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## Costa Rica has new president - with elections still one month away

The 5 March marked a series of historic firsts in Costa Rica. The most significant of these is that Luis Guillermo Solís will become the centre-left Partido Acción Ciudadana (PAC)'s first president on 8 May, breaking the political stranglehold the Partido Liberación Nacional (PLN) and the Partido Unidad Social Cristiana (PUSC) have held on power since 1930. This much became clear after another historic first, at least since the country's return to democracy in 1949: Solís' PLN rival, Johnny Araya, pulled out of the second round run-off scheduled for 6 April.

Araya said that he had perceived the public mood swing away from the PLN after eight years in power and felt it was senseless to squander more money on a lost cause after a campaign which had proven to be "difficult and full of obstacles". His decision came after the release on 5 March of the first opinion poll since the first round on 2 February. The poll, by the State Universidad de Costa Rica, showed Solís with an enormous lead over Araya - 64.4% to 20.9%. Solís had narrowly edged the first round over Araya by 30.6% to 29.7% [14-01-05].

Nobody was more surprised by Araya's announcement than his opponent. Despite the scale of Solís' lead, the pollsters got it all very wrong before the first round so throwing in the towel on the basis of just one poll looked precipitate. Solís said he had been caught totally off guard but urged people to go to the polls on 6 April to vote for him despite his lack of a rival. Solís said that "the biggest enemy for Costa Rican democracy is abstention", adding that a lack of votes did not so much frighten as terrify him. His concern is understandable. A low turnout in what will be a non-contest, after all, would damage his legitimacy and potentially undermine his mandate. This is all the more disturbing for Solís because of another historic first. No head of state has ever had as few as 13 seats in the 57-seat legislative assembly before.

The supreme electoral tribunal (TSE) published the final results of last month's legislative elections on 3 March, revealing a deeply divided legislature. Solís will require an aptitude for consensus-building, or at least horse trading, to win approval for any future plans or reform initiatives. The PLN won the most seats of any party, 18; the PAC took 13 seats, but with no representation in the Caribbean province of Limón or the Pacific province of Guanacaste. The left-wing Frente Amplio (FA) won nine seats; the PUSC eight seats; the right-wing Movimiento Libertario (ML) four; and smaller parties five between them. President Laura Chinchilla has faced insurmountable difficulties in getting meaningful legislation through the legislative assembly with a more favourable composition than Solís will have.

It was noteworthy that upon withdrawing from the election race, Araya called for a national alliance. Such an alliance could, at a stroke, give Solís a

## **Araya still officially competing**

Although Johnny Araya has pulled out of the presidential race, his name will still appear on the ballot paper on 6 April. Costa Rica's legislative assembly amended the constitution to prohibit a presidential candidate from withdrawing from the contest before the second round after events in the 1930s. Manuel Castro Quesada went to a second round against Ricardo Jiménez Oreamuno in 1932 but lacking the money to campaign for a second contest, among other reasons, he took part in a failed coup d'état, known as the 'Bellavistazo', less than 12 hours after the polls closed, in which 15 people died. Congress subsequently named Jiménez as president.

majority, but he cautiously responded by saying the proposal was merely "abstract" for now. For one thing, Araya's capitulation has confounded the PLN and there are likely to be efforts to dislodge him as the party's interlocutor: various deputies elected for the PLN have already said they will keep campaigning around the country despite Araya's withdrawal. For another thing, the public might not take kindly to his striking up an alliance with a party it appeared to be on the point of emphatically rejecting after eight years in power.

There are no obvious alternatives for Solís, however. The business sector is already fretting because he has not named a single member of his prospective cabinet, and fears that his hostility to the Central America-US-Dominican Republic free trade deal (Cafta-DR) and his determination to strengthen state institutions, for instance, are a sign of his inward-looking, statist policies. Its concern would turn into panic if Solís were to seek an alliance with Villalta's FA, the next biggest bloc in the legislative assembly: Villalta was demonised as a radical left-wing liability by the business sector in the first round campaign.

### **Back to the ICJ**

Luis Guillermo Solís will face an immediate diplomatic challenge upon taking office on 8 May. With the International Court of Justice (ICJ) at The Hague yet to rule on a suit filed by Costa Rica in 2010 against Nicaragua over the San Juan river area dividing the two countries, the Chinchilla administration raised the stakes last week by filing another case against Nicaragua before the ICJ.

According to a 24 February press release by the Costa Rican presidency, the complaint, which was presented the following day by Costa Rica's ambassador to The Netherlands, Jorge Urbina, is calling for the ICJ to determine maritime limits between the two countries both in the Caribbean Sea and the Pacific Ocean.

The press release cites 10 reasons for Costa Rica's latest move, which appears triggered in part by oil exploration and exploitation concessions that the Ortega government is allegedly offering within Costa Rican maritime territory, which already led Chinchilla to issue a formal complaint to her Nicaraguan counterpart in July 2013. The press release also cites as a reason, Nicaragua's petition filed before the United Nations Commission on the Limits of the Continental Shelf (CLCS) in June 2013, requesting the expansion of Nicaragua's continental platform in the Caribbean Sea from the designated 200 nautical miles off its coast to 350 nautical miles.

The Chinchilla government has no doubt been emboldened to act on the back of two recent victories at The Hague. On 13 December 2013, the court threw out a claim by Nicaragua (filed in December 2011) that Costa Rica's construction of a 160km road parallel to the San Juan river was causing environmental damage. The ICJ found "on the basis of the evidence adduced, Nicaragua has not established in the current proceedings that the ongoing construction works have led to a substantial increase in the sediment load in the river".

Less than a month earlier, on 22 November, the ICJ ordered Nicaragua to remove all personnel from the disputed area and to refrain from any dredging and halt work on two new canals. This followed a complaint filed by Costa Rica in September 2013 alleging that Nicaragua was breaching preventative measures issued by the ICJ in March 2011 which barred the presence of all civilians, military and police officials in the area, with the exception of Costa Rican environmental officials.

On 28 February the Nicaraguan foreign minister, Samuel Santos, emphatically rejected Costa Rica's latest case before the ICJ, in a protest note sent to his Costa Rican peer Enrique Castillo and published in the national press. President Daniel Ortega, meanwhile, welcomed an announcement by the PLN's Johnny Araya, to hold talks with the Nicaraguan government as "a positive sign to normalise relations". But with Araya out of the presidential race, Ortega will now have to deal with Solís, who has said that he sees no possibility of normalising relations before the resolution of the ICJ cases or until Nicaragua signals that it has no further territorial claims against Costa Rica.

**Maduro adds punch to the party**

President Nicolás Maduro headed a special event to mark the first anniversary of the death of former president Hugo Chávez (1999-2013) on 5 March. In a decidedly Chávez-like touch Maduro used the occasion to announce the severance of diplomatic and trade relations with Panama. Panama has been forthright in calling for an urgent meeting of foreign ministers at the Organization of American States (OAS) to discuss the weeks of violence in Venezuela and respond to the unfolding political crisis.

