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'Operation Car Wash' strikes again in Brazil

Prosecutors working on Brazil's relentless anti-corruption probe 'Operation Car Wash' celebrated two major breakthroughs this week. On the morning of 30 January, Brazilian authorities detained the business mogul Eike Batista on corruption charges. Later that day, the supreme court ratified 77 testimonies linked to a bid-rigging scandal at the construction company Odebrecht, in what is expected to be one of the most explosive revelations uncovered by the investigation so far.

Last week, many feared that the loss of a supreme court judge, Teori Zavascki, who had been one of the most senior figures working on the 'Operation Car Wash' case would derail the anti-corruption probe. This week, however, public confidence that the mega investigation would continue has been restored following news that a probe into a corruption scheme at Odebrecht had not stalled as anticipated and that Batista, who had gone missing, had been detained. While police appear to be no closer to solving the mystery surrounding Zavascki's death, these two latest developments show his legacy to combat corruption tirelessly lives on.

A judge on the supreme court (STF), Cármen Lúcia Antunes, took personal responsibility for ratifying the Odebrecht testimonies which Zavascki had been working on before he died. Previously it had been unclear when work on the testimonies would resume since Zavascki's replacement has not yet been named. The bill now passes to prosecutor general Rodrigo Janot, who will decide whether or not to press charges against dozens of politicians and businessmen who formed part of a corruption ring.

By intervening in the 'Operation Car Wash' case, Antunes has shown how the STF is becoming an increasingly relevant institution in Brazil. As low popularity ratings and political instability threaten to undermine President Michel Temer's right-of-centre Partido do Movimento Democrático Brasileiro (PMDB) administration, the STF is bridging the gap between the government and its people by making politicians more accountable for their actions. Temer, who is not usually a vocal supporter of anti-corruption initiatives, backed Antunes' decision to ratify the testimonies, saying "I think she did what she had to do and in that sense she was right."

Antunes classified the Odebrecht recordings as 'confidential'. But this seemed like an empty formality given that many of the names denounced by Odebrecht officials for allegedly participating in a bid-rigging scheme were leaked to the press at the end of last year. The allegations contained in the Odebrecht testimonies implicate leading politicians from all three of Brazil's traditional political parties. Temer has been mentioned at least 43 times for allegedly soliciting bribes from Odebrecht executives to fund his party's

Batista's hero's welcome

After Eike Batista handed himself over to police at the JFK airport in New York, fans greeted him more like a celebrity than a criminal. Some posed for 'selfies' with one of Brazil's famous figures while one journalist shouted "We like you Eike! We want to hear what you have to say," according to current affairs magazine *Piauí* columnist Malu Gaspar. More surprisingly still, Batista praised those who ordered his arrest, calling the 'Operation Car Wash' investigation "spectacular". His relatively amicable arrest marks a stark contrast from when former speaker of the federal lower chamber of congress Eduardo Cunha was detained at an airport in Rio de Janeiro last year having been hounded by an angry mob and chased by a woman who beat him with her shoe.

political campaign in 2014. Members of his cabinet including his chief-of-staff Eliseu Padilha, Foreign Minister José Serra, Communications, Science & Technology Minister Gilberto Kassab and the head of public-private partnerships, Moreira Franco, have also been named.

Besides having the potential to undermine the current government, the Odebrecht recordings are thought to contain corroborating evidence against two presidential candidates for 2018. The first is former president Lula da Silva (2003-2011 from the left-wing Partido dos Trabalhadores, PT) who is running for re-election despite facing multiple lawsuits. According to several plea bargaining testimonies, including from the former eponymous head of the company, Marcelo Odebrecht, Lula allegedly asked for money from the company's in-house bribery and money laundering division, named the 'structured operations department', on multiple occasions in exchange for offering lucrative public contracts and other political favours. Aécio Neves, a presidential candidate for the centre-right Partido da Social Democracia Brasileira (PSDB) may also face charges for allegedly asking for bribes from more than one contractor, including Odebrecht, when he was organising an urban development project known as 'administrative city', dating back to his time as governor for the southern state of Minas Gerais between 2003 and 2010.

According to leaked documents seen by news site *GI*, Neves and Lula forged such close ties with Odebrecht that they earned their own nicknames – 'friend' and 'mineirinho' (an affectionate term for someone from Minas Gerais). Odebrecht allegedly used these terms of endearment as code-names to make it more difficult to trace illicit transactions between the company and the two politicians. Both candidates deny all charges.

Batista apprehended

In another victory for Brazilian prosecutors, local authorities jailed charismatic business mogul Eike Batista this week. He stands accused of paying around US\$16.6m in bribes to disgraced former Rio de Janeiro governor Sérgio Cabral (2007-2014) from the PMDB (who was jailed in November). In exchange, Batista may have obtained insider information to benefit his business ventures, though this has not yet been confirmed.

Capturing Batista could further the 'Operation Car Wash' investigation in two main ways. Firstly, he could denounce the other members of the corruption ring led by Cabral, which prosecutor Leonardo Freitas described as "an ocean not completely mapped". Secondly, he could provide more evidence about illicit donations given to PT members. Unless he helps prosecutors understand the corruption scheme, Batista will remain in a squalid prison in the city of Rio de Janeiro, Bangu, along with his former right-hand man, the former vice-president of Rio de Janeiro football club Flamengo Flávio Godinho.

Batista's arrest sends a powerful message to the Brazilian public that nobody, no matter how rich or powerful, is above the law. Once, Batista was thought to be untouchable having acquired a celebrity status in the country and amassed an estimated fortune of around R\$106.8bn (US\$34.5bn) in 2012 according to financial newswire *Bloomberg*. He became Brazil's richest man through a portfolio of businesses, Grupo EBX, in diverse industries such as entertainment, mining, oil and transport. But now, in a spectacular fall from grace, little remains of his business empire after several of his companies have gone bankrupt. Batista has also been banned from public trading for the next five years.

This is not the first time Batista has been wanted by the authorities. In 2015, a criminal court began investigating him for insider trading. But Batista dodged a possible prison sentence after a judge presiding over the case, Flávio Roberto de Souza, was seen driving around in his Porsche. Batista almost evaded capture for a second time around this month when he disappeared for a few days after an arrest warrant was issued on 26 January, prompting federal authorities to ask Interpol to track him down. He was later found in New York City. Batista denies trying to flee and told reporters he would "come clean".

Farc guerrillas transfer to camps

One of the most complicated logistical exercises in Colombia's recent history is concluding as we go to press. The final few groups of guerrillas from the Fuerzas Armadas Revolucionarias de Colombia (Farc) are entering the 26 camps that have been set aside for them (known as Zonas Veredales Transitorias de Normalización [ZVTN]) for the purpose of disarmament, demobilisation, and reintegration (DDR) over the course of the next five months.

