

latin american weekly report

20 July 2017, WR-17-28

ISSN 0143-5280

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This edition of *Latin American Weekly Report* has been produced for Canning House Corporate Members by LatinNews (www.latinnews.com).

Latin American Newsletters since 1967

Candidates and corruption in Argentine electoral race

It is perhaps a typically Latin America problem: elections are due and many of the candidates are under investigation or facing court summons on suspicion of corruption. So they have to duck and dive, running a campaign and a legal obstacle race: the aim is both to get elected and stay out of prison. There are several key individual cases with wider implications in Argentina ahead of October's mid-term federal congressional elections.

Fernández

The most important piece of court news this week was that Victor Manzanares, accountant to former President Cristina Fernández (2007-2015), as well as to her late husband and predecessor Néstor Kirchner (2003-2007), was arrested on the orders of federal judge Claudio Bonadio.

It matters because Fernández is a candidate for federal senator in the province of Buenos Aires in October's mid-term elections, and progress – or lack of progress – in a multitude of corruption investigations against her could have a bearing on the outcome. In this case, Judge Bonadio is investigating Los Sauces and other Kirchner family-owned hotel and real estate companies, for alleged money laundering.

Manzanares has been arrested on the charge of evading a court-dictated freeze on the company's assets, arranging what the Buenos Aires press has taken to calling a financial "bypass" so that members of the family could continue receiving rental and other income. More generally, Manzanares is reputed to have looked after Kirchner family finances for more than a decade, so any revelations he may make could have significant repercussions.

One of the key issues is whether court investigations, indictments, trials, and sentencing will proceed rapidly or slowly. This is hard to predict. There are three months to run before the congressional elections on 22 October. Whether the cases against Fernández advance further during that period may be critical for her chances of winning a seat. If she does become a senator she will win a degree of immunity from prosecution.

For a whole range of reasons cases have progressed at variable speed through a court system that is both slow and politicised. The government, for example, alleges that attorney general Alejandra Gils Carbó has been biased, deliberately slowing down proceedings against former officials in the Fernández administration. Attempts to impeach Gils Carbó for political bias have so far been unsuccessful [[WR-17-27](#)].

Menem

The 86-year old former president Carlos Menem (1989-1999) also has legal problems with which to contend. Menem was arrested in 2001 and later tried

Mixed message

A separate survey by Hugo Haime, based on face-to-face interviews, suggests a much more critical view of the federal government with 67% disapproving of President Mauricio Macri's record. But Buenos Aires governor María Eugenia Vidal, a member of Macri's ruling coalition, was seen more positively. By individual senatorial candidates this survey placed former president Fernández ahead (36.4%), followed by Sergio Massa (26.8%), with Esteban Bullrich in a distant third place (17.5%). Finally, a poll by ClyGP put Bullrich ahead (39.4%), followed by Fernández (37.3%) and Massa (11.3%) in a distant third.

and sentenced to seven years imprisonment for illegally shipping weaponry to Croatia and Ecuador. Menem has been a senator for his home province of La Rioja since 2005, and this has given him immunity from prosecution: to date he has in this way avoided doing extended prison time.

Menem is once more standing for re-election in la Rioja for another six-year term, a move that some interpret as being less about political conviction and more about staying out of jail. An attempt to block him from running again, thereby forcing him to fulfil the original seven-year sentence, was turned down by an electoral judge, Daniel Herrera, on 7 July, on procedural grounds.

De Vido

Former federal planning, public works, and investment minister Julio De Vido, who faces new charges of defrauding public funds through the manipulation of bus subsidies, is also, and for the moment, protected by the fact that he has immunity as a member of the federal lower chamber. Nonetheless, this week the ruling centre-right Cambiemos coalition was making an attempt to muster enough votes to have him suspended from the lower chamber.

Cambiemos and the dissident Peronist Frente Renovador (FR) led by Deputy Sergio Massa were taking the position that with four separate corruption charges against him, De Vido could no longer be considered ethically suitable for continued membership of the lower chamber. However, with Cambiemos and the FR stepping up their sometimes-bitter electoral competition, analysts were suggesting the attempt to work together to oust De Vido might flounder.

Massa and Stolbizer take action

Understandably, many Argentine voters are cynical about the prevalence of corruption and the way politicians seek to avoid prosecution. Aware of this, Massa and Margarita Stolbizer (of the centre-left Generación para un Encuentro Nacional [GEN]), who are members of the 1País electoral alliance, have seized the opportunity to try to differentiate themselves. They say that all members of their coalition, if elected (together with sitting members of congress for the alliance), will voluntarily surrender their congressional immunities.

Stolbizer, who campaigned against corruption during the Kirchner governments, said the aim was to stop people thinking of elective posts as a route to gaining a form of impunity. Massa said "It is a serious situation when political parties, compiling lists of candidates, use the exercise to see who needs protection from the law." Keen to attack not only the Kirchneristas but also the government, Massa went on to criticise lower chamber deputies from those two camps for voting through significant increases in their own salaries.

Opinion polls

A handful of opinion polls ahead of the mid-term elections seem to be giving an ambiguous message. A poll by OPSM in Buenos Aires province showed 50.6% supporting the government and 47.4% opposing it. When asked about their voting intentions in terms of parties, more respondents favoured Cambiemos, the government coalition, which had 37.4% backing, than the opposition Frente para la Victoria (FPV, Kirchneristas), which had the support of 27.4%. Massa's FR had 9.5% support.

But when asked about individual senatorial candidates by name, respondents gave the number one slot to Fernández (Frente Unidad Ciudadana – FPV) with 33.4%, followed by Esteban Bullrich, the former education minister (Cambiemos) with 31.9%. Massa was in third place with 19.4% support. Making matters more complex, this poll suggested individuals representing the governing coalition were more popular at the level of the federal lower chamber, raising questions about the number of voters who might "split the ticket" voting one way for the senate and another for the lower chamber.

Concern over growing coca crop

It is possible that 2016/2017 will be remembered as a period in which Colombia achieved two historic milestones, one desired, and the other definitely undesired. The positive achievement was to have signed and taken the first steps towards implementing a comprehensive peace settlement with the Fuerzas Armadas Revolucionarias de Colombia (Farc). The negative one: achieving an all-time record coca harvest, likely to boost organised crime earnings, and in the worst-case scenario, capable of threatening the pacification of the country.

The annual report of Simci (Sistema Integrado de Monitoreo de Cultivos Ilícitos), the body that monitors illicit crops with Colombian government and United Nations (UN) input, has revealed bad news. The area dedicated to coca cultivation in Colombia jumped by no less than 52% between 2015 and 2016, from 96,000 hectares (ha) to 146,000ha. Even that may underestimate the real extent of the cultivated area: according to US satellite surveillance, last year it could have been as high as 188,000ha.

