

latin american weekly report

14 June 2018, WR-18-23

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

Mexico's López Obrador hits home straight in cruise control

An air of resignation prevailed in Mexico's third and final presidential debate throughout much of which Andrés Manuel López Obrador, the clear frontrunner, sported a smile. Neither Ricardo Anaya, of the Left-Right coalition Por México al Frente, nor José Antonio Meade, of the federally ruling Partido Revolucionario Institucional (PRI), his principal rivals, seemed able to conjure up a decisive attack to wipe it off his face. López Obrador could rest easy in the knowledge that with barely two weeks of the campaign remaining he enjoys an average lead of around 20 percentage points in electoral surveys, the most commanding position held by any presidential candidate since the PRI allowed competitive elections in 2000.

The consensus view was that Anaya won the first presidential debate, which saw him extend his advantage over Meade without eating much into López Obrador's lead. Meade took the second debate and edged slightly closer to Anaya without ever threatening to move into contention. But the third debate was won by López Obrador. Not because he outperformed his rivals but because there was a calm assurance about him which will have transmitted to voters. This was no better illustrated than in the way he dealt with one of the attacks Anaya mounted on him for allegedly having struck a pact with President Enrique Peña Nieto offering him impunity from prosecution in relation to the corruption scandals that have dogged his administration. A relaxed and confident López Obrador quipped that "I will not even put you in jail", a cutting reference to the corruption scandal embroiling Anaya which reared its head again in the days before the debate.

Anaya seemed more subdued than in the first two debates. There was a sense that his sting had been drawn after the publication online on 7 June of a video fleshing out allegations, which first emerged in February, that his campaign had received illicit financing through a complex money-laundering scheme surrounding the sale of a family-owned industrial estate in the state of Querétaro for M\$53m (US\$2.9m). A second follow-up video was published just 15 minutes before the start of the debate on 12 June. On the videos, Juan Barreiro, the younger brother of Querétaro businessman Manuel Barreiro, who was involved in the alleged money-laundering scheme, can be seen talking to an unidentified Argentine businesswoman about the deal and future benefits under an Anaya presidency.

Anaya rejected the allegations out of hand. He said the video was "completely false" and accused the Peña Nieto administration of waging a "dirty war" against him. Anaya maintained that the video was "vengeance" because he had promised days earlier to ensure that Peña Nieto should face justice, and denounced a pact between Peña Nieto and López Obrador, who, while he has made expunging official corruption the cornerstone of his campaign, has also

Poverty and inequality

During the part of the presidential debate devoted to discussing poverty and inequality, Ricardo Anaya promised to provide a universal basic salary, not to increase taxes, and to exempt those earning less than M\$10,000 (US\$484) a month from income tax (ISR). José Antonio Meade, for his part, made a bid for the female vote by promising to close the gender pay gap. Meade said he would achieve this by setting up social security payments for female domestic workers, and by establishing more nurseries providing full day care.

made a point of saying he is not interested in going after any individuals in a political witchhunt, just “transforming the whole rotten system”.

During the part of the presidential debate on economic growth, and poverty and inequality, López Obrador outlined his utopian vision for saving M\$300bn-M\$500bn (US\$14.5bn-US\$24.2bn) a year through rooting out corruption. He maintained that all of this would be ploughed into the productive sector, generating more wealth and alleviating poverty.

Anaya and Meade both presented concrete proposals for delivering growth with equality (*see sidebar*). But there was nothing to set the pulses racing like the promise of saving a vast sum of money lost to corruption in Mexico. López Obrador has never supplied much in the way of detail on precisely how he plans to set about recovering this money, but it taps into visceral public disenchantment with political corruption which has savaged the popularity of Peña Nieto and his party as a succession of former PRI governors have been exposed as rampantly corrupt.

Education and development

The issue of education was another focus of the final debate in Mérida, the capital of the south-eastern state of Yucatán. Meade argued that the government's education reform was essential to drive Mexico's growth and development, investing in human capital that would pay off in terms of higher productivity. He said that it was high time that anachronistic practices were stamped out, such as lifetime, and even hereditary, teaching posts, as well as buying positions, without any performance evaluation.

Anaya was also supportive of the education reform itself, but he argued that there were serious problems in its implementation. Anaya contended that the government should have invested more in teacher training, for instance, and not squandered so much money on PR: a recent investigation by the Mexican news website *Animal Político* revealed that the education ministry spent more on communications than teacher training last year. Anaya promised to make the reform much more efficient if he wins power, along with a populist gesture to provide free tablets and mobile phones to high school and university students.

López Obrador, meanwhile, repeated his intention to annul the education reform. He claimed that it did not “correspond to the reality” and was “punitive”. López Obrador has secured the support of the Coordinadora Nacional de Trabajadores de la Educación (CNTE) through his promise to repeal the education reform, and the country's second largest teachers' union will help get out the vote in its strongholds in the southern states of Chiapas, Guerrero, Oaxaca, and Michoacán. López Obrador promised a consensual education reform between teachers, students, and parents. But the CNTE will not have been so happy to hear López Obrador say that he intends to maintain teacher evaluation.

Burying the hatchet

The more time López Obrador's rivals devoted to presenting their proposals, the less time they had to mount an attack on him. But López Obrador defused the most important attack a few days before the debate [\[WR-18-21\]](#), when Mexico's business associations invited him to a meeting. In recent weeks the country's business associations had succeeded in putting López Obrador under more pressure than either of his main presidential rivals. The war of words saw López Obrador lose his cool, so well preserved throughout this campaign, in marked contrast to his previous two presidential electoral campaigns which were punctuated by his abrasive and combative rhetoric and conspired to alienate more moderate voters. That big business decided to seek an accommodation with López Obrador was indicative of their calculation that his lead has now become unassailable.

Petro needs huge surge to deny Duque**Polls**

Iván Duque enjoys a lead of between six and 20 percentage points in Colombia's final electoral surveys. One of the outliers was a poll by Invamer for Noticias Caracol, Blu Radio and the weekly current affairs publication *Semana* giving Duque a 20-percentage-point lead over Petro (57.2%-37.3%) ahead of the run-off. The other outlier, by Datexco, gave Duque a 46.2%-40.2% advantage. Duque's average lead across the final seven surveys by different pollsters was 14 percentage points.

Colombia's two remaining presidential candidates have spent the closing days of the campaign ahead of the second round of elections on 17 June trying to drum up support among rival politicians in the hope of swaying the public to back their bids. Both have met with some success but the final electoral surveys suggest that Gustavo Petro, of the left-wing coalition Colombia Humana, will need to benefit from a huge swing to defeat Iván Duque, the presidential candidate of the right-wing Centro Democrático (CD).