President Maduro's paean to Chávez, who he described as "Christ the Redeemer for the poor people of the south", was broadcast on radio and television, and launches 10-straight days of events paying homage to Chávez - directly after six days of Carnival. The event was attended by the heads of state of Cuba, Bolivia and Suriname, Raúl Castro, Evo Morales and Desiré Bouterse respectively. Bouterse is pro tempore president of the Union of South American Nations (Unasur), an organisation which Chávez had the "genius" to create, according to Maduro, and which has sounded concern about the threat to democracy in Venezuela not posed by Maduro but the opposition fomenting protests on the streets.

Maduro said the foreign delegations (which included Argentina's Vice-President Amado Boudou and Ecuador's foreign minister, Ricardo Patiño) could see for themselves that the country was in a state of normality and that the people were "cleaning the streets of violence". He is not prepared, however, for the OAS (which unlike Unasur has not rallied behind Maduro) to come and see for itself, as this would represent gross interference in Venezuela's affairs. The secretary general of the OAS, José Miguel Insulza, was clear this week that there has been no democratic rupture in Venezuela, but he suggested that it would be "useful" to send an observer mission to the country, a proposal which Maduro shot down.

Panama, however, has been agitating for the OAS to take more decisive action, and to convene the region's foreign ministers over the issue. The OAS revealed on 5 March that its permanent council would hold a closed-door meeting as we go to press (6 March) to discuss Panama's request to "consider the situation" in Venezuela.

Maduro announced that he was breaking off all relations with Panama, branding the country's President, Ricardo Martinelli, "a despicable lackey" of the US, conspiring to "create the conditions for the OAS and other bodies to step towards an intervention in our country". Maduro has made it very clear that he feels that any interference whatsoever from abroad is unwarranted. He lashed out at Colombia's President Juan Manuel Santos recently for offering to mediate between the Venezuelan government and the opposition.

Martinelli expressed "surprise" at Venezuela's extreme reaction, saying on Twitter that Panama had merely sought to help "this brother nation find peace and strengthen its democracy". An official statement released by the Panamanian foreign ministry was much tougher in tone, however. Most of the press quoted the parts of the statement accusing Maduro of erecting "a smoke screen intended to hide reality" and slamming his "unacceptable" and "profane language". Not nearly so widely reported was that the statement started off by denying that Panama's request to the OAS constituted interference in Venezuela's affairs, arguing that Venezuela had called on the OAS to discuss Panama's political crisis in 1989 "when Panama was experiencing a similar situation". Comparing the Maduro administration to the military dictatorship of Manuel Noriega (1983-1989) undermines Panama's case that it is not interfering in Venezuela's affairs as it implies that the Venezuelan government is undemocratic.

**López speaks**

Leopoldo López, the opposition figurehead recently arrested and placed in solitary confinement in a military prison for his role in the violent protests on 12 February in Caracas, told *El Nacional* this week that he was "a political prisoner of conscience of [President] Maduro and his manipulated institutionalism". López added that "Change can only come about through millions of people on the streets, in peace and without violence - but on the streets." López also demanded that Maduro fire his interior minister, attorney general, the president of the central bank and the head of the state oil company, Pdvsa.

**ELN and Abella**  
Colombia's second largest guerrilla group, the Ejército de Liberación Nacional (ELN), accepted responsibility for an attack on a convoy containing the presidential candidate of the left-wing Unión Patriótica (UP), Aída Abella, in the north-eastern department of Arauca last week, admitting that it had made a mistake. It would have been tragically ironic if Abella had been killed by a left-wing guerrilla group, which only attacked because of the presence of the security forces who were assigned to protect her.

### Extending the 'peace conference'

President Maduro announced on 4 March that his government will hold a 'peace conference' in the western state of Táchira, which has been most affected by the recent protests and violence. Vice-President Jorge Arreaza insisted three days earlier that two executive commissions would be designated to organise further 'peace conferences' in states where protests have flared up.

Maduro hailed the "victory of Carnival", celebrating the "lesson" the people had given to those who want to "prohibit happiness", but while Arreaza claimed that Maduro was committed to "unconditional" dialogue to restore peace in Venezuela, the opposition is understandably wary: Maduro has not adopted the language of peace, and is sticking to incendiary rhetoric, denigrating opponents as "fascist conspirators"; and, like Chávez before him, Maduro has professed openness to dialogue previously while proceeding in exactly the same way, refusing not only to accept some responsibility for the dire state of the economy but accusing the opposition of "sabotage" and planning "an economic coup".

That said the moderates in the opposition, like Henrique Capriles Radonski, who favoured dialogue, have been outmanoeuvred by radicals whose intransigence and undemocratic calls for Maduro to go are alienating disillusioned Chavistas who might have been willing to enlist in the opposition's ranks.

## COLOMBIA | POLITICS

### Farc reshuffles negotiating team

**The Fuerzas Armadas Revolucionarias de Colombia (Farc) added three new faces to its negotiating team in Cuba this week, two of whom hail from the Bloque Sur. This bloc had been unrepresented in Havana, prompting speculation of divisions within the guerrilla group.**

'Fabián Ramírez' (José Benito Cabrera), the second-in-command of the Bloque Sur, and 'Jairo Martínez' (Pedro Nel Daza) are the two members of the bloc to join the talks. 'Iván Márquez' (Luciano Marín Arango), the head of the Farc negotiating team, said their arrival laid to rest "so much misinformation, speculation and calumny", and demonstrated that the Farc was "a very cohesive organisation".

The Bloque Sur has the second largest number of combatants of all the Farc 'blocs' - and the biggest involvement in drug-trafficking. The Farc denies involvement in the 'sordid trade' but it is noteworthy that the participation of the Bloque Sur now coincides with the round of talks on drugs and drug-trafficking.

### Uribismo holds the edge

Former president Alvaro Uribe's (2002-2010) Centro Democrático (CD) party looks set to be the best represented in congress after congressional elections on 9 March. A poll by Datexco for the national daily *El Tiempo* suggested the CD would take 23.4% of the 102-seat senate - Uribe is heading the CD senate list - and a similar amount in the 166-seat lower chamber. With some 19.4% of respondents saying they would cast blank ballots, the next best performer was the Partido Liberal (PL) on 13.6%, followed by the Partido de la U (PU) on 13.4%, the left-wing Polo Democrático Alternativo (PDA) on 10%, the Partido Conservador (PC) on 7.3%, Cambio Radical (CR) on 5.1% and the centre-left Alianza Verde on 4.3%. The PL, PU and CR combined make up the ruling coalition behind President Juan Manuel Santos. Together, the poll suggests they would take just 32.1%, leaving Santos short of a majority and complicating the passage of his legislative agenda if he secures re-elections on 25 May.