There are, however, some intriguing discrepancies in the numbers. Although Simci thinks the cultivated area is smaller than the US estimate, it believes yields and actual cocaine production (after processing and chemical treatment of coca paste) are higher – 940 tonnes (t), above the 700t estimated by the US government. If the 940t figure is correct, it represents the greatest level of cocaine production ever achieved in Colombian history. The highest production level previously registered had been in 2015, when it was 646t.

Analysts have explanations for this surge in production. Most focus on the government's decision to cease aerial spraying in 2013. Farmers have also become more successful in blocking access to growing areas to prevent manual crop destruction, as well as more skilled at hiding coca plantations. This has meant that coca plants, previously allowed only a year's growth before picking and replanting, have in some areas of the country been allowed to grow for two to three years, at which point they become much bushier and more productive (in terms of the number of leaves per bush).

Reports say coca bushes have grown to greater heights – as much as two metres - in areas such as Catatumbo, Nariño, Putumayo and Cauca. There are also claims that stronger, more disease and herbicide resistant varieties of coca have been introduced. Analysts also report an expansion of cultivation in relatively inaccessible indigenous areas and in national parks.

Two different cause-and-effect scenarios are now possible. In a negative scenario, the surge in coca cultivation and cocaine production will boost criminality and undermine the peace process. While the Farc has withdrawn from a number of coca-producing areas, the danger is that the vacuum is being quickly filled by a variety of criminal groups that is moving in. A profitable and expanding cocaine trade, it is believed, will strengthen criminal groups, feed violence and prevent the widespread pacification envisaged in the settlement with Farc.

As if to underline these dangers a report released this week by Fundación Ideas para la Paz (FIP), a business-funded think tank, says large criminal organisations in Colombia have been broken up and fragmented, but that the biggest threat to the rule of law now comes from smaller, more resilient, and more deeply-rooted local groups.

“A government that needs to impose its authority through the use of force is a government that has lost its moral and ethical authority to govern. In the words of Abraham Lincoln, ‘the ballot is stronger than the bullet’. Weapons do not legitimise governments, only elections do. The use of state security forces to suppress demonstrations advocating for constitutional rights and democratic principles cannot be tolerated. These actions take the hemisphere back to the some of the darkest moments of its history.”

– OAS secretary general Luis Almagro in his latest report on Venezuela.

Eduardo Álvarez Vanegas of FIP says the key now will be to look at these smaller criminal groups and at how they relate to demobilising guerrilla movements, and in particular to dissident members of those organisations. The state, he says, must understand “that these organisations function as a network with a military component, but also with political and financial components and with the ability to corrupt and to launder assets”.

The positive scenario is also possible: the peace process – including a joint Farc and government commitment to persuade farmers to switch to legal crops – could help revert the surge in production. Bo Mathiasen, Colombian representative of the UN Office on Drugs and Crime (UNODC), says the situation is “complex and worrying” but that there is also “a window of opportunity”.

Vice President Óscar Naranjo, a former police General, has said the government is determined to reduce illicit drug production. Rafael Pardo, minister for the post-conflict, has noted that this year’s target is to eradicate coca cultivation in an area equivalent to 50,000ha, a goal that is recognised in the peace agreement. He was optimistic because now the Farc was “on the side of crop substitution, not on the other side”.

According to the latest data over 75,000 families in rural areas have agreed to eradicate more than 79,000ha of coca crops, as part of the Programa Nacional Integral de Sustitución de Cultivos Ilícitos (PNIS). In exchange for agreeing to substitute legal crops, each family will receive approximately US\$11,000 over two years; it is estimated that the total programme will cost around US\$800m.

VENEZUELA | POLITICS

Ten days to go

President Nicolás Maduro says that nothing and no-one will deter the scheduled 30 July elections for his planned constituent assembly, which a majority of observers believe will allow him to consolidate a Cuban-style radical left-wing one-party system in Venezuela, effectively replacing the country’s existing liberal democracy with a military-backed dictatorship. In testimony to the US Senate on 19 July, the secretary general of the Organization of American States (OAS), Luis Almagro, said the return of democracy and the restoration of the rule of law to Venezuela was “urgent”. While US President Donald Trump has warned of “strong and swift economic actions” if the constituent assembly goes ahead, the progress of broader regional diplomatic efforts to resolve the Venezuelan crisis remains very unclear. In order to diffuse the zero-sum-game situation in the country, “it is essential to reduce the cost of exit for the Maduro regime”, the UK’s *Financial Times* (FT) observed in a 20 July editorial.

On 19 July, the US Senate Subcommittee on the Western Hemisphere, Transnational Crime, Civilian Security, Democracy, Human Rights and Global Women’s Issues held a hearing on Venezuela, with damning testimony from Almagro and two US senators, Republican Marco Rubio (FLA) and Democrat Bob Menéndez (NY). Almagro accused the Maduro administration of having “buried democracy, the separation of powers, justice, civil guarantees, political, economic and social rights, as well as the principles that constitute a legitimate government”, adding that the defence minister and military chief, General Vladimir Padrino López, had “separated the armed forces from their fundamental commitments to respect the Constitution, the laws, and the institution itself”. In a simultaneously-released new report on Venezuela, Almagro strongly argues that the 30 July elections for the constituent assembly “cannot be viewed as a democratic process”. The constituent assembly, he states, “must be seen for what it is: a clear attempt to brush away the last vestiges of the democratic State. The arbiter of the election is illegitimate, because it has repeatedly demonstrated its bias. Any outcome of this process would be illegitimate, given that the Executive unilaterally started the process”.

**Almagro calls on
Venezuela's
regional allies to
examine their
conscience**

“Action under the Democratic Charter is not intervention; it is the international defence of democracy. The Democratic Charter was designed as a preventative tool. When utilised in its intended manner, it is a mechanism that can prevent, or stop any backsliding in the region's hard-earned democracies. The actions perpetrated by this regime are not actions that can be defended in a free and democratic hemisphere. Governments in the region who continue defending the actions of this dictatorship face some tough questions. What in Venezuela is it that they choose to support? Is it the deterioration of

Almagro also says that the repression by the security forces “is not a series of random or isolated incidents of violence. Under the direction of President Maduro, the cabinet and top military commanders...have developed and implemented systematic practices of repression through the criminalisation of opposition and civil society voices, arbitrary detention, the military prosecution of civilians, and the excessive use of force against peaceful protests. This is not mere coincidence. These are the deliberate actions of a dictatorship desperate to hold onto power. The regime has created a ‘new normal’ where systematic institutional violence of the state is used in a dirty war against the people.” The Maduro government, the OAS representative says, “has incrementally become the very thing that threatens the lives and prosperity of its own people”.

