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The old politics is not dead yet

Party conference season is underway in Brazil (it will run to 5 August) and this year it is all about nominating presidential candidates for the elections due on 7 October. With an electorate angry over corruption and the weak economy, October's contest is forecast as uncertain, unusual, and likely to see political outsiders make inroads. But the old politics of deal making, networks, and money hasn't gone away.

The most popular candidate in the race, former President Luiz Inácio Lula da Silva (2003-2011), is widely expected to be disqualified because of his conviction for corruption. Despite that, his left-wing party, the Partido dos Trabalhadores (PT), is due to reaffirm him as its presidential candidate when it holds its party conference in the first days of August. In scenarios where he is allowed to stand, Lula consistently leads the field with around 33% voter support, according to the latest polls. If and when the ban on his candidature is confirmed, voting intentions shift in ways that are not entirely predictable. At that point one of the options facing Lula and the PT is whether they should endorse another candidate.

A potential beneficiary of endorsement is Ciro Gomes, who on 20 July was officially proclaimed as the presidential candidate of the small Partido Democrático Trabalhista (PDT). In his acceptance speech Gomes said he was open to form a wider coalition around "a national development project" which would eliminate privileges and corruption.

In polls where Lula is included, Gomes lies in fourth place with around 4% support. However if Lula is excluded, Gomes jumps to third place with 8% support. A formal endorsement by Lula at some stage in the campaign might give Gomes a much bigger bounce. It is estimated that around a third of Lula's current supporters would vote for a candidate he endorses (that could mean around 10% of the electorate will switch). Gomes would also benefit from the PT's nationwide organisation and, crucially, its television and radio advertising time.

Under Brazilian electoral law, television and radio spots are allocated according to the strength of each party's congressional representation in the federal congress (despite the growth of the internet, TV and radio remains a powerful medium, particularly among lower income sectors of the population). Limited advertising time creates a major obstacle to outsider candidates and to small political parties such as the PDT. Gomes will have to find a response to this challenge if he is to gain traction and become a serious candidate.

The running mate question

Jair Bolsonaro is not the only presidential candidate struggling to find a running mate. In fact, none of the leading candidates has yet picked their running mates, an unusual fact this close to the election. While the presidential contenders are seeking running mates who will boost their access to TV airtime during the electoral campaign, cash, and national appeal, the potential vice presidents are looking to throw their weight behind someone with a realistic chance of winning. In an election that looks wildly unpredictable, the extra support that a smart pick for vice president brings could prove the difference between winning and losing. For more details see our sister publication [LatinNews Daily](#).

Alliance building has always been a central part of Brazilian politics, to the point that academics have described its system of government as “presidential coalitionism”. This has positive and negative readings. The positive side is that it favours pragmatism and a search for consensus. The negative side is that it can also favour pork-barrel politics and corruption, where political support is bought and sold in exchange for jobs and favours. In this context the important point is that the man who is currently Brazil’s second-most popular politician, extreme right winger Jair Bolsonaro, does not seem to have the necessary skills or motivation to build his own coalition.

With Lula standing as a candidate Bolsonaro lies second in the opinion polls with 15% support; if Lula is excluded, Bolsonaro leads the race with 17% support. His candidature for the presidency was officially confirmed on 22 July at the conference of the small Partido Social Liberal (PSL). But it does look as if he will struggle to build a bigger political structure.

As things stand, the PSL will have only eight seconds of TV and radio advertising time every day. Bolsonaro has struggled to find a vice-presidential running mate (although he is not alone in this, *see sidebar*). The position was offered first to Senator Magno Malta (of the small Partido da República, PR) and then to retired general Augusto Heleno, but was turned down in both cases. The latest name being mentioned for the role is lawyer Janaina Paschoal, but she has yet to confirm whether she will accept. In fact, according to Fernando Guarnieri, a political scientist at the state university of Rio de Janeiro (IESP-UERJ), Bolsonaro has “nothing to offer” the other parties: neither campaign resources nor a structure of local alliances.

Guarnieri’s view is that despite all the talk of political outsiders Brazilian politics remains as it has been for almost 25 years, a struggle between coalitions led by two key rivals: the PT on the left and the PSDB (Partido da Social Democracia Brasileira) on the centre-right.

In his view the number of presidential hopefuls will now begin to reduce. The logic of the situation is that the candidates of smaller parties will begin to negotiate the terms of their withdrawal from the race. In essence this involves supporting one of the larger party’s presidential contenders, in return for getting that party’s support through promises of jobs and alliances at state and local level.

This has in fact just happened with the group of medium-to-small centre-right political parties known as the *centrão*, whose main members have pledged its support to the former governor of São Paulo, the PSDB’s Geraldo Alckmin (after some flirting with Ciro Gomes and the PDT). The PSDB was expected to formally endorse Alckmin as its candidate. Centrão support is valuable. Between them the parties in the group (which include the Demócratas, DEM and Progresistas, PP) account for 164 of the 513 deputies in the lower house and can deliver almost 40% of the available TV and radio advertising time.

