as 22 gangs operating in connection

with cartels in Colombia, Mexico, and El Salvador. Last year, Guatemala seized a record of more than 18 tons of cocaine and sizable quantities of other narcotics, leveraging the “good communication, coordination and trust of several U.S. agencies,” Werner Ovalle, the vice minister of anti-narcotics, told me. In addition, the government captured 24 criminals facing charges in the U.S. and arrested more than 1,300 individuals on drug trafficking charges. As elsewhere in Latin America, some Guatemalans yearn for a tougher approach akin to that of President Nayib Bukele in El Salvador. But Ovalle said in Guatemala, “our security model is somewhat different; there are different political and institutional conditions. ... We are committed to succeeding, so Guatemala would be a country to invest in and become a reference” in public security.

Key international relations

EXPECTATIONS WERE HIGH when Trump’s secretary of state, Marco Rubio, visited Guatemala on February 5th, seeking Arévalo’s support on receiving deported Guatemalans and stepping up the fight against organized crime and drug trafficking.

No one quite knew what would happen. Some among the Guatemalan establishment hostile to Arévalo had forged deep ties with the first Trump administration, and Arévalo’s close relationship with the Biden administration was also a potential liability. But the visit appeared to go well. In a press conference, Rubio offered clear support for Arévalo. “I’d like to commend you for your commitment to defending the institutions of a republic, and we will continue to work together with you so that you can achieve what you wish to achieve along that road.”

It turns out the two men had a previously established bond from years ago when Arévalo was a lawmaker for Semilla and Rubio was still a Republican senator. “We discovered (the common ground) as we were talking about the importance of history in understanding the times that we live in,” Arévalo said with a smile, adding that Rubio expressed “his support for the democratic process in our country.”



“I THINK THERE WILL BE A RATIONAL, OBJECTIVE, SENSIBLE, AND FORWARD-LOOKING DISCUSSION ABOUT THE MINIMUM WAGE.”

— Finance Minister Jonathan Menkos

“Our relationship with the U.S. has been very good since the transition process,” Arévalo said. During Rubio’s visit, Arévalo agreed to increase by 40% the number of flights of deportees with Guatemalans and citizens of other nationalities, from the average of seven to eight flights per week from the U.S. Arévalo also announced the formation of a new border security force that will patrol Guatemala’s borders with El Salvador and Honduras.

The president also mentioned “good relations” with Mexico’s president, Claudia Sheinbaum. “We have had working meetings discussing our borders, and we’ve been discussing transforming the region into a development zone.”

“We are also maintaining good relations with Europe and other countries, and we hope that, in addition to good relations, this will translate into an influx

of investment, which, in the end, is what we know can make a difference,” Arévalo told me.

Aiming for investment grade

AS CENTRAL AMERICA’S largest economy, measured by population and economic activity, Guatemala has experienced remarkably stable growth in recent years. On average, GDP expanded 3.2% between 2014 and 2023, above the Latin America and the Caribbean average, and probably grew 3.7% last year. The central bank is projecting a 4% economic expansion this year, the highest rate since 2022. The positive performance led Fitch Ratings to raise the country’s outlook from “stable” to “positive” in early February, citing “expectations of continued solid growth momentum and stability.” It also highlighted Guatemala’s gover-

nance challenges as a “key rating constraint.” The government is working to address those limitations as it looks to obtain an investment grade for its sovereign credit before Arévalo’s term ends in January 2028. “It is one of our main objectives and will be one of the legacies of President Arévalo’s government,” Finance Minister Jonathan Menkos told me in his office. Only seven Latin American and Caribbean countries enjoy investment grade; in July of last year, Paraguay became the most recent addition to the group.

Those aspirations will face a test soon. The Finance Ministry plans to issue as much as \$3 billion in international bonds this year, possibly selling bonds denominated in quetzals, the national currency, for the first time. “It’s an analysis we’re still doing. We want to know how much, in what amount, and if there’s interest from different stakeholders,” Menkos said.

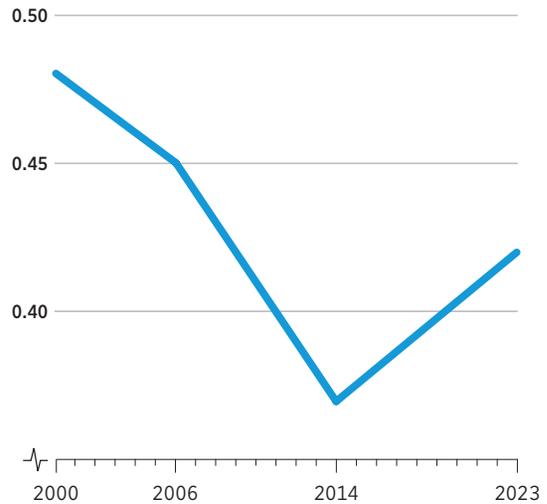
The country has a solid record to bank on. Guatemala’s sovereign bonds are already trading as investment grade papers in the so-called secondary market, Luis Lara, the chief executive officer of Banco Industrial, told me. He sees the goal as viable given the country’s public finance health and the implementation of the infrastructure strategy. “If Guatemala had better roads, better ports, better airports, we would grow at a rate of 6% per year,” he said.

Arévalo sparked some controversy when, in December, his administration proposed a 10% increase in the national minimum wage for agricultural and non-agricultural sectors and a 6% rise for maquila and export activities. This decision was popular among the working class, but drew opposition from the Comité de Asociaciones Agrícolas, Comerciales, Industriales y Financieras (CACIF) business association, which argued that the increase threatened the country’s economic and social stability.

When asked if additional minimum wage increases were coming, Menkos didn’t rule out the possibility. “I think there will be a rational, objective, sensible, and forward-looking discussion about the minimum wage” as part of a medium-term policy, he said. At the same time, he rejected the possibility of increasing taxes or proposing a fiscal reform during

Inequality in Guatemala has worsened after years of progress

GINI COEFFICIENT



NOTE: THE GINI COEFFICIENT MEASURES INEQUALITY ON A SCALE FROM 0 TO 1, WITH FIGURES CLOSER TO 1 INDICATING GREATER INEQUALITY. SOURCE: INSTITUTO NACIONAL DE ESTADÍSTICA (AUGUST 2024)

Arévalo’s government.

Raising the minimum wage is necessary to make progress against Guatemala’s protracted poverty, said Carlos Benitez Verdún, the resident representative of the United Nations Development Programme in the country. Social programs such as *Mano a Mano*, similar to *Bolsa Família* in Brazil, are set to make a sensible difference. “This is a government that aims for development, that doesn’t just want to put out fires,” Benitez Verdún said.

A new year, a new test

AS ARÉVALO TRIES to modernize Guatemala and revive its democracy, there is consensus that he needs to show results in his second year in power. “The president has been doing many good little things,” Sonia Castillo, a homemaker who voted for him in 2023, told me one afternoon at Plaza de la Constitución, the square in front of the Palacio Nacional. “I think he’s been a bit slow, but perhaps he needs to think things through before acting. I want him to help the neediest.”

Unleashing the infrastructure program, overseeing the return of deportees to the country, and fol-



U.S. Secretary of State Marco Rubio, left, embraces President Bernardo Arévalo after a joint news conference in Guatemala City in February.

lowing through on his education and agricultural agenda will keep the president busy this year while relevant decisions loom in 2026. Arévalo will appoint a new attorney general to replace Porrás, name the 10 magistrates of the powerful Constitutional Court, oversee the election of the nation's Electoral Tribunal, and name the comptroller general. All are key posts that may enable him to reset the leadership of the judicial branch and the electoral authority, the key branches that opposed him in 2023.

For each institution, the president will receive nominations from special committees composed of authorities from public and private universities as well as from professional associations, such as the influential lawyers and notary's bar association, which in February chose a new leadership closely aligned with Arévalo's party.

The four decisions are critical in setting a new course for the nation. "As a country, we'll be playing for our democracy next year," Semilla lawmaker José Carlos Sanabria told me.

It is far too early to predict how Arévalo and his administration will pass on to history, but the evident social disparities call for action. "Given the high levels of inequality, we don't have a consolidated democracy," said Zelaya of ASIES, the think tank, citing a reality of "two Guatemalas," rich and poor. "This year, we have to deliver," asserted Finance Minister Menkos, emphasizing the relevance of this year's performance. "This year must be the year to execute, when people will see the works," added Díaz Bobadilla, the communications and infrastructure minister. As for Arévalo himself, he has a characteristically broad legacy in mind. "I'll be happy if, as a result of this presidential term, the population reaffirms their commitment to the democratic system," he said to conclude our conversation. It's an aspiration that was in doubt two years ago, but seems somewhat more secure today. ^{AQ}

Arrijo is managing editor at AQ



Guatemala: A Survey

While Guatemala boasts higher growth rates and lower inflation than much of Latin America, it lags the region in other indicators. AQ tracks key data related to society, the economy and governance.

by Emilie Sweigart

SOCIETY

POPULATION

Population (millions)

18.7

SOURCE: ECLAC (2025)

Guatemalans in the U.S. (millions)

1.88

SOURCE: U.S. CENSUS BUREAU: AMERICAN COMMUNITY SURVEY (2022)

Share of Guatemalans who self-identify as Indigenous

38.8%

SOURCE: INSTITUTO NACIONAL DE ESTADÍSTICA (2023)

POVERTY

Guatemala's poverty rate is more than twice the LAC average

GUATEMALA

54.8%

LAC

24.7%

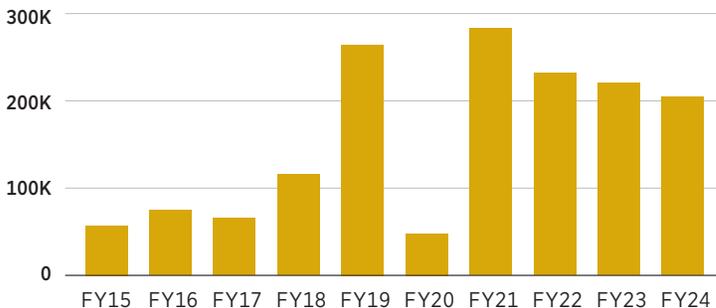
NOTE: POVERTY LINE IS \$6.85 IN 2017 PPP. GUATEMALA FIGURE IS AN ESTIMATE. LAC AVERAGE IS A FORECAST AND IS BASED ON 18 COUNTRIES IN THE REGION.

SOURCE: WORLD BANK (OCTOBER 2024)

MIGRATION

Guatemalan migration to the U.S. peaked in 2021

ENCOUNTERS* WITH GUATEMALAN NATIONALS AT THE U.S. SOUTHERN BORDER



NOTE: CBP RECORDED 30,089 SUCH ENCOUNTERS IN THE FIRST FIVE MONTHS OF FY 2025.

*DEFINED BY U.S. CUSTOMS AND BORDER PROTECTION (CBP) AS ANY ENCOUNTER OF A REMOVABLE ALIEN BY CBP, OFFICE OF FIELD OPERATIONS, OR BORDER PATROL. AN INDIVIDUAL MAY BE COUNTED MORE THAN ONCE IN A GIVEN YEAR.