Petro promised to construct an enormous coalition of different political forces united around "belief in peace, decency, transparency, and education, as the foundation to allow us to have a productive economy". He failed in his attempt to enlist the support of Sergio Fajardo, who finished just behind him in third in the first round, and Humberto de la Calle, who came a distant fifth in the first round running for the traditional Partido Liberal (PL). Despite these snubs, Petro did win the backing of Claudia López, Fajardo's running mate, and Senator-elect Antanas Mockus, a former mayor of Bogotá where he has a strong support base (winning 539,000 votes in March's senate elections), both from the centre-left Alianza Verde (AV).

Along with Ingrid Betancourt, a former hostage of the Fuerzas Armadas Revolucionarias de Colombia (Farc) who recently threw her weight behind his campaign, López and Mockus staged a rally with Petro in central Bogotá on 8 June. Mockus extracted six public promises from Petro: not to convene a constituent assembly, and to respect municipal and regional autonomy; to respect the right to private property; to apply the principle of fiscal responsibility; to guarantee meritocracy in the election of public posts; to comply with the results of an anti-corruption referendum (*see box below*); and a commitment to sustainable development mitigating the impact of climate change.

On 31 May, AV urged its supporters to reject Duque, by casting blank ballots or voting for Petro. AV deputies announced on 1 June that they would vote for Petro. But a group of Fajardo's supporters did announce their backing for Duque, including Jorge Roncancio, who ran for a seat in the lower chamber of congress for AV in March.

Duque said he was honoured to have received the backing of some within AV. Duque has sought to move to the centre to allay the fears of more moderate voters. In practice, however, his plan to amend the section of the Farc peace accord to eliminate the transitional justice tribunal (JEP) could lead to it unravelling and see demobilised guerrillas drift towards other criminal groups. Speaking during an express tour of the central coffee region of Eje Cafetero on 10 June, Duque said he would "make the necessary modifications [to the accord] to ensure it is based on justice and peace". This has the virtue of providing some reassurance that he is not intent on discarding the accord while at the same time appealing to the many voters disillusioned with it for not being tough enough, especially on Farc leaders, and being sufficiently vague to allow Duque to justify pursuing any change he likes to it when in office.

The president of the Farc political party, Rodrigo Londoño, said in an interview on 10 June with the national daily *El Tiempo* that Duque was attempting to go back over something that took 20 months to negotiate in Cuba. Londoño said that he was happy to discuss the implementation of the

Anti-corruption referendum

Senator Roy Barreras of Partido de la U (PU) claimed that five of the seven anti-corruption measures are already present in existing legislation, and that the other two would require a separate process of constitutional amendment. He also complained that the country can ill-afford the cost of the referendum, estimated at Col\$290bn (US\$103m).

peace accord and any adjustments that might “bring out its essence”, but he expressed his hope that whoever wins would implement what was signed and not attempt to “distort it”. “I told them [former guerrillas] that we are taking a risk, that we are on a canoe that could soon capsize, but if this canoe capsizes, I will be there with you,” Londoño said.

Days earlier, on 7 June, while declaring its support for Duque, the Consejo Gremial Nacional (CGN), Colombia’s largest umbrella business association, said that it had been persuaded by his commitment to respect the Farc peace accord, and his promise to lead an “inclusive government” committed to overcoming political polarisation in the country. That said, the primary reason for the CGN’s support of Duque is because he stands for market-friendly, orthodox economic policies, while it fears that Petro’s plan to wind down the mining industry and reduce Colombia’s reliance on extractive industries could produce an economic cleavage.

Referendum on corruption expected

So far, Colombians have been required to vote three times this year, for congress in March, for the first round presidential ballot in May, and for the second round due on 17 June. Now it seems there will be a fourth vote: a referendum on corruption to be held by early September.

Last week the Colombian senate voted by 84-0 to hold a referendum in which citizens will be asked to approve or reject seven separate anti-corruption measures. The bill, already approved in the lower chamber of congress, is a longstanding initiative by Senator Claudia López of the left-of-centre Alianza Verde (AV). Last year she and other activists helped gather 4m signatures supporting the call for a vote. López welcomed the bill’s approval as a sign that Colombians “of all colours and ideologies” had understood the need to defeat corruption through action.

The seven anti-corruption measures are diverse. One of them would limit all elected officials to serve no more than three consecutive terms in office and require them to publish an annual statement of assets and interests. Another requires all levels of government to report back to public meetings on how investment budgets have been spent. One of the most controversial proposals would limit the pay levels of members of congress and senior officials to no more than 25 minimum salaries. A further proposal is that those guilty of administrative crimes be banned from securing new government contracts. There is also a suggested requirement that those guilty of corruption should always complete their full prison sentence and not be eligible for early release.

Now that the bill has been approved, the next step is for Colombia’s outgoing president, Juan Manuel Santos, to fix a date for the referendum. He is required to set it within the next three months: the latest date it could be held would be 2 September. Under a 1994 law on referenda, to be approved each of the seven proposals (which are voted on individually) need to get at least 50% of the votes, with a turnout rate of at least one-third of registered voters.

Most of Colombia’s political forces have welcomed the referendum, although some individuals are sceptical about how it may actually work in practice. López insisted that the best way to fight corruption is through a democratic vote, rather than “on Twitter, on Facebook, or by just complaining”. The government says it supports the exercise. Both remaining presidential candidates, Gustavo Petro and Iván Duque, have also supported the idea.

Unanimous approval in the senate was achieved partly because no politician wants to risk being seen as pro-corruption. Yet even some of those who voted in support have their doubts about the value of the exercise. Senator Roy Barreras of Partido de la U (PU), part of the ruling coalition, says it is a “useless initiative” (see sidebar). Alfredo Rangel of Duque’s party, Centro Democrático (CD), says the salaries of members of congress cannot be reduced by an ordinary law, even one approved in a referendum, as, given the separation of powers, a constitutional amendment would be required.

Going gets tough for Vizcarra

Jibaja

Following the revelations that Colonel Walter Jibaja is a long-time Fujimorista sympathiser, some non-FP deputies have complained about being tailed by congress security personnel. Meanwhile journalists from different media sources have also denounced threats posted on social media against them by congress security personnel and even Jibaja himself. This led Peru's press council (CPP) to issue a public statement on 12 June condemning the threats and calling on congress president Galarreta "to adopt urgent measures to guarantee the safety of all journalists covering congress".