One question is why the *centrão* chose to line up with Alckmin (with only 6% support in the Lula-excluded scenario) rather than Bolsonaro (17% support in the same scenario). Guarnieri’s response is first, that the small parties see Bolsonaro’s 17% as an “illusion” which will begin to fade away as the campaign gets underway; second, that Bolsonaro has nothing to offer them in terms of local deals; and third, that Alckmin’s weak showing so far in the national race doesn’t necessarily worry them, as they are calculating the value of PSDB support at state and local level. As he put it, “The deputy is in

Franco suspect arrested

Alan Morais Nogueira, a former military policeman, and Luis Claudio Ferreira Barbosa, a former fireman, were both arrested on 24 July on charges of involvement in the notorious murder of Afro-Brazilian activist and local councillor Marielle Franco, along with her driver, Anderson Gomes, last March. The two are also accused of involvement in the murder of two policemen. Investigators said both men were in the car that opened fire on Franco; they were also said to be members of a police 'militia' controlled by another former police officer, currently serving a prison sentence in Rio. Franco had been an outspoken critic of police brutality in Rio's favelas or shantytowns.

the game to get re-elected, he isn't there for the love of Bolsonaro, Ciro or Alckmin." To win, deputies need to be associated with a "strong coalition".

Bolsonaro responded aggressively to the Alckmin-centrão deal, saying "Once again, thank you Geraldo Alckmin for uniting the scum of Brazilian politics." Bolsonaro's strategy must be to continue portraying himself as the anti-establishment candidate, reminiscent in many ways to the Donald Trump campaign in the United States in 2016. However in his acceptance speech there were some signs of an electorally-motivated softening of some of his positions. Notorious for his attacks on women, gays, and blacks, the candidate nevertheless said "We will unite whites and blacks, homosexuals and heterosexuals, we will unite bosses and employees, and we won't plant the seed of discord between them."

But the candidate is also aware part of his appeal hinges on being outrageous. The latest media storm involves a shocked response to Bolsonaro persuading a young girl to emulate his "pistol shooting" hand gesture (which in turn relates to his promise to lift all gun controls). In the absence of a stronger political structure, Bolsonaro may rely on further media controversies to keep his name in the news.

Among the other parties holding their conferences, the small Partido Social Cristão (PSC) which is centrist and Christian Democratic in its outlook, has nominated former head of state development bank BNDES Paulo Rabello de Castro as its candidate. The much larger Movimento Democrático Brasileiro (MDB) was expected to nominate former finance minister Henrique Meirelles. However the centre is looking increasingly crowded and neither Rabello de Castro nor Meirelles have polled well. Meirelles is overshadowed by the unpopularity of the current MDB president, Michel Temer.

A perceived association with the corruption of the political establishment also hampers Alckmin's bid for the centre ground, although he does benefit from having a large party organisation behind him. In contrast Marina Silva of Rede Sustentabilidade is less tainted by association with the discredited establishment, and is more popular (she lies second to Bolsonaro with 13% support in the 'without Lula' scenario) but, like Bolsonaro, has less TV and radio advertising time and less of a political organisation behind her.

Meanwhile, bad news on the economy

The centre-right Brazilian government president of Michel Temer always seems to have calculated that a strengthening economic recovery during the course of this year would help centre-right candidates by the time the elections came round in October.

There is indeed a recovery under way, but it is turning out weaker than hoped: there will not be much of a "feel good" factor at work when voters go to the polls. On 20 July the planning ministry said it was cutting its 2018 GDP growth forecast to 1.6%, down from 2.5% previously. Already in June the central bank had cut its projection to 1.6%, down from 2.6%.

A variety of factors have caused the cutback, including the damaging truck drivers' strike in May. Just-released data show that industrial production plummeted by a near-record 10.9% in that month relative to the preceding month of April.

Private sector economists believe the pace will pick up somewhat in the second half of this year, but there are still worries over a slight rise in inflation and tightening financial conditions. A survey by the Credit Protection Service found that over 70% of workers (those in socioeconomic classes C, D, and E) said they were moonlighting with a second job to try and make ends meet. Only 19% of respondents said the country's economic situation had improved; 50% believed it had worsened.

Crisis of the judiciary continues

The crisis in Peru's judiciary has continued, with congress dismissing members of the national magistrates council (Concejo Nacional de la Magistratura, CNM) implicated in the corruption scandal triggered by the release of incriminating audio tapes. The move is in response to President Martín Vizcarra's call for a root-and-branch reform of the judiciary. But implementing that reform is going to be politically difficult.