SOURCES: CBP; WOLA



EDUCATION

Public expenditure on education as % GDP

GUATEMALA
3.2%

SOURCE: ECLAC (2022)

Years of education among population aged 25-59

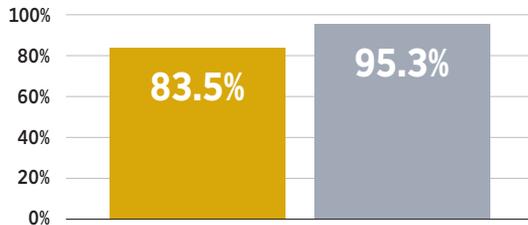
■ GUATEMALA ■ LAC AVERAGE



SOURCE: ECLAC (2023)

Share of population aged 15-19 who completed primary education

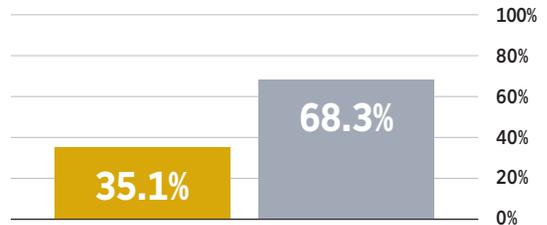
■ GUATEMALA ■ LAC AVERAGE



SOURCE: ECLAC (2023)

Share of population aged 20-24 who completed secondary education

■ GUATEMALA ■ LAC AVERAGE

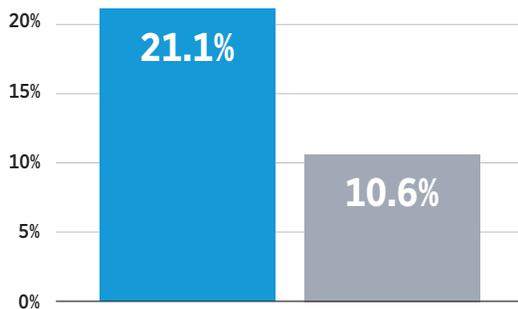


SOURCE: ECLAC (2023)

FOOD AND NUTRITION

Severe food insecurity among total population

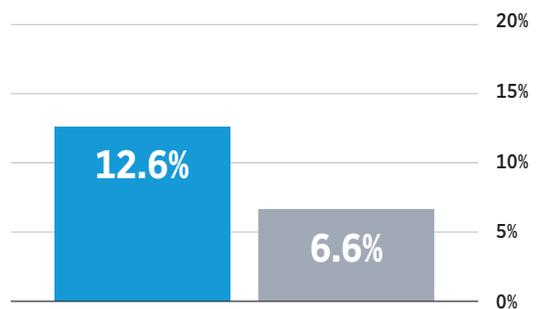
■ GUATEMALA ■ LAC AVERAGE



NOTE: VALUES ARE 2021-23 AVERAGES.
SOURCE: THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD 2024 (FAO, IFAD, UNICEF, WFP AND WHO)

Undernourishment among total population

■ GUATEMALA ■ LAC AVERAGE



NOTE: VALUES ARE 2021-23 AVERAGES.
SOURCE: THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD 2024 (FAO, IFAD, UNICEF, WFP AND WHO)



ECONOMY



GDP

2025 projected GDP growth rates



SOURCE: IMF (LAC RATE: JANUARY 2025; GUATEMALA RATE: OCTOBER 2024)

INFLATION

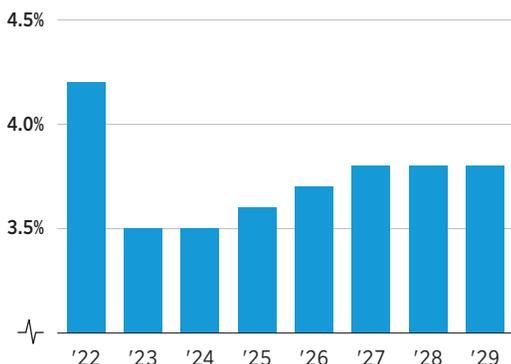
2025 projected inflation



SOURCE: IMF (OCTOBER 2024)

Guatemala's GDP is projected to grow steadily

GDP, ANNUAL PERCENT CHANGE

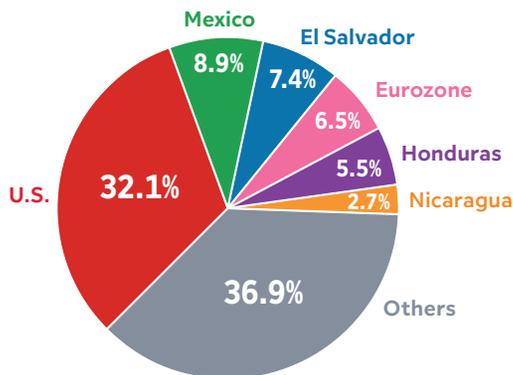


NOTE: FORECASTS STARTING IN 2025. SOURCE: IMF (OCTOBER 2024)

TRADE

Guatemala's main trading partners

SHARE OF TRADE (%)



NOTE: IN 2024, GUATEMALA EXPORTED \$43.7 MILLION FOB TO CHINA AND IMPORTED \$4.8 BILLION CIF FROM CHINA. SOURCE: BANCO DE GUATEMALA

TOP 3 EXPORTS



CLOTHING



BANANAS



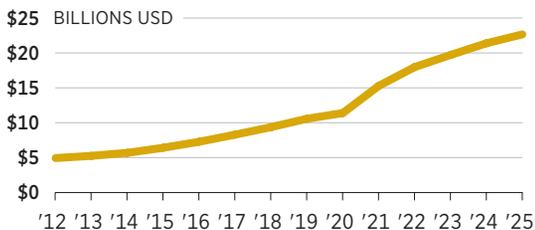
COFFEE

SOURCE: BANCO DE GUATEMALA (FEBRUARY 2025)

REMITTANCES

Remittances are a key contributor to Guatemala's economy

LAST YEAR, REMITTANCES ACCOUNTED FOR 19% OF GDP.

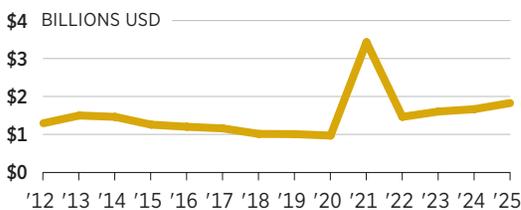


NOTE: 2025 FIGURE IS A PROJECTION. SOURCE: BANCO DE GUATEMALA (JANUARY 2025)

FDI

Foreign direct investment has ticked upward since 2022

IN 2021, FDI INFLOWS SURGED WITH MILLICOM'S ACQUISITION OF TIGO GUATEMALA FOR \$2.2 BILLION.

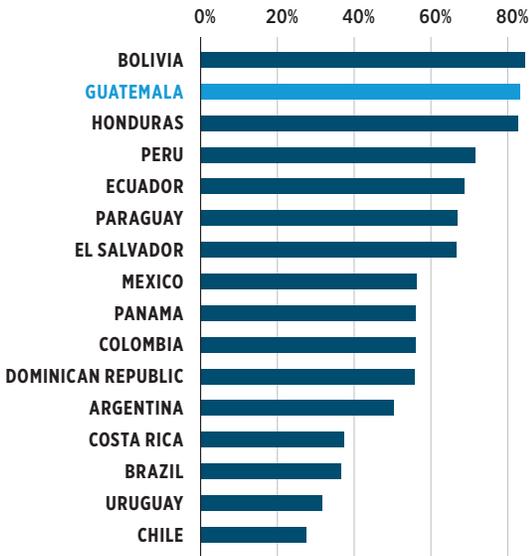


NOTE: 2024 FIGURE IS AN ESTIMATE AND 2025 FIGURE IS A PROJECTION. SOURCE: BANCO DE GUATEMALA (JANUARY 2025)

LABOR INFORMALITY AND PRODUCTIVITY

Labor informality in Guatemala is among the highest in Latin America

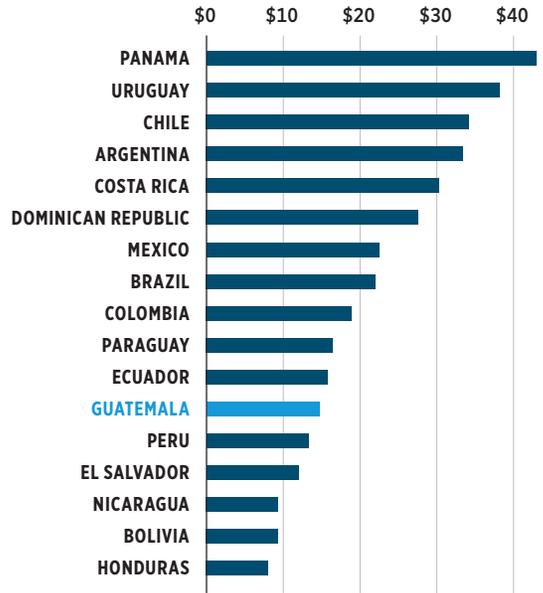
INFORMAL EMPLOYMENT RATE (%)



NOTE: DATA IS FROM 2023 EXCEPT FOR BRAZIL, CHILE, COLOMBIA, COSTA RICA, ECUADOR (2024) AND HONDURAS (2017).
SOURCE: INTERNATIONAL LABOR ORGANIZATION

Guatemala's labor productivity trails many regional peers

OUTPUT PER HOUR WORKED (GDP IN CONSTANT 2021 INTERNATIONAL \$ AT PPP) IN 2025

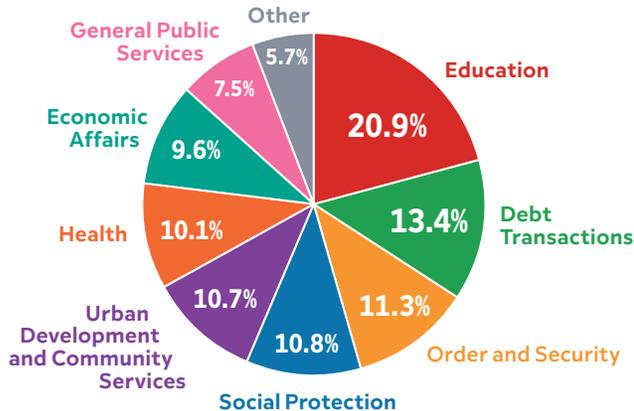


NOTE: LUXEMBOURG'S GDP PER HOUR WORKED IS THE WORLD'S HIGHEST AT \$166.08, AND BURUNDI'S IS THE WORLD'S LOWEST AT \$0.90.
SOURCE: INTERNATIONAL LABOR ORGANIZATION MODELED ESTIMATES (NOVEMBER 2024)

GOVERNMENT

Guatemala's 2025 budget by sectors

THE \$19.3 BILLION BUDGET REPRESENTS A 13.2% INCREASE COMPARED TO 2024.



SOURCE: ICEFI-INSTITUTO CENTROAMERICANO DE ESTUDIOS FISCALES (DECEMBER 2024)



TAXES AND DEBT

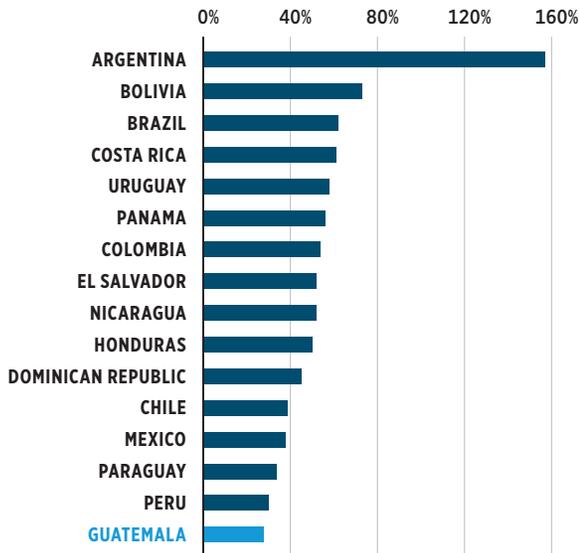
Tax to GDP ratio (2022)



NOTE: TOTAL TAX REVENUES AS PERCENTAGE OF GDP
SOURCE: OECD (2024)

Guatemala's debt-to-GDP ratio is the lowest in Latin America

TOTAL DEBT-TO-GDP RATIO (2023) %



NOTE: DATA FOR ECUADOR AND VENEZUELA NOT AVAILABLE.
SOURCE: INTER-AMERICAN DEVELOPMENT BANK (DECEMBER 2023)

GOVERNANCE INDICATORS

Share of Guatemalans who say democracy is preferable to any other form of government

35%

NOTE: LATAM AVERAGE: 52%
SOURCE: LATINOBARÓMETRO (2024)

Corruption Perceptions Index ranking (out of 180 countries)

146

SOURCE: TRANSPARENCY INTERNATIONAL (2024)

Freedom House Freedom in the World score (out of 100)

46

PARTLY FREE

SOURCE: FREEDOM HOUSE (2024)

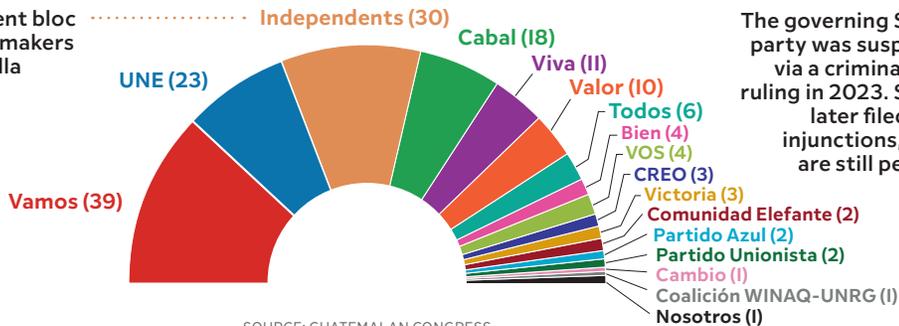
World Press Freedom Index ranking (out of 180 countries)

138

SOURCE: REPORTERS WITHOUT BORDERS (2024)

COMPOSITION OF CONGRESS

The Independent bloc comprises lawmakers from the Semilla party (23), UNE (5) and Nosotros (2).