Peru's President Martín Vizcarra may have hoped that his decision to replace his economy & finance minister over his unpopular move to increase excise tax rates [[WR-18-21](#)] would earn his government more public support and provide it with some breathing space. But the political situation in Peru has deteriorated further since then, with growing confrontation among the parties in the national congress and public dissatisfaction with the government and the political class in general. The Vizcarra administration is not directly responsible for all of these problems but it is nonetheless being crippled by them.

After accepting the resignation of his previous economy & finance minister, President Vizcarra took a few days to mull over who to appoint as a replacement, aware that this would be critical for restoring public confidence in his government's ability to deliver its economic development plans. In the end, on 7 June, Vizcarra opted to give the portfolio to Carlos Oliva Neyra. The appointment of Oliva, a former deputy finance minister under Ollanta Humala (2011-2016), produced mixed reactions. While the appointment of someone familiar with the portfolio and its challenges was welcomed in some opposition quarters, it was criticised by others.

The main right-wing opposition Fuerza Popular (FP, Fujimoristas) criticised Oliva's appointment on the grounds that, as a Humala government official, he was partly responsible for the deficient economic policies that have led to Peru's domestic economic slowdown since 2014. "It is a bad choice. Being a former deputy minister in the Ollanta Humala government means that the [Vizcarra] executive is opting for the economic policy that led us to the current crisis," the FP spokesperson, Héctor Becerril, said. The FP has the largest representation in congress and has repeatedly used this to censure and force out cabinet ministers in whom it has no confidence.

In this light, Oliva has very little room for error and is under pressure to hit the ground running. This includes coming up with a viable alternative for reducing the fiscal deficit to replace his predecessor's initiative to increase the excise tax. It may also include appeasing unionised teachers, who have been holding protests in various areas of the country in recent weeks in demand of improved salaries. Oliva's prospect of success will greatly depend on how prepared the opposition-controlled congress is to collaborate with his plans and the government's overall economic agenda.

Chaos in congress

Oliva's predecessor had requested that congress give him temporary legislative powers so that he could introduce legislative changes designed to promote investment and job creation. But this request, as well as some other legislative initiatives in the economic area tabled by the government, is still pending in congress. Problematically for the government, legislators are currently more interested in settling political scores than in advancing the legislative agenda. The clearest example of this was the move by the FP bench to suspend three former FP deputies who defected from the party following the failed attempt to impeach former president Pedro Pablo Kuczynski (2016-March 2018).

Led by Kenji Fujimori, a group of FP deputies defied the party line and abstained from voting in favour of Kuczynski's impeachment back in December 2017. This ensured Kuczynski's political survival (albeit he was forced to resign a few months later) and produced deep divisions within the FP between the faction led by Kenji and the main party faction led by his

Ambassador to the UK dismissed

On 13 June President Vizcarra signed a decree relieving Susana de la Puente from her duties as Peru's ambassador to the United Kingdom and representative before the International Maritime Organization. The move came after De la Puente was named in the money laundering investigations being carried out by prosecutors in Peru linked to the region-wide government corruption scandal centred round Brazilian engineering firm Odebrecht. An economic adviser to former president Pedro Pablo Kuczynski, De la Puente has been identified as one of the individuals who allegedly received irregular donations for Kuczynski's presidential campaigns from Odebrecht. De la Puente, who denies the allegations, is expected to return to Peru to face investigation.

sister Keiko Fujimori. Since then the main FP faction has accused Kenji and his allies of offering bribes and political favours to legislators on behalf of the Kuczynski administration in exchange for votes against impeachment.

On 6 June, the FP bench presented a motion calling on Kenji and his allies, Guillermo Bocángel and Bienvenido Ramírez, to be suspended from congress and face impeachment over the role they allegedly played in bribing fellow deputies to vote against Kuczynski's impeachment back in December. The plenary of congress voted not once but twice (the first vote was annulled over procedural grounds and repeated in the early hours of 7 June) in favour of suspending the three deputies pending a judicial investigation into their actions. The FP bench could not muster the necessary votes to impeach the three deputies, but the suspensions mean that they can now be investigated for influence trafficking and corruption by prosecutors.

The three suspended deputies will be replaced by their FP alternates, boosting the party's presence in the legislature. The suspensions not only produced tensions among Fujimoristas but also among other political parties in congress, which were split over whether to vote for or against the move. The most salient example of this was the 11 June announcement by Deputy Pedro Olaechea that he was quitting the ruling Peruanos por el Cambio (PPK) after he was heavily criticised by his PPK colleagues for voting in favour of the suspensions. Olaechea's defection further weakens PPK's minority presence in congress and the Vizcarra administration's chances of advancing its legislative agenda.

In addition, the suspensions sparked a series of calls by PPK and leftist opposition parties for various other legislators accused of corruption to be suspended or face impeachment. This includes calls for the impeachment of congress president, the FP's Luis Galarreta, who stands accused of misuse of public funds to the tune of PEN254,000 (US\$76,200). Meanwhile, after the local press revealed that the head of security of the congress, army Colonel Walter Jibaja, is an FP sympathiser, non-FP legislators demanded his dismissal. Since then, Jibaja, an ex-bodyguard of the authoritarian former president Alberto Fujimori (1990-2000), has been accused of ordering spying on deputies and the surveillance of journalists that cover congress (*see page five sidebar*).

Discontent

Given the chaotic atmosphere in congress and cabinet instability it is not surprising that local civil-society groups, including students and trade unions, have been staging anti-government demonstrations in Lima. These started out in late May as protests against the increase in petrol prices resulting from the decision to increase the excise tax. But amid the continued corruption scandals in congress, they have increasingly turned against deputies, with demonstrators calling for congress to be dissolved.

The latest of these demonstrations took place on 12 June, when hundreds of people marched to congress. As in previous instances, the march was disruptive and ended in minor clashes with anti-riot police stationed outside the congress building.

These protests are clearly borne out of anger at government corruption and frustration at the Vizcarra executive. All of this is starting to undermine public support for Vizcarra. The latest public opinion poll by Ipsos, published on 10 June, found that Vizcarra's disapproval rating had increased to 48%, compared with 24% back in May. Vizcarra's approval rating stands at 37%, 15 percentage points lower than in May.

This is the first time that Vizcarra's disapproval rating has exceeded his approval rating since he assumed office in March. The trend looks set to continue unless his government can find a way to regain the political initiative.