The audio tapes, released by news media *IDL Reporteros* and *Panorama*, appear to show a wheeling and dealing subculture where judges and politicians trade favours, jobs, and financial inducements. They have caused public outrage, not least because one judge is heard offering a "not guilty" verdict in a case involving the rape of a young child, and another is heard discussing a US\$10,000 payment for services rendered. If the Peruvian judiciary is in fact rotten at the core, as some have concluded, then reforming the CNM is a good place to start, since it is the body that effectively appoints, manages, and fires individual judges. However, there are many complicating factors. One is that the audio tapes have been released in batches, meaning that there is uncertainty over who is, and who is not, implicated, and a fear that some newly appointed gamekeepers may in fact turn out to be long-standing poachers. Secondly, congress is required to lead the reform effort, but several deputies are themselves implicated in wrongdoing. Thirdly, there is of course a political struggle to be fought over who should carry the blame.

Congress has voted through two measures so far. On 20 July in a specially convened session it voted unanimously (with the vote of all 119 deputies present) to dismiss the CNM members implicated in improprieties. It did so after hearing a specially compiled report from the legislature's Justice Commission, and by invoking the powers granted by Article 157 of the Constitution. Earlier, the scandal had already forced the resignation of justice and human rights minister Salvador Heresi (mentioned in some of the tapes), the dismissal of Supreme Court Justice César Hinostroza, and the dismissal of five justices of the Callao Superior Court, including its president Walter Ríos, the man who was heard asking for a US\$10,000 payment to secure the appointment of a prosecutor. Then, on 23 July, congress declared the CNM to be in a "state of emergency" for the next nine months, during which plans must be brought forward to re-assess its role and implement a major reform. That motion was passed with 107 votes in favour, two against, and two abstentions. Popular outrage is such that few deputies felt they could vote against reform.

The two congressional votes nevertheless capture the shifting political impact of the scandal. In the session that led to the first, unanimous vote, the political parties made short statements. Gilbert Violeta, for the governing Peruanos Por el Kambio (PPK), said the vote was essential to show "we are all on the same side fighting corruption". The left-wing Nuevo Perú party lamented that the CNM had become a "black market" for trafficking influence and negotiating sentences. But the largest bloc in congress, the fujimorista Fuerza Popular (FP), was less forthcoming, perhaps because the audio tapes implicate some of its members. The now disgraced Judge Hinostroza is heard telling an unidentified caller that FP deputy Luz Salgado is a "friend" who can "help out" if needed. He is also heard setting up a meeting between a businessman and a 'Señora K' widely believed to be FP leader Keiko Fujimori. Hinostroza also happens to be the judge who dismissed money-laundering charges brought against Keiko Fujimori, raising suspicions of an improper relationship between the two. Fujimori herself has strongly denied being the lady in question, although according to polling company GfK, 89% of respondents who were aware of the tape believed in fact that it was her. The FP bloc's embarrassment was evident in

Army denies coup-mongering

Peru's armed forces have reaffirmed their "vocation to defend democracy", the ministry of defence said on 21 July. The statement appears to have been issued in response to what have been described as a spate of "fake news" stories on social media, suggesting the traditional post Independence Day military parade due on 29 July would be cancelled and that in response to the crisis in the judiciary, the armed forces were preparing a coup d'état. The ministry said such reports were "absolutely false"; plans for the military parade were progressing as normal, and the armed forces would continue to defend democracy.

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the second vote. The party did not take part in drafting the resolution, and did not sign it, but it did instruct its deputies to vote for it.

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There is also a potential political battle shaping up over the newly appointed justice and human rights minister, Congressman Vicente Zaballos, who takes on the task of implementing President Vizcarrá's call for a zero tolerance policy on corruption. Zaballos is known to have opposed the presidential pardon issued in December 2017 by Pedro Pablo Kuczynski (in office 2005-2006) which favoured Alberto Fujimori (Keiko's father and president from 1990-2000). Fujimori *père* had been serving a 25-year sentence on charges of corruption and human rights violations. Zaballos has earned the animosity of FP by saying he still thinks the pardon was a mistake. At the time it was announced, he resigned from PPK in protest at the decision, continuing to sit in congress as an independent deputy. The stage is therefore potentially set for an ongoing battle over judicial reform between Zaballos and the government on the one hand, and the fujimoristas on the other.

COLOMBIA | POLITICS

Uribe waves goodbye to the senate

In an unexpected move influential hard-right former president Alvaro Uribe (2002-2010) announced on 24 July that he was resigning from his senate seat so as to face a widened set of charges brought against him by the supreme court, which now include accusations of bribery. The decision came only days before Uribe's protégé, Ivan Duque of the Centro Democrático (CD) party, was due to take office as president on 7 August.