### Popularity

President Morales has 45.7% of voting intentions ahead of the October 2014 presidential election, according to the latest poll by Tal Cual Comunicación Estratégica published in the local media on 23 February. Second, with 13.4%, was Samuel Doria Medina (Unidad Nacional) followed by Rubén Costas, of the Movimiento Demócrata Social (MDS), on 9.1% and Juan Del Granado, of the Movimiento Sin Miedo (MSM), on 4.4%. The survey, which interviewed 2,250 people in Bolivia's main cities and had a 2.04% margin of error, is likely to understate support for Morales given his support traditionally remains strongest in rural areas.

### Justice remains trying for Morales

The enormity of the challenge facing Bolivia's new justice minister Elizabeth Gutiérrez, who was appointed at the end of January to tackle the crisis in the judiciary, is becoming increasingly apparent. The resignations of the presidents of both the constitutional court (TC) and supreme court of justice (CSJ), in less than a month has left the Movimiento al Socialismo (MAS) government of President Evo Morales forced to acknowledge that the unprecedented popular elections held in 2011 to pick 56 top judicial officials, have largely failed to bring about much change. Allegations by judicial officials of "interference" by the executive which have subsequently emerged – long an opposition complaint – could pose further uncomfortable questions for Morales ahead of the October 2014 general elections.

Less than two weeks after Gutiérrez took up her post – the sole cabinet change made by President Morales in his annual reshuffle, along with the creation of a sports ministry [WR-14-04] – the president of the CSJ, Gonzalo Hurtado, announced his resignation on 4 February, citing "personal reasons", which the local media attributed to stress. His departure was followed 15 days later by an announcement from the president of the TC, Ruddy Flores, that he too intended to step down. Flores initially claimed to have been the target of phone tapping by "state intelligence" only to retract these allegations days later, insisting they had been taken out of context.

Both Hurtado and Flores – who have since been replaced - were elected in the October 2011 contest to pick nine CSJ judges, seven TC judges, seven justices for the newly created agro-environmental court (TA); and five for the council of magistrates – the judicial oversight committee. At the time Morales had hailed the election as a ground-breaking attempt to overhaul the justice system and make it more representative [WR-11-20], given that previously the appointments were made by the legislature, allowing various political groups to appoint magistrates sympathetic to their causes. However, the MAS government has since been forced to admit that ultimately little has changed.

With four of the TA magistrates also clamouring for the resignation of its president, Bernardo Huarachi, for alleged inefficiency, the crisis in the judiciary could prove a rallying point for the opposition ahead of October's election (which Morales is firm favourite to win – *see sidebar*). Flores' claims regarding pressure from the executive have already been seized on both by other TC colleagues like Gualberto Cusi, as well as MAS dissidents like Deputy Rebeca Delgado, who is calling for an investigation. A former lower chamber president (2012-2013), Delgado broke with the MAS last year, after several run-ins with prominent MAS figures like Vice-President Alvaro García Linera, who she accused of authoritarianism. Meanwhile opposition leaders like Samuel Doria Medina, of the Unidad Nacional (UN) and Juan del Granado, of the Movimiento Sin Miedo (MSM) have been calling for the resignation of all the elected judicial officials.

The MAS government has yet to provide a response to the crisis. Following Flores' resignation, Gutiérrez told the local press that the judiciary must show "signs of change by the end of the year, or the government will take tough measures", although these remarks were again seized on by the political opposition as evidence of "interference" by the executive. Otherwise, on 21 February, Héctor Arce, the president of the chamber of deputies' commission on the constitution, legislation and the electoral system, announced that the legislature will promote a reform for the complete overhaul of the judicial system although it is unlikely that this will have an impact ahead of the next election.

### Coffee production bounces back in Colombia

On 4 March Colombia's national coffee growers' federation (FNC) announced that national coffee production for the March 2013-February 2014 period amounted to 11.3m (60-kg) sacks, 38% more than in the previous comparable period. In recent years coffee production in Colombia, the world's third largest coffee producer, has been declining due to an outbreak of the coffee leaf rust disease. To address this Colombia's coffee growers joined forces with the government to launch a coffee plantation renewal programme in 2012, introducing new more disease resistant plant varieties across the country's coffee-producing region. An FNC statement linked the latest successful results to the programme, which "allowed for the introduction of new younger coffee plants resistant to diseases [...] a key factor in increasing productivity".

ECUADOR-VENEZUELA | **Plummeting bilateral trade.** In an interview with the Ecuadorean daily *El Comercio*, published on 4 March, the president of the Ecuadorean-Venezuelan chamber of commerce (Caceven), Milton Ortega, said that Ecuadorean exports to Venezuela fell by 49% in 2013.

The negative result is particularly surprising given the close ideological and political ties linking the governments led by Ecuador's President Rafael Correa and his Venezuelan counterpart, Nicolás Maduro. Ecuador is a member of the Alianza Bolivariana para los Pueblos de Nuestra América (Alba), the Venezuelan-led regional economic integration initiative, but despite the various pledges to promote greater integration between the two nations, Ortega said that Ecuadorean businessmen do not feel confident enough to export to Venezuela due to the domestic economic problems the country faces.

In particular, Ortega explained that as a result of the difficulties Venezuelan business have in securing US dollars to pay for exports in the state-controlled foreign currency markets, Venezuelan importers currently owe Ecuadorean exporters US\$170m. Indeed Ortega said that Caceven calculates that 20% of the fall in exports last year is the result of Venezuelan importers' inability to meet payments.

More worryingly, Ortega attributed the remaining 40% of the drop to a revision of official export figures as a consequence of the irregularities discovered in Ecuadorean export transactions to Venezuela conducted under the Sistema Unitario de Compensación Regional (Sucre) virtual currency exchange system created by the Venezuelan government in 2010 as a way of bypassing its foreign currency liquidity problems and promoting more trade between Alba members.

To date only Ecuador and Venezuela regularly use the Sucre system to conduct commercial transactions. But last year Ecuadorean and Venezuelan authorities announced the launch of a joint investigation into a series of irregularities discovered in some Sucre transactions dating all the way back to 2010 [WR-13-27]. The evidence seems to suggest that some of the transactions were not only significantly overvalued but 'fake', resulting in millions of dollars irregularly drawn out of the system. While last year the Ecuadorean government reported that after conducting a review of the Sucre there were now no "outstanding commercial debts" between the two countries, following the review the value of bilateral transactions made via the Sucre shrank by US\$81.8m between 2012 and 2013.

VENEZUELA | **Oil exports to US hit record low.** On 27 February the US Energy Information Administration (EIA) released its latest crude oil import figures which showed that Venezuelan oil imports averaged 796,000 barrels per day (bpd) in 2013, 17% less than in 2012 and the lowest average figure since 1988.

Oil is Venezuela's main export and source of revenue. Despite all the anti-US rhetoric emanating from the Venezuelan government since the late former president Hugo Chávez (1999-2013) first came to power (and which has continued under his successor, Nicolás Maduro), the US remains Venezuela's main oil export market. Consequently, the EIA's figures have increased concerns in Venezuela that the country's vast oil riches and its key oil industry, which is dominated by the state-owned oil firm *Petróleos de Venezuela* (Pdvsa), has been seriously mismanaged by the successive *Chavista* governments.