The governing Semilla party was suspended via a criminal court ruling in 2023. Semilla later filed three injunctions, which are still pending.

SOURCE: GUATEMALAN CONGRESS

A “New Day” for Guatemala?

**There are reasons to be optimistic about
Central America’s largest country.**

by Susan Segal



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

THIS COULD BE A new day for Guatemala. With a serious pledge for change, President Bernardo Arévalo stands out for his commitment to democracy, transparency and rule of law. It is marvelous to see a president committed to eliminating corruption.

Just as important, President Arévalo has declared security a key objective for his government. Guatemala has already reduced its homicide rate by nearly half over the last decade. But this government knows further progress is necessary in order to succeed in its broader development agenda.

President Arévalo is working to modernize Guatemala with investments in badly needed infrastructure and connectivity. And he understands the important role of the private sector and public-private partnerships to accomplish these goals.

Finally, as in many other countries today, he is looking to reduce bureaucracy and make it easier for investment to flow — creating jobs and providing opportunity throughout the country.

Guatemala is the largest country in Central America, and therefore critical to the success of the entire region. At a time when many democracies around the world are showing signs of fragility, Guatemala is an important case. President Arévalo has appealed to various sectors in society, including the business community, in order to advance on an agenda that can reduce poverty and provide prosperity for all.

More integration with Mexico and its other neighbors would unlock further economic growth and prosperity, developing alternatives to crime and violence and creating space for the creation of small business.

The vision for Mexico and Guatemala can best be expressed in the meeting of their foreign ministers last February. They reconfirmed the commitment of their presidents to transform the shared border into an area of shared prosperity.

All of this is not without risk. There are many challenges along the road to transformation for Guatemala. But this may be one of the best chances the country has had in generations for a brighter future. **AQ**

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THE AQ PROFILE

The Operator

Gilberto Kassab is one of Brazil's most important behind-the-scenes politicians, worth watching as the 2026 elections draw closer.

by Luiza Franco

WHEN GILBERTO KASSAB founded his party, the PSD, in 2011, he uttered a phrase that has become famous in Brazilian politics: The PSD would be “neither right-wing, nor left-wing, nor centrist.”

This made many Brazilians laugh, for he was describing a long tradition, of which the PSD is only the latest and strongest version — that of parties that work, if not quite with anyone, certainly with a wide range of political groups.

As of March, three ministers in President Luiz Inácio Lula da Silva’s center-left government were from the PSD, the Social Democratic Party. But Kassab himself was holding a job in the administration of a key right-wing opposition figure: São Paulo Governor Tarcísio de Freitas, an ally of former President Jair Bolsonaro. In the 2010s, the PSD was part of both Dilma Rousseff’s Cabinet and that of the president who deposed her, Michel Temer.

When talking about Kassab, analysts sometimes bring up the phrase “Someone who takes their socks off without removing their shoes,” a Brazilian saying used to describe savvy politicians. But Kassab is not an empty vessel. Despite lending support to left and right, he generally represents center-right and right-wing positions, particularly on economic issues. He became successful by navigating the prized role that negotiation and accommodation play in Brazilian political culture. “Many politicians in Brazil’s history have that characteristic, including President Lula,” said Maria do Socorro Sousa Braga, professor at Universidade Federal de São Carlos.

“A party must have a power project, otherwise there’s no reason for it to exist. A power project and a country project,” Kassab told *AQ* in a recent interview.

It’s a formula that has produced results. Kassab is seen today as perhaps the most important behind-the-scenes political operator in Brazil. The PSD is now the biggest party in Brazil, as measured by the number of people living under the party’s mayors (Lula’s Workers’ Party, or PT, is only seventh by this

metric). The PSD has the most seats in Brazil’s Senate and the fifth-most in the Chamber of Deputies.

If the PSD’s politics are amorphous, they may reflect those of the nation at large. For all the talk of Brazil’s polarization between Lula and Bolsonaro in recent years, a poll run by the Senate in 2024 showed that 40% of participants said they didn’t identify with any political group — right, left or center.

Indeed, Kassab’s story highlights Brazil’s political reality: A country divided between 29 parties, a Congress that has gained increased control over the budget, and a series of relatively weak presidents. Kassab and the PSD play a key role in guaranteeing governability, and also serve as a kind of barometer at a time when Brazil’s political winds appear to be shifting again. Lula’s popularity has fallen this year, Bolsonaro has been disqualified from running again in 2026, and the business world’s preferred candidate happens to be Kassab’s boss: Freitas, the São Paulo governor.

How he got there

KASSAB WAS A YOUNG MAN, still in college (he studied both engineering and economics at the prestigious Universidade de São Paulo, USP), when his uncle first noticed his political abilities. He got along with everyone and was clever. The uncle introduced Kassab to Guilherme Afif, a businessman and politician with connections in São Paulo’s public and private sectors.

It was the mid-1980s and Brazil was just beginning to have democratic elections again, after 20 years of dictatorship. Kassab worked on Afif’s campaign for Congress and rose through the ranks of São Paulo’s center-right/right, becoming first a municipal council member, then a state legislator, a federal deputy and later the city’s mayor (2006–13).

In the middle of his tenure he launched the PSD and promised his party would support the administration of Rousseff, with whom he in theory had lit-



Kassab with his boss São Paulo Governor Tarcísio de Freitas, a possible presidential candidate for 2026.

tle in common. But Kassab and his allies were tired of being shut out of government under Rousseff's PT, which was in need of more reliable partners in Congress. "The PSD was almost commissioned by her," said Marcus Melo, a professor at the Universidade Federal de Pernambuco. Former colleagues even joked that PSD stood for Partido Só da Dilma, or Only Dilma's Party.

In 2015 Kassab joined Rousseff's administration as a minister for cities. But as her government started to weaken, the PSD began to defect. Kassab left the administration just days before she was impeached by Congress. In typically genteel fashion, but also taking some political risk given Rousseff's unpopularity, he wrote her a public letter saying he was convinced of her personal integrity and democratic commitment. "I say goodbye with the certainty that Brazil will emerge stronger and more united from this process." Months later, he was named a Cabinet member of the administration of Michel Temer, her

vice president, whose party (MDB) played a key role in her impeachment.

When confronted with the fact that he and his party have played a role in every administration since its founding, he said there was one exception: Bolsonaro's (2018–22). Indeed, he was not a Cabinet member, and the party remained officially independent. However, many prominent PSD members were Bolsonaro supporters and repeatedly voted with the administration — while some others didn't, in typical PSD big-tent style. Kassab recently met with Bolsonaro, who, according to Brazilian media, asked for his support for a piece of legislation that would give amnesty to those involved in the attack on Brazil's government buildings on January 8, 2023.

Although Kassab prefers the label "independent," the PSD is often associated with the *centrão*, the so-called big center, a group of parties with often shifting allegiances who generally pursue pork-barrel spending for their constituencies. But Kassab and

the PSD are a little more clearly defined than the *centrão*. He has brought into his ranks other politicians associated with the center-right, such as Rio de Janeiro Mayor Eduardo Paes. “We advocate for a lean state, where everything that the private sector can do better than the state, it should do, which opens up resources for the state to invest in public policies for security, health and education. That is the path to a more prosperous country,” Kassab told *AQ*.

Some say Kassab’s style is reminiscent of how politics used to be conducted in Brazil, a pre-social media and polarization age. He wakes up early, travels a lot, and attends all kinds of political events. Allies say he is cordial and attentive. Key aides help him keep track of what funds allied mayors have asked for, whether or not they were delivered, and whether or not the mayor in question showed their gratitude.

What he means for the future

KASSAB’S PSD HAS FINE-TUNED his strategy to a new political era — one in which the legislative branch has much more power than it used to. Since 2013, Congress has taken advantage of a series of unpopular presidents and approved a roster of constitutional reforms that have given it increasing control over Brazil’s budget.

The proportion of discretionary government spending allocated to Congress jumped from 3.95% in 2014 to 28.8% in 2020, settling at around 20% in 2024. The funds now controlled by lawmakers often flow directly to local governments, highlighting the importance of the PSD’s dominance in municipalities.

That power means Kassab’s party will likely elect even more candidates in next year’s legislative elections, increasing his influence over whoever wins the executive branch. But Kassab has even bigger ambitions — he wants his PSD to reach the presidency.

As the political class moves toward the next election, Kassab’s moves are being closely watched. He is known for aligning with likely winners. Earlier this year, he stirred controversy by stating that if the election were held today, President Lula would lose. Lula dismissed the comment, saying, “When I saw

the story about Kassab, I started laughing. I looked at the calendar and saw that the election will only be in two years.” Kassab later clarified, “It is still too early to say anything about the election. He can still turn the tide. He is strong.”

However, Kassab does have a favorite: Tarcísio de Freitas, who would represent a right-wing coalition. If Freitas runs, the PSD will back him, Kassab told *AQ*. In that case, Kassab would like to run for governor of São Paulo, Brazil’s richest state.

Publicly, both claim that Freitas will not put his name in the hat for president, but Brazilian media reports that the topic has been under discussion, especially as President Lula’s approval ratings have declined. “It’s obvious that Tarcísio is going to be president. I’ll bet you anything,” Kassab said. “I think it will be in 2030. Could it be 2026? Maybe, but it’s difficult. 2026 has already started.”

If Freitas seeks re-election as governor instead, Kassab wants to be his vice-governor. That way, he could later run for governor from the more advantageous position of already holding an executive post — making victory far easier. At the same time, Brazilian media reported in mid-March that Kassab was negotiating with the Lula administration a possible role for the PSD in a PT 2026 ticket.

PSD stands for the Social Democratic Party, not because it espouses social democratic views, but because Kassab wanted to reignite a mid-20th century PSD, which had in its ranks a particularly beloved former president, Juscelino Kubitschek (1956–61). It was extinguished in 1965 by the military dictatorship that began the previous year. Kassab tried to frame his party as a revival of this politically sophisticated PSD. He even planned to create a think tank that would be named after Kubitschek, although the former president’s family didn’t allow him to. In some ways the PSD is seen as a party that tries to position itself as more enlightened than the *centrão*. Kassab said his goal is to keep it “in power, with good posts, in Brazilian politics for two or three hundred years.” Time will tell how he and the party continue to evolve. 

