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## Peru's Vizcarra gears up for challenges ahead

Martín Vizcarra delivered a confident inaugural address after being sworn-in as Peru's new president on 23 March. Peru might be in rude economic health but it is politically ailing. This could paradoxically provide Vizcarra with an opportunity to serve out the presidential term of Pedro Pablo Kuczynski (whose resignation was accepted by congress shortly before his investiture), which ends in 2021. Vizcarra said he would channel resources from the country's economic growth into improving health and education, prioritising the country's more remote regions. He also admonished Peru's discredited political class for putting power above the people. It is a clever ploy. If Vizcarra were to get the public onside it would insulate him against potential attacks from an opposition-controlled congress.

Peru's first vice president, Vizcarra returned from the relative obscurity of Peru's embassy in Ottawa to comply with the constitutional order of succession. Several congressional deputies argued that the step from ambassador to Canada to president of Peru is too big; that Vizcarra could be swallowed by the magnitude of the challenge facing him; and that he should not see himself as more than a transitional president. Foremost among them was Verónica Mendoza, the leader of the left-wing party Nuevo Perú (NP), who sought to capture the prevailing mood of public discontent by demanding fresh elections "to change a rotten system".

Mendoza called for a constitutional reform to enable new elections "with new rules of the game so that those who brought about this crisis do not return...". She argued that "our traditional political class has turned our state into booty... We need a democratic transition; what happened in 2000 [when Alberto Fujimori fled into exile after a decade of authoritarian rule] was incomplete." But NP only controls 10 seats in the 130-seat congress. Not many deputies, or parties with most to lose, such as the main opposition Fuerza Popular (FP, Fujimoristas), are prepared to risk the wrath of a volatile electorate now. Some 5,000 protesters took to the streets of central Lima on 22 March waving placards emblazoned with the message 'Que se vayan todos' ('Out with them all'), a refrain which reverberated across social media.

Vizcarra gave no indication that he found the presidential sash to be a tight fit during an assured inaugural address. Uncowed by the lack of political allies in congress, Vizcarra said that "the political class and those in official posts have the obligation to respond to the needs, demands, and aspirations of the Peruvian people, and not to get entangled in fights that end up doing enormous damage to Peru". He spoke about restoring institutional stability and recovering governability, calling upon congress to "transform this difficult moment into a new political phase". Whether this was merely an empty rhetorical flourish or part of a concerted political plan will become apparent in the days ahead as Vizcarra prepares to name a "completely new cabinet".

## Kuczynski's resignation

President Kuczynski had threatened to withdraw his resignation if congress did not accept the terms contained in his resignation letter and accused him of "treason". In his letter, Kuczynski said he had taken the decision because of the "climate of ungovernability" in Peru which was "stopping the country advancing", and the "serious distortion of the political process" caused by the release of the videos that made him seem "unjustly guilty" for things he had not done. Congress voted by 105-12, with four abstentions, to accept the terms of resignation but with an accompanying resolution which "deplored and rejected" the version of events in Kuczynski's letter, accusing him of failing to accept that he had brought it upon himself through his own actions.

While tweeting that "everyone is disgusted by national politics, we owe the country an apology", Gilbert Violeta, a deputy for the ruling Peruanos por el Cambio (PPK), called for "a government of national unity that ends the confrontation between congress and the executive, and that restores political stability and sustained growth". Kuczynski had sought this sort of political reconciliation but FP was never in any mood to grant him it. In marked contrast to Kuczynski, Vizcarra was applauded by all FP deputies, including the party's leader Keiko Fujimori, at several moments during his address. Three days later, Luis Galarreta, the FP president of congress, praised Vizcarra's promulgation of a law strengthening the comptroller general's office, saying "now we have a president who really wants to fight against corruption".

Having had to resign as transport and communications minister to avoid censure by the FP-controlled congress last May over the contract for the new Chinchero airport in Cusco, Vizcarra will be wary of the party. But he will not be able to avoid dealing with it (FP holds 59 seats in congress) if his government is to meet with any success in addressing his professed priorities: health and education. Vizcarra is far from the first politician to elevate these to the top of the agenda but he has a track record of delivering on his promises on this front. As governor of the southern region of Moquegua (2011-2014), Vizcarra invested money from the mining royalty in improving local education and was lauded for it: Peru has one of the lowest levels of investment in education in South America. On his second day in the job, Vizcarra visited a children's hospital in Lima.

Kuczynski was going to name Vizcarra head of a new ministry for the regions but he never got around to this during his 20 months in the job. Vizcarra promised that he would travel around Peru every week he is in office. "The president must be present in the most remote areas of the country," he said. This may all be born of conviction but it also serves a very practical purpose as it could endear Vizcarra to a public feeling ignored by a political class absorbed by infighting.

Vizcarra has been careful not to comment publicly on the Kuczynski corruption scandal (*see sidebar*), saying that whatever personal feelings he might have he firmly believes in the independence of powers and trusts the justice system to act with due process. It is noteworthy, however, that the one cabinet minister Vizcarra wasted no time in replacing was Bruno Giuffra, who made way for Edmer Trujillo, a close associate from his days as governor of Moquegua. The attorney general, Pablo Sánchez, had announced a probe into Giuffra, the transport and communications minister, who was mentioned in the videos and audio recordings secretly made by an FP deputy (in which kickbacks on public works projects were offered), precipitating Kuczynski's downfall last week [[WR-18-11](#)].

Smarting from FP's release of these videos in which he features, and the threat to impeach him, Kenji Fujimori let it be known this week that he will appear before the attorney general's office on 6 April to discuss financial contributions made by the Brazilian firm Odebrecht to his sister Keiko's presidential campaign in 2011. Kenji said he would demonstrate "who is corrupt".

Meanwhile, a judge issued an injunction on 24 March barring Kuczynski from leaving Peru for 18 months in connection with the investigation into Odebrecht payments to businesses linked to him and his Chilean business partner Gerardo Sepúlveda. Two of Kuczynski's properties in Lima were raided. "Since the last century we have seen the sad spectacle of presidents leaving the country and never returning, or waiting for extradition requests [former president Alejandro Toledo (2001-2006)], and others returning when the statute of limitations expires," the chief prosecutor in the Lava Jato case, Hamilton Castro, said. "This must never happen again in Peru."

## Duque steals a march on rivals

Iván Duque is the clear frontrunner in Colombia's presidential race, according to a glut of opinion polls published in recent days. The official campaign began on 27 March, exactly two months before the first round of elections. Most polls put Duque, of the right-wing Centro Democrático (CD), on more than 40% – and one suggests he is within touching distance of 50% and might not even need a second round. The campaign of Germán Vargas Lleras, Duque's main rival for right-of-centre votes, is yet to take off despite the strong performance of his party, Cambio Radical (CR), in the congressional elections on 11 March.