An article published in the local daily *El Nacional*, after the release of the EIA's figures on 1 March, pointed out that the historic peak of Venezuelan oil exports to the US came back in 1998, a year before Chávez assumed power, when the Andean country shipped an average of 1.7m bpd to the US. However, since the onset of Chávez's 'Bolivarian Revolution', there has been greater milking of the Pdvsa 'cash cow' than ever before: it is expected to finance a wide array of domestic and regional political projects, leaving little left to reinvest in the firm in order to ensure increased production capacity in the future.

Unsurprisingly Pdvsa's production levels have largely remained stagnant; resulting not only in decreasing oil exports but also rising refined fuel imports as Pdvsa's refining capacity is no longer able to satisfy domestic demand. According to EIA's figures, on average last year Venezuela imported 84,000 bpd of refined fuels from the US, just 1,000 bpd less than in 2012, when Pdvsa's refining capacity was severely limited following an explosion at its Amuay refinery.

**Brazil's 'kid glove' treatment of Venezuela****Brazil and the OAS**

Despite its loud support of the Inter American Democratic Charter, Brazil is not entirely neutral in Venezuela's latest row with the US-dominated Organization of American States (OAS). It too has had a few run-ins with the OAS on its internal human rights situation, including over its 1979 Amnesty Law. Arguably, it too has a strategic geo-political interest in promoting the likes of the new Community of Latin American and Caribbean States (Celac), which pointedly does not include the US and Canada, over the OAS.

The left-leaning Brazilian government led by President Dilma Rousseff has been criticised by the country's mainstream conservative press for tiptoeing around the situation in Venezuela. Brazil remains publicly supportive of the democratically elected government of President Nicolás Maduro and Rousseff has been clear, as effective leader of both the Southern Common Market (Mercosur) and the Union of South American Nations (Unasur), that the region will not contemplate any rupture of the institutional order.

In Brussels on 24 February, President Rousseff stressed that "Venezuela is not Ukraine". She noted the importance of not losing the social gains made in Venezuela in recent years but in the same breath added that Brazil "supports freedom of expression". She stressed the need for dialogue: "We believe, under any circumstance, that dialogue, consensus and democracy building are better than any kind of institutional rupture. When there is a political vacuum [...] there is always another actor looking to fill it – that actor is called chaos. With chaos comes total economic, social and political destruction [...] Within Latin America's bodies, we always maintain a position in favour of democracy, and we are going to keep it," Rousseff emphasised.

Brazil's conservative commentators interpreted this as 'fence sitting' by the left-wing Partido dos Trabalhadores (PT) government, its 'pink' foreign policy motivated by its ties, ideological, geo-political and also commercial, to the Caracas government. While clearly there are ideological links between some elements of the PT and the Bolivarian Revolution, and also increasingly strong commercial interests between the two countries, this criticism of Rousseff may be slightly unkind.

For instance, Paulo Sotero, director of the Brazil Institute at the US-based Wilson Center, suggested this week that Rousseff's position is not, in fact, all that different to the one taken by former president Fernando Henrique Cardoso (1995-2002) (*see box overleaf*), when in his last year in power in 2002 he denounced the attempted coup against Venezuela's then-president Hugo Chávez as a violation of the brand new Inter American Democratic Charter, adopted at a general assembly of the Organization of American States in Lima in 2001. Sotero added that in early 2003, the recently inaugurated Lula da Silva (2003-2010) set up the "Group of Friends" of Venezuela, which helped stabilise the still-unstable situation in the country, while "in 2008, Lula acted decisively to help defuse a domestic crisis in Bolivia, undermining a strategy of confrontation pushed by Hugo Chávez".

**Brazil's record elsewhere**

It is worth noting Rousseff led the Mercosur/Unasur response to the June 2012 congressional impeachment of Paraguay's former president Fernando Lugo (2008-2012). Paraguay maintained that the impeachment, though swift, was perfectly legal. Brazil retorted that Lugo was not given due process and Paraguay was duly politically suspended from the regional blocs for breach of the institutional order (a sanction lifted in August 2013 after scheduled elections).

The coup d'état in Honduras in June 2009 was in fact called out first by Venezuela's Hugo Chávez, with Brazil rowing in strongly afterwards, taking the opportunity to chide the US for its dithering response. Brazil was one of the last countries to eventually recognise the outcome of subsequent (scheduled) elections in Honduras and the Itamaraty has since made a point (as in Paraguay) of being resolute on the need to defend the hard-won regional democratic order.

## **Brazil-Venezuela trade**

While Brazil's total investment in Venezuela is tricky to put a figure on, its merchandise trade balance is in healthy surplus on official Brazilian trade ministry figures. It was valued at US\$3.7bn in 2013, on exports of US\$4.85bn and imports of US\$1.12bn. Exports last year were actually down slightly on the record US\$5.0bn posted in 2012.

Sotero goes on to note that the Itamaraty reportedly considered “unbalanced and unhelpful” a mid-February Mercosur communiqué describing the student-led and opposition-backed Venezuelan protests as “criminal actions by violent groups bent on spreading intolerance”. Brazil’s Foreign Minister Luiz Alberto Figueiredo, he stressed, suggested in an interview that the Mercosur note was misinterpreted. “We repudiate all types of violence and intolerance, independent of its origin. We are for dialogue with the opposition in Venezuela.”

Another, potentially less altruistic motive identified by Sotero in all of this is Rousseff’s awareness, this election year, that by and large the Brazilian public is not that sympathetic towards the ‘Bolivarian Revolution’ and regional Chavista leaders.

Meanwhile, Brazil’s conservative press also suggests that behind the scenes, the Rousseff-Maduro relationship is nothing like that between Chávez and Lula. The business daily *Valor Económico* this week ran a story claiming that Brazilian national champions like Odebrecht are also suffering from unpaid foreign currency debts with Venezuela, to the tune of some US\$2.5bn. Odebrecht, which employs 13,000 people in Venezuela, rejected the slant of the story, saying that such rolling debts were a normal part of business. Mischievously, *Valor* also noted that between 2003 and 2010 Lula visited Caracas 16 times, while Chávez visited Brazil 20 times. In contrast, Rousseff has only been to Caracas three times ever, once in 2011, when Chávez was still in power, once in March last year for Chávez’s funeral and then once more in July 2013 for a Mercosur summit. This cooling, it suggested, has allowed China to “gain more space” in Venezuela (*see sidebar*).

### **Cardoso et al say it straight**

Four former Latin American presidents — Brazil’s Fernando Henrique Cardoso (1995-2002), Costa Rica’s Nobel Peace Laureate Oscar Arias Sánchez (1986-1990, 2006-2010), Chile’s Ricardo Lagos (2000-2006) and Peru’s Alejandro Toledo (2001-2006) — on 4 March issued a strong statement on Venezuela that was openly critical of the Caracas government’s reaction to the February street protests and urgently stressed the need for dialogue.