Francisco is an editor and podcast producer at *AQ*

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Latin American Cities Conferences: São Paulo
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Miami, Florida

CHILE HAS BOLD TECH AMBITIONS

**Far from Silicon Valley, Chile aspires
to create a digital niche.**

by Patricia Garip



SANTIAGO — As China’s AI dark horse DeepSeek was trampling U.S. tech stocks in late January, this corner of South America lit up. “I think it’s phenomenal,” said David Laroze, a Chilean physicist who heads up a \$10 million supercomputing project in the Atacama Desert. “The more competition there is, the more widespread these language models become, the more we can learn and improve.”

Beyond its expanding number of data centers, Chile has new AI initiatives, large language models (LLMs), and subsea fiber-optic cables on the horizon. Late former President Sebastián Piñera planted the seeds of Chile’s tech ambitions during his second term (2018–22) by digitalizing government bureaucracy and introducing a national AI strategy. Piñera’s successor, current President Gabriel Boric, took up the baton with updated AI regulations, state funding, and regional cooperation. In the backdrop are innovation platforms such as Start-Up Chile, which have generated local successes like Notco, the country’s first billion-dollar startup that uses AI to develop plant-based foods.

In the second Latin American AI Index, issued last year, Chile ranked first among 19 countries in the region in advancing its AI ecosystem, just ahead of Brazil. And in certain fields, Chile has a world-class edge in gathering the data streams needed to train AI models. Astrophysics is a prime example, Laroze said. With the imminent launch of the U.S.-funded Rubin Observatory followed by Europe’s Extremely Large Telescope in 2030, northern Chile will concentrate

70% of the world’s astronomical observation capacity.

Just before a trip to California to court Big Tech late last year, Science Minister Aisén Etcheverry touted Chile’s open trade policy for attracting a diverse portfolio of tech investors that transcends geopolitical tensions. “We’ve been able to partner qualitatively and commercially with basically everyone,” Etcheverry told *AQ*. “And even though we’re in a complicated world, that policy hasn’t changed.”

Chile and the AI race

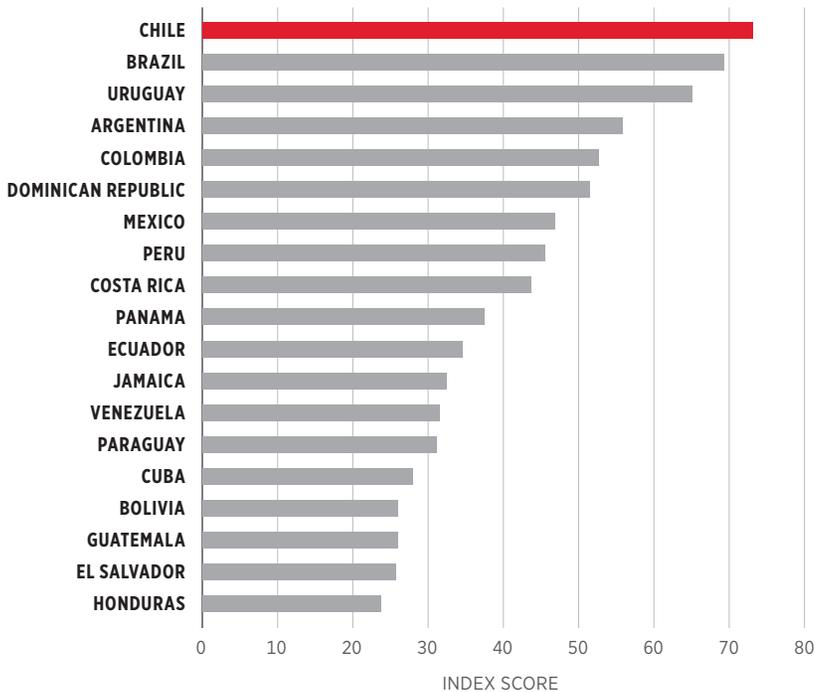
FOR COUNTRIES LIKE CHILE that are striving to achieve “digital sovereignty,” the AI race is less about gaining geopolitical advantage than accessing technology. And China’s AI breakthrough just lowered the threshold. Defying U.S. export controls that were meant to check Beijing’s AI progress, DeepSeek offers an open-source model that it claims was substantially cheaper to develop than peers rolled out by U.S. titans like OpenAI and Google. With the notable exception of Meta’s Llama chatbot, the inner workings of the cutting-edge U.S. AI models are under wraps.

The chance for software engineers to tinker under DeepSeek’s hood is encouraging to Álvaro Soto, director of Chile’s National AI Center (Cenia), which is collaborating with neighboring countries to develop LatamGPT, an LLM for Latin America and the Caribbean. DeepSeek “validates what we’re doing,” he told *AQ*. “Before, someone might ask, ‘What are you doing? You need infrastructure. You’re too far away,

For countries like Chile, the AI race is less about gaining geopolitical advantage than accessing technology.

Chile ranks first in a regional AI index

THE LATIN AMERICAN ARTIFICIAL INTELLIGENCE INDEX ANALYZES THE STATE OF AI



SOURCE: LATIN AMERICAN ARTIFICIAL INTELLIGENCE INDEX (2024)

don't bother.' So for something intermediate to come out, it shows what can be done."

Still, compared to Europe, East Asia and North America, Latin America remains a laggard. Chile ranks 44th worldwide in Oxford Insights' Government AI Readiness Index, which pegs Brazil as the regional leader.

Chile's pioneer was the National Laboratory for High Performance Computing, born out of the University of Chile's Center for Mathematical Modeling in 2011. Yet more powerful systems will be housed at the future National Compute Center in the northern city of Arica, where the Universidad de Tarapacá's Instituto de Alta Investigación, headed by Laroze,

recently procured H200 semiconductors from U.S. behemoth Nvidia. Another batch of chips could be deployed under a \$7 million tender from Chile's development agency Corfo.

Such outlays are dwarfed by colossal supercomputing ventures such as the new \$500 billion Star-gate initiative in the U.S., led by Japan's Softbank and OpenAI. Closer to home, Brazil has committed \$4 billion to AI and supercomputing.

Laroze is undaunted. Big investments "might revolutionize the world. But on a smaller scale, one can make smaller revolutions that are important, too." AI could enable Chile to grow more resilient crops, manufacture stronger industrial materials, improve



Environmental activists in front of a site in Santiago where Google had applied to build a data center. The company withdrew its permit application last year in the face of residents' concerns over water usage, part of a wider trend in South America.

What Trump's FCPA Pause Means for Latin America

Suspending U.S. foreign bribery law enforcement could increase corruption risk across the region.

by Matteson Ellis

FOR AT LEAST SIX MONTHS, U.S. President Donald Trump has suspended enforcement of the Foreign Corrupt Practices Act (FCPA), the nation's foreign bribery law, and Latin America will be affected.

On February 10, President Trump signed an executive order (E.O.) on "Pausing Foreign Corrupt Practices Act Enforcement to Further American Economic and National Security." The E.O. asserts that "[c]urrent FCPA enforcement impedes the United States' foreign policy objectives" and that "overexpansive and unpredictable FCPA enforcement against American citizens and businesses... actively harms American economic competitiveness and, therefore, national security."

The president has instructed Attorney General (AG) Pam Bondi to refrain from opening new cases, evaluate existing FCPA investigations, and provide updated guidelines for future enforcement. This stance

marks a significant policy shift from previous administrations, which viewed corruption prohibited by the FCPA as a threat to U.S. national security.

Many see the FCPA as crucial in influencing anti-corruption enforcement trends and corporate compliance practices across Latin America. Halting FCPA enforcement now could have a disproportionate impact, increasing the risk of bribery in regional businesses.

The FCPA's role in Latin America

S EVEN MAJOR Latin American economies (Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, and Peru) have strengthened their bribery laws and corporate compliance requirements in connection with their commitments to the OECD Anti-Bribery Convention, which is based on the FCPA. These enhanced legal frameworks have



U.S. President Donald Trump speaks after signing a series of executive orders, including one relating to the Foreign Corrupt Practices Act, in January.

fueled bursts of important anti-corruption activity in the region, including Lava Jato, which is still the largest corruption investigation in history.

The FCPA has driven tight cooperation on evidence gathering and prosecutions over the years between U.S. authorities and their counterparts in Brazil, Colombia, Mexico, Peru, and other important jurisdictions. The FBI set up a bureau in Miami to focus on investigating corruption for a reason — FCPA enforcement has gained a level of traction in Latin America not seen in other parts of the world.

Important Latin American companies, such as Petrobras, Braskem, Odebrecht, Graña y Montero, LAN Airlines, Embraer, Grupo Aval, SQM, and Cemex, have been subject to FCPA investigation or enforcement in recent years. This is due to their status as publicly traded in the U.S. or the fact that corruption schemes in which they were involved touched the U.S.

Survey data similarly suggests the FCPA has played

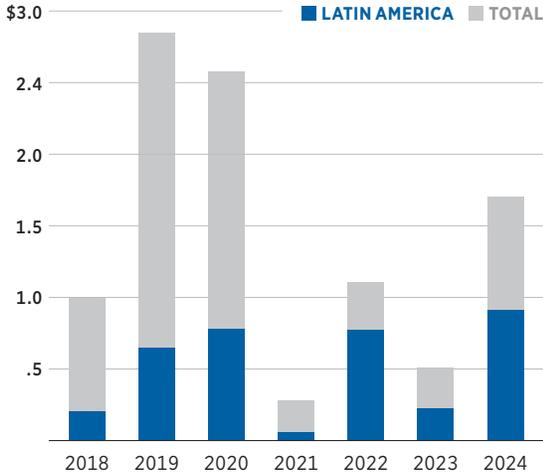
a key deterrent role for bad conduct in the region. The 2020 and 2024 editions of the Latin America Corruption Survey, performed by law firms throughout the region, found that over 60% of the approximately 1,000 professionals polled said they thought the U.S. would lead regional anti-corruption enforcement over the next three years. In both 2020 and 2024, almost 70% of respondents said they were somewhat or very familiar with the FCPA.

How will the FCPA pause affect Latin America?

IT IS HARD TO BELIEVE that suspending FCPA enforcement will not have a significant and far-reaching impact on the anti-corruption landscape across the region. Wrongdoers could feel more empowered. Problematic agents, *gestores*, *despachantes*, and other facilitators could

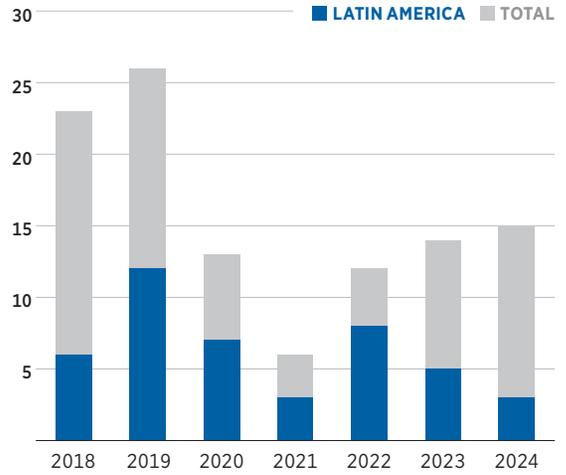
Corporate FCPA fines and penalties collected by DOJ/SEC

TOTAL AND AMOUNT THAT CAN BE ATTRIBUTED TO SETTLEMENTS THAT INVOLVED MISCONDUCT IN LATIN AMERICA (BILLIONS USD)



SOURCE: MILLER & CHEVALIER (FEBRUARY 2025)

Corporate FCPA enforcement actions involving misconduct in Latin America



NOTES: FCPA RESOLUTIONS ARE COUNTED BY ENFORCING AUTHORITY, SO EACH DISTINCT RESOLUTION WITH THE DOJ AND SEC ARE COUNTED AS SEPARATE ACTIONS, EVEN THOUGH THEY MIGHT INVOLVE THE SAME COMPANY. DECLINATIONS WITH DISGORGEMENT ARE TREATED AS AN ACTION.