An average of the four opinion polls published since the congressional elections puts Duque on 41%, an increase of more than 15 percentage points. This suggests that all of the support for the two candidates Duque defeated in internal elections on 11 March transferred to him (not least because he promptly installed the more popular of the two, Marta Lucía Ramírez, as his running mate) as well as some undecided voters. The two outlying polls, by Guarumo-Ecoanalítica and Invamer, put Duque on 35.4% and 45.9% respectively. The candidate of the left-wing Colombia Humana, Gustavo Petro, averaged 25%. Sergio Fajardo, of the centre-left Coalición Colombia, averaged 11%, and Vargas Lleras just 6%.

At present, Vargas Lleras is failing to emulate CR's strong performance in the congressional elections when it nearly doubled its presence in the lower chamber of congress from 16 to 30 seats and the senate from nine seats to 16, as well as its share of the vote from 1m to 2.16m [WR-18-10]. Vargas Lleras expressed confidence that this would change now that the official campaign is underway, but the competitive internal election Duque had to engage in to earn the presidential candidacy has enabled him to establish a commanding lead which will be difficult to surmount.

Vargas Lleras moved swiftly after the congressional elections to name his running mate. He sounded out the Partido Conservador (PC) and Partido de la U (PU), which won nearly 4m votes between them but do not have a presidential candidate. He met the PC party president, Senator Hernán Andrade, for several hours, offering the party a place on his ticket. Andrade confirmed that discussions revolved around Juan Carlos Pinzón, not part of the PC but very close to the party leadership. Pinzón promptly withdrew from the presidential race (he had been polling about 2%) to team up with Vargas Lleras.

Vargas Lleras praised Pinzón's experience despite his relative youth (46), having served as presidential chief-of-staff (2010-2011), defence minister (2011-2015), and ambassador to the US (2015-2017), the country's most important diplomatic role. He said that Duque (41) was a callow youth, "undercooked", by comparison. The appointment by Vargas Lleras of Pinzón looks like a tactical decision to compete directly with Duque for right-of-centre voters, while resting on the assumption that he would be the more palatable option for centrists in a second round against either Duque or Petro. Pinzón fell out with President Juan Manuel Santos over the peace accord with the Fuerzas Armadas Revolucionarias de Colombia (Farc), claiming that the guerrilla group had not disarmed fully, and he has been fiercely critical of Venezuela's President Nicolás Maduro for sheltering guerrillas from the Ejército de Liberación Nacional (ELN).

The founder of Duque's CD, former president Álvaro Uribe (2002-2010), reacted to the alliance on *Twitter*. "They contributed to handing the country over to the Farc; they saw public rejection [of the peace accord] and simu-

### Venezuela and US ties

Iván Duque says one of the first things he will do if he is elected is to go straight to the International Criminal Court (ICC) to denounce the Venezuelan government led by President Nicolás Maduro. Various individuals have turned to the ICC to condemn Maduro already but Colombia would be the first state to take this course. Speaking during a forum at the Inter-American Dialogue think tank in Washington DC on 22 March, Duque also said he would seek to redefine Colombia's relationship with the US, moving away from a focus on drugs towards trade.

## Petro's running mate

Gustavo Petro had first sounded out Iván Velásquez, the head of the International Commission against Impunity in Guatemala (Cicig), for a position on his presidential ticket, but he declined for family reasons. The offer indicated Petro's determination, however, to project an image of zero tolerance of corruption. Petro's eventual choice of running mate, Ángela María Robledo, was keen to emphasise her commitment to combating corruption upon accepting the role, as this forms a key component of his anti-establishment campaign.

lated being critics of the deal and its deliverer [President Santos] and have united to ensure everything continues as it is," Uribe wrote. The withering criticism goes to the heart of the problem for Vargas Lleras: convincing voters of the sincerity of his decision to distance himself from the unpopular Santos. Duque also struck back at Vargas Lleras by arguing that experience was less important than "ability, principles, and consistency". He once again sought to marshal ill-feeling with Santos, who he said had plenty of "experience".

These skirmishes will intensify with the start of campaign advertising on 27 March, as Vargas Lleras will need to go toe-to-toe with Duque to present himself as the most credible candidate to defeat Petro in a likely second round. Petro's strong support, however, is conspiring against Vargas Lleras being able to eat into Duque's lead because it leads to a more polarised contest. Petro is very divisive. He has strong support (improving his position from an average of around 20% in opinion polls before the congressional elections to 25% afterwards by benefitting primarily from Fajardo's fall) but a high rejection rate. Right now, Duque is seen as the best bet to stop him.

Some of the polls revealed some disturbing findings for Vargas Lleras in his bid to alter this perception. The Invamer poll for the weekly current affairs magazine *Semana*, *Noticias Caracol*, and *Blu Radio*, indicated that 62% of respondents who identify themselves as supporters of the PC back Duque compared with just 12% for Vargas Lleras. Alarming, even professed supporters of his own CR gave a slight preference to Duque.

While Duque has opened up a large lead over Vargas Lleras among right-wing and right-of centre voters, the battle on the Left is hotting up. Petro announced that his running mate would be Ángela María Robledo, a deputy in the lower chamber for the left-of centre Alianza Verde (AV). This prompted the AV and the left-wing Polo Democrático Alternativo (PDA) to deny internal divisions over their support for Fajardo's candidacy.

Meanwhile, Fajardo held a three-hour meeting with Humberto de la Calle, the presidential candidate of the centre-left Partido Liberal (PL), on 26 March. They agreed on an electoral alliance (the Sergio de la Calle option advocated by the president of the PU, Roy Barreras) to be headed by the victor of "an inter-party consultation". This is technically too late and might not win the approval of the national electoral council (CNE). If permitted it would provide a stiffer challenge on the Left for Petro, who had pushed for a three-way alliance but to no avail.

## ECUADOR | POLITICS, TRADE & SECURITY

### Moreno eyeing big shake-up

Ecuador's President Lenín Moreno announced his decision this week to dissolve the national intelligence agency (Senain). Moreno justified the course of action as part and parcel of his commitment to cost-cutting, but the jubilant reaction of the political opposition served as confirmation that it was perceived as a move to unpick another policy of his predecessor Rafael Correa (2007-2017). Moreno's confirmation, meanwhile, that he is considering seeking membership of the Pacific Alliance trade bloc points to a potentially radical departure from Correa's trade and diplomacy strategy.

President Moreno said that he had taken the decision to disband Senain in the interests of government austerity as it had swallowed US\$50.8m from the budget in 2017, and because of "an ethical clamour from the public". Correa tweeted his rejection of the measure. He said that his government had set up Senain in 2009 to replace the old intelligence agency, Dirección Nacional de Inteligencia (DNI), after the March 2008 Colombian bombing raid on a guerrilla encampment on Ecuadorean soil taking out 'Raúl Reyes' (Luis Edgar Devia), number two in the Fuerzas Armadas Revolucionarias de Colombia

## Joint mining accord

During his recent visit to Chile, President Moreno attended the signing of an accord between the country's state

mining giant Codelco and Ecuador's state-run firm Enami to develop jointly the Llurimagua copper and molybdenum mining project.