Uribe is one of those politicians that parts the waters sharply between loyal supporters and fierce opponents. The supporters say his two presidential terms helped roll back Colombia's long-standing guerrilla rebellion and strengthened the state. Opponents say that in the process human rights were violated and point to Uribe's alleged connections with right-wing paramilitaries. Both sides have been expecting, or fearing, that as a senator in the new congress Uribe will be a kind of *eminence grise* with special influence with the incoming Duque administration.

But the former president's legal situation has now changed. The supreme court announced that Uribe and Álvaro Prada, another CD senator, are now being investigated for crimes of "bribery and procedural fraud". The case relates to a book published by left wing senator Iván Cepeda, which claims that Uribe had founded a death squad in his home province of Antioquia before becoming president. Uribe sued Cepeda, alleging that witnesses cited in the book had in fact been bribed to give false testimony. But the move backfired, with the supreme court dismissing the case against Cepeda earlier this year and instead opening an investigation into Uribe for alleged witness tampering of his own. Some of the witnesses have been killed in recent years in crimes that remain unexplained. Uribe's reputation may also be affected by the imminent trial of his brother Santiago on charges of running a right-wing death squad.

There is some doubt over why Uribe took the decision to resign from his senate seat. The former president himself tweeted that the widening of the supreme court investigation made him feel "morally impeded to be a senator"; his resignation was to ensure that "my defence does not interfere

Social conflicts
The OCM report reveals that 198 social conflicts were reported in Peru in May, up from 176 in January, with 65.6% of socio-environmental conflicts attributed to mining concessions.

with the work of the senate". But critics pointed out that in Colombia cases against senior elected officials must be tried before the supreme court. By resigning, Uribe may therefore be seeking to move his case to another court where he expects more favourable treatment. Uribe claims the supreme court is deeply biased against him, and is using secret recordings of conversations provided by the outgoing government of President Juan Manuel Santos with the help of British intelligence (MI6) to unfairly incriminate him. Neither Santos nor MI6 had an immediate comment on the claim.

There is much speculation on the political impact of Uribe's decision to step down on the new Duque administration. According to Adam Isaacson of the US-based human rights group Washington Office on Latin America (WOLA), "Duque is way more moderate than most of his party, including Uribe. Having Uribe out of the picture makes Duque less dependent on hard-liners in order to govern." Gustavo Petro, the left wing former mayor of Bogotá who was defeated by Duque said Uribe's resignation was designed to avoid a full investigation. CD politicians on the other hand reaffirmed their belief in Uribe's innocence and attacked what they said was political bias in the supreme court.

TRACKING TRENDS

PERU | Lithium discovery. On 16 July local news sources cited Ulises Solís, the managing director of Macusani Yellowcake SAC, the Peruvian subsidiary of Canadian mining firm Plateau Energy Metals (PLU), as saying that the company had discovered 2.5m tonnes of "high grade" lithium in the Falchani deposit, in Peru's Puno region. Solís said Macusani Yellowcake was looking for partners to invest some US\$800m in mining the lithium and would carry out a feasibility study to be finished by the end of 2019. If constructed, the mine could become the largest in the world. Two days later PLU announced final results from preliminary metallurgical tests regarding lithium reserves in the Falchani deposit. In a press release, PLU's interim CEO Ian Stalker is cited as saying that the results were "excellent" and tests confirmed that "battery grade quality Lithium Carbonate can be produced from our Falchani 'high-grade' lithium feed material". South America's lithium reserves had been thought to have been concentrated in the so-called 'lithium triangle', with Bolivia leading in quantity of reserves but trailing Chile and Argentina in terms of exploitation. As well as the lithium discovery, Solís also told reporters that exploration in the Falchani area had revealed 124m pounds of uranium deposit. However, currently no legislation exists regarding the mining of uranium in Peru and so Solís reportedly said the company would work to obtain legal permission to mine the radioactive material and would request that the government legislate on the issue.

BOLIVIA | Trade. Bolivia's Instituto Boliviano de Comercio Exterior (IBCE) a private sector lobby, has released new figures which show that Bolivia's exports in the first five months of 2018 reached US\$3.7bn, up 23% on the same period in 2017. Meanwhile imports were up 4% over the same period to reach US\$3.84bn, leaving a trade deficit of US\$105m. Bolivia's main export markets were Brazil and Argentina (which accounted for 17% a piece of exports) and South Korea (8%) while the main sources of imports were China (20%), Brazil (17%), and Argentina (12%).

PERU | Mining conflicts. In its July 2018 report, Observatorio de Conflictos Mineros (OCM), an umbrella grouping of Peruvian NGOs working on mining conflicts, has revealed that various mining concessions granted by the government overlap with nature reserves and areas of natural beauty. Controversy over a concession covering a tourist attraction known as the 'Rainbow Mountain' has drawn attention to the issue, and areas such as the Cordillera Huayhuash in the central Andes, home to one of the largest glacial areas in Peru, the Nor Yauyos Cochabambas reserve near Lima, and the Tabaconas Namballe reserve in the northern Cajamarca region, are also reportedly under threat. An April report from the Instituto del Bien Común (IBC), a Peruvian NGO that works with rural communities on resource management, shows that 18m hectares of land have been given over to mining concessions, spanning 35% of communal lands worked by peasant farmer communities.