SOURCE: MILLER & CHEVALIER (FEBRUARY 2025)

re-emerge as more frequent participants in local business. Bribe demands from government officials could become more aggressive, and global executives and frontline sales teams might find it increasingly challenging to use the FCPA as a defense against such requests.

This dynamic is aggravated by the fact that bribery and fraud risk already appear to be entrenched, and perhaps even worsening, in Latin America. In last year's Transparency International Corruption Perceptions Index, 14 of 19 Latin American countries surveyed experienced deteriorations in perceived corruption risk, with only four seeing improvements and one experiencing no change. Nearly half of the respondents in the Latin America Corruption Survey said that corruption is a "significant obstacle" to doing business. Complicating the picture, the most recent Capacity to Combat Corruption Index reflects an anti-corruption environment in the region already under strain, with scores showing that critical institutions are having difficulty addressing risk.

What does the FCPA pause mean for companies?

FIRMS OPERATING IN the region will now face a choice. Some may choose to go soft on their corporate anti-corruption compliance programs if the immediate threat of enforcement is not perceived as serious. They could reduce compliance budgets and personnel, apply lighter due diligence when contracting with third-party intermediaries, and look the other way when red flags arise suggesting problematic conduct. They could demand fewer compliance assurances from their partners in the region. Their internal investigations could become less probing.

The more sophisticated companies will not be so shortsighted. Bribery is still illegal, in the U.S. and throughout Latin America. The FCPA, though paused, is still in effect — the E.O. creates no new legal defenses or exceptions for companies and individuals. The FCPA's statute of limitations is five years from the last action and can be extended, and FCPA cases often

Latin America's China Ties Won't Be Easily Severed

Trump scored early as Panama is realigning with Washington. Convincing others to leave Beijing's orbit may be more challenging.

by Brenda Estefan

MEXICO CITY — The initial display of Donald Trump's "America First" foreign policy bore almost instant fruit earlier this year in Panama. Following a visit by U.S. Secretary of State Marco Rubio, President José Raúl Mulino announced Panama's withdrawal from China's Belt and Road Initiative and indicated that his government might reconsider the concession granted to Hong Kong-based Hutchison Ports, which operates key terminals at both ends of the interoceanic canal.

Although the decisions by no means eliminate China's influence in Panama, they mark a diplomatic recalibration and a shift toward closer alignment with the U.S. However, not every country in the region will follow the same path. Each Latin American nation will navigate the U.S.-China power struggle differently, balancing strategic pressures with economic

realities. Against this landscape, the U.S. will need to dedicate time and resources to a region that has for years felt left out of Washington's priorities.

Over the past two decades, while the U.S. focused on the War on Terror and conflicts in Iraq and Afghanistan, China strategically expanded its economic presence in Latin America and the Caribbean, transforming from a peripheral player into a key trading partner. Former U.S. Treasury Secretary Larry Summers acknowledged that he underestimated this shift: "When a Latin American head of state asked me for something, I lectured them. While I was preaching, the Chinese were building airports."

How the U.S. will reclaim its leading role in the hemisphere remains uncertain. The cases of Brazil, Mexico, and Argentina — the three largest economies in the region — are set to test the extent of the White House's new ambitions and needs. President

Bystanders await President Xi Jinping during the G20 Summit in Rio de Janeiro in November.



Trump is eager to adopt a tough stance with governments unwilling to comply with his directives on immigration and related matters — as reflected in the impasse early this year with Colombia’s President Gustavo Petro — but it is not yet clear whether the hemisphere will rapidly realign with Washington or continue toward a trade-driven relationship with Beijing.

Traditional and non-traditional allies

CHINA HAS ESTABLISHED A significant presence in many nations across the Western Hemisphere by lending to countries in urgent need, donating public libraries, building ports and roads, and extracting iron ore and vital minerals. Furthermore, trade between China, Latin America, and the Caribbean soared from \$12 billion in 2000

to \$315 billion in 2020, with projections indicating it could surpass \$700 billion by 2035. China is now South America’s largest trading partner, with Brazil’s trade with China exceeding its trade with the U.S. by more than two to one. Beijing currently maintains “strategic partnerships” with 10 of the 11 South American nations it engages with, with Guyana being the only exception, as it maintains only standard bilateral relations.

In January, during a visit to Beijing, I met with Chinese business leaders whose inclination to deepen their investments in Latin America, particularly in Mexico, was unmistakable. Our discussions revealed China no longer perceives Latin America as a resource supplier but as a pivotal part of its ambitious global economic agenda. To illustrate the complexity of this reality, consider Colombia. Seen by many as the staunchest and most loyal U.S. ally in the region,

the U.S. is Colombia's top trading partner, in contrast to the several South American countries whose largest trading partner is China. Still, Chinese imports have surged in recent years, making the Asian behemoth the country's second-largest trade relationship.

Guatemala also occupies a unique position in this rivalry. The country maintains a free trade agreement with Taiwan, a distinctive stance in a region where most nations have shifted diplomatic recognition to Beijing to align with its One-China policy. This makes Guatemala an anomaly in Latin America and provides Washington with a natural foothold to strengthen its influence. Also in Central America, Nicaragua and China recently inaugurated a direct maritime route as part of the Belt and Road Initiative's expansion.

For its part, Brazil — Latin America's largest economy — is largely a lost cause for Washington, as it has significantly deepened its ties with Beijing. Chinese firms have invested in major infrastructure projects ranging from ports and railways to power grids. China is now Brazil's largest trading partner, absorbing most of its exports, including soy, beef, coffee, and iron. In 2023, bilateral trade reached a record \$181 billion. Moreover, Brazil and China have strengthened their geopolitical ties through BRICS, further complicating Washington's ability to exert influence.

Mexico's case

MEXICO IS ONE OF Washington's most significant cases, given its deep economic integration with the U.S. through the USMCA. A recent article in *The New York Times* highlighted that China's growing presence in Mexico's auto industry is a key factor driving Trump's push to expedite the USMCA trade agreement review. Since 2018, Chinese investment in Mexico has surged by 50% annually. In 2024, Mexico became China's second-largest auto market, surpassed only by Russia. Manzanillo, the country's busiest port, has seen a substantial rise in imports since 2020, mainly driven by Chinese goods. According to Norwegian logistics firm Xeneta, the Mexico-China trade route is now the fastest-growing in the world.

Chinese companies have also played pivotal roles in major infrastructure projects in Mexico, including the Xochimilco-Tasqueña light rail and metro system upgrades in Mexico City and Monterrey. Even more, a recent study by Rice University's Baker Institute suggests that Chinese investment in Mexico may be 10 times higher than official figures indicate.

Trump understands that China's presence in Mexico doesn't technically violate USMCA terms, but that won't alleviate his concerns. The idea of his primary geopolitical rival being deeply embedded in his largest trading partner — and positioned just across the 3,000-kilometer U.S.-Mexico border — is unacceptable. Unlike other Latin American nations, Mexico's trade relationship with the U.S. is not merely important — it is fundamental to its economy, making it more vulnerable to Washington's efforts to curb Beijing's influence.

Southern countries

IN ARGENTINA, President Javier Milei presents a unique dynamic. While he shares a strong ideological affinity with Trump, his country's economic ties to China — especially in the agricultural sector — are significant.

The relationship between Argentina and China developed gradually between the 1970s and 2009, culminating in a major financial agreement: a currency swap between the Central Bank of Argentina (BCRA) and the People's Bank of China (PBOC). The goal was to ensure Argentina's exchange rate stability and strengthen bilateral trade. Since then, economic cooperation has deepened, with China becoming Argentina's largest buyer of agricultural products.

Peru attracts the highest level of Chinese investment relative to GDP in Latin America. The most recent — and largest — of these investments is the Chancay deep-water port, designed to serve as a direct trade link between China and South America. Shortly after Trump's election victory, one of his advisors even suggested imposing tariffs on goods passing through Chancay, which was inaugurated last November by Xi Jinping.

Operated by China's Cosco Shipping, the port is positioning itself as a regional hub. Earlier this year,

a Cosco Shipping vehicle carrier arrived at Ecuador’s Manta port after first stopping in Chancay, offloading 558 imported vehicles, marking a first for this route. In February, Cosco Shipping announced a new service to transport Chilean cargo via Chancay starting in March. To complicate matters further, U.S. Southern Command’s former head, General Laura Richardson, warned last year that Chancay could eventually house Chinese military infrastructure.

Over the past seven years, Chinese investment in Chile has surged by 1,300%, with notable acquisitions in strategic sectors. Chinese firms now control over 60% of Chile’s electricity distribution market following purchases like Chilquinta and General Electricity Company (CGE). In 2024, Ecuador’s banana exports to China surged by 28%, propelled by the free trade agreement signed between the two countries in 2023 and effective since May 2024. Meanwhile, in Bolivia, the Chinese consortium CATL BRUNP & CMOC signed an agreement with the state-run Yacimientos de Litio Bolivianos (YLB) to develop two lithium extraction plants in the Uyuni and Coipasa salt flats.

A strategic challenge for the U.S.

CHINA’S PRESENCE IN Latin America also carries significant ideological implications. The region has witnessed growing disillusionment with democracy — polling indicates that more than half its population would support an autocratic regime if it promised to address crime and economic stagnation effectively. But, since Trump views democracy as more of an obstacle than a priority, promoting democratic values in the region is of little concern to him. For Trump, the issue is not ideological but strategic: China represents a direct challenge to U.S. security. As a result, the White House is particularly concerned about Chinese infrastructure and technology projects in the region. Once again, the region finds itself at the heart of a great power rivalry.

The escalating geopolitical tensions between the U.S. and China in Latin America prompt the question: How far will Washington go to persuade countries in the region to take a side? It is likely that Trump, more than pushing for a complete Latin American decou-

Latin American countries with China among their top 3 export partners

	CHINA'S SHARE OF EXPORTS
Chile 	38.6%
Cuba 	34.0%
Peru 	33.8%
Brazil 	29.8%
Panama 	24.6%
Ecuador 	21.4%
Uruguay 	21.3%
Bolivia 	11.4%
Venezuela 	9.7%
Costa Rica 	4.9%
Mexico 	2.5%

NOTE: FIGURES ROUNDED TO THE NEAREST DECIMAL.
SOURCE: OBSERVATORY OF ECONOMIC COMPLEXITY (2023)

pling from China, will forcefully push for derisking, targeting areas of China’s presence in the region that Washington perceives as posing potential security or economic risks to the U.S. Many Latin American nations may aspire to a movement similar to the Non-Aligned Movement, which permitted countries to remain neutral during the Cold War. However, today’s global landscape is vastly different. Unlike the Soviet Union, China possesses unprecedented economic power and influence, making neutrality a more complex proposition. 

Estefan is a professor at IPADE Business School in Mexico City and a columnist at *Reforma*, Mexico’s leading newspaper.

Mexico's War Over Catholicism

The Cristero uprising was the bloody result of a left-wing anti-religious campaign. A century later, the Mexican left seems to have learned important lessons from its legacy.

by Gema Kloppe-Santamaría and Julia Young





Mexicans burn crucifixes and Catholic iconography in Tabasco state, part of a broader anti-clerical campaign led by Mexican authorities in the 1920s.



ON APRIL 1, 1927, in the Mexican city of Guadalajara, a 38-year-old man was seized by government forces and subjected to unspeakable forms of torture.

When he refused to talk, he was hung by his thumbs. The soles of his feet were slashed. Finally, he was executed by firing squad. His name was Anacleto González Flores, and he was a Catholic lawyer and leading member of the Association of Mexican Catholic Youth (ACJM). A law-abiding citizen for most of his life, he was targeted by Mexican authorities because he had begun urging Catholics to take up arms against the government.

González Flores was one of thousands of Mexican Catholics who supported an armed rebellion against the Mexican government's anticlerical reforms in the mid-1920s. The ensuing wave of violent clashes between Catholics and the state would reverberate through Mexican politics for decades — and the way the conflict was finally resolved may still be influencing Mexico's left today.