Notably, Almagro in his Senate testimony expressed support for sanctions on individuals “who have committed crimes and are accused of corruption”. He stated that such sanctions would not “worsen the suffering of the Venezuelan people”. US officials have now all-but confirmed that new sanctions on Venezuelan officials are ready and could be announced before the 30 July constituent assembly elections. Padrino López and Diosdado Cabello, number two in the ruling Partido Unido Socialista de Venezuela (PSUV), appear to be the latest focus of the US authorities. Marco Rubio in his testimony stated that Cabello was a major drugs kingpin, dubbing him “the Pablo Escobar of Venezuela”.

The US most recently levied sanctions were on Vice-President Tareck El-Aissami, accusing him of drug trafficking and money laundering. Yet to date, these measures have had zero real effect, apart from wedding those affected to the Maduro administration, with their survival tied directly to Maduro's survival in office. Unilateral US actions also play straight into Maduro's hands, allowing him to blame US ‘imperialism’ for the failures of his own administration. For that reason, US State Department sources have suggested that latest measures are being coordinated with the support of third countries, including in Europe and Latin America, in order to give them added weight.

Against this backdrop, there was speculation about the visit of Colombia's President Juan Manuel Santos to Havana, Cuba, ostensibly for bilateral trade talks with President Raúl Castro. Citing sources close to the Santos government, the *FT* suggested that Santos was also aiming to talk to Castro about Venezuela as part of a fresh regional diplomatic mission backed by Argentina and Mexico. Santos, reportedly, had agreed to lead this effort because of his unique position as someone with deep knowledge of Maduro and Venezuela and a good working relationship both with the Castro government (which sponsored Colombia's peace process with the Fuerzas Armadas Revolucionarias de Colombia [Farc]) and also the White House. Colombia's foreign minister, María Angela Holguin, quickly quashed this speculation, albeit she said that Venezuela would of course be discussed, reflecting the widespread regional concern about the situation. After his Havana trip, Santos tweeted that “the whole world” wanted Maduro to suspend the constituent assembly process, a tweet that seemed to provoke particular fury in Caracas.

To date, Cuba has been a staunch defender of the Maduro government. Almagro in his latest report suggests that Cuba continues to closely advise (if not direct) the Venezuelan government. Speculation has long abounded as to the number of Cuban ‘advisors’ on the ground in Caracas. Yet Castro, himself under renewed pressure from the US, and with Cuba's own economy in poor shape, also has motive to see a resolution to the Venezuelan crisis.

As such, some are suggesting that Cuba could once again play host to transition negotiations, with the *FT* noting that “Maduro and his retinue might feel comfortable in Havana”. That may be so, but the Venezuelan opposition, on the other hand, would be deeply uncomfortable (and deeply suspicious) of any Cuba-sponsored talks – as might the US. It is quite difficult to picture any Venezuelan opposition figure on the ground in Havana. As such, the idea that Colombia and Cuba could succeed where even the Vatican failed seems like a very big ‘if’. On the other hand, if Raúl Castro cannot engage Maduro, then most likely no-one can.

democracy and the consolidation of absolute power over all branches of government? The killing of innocent civilians through the use of violent repression? Or the complete abolition of the rule of law, the practice of political prisoners, the use of torture and impunity for its perpetrators? Choosing silence or neutrality in the face of atrocity gives strength to those perpetrating the abuses. At a minimum, it is reinforcing the propaganda of the dictatorship.”

Opposition plebiscite, though imperfect, delivers its intended message

The Venezuelan opposition declared its 16 July informal plebiscite on the Maduro government a success, with a reported turnout of 7.186m (6.49m voted in Venezuela, with another 693,789 voting abroad). In advance of the plebiscite, the opposition did itself no favours in exaggeratedly forecasting a turnout of anywhere between 8m and 14m (well beyond anything it had ever achieved before). If correct, the actual turnout was the equivalent of 39% of Venezuelan voters (of an electorate of just over 19m). Of those, 98% reportedly voted against Maduro’s constituent assembly initiative and in favour of the current constitution, and backed an immediate general election to create a national unity government. Julio Borges, president of the opposition-controlled national assembly, declared that Nicolás Maduro’s mandate had been “revoked”. That was not entirely accurate, as Maduro was elected with 7.58m votes in April 2013. The opposition took 7.3m votes in that poll (i.e. more than in the plebiscite), and it also took a higher 7.7m votes in the 2015 legislative elections; its best ever performance. Nevertheless, Borges noted that the plebiscite turnout was achieved with only 14,000 voting tables, compared to the 45,000 that would be provided for a normal election. And happily for the opposition, the turnout well exceeded the 4.8m that voted in the December 1999 referendum to approve the constitution drafted that year under then-president Hugo Chávez, the same one Maduro now wants to ditch with his new constituent assembly.

PERU | POLITICS

Kenji vs Keiko

Deputy Kenji Fujimori has been suspended for 60 days from Fuerza Popular (FP), the party founded by his father, disgraced former president Alberto Fujimori (1990-2000), and now led by his elder sister and twice-former presidential contender Keiko Fujimori. From his jail cell, Alberto has waded in on *Twitter*, defending his youngest son.

The FP, which controls congress with 71 of the 130 seats, voted to suspend Kenji from activities for 60 days after he openly criticised the party for its antagonistic approach to the minority government led by President Pedro Pablo Kuczynski, and voiced his support for more cooperation Kuczynski’s fledgling one-year-old administration. Kenji’s ‘indiscipline’ has included abstaining from the recent congressional vote that forced out Kuczynski’s respected finance minister (the fourth Kuczynski cabinet member forced out by the FP-led congress) and later comparing his legislative colleagues to lions in the Roman Colosseum. He has also been pictured with senior Kuczynski officials including the interior minister, Carlos Basombrio (who the FP also has in its sights) and more recently the agriculture minister, declaring himself willing to work for Peru under the hashtag #UnaSolaFuerza. His *Twitter* account, meanwhile, is an act of cartoonish rebellion, with manga-style animations of Kenji as sword-wielding freedom fighter, as Spiderman, and of him in a hard hat, standing alongside a bridge. There are also videos of him doing karate, while awaiting “the FP disciplinary tribunal”. Subtle it is not, and it is quite easy to see why the FP leadership said that Kenji was “damaging the party’s image”. Party leader and big sister Keiko reacted not with videos or silly cartoons but with decisive action, indicating that no party member was beyond reproach. Yet this very action threatens to further divide the FP, with a letter made public this week indicating that 23 party deputies had pressed Keiko to refrain from meting out “justice between siblings” in such public fashion.