Moreno promised "absolute respect for local residents and the environment".

The 4,839-hectare Llurimagua site is located in the Ecuadorean province of Imbabura. The aim is to finish the advanced exploration stage this year.

Codelco and Enami first signed a 'shareholders agreement' to allow for the site's full exploitation back in December 2015.

(Farc). Correa claimed after the attack that the DNI, run by Ecuador's military, was to all intents and purposes controlled by the US Central Intelligence Agency (CIA), and that a civilian would be in charge of Senain.

Senain began to acquire a reputation, however, for intimidation and persecution of politicians and journalists. Moreno pointedly said that "all its personnel will from now on dedicate themselves to investigating cases like the recent attacks in [the northern province of] Esmeraldas and not spying on opposition politicians". The defence minister, Patricio Zambrano, said that Senain would "progressively disappear"; its 400 officials will be relocated to the interior ministry. The interior minister, César Navas, admitted that relations between the government and the armed forces had been "very tense before [under Correa]", but he stressed that "if we don't trust in our institutions and we permanently create parallel entities [Senain], the state loses institutional credibility".

Moreno was quick to downplay any adverse impact on public security as a result of the disbandment of Senain. He maintained that the armed forces and police, in coordination with the Colombian authorities, were constantly involved in intelligence activities along the shared border. Three Ecuadorean soldiers were killed when a bomb was detonated near the River Mataje, the fluvial border between Ecuador and Colombia, in Esmeraldas, on 20 March. This came just four days after a double attack on Ecuadorean security forces in El Pan, located in the Esmeraldas canton of San Lorenzo, one involving another homemade device which exploded on the perimeter fence of the naval checkpoint of Borbón. In all there have been seven attacks of this type since 27 January when Farc dissidents are believed to have planted a car bomb outside a police station in San Lorenzo, injuring 24 civilians and four police officers. Farc dissidents are also suspected of being behind the kidnapping on 26 March of two journalists working for the Ecuadorean daily *El Comercio* and their driver in Esmeraldas.

Moreno called an extraordinary meeting of the binational border commission (Combifron) in the Ecuadorean city of Tulcán, the capital of the border province of Carchi, this week to discuss improving security coordination with Colombia. Deputy defence and interior ministers of both countries, as well as intelligence chiefs, agreed to deploy more security forces to the border, pool more resources, and coordinate intelligence and security operations.

## Opposition backing Moreno

Guillermo Lasso, the leader of the centre-right opposition Movimiento Creó, praised the decision to eliminate Senain as "a good step that deserves our support", although he added that there were "dozens of other superfluous entities created under correísmo to restrict civil liberties that are still absorbing large quantities of public resources", especially the superintendence of information and communications, whose secretary, Carlos Ochoa, was censured by the national assembly earlier this month [\[WR-18-10\]](#).

Lasso also expressed his "wholehearted support" last week for Ecuador joining the Pacific Alliance trade bloc, comprising Chile, Colombia, Mexico, and Peru, after Moreno announced that his government had launched a study to assess the benefits of becoming a member of "this interesting regional integration initiative". Moreno said that Chile's President Sebastián Piñera had encouraged him to join during his investiture on 11 March. Moreno told Piñera he was very keen to "deepen historic ties of friendship and cooperation with Chile"; Piñera called for a binational cabinet as soon as possible. If Ecuador were to join, the Pacific Alliance would stretch uninterrupted along the length of the Pacific coast in South America. It would also mark a wholesale change in Ecuador's foreign trade priorities from the Correa administration's integration into the Venezuela-led Alianza Bolivariana para los Pueblos de Nuestra América (Alba).

## Maduro launches petro, relaunches bolívar

### Power outage

Severe power shortages in western Venezuela have caused blackouts of 18 hours. The electricity minister, Luis Motta Domínguez, appealed for “patience” from inhabitants of the states of Táchira, Mérida, Barinas, Trujillo, Portuguesa, and Apure. He said the shortages were due to “low levels of water” in state reservoirs. On 22 March protesters damaged the country’s most sacred bust of former president Hugo Chávez (1999-2013) in the main square in Sabaneta, the birthplace of the founder of the Bolivarian Revolution in the state of Barinas, by burning tyres around it.

Venezuela’s President Nicolás Maduro has defied US sanctions slapped on the petro, the much-trumpeted cryptocurrency launched by his government to try and escape the country’s financial and economic crisis. Refusing to accept that the US action meant the petro was stillborn, Maduro ordered the state oil company Pdvsa to start using the cryptocurrency, and announced the creation of four special economic zones to trade goods and services in it. Maduro also slashed three zeroes off the paper currency, holding aloft a new 100 bolívar note. There were no accompanying monetary reforms to try and arrest the runaway inflation which will soon put the zeroes back on.

Speaking on state television on 22 March, President Maduro said that Pdvsa and other basic industries and state enterprises that generate income from exports would start using the petro immediately. Maduro ordered the Corporación Venezolana de Comercio Exterior (Corpovex) to start using petros for essential imports of food, medicine, and industrial inputs, and to pay taxes to the central bank (BCV). He maintained that the country’s state companies could “exchange products for petros with every country in the world”, wishful thinking given the US imposed sanctions on the cryptocurrency.

Maduro announced the creation of four exclusive and special economic zones (essentially corresponding to current duty-free areas) to trade goods and services in the petro: Margarita Island and the Los Roques archipelago for “premium tourism” in the north, the Paraguaná peninsula in the north-western state of Falcón, and the Ureña-San Antonio economic zone on the Colombian border. Maduro added that national tourism operators would start using the petro directly.

### Costly cosmetic reform?

Maduro said that his preference would be for Venezuela to migrate to a 100% digital system, but he announced a “necessary monetary reconversion”, while presenting new 20, 50, 100 and 200 denomination notes, to take effect from 4 June. The bolívar fuerte (BF) will henceforth be known as the bolívar soberano (BS). Maduro did not provide any details regarding the duration of the changeover period. When the government announced the withdrawal of the BF100 note in December 2016, with only 72 hours of notice, it caused widespread chaos, and large queues outside banks.

Ramón Lobo, the president of the BCV, confidently asserted that the redenomination would “attack inflation and reduce the shortage of cash”. Another redenomination will be required before the end of 2019, however, at the present rate of inflation of well in excess of 50% per month and in the absence of concrete monetary reform, for which the government has shown neither appetite nor aptitude.

Lobo said the “old bills” would be taken out of circulation. Some of these bills are actually very new, however, with Lobo announcing the launch just a few weeks ago of a new BF100,000 note, the equivalent of US\$0.50 on the black market, enough to purchase a small coffee, and other denominations at the end of last year.