Joint way forward for Pacific Alliance and Mercosur?

The Pacific Alliance countries (Chile, Peru, Colombia, and Mexico) held a summit meeting on 23 and 24 July in Puerto Vallarta in Mexico, to which the leaders of the Mercosur bloc (Argentina, Brazil, Paraguay and Uruguay) were invited. Those present agreed to boost regional integration and free trade, signed up to a plan of action, and expressed opposition to rising protectionism in world trade. But moving from political declarations to meaningful integration may remain as elusive as ever.

At first glance, this was a very significant milestone. Relations between the Pacific Alliance (set up in 2011) and the older Mercosur (set up in 1991) have been relatively frosty in the past, but have been gradually improving over the last two to three years. Things have become friendlier since the political balance in the Mercosur countries has shifted in a centre-right, more market friendly direction. Now for the first time, leaders of the eight countries sat in the same room and appeared to be in broad agreement. Together they represent 80% of Latin America's population and GDP, 85% of its trade, and nearly 90% of inward foreign direct investment. For those worried that the world may be sliding into protectionism, trade wars and aggressive nationalism, here was a clear re-statement of the benefits of free trade and open borders. Outgoing Colombian President Juan Manuel Santos caught the mood by stating that the Pacific Alliance, in association with Mercosur, could "become the antithesis of what is happening at a global level, and if we draw up a clear road map, and work in that direction, there will be a clear snowball effect with other countries".

Perhaps. An alternative reading of the meeting highlights the difficulties that still continue to hold back progress towards real integration across the continent. First, no less than four of the eight countries present are in the middle of big leadership changes. Mexican President Enrique Peña Nieto hands over to president-elect Andrés Manuel López Obrador (AMLO) in December; Brazil's Michel Temer hands over to an as-yet-to-be elected successor in January 2019; Colombia's Santos hands over to his elected successor Iván Duque on 7 August; and Paraguay's Horacio Cartes hands over to the recently elected Mario Abdo Benítez on 15 August. With so much change going on, few hard and fast commitments could be made. The action plan speaks broadly of creating a large free trade area in the continent, but has no formal start date. Chilean foreign minister Roberto Ampuero said there would be "technical" meetings in the coming months, with an initial emphasis on "economic studies and analysis" suggesting not much is going to happen very quickly.

Additionally, not everyone was there. Although enthusiastic about free trade Argentina's President Mauricio Macri decided at the last moment not to attend, prioritising instead the BRICs summit (the group of emerging economies comprising Brazil, Russia, India, China, and South Africa), which was due to follow days later in Johannesburg. In any case the economic crisis in Argentina, along with impending elections in October next year, have pushed regional integration down Macri's priorities list. Paraguay's Cartes also stayed away. But perhaps the most politically significant absence was that of AMLO, Mexico's president-elect. He had been widely billed as attending and Mexican officials suggested this would be a major opportunity to get to know his approach. But AMLO decided to hold back on the somewhat flimsy grounds that he has not yet been officially proclaimed

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“It is also unclear whether the region as whole can agree what the next priorities should be. Mercosur is still trying to conclude an FTA with the European Union, and cannot agree how to approach trade with China. Within the Pacific Alliance Mexico’s top priority is Nafta; other members are eager for closer ties with China and the former Trans Pacific Partnership (TPP), which since the US withdrew involves a total of 11 countries and has been renamed the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP).”

president-elect by the electoral authorities (this is considered a formality that must be completed by September at the latest).

Some analysts believe AMLO was simply not ready to engage. Two factors may be in play. First and foremost the Mexican president-elect has to deal with the renegotiation of the North American Free Trade Agreement (Nafta) with Canada and the United States. This is one of the major opening challenges of his six-year presidency and how it goes with the US in the north may determine how Mexico wants to engage with the trade blocs to the south, the Pacific Alliance and Mercosur. Second, AMLO is by his own admission not a foreign policy wonk. Apart from advocating non-interventionism, he has said “the best foreign policy is domestic policy”, meaning his focus will be initially on domestic issues such as crime, corruption, and poverty alleviation.

A further reason for being cautious over the prospects of a single Latin American free trade agreement is that the road map to get there is still very complex. Mercosur operates as a customs union and needs unanimity before it can sign any trade agreements with third parties. This is in part why it has made such slow progress. The Pacific Alliance has a much looser structure allowing its members to enter different bilateral deals. How those two approaches will be merged has yet to be agreed. It is also unclear whether the region as whole can agree what the next priorities should be. Mercosur is still trying to conclude an FTA with the European Union, and cannot agree how to approach trade with China. Within the Pacific Alliance Mexico’s top priority is Nafta; other members are eager for closer ties with China and the former Trans Pacific Partnership (TPP), which since the US withdrew involves a total of 11 countries and has been renamed the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP).