The statement lamented the “disproportionate repression” of “peaceful student demonstrations protesting against government policies – a normal feature of any democratic society”, leading to “an alarming escalation of violence and a rapid deterioration of the human rights situation”. Condemning the violence and urging “a constructive debate within the framework of universally recognized democratic principles as set out in the Inter American Democratic Charter”, the statement urged “the government in particular to contribute without delay to the creation of conditions conducive to such a debate, with a shared agenda and without exclusion”.

To this end, it stressed, “It is indispensable that it immediately cease the persecution of students and opposition leaders, freeing...all those detained or persecuted for political reasons”. It went on: “Likewise, it is imperative that an independent and transparent investigation be conducted into allegations of torture and other human rights violations, [and] that the harassment of the independent press cease. It is also essential that protest demonstrations by opposition parties and other organizations be conducted peacefully, as required in a democratic society and with due respect for the country’s various authorities under the terms of the Venezuelan constitution.”

“As friends of Venezuelan democracy, we are confident that the country will succeed in overcoming the extreme polarization and intolerance that have dominated the political scene in recent years – evils which have eroded the efficacy of internal mechanisms for democratic debate as well as confidence in the independence and impartiality of many important institutions. At the same time, we call on the international community to make a concerted effort to strengthen democracy and preserve the peace in Venezuela,” the statement concluded.



**Mixed perceptions at play in the crisis**

Surveys show that claims by the government of President Cristina Fernández that insecurity is being hyped by the opposition clash with the evidence provided by victims — and also that the government has managed to convince a fair segment of the public that big business can be blamed for at least part of the current economic situation.

A survey conducted in the second half of February by Management and Fit did not surprise many when it showed that the top concern listed by 82.4% of their 1,600 respondents was insecurity. Next in line came inflation (69.9%) and unemployment (50.5%), which the newspaper *Clarín*, a systematic opponent of the government, interpreted as revealing jointly that the state of the economy worried more than insecurity.

The survey did indeed show widespread discontent with the state of the economy: 76.8% felt that the economy was performing badly, 67% expected the situation to worsen over the coming month, and 55.8% believed that their domestic finances would be worse or much worse.

However, only 5.3% expressed concern over something that has made headlines both within and without Argentina: the stringent controls on the purchase of dollars. And quite a few appear to have believed the government's claims that big business is responsible for many of the current economic woes: 56% of the respondents said that the blame for the poor performance of the economy falls on both the businessmen and the government, while only 31% put it solely on the government's economic policies. This said, 61% said that many recent adverse developments can be attributed to governmental improvisation.

The government of President Fernández frequently argues that the public security situation is not as bad as many media and opposition politicians make out. This is often illustrated by noting that Argentina's homicide rate is among the lowest in the region.

Even in the absence of reliable and timely official statistics, that much is verifiable, but opposition hype does not explain the widespread perception of an intractable situation of public insecurity. What might do so is the regular series of countrywide victimisation surveys conducted by the Universidad Torcuato di Tella's research lab on crime, institutes and politics (Licip).

The most recent one, conducted in January, reports that 36.4% of their 1,209 respondents from across 35 urban centres said that in the past year they or a relative had been victims of a crime. This is only slightly higher than the average for the past year. Just under two-thirds of these respondents were in two areas: Greater Buenos Aires (41.7%) and Buenos Aires city (22.4%).

Just over a quarter of the respondents said they had been victims of what Licip labels 'crimes against persons', a category that comprises robbery with violence or threats, sexual offences, fraud and homicide. The first accounts for 54% of all the cases in this category. 'Crimes against property' account for 16% of all events reported by respondents, with burglary accounting for more than half of these.

Homicide cases were so few that in the overall breakdown they do not merit separate mention: they are included in 'other'. While murders do make headlines, the crimes that most influence the broader perception of insecurity are robbery with violence and burglary.

“The government of President Cristina Fernández frequently argues that the public security situation is not as bad as many media and opposition politicians make out. This is often illustrated by noting that Argentina's homicide rate is among the lowest in the region.”

## Marijuana

During the presentation of the annual report of the International Narcotics Control Board (INCB) on 4 March, Raymond Yans, the president of the UN body, reiterated his comments that Uruguay's law legalising marijuana contravenes the 1961 single convention on narcotic drugs, and reminded Uruguay of the need to respect treaties. Yans said the law was "a misguided initiative", adding that it was "essential that global efforts to tackle the drug problem are unified". The report itself does not mention Uruguay's new law, Yans explained, because it was only approved by the senate in December after the INCB report was finished.

## Mujica snubs Argentines

President José Mujica began his final year in office on 1 March by presenting congress with an annual report to open the new session. The report was remarkable not so much for what it said as for what it did not say. In the introductory message to the report Mujica made no mention whatsoever of Argentina and, somewhat perversely, there was not even any mention of the country in the foreign ministry's report either. Instead, it identified Uruguay's strategic partners as Brazil, Mexico and Venezuela.

It is axiomatic that Uruguay's ties with Argentina have been strained in recent years, but bilateral tension in recent months has been almost palpable. President Mujica met his Argentine peer Cristina Fernández in Cuba on the sidelines of the summit of the Community of Latin American & Caribbean States (Celac) on 28 January, but he left with little to show for the encounter. Argentina has not withdrawn a threat of a repeat visit to the International Court of Justice (ICJ) at The Hague, on the grounds that Mujica's decision last October to permit increased production at the pulp mill owned by Finland's UPM on the banks of the River Uruguay, the natural frontier between the two countries, would lead to additional pollution, in violation of the terms of the original ruling.

The Mujica administration is seething at what it sees as a retaliatory measure by Argentina, whose national port authority has restricted dealings with countries without maritime transport agreements with Argentina, namely Uruguay, which it estimates could result in the Uruguayan ports of Montevideo and Nueva Palmira losing US\$100m a year. Uruguay's recently appointed economy and finance minister, Mario Bergara, gave an interview last month in which he tried to downplay Uruguay's vulnerability to economic policymaking in Argentina (without too much success), while criticising the huge uncertainty hanging over Argentina's economic policy direction, and who was in charge. This prompted a fierce riposte from Argentina's cabinet chief, Jorge Capitanich, who described Bergara's remarks as "inadmissible".

Given the recent history of tension it was perhaps not particularly surprising that Uruguay opted not to include Argentina on its shortlist of strategic partners in the region, but the failure to mention the country at all was eye-catching to say the least. There was perhaps an indirect reference to Argentina in Mujica's remarks that "the principal uncertainties" affecting Uruguay's projected GDP growth "come from the world and particularly the region", and "our scale makes us vulnerable to external contingencies".