Maduro said the new currency would help fight “the economic war of financial persecution... personally directed by [Colombia’s President] Juan Manuel Santos, advised by Julio Borges [a prominent leader of the opposition coalition Mesa de la Unidad Democrática (MUD)]”.

**What was Cambridge Analytica doing in Brazil?**

Prosecutors in Distrito Federal are investigating whether UK-based political consulting firm Cambridge Analytica (CA) acted illegally in Brazil, amid increased scrutiny about the group's international operations. The fear is that there could be exploitation of Brazil's heavy social media usage to influence political opinions ahead of October's general election.

On 22 March, Brazilian marketing strategist André Torretta broke off the partnership between his firm CA-Ponte (formerly known as Ponte) and Cambridge Analytica. But that is not the end of the story. Prosecutors still want to know exactly what Torretta's dealings with Cambridge Analytica were and whether he has access to personal data from *Facebook* users, which could be manipulated for political purposes.

"We are seeing this repetition all over the world. It's not by chance that Cambridge [Analytica] are here," said the head of the commission for the protection of personal data in Brazil at a federal court in the Distrito Federal (MPDFT), Frederico Meinberg Ceroy. "Let's not be naïve and think they left because the contract was broken. No one saw the contract, no one saw the split, no one saw anything," he alleged.

The Brazilian investigation comes just as Cambridge Analytica has been accused of breaking election laws in the US. It allegedly harvested data from over 50m users in the US without permission, which may have influenced the result of the 2016 election, won by President Donald Trump. The case is based on investigative reports from *Channel 4*, *The Guardian*, and the *New York Times* among others.

Prosecutors are asking if CA's business model in the US has been replicated in Brazil. In the US, data collected on *Facebook* users were used for 'behavioural microtargeting' to create psychological profiles on users then target them with personalised messages. Such practices could conflict with Brazilian data laws in the 2002 *Marco Civil da Internet* and has raised concerns about how personal information is being used from consumer rights' watchdogs.

Cambridge Analytica first began operating in Brazil towards the end of last year when it struck up a partnership with Torretta, who has over 30 years' experience in political marketing. At the time, Torretta was looking to "tropicalise" the British firm's methodology according to an interview with *Bloomberg*.

Any evidence given by Torretta could be the "tip of the iceberg" to help shed more light on CA's operations in Brazil, Meinberg said. In previous statements, Torretta signalled he was working with two clients for the state elections, "which does not seem like a small partnership. This is a big thing," he said.

The triple threats of microtargeted content, fake news, and social media cyborgs (fake users who post influential content) to shape political opinion online has called the concept of democracy into question. To combat the spread of misinformation, Brazil's electoral court (TSE) has already set up a so-called fake news committee ahead of the election. But in order to work this relies on cooperation from social media sites like *Facebook*, who would ultimately be responsible for flagging up any content deemed to be unsuitable.

**O Mecanismo**

First came

#DeleteFacebook.

But now, the trending topic on Brazilian

*Twitter* feeds is

#DeleteNetflix. The

controversy comes

after Netflix launched a series on Brazil's

long-running

corruption

investigation

'Operation Car Wash' called *O Mecanismo*.

It claims to be a

fictional drama based

on real-life events.

But some such as

impeached president

Dilma Rousseff

(2011-2016) have

accused the show of

political bias.

## Change in fortunes for Lula?

There is a new twist in the legal proceedings against Brazil's former president Lula da Silva (2003-2011), the strongest leftist presidential pre-candidate in this year's general election. Until this month, the ball had been firmly in the lower courts. But now Brazil's top court, the supreme court (STF), has agreed to hear his case, marking a victory for the defence by opening up yet another line of appeal.

Lula is a free man for at least another week. The STF upheld a request from his defence that Lula should not do jail time until Brazil's highest court votes on his case in a session scheduled for 4 April. Six judges voted in favour of the motion to five against.

The STF's decision to put off what to do about Lula until after Easter is excellent news for his defence team. One of their strategies is to string out legal proceedings for as long as possible, even after he was sentenced to 12 years and one month in prison by an appeals court (TRF-4). The verdict means he could still be barred from running in the election under Brazil's 'Clean Slate Law' (which states that those with a criminal offence cannot hold office for eight years). But the STF has the final say on whether he goes to prison.

It was not always going to play out like this. According to a 2016 STF decision, if any other citizen was sentenced to jail by an appeals court, they would go to prison. But not Lula. On 22 March, judges made an exception and voted seven to four in favour of hearing his habeas corpus plea. This could set an important precedent for other politicians charged in 'Operation Car Wash'. Whether or not the 11 STF judges will send Lula to jail is unclear. Past voting patterns suggest that the vote will be split. One factor that could work in Lula's favour is that he or his successor Dilma Rousseff (2003-2011), both from the leftist Partido dos Trabalhadores (PT), appointed over half of the judges currently working at the STF.

PT supporters celebrated the latest development with fireworks, as Lula continued with his electoral campaign tour in the south of Brazil. But protesters from conservative political movement Vem Pra Rua and fans of his political rival, ultra-right presidential candidate Jair Bolsonaro from the Partido Social Liberal (PSL), redoubled their calls for him to do jailtime. On 25 March, a minority of radical protesters hurled eggs and rocks at Lula's tour bus during a visit to the traditionally conservative state of Santa Catarina, shattering the glass. At the rally itself, dozens more eggs showered down on Lula as he began speaking, prompting allies to shield him with their umbrellas. Ever the pragmatist, Lula described the attack as a waste of good food.

### Criminals pressure politicians

The election brings far more pressing security concerns than the risk of being pelted with eggs. Much has been written about the influence of rising crime on the general election, but its critical importance in state elections cannot be understated.

This is especially true in the north-eastern state of Ceará. Over the weekend, criminals attacked vehicles, telephone boxes, and public buildings in the capital Ceará by torching them or showering them with bullets. Such acts of anarchy may be an attempt to intimidate the state government not to install mobile phone blocks in local prisons, which criminals use to coordinate their operations. In a note left near the attacks, according to local daily *G1*, criminals threatened to "wreak havoc" on the state if the blocks were imposed, saying "your elections will be damaged". State Governor Camilo Santana, from the leftist PT, said he refused to be intimidated and the crimes would not go unpunished. Six people have been jailed in connection with the attacks.

### STF under fire

The supreme court (STF) has come under intense media scrutiny after it postponed making a final decision on Lula. One STF judge, Marco Aurélio Mello told local media that he was being "crucified" for voting in favour of the motion. He said he had been forced to cancel email accounts and change his phone number after being bombarded with thousands of messages per day.



## Deepening ties with Finland

Timo Soini became the first Finnish foreign minister to visit Uruguay last week. Soini's visit was seen as a firm endorsement of the construction of a new US\$4bn pulp mill in the country by the Finnish firm UPM, which would be Uruguay's largest-ever foreign investment project.