New foreign minister

On 12 June, President Moreno appointed José Valencia as his new foreign minister. Valencia replaces María Fernanda Espinosa, who has been elected as the new president of the United Nations General Assembly (UNGA), and who is due to assume the post on 5 September, becoming the first Latin American female to preside over the UNGA. Until now, Valencia had served as Ecuador's permanent representative to the Organization of American States (OAS). Following his appointment, Valencia said that his immediate priorities would be to "continue discussing border security issues and bilateral relations with Colombia".

Correa probe exacerbates political divisions

"This is a very serious matter and the government is concerned because it is very grave to think that a former president was involved in something like this." This was the response of the Ecuadorean government, led by President Lenín Moreno, to the request by the attorney general's office to include former president Rafael Correa (2007-2017) in a high-profile kidnapping case dating back to 2012. The move against Correa has been rejected by his supporters, who say it is part of the Moreno government's efforts to discredit Correa and his political legacy. The case will deepen the rift between pro-Moreno and pro-Correa factions, which has dominated Ecuador's political scene since Moreno succeeded his former political mentor last year.

Interim Attorney General Paúl Pérez requested on 11 June that Correa be investigated in relation to the 2012 kidnapping of a former national deputy, Fernando Balda. The recently appointed Pérez said that prosecutors had uncovered new evidence pointing to Correa's involvement in the kidnapping of Balda, a Correa critic who was temporarily abducted in Bogotá, Colombia, and quickly rescued by the Colombian police.

Back in 2012, the Colombian authorities arrested one of Balda's kidnappers, who confessed to having been hired for the job, but ultimately failed to identify the masterminds. Balda has always claimed that Correa ordered Ecuador's intelligence services to kidnap him in a bid to intimidate and silence him. Balda's allegations led to three former Ecuadorean intelligence service officers being arrested but nobody has been convicted in the case to date.

Pérez did not reveal what new evidence had come to light, but he did say that it suggests that the Correa administration had been involved in the incident. As such, he asked a judge for permission to investigate Correa. Pérez also took the unusual step of asking the national assembly (AN) to approve his request as a way of ensuring that there would be strict adherence to due process, given that the allegations against Correa date back to when he was president. But this sparked a loud protest from Correa's allies, who denounced a plot against their political leader by the authorities.

Correa himself described the moves against him as "lawfare", a portmanteau of 'law' and 'warfare', which he said is being promoted by his political opponents. "This is lawfare in all its expression: they will never prove any corruption. So, they try to implicate me, without any proof, in a suspected kidnapping attempt," Correa said in a tweet. This was echoed by Correa-allied deputies in congress, who alleged that the former president was being politically persecuted by the government and warned that they would resist this, insisting that they would not approve Pérez's request, and that Correa enjoys immunity from prosecution. This prompted President Moreno to issue a statement read out by his secretary, Juan Sebastián Roldán, on 12 June expressing concern at the allegations and calling for the case to be discussed by the AN.

But despite Moreno's call, a motion to discuss Pérez's request was rejected by the AN on 13 June with some Moreno-allied deputies voting against it. This led Moreno to issue another statement "rejecting the actions of those deputies that present themselves as morenistas but, at the same time, do not act in accordance with the principles of transparency and justice that now prevail in the country". Moreno went on to urge the AN to reconsider Pérez's request, stating that "now is the time to show who wants real change and to live in a full democracy". Rather than promoting unity, Moreno's actions look set to deepen divisions in the AN complicating life for his administration.

Uncertainties continue to dog October elections**Television time still key**

Jair Bolsonaro has a strong social media presence. He has the highest number of 'likes' (4.9m) on Facebook, for instance, of any of the presidential pre-candidates. But television time is still a big deal for the Brazilian electorate, with 38% agreeing that it will influence their vote the most. Bolsonaro is likely to have little free television and radio time, as this is allocated according to the congressional strength of a candidate's coalition, limiting his public exposure in the campaign despite his social media popularity.

Brazil's presidential elections are only four months away, and they remain as unpredictable as ever. In recent weeks two factors have been at the forefront. The 'mood music' that surrounded the strike by truck drivers, where disagreements over diesel prices are still simmering, emphasised high levels of anger and mistrust among the electorate. Political strategists are also again focusing on the 'Lula factor' – the potentially decisive role that could be played by imprisoned former president Lula da Silva (2003-2011).

The strike by the truck drivers, which lasted 11 days to 31 May, caused losses estimated at R\$16bn (US\$4.28bn), and led to a cut in economic growth forecasts for this year. It continues to cast a shadow over Brazilian electoral politics. This week there were still bitter arguments over whether the government is honouring its promise to cut diesel fuel prices. Also at issue: where spending cuts will fall to fund the diesel subsidy. Meanwhile, there have been continuing freight transport delays.

But perhaps the real legacy of the strike is what it says about political disaffection in Brazil. The fact that some strike leaders called for a military coup highlights the point. Surveys show that truck drivers have an average age of 44, are sedentary, overweight, have little job security, and are low earners (with an average monthly income of around R\$4,000 [US\$1,068]). Their living standards are falling, a trend they believe will continue. This is in marked contrast to the way they were celebrated during the military dictatorship from 1964 to 1985, when they were considered key protagonists of the country's economic development. This may explain some of the nostalgia for military rule.

While not everyone thinks like the truck drivers do, they do seem to embody a wider disaffection with democratic rule and with what could be described as the political centre. According to a Datafolha poll conducted after the strike, President Michel Temer's approval rating slumped to an all-time record low of 3%. His disapproval rating soared to 82%. The most-trusted national institution is the military (37%); the least trusted are the political parties (68% of respondents do not trust them), congress (68% do not trust it), and the presidency (64% do not trust it).

Traces of this malaise can be found in the latest opinion polls on the presidential race. However, it is important to note that their accuracy is less than assured, for multiple reasons. Pollsters are conducting a mix of telephone and face-to face interviews, which are believed to differ in predictive accuracy. There is also a difference between spontaneous mentions of a candidate's name and prompted mentions; and to cap it all there is one key candidate who may, or may not be running, because he is in prison, and a two-round contest producing a large number of hypothetical run-off scenarios between different candidates.

Despite all this, some conclusions can be drawn. The first is that potential candidates of the centre who are linked in one-way or another to the present government are facing electoral disaster. In another Datafolha poll published on 10 June, former finance minister Henrique Meirelles – the pre-candidate most liked by the financial markets who is seeking to run for the ruling Movimento Democrático Brasileiro (MDB) – garnered only 1% support. Geraldo Alckmin, once considered a centre-right heavy hitter for the Partido da Social Democracia Brasileira (PSDB) had only 6%.