Her father clearly felt the same way. “I’m still asking myself why Kenji was punished. Is it because he’s been building bridges with the government, thinking of Peru?” the elderly Fujimori tweeted. “Is it because he has been fighting for the freedom of his father?” “Is it because he extended a hand to a former president?” (in reference to Keiko’s reported ‘care package’ gesture to the recently-jailed Ollanta Humala [2011-2015], who is being

For President Kuczynski, who recently hosted Keiko Fujimori in the presidential palace in a bid to repair the strained executive-congressional relations, the internal difficulties in the FP could allow him some breathing space as he seeks to recover from a difficult first year. However, latest polls also signal bad news for Kuczynski, with his public support also down again.

held in the same prison as his father). “Is that un-fraternal and disloyal? Kenji has acted honestly with his conscience. I think others are the ones who are un-fraternal and disloyal!”

This is the first time that Alberto Fujimori has openly sided with Kenji in the not-so-subtle power battle between the two of his four offspring that followed him into politics. The last time Fujimori tweeted was on 25 May, when he congratulated Keiko for her 42nd birthday (a few days earlier, on 19 May, Kenji had turned 37, and he too was congratulated).

Kenji, always a controversial character, is now widely considered to be interested in running for president in 2021 following Keiko’s narrow defeats in the past two elections (2011 and 2016). His popularity has risen in recent months, even as the FP’s has fallen (Keiko’s has remained stable). For her part, Keiko responded on *Twitter*, telling her father that she loved him and declaring him innocent. However, she was clear that rules must be obeyed, telling the FP bench that “norms must be adhered to” and calling on deputies to show unity and discipline in order to establish a party “beyond surnames”. One critical response to that tweet was to declare that the FP “no longer represents Fujimorismo”. The daily *El Comercio* and others began to speculate as to an FP break-up, albeit the consensus was that this is unlikely.

TRACKING TRENDS

COLOMBIA | Purchase of vehicles down. On 17 July, the Asociación Nacional de Empresarios de Colombia (Andi) business sector lobby reported that the total number of new motor vehicles sold in the Andean country in June reached 19,826 – down 3.7% compared with the same month the previous year when 20,589 new vehicles were registered. This decrease is representative of the entire first half of the year, with 112,974 new vehicles officially registered in the first six months of the year, 3.5% less than in the comparable period of 2016. The Andi attributed the fall in new vehicle sales to the three-percentage-point increase in the value-added tax (VAT) to 19%, as per the fiscal reform approved by the government in December last year. However, despite the fall in domestic sales, the Colombian automotive industry chamber noted that vehicles continue to be “Colombia’s leading manufacturing product”. According to the chamber, the main export markets for Colombian cars to April were Mexico (63% of total exports), Chile (22%), and Ecuador (8%).

PERU | Record bond issue. On 17 July Peru’s finance & economy ministry (MEF) announced the successful placement of sovereign bonds worth PEN10bn (US\$3.075bn) in international markets. This is the largest bond issue by the Peruvian government this year and one of the largest ever made in Peru’s local currency, the Sol. An MEF statement noted that the funds raised by the bonds, which offered a 6.15% coupon and have a 15-year maturity, will be used to refinance Peru’s foreign currency denominated debt and will not increase the country’s overall debt levels. The MEF also hailed the fact that the bonds were oversubscribed with total demand reaching PEN34bn (US\$10.45bn); and that these were the first bonds issued by Peru processed through the Euroclear international clearing platform.

COLOMBIA | Tourism up. On 13 July Colombia’s trade, industry & tourism minister, María Claudia Lacouture, announced that 2.9m foreign tourists entered Colombia in the first five months of the year, 46.3% more than the 1.9m foreign visitors that entered the country in the same period in 2016. According to a report by the trade, industry & tourism ministry (Mincit), Colombia received US\$5.6m in revenue from tourists in 2016, up from US\$3.4bn in 2010. The Mincit report also notes that hotel occupation in May 2017 was 55.6% up from 51.9% in May 2016. According to Lacouture, tourists are coming mainly from Venezuela, the US, Argentina, Brazil, and Mexico. The government led by President Juan Manuel Santos has set the target of receiving 6m foreign tourists in 2018.

Maia's view of the world

Brazil's federal congress has entered a two-week recess (it sits again on 2 August), bringing a small period of hoped-for calm in the otherwise hectic rhythm of Brazilian politics. It may allow a potentially critical player in the country's political crisis – Rodrigo Maia, the president of the lower chamber of congress – to consider his next steps.

Since corruption charges were filed against President Michel Temer on 26 June, Maia, of the small and centrist Democratas (DEM) party, is being pulled in two separate directions. He is an ally of Temer and a member of the ruling centre-right governing coalition: one direction is therefore that of loyalty, to rally round the existing administration and defend it, as it tries to navigate its remaining 17 months in office. But without a serving vice president in place, Maia is also directly in the line of succession. If congress votes to lift Temer's immunity from prosecution, and if the supreme court (STF) subsequently decides to put him on trial, Maia becomes interim president for an initial period of up to 180 days. So he is pulled in another direction: he has to prepare to take distance from the unpopular Temer and set up a government on his own.

In some ways this is a repeat of the difficult double act last year, when the then-president Dilma Rousseff (2011-2016) faced (ultimately successful) impeachment proceedings and Temer, as the vice president at the time, had to balance loyalty with the need to prepare himself to take the top job. Rousseff for one believes Temer acted with disloyalty and betrayed her, helping split the centre-left's ruling coalition and re-fashioning a new centre-right coalition that was to speed Rousseff's downfall and back his own bid for power. Although both Temer and Maia are men of the political centre, some similar political tensions are likely to play out between them.

One of the most important differences this year is a matter of timing. There will not necessarily be a single moment of reckoning, but a number of different ones. Attorney General Rodrigo Janot has filed an initial charge of "passive corruption" against Temer; congress is considering whether to lift his immunity from prosecution to allow him to be placed on trial.

On 10 July the rapporteur of the constitution and justice committee (CCJ) of the lower chamber recommended that it lift his immunity, but on 13 July the full CCJ contradicted him, voting to retain Temer's immunity from prosecution. These preliminary votes are non-binding. A full vote on the floor of the lower chamber is now scheduled for 2 August, after the end of the recess. Although voting intentions are volatile, it is thought the lower chamber will fail to muster the two-thirds majority needed to lift the president's immunity.

But the story will not end there: Janot has made clear his intention to submit a sequence of different corruption charges against the president, each with an associated request to lift immunity, which will need to be analysed separately in congress, leading to a succession of votes, intended to have the cumulative effect of eroding his support.

There is in addition the real fear that there may be 'new revelations' of corruption that would further turn sentiment against Temer (among them potential plea-bargaining testimony from former lower chamber president Eduardo Cunha and black market currency dealer Lúcio Funaro).