Soini met his Uruguayan peer Rodolfo Nin Novoa in Montevideo on 23 March to discuss joint business and investment opportunities. The following day they visited UPM's existing pulp mill in the department of Río Negro. The Fray Bentos mill opened in 2007 and employs 7,000 workers, 99% of whom are from Uruguay. In addition to producing 1.3m tonnes (t) of pulp per year, the plant contributes 1.4% of Uruguay's total GDP and 8% of the country's energy needs, producing enough biomass power to supply 150,000 households.

The government led by President Tabaré Vázquez has been trying to convince UPM to build an even bigger mill (with the capacity to produce 2m t of cellulose a year) on the banks of the Río Negro since July 2016 and negotiations are at an advanced stage. Soini expressed his support for the project and predicted that it would contribute significantly to both national GDP and employment. It is projected that the plant would create 8,000 new jobs.

### Finnish investment

Finland's Foreign

Minister Timo Soini

said that Uruguay

was becoming an

increasingly attractive

destination for Finnish

firms; there are

already nine Finland-

based companies

operating in the

country. In the near

future, the

telecommunications

giant Nokia is

interested in setting

up in Uruguay.

### TRACKING TRENDS

ARGENTINA & BRAZIL | **Aluminium and steel boost.** On 22 March, the US government said it would exempt Argentina and Brazil from its new aluminium and steel tariffs. The decision comes after representatives from both countries once again appealed for exemptions at the G-20 meeting held in Buenos Aires this month.

BRAZIL | **Spending freeze.** Brazil's federal government has frozen R\$2bn (US\$606m) of spending from the 2018 budget, according to Planning Minister George Soares. However, this will not affect the public security budget, including the R\$1bn (US\$303m) set aside for the federal intervention in Rio de Janeiro state, amid concerns about its efficacy. The government has been forced to rework its budget after President Michel Temer's pensions reform was shelved.

BRAZIL | **Interest rate cut.** Brazil's central bank (BCB) has lowered its benchmark interest rate by 25 basis points from 6.75% to a record low of 6.50%. This is the 12<sup>th</sup> consecutive cut and was broadly in line with market expectations. The next BCB monetary policy committee meeting will take place in May, when further cuts have not been ruled out.

BRAZIL | **Employment.** Brazil's employment register (Caged) said the country created 61,188 new jobs in February. This marks the second consecutive month of positive employment figures, and the best February result since 2014. Of all sectors analysed, the services and manufacturing industries are hiring most, whereas the commerce and agriculture sectors are in decline.

URUGUAY | **GDP growth.** Uruguay's GDP increased by 2.7% year-on-year in 2017, according to a report by the central bank (BCU). The transport, communications, and storage sector registered the highest growth, increasing by 8.5% year-on-year, followed by commerce, restaurants, and hotels, which rose by 7.5%. The BCU report also showed that the construction and manufacturing sectors registered the most serious contractions in 2017, down by 6% and 3.5% respectively.

## NAICM project also questioned

In his interview, Andrés Manuel López Obrador also criticised the US\$7.6bn contract signed by the Peña Nieto government with developers to build a new Mexico City international airport (NAICM). López Obrador queried whether the NAICM contract was good value for money and argued that the megaproject, due to be completed in 2025, was designed to “compromise” the future federal government’s budget. López Obrador said that he would seek an injunction suspending the contract until it is reviewed by the new government. This prompted the air transport chamber (Conaero), the construction chamber (CMIC), and other business lobbies to call for the government and all presidential candidates to offer “legal certainties” that the project will not be abandoned after the general election.

## MEXICO & NAFTA

### MEXICO | POLITICS & ECONOMY

#### Future of economic policy under debate

The future of the structural economic reforms implemented by the government led by President Enrique Peña Nieto is under debate. Andrés Manuel López Obrador, the presidential candidate of the left-wing opposition Movimiento Regeneración Nacional (Morena), who continues to lead all opinion polls, has said that he will review the economic policies pursued by the Peña Nieto administration if elected, including the flagship 2013-2014 energy-sector reform. This opens the possibility of a radical shake-up of Mexico’s economic policies following the 1 July general election.

Twice defeated presidential candidate López Obrador has long been opposed to some of the liberal economic policies adopted under the last three governments. He has been especially critical of the gradual opening of the oil sector to foreign participation under the energy-sector reform, which ended the 75-year monopoly of oil production in Mexico by the state-owned oil firm Pemex. While López Obrador initially proposed holding a national referendum on the energy-sector reform, with the election looming closer, he has now mooted revising and even repealing the reform if elected.

The revelations were made during an extensive television interview that López Obrador gave to local broadcaster *Milenio TV*. In the interview, aired on 22 March, the Morena candidate talked about some of the things that he would do if he won election. He said he would not hesitate to review all of the economic policies pursued by the Peña Nieto government and adopt significantly different policies he believes are in the national interest. When asked if this would involve repealing the energy-sector reform, he responded that he would be prepared to do so. He said he would start by reviewing the 91 contracts that the Mexican government has signed with private firms following the reform. “We will look at the terms of all the contracts, we will ensure that none of them are leonine [take-it-or-leave-it contracts],” López Obrador said.

López Obrador said that only those contracts that are found to be in the national interest would be maintained and that all others would be repealed. He was adamant that this would be a “legal process” and that his government would never “act in an authoritarian or arbitrary manner”. But López Obrador went on to say that, in his view, the Mexican people had been “cheated” by the energy reform, arguing that they had been promised that it would bring about significant foreign investment; that it would help to boost national oil production levels; and that the price of petrol fuels, natural gas, and electricity would all fall in the domestic market.

López Obrador maintained that, two years on, these benefits have not materialised, and that Mexico’s energy sector is in freefall. “They said we would be producing 2.8m barrels of crude per day and we are producing 1.8m, the same as 40 years ago; the oil industry is nose-diving; the electricity sector is in a deep crisis, the reform has not improved this situation and has precipitated the crisis at Pemex and at the Comisión Federal de Electricidad [CFE, the state-owned electricity firm],” López Obrador claimed. He also maintained that other structural economic reforms, including the education reform, had failed to deliver promised results and would be revised by his government, along with other federal government projects (*see sidebar*).

#### Rebuttal

López Obrador’s attacks on the energy reform elicited an immediate response from President Peña Nieto. During a public event that same day,

## **López Obrador names Nafta negotiator**

In a bid to show that he is prepared to assume the presidency should he win election, Andrés Manuel López Obrador has named the man he would like to lead the renegotiation of the terms of the North American Free Trade Agreement (Nafta). Mexico, the US, and Canada have been renegotiating the Nafta terms since last year. It was hoped that the process would be concluded before Mexico's general election. But progress in the Nafta talks has been so slow that it is increasingly believed that they will not be concluded before a new Mexican government is installed in December. On 20 March, López Obrador revealed that, if elected, he would appoint experienced economist Jesús Seade Helú to lead the Nafta negotiations.