Volatility

The Lava Jato corruption investigation in Brazil, and widespread public disenchantment with politicians and established political parties, has generated a high level of volatility. This has contributed to making these the most unpredictable presidential elections since 1989 when Fernando Collor de Mello came to power in the first democratic contest after the military dictatorship.

The second point is that candidates of the Left or Right who adopt anti-establishment or 'outsider' positions continue to gain traction. The most notable beneficiary is the neo-Trumpian extreme right-winger Jair Bolsonaro of Partido Social Liberal (PSL), an outspoken advocate of dictatorship, who benefited most from the truckers' strike. He had 17% support for the first round. Left-winger Ciro Gomes, of the Partido Democrático Trabalhista (PDT), shows signs of growth from a low base: he has 6% support.

But the main conclusion is that Lula, of the left-wing Partido dos Trabalhadores (PT), who was and remains Brazil's most popular politician, still holds the key to October's polls. Lula has been in prison since April, serving a 12-year sentence for corruption and money laundering. This, and other pending cases, are thought to prevent his candidature (a final decision by the electoral authorities is expected after registration closes on 15 August).

The PT nominated Lula as its pre-candidate at the weekend, during a rally attended by Rousseff in Belo Horizonte, the capital of the state of Minas Gerais, portraying him as the victim of an establishment conspiracy. The party says it has no 'Plan B', but political analysts think it does. They believe it would make sense for Lula to remain the official PT candidate for as long as possible (thereby building the party's chances in the concurrent congressional elections). At the last minute he would then endorse another party leader (possibly Fernando Haddad, the former mayor of São Paulo) or back a candidate representing a wider left-wing coalition (potentially Gomes).

The Datafolha poll shows the importance of Lula's endorsement. It is true that his candidature may have weakened a little (Lula was named spontaneously by 10% of respondents for the first round, down from 18% last September). But when respondents were prompted with candidate names, even from prison Lula still has 30% of first round voting intentions, putting him at the head of the race, 13 percentage points clear of Bolsonaro. If – as looks most likely – Lula cannot run – a massive 47% of respondents say they might cast their vote for someone he endorses (30% would certainly vote that way, 17% would consider it).

Broadly speaking therefore, there are four types of candidates in the first round, which must be narrowed down to two in the event of a second-round run-off. The four are, firstly, candidates of the Left, where the Lula endorsement may be critical; secondly, the candidate of the far-right, Jair Bolsonaro; thirdly, centrists linked to the current government; and, finally, the possibility of a centrist not linked to the current government.

In a new development it appears that the latter category could be filled by former minister and environmental campaigner Marina Silva (Rede Sustentabilidade) who is now presenting herself as a "non-dogmatic" candidate who promises to eschew polarisation and combine the economic stability achieved by past PSDB governments with the social advances secured by past PT governments. Silva has 14%-15% of first round voting intentions, according to Datafolha (putting her in third place after Lula and Bolsonaro).

Looking at the four types of candidates it would appear that on current performance the centrists linked to the current government are most likely to drop out before the second round, while any left-winger endorsed by Lula is equally likely to stay in the race for the second round. That would suggest the real battle to get to the second round and oppose the Lula-endorsed candidate is going to be between Bolsonaro and Marina Silva.

Opponents of Bolsonaro hope he will suffer the same fate as French right-winger Marine Le Pen, who was unable to capitalise on her first-round success. But the mood in Brazil remains volatile, and it would be a mistake to write off Bolsonaro.

IMF deal beset with political difficulties

On 7 June, the Argentine government announced a preliminary US\$50bn Stand-By Arrangement (SBA) with the International Monetary Fund (much larger than the US\$30bn that had been widely expected). Six days later, the Confederación General del Trabajo (CGT), the country's main umbrella trade union movement, called a 24-hour general strike for 25 June. The two developments are not unrelated.

The IMF agreement, made necessary by the run on the Argentine peso experienced in April and May, marks some kind of a political turning point for the government led by President Mauricio Macri, although it is not entirely clear whether it will be a turning for the good or for the bad.

No government likes a run on the national currency. Having suffered that setback, the Macri administration is now hoping that the IMF deal provides the right technical 'fix' to stabilise the domestic economy and maintain some level of forward economic growth. After all, the next general elections are only 16 months away (October 2019) and the ruling centre-right Cambiemos coalition wants a second term under Macri to push on with its market-friendly reformist plans for the country.

The IMF deal is certainly an attempt to 'ironclad' and support the economy over the next three years. Not only is the SBA bigger than expected, there is also another US\$5.65bn in financing available from a group of multilateral banks. Officials say that Argentina will not have to borrow on international capital markets until after the elections. Macri hailed the deal as "historic". He said the economy had expanded for each of the last seven quarters, and would continue growing "for another 20 years".

Never mind 20 years: the problem is that Argentina and the IMF have a long history, most of it quite bad for short-term growth. The country has signed a score of SBAs with the IMF over the course of the last 60 years: in a majority of cases the governments of the day ran into trouble over the associated austerity measures and did not last long enough to complete them. In some cases, the country plunged abruptly back into financial crisis. As a result, from the centre to the far Left of the political spectrum there is a long-standing and deeply embedded mistrust of what are seen as 'neo-liberal' IMF-supported austerity programmes.

Critically, this particular deal requires a series of austerity measures which must be approved in the federal congress where the government lacks a majority. The fiscal deficit is to be reduced to 1.3% of GDP next year, down from the planned 2.2%. Spending cuts will be necessary. There will be bad headlines on inflation (now widely forecast at around 27% this year, way above the 8%-12% that had first been forecast). There is also a commitment to grant greater autonomy to the Argentine central bank (BCRA), which will require a political deal to back new legislation.

So far officials have been coy about growth projections for this year. In November last year the IMF predicted GDP growth of 2.5% for Argentina in 2018. In April, before the currency crisis, that had been reduced to 2.0%. At the beginning of June, the World Bank cut its own growth prediction for Argentina by half, down to 1.7%, citing the currency crisis and a drought affecting agriculture. Some private economists predict there will actually be stagnation or a contraction this year.

Deceleration?

One newspaper report in Argentina claimed that a first draft of the IMF press release announcing the country's latest Stand-By Arrangement had referred to possible economic "deceleration" this year, but that this infelicitous word had been deleted from the final, published version.

Gender equality

As well as calling for better representation of women in senior roles (both in the public and private sector), President Piñera's 12-point "gender agenda" also stipulates that various legislative initiatives should be passed as a matter of urgency, including one which would address gender violence and another which guarantees maternity leave in the armed forces.