BRAZIL & SOUTHERN CONE

ARGENTINA | SECURITY

Controversy over armed forces and domestic security

Already on the defensive because of a troubled economy, President Mauricio Macri has walked into a new dispute over proposed changes in the role of the armed forces.

Macri sparked the controversy, perhaps unwittingly, with a speech delivered in Campo de Mayo – army headquarters – on 23 July. His essential message was that Argentina’s armed forces need to be modernised, reformed and re-equipped to meet 21st century security threats including terrorism, drug trafficking, and cyber-warfare. Their role, until now limited to external security, would be redefined to include “logistical support in border areas”, protection of “strategic targets”, and a capability to respond to “strategic events”. There would be continuing support for UN peacekeeping, a greater presence in Antarctica and the South Atlantic, and increased response to natural disasters.

The speech went down very badly – not surprisingly, given continuing sensitivities to the “dirty war” waged by dictatorial military regimes in the 1970s and 1980s. Since the restoration of democracy in 1983 legislation – occasionally tinkered with – has kept the military out of any kind of internal security roles (this is set out in the defence law of 1988, the internal security law of 1991, and the intelligence law of 2001). Macri was accused of violating this principle. Criticisms ranged from genuine concern over the prospect of some form of creeping militarisation of police functions, to angry condemnation of repressive conspiracies. Human rights groups such as the Mothers of the Plaza de Mayo, closely linked to the kirchnerista faction of the Peronist party (Partido Justicialista, PJ) opposition said it was all part of plan to

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increase “internal repression” and squash protests over the government’s “brutal”, IMF-backed economic policies, which were bringing “hunger and misery to the country”.

Cabinet chief Marcos Peña retorted that there was no intention to use the military in that way, and that all “paranoid and conspiracy based theories” about the government’s motivations were simply wrong. That said, the government does stand accused of launching into such a sensitive area with too much haste and not enough preparation. Paula Litvachky of lobby group Centro de Estudios Legales y Sociales (CELS) said there were still unanswered questions regarding what the government intends. If the Vaca Muerta shale oil deposits in Patagonia, one of the largest in the world, were to be deemed to be a strategic target worthy of protection, she asked, what role would the army have in response to demonstrations in the area called by indigenous or environmental groups?

TRACKING TRENDS

CHILE | FDI recovery. Foreign direct investment (FDI) in Chile is recovering, according to InvestChile, the government agency responsible for promoting Chile in the global market as a destination for FDI. In a press release issued on 11 July, InvestChile cites figures from Chile’s central bank (BCCh) which show that FDI worth US\$8.48bn entered the country in the first four months of 2018, up by 655% on the same period in 2017. According to the same press release, this was also the highest amount ever for this period since comparable records began (2003) and exceeds the FDI that entered the country during the whole of last year (US\$6.44bn) by 24.3%. At US\$4.24bn, reinvested profits were the most important component of the inflow. They were followed by equity, which reached a net US\$2.34bn and debt which accounted for US\$1.89bn. The same press release notes that one of President Sebastián Piñera’s main promises is a recovery of investment, and since taking office in March 2018 he has launched an office for sustainable project management (GPS) which aims to reduce all obstacles and excessive bureaucracy involved in promoting investments. The GPS has a list of over 200 projects at different stages of development which, if approved, would represent investment of more than US\$62.bn in 2018-2021.

URUGUAY | Beef export quota. Figures from Faxcarne, a private organisation that monitors beef production in the Southern Common Market (Mercosur) countries, showed that Uruguay has almost used up his high-quality beef export quota to the European Union (EU), with only 11% of it remaining for the rest of the July-September period. The 48 tariff quota (or ‘Hilton quota’) restricts the amount of beef that can be imported to the EU from particular countries. In the case of Uruguay, it comes to 11,250 tonnes (t) per quarter. According to Faxcarne, by 17 July there was a balance of 1,937t left to be exported to the EU. This trend is part of a broader increase in Uruguay’s beef cattle exports, which in the 2017-2018 period reached a record number of 450,000 head, well above the previously registered high of 289,000 accomplished in 2010-2011.

PARAGUAY | Growth up. Paraguay’s central bank (BCP) has released its latest monthly economic activity indicator (Imaep), which shows a 5.3% increase in May 2018 compared with May 2017. According to the BCP, the increase stems mainly from expansion in the services sector and some manufacturing and construction sub-sectors. With regard to the services sector, the BCP report singles out as key areas of growth: commerce, home and government services, transport, telecommunications, and restaurant and hotel services. In terms of manufacturing it highlights metal products, chemicals, non-metallic minerals, textiles, machinery and equipment, and beverages and tobacco. The May Imaep figures mean that accumulated growth in economic activity for the first five months of 2018 is currently at 6%, higher than for the same period in 2017. According to the latest BCP forecasts published in April, Paraguay’s GDP is expected to increase by 4.5% in 2018.