A further factor: Janot's term as attorney general ends in September; Raquel Dodge, nominated by Temer and confirmed by the senate as his successor,

may handle the charges against the president differently. In short, over the next few months the chances of Maia being called on to replace Temer will ebb and flow in a somewhat unpredictable manner.

Speaking to *Globonews* on 17 July Maia insisted that, as a federal deputy, he was loyal to the president, but that as president of the lower chamber he had to act as a “referee” and maintain a certain distance from the administration. He also suggested the presidency was over-briefing and leaking too much information. “The Planalto palace needs to talk less” he said, criticising the number of off-the-record briefings given by officials. Maia said that, like all politicians, he had presidential aspirations, but described them only as on the long term “two or three elections from now”.

Despite denials on both sides there have, however, been signs of growing tension between Temer and Maia. The latest incident came this week when both men appeared to be competing to woo up to 10 dissident members of the lower chamber of congress from the Partido Socialista Brasileiro (PSB): Temer wanted them to join his party, the Partido do Movimento Democrático Brasileiro (PMDB), while Maia saw an opportunity to sign them up to his DEM grouping. DEM now has 29 deputies in the lower chamber, and Maia is hoping to build that up to over 50.

Lula's first appeal turned down

Federal Judge Sergio Moro on 18 July turned down the first appeal of former president Lula da Silva (2003-2011) against his nine-and-a-half-year prison sentence on corruption charges. Lula's defence lawyers had argued that evidence showing the former president was not the owner of a flat where construction company OAS had carried out refurbishment work had been overlooked. But Judge Moro ruled that there had been no gaps in evidence and noted the defence had not been able to specify what specific documents it was referring to. The next set of appeals will be submitted to a regional federal tribunal, based in the city of Porto Alegre. How this court rules will help decide whether or not Lula can run in next year's presidential elections.

CHILE | POLITICS

Guillier struggles to make the 'new politics' work

Independent Senator Alejandro Guillier, the presidential candidate supported by most of the ruling centre-left Nueva Mayoría coalition, is trying to run a new and different type of political campaign ahead of the first round of elections due on 19 November. But in the process he runs the risk of alienating the coalition's traditional supporters, without necessarily attracting the new voters he needs.

Guillier has the difficult job of attracting voter enthusiasm while being associated with a somewhat tired governing political coalition. One of its members, the Democracia Cristiana (DC), has already decided to break ranks by nominating its own presidential candidate, Carolina Goic. The remaining six members of the coalition (Partido Socialista [PS], Partido Comunista de Chile [PCCh], Partido Radical [PR], Partido Por la Democracia [PPD], Izquierda Ciudadana [IC], and Movimiento al Socialismo [MAS]) then faced a choice. They could hold primaries in the usual way, in which a well-known candidate such as PPD member and former president Ricardo Lagos (2000-2006) could be expected to be a strong contender. Or they could opt to skip the primaries entirely and nominate television journalist Guillier, seen as an outsider who was doing well in the opinion polls at the time. They chose Guillier, who promised a “new way of doing politics in the 21st century”. Some are now beginning to regret that choice.

The Guillier campaign is struggling to gain momentum. Tactically, skipping primaries inside Nueva Mayoría may have been a mistake – press coverage and attention focused instead on the contests inside the rival centre-right Chile Vamos coalition, won by former president Sebastián Piñera (2010-2014) who is now the clear favourite in the presidential race; the media also highlighted the contest within the “new left” Frente Amplio (FA) coalition where Beatriz Sánchez has emerged as the nominee.

Guillier concentrated instead on gathering the 33,000 signatures he needs to stand officially as an independent, albeit one that is backed by the Nueva Mayoría parties. The net result is that for a period of two weeks his electoral rivals have enjoyed much greater media coverage and attention; Guillier dropped back in some opinion polls, pushed into third place behind Piñera and Sánchez.

With the primaries over, there are signs that Guillier may be recovering lost ground. According to Cadem, on 14 July Piñera led the race with 40% support (up by two percentage points on the previous week), followed by Sánchez on 23% (down by three percentage points) and Guillier in third place with 20% (up by four points). On these numbers, the big challenge for Guillier now is to overtake Sánchez and try to ensure that, if the elections go to a second round run-off, it will be a contest between him and Piñera, rather than one between Sánchez and Piñera. Some polls do indeed place Guillier in second place, but he clearly needs to widen his appeal.

The problem is that Guillier’s attempt to present himself both as an ‘outsider’ but also as someone supported by the governing coalition is problematic, and in the eyes of some, contradictory. The Nueva Mayoría parties themselves are showing doubt. PS Deputy Osvaldo Andrade was blunt: “I need Guillier to become a candidate and stop messing around,” he said. Andrade, who had supported Lagos, was also unhappy over Guillier’s attempts to differentiate his position from the current Nueva Mayoría government. He said that the candidate’s criticisms of President Michelle Bachelet were “disloyal”.

PPD Senator Guido Girardi has described Guillier’s candidacy as a “punishment” for the coalition: “his candidature reflects our inability to develop fresh policies”, he lamented. José Miguel Insulza, a political heavyweight (a former interior and foreign minister), said that choosing Guillier as a candidate “has harmed us a lot; I was the first to point that out”.

Guillier is fighting back. His spokeswoman, PCCh Deputy Karol Cariola, has insisted that the candidate is “a transparent politician who is not funded by large corporations and is not beholden to economic interests”. She denied that the Nueva Mayoría parties were being frozen out of the campaign, but at the same time argued that Guillier’s candidacy did not come from party leaderships, but was built from the bottom up. There is, Cariola claims, a real hunger in the electorate for “a different kind of politics”. What is not yet clear is whether the electorate feels Guillier meets that need.

Abortion law may be liberalised

The Chilean Senate took a significant step towards relaxing rules on abortion on 19 July. While abortion remains illegal, reflecting a society where socially conservative Catholicism remains a strong influence, the upper chamber has voted through new rules decriminalising abortion in three specific cases: when the mother has been the victim of rape, when the mother’s health is at risk, or when the unborn child is known to have a deadly birth defect.

Under current legislation, introduced during the military dictatorship of General Augusto Pinochet (1973-1990), there is a blanket ban on abortion, which is punishable by up to five years in prison. The government led by President Michelle Bachelet has supported the changes. To become law, they need also to be approved in the lower chamber of congress.

Argentina inflation

Argentina's consumer price index (CPI) increased by 1.2% in June, compared with the previous month, bringing the accumulated inflation rate for the first six months of the year to 11.8%, according to the latest inflation figures released by the national statistics institute (Indec).