General Javier Flórez, the commander of the strategic transition command and until recently head of the armed forces, shook hands with the Farc's second-in-command, 'Iván Márquez' (Luciano Marín Arango), as he arrived at the head of the 59th Front at one of the 26 camps around the country, 'Pondores', located in the rural municipality of Fonseca in the northern department of La Guajira, on 31 January. Also present at Pondores was Colombia's high commissioner for peace, Sergio Jaramillo, who said that 450 4x4s, 200 jeeps, 200 trucks, 100 buses, 60 minibuses, 80 large river canoes, 30 dump trucks, 35 pack mules, and even 10 tractors had been used to meet the logistical challenge of transferring all of the Farc's estimated 6,500 guerrillas (excluding militias) into the camps, which are located in 25 different municipalities in 14 departments nationwide.

Jaramillo noted "for sceptics of the peace process" that the elite 'Teófilo Forero' mobile column had arrived in the 'Miravalle' camp in the municipality of San Vicente del Caguán, Caquetá department, and that the last few hundred guerrillas should all be in place by 2 February. Some 4,500 guerrillas had already gathered in or near the 26 camps by the end of 31 January.

There have been some complaints about the state of the camps. 'Pablo Catatumbo' (Jorge Torres Victoria), the commander of the Bloque Occidental, complained upon entering the 'La Elvira' camp in Buenos Aires, Cauca department, at the head of 500 guerrillas, that the conditions were poor with "nothing constructed" (*see sidebar*).

The government's immediate concern, stressed by Jaramillo, is that the minors within the Farc's ranks are promptly identified and handed over to the authorities. The Farc secretariat claims there are only a score of minors; the government reckons there could be closer to 200.

One of the reasons why the authorities are so keen to ensure minors are released by the Farc as soon as possible is to prevent them from being tempted into enlisting in the ranks of neo-paramilitary groups in Colombia. On 25 January the attorney general, Néstor Humberto Martínez, claimed that the largest of these groups, Clan del Golfo (formerly known as Los Urabeños and Clan Úsuga), was offering young guerrillas and dissidents a hefty sum of cash to join up, particularly in the north of the northern department of Antioquia.

On 31 January *The Wall Street Journal* made some explosive claims, reporting that defence and foreign ministry officials from Colombia and Brazil were meeting to discuss tightening security along the 1,600-km shared border, and how the Brazilian criminal organisation Primeiro Comando da Capital (PCC) is hiring dissident members of the Farc in a bid to acquire hardened fighters, and heavy weaponry, to expand its control over the drug trade in Latin America. "The PCC has been offering jobs to the Farc,"

Camps not ready

The head of the Zonas Veredales Transitorias de Normalización (ZVTN), Carlos Córdoba, insisted that there was guaranteed drinking water and sanitary services in all of the camps to which the Farc guerrillas have been transferred. But Córdoba admitted that some tents would need to be used in many of the camps while the Farc helped to finish construction of their living quarters.

Drug smuggling
Brazil is the second biggest market for cocaine after the US. The Primeiro Comando da Capital (PCC) is struggling to secure control of smuggling routes into the country from Colombia.

Colombia's defence minister Luis Carlos Villegas told the *WSJ* ahead of the meeting in Manaus, the Brazilian Amazonian city where there was a prison massacre involving the PCC last month [[WR-17-02](#)].

Villegas assured his Brazilian counterpart Raul Jungmann that Colombia's security forces would come down hard on any Farc dissidents. The authorities estimate that between 5% and 10% of Farc guerrillas will not demobilise under the peace accord. Colombian authorities accused the Farc's Frente Primero, a 200-strong group of dissidents from the Bloque Oriental, of killing a member of the police on 30 January carrying out manual eradication of coca crops in the municipality of Calama, in the south-central department of Guaviare, not too far from the border with Brazil. Police intelligence suggests that the Clan del Golfo has united with Farc dissidents in the department.

Pablo Catatumbo has stressed that the Farc is completely committed to peace and disowned dissidents from the guerrilla group who he said would face the consequences of their actions. The Farc leadership has blamed dissidents for an attack on the Teófilo Forero unit in San Vicente del Caguán on 10 January. An armed group of 30 Farc dissidents from the 14th front mounted the attack, the Farc claimed a week later, reporting that one of the dissidents had been killed during the ensuing gunfight. The Farc tried to track down the rogue unit, commanded by 'Alexander Mojoso' (Wilson Peña Maje), prompting the mayor of San Vicente del Caguán, Humberto Sánchez, to call upon the government to ensure that the guerrillas, who have been threatening the local population, are dealt with promptly.

VENEZUELA | POLITICS

Borges calls on splintering MUD to maintain pressure for regional elections

The president of the opposition-controlled national assembly, Julio Borges, called on the Mesa de la Unidad Democrática (MUD) coalition on 31 January to pull together behind its demand that Venezuela's delayed regional elections be timetabled.

Venezuela's government-controlled national electoral council (CNE) last year delayed the scheduled regional elections, which were due in December 2016, on the grounds that because of the MUD's efforts to stage a presidential recall referendum last year, it had not had time to prepare for the regional ballot. Typically, the CNE says, it needs five months to prepare for regional elections. With the recall referendum effort now shelved, the MUD argues that the CNE has no valid reason not to hold the regional polls, and has demanded since the start of the year that it set a date – to no reply from the CNE. The MUD is concerned that the administration led by President Nicolás Maduro wants to scupper the elections altogether – potentially using the rolling state of emergency in the country as both pretext and justification.

"Never has a vote been denied. Before, they delayed the elections on us, now they don't hold them at all," Borges declared at a local forum on the outlook for 2017, calling on the MUD to keep up the pressure. "Many will think that an election for governors or mayors is not the solution [to the quest for the removal of Maduro], but imagine what it would mean for a fragile government to face the defeat of 15 or 20 governors," he reasoned. Deputy Luis Florido of the radical opposition party Voluntad Popular (VP), who is head of the national assembly's foreign affairs commission, added, "What is in play here is the recovery of the right to vote". Florido likewise called for sustained internal and external pressure, making the point that the CNE is legally obliged to hold the regional elections.

Venezuela

– ‘Not Free’

In the *‘Freedom in the World 2017’* report, released this week by the London-based Freedom House, which monitors global democracy and freedom, Venezuela’s country status declined from ‘Partly Free’ to ‘Not Free’, and its political rights rating declined from 5 to 6. According to Freedom House, this downgrade owed to “efforts by the executive branch and the politicized judiciary to curtail the power of the opposition-controlled legislature, including a series of court rulings that invalidated new laws, usurped legislative authority to review the national budget, and blocked legislative efforts to address the country’s economic and humanitarian crisis”. Venezuela thus joins Cuba as the only countries in the Western Hemisphere considered ‘not free’.