In 1926, the anticlerical President Plutarco Elías Calles (1924–28) had passed a new penal code that took direct aim at the power and influence of the Church and its clergy. Those reforms had their roots in the 1910 Mexican Revolution and were the latest chapter in a century-long saga of tense relations between the Catholic Church and the state in Mexico.

Brought to Mexico with the Spanish conquistadors, the Catholic Church had been a dominant force in the country since colonial times. Calles and his allies, loyal to the values of the Mexican Revolution —

reason, secularism, and socialism — were convinced that the Catholic Church was an impediment to modernization and progress.

But most Mexicans remained Catholic — and the country contained a powerful organizational network backing up the Church. Catholic organizations like Anacleto González Flores's ACJM helped to organize passive resistance to the federal government, such as protests and boycotts. But this failed to persuade the government to alter course — and so Mexico's Catholic clergy took the drastic action of shuttering churches across the country and suspending the administration of the sacraments.

Devout Catholics across Mexico were furious at the sudden withdrawal of Catholic rites, and resented the government's overtly anti-religious policies, including a “de-fanaticism” campaign aimed at freeing Mexicans from the grip of religious ignorance. Churches were turned into stables for animals. In Tabasco, the home state of future President Andrés Manuel López Obrador (2018–24), the governor organized public bonfires of crucifixes and statues of saints and the Virgin Mary.

With Calles and his anti-Catholic policy's tight control over the federal government, religious freedom was under assault across the country. Thousands of Catholics responded by taking up arms, forming militias, and launching direct attacks on the state, starting in August 1926. The uprising was particularly strong in Mexico's west-central states, including Jalisco, Michoacán, and Guanajuato.

Devout Catholics across Mexico resented the government's overtly anti-religious policies.



Anacleto González Flores was tortured and executed by firing squad for organizing resistance to the Mexican government's anticlerical reforms.

Rebels and martyrs

IN THE WAR THAT RESULTED, tens of thousands of Catholic soldiers fought bloody guerilla battles against federal forces, unleashing a wave of violence across the Mexican heartland. They were known as “Cristeros,” for their battle cry *¡Viva Cristo Rey!* (“Long Live Christ the King!”). Many in the Cristeros’ rank and file were peasants, but others — including the leaders of Catholic organizations like the ACJM — were middle-class urban Catholics, particularly in Guadalajara and Mexico City. Women also participated in the conflict, mostly as spies and arms smugglers. The majority of priests did not take up arms, although there were some notable exceptions, like Father José Reyes Vega, who became a general in the Cristero army.

The Cristero War produced a generation of martyrs: Catholics who were killed in defense of their faith. Those who died without taking up arms, like Anacleto González Flores, were subsequently declared “blessed” by the Catholic Church, and 25 men and boys were eventually canonized as martyrs. One of these was José Luis Sánchez del Río, a 14-year-old Cristero flagbearer who was captured and endured horrific torture, but refused to renounce his faith and was executed in front of his horrified parents.

The Cristeros were highly aware of the sympathy that their suffering would generate in the broader Catholic world, and they produced and circulated vivid images of martyrs and martyrdom in photographs and postcards that were shared widely beyond Mexico’s borders. In the United States, the Knights of Columbus, a lay Catholic men’s organization, was appalled by the violence against Mexican Catholics and launched a publicity campaign to make U.S. Catholics aware of the martyrs. Catholics across Europe, too, rallied and wrote in support of the Cristeros.

Bloody resistance

MEXICAN CATHOLICS WERE NOT mere victims in the conflict: Many committed violence in the name of their faith. Much of this violence was directed at federal troops — but some Cristeros attacked civilians as well. Father Vega, the militant priest, organized a brutal and shocking ambush on a passenger train in April 1927, in which dozens of passengers were shot and burned alive.

The conflict’s exact toll will never be known, but historian Jean Meyer has estimated the casualties at 90,000. The war also fueled a wave of emigration and exile from the rebellion-torn region to other regions of Mexico and to the United States.

In part because of the violence and chaos unleashed by the war, the Mexican clergy — backed by American priests and the Vatican — became eager to negotiate peace with the Mexican government. After a series of meetings between high-ranking clerics, representatives of the U.S. Church, and Mexican political figures, the Church and state came to an agreement that restored some rights to clergy, returned church properties, and reopened churches. In exchange, the Cristeros laid down their arms on June 21, 1929.

An imperfect peace

BUT THE PEACE that resulted was unstable. The rebels and their supporters felt betrayed by their own religious leaders, as they continued to experience harassment and religious persecution. As early as 1930, some former Cristeros began to regroup and to organize more sporadic and targeted resistance, particularly against teachers and peasants who supported the revolutionary government.

By the mid-1930s, a second Cristero uprising had

Militant priest Father Vega organized a brutal ambush on a passenger train.



The Cristero War saw thousands of Catholic soldiers fight bloody guerilla battles against federal forces.

materialized — in response to a new model of socialist and secular public education promoted by Calles and implemented under the presidency of Lázaro Cárdenas. The program was explicitly designed to liberate Mexicans from the alleged ignorance generated by religious beliefs. Its overtly anti-religious and socialist content reinvigorated the Cristero cause — and socialist teachers were targets, seen as embodiments of the assault upon religious freedom.

From 1934 to 1940, hundreds of Cristeros orchestrated attacks against socialist teachers and peasants. Less widespread, without support from the Catholic Church itself, the new wave of resistance still threatened the legitimacy of the revolutionary government. Catholic vigilantes and mobs used brutal violence against socialist teachers, including rape, mutilation and hanging. Severing ears was so pervasive that one famous Catholic vigilante, Odilón Vega, was known as the *desorejador de maestros* (the “de-earer of teachers”). Historians David Raby and Jean Meyer say that at least 100 teachers were assaulted or killed.

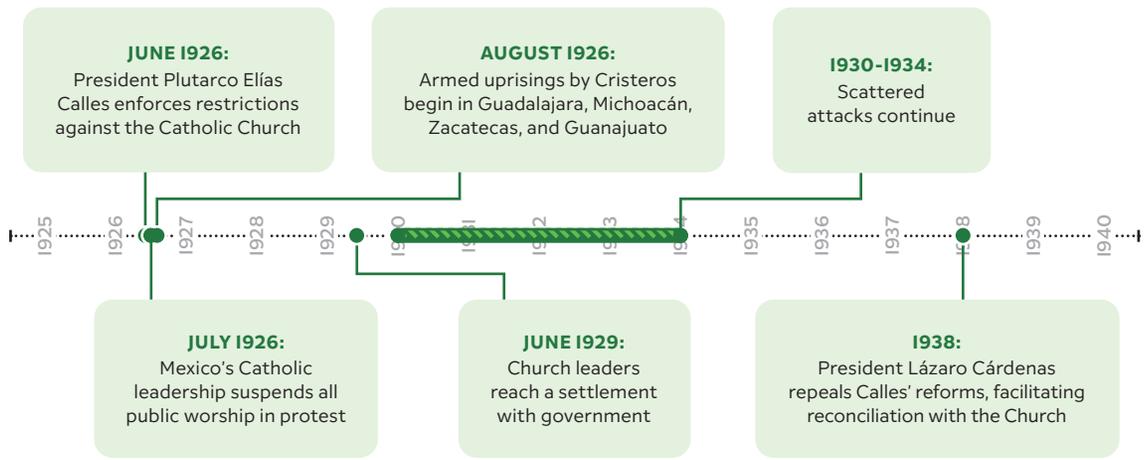
Cárdenas’s influential pivot

FACING ANOTHER CATHOLIC UPRISING, Cárdenas sought to distance himself from his predecessor’s anticlericalism, pivoting toward a more conciliatory approach to the Church.

His reasons may not have been exclusively political: A childhood friend of Cárdenas was Luis María Martínez, who would become archbishop of Mexico in 1937. Cárdenas eventually abandoned socialist education and attacks on popular religion, pushing out anticlerical leaders and repealing Calles’ anticlerical penal codes in 1938. Instead, he focused on economic issues: land redistribution, the modernization of the countryside, and the policy for which his government would be most remembered, the expropriation of U.S. and U.K. oil companies. Today, Cárdenas is widely revered across Mexico, portrayed as a humble reformer who brought the promises of the Mexican Revolution to the common people, offering them land and welfare support.



CRISTERO WAR TIMELINE



Over the following decades, as anti-communism swept much of the world during the Cold War, Mexican leaders moved into greater collaboration with the Catholic Church. Famously, as president-elect, Manuel Ávila Camacho declared in 1940, “I am a believer,” and subsequent leaders would be careful not to alienate Catholic voters. That kind of improved Church-state relationship is hard to imagine without the pragmatic policies of Lázaro Cárdenas.

The Cristero uprising's legacy today

TODAY, CATHOLICISM REMAINS A powerful force in Mexico, where government figures show 78% of the population are adherents — higher than the Latin American average of 54%, according to pollster Latinobarómetro. Some politicians on Mexico's far-right have recently sought to

use Catholicism to rally opposition against the country's ruling Morena party, harking back to the Cristero uprising. Eduardo Verástegui, a telenovela star turned pro-Trump defender of faith and family, made a bid to run in last year's presidential election, comparing AMLO with Calles and characterizing his government as socialist and impious.

But Verástegui's bid fizzled after he fell far short in his effort to gather enough signatures for a spot on the ballot as an independent. What explains the failure of a Catholic politics in a still-Catholic country? A large part of the answer may be that AMLO — a lover of history himself — has drawn lessons from the pragmatism of Lázaro Cárdenas, one of his great heroes.

Although AMLO presented himself as a leftist, he also defended conservative cultural values centered on the family, and didn't shy away from expressing his Christian faith. That drew criticism from some



Cristero rebels circulated images of martyrs through postcards like this one, aiming to win sympathy and support from Catholics abroad.

feminists during his administration — criticism he often dismissed as coming from a “spoiled” false progressivism.

AMLO’s embrace of family and faith seems to have paid dividends in impeding the growth of a religious right to oppose his dominant Morena party, now overseen by his successor in the presidency, Claudia Sheinbaum. Indeed, the name of their political party, Morena, evokes the Virgin of Guadalupe (often referred to as the *Virgen morena* or brown Virgin). He famously wore Catholic scapulars to ward off coronavirus — gestures that served him well amongst a Mexican public that is still predominantly Catholic.

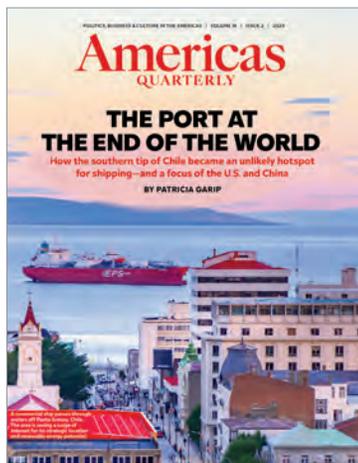
As we approach the Cristero Rebellion’s centennial in 2026, we will likely see more attempts to equate Morena with the socialism and anti-clericalism of the 1920s and ’30s, and appeals to the memory of the Cristero conflict to mobilize Catholics in opposition.

Yet if the history of this conflict can teach us something, it is that Mexican political leaders have learned to recognize the importance of religion for the Mexican people — and that they can advance socialist and leftist ideas without reviving the anticlerical campaigns of the past. Indeed, they can do so even while invoking the Virgin of Guadalupe, the Sacred Heart of Jesus, or traditional Catholic values. So long as leftist politicians continue to walk that line, they will avoid provoking painful memories of the Church-state conflict that roiled Mexico almost a century ago. ¹⁰

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ONE YEAR LATER



The Focus on Ports Only Grows

Climate change and the U.S.-China competition have made ports an even bigger flash point since Trump took office.

by Patricia Garip

THE LATEST POSTCARD from the gusty shores of Punta Arenas in far southern Chile shows off the same picturesque vista as a year ago: ships, whales, a crimson sunset — and few ports.