If GDP does fall, it will mean that the economy will end up having expanded in only two of Macri's four years in office (2017 and, it is hoped, 2019). Either way, at the very least, the government is likely to enter the 2019 election year without an economic 'feel good factor' working in its favour.

The big danger for Macri is that a troubled economy will give the splintered opposition a valuable window of opportunity. The CGT has announced its third general strike since Macri came to office, set for 25 June. The stoppage is carefully timed one day before the Argentine national team has a World Cup football match in Russia, something that may encourage people to stay away from work.

Officially, the strike is to demand a change in economic policy and to reject what it called the upcoming IMF-sponsored "brutal economic adjustment". Government attempts to head off the strike (including a presidential decree to set the next round of average public sector wage increases in a 15%-20% band) were unsuccessful.

Other protest actions include some organised by the truck drivers on 14 June and a march being staged by the country's second largest trade union grouping Central de Trabajadores de la Argentina (CTA), also due on the same day. At the political level various strands of the main opposition Partido Justicialista (PJ, Peronists), including the Kirchneristas loyal to former president Cristina Fernández (2007-2015) and their rivals in the more moderate Frente Renovador (FR), may make common cause against the IMF. At its crudest, the success or failure of the IMF programme could be decisive for the outcome of next year's elections.

CHILE | POLITICS

Piñera's "gender agenda" rings hollow

President Sebastián Piñera has unveiled the gender policy of his right-of-centre Chile Vamos coalition government which includes a dozen measures aimed at promoting gender equity. Yet these offerings have singularly failed to impress women's rights groups such as Coordinación Feminista Universitaria (Confeú), which is part of the main students' organisation, Confecch. Already critical of the Piñera government's attempt to weaken abortion legislation approved under his predecessor Michelle Bachelet (2006-2010; 2014-2018), Confeú has announced fresh protest action to take place this month, upset by Piñera's omission of issues relating to sexism and gender violence on campus – a major complaint.

President Piñera revealed a 12-point "gender agenda" aimed at promoting gender equity. Among other things, this includes an initiative which would enshrine gender equity within the constitution with the stipulation that the state has a duty to promote and guarantee full equality of rights, duties, and dignity between men and women (*see sidebar*).

Yet Piñera's efforts to spin himself as a feminist have met with scepticism. With Confeú having already staged three protests since he took office in March and threatening another this month, the new government has been slammed over its attempt to introduce changes to abortion legislation. These changes would make it easier for health-service providers to refuse to conduct abortions for ethical reasons.

In a move which received widespread popular support, the previous Nueva Mayoría (NM) coalition government last year approved legislation which decriminalises abortion in three circumstances: when the pregnancy is a

Pensions reform
Of the additional 5% contribution proposed by the Bachelet executive, 3% would have gone directly to an individual employee's pension fund, to be paid out upon retirement, while the remaining 2% would have gone to a collective savings fund to be redistributed to those who reach retirement age with few savings and a meagre pension.

result of rape or incest; when the life of the pregnant woman is at risk; and in cases of fatal foetal impairment.

However, on 23 March, shortly after taking office, Piñera announced various changes to the conscientious-objection protocol, which gave institutions the right to refuse to perform the procedure. Piñera's action prompted complaints by NM legislators who called upon the comptroller general's office (CGR) to review the changes which were ultimately thrown out on 9 May.

Other Bachelet initiatives shelved

Attempts by the Chile Vamos government to undo the work of the previous government are not limited to abortion. Another bone of contention has been its withdrawal of a legislative bill which would have permitted victims of human rights violations committed during the military dictatorship led by General Augusto Pinochet (1973-1990) to receive compensation. Interior Minister Hernán Larraín justified the move on the grounds that it was too costly, although he has since been summoned for questioning in congress by the opposition.

The decision by the Piñera government to withdraw a pension reform proposal tabled by the Bachelet executive has similarly attracted criticism. Unveiled last year, the bill creates a new collective pension fund to be funded by an additional 5% contribution from employers (*see sidebar*).

The secretary general to the presidency (Segpres), Gonzalo Blumel, justified the decision to pull the initiative, claiming that it lacked support in congress. However, the president of the chamber of deputies, Maya Fernández (of the NM's Partido Socialista), decried the move as undemocratic as it prevented the possibility of any debate.

Piñera has since announced plans to unveil a new pension reform in the coming months although he has already made it clear in his manifesto that he would seek to retain the current pension system intact. This has been ill-received by protest groups such as 'Coordinadora Nacional No + AFP' which is calling for an end altogether to the Pinochet era mixed public-private national pension system.

TRACKING TRENDS

CHILE | Exports booming. Chile posted a trade surplus of US\$679m in May, according to the central bank, as exports outstripped imports. Exports, driven by copper, increased by 14.8% year-on-year in May to US\$6.683bn, while imports fell by 47% to US\$6.004bn. Copper exports climbed by 22.2% in May to US\$3.357bn (accounting for 50.2% of total exports) and reached US\$15.636bn for the first five months of 2018, up 34% on the same period last year.

Chile's trade surplus for the first five months of the year stands at US\$5.030bn, and should comfortably surpass the US\$6.908bn trade surplus registered for the whole of 2017.

URUGUAY | Meat exports. Uruguay's meat exports increased by 14% in the year to 2 June compared with the same period in 2017, reaching US\$853m, according to the Instituto Nacional de Carnes (Inac). Beef exports made up 83% of this total. Offal represented 6% of total exports, lamb 3%, and pork, poultry and other meat the remaining 8%.

China was, by a distance, the largest importer of Uruguay's meat products, taking 42% of the total, followed by the European Union (19.3%). Uruguay's agriculture minister, Enzo Benech, gave a press conference on 30 May alongside China's ambassador to Uruguay Wang Gang, and the head of Inac, Federico Stanham, to discuss his 11-day tour of China at the head of a national trade delegation from 9-19 May [\[WR-18-19\]](#). Both Benech and Wang stressed that there was great potential for expanding Uruguayan dairy exports to China. Uruguay's dairy industry, a powerful lobby group, has been struggling since the bottom fell out of the lucrative Venezuelan market.

International response

On 7 June, the US government announced it was sending “emergency aid, including financial resources to help meet food, water, and sanitation needs for the affected population” (while omitting to specify how much this aid was worth). The International Federation of Red Cross and Red Crescent Societies (IFRC) has released more than CHF250,000 (US\$254,452) from its global emergency fund to support frontline emergency efforts, and the European Union has assigned €100,000 (US\$118,000). Mexico has pledged to send a team of medical specialists, two mobile medical units, and a logistics unit, while the Central American Bank for Economic Integration (Cabei) has also announced it will grant US\$250,000 in non-reimbursable financial cooperation to the Guatemalan government.