ARGENTINA | Ratifying Mercosur's FTA with Egypt. On 19 July, the Argentine government led by President Mauricio Macri signed the free trade agreement (FTA) between Egypt and Southern Common Market (Mercosur) regional trade bloc – that comprising Argentina, Brazil, Paraguay, Uruguay, and Venezuela (currently suspended) – and Egypt. The agreement had been signed in 2010 by all Mercosur member countries bar Argentina. The FTA eliminates tariffs on 60% of all goods traded with Egypt including food (cereals, olives, meat, fruits, vegetables), cars, machinery for hydrocarbons extraction and chemical products, among others. The deal also stipulates that 100% of all goods will be traded tariff free within ten years. The announcement followed a recent visit to Egypt by Argentina's Vice-president Gabriela Michetti, who highlighted the importance of strengthening Argentina-Egypt trade and boosting economic cooperation. A statement issued by Argentina's foreign ministry notes that Egypt is currently the seventh-main destination for Argentine exports, which totalled US\$1.8bn in 2016.

ARGENTINA | Vaca Muerta investment. On 18 July Argentina's state-owned oil firm Yacimientos Petrolíferos Fiscales (YPF), Pan American Energy (PAE, a unit of British energy firm BP), Total Austral (a subsidiary of French multinational oil firm Total SA), and Wintershall Energía SA (a subsidiary of Germany's active oil and gas producer Wintershall), announced a US\$1.15bn joint investment to increase shale gas production in the Vaca Muerta deposit located in Argentina's eastern province of Neuquén. The partners have already invested some US\$500m in the Vaca Muerta venture since 2014.

CHILE | Downgraded. On 13 July, international credit ratings agency Standard & Poor's (S&P) downgraded Chile's long-term foreign currency debt rating to 'A+' from 'AA-'. According to an S&P statement circulated in the international media, the downgrade – the first for Chile since the 1990s – “reflects prolonged subdued economic growth that has hurt fiscal revenues, contributed to increases in the government's debt burden, and eroded the country's macroeconomic profile”. This stems in large part from the continued slump in international commodities prices – in particular copper, Chile's main export. Chile's finance minister, Rodrigo Valdés, himself has noted that while growth has averaged 1.4% in 2013-2016, the leftist Nueva Mayoría coalition government led by President Michelle Bachelet had faced “strong political pressure” to boost spending on social programmes which has resulted in an increase in the public debt. According to the S&P press release, the credit ratings agency expects “the Chilean economy to grow only 1.6% in 2017, unchanged from last year. We expect GDP growth to rise only modestly to 2% in 2018 and to 2.4% in 2019.” In response to the downgrade by S&P, which along with Fitch Ratings, another international credit ratings agency, has had Chile on ‘negative’ outlook for around six months, Valdés said that this was clearly “bad news” for Chile. However, the minister pointed out that Chile still has the highest credit rating among all Latin American countries, sharing the same rating with a number of high-income countries such as Japan, Israel, Slovakia, Ireland, and Slovenia. Valdés also added that the government would continue with its fiscal strategy, applied since 2015, which implies reducing the structural fiscal deficit by approximately one-quarter of a percentage point of GDP each year.

PARAGUAY | Trade surplus. Paraguay posted a trade surplus of US\$504.7m in the first half of this year, 59.1% less than in the same period last year, according to recent figures released by the country's central bank (BCP). Exports reached US\$5.8bn in the first six months of 2017, up by 2.5% year-on-year. But these were outstripped by imports, which increased by 19.7% over the same period to US\$5.3bn. The BCP is forecasting domestic economic growth of 4% this year and in 2018. Meanwhile the BCP's inflation measures show that this reached 0.3% in July, the same rate registered in the same month of 2016. The July inflation figures have led the BCP to project that year-end inflation will reach 4% this year.

Duarte trial: a litmus test

On 17 July Javier Duarte, the former governor of Veracruz, was extradited from Guatemala back to Mexico, where he faces multiple corruption charges. He is now being held in Reclusorio Norte, a prison in the north of Mexico City. For a number of reasons his eventual trial will be a critically important test case, giving an indication of whether the government is serious about tackling corruption.

The Duarte story is compelling. As recently as 2011 the soon-to-be-president of Mexico, Enrique Peña Nieto, was describing the young, rotund, and ever-smiling governor of Veracruz as a “breath of fresh air” and part of a “new generation” capable of modernising both the Partido Revolucionario Institucional (PRI) and the country. But instead of delivering a shiny new future Duarte seems to have dedicated his time in Veracruz to stealing public funds on a breath-taking scale, while manipulating and virtually destroying almost all democratic state institutions. He brought with him a reign of terror. According to a range of local reports the governor set up a network of paper companies, which were paid by the state for non-existent services.

In public health alone, there are now 23 formal charges against the governor for illegally diverting funds. The state’s 212 municipalities were systematically starved of funds. It is also alleged the governor colluded with drug trafficking organisations (DTOs) and perverted the course of justice. The number of homicides rose sharply (to 1,258 last year) and mass graves (one of which contains over 300 corpses) are still being discovered in different parts of the state. Duarte is accused of persecuting local journalists: a total of 21 were murdered during his tenure. He is also known to have bought a string of luxurious properties in Veracruz, Mexico City, the US, and Europe. Current estimates are that he may have stolen assets worth over US\$3.3bn during his time as governor.

For over six months after stepping down from office Duarte also managed to appear untouchable. As the accusations against him mounted, the governor had taken leave of absence on 12 October last year, 48 days before the formal end of his six-year term in office. He was doing so, he said, to protect his good name and fight the charges against him, all of which he denied. “I will not flee, I will stay in Veracruz to attend to these infamies and calumnies,” he pronounced. But almost immediately he boarded a helicopter and disappeared. In that same month he was formally expelled from the PRI. Despite presumed sightings in Mexico and the US, Duarte’s whereabouts remained unknown until he was arrested in Guatemala on 15 April this year.

In another surprising turn, Duarte decided not to fight extradition, and agreed to be returned to Mexico to face charges. According to his lawyer, Carlos Velásquez, Duarte is “optimistic” because he believes he will be able to prove his innocence in the Mexican courts.

The upcoming trial will, indeed, be critical. The reality is that Mexico has a terrible record as far as bringing corrupt governors to justice is concerned. Former governors Tomás Yarrington (Tamaulipas) and Roberto Borge (Quintana Roo) are awaiting extradition from Italy and Panama. Former governor César Duarte (Chihuahua – not related to Javier) is on the run. Former governor Guillermo Padrés (Sonora) is currently free on bail pending trial on charges of corruption and association with organised crime. According to anti-corruption lobby group Mexicanos Contra la Corrupción y la Impunidad (MCCI), there have been allegations of corruption against 42

state governors since 2000. Of those only 17 have been formally investigated, and only three of them have been found guilty.