### Mining

Another issue which was conspicuous by its absence in the report was the controversial Aratirí mine project. The government pushed through legislation last August allowing open-pit mining in the country, in the face of fierce opposition from the agricultural sector, with the principal objective of exploiting the 250m tonnes of iron ore deposits in Aratirí, which covers some 14,000 hectares straddling the three central departments of Durazno, Florida and Treinta y Tres. The industry minister, Roberto Kreimerman, said on 20 February that the project would shortly be agreed with the Indian mining firm Zamin Ferrous, and could net the country US\$400m annually over the next 20 years.

The omission of Aratirí from the report was all the more noticeable because the report stressed the importance of a planned deep-water port on the Atlantic coast, which the transport and public works ministry described as the most ambitious work in recent times that would "re-found the country and the region". The port is closely linked to Aratirí, which would be connected by a 212km pipeline and export from there.

**Everything at stake in PAN leadership battle**

The president of the right-wing opposition Partido Accion Nacional (PAN), Gustavo Madero, has announced that he will seek re-election to the post on 18 May. He will compete against Senator Ernesto Cordero. Although both men insist on the need for party unity, the campaign promises to be bitterly divisive. It is not just the future direction of the PAN at stake; the survival of the cross-party 'Pact for Mexico' reform agenda championed by President Enrique Peña Nieto, and the congressional approval of secondary legislation related to many of these reforms, also hinges on the outcome of the internal election. Cordero has been fiercely critical of Madero's participation in the Pact.

The internal elections will see the two factions of the PAN that have been consumed by a vicious internal power struggle since Peña Nieto took office in December 2012 clash head on. Cordero, who gave up his seat in the senate last week to compete in the party leadership contest, accuses Madero of selling out to the federally ruling Partido Revolucionario Institucional (PRI) rather than representing the PAN's interests, turning the party into a mere satellite of the PRI by slavishly adhering to the government's agenda enshrined in the Pact. Cordero argues that the PAN has lost its identity as a result, and that it is the PRI, not the PAN, reaping all the benefits from reforms won with PAN support.

Adding serious spice to the contest is the fact that Madero dismissed Cordero from his position as the head of the PAN senate bloc last May on the grounds that he had been acting without consulting the national executive committee (CEN), and replaced him with one of his close allies, Senator Jorge Luis Preciado.

Madero, who has led the PAN since December 2010, sought permission to take leave of absence from his post in order to campaign for re-election over the next two months. Madero's faction of the PAN argues that if the party merely sits on the sidelines the PRI government will bulldoze much of its reform agenda through congress anyway and the PAN will have lost the chance to influence this and, in the process, to play a decisive role in Mexico's development.

**Divisive elections**

All sides insist on the need for unity but everything points towards a highly divisive leadership election which will have repercussions for the party ahead of elections in 2015 when the entire federal lower chamber of congress will be replaced as well as nine gubernatorial elections contested. Cordero has been pushing hard for an investigation into corruption allegations against Luis Alberto Villarreal García, the PAN coordinator of the federal lower chamber and a close ally of Madero. Cordero says Villarreal should be removed from his position until allegations that he sought kickbacks from mayors in return for federal funding for infrastructure projects can be clarified. *Corderistas* have also accused Villarreal of paying bribes to PAN deputies to vote in favour of the government's draft budget last year.

Josefina Vázquez Mota, who finished third for the PAN in the 2012 presidential elections, withdrew her candidacy for the party presidency on 26 February despite internal polls suggesting she could win it comfortably (with as much as 76% of the vote). Vázquez Mota cited two reasons for her decision: the "tense atmosphere"; and her conviction that "the way the process has been structured means that practices contrary to the power of the vote of party members will affect the result".

**Cordero's joint slate**

Senator Ernesto Cordero served as finance minister under former president Felipe Calderón (2006-2012). He will run on a joint slate with Juan Manuel Oliva, a former governor of the central state of Guanajuato, for president and secretary general of the party. Guanajuato is a bastion of the most ultra-conservative branch of Panismo, the Yunque (the Anvil), a politically influential Catholic secret society.

## Oceanografía

The Mexican government took control of Oceanografía, a maritime transport and oil-services firm, on 28 February, while federal prosecutors investigate allegations that it defrauded Mexican and US banks to the tune of US\$360m. The probe could include former president Vicente Fox Quesada (2000-2006), and his step children, Manuel and Jorge Bribiesca Sahagún, who have been linked to the firm, which has had contracts with the state-owned oil firm Pemex. The scandal could benefit Ernesto Cordero in the PAN leadership contest, as Fox has been a fierce critic of Cordero's mentor (and Fox's successor) Felipe Calderón.

The second point is intriguing. The contest on 18 May will actually mark the first time that the PAN has elected its national leader through direct internal elections, in which party members will be eligible to take part: up until now the party president has been chosen by party directors. Vázquez Mota's criticism was an allusion to the new party statutes, reformed last August, reducing the size of the party membership by some 80% to 217,000.

Corderistas argue that the new statutes emasculate the CEN, by empowering a new permanent commission of 40 party notables to choose which candidates will run in the mid-term elections next year, for instance, and to overrule decisions taken by the PAN municipal and state level leaderships. The commission's members will not be elected by the party members but by party directors. Corderistas, and seemingly Vázquez Mota, think this means that party members will merely elect a heavily constrained, decorative figurehead.

### Prospects for reforms and Pact future

President Peña Nieto will be hoping that Madero emerges triumphant. Although Madero has criticised the PRI over the implementation of the 'Pact for Mexico', he is committed to the reform agenda contained within it. Cordero sees it as nothing less than a covert PRI master plan to establish another era of dominance over Mexican politics. For that reason, Peña Nieto is very keen to get all of the secondary legislation required to enact the 12 reforms approved last year before the PAN's leadership contest.

The PAN is behind the outstanding reform, to the energy sector, but a Cordero-led party could cause difficulties elsewhere. Indeed, a victory for Cordero could well sound the death knell for the Pact, which the left-wing Partido de la Revolución Democrática (PRD) has already left. Madero has suggested the PAN could stay in it until the mid-term elections.

## MEXICO | SECURITY & POLITICS

### Trying to size big problems with hazy facts

**The quality of security-related statistics, which all sides say is essential to solving problems, has again come to the fore in two areas in Mexico: the government's assessment of how big a problem kidnapping is, and a private-sector institution's calculation of how much insecurity is costing the economy.**

On 21 February the interior minister, Miguel Ángel Osorio Chong, told an assemblage of civil organisations that the government's efforts to curb kidnapping would start yielding decisive results within six months. His listeners did not sound very convinced, particularly when it emerged that there has been no official report on the performance of the network of Unidades Antisecuestro (UA; anti-kidnap units) announced four years ago and which the present federal government has promised to enhance [WR-14-04]. Renato Sales, the coordinator of the national anti-kidnap strategy, said that he had visited eight states to assess progress, while private bodies have already come up with their evaluation.