Tren Maya

The Tren Maya high-speed rail project contemplates the building of a new passenger line linking the Caribbean resort of Cancún in Quintana Roo state to the city of Palenque in Chiapas state. The line will pass through the Riviera Maya tourism hotspot in Quintana Roo to the Mayan ruins in Palenque. López Obrador said the objective is to further promote tourism in south-eastern Mexico by encouraging visitors to the Riviera Maya to also explore other tourist destinations in Quintana Roo, Campeche, and Chiapas states. The hope is that this will not only help to develop the tourism industry in the area and create more jobs, but also make it easier for inhabitants to travel across the area.

López Obrador presents priority economic projects

After unveiling his general government plan last week [WR-18-28], this week Mexico's President-elect Andrés Manuel López Obrador outlined the priority economic initiatives that his future administration will seek to pursue as soon as it assumes office in December. The main focus of these initiatives is to promote economic development and job creation in Mexico's impoverished southern states. López Obrador says that promoting the economic development of the south will help to boost the domestic economy but also tackle the root causes of the irregular migration of individuals from these states to the US. The challenge for the López Obrador government will be to show that its development plan for southern Mexico can succeed where countless other similar initiatives have failed.

López Obrador presented the priority economic initiatives that his incoming government will promote on 23 July. After holding a meeting with his government transition economic team, López Obrador gave a press conference in which he revealed that during the meeting the economic team had identified seven priority initiatives that the new government would seek to promote right from the off. These initiatives are: developing the transport infrastructure in the Tehuantepec isthmus, the building of the 'Tren Maya' high-speed passenger train (*see sidebar*), the construction of 300 rural roads in southern Mexico, the extension of internet provision services to the entire country, the reconstruction of the areas affected by the major earthquakes registered in September 2017, improving living conditions in the country's slums, and resolving the issue of building a new international airport to service Mexico City (*see below*).

López Obrador said that his government would assign some M\$500bn (US\$26.3bn) to these priority initiatives from 1 December. The president-elect was clear that the funds would come from the savings resulting from the 'republican austerity' plan that he intends to implement upon assuming office. "The resources will come from the money that we will save by reducing the salaries of top public officials...we won't buy expensive things, we will only buy what is needed, we will not allow any corruption and we'll stretch the budget," López Obrador stated.

Of the seven initiatives outlined, López Obrador singled out the plans to develop transport infrastructure in the Tehuantepec Isthmus as the top priority. The president-elect explained that this initiative involves the building of a freight and passenger transport corridor linking the Pacific port of Salina Cruz in the southern border state of Chiapas to the Gulf of Mexico port of Coatzacoalcos in the eastern state of Veracruz state. According to López Obrador, the corridor will comprise a new freight and passenger railway and new highways linking the two ports, "to unite the countries in Asia to the east coast of the US and create jobs in this area of the national territory". Clearly, López Obrador's idea is that this project will help to transform places like Chiapas, one of Mexico's poorest areas, into a prosperous area so that its inhabitants don't feel the need to migrate either to other parts of Mexico or the US.

This is the common objective in some of the other initiatives such as the construction of the 300 new rural roads, which will be mostly located in the south-western states of Oaxaca and Guerrero and are expected to create some 50,000 jobs. Meanwhile, López Obrador noted that the plans to improve slums would be focused on areas located in the Mexico City metropolitan area (the country's most densely populated areas) and in northern border towns. Again, López Obrador explained that the objective is improve

Trump replies to López Obrador

On 25 July Marcelo Ebrard, due to become foreign minister under President Andrés Manuel López Obrador, revealed that US President Donald Trump replied to the letter that López Obrador had sent him with one of his own. According to Ebrard, in Trump's letter, dated 20 July, the US president backs the call to conclude the renegotiation of the terms of the North American Free Trade Agreement (Nafta) and says that he too wishes for this to be concluded quickly for the benefit of both Mexico and the US. Trump also expresses his interest in working with López Obrador in the four priority areas of mutual interest identified in López Obrador's letter: bilateral trade, economic development, migration, and security.

the lives of poor families in Mexico by providing them with better public services and job opportunities to dissuade them from thinking that they have to migrate to improve their lot.

Integrated strategy

That the incoming administration would seek to marry its economic and social policies and pursue its dual objectives of promoting economic growth and addressing irregular migration was strongly suggested even before López Obrador presented his priority economic projects. On 22 July Marcelo Ebrard, who López Obrador has designated as his future foreign minister, revealed that the president-elect had sent a letter to US President Donald Trump in which he calls for a quick conclusion for the renegotiation of the terms of the North American Free Trade Agreement (Nafta) and proposes a series of policy actions that Mexico and the US could implement to reduce illegal migration from Mexico and Central America to the US.