Political analyst José Antonio Crespo of think-tank Centro de Investigación y Docencia Económica (Cide) says the handling of the Duarte case will show how effective the government's promise to combat corruption really is. He warns that because of inefficiencies in the country's criminal justice system, it is possible that the prosecution will make technical errors that could lead to charges being dismissed, or to an early acquittal.

"If he is released early, or if they fail to prove the charges against him, that would be seen as something very negative, as it would send a signal encouraging other governors to behave corruptly," Crespo says. In his view it would basically suggest that even if brought to trial, corrupt governors may expect to get off with only one or two years in prison and no requirement to repay the stolen money. Another factor worth considering is that, depending on scheduling, Duarte's trial may coincide with Mexico's presidential election campaign (the polls are due in mid-2018).

There is also speculation that Duarte, seen apparently relaxed and joking with his captors during the extradition proceedings, may have done some kind of deal. Some suggest he may have agreed to face charges in Mexico in return for an undertaking not to prosecute his wife, Karime Macías Tubillas, who is said to have been involved in illegal activity alongside her husband. To date there is no information indicating that she has been formally charged. According to Mexico's Radio Fórmula media group, she has filed divorce papers from Paris, and could therefore be entitled to a 50% share of the matrimonial assets. The suggestion is that the divorce is purely a way to safeguard the couples' illegitimately obtained assets.

TRACKING TRENDS

MEXICO | Oil discovery. On 12 July the private oil firms Sierra Oil & Gas (Mexico), Talos Energy LLC (US), and Premier Oil (United Kingdom) announced the discovery of "significant quantities of oil in the primary target formation" in the Gulf of Mexico. The discovery was made in Block 7 of the 'Zama-1' exploration well, located off the coast of Tabasco state. This the first offshore successful exploration well drilled by the private sector in Mexico's history, following the landmark 2013-2014 energy reform, which opened up Mexico's energy sector to increased private participation and ended the long-standing oil and gas production in the country monopoly of Mexico's state-owned oil firm Petróleos Mexicanos (Pemex).

According to a press release by Sierra Oil & Gas, "the primary target is expected to hold between 1.4bn and 2.0bn barrels of oil in place which could extend into the neighbouring block". Sierra holds a 40% stake in the Block 7 concession, while Talos Energy (the concession's operator) holds a 35% stake and Premier Oil a 25% stake. The Sierra Oil & Gas press release notes that the Mexican government will receive a 68.99% profit share from every barrel produced in Block 7, and up to 80% when considering all other taxes and fees over the life of the project. Separately, also on 12 July, the federal government announced that it awarded 21 of the 24 onshore oil and gas concessions in the Burgos, Tampico-Misantla, Veracruz, and Cuencas del Sureste areas in the latest round of auctions of hydrocarbon concessions open to the private sector. According to an official statement, in a first auction, a consortium comprised of Sun God Energia de México, a subsidiary of Canada's Sun God Resources, and Mexico's Jaguar Exploración y Producción de Hidrocarburos (Jaguar), won six out of 10 concessions on offer. There were no bidders for three of the concessions. Meanwhile, in a second auction of 14 separate concessions, Jaguar won another five concessions, with all the others going to other firms. Mexico's national hydrocarbons commission (CNH), the sector's regulator, said that the awarded concessions would eventually generate around US\$2bn in investments in the oil industry.

Congress presidency election exposes opposition disarray

President Juan Carlos Varela has received a boost as he enters the penultimate year of his five-year term in office. At the start of this month, Yanibel Abrego, a dissident member of former president Ricardo Martinelli's (2009-2014) Cambio Democrático (CD) party, was elected president of the 71-member unicameral national legislature for the 2017-2018 period. Abrego's election came after Varela's Partido Panameñista (PPA) struck a deal with a dissident faction of the CD days before the vote, whereby in exchange for backing Abrego (and not fielding its own candidate), the PPA would receive the first and second vice presidencies. With divisions within the CD intensifying amid the ongoing threat of prosecution against Martinelli, who was arrested last month in the US on charges of illegal espionage [WR-17-23], the vote has served to expose the continued difficulties facing the opposition.

In the vote held on 1 July, Abrego was elected with 38 votes in favour and three abstentions. Carlos Motta, of the main opposition Partido Revolucionario Democrático (PRD), won 21 votes, the CD's Mariela Vega took eight, and Ana Matilde Gómez, an independent, received just one vote. Of Abrego's 38 votes, 18 came from PPA (which has just 16 legislative seats) and its small allies Partido Popular (which has one seat) and Movimiento Liberal Republicano Nacionalista (which has two); 17 were from the CD (which has 25 seats); and three were from the PRD which has 26.

The local press reported that days before the vote, the PPA agreed with the CD dissident faction (since branded 'traitors' by the party leadership) that in exchange for backing Abrego, the first and second vice presidency would go to the PPA's Jorge Iván Arrocha and Gabriel Soto.

As well as the threat of prosecution facing Martinelli, the CD is also under pressure over the corruption case involving Brazilian engineering firm Odebrecht which involves claims that the company paid over US\$59m in bribes to local officials between 2010-2014 during Martinelli's administration [WR-17-04] and which has implicated Martinelli's two sons, Luis Enrique and Ricardo Alberto.

State-of-the nation-address

In his state-of-the-nation address marking the start of his fourth year in office on 1 July, President Varela trumpeted various achievements relating to infrastructure and health (*see sidebar*) while highlighting the continued need to address insecurity – the overriding public concern.

In his speech, President Varela claimed that "in 36 months we have achieved a significant decrease in homicides and impact offenses, recovering more than 5,000 firearms and prosecuting more than 2,600 gang members". He omitted to give absolute figures regarding homicides but in late January, the government said that the country's homicide rate had dropped to nine per 100,000 inhabitants in 2016, down from 12 per 100,000 in 2015.

Yet a recent opinion poll by local pollster Dichter & Neira, released on 23 May, which gave President Varela a 41% approval rating, down from 47% the previous month, shows that insecurity was cited as the chief concern by 43% of respondents, up from 30% in January. This was ahead of unemployment (cited by 12% of respondents, down from 11% in January); the economy (6% down from 8%); and corruption (5%, unchanging).

Infrastructure

In his state-of-the-nation address, President Varela expressed hopes that "At the end of this administration, a more secure country will be built, with more than 2,000 kilometres of new roads, more than 100,000 social housing units, a new metro line, a renovated city of Colón and 50 new schools."