Peña Nieto warned that rowing back on the reform would only lead to the loss of pledged investments, job losses, and the sector's stagnation. "All those that want to roll back the energy reform are, frankly, condemning our country to an expired, and obsolete model, a model that no longer works," Peña Nieto said. He went on to claim that, under the energy reform, national and foreign firms have already pledged to invest US\$200bn in Mexico's energy sector and that these investments would be lost, as well as the projected 800,000 jobs that the investments are expected to create. Moreover, Peña Nieto said that repealing the reform would force the government, and ultimately Mexicans, once again to have to pay for any debts contracted by Pemex to exploit Mexico's oil wealth. Peña Nieto said that this, in turn, would reduce any future government's capacity to concentrate on social spending as a result of the increased financial pressures.

Peña Nieto's arguments were echoed by the presidential candidate of the federally ruling Partido Revolucionario Institucional (PRI), José Antonio Meade. Speaking at a meeting with representatives from the Mexican association of oil firms (Amexhi), also on 22 March, Meade condemned López Obrador's stance against the energy reform as jeopardising the achievements of recent years. Meade said that López Obrador's claims that the oil and electricity sectors were freefalling were "absurd", arguing that the reform has breathed new life into the sector by bringing in new players and increasing Mexico's capacity to exploit its natural resources. Meade was adamant that repealing the energy reform would have a negative economic impact on the country. Meade also said that López Obrador's proposal to review all the contracts signed by the government individually since the reform would undermine Mexico's international image.

The PRI candidate stated that the public tender process in which the contracts were awarded had been recognised as being fair and transparent by the international community and that reviewing the contracts afterwards would call into question Mexico's commitment to upholding the rule of law and providing a stable legal environment for foreign investors. Instead, Meade said that what was needed was for politicians and the Mexican government to provide the necessary certainty for investments in the energy sector to materialise.

Meade's view was shared by the Amexhi members as well as other local business groupings, which have since called for the future government to provide all the necessary legal and political guarantees to encourage private investment in support of domestic economic development. With just days to go before the start of the formal campaign period, the future of the energy reform looks set to become a key electoral issue.

### **Anaya gets new ally**

Ricardo Anaya, the presidential candidate of the Por México al Frente Right-Left opposition coalition, received the support of a prominent political figure this week. On 26 March, Emilio Álvarez Icaza, a well-known Mexican human rights activist and former executive secretary of the Inter-American Commission on Human Rights (IACHR), announced that he and his political movement, Ahora, had decided to back Anaya's presidential bid and join his coalition.

Last October, Álvarez announced his intention to run for the presidency as an independent candidate and launched Ahora in support of his bid. But Álvarez failed to complete the onerous process to register as an independent candidate and has instead opted to join Por México al Frente after being offered the chance of being included in the coalition's list of senatorial candidates. "Ricardo Anaya has read the critical situation facing the country, building a coalition that can guarantee an agenda for [Mexican] citizens and a transition to democracy," Álvarez said after announcing the alliance.

**A worrying picture**

Following the reports of the disappearance of university students in Jalisco, on 21 March, the Jalisco human rights commission reported that on official data 298 people had been reported as missing in the state between 31 July 2017 and 31 January 2018. The commission warned that the number of disappearances is “increasing every day” and that over 14,000 people have been reported missing in Jalisco in the last four years, with the majority of them being male and under the age of 35. Noting that most of the cases are concentrated in the Guadalajara metropolitan area and the beach resort of Puerto Vallarta, the commission said that this paints a “worrying picture” that must be addressed by the authorities.

**Disappearance cases put Jalisco on high alert**

The disappearance of a group of university students in Guadalajara, Mexico’s second city and the capital of Jalisco state, has produced alarm. Much like the September 2014 mass abduction and presumed murder of 43 trainee teachers from the town of Iguala, Guerrero state, the fear is that this could turn out to be another gross human rights violation case that the authorities have been unable to prevent. The still unresolved Iguala case has earned the administration of President Enrique Peña Nieto persistent domestic and international opprobrium, and, should the worst fears be realised in Guadalajara, the Mexican authorities will have another major problem on their hands.

Initially the disappearance of five different university students was reported on 19 March, in separate incidents. The first disappearance to be reported was that of three cinematography students from the Universidad de Medios Audiovisuales (Caav). The three Caav students were said to have been filming in the municipality of Tonalá when they were taken by armed men who said they were officers of the Jalisco state attorney general’s office but did not provide an explanation for taking the students. Within hours of the reported abduction of the Caav students, authorities at the Universidad de Guadalajara (UdeG) announced that two of its students had also been reported as missing by their families. A third UdeG student was reported missing on 21 March.

Although on 22 March two of the missing UdeG students were found alive and returned home (they had temporarily lost contact with their families but were never in danger), the authorities’ failure to find the other four sparked concerns. This led the local community to call for the state and federal authorities to do everything within their power to find all the missing students alive. There was particular concern for the three Caav students given the worrying parallels between their abduction and that of the Iguala disappeared, who were taken by municipal police officers working for a local criminal organisation and have never been seen since. By 24 March, the public calls for action led to a mass protest march organised by university students’ associations and university professors.

The protest march in Guadalajara, which was also replicated in Mexico City, was attended by hundreds of people. They demanded that the authorities redouble their efforts to find the missing students. They also denounced that organised crime appears to have infiltrated the local authorities in Jalisco, resulting in an upsurge of violence in the state [[WR-18-10](#)]. Some of the protesters called for a federal security intervention in the state and for federal security forces to take over public security temporarily. Jalisco state governor Aristóteles Sandoval responded to the demonstrations by insisting that the state authorities were working in conjunction with their federal counterparts to try to find the missing students and identify their abductors. Sandoval said that this involved checking extensive CCTV footage and quizzing Tonalá and state government officials.

Then, on 25 March, Sandoval announced that investigators had found the body of the missing UdeG student. Sandoval said that the body of César Ulises Arellano Camacho was found at the bottom of a ravine in the municipality of Huentitán, near to where he was last seen. Sandoval said investigators were still trying to clear up what happened to Arellano but their main hypothesis was that he had committed suicide (his body was found hanging from a tree). Sandoval insisted that the authorities were still looking for the disappeared Caav students, noting that one person has been arrested in connection with the case. However, the longer their whereabouts remain unknown, the more pressure and scrutiny the Mexican authorities are bound to come under.

**Ortiz given tough FMLN rescue mission**

President Salvador Sánchez Cerén has appointed his deputy, Óscar Ortiz, to assume command over the cabinet and the government's economic and security policies in a bid to revive his fortunes in the remaining 18 months of his term in office after the ruling left-wing Frente Farabundo Martí para la Liberación Nacional (FMLN) suffered a major setback in congressional elections on 4 March. It appears that Ortiz accepted the offer as recompense for being overlooked (again) for the FMLN's presidential candidacy in 2019.