The opposition is on firm ground in its demand. Unlike the instrument of the recall referendum, the regional elections are constitutionally mandated. On 20 December, Súmate, the volunteer civil organisation led by the high-profile opposition figure María Corina Machado, asked the supreme court’s constitutional chamber to order the elections, on the basis that the CNE was in breach of the constitution, including the rights of citizens to vote and to seek public office – but again this petition received no reply.

The CNE’s sole independent rector, Luis Emilio Rondón, says that the matter is under discussion in the body. Previous experience suggests that the CNE will eventually call the elections, but only after it has tilted the playing field in favour of the ruling Partido Socialista Unido de Venezuela (PSUV) and its allies in the Gran Polo Patriótico (GPP), the left-wing electoral coalition stitched together by former president Hugo Chávez (1999-2013). This has consisted of electoral district changes (or gerrymandering) to reflect things like population shifts and changes to list rules. Arguably, such reforms are all perfectly legitimate, with opposition parties unable to object.

This time around, however, the CNE may have to become very inventive indeed to tilt the field the PSUV’s way. The ruling party won 20 of the 23 states in the last regional elections in 2012; opinion polls suggest that PSUV governors and mayors across the country would be unceremoniously turfed out of office in any election held now.

Notably, the MUD’s executive secretary, Jesús Torrealba, has expressed concern that the CNE is seeking to strip the MUD of its political status (for alleged fraud in compiling signatures for the recall referendum petition last year). Leading the campaign to strip the MUD of its status is the PSUV’s number two, Diosdado Cabello, who again this week declared that the MUD, by virtue of its alleged signature fraud last year, had ruled itself out of any future electoral process. On 30 January, Torrealba warned that the Maduro government could be aiming for a ‘Nicaraguan solution’, whereby ‘democratic elections’ are held, albeit absent any opposition force.

El Aissami – VP on steroids

In yet another eyebrow-raising move, President Maduro has assigned his vice-president, Tareck El Aissami, sweeping new decree powers. This follows the delegation of broad security policy authority to El Aissami upon his appointment in the New Year. In a matter of weeks, El Aissami has been vested with powers that practically rival those of the president, which is unprecedented. Indeed, the new powers given to El Aissami exceed anything previously assigned to the office of the vice-president, with the notable exception of the period (in 2012-2013) when Hugo Chávez was forced to take an extended leave of absence for his cancer treatment.

As per the 25 January edition of the official gazette, Maduro has delegated over a dozen of his powers to El Aissami, notably including control over ministerial budgets and access to hard currency. Henceforth, El Aissami can appoint deputy ministers and board leaders of state companies. He can also issue economic orders, including tax exemptions for strategic sectors or ‘special development projects’, and implement decrees previously authorised by the president and approved in the council of ministers.

The text of the latest decree says that the vice-president’s new faculties seek “to achieve the greatest political efficiency in the re-founding of the Venezuelan nation”. The vice president is already second-in-line, and so would step up were Maduro to step aside or resign, or otherwise vacate office before his term officially ends in January 2019. Inevitably, the move has prompted speculation over possible succession plans. If the regional elections go ahead this year, for instance, and the PSUV loses big, Maduro’s position could be fatally weakened. The question is whether this latest decree potentially seeks to anticipate that scenario.

Santos meeting

President Kuczynski made a point of emphasising his government's commitment to root out corruption during the third binational cabinet meeting with his Colombian peer Juan Manuel Santos on 27 January in Peru's southern city of Arequipa. Kuczynski condemned corruption and its "serious impact" on political institutions and national economic development. Kuczynski and Santos, whose government has led the way in the region in moving to arraign former public officials accused of corrupt links to Odebrecht, signed a joint statement promising to "coordinate binational actions to combat corruption and impunity swiftly and resolutely".

Kuczynski's popularity takes a battering

Peru's President Pablo Kuczynski's approval rating plummeted by 11 percentage points over the course of the last month. On the plus side, Kuczynski is not alone. The entire political class has suffered a decline in popularity by association with the bribery scheme conducted by the Brazilian construction firm Odebrecht [WR-17-03], including Keiko Fujimori, the leader of the main opposition Fuerza Popular (FP) Kuczynski narrowly defeated in last year's presidential elections. On the negative side, the last 15 years have demonstrated that once Peruvian heads of state start to slide in opinion polls, they tend to keep going with a concomitant erosion of their credibility when they flirt with single figure approval ratings.

President Kuczynski now enjoys an approval rating of 36%, according to a nationwide opinion survey published by the national daily *La República*, with his disapproval rating edging up to 52%. This despite the majority of the 1,216 respondents expressing support for his government's decrees in the economic sphere and to combat organised crime. Failure to fight corruption was one of Kuczynski's principal perceived failings. Fujimori's approval rating fell from 43% to 37%, while that of the presidential candidate for the left-wing coalition Frente Amplio (FA), Verónica Mendoza, fell from 29% to 26% (see box below).

Kuczynski's cause was certainly not helped by one of the legislators from his own party, Peruanos por el Cambio (PPK), calling for his resignation on 31 January. The ruling party opened disciplinary proceedings into Deputy Moisés Guía after he called for the presidential office to be "declared vacant and a popular insurgency [to take place] on 4 March" unless the government confirmed that it has no intention of "introducing gender ideology [and] promoting homosexuality" in this year's school curriculum. Religious organisations are leading a high-profile campaign entitled 'Don't mess with our kids' denouncing such an intention, which the education ministry expressly denies.

PPK emphatically rejected Guía's comments and reaffirmed its "loyalty" to Kuczynski. Guía later issued a statement saying he had been "carried away by the moment" and expressing his "loyalty, support and respect for the presidential office, as well as the fight against corruption which at this time requires the unity of all democratic forces".

Power struggle on the Left

Peru's Left faces the risk of rupture. Verónica Mendoza, who finished third in last year's presidential elections, recently launched her own party, Nuevo Perú, in the southern city of Cusco. The event was attended by some deputies from Frente Amplio (FA), the coalition which she represented in the elections, and some dissidents from Tierra y Libertad, the rival party within FA led by Marco Arana, with which Mendoza has competed for influence on the Left. Mendoza says Nuevo Perú will seek registration (a fraught process in Peru if the last elections are anything to go on) to compete in the municipal and regional elections in 2018 and afterwards the presidential elections in 2021.

Mendoza needs to collect some 740,000 signatures to register her party (4% of those who voted in the last general elections). She aims to get over 500,000 in the regions of Cusco and Puno alone (where she enjoys strong support) and to collect 2m in total by October this year at the latest as an emphatic statement of intent.