PAC ends speculation ahead of 2018 vote

President Luis Guillermo Solís's ruling Partido Acción Ciudadana (PAC) has named its presidential candidate ahead of 4 February 2018 general election. Former labour minister Carlos Alvarado Quesada (2016-2017) won the 9 July primaries to face Antonio Alvarez Desanti, of the main opposition Partido Liberación Nacional (PLN), and Rodolfo Piza of the other traditional party, Partido Unidad Social Cristiana (PUSC), who surveys show are the main contenders. With a handful of other candidates also competing, Quesada, Alvarez and Piza represent the only parties to have elected presidents over the last four decades, with President Solís himself making history as the first PAC candidate to win the presidency in 2014. With surveys also showing that the electorate has yet to make up its mind, indicative of continued widespread disillusionment with the political class, the race would seem very much open.

In the 9 July primaries, Alvarado defeated his only rival, former economy minister Welmer Ramos (2014-2017), by 56.5%-43.5% of the vote. As well as the labour portfolio, Alvarado has also led the human development & social well-being ministry (2014-2016) where he directed one of the government's key national poverty alleviation strategies, 'Puente al Desarrollo' ('Bridge to Development'), designed to improve targeting and to make more efficient and transparent use of resources in a sustainable way. This is significant given that one of the main achievements cited by President Solís, whose PAC has just 13 seats in the 57-member unicameral legislature (meaning that he has struggled to force through his legislative agenda as a result), is the impact of poverty reduction efforts. Last year the national statistics institute (Inec) released the results of the 2016 national household survey which showed that poverty had fallen to its lowest level of the last seven years: 20.5% of Costa Rican households.

Of the other contenders, Alvarez, a twice-former president of congress (1995-1996; 2016-2017) is a well-known face, having also served as the campaign manager for the PLN's presidential candidate in 2014, former San José mayor Johnny Araya (1998-2001; 2003-2013). On 25 June the PUSC ratified Piza, a lawyer, as its presidential candidate after he took 67% of the vote in party primaries to 25% for his main rival, national deputy Rafael Ortiz. Piza ran for the PUSC in the 2014 election, winning just 5.97% of the vote. He had stepped in for the PUSC's previous candidate, Rodolfo Hernández, a former director of the national children's hospital, who bowed out citing party infighting.

Other presidential candidacies to have been declared include Hernández, who was ratified in August 2016 as the candidate for the Partido Republicano Social Cristiano (PRSC), a party set up in 2014 by followers of former president Rafael Ángel Calderón Fournier (PUSC, 1990-1994). In 16 July primaries the right-wing Movimiento Libertario (ML) picked its founder Otto Guevara as its candidate giving him his fifth stab at the presidency. The left-wing Frente Amplio (FA), whose 2014 presidential candidate, José María Villalta, performed surprisingly well in the 2014 presidential first round (coming third with 17%), confirmed deputy Edgardo Araya as its candidate in May after his main rival, legislator Frank Camacho, dropped out of the FA's internal contest.

With the picture becoming clearer, the latest poll by OPol Consultores for the daily *El Mundo*, published on 26 June, showed that most Costa Ricans have yet to make up their minds ahead of February. The survey, which interviewed 2,742 people across the country and had a 1.9% error margin, showed that 22.2% of respondents were undecided while 25.7% said that they were not planning to vote. The poll showed Alvarez ahead with 15.35% (down from 20.3% in May) while Piza was second with 10.76%, up nearly two percentage points on the previous month with Alvarado on just 2.55% of voting intentions.

Frustration

A poll released in late March by the centre for research and policy studies (Ciep) at Costa Rica's Universidad de Costa Rica (UCR) revealed the extent of public disaffection with the political class, with 73.76% of respondents saying that they did not identify with a party. The same survey showed that of the 729 people polled, 17.4% said that they identified with the Partido Liberación Nacional (PLN), 3.9% with Partido Unidad Social Cristiana (PUSC), while just 2.1% said that they identified with the Partido Acción Ciudadana (PAC).

POSTSCRIPT

Quotes of the week

“The social problem is not resolved with the logic of batons and tear gas but through sitting down around a table and offering alternatives.”
Juan Carlos Schmid, a member of the ruling triumvirate of Argentina’s umbrella trade union Confederación General del Trabajo (CGT).

“Chile is finally taking a step away from the small number of countries that still expose women and girls to terrible suffering due to the cruel and draconian laws and policies that violate their human right to make free choices about their own bodies, health and lives.”

Erika Guevara-Rosas, Americas Director at Amnesty International following the approval by Chile’s senate to partially decriminalise abortion.

“[T]he Pablo Escobar of Venezuela.”
US Senator Marco Rubio (R-FL) refers to Venezuela’s Diosdado Cabello, number two in the ruling Partido Socialista Unido de Venezuela (PSUV), in allusion to the late Colombian drug lord.

Ecuador’s Moreno criticises Correa profligacy

“A little more restraint could have been exercised in leaving public finances in a better state,” Ecuador’s President Lenín Moreno lamented last week, describing the economic situation he had inherited from former president Rafael Correa (2007-2017). This is the sort of comment customarily directed by incumbent heads of state at their predecessors when they belong to ideologically distinct parties. That Moreno should have expressed his exasperation in this manner publicly is testament to the feud between the two men which has now gone well beyond a change in style, causing growing friction within the ruling left-wing Alianza País (AP).

President Moreno said his economic inheritance from Correa was “extremely difficult”. During his valedictory address last week Correa maintained that he had transferred power to Moreno with the majority of problems resolved, the country transformed, and “the table served”. Moreno said “the pure and simple truth is that there is no such table served”. Official public debt, according to the outgoing government, stood at US\$27.87bn, but the Moreno administration has already discovered that this does not include, for instance, debt to state institutions, which brings total debt closer to US\$42bn.

Moreno pointedly made his latest criticism during a meeting with the NGO Frente de Transparencia y Lucha contra la corrupción to present his strategy for fighting corruption. While departing Ecuador for an indefinite stay in Belgium with his family, Correa censured his successor’s approach since taking office, indulging what he dismissed as hostile groups inimical to Ecuador’s interests, not just the political opposition but also the umbrella indigenous organisation Confederación de Nacionalidades Indígenas del Ecuador (Conaie) and, above all, the media.

Moreno invited media owners and directors from Radio Exa, Radio Visión, Telemazonas, and the national dailies *El Universo*, *Expresó*, and *El Comercio* to the presidential palace Carondelet last week for a meeting, which he said would be “the first of many open dialogues with you”. Moreno told them that “It is important that the press should be implacable against corruption and must be the first to denounce it.”

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LATIN AMERICAN WEEKLY REPORT is published weekly (50 issues a year) by **Latin American Newsletters**, Hamilton House, Fourth Floor, Mabledon Place, London, WC1H 9BB, England. Telephone +44 (0)203 695 2790, Email: subs@latinnews.com or visit our website at: <http://www.latinnews.com>

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