The goal of transforming this region into a green energy hub and a major gateway to the Antarctic is behind schedule, but some local projects are now picking up steam. The process is part of Latin America's race to develop its ports — crucial for trade, regional integration, and economic diversification — which has only accelerated since *AQ* published its cover story last year on port infrastructure.

This race is at the heart of the intensifying U.S.-China economic rivalry in the region, which most recently put the Panama Canal's contested ports in the spotlight. Last November, it was China's sprawling Chancay port in Peru drawing headlines, as President Xi Jinping himself inaugurated the new deepwater facility. This added urgency to Chile's long-awaited \$2.5 billion expansion of San Antonio, its largest port, which the country kicked off in January.

Meanwhile, port security has taken center stage in the fight against organized crime. As international law enforcement cracks down on ports known to be trafficking hotspots, cartels are increasingly seeking new routes out of “quiet” ports in countries like Costa Rica and Chile where shipments attract less scrutiny, turning them into new flash points.

All this continues to reverberate even in Chile’s remote Magallanes region. The area has attracted attention from both the U.S. and China for its geostrategic location, and over the past few years, it has seen a burst of activity as a series of major green hydrogen proposals have spurred new port plans.

Some initial exuberance has worn off. The initial crop of green hydrogen proposals has dwindled down to three or four big ones seen as viable. For this hardier group, European and Asian demand for green hydrogen products has weathered uncertainty over climate initiatives and financing conditions. Perhaps more importantly, in Chile, the public and private sectors are collaborating to streamline zoning, environmental permitting, and ground, air and sea logistics.

Not so fast

THIS EFFORT IS HELPING locally, but national barriers remain. Five years ago, proponents were bullishly projecting that Chile would export the world’s lowest-cost green hydrogen by 2030. Now, it’s more likely to kick in five years later, depending on the course of Chile’s notoriously slow permitting process, Mario Marchese, president of the trade group H₂ Magallanes, told *AQ*. There’s broad political consensus that red tape is a chronic problem thwarting investment and economic growth, and the outgoing administration of President Gabriel Boric has sponsored legislation to help. Still, major reform has proven elusive.

In Magallanes, however, there are bright spots. Chile’s navy has expedited two new port concessions. “A process that historically took five years was done in

less than two. There’s no better demonstration of the government’s commitment,” Marchese said. These speedy authorizations reflect the proactive posture the navy has adopted, as Admiral Jorge Castillo expressed to *AQ* last year.

One of these concessions, at San Gregorio, is slated to anchor HNH Energy’s \$11 billion project to produce green ammonia, as well as investments from two other hydrogen developers. The other, in Gente Grande Bay, would facilitate the U.K.-based Transitional Energy Group’s plans to produce green ammonia on Tierra del Fuego Island.

A third proposed port at Posesión, near the Strait of Magellan’s Atlantic mouth, is also gaining traction. It would support France’s Total Eren as it imports equipment through Argentina and exports green ammonia. Meanwhile, three existing ports in Magallanes are expected to be retrofitted and expanded to facilitate imports of large-scale equipment such as wind turbine blades and electrolyzers.

This construction is fueled largely by Europe’s ongoing commitment to incorporating green hydrogen into its energy matrix. A shift in Europe’s spending priorities to focus on defense may pose fresh challenges, so many eyes are now on Japan. The country is holding a groundbreaking tender featuring a subsidy of up to \$20 billion for low-carbon hydrogen, with a focus on a promising derivative: green ammonia. Chile is poised to capitalize if it can streamline permitting.

“Green hydrogen and its derivatives today face important international challenges that we as a country can’t control,” said Hernán Velasco, project manager of Otway Green Energy, which plans to use one of Magallanes’ retrofitted ports. On the other hand, “there are some things controlled by the state that we could advance, but unfortunately we are ever farther away from doing them. If we continue on this path, we won’t be ready to seize the opportunity.” **AQ**

Garip is a freelance journalist based in Santiago, Chile, focused on natural resources, climate and geopolitics in Latin America

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Djanira da Motta e Silva's *Three Orishas* (1966), on view at the Royal Academy of Arts in London (Visual Arts, p. 80)

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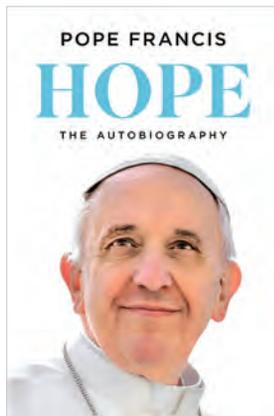
Fernando Augusto Pacheco on *Brasil! Brasil! The Birth of Modernism*, an exhibition at the Royal Academy of Arts in London

Books

Nonfiction

The first-ever papal autobiography illuminates the Argentine pontiff's life in and out of the priesthood.

Reviewed by Nick Burns



**Hope:
The Autobiography**

By Pope Francis
with Carlo Musso

Translated by
Richard Dixon

Random House
320 pages

IN 1927, GIOVANNI ANGELO BERGOGLIO, an Italian peasant turned shopkeeper, bought a ticket for himself, his wife and his son to Argentina, aboard the SS *Principessa Mafalda*.

That voyage from Genoa would end in tragedy off the coast of Brazil, when the *Principessa Mafalda* sank, killing hundreds, in a disaster that would see the ship referred to as the “Italian Titanic.”

But the Bergoglios — the grandparents and father of the man now known to the world as Pope Francis — were not aboard. At the last minute, they opted to stay behind in order to finish selling their possessions, sailing to Argentina a year later. Francis recounts this in *Hope*, his autobiography with Carlo Musso initially planned for publication after his death.

This is not the only way in which the Bergoglios were lucky. They found work at a family paving company and a precarious middle-class existence, while others among the millions of immigrants who came to Argentina from Italy and other countries “faced a tough, harsh reality, like a slap in the face.” In *Hope*, Francis connects this history with the global plight of modern-day migrants, condemning those who disclaim responsibility for the “tragedy of migration.”

The Buenos Aires of Francis’ youth is described as a tolerant idyll. “Our family was always on excellent terms with the Jews,” he writes. “We had various Muslim friends.” Prostitutes who lived near the family’s house in the working-class Flores neighborhood were treated with understanding. This portrayal calls to mind the virtues championed by the modern Catholic Church, which since the 1960s reforms of the Second Vatican Council, has sought to be more compassionate and build ties with other religions. It’s also a rosy picture of a 1940s Argentina where aggressive, anti-Semitic nationalism was on the rise.

Francis does write about conflict on the political front, and how his own conversion to Peronism set him on a collision course with his anti-Peronist family, including an uncle who irritated him so much on one occasion he picked up a soda siphon and sprayed him in the face with it



Jorge María Bergoglio, the future Pope Francis, center, circa 1976.

(possibly the most Argentine method of settling an argument).

Francis was elevated to the papacy in 2013, after a decade-long wave of left-wing political victories in Latin America. As the first pope from the region — and the first from the outreach-focused Jesuit order — it seemed like another victory for the “pink tide” when he made migration, climate change and criticism of rapacious profit-making into key themes.

But 2013 proved to be the high-water mark of the pink tide — and since then Francis, like many left-wing leaders in Latin America, has struggled to deliver on the change he promised, amid rising polarization between conservative and liberal tendencies in the Church.

Francis has also been criticized — including by parts of the Argentine left — for his actions as provincial superior of the Jesuit order in Argentina during the military dictatorship that ruled from 1976 to 1983, accused of essentially handing over two priests who were kidnapped by the dictatorship. In *Hope*, he repeats his longstanding denial of those accusations,

arguing he “tried everything” to free the kidnapped Jesuits, appealing to Jorge Rafael Videla and Emilio Eduardo Massera, two leading figures in the dictatorship. But he also admits — without elaborating — that he “made many mistakes” during that time. The two Jesuits were released after five months.

Jumping between condemnations of indifference to human suffering and bittersweet memories from Francis’s youth, *Hope* is half sermon, half memoir. A fascinating window into the inner and outer life of an exceptionally powerful and beloved man, the book is at intervals moving, frank, and withholding. The text is peppered with references — films by Fellini and Rossellini, extracts from Eduardo Galeano — that can seem, at times, a bit superficial. Francis appeals to sociologist Zygmunt Bauman to say that community is “always a good thing.” But Bauman, in the work cited, in fact says that community is an unattainable ideal: “not, regrettably, available to us.”

Francis writes that the Catholic Church in Latin America “is particularly lively in its music, its colors, in the subtleties that represent a wealth.” Any-

two young, malnourished Guaraní girls he has rescued, along with two monkeys, a dog, a mare and her foal. They live in a kind of half-starved Edenic paradise, surviving on mare's milk and the fruit the monkeys bring them. In a letter he writes to his aunt, the prioress of the convent in which he was raised, Antonio records his confession — including all the men he's killed.

Constantly interrupted by one of his small Guaraní companions, Antonio tells her the Christian story of creation, while she explains to him the Guaraní version of the same. In flashbacks, we hear about his escape, an ongoing search, and growing resistance by Indigenous people in the area. The text features snatches of Guaraní, Basque and Latin — and the Spanish has been beautifully translated by Robin Myers to echo the feeling of a panoply of voices and speakers in this polyphonic New World.

Erauso was a celebrity in his own time — meeting the pope and the Spanish king, and writing (or dictating) an apparently widely read autobiography. However, the years after he returned to New Spain remain shrouded in mystery. The circumstances of his death are the subject of significant scholarly de-

bate. This book offers one answer — giving Erauso a found family, inducting him into the mysteries of the jungle, and making him a decidedly maternal figure to the two girls he has rescued.

In real life, Erauso's popular moniker, "The Lieutenant Nun," refers to the fact that he was made a lieutenant during a war between the Spanish and the Mapuche in modern-day Chile. But he did not receive further promotions due to numerous complaints of his cruelty against the Indigenous. One can only imagine the levels of brutality required to ruin a career in the Spanish colonial military.

While Cabezón Cámara portrays in vivid detail the violence inherent in the colonial project, she keeps her hero mostly away from it, his murders only recollections, his attitude to his Indigenous wards patient, before he eventually melts into the jungle with them after the defeat of the Spanish soldiers. The jungle is presented as a space for possibility and transformation, but also one where the past is wiped clean, unaccounted for and blank. AQ

Oliva is an essayist and embroiderer based in Chicago

Upcoming Books

The latest in economics, history, policy and fiction from across the hemisphere

FICTION

Via Ápia

Geovani Martins
Translated by Julia Sanches
July 2025
Farrar, Straus and Giroux
352 pages

The Dance and the Fire

Daniel Saldaña París
Translated by Christina MacSweeney
July 2025
Catapult Books
256 pages

NONFICTION

I Have Avenged America: Jean-Jacques Dessalines and Haiti's Fight for Freedom

Julia Gaffield
June 2025
Yale University Press
352 pages

America, América: A New History of the New World

Greg Grandin
April 2025
Penguin Press
768 pages

José Martí Reader: Writings on the Americas

José Martí
June 2025
Seven Stories Press
336 pages

Film

Documentary

A new film reanimates Puerto Rico's mid-century moment of possibility.

Reviewed by Ena Alvarado

DURING THE FIRST 50 years of U.S. control over Puerto Rico, the island's governor was appointed by the White House. But in 1948, the first democratic election elevated Luis Muñoz Marín, a charismatic former pro-independence senator, to the post.

During his first year in office, Muñoz Marín embarked on an ambitious attempt to transform Puerto Rico into a commonwealth with its own constitution and from an agrarian society into an industrial one. At the same time, he established the Division of Community Education, a government agency that produced more than 100 films about life on the island for public consumption. This rare cinematic archive is the animating force behind Ramón Rivera Moret's *Everything Seemed Possible*, a moving new documentary about Puerto Rico in the 1950s and 1960s, a period when progress — economic and otherwise — appeared all but inevitable.