Mendoza pointedly did not seek to distance herself from FA, insisting that Nuevo Perú would form part of the coalition. But there is considerable internal tension with Tierra y Libertad, the only party in FA that enjoys official registration (which allowed Mendoza and FA to compete in the last elections). Registering her own party would allow Mendoza to go her own way.

Correa in Spain

Speaking at an event in Valencia, Spain, this week President Correa said that Ecuador had “shown resilience we could never have imagined 10 years ago”, and would grow by more than the regional average in 2017. Correa said that “migrants [who had left Ecuador for Spain] sustained the country until the Citizens’ Revolution came”. He touched upon the corruption scandals that have “tarnished the country in recent months”, but he sought to place the blame on previous governments. “Secret accounts have been discovered belonging to officials who formed networks [of corruption] that were functioning before our government,” Correa said. Correa said his government was totally committed to expunging corruption, and mentioned an investigation into alleged corruption in contracts awarded for the construction of the Quito metro.

Moreno ducks presidential debate

Lenín Moreno, the presidential candidate for the ruling Alianza País (AP), took a calculated risk last week by refusing to attend a televised debate with his seven rivals ahead of general elections on 19 February. President Rafael Correa never participated in debates with candidates from the political opposition which he routinely denigrated as the *partidocracia* throughout his 10-year term. Correa, who enjoyed a high level of popularity for much of that time, argued that through his ‘Citizens’ Revolution’ he could govern for, and relate to, the people directly. But, with a new face at the helm, there is an argument that the “citizens” in the revolution might need reacquainting with what it stands for. Opinion polls suggest that Moreno’s support remains short of 50% of the vote, or 40% plus a 10-percentage point lead over his nearest rival, required to win in the first round.

Moreno pulled out of the presidential debate organised by the Guayaquil chamber of commerce, and broadcast on radio and television on 25 January, condemning “debates based on confrontation and conduct that devalues political truth as an instrument of ethical service to the country”. The seven presidential candidates who did attend presented their proposals on the labour market, macroeconomic and tax policy, corruption, freedom of expression, public security and drug consumption, governance, and social security.

There were some barbed exchanges between Guillermo Lasso, the candidate for the centre-right opposition Movimiento Creo (Creando Oportunidades) and Cynthia Viteri, of the traditional Partido Social Cristiana (PSC), who are separated by little in the race for second place and a berth in a likely run-off against Moreno, but most of the candidates took aim at the Correa administration.

Lasso promised to create a truth commission to investigate past and present corruption. On the economy, Lasso said he would provide tax breaks for the private sector to offer employment to more vulnerable sectors of society. Lasso, who has been slipping slightly in the polls and is in danger of being overtaken by Viteri, had previously focused on a proposal to abolish a dozen taxes to boost the private sector and drive GDP growth, with little in the way of social welfare policy, but has modified his approach, concerned that it could be seen as cold and clinical, while failing to reach out to the average Ecuadorean citizen.

Viteri promised a popular referendum to “free the justice system”, something which Correa promised and delivered during his term, although detractors argue that the courts are less independent than ever, and subservient to the executive. She also promised to annul the controversial communications law. For his part, Paco Moncayo, of the left-wing coalition Acuerdo por el Cambio, the only other candidate who appears to have a chance of sneaking into the second round, proposed the creation of a civic anti-corruption commission and citizen oversight of the public sector. He also advocated a policy of public works construction to generate 285,000 jobs, and promised to change the country’s productive matrix by industrialising the agricultural sector.

Fringe candidates made some populist gestures in a bid to appeal to the 35% of undecided voters. Iván Espinel advocated a ‘Ley bisturi’ (‘scalpel law’) against corruption, including 40-year prison sentences for misappropriation of public funds. Patricio Zuquilanda, the candidate of Partido Sociedad Patriótica (PSP), which brought Lucio Gutiérrez to power in 2005, said he would not accept a salary if he was elected. He advocated tribunals of faceless judges in corruption cases, and promised to end exploitation of oil in the Yasuní biosphere reserve, and to discontinue open-pit mining.

Seeking to address a long-standing priority

“The biggest challenge facing the 2017-2018 legislature” is how the Movimiento al Socialismo (MAS) president of the lower chamber of congress, Gabriela Montaña, recently described the need to transform Bolivia’s justice system. The issue has long been a priority facing the MAS government led by President Evo Morales which, at the start of this year, sent a package of three bills down to congress aimed at stamping out the notorious inefficiencies in the judiciary. President Morales’ appointment of Héctor Arce, Bolivia’s former attorney general (2014-2017), as the new justice minister in his recent cabinet reshuffle [WR-17-03], is also widely considered indicative of these efforts.

The three legislative bills, which were presented on 3 January, were drawn up in line with the conclusion of a national justice summit, which was held in June 2016 in Sucre, the capital of Chuquisaca department, aimed at addressing the delays and corruption in the justice system. In one sign of this backlog, also on 3 January, the supreme court (TSJ) president Pastor Mamani said that of the 1,232 cases dating back from 2012 to 2016, last year the TSJ plenary had resolved some 500.

Among other things, the bills propose to establish a basic law of public and municipal conciliation; to carry out amendments to the criminal procedure code; and to modify the law of legal practice. The latter initiative in particular is aimed at easing the notorious backlog of cases, stipulating that trials must not be suspended under any circumstances and those responsible for holding up legal proceedings should face sanctions, such as fines or the suspension of professional credentials.

As well as establishing a monitoring committee to oversee the implementation of the conclusions from the 2016 summit (to comprise the presidents of both legislative chambers, the attorney general, the justice and interior ministers, and the TSJ president, among others), the bills call for a re-categorisation of criminal offences. Alternatives to detention are also to be considered as part of efforts to address the problem of prison overcrowding (*see box*).

In a further indication of efforts being undertaken by the government to improve the justice system, Arce announced “substantial changes” last week to the procedure and mechanisms of pre-selecting candidates for posts in the TSJ, the constitutional court (TCP), the council of magistrates and the environmental court (TA), which are up for election in October this year (and for which the supreme electoral court has earmarked some B\$155m [US\$22m]).

The election follows the first of its kind held by popular vote in 2011, which the Morales government has since admitted was a failure. On 26 January Vice-President Alvaro García Linera conceded that the criteria influencing the previous pre-selection of candidates included “friendships and pressures or quotas from one or another...social organisation”, but, he underlined, this practice had “ended”.

Approving more pardons

Bolivia’s bicameral legislature has approved a resolution ratifying a presidential decree which grants pardons to up to 1,700 prisoners. This is the fourth time since 2012 that President Morales has issued the pardons which, on this occasion, apply to women who are 24 weeks or more pregnant, and to prisoners with serious or very serious disabilities, or with terminal illnesses. The amnesty will not apply, however, to those facing charges of homicide, aggravated robbery, contraband, kidnapping, and other serious crimes.