Ortiz will have his work cut out. The FMLN faithful are increasingly disillusioned with the government. They kept away in droves for the congressional elections, which accounted for the record number of blank and void ballots cast and contributed to the victory of the right-wing opposition Alianza Republicana Nacionalista (Arena). It is not clear Ortiz can do enough on his own to ensure that the presidential elections in March next year are a contest. Ortiz said he would not participate in the FMLN internal elections to select a presidential candidate because of his increased workload and responsibilities. But he announced this with reluctance. The FMLN leadership had already decided to back Gerson Martínez, a veteran guerrilla and former public works minister (2009-2017), in the closed elections meaning Ortiz had no chance.

In this context, Sánchez Cerén's offer looked like a gesture to Ortiz, whose presidential ambitions were also confounded in 2003 when the party orthodoxy elected to go with the late Schafik Hándal, a veteran guerrilla commander. Hándal was thumped in presidential elections the following year by Arena's Antonio Saca (2004-2009), and Martínez is likely to suffer the same fate at the hands of Arena unless either Ortiz can work wonders or the FMLN leadership is able to heal the breach with its popular outgoing and estranged mayor of San Salvador, Nayib Bukele, who was expelled from the party last October. This looks difficult as Bukele is determined to seek the presidency himself.

"I am convinced that the FMLN has to make profound changes," Ortiz said. "We have received a signal from voters...I want to tell my party, the FMLN, that it is important to absorb these signals in the most open way possible." This looked like a veiled attack on the hierarchy's anointment of Martínez ahead of April's internal elections, or at least the need to balance his candidacy with a moderate more media-friendly running mate. Ortiz said the FMLN must be "an open Left, ever more modern, that connects with the public better, with the aspiration and sentiments of the young, and is able to drop old paradigms for new paradigms". Although he said it was essential "to freshen up and renew", Ortiz was critical of the anti-party discourse of Bukele, saying that a strong Left and a strong Right were crucial to "continue perfecting our democracy in the coming years".

Ortiz replaced Roberto Lorenzana as technical secretary to the presidency but was awarded more decision-making power, especially in security and economic areas. Ortiz promised to improve the quality of public services and guaranteed that he would revise the system of subsidies to improve household income this year, as well as energy and water tariffs in "the short-term". In a cabinet shake-up, the finance and economy ministers, Carlos Cáceres and Tharsis Salomón López respectively, were replaced by Nelson Fuentes and Luz Estrella Rodríguez. Fuentes was promoted from director of economic and fiscal policy to replace Cáceres, who had held the position since 2009 and was appointed as ambassador to Mexico. Estrella Rodríguez had been serving as deputy economy minister.

**Cabinet reshuffle**

The main casualty in the cabinet reshuffle was Eugenio Chicas as communications minister. Chicas had responded to the setback in the congressional elections by saying that the government's communications strategy had been "deficient" and it had failed to "highlight and promote the public works and achievements of the administration, or the image of the president". Given that this was his ministerial role, Chicas essentially talked himself out of the job. He was replaced by Roberto Lorenzana, who made way for Óscar Ortiz. Ortiz said the cabinet changes were just "the first step" in responding to the public message expressed at the polls.

### Strengthening ties with the US

The US embassy in Guatemala congratulated President Morales on his decision to withdraw the military from citizen security efforts. This came after he met the US ambassador to the UN, Nikki Haley, on 28 February. Since then, on 20 March Interior Minister Enrique Degenhart met the US Deputy Assistant Secretary of Homeland Security Matthew King and Ambassador Luis Arreaga to discuss bilateral security cooperation, subsequently announcing “historic” new ties between the two countries. An interior ministry press release notes that the meeting between Degenhart and the US officials was the first in a quarterly schedule to develop courses of action and goals to combat illegal activity. The representatives discussed a joint project between the border security forces of the US and Guatemala to provide new equipment and training for officers in Guatemala.

### Morales withdraws military from citizen security

President Jimmy Morales has announced that, as of 31 March, the military will no longer assist the national police (PNC) in citizen security efforts. Rolled out by Morales’s predecessors as part of efforts to tackle Guatemala’s notorious crime rates, the strategy – which has also been implemented in neighbouring Honduras and El Salvador – has been controversial due to its breach of the spirit of the 1996 Peace Accords, ending the 36-year-long civil war. Morales’s reversal of this policy has been particularly surprising given the strong links between the military and the ruling conservative Frente de Convergencia Nacional (FCN-Nación), which was first set up as the military veterans’ association (Avemilgua) in 2004 before adopting its present name in 2008.

At the end of 2016 (the year President Morales took office for a four-year term), his then interior minister, Francisco Rivas (2016-2018), told the media that the government planned to withdraw the 4,200 military officers involved in citizen security alongside efforts to strengthen the PNC. At the time Rivas said the PNC was comprised of over 37,000 agents, while a further 4,000 graduated in 2017.

A 7 March report by state news agency *AGN Noticias* cites Morales as saying that this process of military drawdown began in June 2017 with the second phase taking place in December. According to the same report, before the process began there were nine squadrons of 5,600 soldiers, offering assistance to the PNC in 30 of Guatemala’s 340 municipalities. This was reduced by 50% by April 2017, with 1,900 and 2,000 military officials currently helping the PNC. Morales said that the military would revert to its role as laid out under the 1996 Peace Accords: “defending Guatemala’s sovereignty and territorial integrity [with] no other functions assigned to them, and their participation in other fields...limited to cooperative activities”. He said that the military would focus on international security, highlighting in particular joint efforts to combat drug trafficking between Guatemala, El Salvador, and Honduras.

Morales’ move to reverse the process of involving the military in citizen security, which first began under former president Alfonso Portillo (2000-2004), is likely to be well received by human rights groups given the policy had long been questioned due to the military’s record on human rights: a United Nations (UN) Commission for Historical Clarification had found that agents of the state, particularly the army, were responsible for 93% of all human-rights violations committed during the 1960-1996 civil war, which resulted in the death or disappearance of some 250,000 civilians. While the move has also been hailed by the US government (*see sidebar*), it nonetheless comes amid renewed concerns about the police following the recent dismissal of respected PNC director Nery Ramos, along with concerns about the newly appointed interior minister, Enrique Degenhart [[WR-18-10](#)].

### COSTA RICA | POLITICS

### Polls provide few clues ahead of run-off

The latest opinion surveys ahead of the 1 April presidential second round run-off show the two contenders – Fabricio Alvarado Muñoz of the small conservative Partido Restauración Nacional (RN) and Carlos Alvarado Quesada of the ruling centre-left Partido Acción Ciudadana (PAC) – in a technical tie. Further compounding uncertainty ahead of the second round, Costa Rica’s two main parties, Partido de Liberación Nacional (PLN) – which registered its worst-ever electoral performance in the first round in February

## Religion

The latest report on international religious freedom released by the US State Department in 2017 cites a 2013 Ciep survey which estimates that 72.8% of Costa Rica's population is Catholic, 14.8% Protestant (including evangelical Protestants), 3.6% other religious groups, and 8.4% without religious affiliation.