Voiceover narration by Rivera Moret, a professor at the Rhode Island School of Design, intersperses personal anecdotes with an account of the island's modern history, as scenes from the Division's movies occupy the screen. When the agency began making films, most Puerto Ricans lived in small, rural communities. Agency staff would travel to the countryside and speak with locals about the problems they faced. "This was reported to the offices in San Juan," Rivera Moret explains, "where the members of the Division discussed what stories to tell." Actors were generally recruited from the villages where the scripts originated.

The films, visually stunning in their own right, tackle a startling range of issues with seriousness and honesty. In *Modesta* (1956), a young, pregnant mother grows tired of her husband's impossible domestic demands, converting a group of female friends into the League of Liberated Women. "We must become guardians to defend our rights," Modesta urges her peers.

In *El gallo pelón* (1961), would-be businessman Esteban finds success selling washing machines to his neighbors, only to incur their frustration: His village has no electricity, so the machines are useless. They are instead put to use as tables.

Rivera Moret has a personal connection to these films: His great-uncle



Everything Seemed Possible (Todo parecía posible)

Directed by
Ramón Rivera Moret

Screenplay by
Ramón Rivera Moret
and Oren Rudavsky

Distributed by Oren
Rudavsky Productions

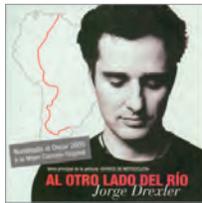
Puerto Rico
and United States

Music

AQ's Spring Playlist

AQ's music columnist visits La Serena Festival de la Canción, an Oscar-winner's Uruguayan utopia.

by **Sebastián Zubieta**



Al otro lado del río
by Jorge Drexler

Podría ser
by Ana Prada

Canto da praya
by Hamilton de Holanda & Mestrinho

Los instrumentos
by Martín Buscaglia

DECADES AGO, the Drexler family used to spend their summers in a house near the lighthouse in the seaside town of La Paloma, three hours east of Montevideo. The resort became a gathering place for the Uruguayan family's multiple budding artists, including brothers Jorge and Daniel Drexler and their cousin Ana Prada, who all reportedly wrote and premiered their early songs there.

Now, the Drexlers' musical careers are firmly established — along with their medical careers: Following in their parents' footsteps, the brothers are also physicians. So Daniel and Jorge, with other equally stellar accomplices, launched La Serena Festival de la Canción. Every January for the last decade, guitar-wielding songwriters and a devoted audience gather in La Paloma for a week of concerts, informal beach performances, and talks and workshops on environmental topics and poetry. Earlier this year, *AQ* traveled to the resort for the latest edition of this “Atlantic Utopia,” as the organizers describe it.

Over a long weekend, the audience shuttled between three stages in town and on the beach for daily concerts by songwriters from Uruguay, Argentina, Brazil, and a few from Europe. The festival culminated with a three-hour, open-air concert at Parque Andresito, a local landmark, that had the feeling of a variety show, with a couple dozen artists onstage in different configurations, including brilliant solo sets by Jorge Drexler, Conociendo Rusia, Jota.Pê, and Silvia Pérez Cruz. In addition to the performances, each concert featured a specialist on environmental topics. The music was widely varied, but the artists shared the elusive label of “songwriters,” presenting songs in which poetry and music are equally important.

This column's accompanying playlist features many of the artists that were present at La Serena in 2025, starting with superstar Jorge Drexler, who is the only Uruguayan to have received an Academy Award — in 2005, for the song “Al otro lado del río,” from the movie *Diarios de motocicleta*, alongside dozens of Grammys and other awards.

Visual Arts

Museum Exhibition

Brazil's 1920s modernist movement is winning fans abroad, while its legacy is embattled at home.

by **Fernando Augusto Pacheco**

BRAZILIAN MODERNIST ART SEEMS to be having a moment in Europe. After a blockbuster exhibition of Brazil's perhaps most popular painter, Tarsila do Amaral, at the Musée du Luxembourg in Paris, the Royal Academy of Arts in London (RA) is currently hosting *Brasil! Brasil! The Birth of Modernism*, a sprawling show featuring 10 artists from the first half of the 20th century, plus the work of landscape architect Roberto Burle Marx.

The exhibition feels particularly special to the RA's main curator, Adrian Locke, who has Brazilian heritage. And it shows a side of Brazilian art that has been somewhat overlooked in Europe, often more interested in the country's contemporary art. For the RA, however, you could say that it's more like a return, since some of the work on display was featured in a historic exhibition of modernist Brazilian painting at the institution in 1944, the first one to showcase the movement in the U.K.

The exhibition's more than 130 works range from Amaral's brash and delightful colors to geometric pieces by Geraldo de Barros. Many artists at the time wanted to avoid taking inspiration only from European or North American art, searching instead for a means of expressing a unique Brazilian identity. That effort went mainstream with the famous Modern Art Week (Semana de Arte Moderna) in São Paulo in 1922, a set of exhibitions by new modernist artists that scandalized the artistic establishment — but that in retrospect helped define Brazil's modern identity.





THE WELDON GALLERY

D
JANIRA

Brasil! Brasil! The Birth of Modernism shows a side of Brazilian art that has been somewhat overlooked in Europe.

Brasil! Brasil! The Birth of Modernism

Royal Academy of Arts, London

On view until April 21



Following a move to Brasília in 1967, Rubem Valentim began to explore symbolic geometric emblems in three dimensions, as in his *Emblematic Sacral Altar Set-E59* (1980).

Some of the works at RA's exhibition are well-known, like Candido Portinari's *Lavrador de café*. Portinari, known as a chronicler of ordinary Brazilians, depicted workers in a coffee field, laboring under harsh conditions. But the show also offers room for discovery, such as the work of Afro-Brazilian artist Rubem Valentim, a pioneering painter from the northeast city of Salvador, who employs African-influenced symbolism in an unfinished work from 1956.

Among the many highlights of the exhibition are the colorful murals of self-taught artist Alfredo Volpi, and works by the painter, illustrator and engraver known simply as Djanira, who beautifully portrayed of different members of Brazilian society. Her work from Bahia impresses, such as the 1966 *Três orixás*.

Internationally, it's a good moment for Brazilian culture: Look at the success of Walter Salles' *Ainda estou aqui (I'm Still Here)*, a cinematic account of a real-life family devastated by the father's abduction by the military dictatorship that has proved a global box office hit and won best international film at this year's Oscars. (In one scene in the film, a Semana de Arte Moderna poster is visible on the bedroom wall of the family's teenage daughter.)

At home, Brazil is divided politically, and many wish for a return of former President Jair Bolsonaro. Some of Bolsonaro's supporters do not care for Brazil's modernist cultural heritage: During an invasion of the country's presidential palace on January 8, 2023, rioters punctured a large-scale painting by major modernist Emiliano Di Cavalcanti (not featured in the RA's exhibition), *As mulatas*, in seven places.

But looking at the striking painting that the curators fittingly chose for the exhibition's poster, Amaral's 1928 *O Lago*, it's clear the vision of Brazil the modernists sought to portray retains its appeal. This landscape, typical of Amaral's work at the time, full of curving blue shapes and pink fruit, is a striking embodiment of the sense of optimism then in the air. AQ

Pacheco is based in London, where he is senior correspondent at Monocle Radio and hosts the podcast *The Stack*



The exhibition's more than 130 works reflect how many artists at the time searched to express a unique Brazilian identity. From top left: *Arrangement of Three Similar Shapes within a Circle* by Geraldo de Barros (1953); *The Scarecrow* by Candido Portinari (1940); *Lake* by Tarsila do Amaral (1928).

LATIN AMERICA AT A GLANCE

According to the Inter-American Development Bank (IDB), the value of LAC's exports grew by 4.1% in 2024, following a 1.6% contraction in 2023. The IDB cautions that despite this improvement (largely due to increased export volumes from some South American economies), there are no signs of a sustained trade recovery in the region.



GDP GROWTH

2025 (projected)	4.3%	2.0%	2.2%	2.5%	5.0%	1.4%	3.6%	0.9%	3.0%	3.0%
2026 (projected)	3.3%	1.7%	2.3%	2.9%	4.6%	1.7%	3.5%	1.5%	2.8%	3.2%
2027 (projected)	3.0%	2.4%	2.5%	3.0%	5.0%	2.4%	3.8%	2.0%	2.9%	N/A

PROJECTIONS CURRENT AS OF MARCH 2025

ECONOMIC INDICATORS

2025 Inflation (projected)	39.9%	5.1%	4.2%	4.5%	3.8%	2.2%	3.7%	3.8%	2.1%	71.7%
2025 Unemployment rate (projected)	7.6%	6.9%	8.2%	10.3%	6.0%	4.0%	N/A	3.0%	6.5%	N/A
2025 Govt. deficit as % of GDP (projected)	0.0%	-8.3%	-1.9%	-5.3%	-3.0%	N/A	-1.9%	-3.8%	-2.8%	N/A

PROJECTIONS CURRENT AS OF MARCH 2025

VALUE OF GOODS EXPORTS (% CHANGE)

2023	-24.5%	1.7%	-4.1%	-12.5%	-3.6%	-4.7%	-9.4%	2.6%	1.5%	-8.0%
2024	18.1%	-0.8%	4.7%	-0.5%	7.8%	8.6%	1.9%	4.0%	15.8%	18.7%

ANNUAL GROWTH RATE

PRESIDENTIAL APPROVAL RATINGS

President										
Approval	42%	41%	28%	40%	59%	47%	39%	83%	4%	N/A

SOURCES: GDP growth forecasts, inflation rate, unemployment rate, government deficit as percentage of GDP: Bloomberg (March); DR, Ecuador, Guatemala 2027 GDP growth forecasts, Ecuador and Venezuela inflation rate, DR, Ecuador, Peru unemployment rate: IMF (October); export growth rates: Inter-American Development Bank (January 2025). NOTE: Figures rounded to nearest decimal point.

PRESIDENTIAL APPROVAL: Argentina: Zuban Córdoba (March); Brazil: Genial/Quaest (March); Chile, Plaza Pública Cadem (March); Colombia, La Silla Vacía (February); Dominican Republic, Ecuador, Guatemala: CID Gallup (January); Mexico: El Financiero (March); Peru, Ipsos (February). NOTE: Figures rounded to nearest percentage.

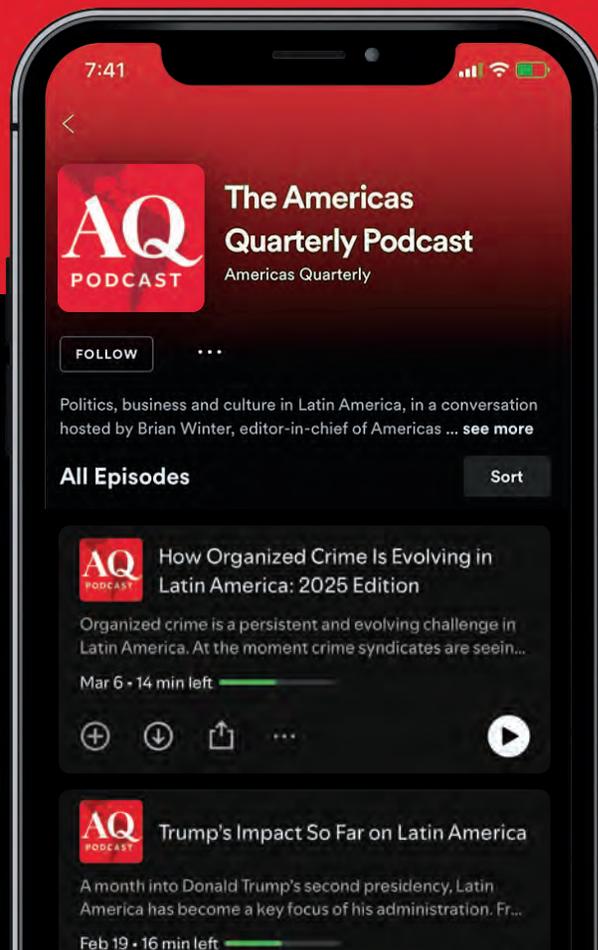
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