Prison overcrowding

The head of the prison service, Jorge López, has warned that the prison system is in crisis due to overcrowding, with 16,038 prisoners for 5,013 places. He blamed the crisis on the delays in the justice system, noting that just 38% of prisoners had received sentences.

Security experts' opinion

Argentine security experts such as Marcelo Saín, a former director of the national intelligence school, have expressed doubts that the measures will succeed in reducing organised criminal activity. "I don't think that stopping suspected foreign criminals from entering the country will end the drug trafficking problem...drug trafficking has become endemic," Saín commented. Similarly, Diego Gorgal, a former Buenos Aires province security minister, said that "Increased control of immigrants does not imply a fall in crime. Although I do think it is necessary for the country to have a more serious migration policy."

Macri gov't at pains to evade Trump comparisons

The latest efforts by the government led by President Mauricio Macri to improve public security have left it open to damning comparisons to the controversial policies espoused by US President Donald Trump since he assumed office on 20 January. Macri has issued an urgent presidential decree (DNU) introducing changes to Argentina's immigration laws forbidding the entrance and permanence in the country of any foreign nationals with criminal records. The measure, which Macri said would help to combat criminality and make Argentina safer, has been met with stinging criticism from by the political opposition, local civil-society groups and even neighbouring governments, all of whom have denounced it as being regressive and xenophobic.

The centre-right Cambiemos coalition government had mooted the possibility of introducing stricter immigration controls as part of its efforts to shore up public security and to combat organised criminal activity at the tail end of last year. The security minister, Patricia Bullrich, had said that drug trafficking organisations led by foreign nationals from neighbouring countries such as Paraguay, Bolivia, and Peru had established themselves in Argentina, and were responsible for the upsurge in violent crime. Bullrich suggested that the government should adopt stricter immigration controls on nationals from these countries as a way to improve overall public security.

Bullrich's comments earned her a rebuke from various local civil-society groups and even the Bolivian government, which accused her of prejudice and discrimination akin to that exhibited by President Trump in the US. Despite these criticisms, President Macri decided to issue DNU 70/2017, introducing new restrictions on foreign nationals entering and remaining in Argentina. The decree, which was published in the official gazette and came into immediate effect on 30 January, prohibits any foreign nationals with criminal convictions or a criminal background from freely entering Argentina. It also stipulates that committing crimes such as drugs, people and arms trafficking; money laundering; financial fraud; and even corruption in Argentina, is sufficient cause for foreign nationals – including registered residents – to be expelled from the country.

The Macri government justified the new immigration measures on the grounds that they were designed to restrict the movement of individuals involved in organised crime and expedite the expulsion and prosecution of foreign criminals. The DNU notes that the government hopes to address the "critical situation" in Argentina's prison system in which 21% of all inmates last year were foreign nationals, of which 33% face drug trafficking charges. The decree argues that by expediting the expulsion of foreign criminals, the new measures will help to alleviate prison overcrowding. It was clear that the measures were strictly "oriented towards protecting national security and public order", and that they were "respectful" of the American Convention on Human Rights.

Criticism and concern

The measures, however, were denounced as draconian and xenophobic by the political opposition, local civil-society groups and even security experts. They said that these represent an unnecessary curtailing of migrants' rights that will not necessarily improve public security (*see sidebar*). Many also accused the Macri administration of holding immigrants wholly responsible for the increase in organised criminal activity and violence in Argentina. Some went even further and drew parallels between Macri's DNU and the

Macri, UCR discuss electoral strategy

On 30 January President Macri met the leadership of the Unión Cívica Radical (UCR) party, the senior member in the Cambiemos ruling coalition, to discuss electoral strategy ahead of October's mid-term legislative elections. This was the first formal meeting between the president and the leaders of the centre-left UCR since Macri, of the centre-right Propuesta Republicana (PRO) party, assumed office in December 2015. A presidential statement said the meeting served to "unify ideas" and discuss the political environment ahead of the mid-term elections. According to local press reports, Macri told the UCR that his intention was for Cambiemos to field candidates in all legislative contests and for his government to be involved in the campaigning.

executive orders issued this week by President Trump temporarily banning entry to the US of all migrants from certain Muslim-majority countries (not only is a DNU the equivalent of an executive order but both administrations justified the new immigration restrictions on public security grounds).

Meanwhile officials from some of Argentina's neighbouring countries whose nationals will likely be most affected by the new immigration restrictions, such as Paraguay and Uruguay, expressed concerns. In a 31 January statement Paraguay's foreign ministry said that the country's ambassador to Buenos Aires, Federico González, had met Argentina's deputy foreign minister, Pedro Villagra, to express the Paraguayan government's "unease" with the changes to Argentina's immigration laws and "concern" about the "generalised" remarks by Argentine government officials linking the Paraguayan migrant community and those from other South American countries to drug trafficking.

The concern from Argentina's neighbours is not only linked to the rights of their migrant nationals but also to the implications the changes in Argentina's immigration laws may have for their own public security. In particular, the fear is that the changes could lead to the potential mass deportation of criminals from Argentina back to their home countries, representing a potentially significant security threat. According to official Argentine figures, there are some 1,400 Paraguayan inmates in Argentina; 782 Peruvian inmates; 731 Bolivian inmates; 350 Chilean inmates; and 330 Uruguayan inmates.

The criticism has put the Macri administration under pressure to defend the immigration restrictions. Vice-President Gabriela Michetti has been at pains to differentiate them from those ordered by Trump, arguing, somewhat unconvincingly, that the measures implemented by Argentina are "clearly about public security... [and that] Argentina is an open country that has always championed diversity". Addressing the concerns by neighbouring countries, Bullrich said that part of Argentina's plans also involve improving security cooperation and information exchange to combat transnational organised crime.

TRACKING TRENDS

ARGENTINA | Electricity tariffs continue to rise. On 31 January, the Argentine government announced a sharp increase in electricity tariffs in Buenos Aires province of between 61% and 148%, as it continues to work with electricity suppliers to tackle the electricity sector crisis, which stems from the generous tariff subsidies offered in the last decade by Kirchnerista governments (2003-2015). The subsidies significantly lowered the cost of electricity consumption in Argentina but at the expense of state coffers, and the chronic deterioration of the domestic electricity production infrastructure, as electricity suppliers failed to invest in the sector due to the low levels of return they earned in the heavily regulated market.