– and **Partido Unidad Social Cristiana (PUSC)**, remain deeply divided, offering little guidance to their support base as to which Alvarado to back.

The most recent survey by the centre for research and policy studies (Ciep) at the Universidad de Costa Rica (UCR), released on 23 March, showed Alvarado Muñoz on 43% of voting intentions, just ahead of Alvarado Quesada, a former minister of labour (2016-2017) and human development & social well-being (2014-2016), on 42% (within the 2.8% error margin). Alvarado Muñoz took 24.99% of the vote in the February first round to 21.63% for the PAC candidate. The same survey, which also revealed that 15% of the 1,202 respondents were undecided, showed that while the RN candidate had attracted more support from those who abstained from voting in the first round, Alvarado Quesada had more success in winning over those who had voted for other parties. That Alvarado Muñoz, an evangelical preacher, remains a polarising figure was suggested by the fact that 37% of respondents said they would never vote for him (compared with 25% who said they would never vote for the PAC candidate).

With the latest surveys shedding little light as to who will assume the presidency on 8 May, the PLN and PUSC, which took 18.63% and 15.99% of the vote respectively in the first-round contest, remain divided over which candidate to back. On 23 March, Alvarado Quesada presented a document calling for a “national unity government” in which PLN heavyweights declared their support for the PAC candidate. Signatories included former justice minister Fernando Ferraro (2012-2013); former education minister Leonardo Garnier (2010-2014); and Vicky Ross Gamboa, the running mate of the PLN's defeated presidential candidate Antonio Álvarez Desanti. Alvarado Quesada already received explicit backing earlier this month from the PUSC's defeated presidential candidate, Rodolfo Piza, along with his running mate Edna Camacho, a former deputy finance minister (1998-2002) who is now the coordinator of Alvarado Quesada's economic team.

Yet Álvarez himself has thrown his weight behind Alvarado Muñoz, who on 7 March presented his economic team which featured figures closely linked to the PLN. These include Gerardo Corrales, part of Álvarez's economic advisory team, along with former ministers Edgar Ayales (finance, 2010-2014); Alfredo Volio (agriculture & economy, 2006-2007); and Rubén Pacheco (tourism, 2002-2006). While the PUSC's presidential candidate may have plumped for Alvarado Quesada, other PUSC members have backed the RN candidate. These include the country's former vice-president Lineth Saborío (2002-2006) and former presidential candidate (in 2006) Ricardo Toledo.

### Church involvement in RN's campaign stokes controversy

Religion unexpectedly played a key role in the first round after January's ruling on same-sex marriage by the Inter-American Court of Human Rights (Corte IDH) propelled Alvarado Muñoz to victory and shook-up the political establishment, exposing deep conservatism within Costa Rican society. (A Ciep poll released in January showed 67% of respondents were against the ruling).

Concerns regarding the involvement of the religious establishment in the election have intensified ahead of the run-off. Article 136 of the constitution outlaws the use of religion for political propaganda in any form, and earlier this month the electoral authorities (TSE) reprimanded the Catholic and Evangelical churches for using religion to influence the vote. Most recently, on 26 March, the TSE ordered the RN to refrain from invoking religious motifs in its campaign. This was after receiving 86 complaints following media reports of an event which took place on 16 March in which Alvarado Muñoz met some 250 evangelical pastors whom he reportedly asked for economic support. In its 26 March order, the TSE also warned that these parallel economic contributions could breach electoral legislation if not reported correctly.

### Quotes of the week

“It is time to draw a line under the politics of hatred and confrontation that have only harmed the country.”

*Peru's President  
Martín Vizcarra.*

“They [US sanctions] are a sign that Venezuela is on a good path. The light of the petro will shine in every hole of his walls built of hatred.”

*Venezuela's President  
Nicolás Maduro on the sanctions on the Venezuelan  
cryptocurrency  
imposed by US  
President Donald  
Trump.*

“Antofagasta was, is, and will be Bolivian territory.”

*Bolivia's President Evo  
Morales.*

“Antofagasta has been, is, and will continue to be Chilean.”

*Chile's President  
Sebastián Piñera.*

### Chile's Piñera wrestles with age-old disputes

Within two weeks of returning to power in Chile, President Sebastián Piñera has confronted the country's two most longstanding disputes: Bolivia's historic territorial claim to a sovereign outlet to the Pacific in northern Chile; and the Mapuche indigenous territorial claim in southern Chile.

“It is perfectly clear that Chile has no obligation to negotiate with Bolivia,” President Piñera said from the presidential palace La Moneda on 22 March as Chile presented its oral arguments in the lawsuit on access to the Pacific brought by Bolivia to the International Court of Justice (ICJ) in 2013. Bolivia's President Evo Morales travelled to The Hague on 17 March for four days to support the Bolivian delegation as it presented its arguments, returning to Bolivia for the anniversary of the 23 March 1879 Battle of Topáter when Colonel Eduardo Abaroa fought to the death defending a bridge having refused to surrender to a much larger Chilean force. Morales was back at the ICJ to hear the summation of Bolivia's case on 26 March. Urging Chile to heal “past wounds”, he insisted “we are not looking for vengeance but justice”. The ICJ is expected to issue a final ruling in July.

In the midst of the legal battle with Bolivia, on 23 March Piñera travelled to Temuco, the capital of the region of La Araucanía, at the centre of Chile's conflict with the Mapuche. He signed a bill in the regional governor's building to modify the anti-terrorism law, a major source of tension with the Mapuche dating back to the dictatorship of General Augusto Pinochet (1973-1990). He was accompanied by victims of the rural violence in the region, including Jorge Luchsinger Mackay, the son of an elderly couple, Werner Luchsinger and Vivianne Mackay, who died in an arson attack in 2013. Later the same day, Piñera presented a ‘national accord for development and peace in La Araucanía’.

The bill to reform the anti-terrorism law contains 11 proposed changes which Piñera and members of his ruling right-of-centre Chile Vamos coalition said would guarantee freedom and democratic order. These include the use of undercover agents, drones, and wiretapping of suspected terrorists; improving witness protection; cyberterrorism; and broadening the definition of ‘terrorist’ to include individuals not just associations. Piñera said the new definition removed “problems of subjectivity”. Francisco Huenchumilla, a former governor of the region and now senator for the opposition Democracia Cristiana (DC), said Piñera had made “a bad start and a political error” with a “terrifying” reform which appeared to be “directed at the Mapuche people”. The interior minister, Andrés Chadwick, responded by saying that the only “terrifying” thing was “terrorist action”.

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