CENTRAL AMERICA & CARIBBEAN

GUATEMALA | POLITICS

Morales under fire over volcano response

President Jimmy Morales was last week forced to declare a state of calamity in three departments (Chimaltenango, Escuintla, and Sacatepéquez) following the eruption of Volcán de Fuego, one of Central America’s most active volcanoes. With 110 dead on the latest figures from the national institute of forensic sciences (Inacif), the authorities’ response has come in for major criticism, prompting the attorney general’s office to launch a formal investigation. With thousands taking to the streets in the capital, Guatemala City, calling for Morales to resign, the issue is serving as yet another source of anger against the head of state and his ruling Frente de Convergencia Nacional (FCN-Nación) which recently faced further allegations of illegal campaign finance [[WR-18-18](#)].

Located some 40km from the capital, Fuego erupted on 3 June for the second time this year. But it was the most serious eruption since 1974, when there were no fatalities. The most recent eruption proved deadly after the pyroclastic flow plunged down the mountainside. As well as the death toll, Inacif is also reporting that 1.7m people were affected, with 197 missing.

The following day, the 158-member legislative assembly ratified an executive decree establishing a 30-day state of calamity. The move, which suspends procedures under the public procurement & state contracting law for the contracting of government suppliers, has the objective of re-establishing essential services and infrastructure. The legislature also authorised the use of Q192m (US\$25.6m) earmarked for disasters, with a further Q10m of the legislature’s budget assigned to finance programmes to support children affected.

Yet this response has failed to satisfy the public. On 9 June, thousands took to the streets in the capital in protests organised by Guatemala City’s state-run San Carlos university (USAC). These also saw turnout from #JusticiaYa, the organisation behind the anti-corruption protests against President Morales which have taken place since the first allegations involving FCN-Nación were made last August. As well as the resignation of Morales, protesters were also calling for other top government officials to step down such as Foreign Minister Sandra Jovel (who took three days to request international humanitarian assistance) and Sergio García Cabañas, the executive secretary of the Coordinadora Nacional para la Reducción de Desastres (Conred).

Complaints about Cabañas stem from suggestions that he failed to heed a warning by the director of the national institute of seismology, volcanology, meteorology, and hydrology (Insivumeh), Eddy Sánchez, to evacuate the area prior to the eruption. Cabañas was appointed to the post in June 2016, six months after Morales took office. He replaced Alejandro Maldonado who had served 12 years in the job. On 7 June, Attorney General María Consuelo Porras Argueta announced the launch of a probe into the authorities’ response while, in a further bid to assuage concerns, Morales said he would ask the Organization of American States (OAS) to determine whether negligence had taken place.

Wider repercussion

The agriculture ministry reported that 20% of 2,358 hectares (ha) of basic grains in the local area had been affected by the eruption and 15% of 3,187ha of vegetables. The national association of coffee producers (Anacafé) said that 4.2m quintals (100lb bags) of coffee for export had been affected, putting the damage at 5,489 manzanas (one manzana = 1.68 acres) or 1.27% of coffee export plantations. The eruption has reportedly affected 5,098 coffee-producing families.

Ortega plays for time

Nicaragua's Catholic Episcopal Conference (CEN) has yet to receive a response from President Daniel Ortega who last week requested a "couple of days" to reflect on its latest proposal to resume the suspended national dialogue process with the opposition Alianza Cívica por la Justicia y la Democracia (comprising students, civil-society groups, and the private sector). With the death toll on the rise as the police (PNN) and paramilitary forces continue to repress anti-government protesters, the impasse has left public figures such as the bishop of Matagalpa, Rolando Álvarez, warning that unless the presidential couple offer immediate concessions, Nicaragua could be on the verge of civil war.

As yet, President Ortega – who is now accusing a local academic, Félix Maradiaga, of orchestrating the "wave of terror" in the capital Managua (*see sidebar*) – has offered no sign that he intends to offer concessions with regard to either of the two key demands put forward by CEN and Alianza Cívica for national dialogue to take place. These are an end to the repression (the latest figures from local human rights NGO Centro Nicaragüense de Derechos Humanos [Cenidh] put the death toll at 139 since the violence erupted mid-April); and reforms aimed at making Nicaragua more democratic (including a call for the next general election, scheduled for 2021, to be brought forward).

The brutal show of state repression has yet to dissuade anti-government protesters, not least the students who are leading the unrest. On 11 June, a 24-hour general strike took place in León, Nicaragua's second city (and capital of the eponymous department), called by civil-society organisation Articulación Leonesa de la Sociedad Civil. This followed a similar strike staged days earlier in Masaya, capital of Masaya department.

The strikes, which were in line with the call for "civil disobedience" by Nicaragua's academy of sciences (ACN) and academy of juridical and political sciences (ANCJP) as part of efforts to force Ortega to step aside [WR-18-21], were symbolically significant as both cities are former bastions of the ruling Frente Sandinista de Liberación Nacional (FSLN). With vendors at Managua's Mercado Oriental, Central America's biggest market, having declared similar action, the country has also ground to a halt due to at least 127 roadblocks having been erected nationwide.

US announces sanctions

With local and international human rights groups having signalled frustration at the response by the Organization of American States (OAS) to the crisis (in the form of a tepid declaration calling for an end to the violence but failing to identify the government as responsible [WR-18-21]), the US government has since sought to pile on the pressure. Two days after the OAS released its declaration, the US State Department announced it was imposing visa restrictions on "individuals responsible for human rights abuses or undermining democracy in Nicaragua". These included unnamed "National Police officials, municipal government officials, and a Ministry of Health official".

So far, the US Treasury Department has sanctioned the now former head of the electoral authorities (CSE), Roberto Rivas, for alleged corruption in line with the Magnitsky Human Rights Accountability Act. US legislators are calling for similar measures against Francisco López, the FSLN treasurer and the vice-president of Albanisa (the bi-national oil company owned by Venezuela's state oil firm Pdvs and Nicaragua's Petronic), and for PNN deputy commissioner Francisco López to be investigated to determine whether he is eligible to be sanctioned for "abusing the fundamental human rights of the Nicaraguan people and for his role in the killings of dozens of peaceful protesters".

Maradiaga

On 5 June, the national police (PNN) accused a local academic, Félix Maradiaga, of links to a criminal organisation headed up by gang leader Cristian Josué 'Viper' Mendoza, and of orchestrating the "wave of terror" in Managua, among other crimes. Maradiaga, who is the executive director of the respected local think-tank Instituto de Estudios Estratégicos y Políticas Públicas (Iepp), has rejected the accusations as "groundless".