After assuming office in December 2015, the government led by President Mauricio Macri began reducing utility subsidies as part of its 'economic adjustment' plan designed to fix Argentina's macroeconomic imbalances and lower the fiscal deficit. But this proved to be highly unpopular, sparking demonstrations and even lawsuits against the government. Energy & Mining Minister Juan José Aranguren explained during a press conference to announce the new electricity tariff increases, which will be implemented in two phases between February and November, that these answered to the need to continue to lower the fiscal deficit (projected at 4.2% of GDP for this year) and to attract private investment to the electricity sector. Aranguren also said that despite the latest increases consumers will only be paying for around 47% of the current cost of producing electricity in Argentina. But increasing tariffs will stoke inflation. Given that Buenos Aires province is the country's most populous (with the increases estimated to affect 4.1m consumers) it could also erode support of the ruling centre-right Cambiemos coalition in October's mid-term legislative elections.

López Obrador to the fore**López Obrador
on migrants**

Andrés Manuel López Obrador said he would work to defend Mexican migrants in the US by creating a Frente Cívico en Defensa de los Migrantes. He said he would conduct a tour of the US, visiting Los Angeles on 12 February, and moving on to Laredo, El Paso, San Francisco and New York, to speak to Mexican migrants.

While most of Mexico's political class has been rocked by Donald Trump's coming to power in the US, Andrés Manuel López Obrador is thriving on the new political and diplomatic milieu. The leader of the radical left-wing Movimiento Regeneración Nacional (Morena) sees Trump's tough and confrontational stance on Mexico as providing him with the opportunity he needs to be third time lucky. After narrowly missing out on the presidency in his last two attempts, López Obrador is leading early polls ahead of the 2018 contest, and he laid out his plan of governance this week while launching a new book.

Cometh the hour...

López Obrador wrote one of the pithiest tweets in response to President Trump's adamant insistence that a border wall with the US would be built and paid for by Mexico: "President Trump: your wall insults us and turns the Statue of Liberty into a myth. We will go to international tribunals." López Obrador, who is as at home on Twitter as Trump, has had a new lease of life. Speaking at the launch of his new book '2018: La salida, decadencia y renacimiento de México' in the Plaza de Santo Domingo in the centre of Mexico City on 30 January, López Obrador argued that "the best foreign policy is domestic" when it comes to confronting external threats. He then proceeded to elaborate on what these domestic policies would be should he win election in 2018.

López Obrador said his book explained how to end "decadence" and usher in "Mexico's rebirth". He argued that the systematic "plundering" of Mexico had generated "poverty, frustration, resentment, hatred and violence". He vowed to "strengthen cultural, moral and spiritual values to create an alternative national project". At the heart of this would be a zero-tolerance campaign against corruption in public life, which he said was the principal cause of social and economic inequality in Mexico. López Obrador said that he would not be content simply to reduce corruption but would eviscerate it. López Obrador supplied few insights into how he planned to achieve this fanciful-sounding goal in practice but he did maintain that savings of some M\$500bn (US\$24.3bn) would be possible if corruption could be expunged.

López Obrador presented a seductively optimistic vision of a future Mexico no longer blighted by violence, and with high economic growth combined with social justice. He argued that his government would be able to cut the number of homicides in half, roll back organised crime, and end the stigma of Mexico as a violent country overrun by drug trafficking organisations by providing youth training and employment, opportunities that would reduce the appeal of a life of crime.

Seemingly unfazed by the threat to Mexico's future economic growth posed by Trump's determination to renegotiate the North American Free Trade Agreement (Nafta) and possibly apply punitive tariffs and quotas on Mexican exports, López Obrador boldly predicted that he would deliver 6% GDP growth by the end of his *sexenio* in 2024 if he were elected. López Obrador, who himself favours renegotiating Nafta, promised "horizontal development", with all of the regions growing, and the reactivation of the agricultural sector.

López Obrador offered enough populist nationalist rhetoric to vie with Trump. He called for "the recovery of the State" from "a minority [that has] confiscated constitutional power" and "transform it into the driver of polit-

Cancelled meeting

After President Peña Nieto cancelled the meeting with his US counterpart, the White House spokesman, Sean Spicer, said a 20% tax on Mexican imports to the US would “easily pay for the wall”, generating some US\$10bn in tax revenue per year. Mexico’s foreign minister, Luis Videgaray, who had been in the US paving the way for the Trump-Peña Nieto meeting, argued that if the US imposed this tax the wall would in fact be paid for by US consumers as they would be compelled to purchase “expensive avocados, washing machines, televisions”.

ical, economic and social progress in the country”, especially given Trump’s “racist fixation with us”. López Obrador promised what he called “Republican austerity” to enable an increase in public spending to boost Mexico’s development, by means of a reduction in wasteful government expenditure, cancelling the pensions of former presidents, and cutting the salaries of top officials. He also had a message for the Mexican public protesting against the sharp increase in petrol prices, the so-called *gasolinazo*, since the start of this year. He said his government would build new refineries so that by the halfway point of his mandate Mexico would be fuel self-sufficient.

But López Obrador also subordinated his ideological rhetoric to what he himself called “political realism”. He promised “clear proposals, well-defined strategies, priorities and short-, medium- and long-term goals”. He also stressed that “a government must create hope but without falling into false promises, because it would lose moral authority and end up being entangled in its own demagoguery”. Despite his clear differences with President Enrique Peña Nieto, López Obrador called on his supporters, and all Mexicans, to set aside political affiliations in the national interest and support the federal government in its dealings with the Trump administration.

National unity

López Obrador was not the only politician to call for national unity behind Peña Nieto. “It is time to show unity and our commitment to Mexico. Let’s lift the level of debate to change the country’s course,” the president of the left-wing opposition Partido de la Revolución Democrática (PRD), Alejandra Barrales, said this week. Senators from the right-wing opposition Partido Acción Nacional (PAN) also promised to rally to the national cause, after a meeting with Peña Nieto on 27 January, through intense lobbying of US politicians opposed to Trump. Both parties urged Peña Nieto to forge a ‘great accord of national solidarity’, for which state governors have also pledged their full backing. The avalanche of support followed Peña Nieto’s announcement on Twitter on 26 January that he had cancelled a meeting scheduled with Trump for the final day of the month (*see sidebar*). This tweet earned Peña Nieto more ‘likes’ than when he revealed the recapture of the drug kingpin Joaquín ‘El Chapo’ Guzmán Loera in January 2016.

In a press conference expressing full support of the Peña Nieto administration, Mexico’s business tycoon Carlos Slim said that “the current national unity is the most surprising thing I have seen in my life”. It is proving rather more difficult in practice though. While the political opposition is prepared to support the government in the national interest this does not extend to cooperating with the ruling Partido Revolucionario Institucional (PRI). The PAN and the PRD both snubbed the PRI after it called for all of Mexico’s political parties to “define a national agenda to confront the challenges of US bilateral relations”.