The NGO México Unido contra la Delincuencia says that in only five states — Puebla, Yucatán, Querétaro, Nuevo León and Guanajuato — are these units doing their job adequately; in four they are virtually non-existent (Guerrero, Michoacán, Morelos and Tamaulipas) and two others (Sinaloa and Veracruz) are not much better.

There are considerable differences between the government and the NGOs over the size of the problem. Official statistics show 1,695 reported kidnappings since President Enrique Peña Nieto took office in December 2012. The

**Cost of insecurity**  
The losses caused directly and indirectly by insecurity, the Observatorio México ¿Cómo vamos? monitoring service of the Instituto Mexicano para la Competitividad (IMCO) says, translate into a low level of overall activity with GDP growing in 2013 by only 1.1% and job creation running at less than two-fifths of what is required.

NGO Alto al Secuestro counts 3,257 cases in the same period. Of these the NGO says that 344 were cases that were not reported to the authorities and the remaining 2,913 had received the attention of some government agency. The difference with the federal government's tally is assumed to be due to glitches in the national reporting system.

Alto al Secuestro says that 61% of the cases it counted were accounted for by five federal entities: the Estado de México, Guerrero, Morelos, Tamaulipas and Mexico City.

### **Cost of insecurity**

On 25 February the Observatorio México ¿Cómo vamos?, a monitoring service of the Instituto Mexicano para la Competitividad (IMCO), reported that insecurity is costing Mexico every year between M\$1,300bn and M\$2,400bn (equivalent to US\$98bn to US\$181bn) or 8% to 15% of GDP.

The figures were meant to catch the eye, as only a small proportion of that 'cost' can be attributed to roughly quantifiable causes. Alejandro Hope, director of public security at IMCO, said that M\$215bn (US\$16bn) is linked to losses and preventive outlays directly caused by insecurity. The rest, he said, is the result of investments not made and products not sold as a result of the widespread perception of insecurity.

He cited as examples that people don't wear jewellery, don't go to the cinema, walk the streets, take taxis, go out to eat, use public transport, cash, credit or debit cards, or shop in malls — all of which lowers the level of economic activity.

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## **TRACKING TRENDS**

**MEXICO | Pemex posts loss in 2013.** On 27 February Mexico's state-owned oil firm, Petróleos Mexicanos (Pemex), presented its final 2013 financial figures which showed that the firm closed the year with a net loss of M\$169.1bn (US\$12.9bn) after posting net profits of M\$2.6bn (US\$200m) in 2012.

The negative result comes just as Mexico's congress is in the process of drafting the secondary legislation needed to implement the energy reform plans promoted by the government of President Enrique Peña Nieto, which would open up the country's energy sector to increased private participation. The changes would mean that Pemex would lose its complete monopoly over oil production in Mexico and for the first time come into competition with other firms.

The result was presented by Pemex's financial director, Mario Alberto Beauregard, who said that the loss came about as a result of a 5.3% fall in Pemex's crude oil exports and a 2% fall in the volume of fuels sold to the domestic market last year compared to 2012. According to Beauregard, the 2013 results were the consequence of "the fall in international reference prices for crude and its derivatives, as well as lower levels of sales of these products".

Meanwhile Pemex's average oil production for 2013 was 2.52m barrels per day (bdp), 1% lower than in 2012. However, commenting on the imminent implementation of the energy reform that will transform Pemex from a "decentralised public entity" to a "productive State firm", Beauregard said that he expected that the energy reform will "change the direction of Mexico's energy sector and with that Pemex". In particular, Beauregard said that Pemex would in the future have to compete with other firms in areas such as "exploration, exploitation, transport, processing and distribution of hydrocarbons".

In Beauregard's view, all this will force Pemex to become "more efficient, competitive and profitable" as it will no longer be forced to take part in all oil-producing concessions and will be able to choose the concessions on which it wants to concentrate. In fact, as part of the reform Pemex is expected to submit a list of 'priority' production concessions and projects which it wants to continue being solely in charge of to the energy ministry by 21 March.

## Opposition response

The opposition Partido Revolucionario Dominicano (PRD) was critical of President Danilo Medina's speech for its omissions. The PRD is still riven in two factions behind former president Hipólito Mejía (2000-2004) and party president Miguel Vargas Maldonado, and lacking credibility. Mejía said the public was waiting to hear from Medina how he was going to show his commitment to fighting against impunity and corruption, by going after officials who embezzled money during the administration of his Partido de la Liberación Dominicana (PLD) predecessor, Leonel Fernández (1996-2000; 2004-2012), as well as details on the fiscal pact to combat wasteful government spending.

## CENTRAL AMERICA & CARIBBEAN

### DOMINICAN REPUBLIC | POLITICS

#### Medina neglects thorny issues in annual address

President Danilo Medina presented his annual state-of-the-nation address to congress on 27 February, marking the 170th anniversary of the Dominican Republic's independence. Medina, basking in unprecedented popularity for a Dominican head of state after 18 months in the job (80%), emphasised his government's economic achievements, but above all its focus on redistributing wealth through the provision of free health and education benefits, adding that it remained on course to eradicate illiteracy by the end of the year. Medina's dismissively short mention of Haiti (three sentences in a two-hour speech), given widespread criticism of the legal ruling stripping thousands of Dominicans of Haitian origin of their nationality retroactively, earned a rebuke from the Haitian foreign ministry, and he made no mention at all of the controversial Loma Miranda mining project.

President Medina said that GDP growth reached 4.1% in 2013, driven not just by tourism but also agricultural production, which grew by 16.5% year-on-year, and now accounts for 8.3% of GDP. This gave Medina the opportunity to flag up his government's programmes to promote farming and food production for domestic consumption and export in a bid to revitalise the sector. He said that investment in the sector totalled RD\$8.6bn (US\$193m) in 2013, generating 35,000 jobs, while sectoral exports surpassed US\$1.2bn. He also said that foreign direct investment (FDI) in the DR surpassed US\$2bn last year, putting the country second only to Panama in attracting FDI in Central America and the Caribbean.

For 2014 Medina promised more jobs and GDP growth of 5% but, pointedly, he added that "we are not content with just seeing the percentages increase; we want that growth to translate into better living conditions for our citizens". This was his cue to expound on his government's health initiatives - including efforts to provide universal health care, decentralise public hospitals, and vaccinations - and education programmes, principally the ambitious national literacy campaign, which has been running for one year and aims, Medina said, to eliminate illiteracy by the end of 2014. Medina said 500,000 Dominicans had been lifted out of illiteracy already but 300,000 remained to be assisted.

Medina also promised to resolve the country's perennial electricity supply problems by the end of his mandate in 2016. He said construction had started on two coal-powered generators, which would provide 760MW of energy in total and bring annual savings of US\$450m which the government currently has to provide to subsidise the electricity sector.