S&P

On 8 June, the international credit rating agency Standard & Poor's (S&P) revised its perspective on Nicaragua down to 'negative', citing lower economic growth and weaker fiscal expectations due to the political turbulence.

Economic pressures

The cost of the crisis to the Nicaraguan economy – previously one of the fastest growing in Central America – also continues to attract concern. On 6 June, the local think-tank Fundación Nicaragüense para el Desarrollo Económico y Social (Funides), one of various organisations to sign a letter calling for early elections, said that in the “most optimistic scenario” (that Ortega leaves office at the end of July), GDP growth was forecast at 1.7% for 2018, with US\$404m in losses and 20,000 jobs lost.

Funides went on to warn, however, that in a less optimistic scenario (that Ortega refuses to step aside this year), growth could contract by 2.08% in 2018 (with US\$916m in losses and 150,000 jobs lost). Already last month Ovidio Reyes, the president of Nicaragua's central bank (BCN), told reporters that GDP projections for 2018 had been revised down from 4.5%-5.0% to 3.0%-3.6% while international credit ratings agencies are starting to take note (*see sidebar*).

TRACKING TRENDS

HONDURAS | Progress in poverty reduction. At the end of last month, the Honduran government led by President Juan Orlando Hernández published the findings of a recent 14-month study carried out by the Inter-American Development Bank (IDB). The IDB study found that as a result of the Bono Vida Mejor conditional cash transfer (CCT) scheme, poverty rates fell from 71.8% to 59.6% from 2016-17 among 2,900 families.

Under the terms of the CCT, disadvantaged families are given cash payments if they fulfil certain conditions. The Bono Vida Mejor was introduced in 2010 and pays US\$500 per year to households in which one 6-18 year-old child attends school regularly, or US\$250 per year to those in which one child under six years of age attends a health clinic regularly. CCT schemes are designed to reduce poverty in the short term and encourage investment in human capital, for example through education, to prevent the transmission of poverty from generation to generation.

The government has said that, based on these findings, 30,000 households or an estimated 150,000 people have been lifted out of extreme poverty. While Juan Miguel Villa Lora, a sectoral specialist for the IDB, and First Lady Ana García de Hernández were full of praise for the results, others were less impressed. Raf Flores, assistant director of the Foro Social para la Deuda Externa y Desarrollo Económico de Honduras (FOSDEH), a collective of NGOs specialised in monitoring macroeconomic policy, external debt, and development, told local media on 1 June that the figures relate to one specific study, and not poverty rates in the whole country. FOSDEH researchers, using official 2017 data from the national statistics institute (INE), found that 68.8% of the Honduran population lives in poverty. “Handing out subsidies doesn't lift anyone out of poverty,” he said.

PANAMA | Panama Canal tonnage up. On 4 June, the Panama Canal Authority (ACP) reported that the Panama Canal set a new monthly tonnage record of 38.1m tonnes (PC/UMS) after facilitating the transit of 1,231 vessels in May.

This marks the third time since the inauguration of the Panama Canal expansion project that a new monthly tonnage record has been set. The previous record was established in January 2017, when 1,260 vessels transited 36.1m tonnes (PC/UMS) through the waterway, just a month after setting the record with 35.4m tonnes (PC/UMS) transited by 1,166 vessels in December 2016.

The same press release notes that the container ship segment contributed the highest tonnage (36%), breaking its segment record with 13.8m tonnes (PC/UMS) transited by 229 vessels.

According to the ACP, the expanded Canal has received around 3,800 Neopanamax vessels, around 50% of which are containerships thanks to the increased cargo capacity offered by the Neopanamax locks. The waterway has also welcomed liquefied petroleum gas (LPG) and liquefied natural gas (LNG) vessels, as well as bulk carriers, tankers, cruisers, and vehicle carriers.

Quotes of the week

“It has been shown that in the countries where corruption is non-existent, there is no poverty. Corruption is the cancer that is destroying Mexico.”

Mexico's presidential frontrunner Andrés Manuel López Obrador.

“If I couldn't convince them to vote for me, it seems strange that I should manage to persuade people to vote for someone else.”

Humberto de la Calle, the presidential candidate of Colombia's Partido Liberal who failed to progress from the first round of elections, explains his rejection of overtures by Gustavo Petro to support him in the second.

“At this time with our beloved country attacked by imperial forces, we must be united and not create divisions and controversy that could affect our stability, sovereignty, and independence.”

Venezuela's electricity minister, Luis Motta Domínguez, on a national strike called by the country's electricity union over salary demands.

POSTSCRIPT

Venezuelan opposition sent mixed message

The president of Venezuela's supreme court (TSJ), Maikel Moreno, said this week that magistrates were working on a series of reforms to the penal law that would allow politicians to be sentenced for the crimes of terrorism and treason. The extension of such draconian punishments to politicians belies the government's efforts to persuade the opposition to join a dialogue table through the much-trumpeted recent release of prisoners arrested for political protests.

Moreno said that the conduct of many opposition politicians needed to be classified as terrorism and treason. He said the proposed modifications would be sent to the constituent assembly (ANC) for approval. In accordance with the constitution, such reforms should be sent to the (opposition-controlled) national assembly, but the TSJ conspired with the government led by President Nicolás Maduro to denude this democratically elected body of power, establishing the ANC last July after elections widely condemned as illegitimate. The ANC, stacked with government cronies, was ostensibly convened to draft a new constitution but in practice it has usurped the functions of the national assembly. It will rubberstamp whatever reforms are sent by the TSJ.

Moreno said that “as a guarantor of the constitution” the TSJ was adapting the legal framework to “the new reality in the country” in order to “punish unpatriotic Venezuelans conspiring against the economy and people of Venezuela”. Moreno singled out Julio Borges, who served as the opposition's chief negotiator in the failed recent dialogue process with the government hosted by the Dominican Republic, as being guilty of treason. Moreno said the TSJ was responding to opposition politicians who have denounced the government in international fora, leading to sanctions being imposed by the likes of the US and European Union against senior officials in the Bolivarian government – including Moreno.

The Frente Amplio Venezuela Libre (FAVL) opposition movement announced this week that it will organise social protests against the government every Friday. Separately, the electricity union Fetráelec called a national strike on 11 June rejecting a salary offer tabled by the electricity minister, Luis Motta Domínguez, as “unacceptable” given hyperinflation, and acute food and medicine shortages.



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