These challenges will become very apparent in the weeks and months ahead. On 1 February, to coincide with the launch of a ‘Made in Mexico’ campaign, Peña Nieto announced the start of a 90-day consultation period with domestic producers to discuss possible Nafta reforms, a process Peña Nieto said would also be taking place in the US, before the start of a formal renegotiation of Nafta.

Peña Nieto has broad public support for his foreign policy stance with the US. A poll by the national daily *Excelsior* this week showed that 69% of Mexicans agreed with his decision to pull the plug on the meeting with Trump, although his approval rating only increased by five percentage points, and remains very low at 16%. Peña Nieto did hold a one-hour telephone conversation with Trump on 27 January, the content of which has been the subject of much speculation. Peña Nieto apparently extracted a promise from Trump not to broach the issue of payment for the controversial border wall publicly.

Florida's Republican governor nixes port deals with Cuba

In an early sign of potential shifts in US policy, two Florida ports gearing up to sign cooperation agreements with Cuba's national port administration quickly backtracked after the state's Republican governor, Rick Scott, threatened to withdraw their state funding.

Port Everglades (in Fort Lauderdale) and the Port of Palm Beach both decided against the signature of memorandums of understanding (MOUs) with a visiting high-level Cuban delegation, after Governor Scott announced that he would ask Florida legislators to restrict funds for any ports that "enter into any agreement with the Cuban dictatorship". According to the *Miami Herald*, at risk was state funding to the tune of US\$920,000 this year (FY2016-2107) for the Port of Palm Beach, along with US\$37m this year for Port Everglades (and potentially US\$125m over five years).

Scott made his move while the seven-person Cuban delegation was on the ground in Florida to tour both ports. The group had already visited Houston and New Orleans, and were also due to visit Port Tampa Bay and the Port of Virginia (Norfolk).

In a statement following the governor's warning, Port Everglades noted that "the National Port Administration of Cuba has indicated...that there is no need for a memorandum of understanding at this time. However, today's business meeting and related activities will continue as planned." In similar vein, Palm Beach Port said that notwithstanding a "recent request from Governor Rick Scott", the port "plans to welcome the Cuban delegation and looks forward to having our tenants learn more about opportunities to expand their businesses. The Port's intent and purpose behind receiving the delegation has always been to explore possibilities to expand commerce and trade for our tenants," it observed.

The Cubans responded with measured calm. "The United States is our natural market and very close to us," Eradis González de la Peña, president of Almacenes Universales, a Cuban logistics company that oversees the Mariel Port and Container Terminal, told the *Miami Herald*. "Our interest is to insert the port of Mariel and the Mariel Economic Development Zone into the logistical corridors of the ports of the United States and become part of their supply chains...We thought signing the MOU would be a first step in realizing this goal. We'll keep on working on it," she added.

John Kavulich, president of the US-Cuba Trade and Economic Council, was less understanding, pointing out that Florida ports have been serving Cuba for years. Under the congressionally-approved exceptions to the US embargo, for instance, the US has exported over 4.8m tonnes of food and other humanitarian exports to the island since 2010 alone, of which over 15% has been shipped from Florida ports, according to the *Miami Herald*. "Gov. Scott's comments focus upon the ethics of exporting to countries where the United States has diplomatic and commercial relations but does not share the same political system. For consistency, would the governor oppose port funding for those that assist with exports to China, Vietnam, Turkey and countries throughout the Middle East?" he was quoted as enquiring. Ironically, the governor's move coincided with the arrival – in Port Everglades – of the first legal cargo from Cuba in over 50 years (artisanal hardwood charcoal produced by private Cuban cooperatives).

Castro says relations must be based on sovereign respect

Addressing a summit of the Community of Latin American and Caribbean States (Celac) in the Dominican Republic, President Raúl Castro expressed hope that Cuba and the US would continue with the process of normalising relations, but he stressed that the new US administration led by President Donald Trump should not expect Cuba to make any concessions affecting its sovereignty. "Cuba and the United States can cooperate and live side by side in a civilized manner, respecting our differences and promoting all that is of benefit for both countries and people. But it should not hope that to achieve this Cuba will make concessions inherent to its independence and sovereignty," Castro emphasised.

Trump invitation

While not widely reported, Donald Trump invited the new Cuban ambassador to Washington to his inauguration. Ambassador José Ramón Cabañas, a prolific *Twitter* user, posted video footage and pictures of the ceremony from his seat, noting that it was “the first time in many years” that Cuba had been invited.

Scott’s (mis)calculations?

Rick Scott has allied himself closely with President Donald Trump (whose Mar-a-Lago estate in Palm Beach is the ‘weekend White House’), and apparently has been encouraged by Trump to bid for the US Senate in 2018, potentially contesting the seat occupied by the Florida Democrat senator (and former astronaut) Bill Nelson, who may retire.

Some observers suggest that Scott’s recent hardening on Cuba, far from ingratiating him with the Trump team, may do him few favours. The ports incident, for example, reportedly angered some Florida Republican business players keen to do business with Cuba – and who will be competing with Houston and New Orleans for future trade routes to and from the island. Rather notably, the Cuban delegation did sign an MOU with the Port of Virginia, while the Virginia state Governor, Terry McAuliffe (Democrat), oversaw the launch of a new bipartisan Engage Cuba Virginia State Council to help develop trade and commercial ties between local businesses and the island. The Cuban delegation also later met with Kurt Nagle, president of the American Association of Port Authorities, and attended a roundtable at the US Chamber in New York. All of which rather contrasted with Scott’s inhospitality.

Much has been made of the fact that Trump has taken advice from well-known Cuba policy hawks like lawyer Mauricio Claver-Carone, executive director of the US-Cuba Democracy Political Action Committee (USCD-PAC). The president’s nominee for secretary of state, Rex Tillerson, said in his confirmation hearings that US Cuba policy was “high” on the review list for the new administration. Yet it is also the case that Trump’s senior advisers include the likes of Anthony Scaramucci, the Wall Street bigwig who has already been to Cuba and has expressed keen interest in its business potential. A similar message is emanating from US agricultural lobbyists representing states that gave resounding support to Trump in November.

The shape of US-Cuba policy remains very unclear, but what is clear is that Trump will have an interesting challenge to balance the competing demands of the dogmatic Cuban American lobby, on the one hand, and those of hungry US business interests, on the other.

EL SALVADOR | POLITICS & JUSTICE

Government accused of spying

El Salvador’s main opposition, principal business associations and national chapter of Transparency International (TI) are all accusing the government led by President Salvador Sánchez Cerén of spying. The accusations follow the discovery of a series of hidden recording devices in their respective headquarters. The government denies any involvement in illegal spying.