#### Omissions

While elaborating upon the government's achievements over the course of the previous year is the purpose of the annual address, the decision to relegate discussion of Haiti to a mere afterthought in the foreign relations section stuck out. "The historic dialogue we have opened with the neighbouring Republic of Haiti deserves a special mention. Never before had our two nations sat at a table to discuss a full agenda of issues of mutual interest. And this dialogue will continue, always on the basis of mutual respect for the sovereignty of each country, with the purpose of providing solutions to the needs of our people." The "special mention" makes no reference whatsoever to the controversial 'nationality' ruling by the Dominican constitutional tribunal (TC) last September affecting three generations of Dominicans of Haitian descent.

## Another member of the 'Cuban Five' returns

On 28 February Fernando González, one of the so-called 'Cuban Five', returned to Havana having been released by the US authorities the previous day after 15 years behind bars. González is the second of the 'Cuban Five' – a group of agents convicted in the US in 2001 for spying on US military operations in Florida, as well as Cuban exile groups and politicians – to return to Cuba. Of the other four convicted, René González now resides in Havana having been released in 2011. According to international media reports, a third member of the 'Cuban Five', Antonio Guerrero is due for release in September 2017, while Ramón Labanino is due to be released in October 2024.

Haiti's foreign ministry later issued a statement complaining about the scant attention given to bilateral ties in the address and Medina's failure to honour a commitment to present a naturalisation bill to the legislative assembly on the same day as his speech: this would fast-track a "special path to naturalisation" for people born in the DR who are not deemed to be citizens under the TC ruling. As it happens the US State Department released its annual human rights report on the same day, devoting a long section to the whole issue.

The human rights report cited last December's report by the Inter-American Human Rights Commission (IACHR) which found that the Dominican ruling "implied an arbitrary deprivation of nationality and that the ruling had a discriminatory effect, strips nationality retroactively, and leads to statelessness for individuals not considered Dominican citizens".

In a posture statement before congress on 26 February, the commander of the US Southern Command, General John F. Kelly, expressed concern about the "44-fold increase in Haitian migrants in the Mona Passage [...] trying to use this narrow passage [separating the DR from Puerto Rico] as a migration vector". He added: "Thankfully, the Dominican Republic is an important partner in stemming migration flows, and they are working hard to reach a solution on the issue of the roughly 200,000 Haitians residing in the Dominican Republic."

If Haiti got minimal coverage in the speech, the Loma Miranda ferronickel mine in the central province of La Vega did not feature at all. Last June Medina denied permission to Falconbridge Dominicana (Falcondo), a local subsidiary of the Anglo-Swiss mining giant Glencore Xstrata, to explore the site after experts from the UN Development Programme (UNDP) reported that the environmental impact assessment presented by Falcondo was incomplete [WR-13-22]. Protesters have taken Medina's silence to mean that he favours the project if certain environmental conditions can be met. The director of mining, former Falconbridge executive Alexander Medina, the President's cousin, has made it clear that President Medina is fully committed to expanding the mining industry to spur the country's development.

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## TRACKING TRENDS

**COSTA RICA | Protests in San José.** Last week thousands of public employees took to the streets in Costa Rica's capital, San José, over minimum wage demands. The unrest, which attracted some 4,000 protesters on police figures (although union leaders put it at more like 7,000), was in response to the approval by the government of President Laura Chinchilla on 4 January of a 0.43% rise in the minimum wage for public sector workers. The trade union Asociación Nacional de Empleados Públicos y Privados (Anep) had been demanding a 3.62% increase given that inflation was 3.68% in 2013.

With the PLN government yet to show any willingness to negotiate, both the Anep and national social security institute (CCSS)'s union, Undeca, have announced further anti-government protests will take place this month.

**CUBA | Reforms not perfect.** President Raúl Castro acknowledged this week that the economic reforms carried out by his government were not "perfect" and that "mistakes" had been made due to "a lack of experience in some areas".

During a cabinet meeting on 1 March, details of which were revealed by the Communist party mouthpiece *Granma*, Castro called for municipal leaders to carry out a critical analysis of the implementation of the 'guidelines of economic and social policy' approved in April 2011. He indirectly criticised the top-down centralised decision-making process, which he and his brother Fidel created and perpetuated, saying that local party leaders were too accustomed to receiving "instructions" from above but that "this has to change". Castro said they needed to make opinions "in the right place at the right time and in the right way".

The cabinet meeting discussed issues such as a national land registry, the growth of service cooperatives, geological investigation, and investment problems.

## Quotes of the Week

“It’s a bit strange, like fighting against a ghost. Abstention is a more dangerous enemy than any other rival.”

*Costa Rica’s Luis Guillermo Solís reacts to the decision by his rival, Johnny Araya, to pull out of the run-off, handing him the presidency on a plate.*

“A right-wing president, who is not worthy of his people, is creating conditions for the OAS and other international organisations to intervene [in Venezuela]. This is Panama’s President [Ricardo Martinelli]. I have decided, in the face of this open conspiracy [...] to break diplomatic and trade relations with Panama.”

*Venezuela’s President Nicolás Maduro.*

“Brazilians are ready to show that they know how to receive tourists and make this the ‘Cup of Cups’ [...] This is more than a football tournament. It is the Cup for peace and the Cup against racism.”

*Brazil’s President Dilma Rousseff on the imminent Fifa World Cup.*

## POSTSCRIPT

### Ecuador’s Correa eyes re-election

Ecuador’s President Rafael Correa is determined to bounce back from electoral disappointment on 23 February by reforming the constitution to allow him to seek re-election in 2017. After his victory in presidential elections in February 2013, Correa said that he would retire from political life in 2017 and would not seek to amend the constitution in order to seek another term. The opposition cast doubt on the sincerity of this verbal commitment at the time, and Correa has decided that he was precipitate. He now believes that his Alianza País (AP)’s setback in the municipal elections leaves him with no choice but to run again in order to ensure that his ‘Citizens’ Revolution’ does not unravel.

The AP has a decisive majority in the national assembly to push through the constitutional reform Correa requires: at present the constitution specifically bars indefinite re-election, restricting a head of state to one term in power, consecutive or not. Speaking on his ‘Enlace Ciudadano’ broadcast on Saturday, Correa said it was his “responsibility to guarantee that the [Citizens’ Revolution] process is irreversible”. He argued that “the Right has strengthened” and grown more “organised, with foreign support”, and now posed a genuine threat to the continuation of his ‘Citizens’ Revolution’ after his departure.

Like all of his fellow presidents of ‘progressive Left’ governments in the region, Correa believes he is the only one capable of steering the ship, even though his determination to cling onto power could actually be inimical to his professed objective, as it makes the ‘Citizens’ Revolution’ look more like a personalist project than ever.

Reforming the constitution will allow Correa to boost his own popular support and immediately regain the initiative from the opposition he now claims to fear, although this opposition is by no means a united force [WR-14-08]. The amendment allowing re-election will have to go to a referendum and win the backing of 50% plus one of all of those who cast valid votes, after the formality of approval, in two separate debates, by the national assembly, where the AP rules the roost.

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