The right-wing opposition Alianza Republicana Nacionalista (Arena) accused the government of spying on 26 January and called upon the legislative assembly to create a special commission to investigate the findings in the headquarters of the influential business groups Asociación Nacional de la Empresa Privada (Anep), Fundación Salvadoreña para el Desarrollo Económico y Social (Fusades), and the Cámara de Comercio e Industria de El Salvador (Camarasal). Anep, Fusades and Camarasal are all critical of the government.

“This kind of spying is of acute national interest because it is the action of a totalitarian government that brooks no criticism and threatens freedom of thought, expression, opinion and information,” Arena Deputy Ernesto Muyschondt said. Microphones and transmitters similar to those used by the state intelligence agency Organismo de Inteligencia del Estado (OIE) had been discovered in the headquarters of all three of the country’s main business associations, Muyschondt said.

The attorney general, Douglas Meléndez, said on 30 January that the organised crime unit of his office would investigate the matter but would need the

Contracts cancelled

In December the Panamanian government announced that it was barring Odebrecht from bidding for future public tenders – including a new line of Panama City’s metro system and a fourth bridge over the Panama Canal. On 27 January Economy & Finance Minister Dulcidio De La Guardia also confirmed the cancellation of the US\$1bn contract to construct the 213.6MW hydroelectric plant Changuinola II, to be located in the Bocas del Toro province. Odebrecht has been active in Panama since 2006, when it won the contract for the Remigio Rojas irrigation system in Chiriquí province. It has since completed 15 other projects in the country, according to its website.

assistance of “technological specialists”. But it is not just the country’s business associations that have presented allegations of spying. TI denounced the use of spying devices in its national chapter in El Salvador, Fundación Nacional para el Desarrollo (Funde), this month. “Unlawful phone-tapping constitutes intimidation and threatens the space that civil society needs to operate in a free democratic environment,” the Chair of TI, José Ugaz, said. “This is not just a criminal offence according to the national law of El Salvador but contravenes United Nations Human Rights Council Resolutions. These commit member states to protect civil society space, the rights of freedom of expression and freedom of peaceful assembly and of association,” Ugaz added.

The spokesman for the left-wing Frente Farabundo Martí para la Liberación Nacional (FMLN) government, Eugenio Chicas, condemned any kind of “political persecution and spying”. Chicas insisted spying was “not practiced” by this government. Sigfrido Reyes, the former president of the legislative assembly and head of the national export and investment promotion agency (Proesa), claimed it was probably “industrial espionage” or an attempt to malign the government.

PANAMA | POLITICS

Odebrecht scandal spreads to Panama

‘An open secret’ is how Panama’s Vice President Isabel de Saint Malo de Alvarado described bribes paid by the Brazilian engineering company Odebrecht to corrupt officials in Panama under the previous Cambio Democrático (CD) administration led by Ricardo Martinelli (2009-2014). The case – in which, according to the US Department of Justice, more than US\$59m was paid in bribes to secure public works and infrastructure contracts valued at US\$175m – is serving as the latest source of public anger about corruption in Panama, upping the pressure on the government led by President Juan Carlos Varela to show that it is seeking to address what remains a key public concern.

On 25 January hundreds of people took to the streets in Panama City in anti-corruption protests organised by civil-society groups as well as private-sector lobbies such as the Panamanian association of business executives (Apede). The protests were in response to the latest revelations involving the Brazilian company, accused of taking part in major bribery schemes in its home market and in other countries [[WR-17-03](#)].

The previous day President Varela announced plans to sue Odebrecht, which has been active in Panama since 2006. This comes on top of other measures he has announced in relation to the scandal-hit company (see *sidebar*). Also on 24 January, Panama’s attorney general Kenia Porcell revealed that 17 people have now been charged in relation to the case. While Porcell did not give names, she did say that those charged include three former government officials and 13 businessmen – eight Panamanians, five foreigners, and an official from a private bank. The list is widely expected to include Martinelli’s sons, Ricardo and Luis Enrique, amid reports earlier in the week that Swiss prosecutors had formally accused them of bribery in relation to the case, and frozen US\$22m in their bank accounts.

Panama fell 15 places in the annual Corruption Perceptions Index (CPI) published by the Berlin-based NGO Transparency International (TI) to finish in 87th place. This was still the second-best placing in the sub-region behind Costa Rica (58th).

Quotes of the week

“Brazil faces very serious challenges ...criminal practices that can be neither admitted nor tolerated...These affected public security, weakened institutions, corroded democratic values and threatened the rule of law itself.”

Brazilian supreme court justice Celso de Mello.

“It is not the last march of the Farc, but the first [march] on the journey to construct peace.”

The second-in-command of Colombia's Farc, 'Iván Márquez' (Luciano Marín Arango), on Farc guerrillas entering camps to disarm and demobilise.

“Our people are like clay, not like steel which melts when it gets hot. We harden. The economy is in a clear process of recovery, despite what the IMF said, predicting negative growth until 2022.”

Ecuador's President Rafael Correa.

POSTSCRIPT

Bolivia boosts security cooperation with Chile

Government officials from Bolivia and Chile announced a deal on 26 January aimed at strengthening bilateral anti-drug trafficking efforts. This followed the ninth meeting of the binational mixed commission on drugs which took place in the city of Santa Cruz, the capital of Bolivia's eponymous eastern department. The last such meeting took place over six years ago, in August 2010, in Chile's capital, Santiago.

According to an official press release from the Bolivian government led by President Evo Morales, the national delegation was headed up by the deputy social defence minister, Felipe Cáceres. It also included representatives from the foreign ministry, the attorney general's office and the special anti-drugs unit (Felcn). In its most recent report presented last month, Felcn claimed to have seized some 29 tonnes (t) of cocaine in 2016 (comprising 12.1t of cocaine base and the remainder, cocaine hydrochloride). In total last year, Felcn carried out 12,251 drugs-related operations and arrested 3,598 people.

The Santa Cruz meeting follows other signs by the Morales administration of efforts to shore up security cooperation with Bolivia's neighbours. It inked various security-related agreements with Peru, Argentina, and Brazil late last year (see our [December 2016 edition of the Security & Strategic Review](#) for a detailed analysis of these accords).

The announcement of the agreement with Chile made news given the historic enmity between the two countries, stemming from Bolivia's historic claim to access to the Pacific Ocean, which it lost to Chile in the 1879-1883 War of the Pacific, a dispute currently before the International Court of Justice (ICJ).

As well as the current case filed by Bolivia with the ICJ in 2013, tensions intensified last year after Chile filed a complaint against Bolivia before the ICJ regarding the Silala water system, which has its source in Bolivia's Potosí department but flows across the border into Chile [WR-16-24]. Chile maintains that the Silala is an international watercourse and as such is governed under international law, which means that Chile is entitled to the use of its waters. But Bolivia argues that the Silala is an entirely Bolivian watercourse, fed by springs and diverted into Chile as a result of a canal constructed under a 1908 concession.

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