Ebrard, who said that the letter was given to US Secretary of State Mike Pompeo during his visit to Mexico last week, read out the letter during a press conference. In it, López Obrador urges Trump to push his administration to expedite the conclusion of the Nafta renegotiations to end the current climate of economic uncertainty in Mexico and the US, so that Mexico and the US can move on to discussing other key bilateral issues such as migration and security cooperation. In particular, López Obrador wrote that ensuring that "Mexicans don't have to migrate due to poverty or violence and that any migration is optional not necessary", would be one of his government's fundamental aims.

López Obrador goes on to advocate the adoption of an "integral" approach to address the irregular migration problem, based on promoting not just the economic development of Mexico's poorer areas but also Central America, and that involves the US. Under López Obrador's proposal, the Mexico, the US, and the Central American countries would provide more funds to promote the economic development of southern Mexico and Central America, as well as to reinforce border security in the area. "If the US and Mexico participate in this plan, and the Central American countries contribute resources in accordance with their economies, this could unlock an enormous amount of resources to develop the region," López Obrador wrote.

Doubts

While the priority economic initiatives unveiled by López Obrador and their objectives are commendable, there are doubts over whether his administration will be able to deliver all these priority projects and achieve all the objectives it has set out for them. The doubts start with the plans for funding. Questions have been raised about whether López Obrador's republican austerity plan can deliver the amount of savings projected. Local analysts and labour lawyers have warned that the plan to reduce government officials' salaries could spark a series of lawsuits by affected officials. Meanwhile, federal legislators from across the political spectrum have expressed doubts that the level of cuts that López Obrador has proposed for the federal congress are workable. Approval of the proposed cuts might be difficult to get through congress and that less savings than planned may ultimately be achieved.

There are also questions about whether the proposed projects can be delivered on budget, despite López Obrador's assertions. In addition, it is also uncertain that even if the projects are delivered they will achieve their objective of promoting economic development and stem the flow of emigration from southern Mexico. There have been numerous attempts by different Mexican governments to achieve this, such as the Plan Puebla-Panama pursued by the Vicente Fox administration (2006-2012) and the creation of special economic zones (ZEEs) in the area by the outgoing Enrique Peña Nieto administration. Yet none of these initiatives succeeded in generating the kind of economic prosperity in southern Mexico to ensure that its inhabitants don't feel the need to emigrate. There are no guarantees that López Obrador's projects will be any different.

Coordinating Nafta negotiating stance

On 21 July the economic teams of Mexico's outgoing President Enrique Peña Nieto and President-elect Andrés Manuel López Obrador met to coordinate the official position in the ongoing renegotiation of the terms of the North American Free Trade Agreement (Nafta). López Obrador's team was led by the future foreign minister, Marcelo Ebrard Casaubón, the future economy minister, Graciela Márquez Colín, and the government transition team's chief Nafta negotiator, Jesús Seade Kuri. Meanwhile a Canadian government delegation led by Foreign Minister Chrystia Freeland visited Mexico on 25 July and met both Peña Nieto and López Obrador, and their respective economic teams, to discuss the Nafta talks before they all headed to Washington DC for the new negotiating round that began on 26 July.

NAICM

López Obrador said that after carefully analysing the current plan to build a new Mexico City international airport (NAICM) on a site near the Lago de Texcoco – a project that López Obrador expressed opposition to during the electoral campaign and pledged to scrap – his economic team had come up with two alternative proposals for the project. These are: constructing two new runways at the existing Santa Lucía military air base and turning it into a civil airport; and granting a concession for the building of the NAICM, so that public money is not used in the project. During the electoral campaign, López Obrador questioned whether the US\$13bn NAICM project would provide value for money and said that he was in favour of expanding the Santa Lucía base instead. But after his pledge to scrap the NAICM was severely criticised by the local business sector, López Obrador said that he was open to putting the question to a public consultation before making a final decision. Notably, López Obrador's future transport & communications minister, Javier Jiménez Espriú, has said that it is now expected that a final decision on the future of the NAICM will be made in September.

TRACKING TRENDS

MEXICO | **Biva.** On 25 July a new stock exchange, the Bolsa Institucional de Valores (Biva), started operations in Mexico City. The new arrival hopes to make Mexico more attractive to national and international investors by entering into competition with the Bolsa Mexicana de Valores (BMV), which since 1975 has been the only stock exchange operating in the country. Biva will use Nasdaq trading technology, which is among the fastest in the world. Biva president, Santiago Urquiza has predicted that companies with annual sales of between M\$500m (US\$26.57m) and M\$1bn (US\$53.14m) could make new public offerings on the Biva market. On launch day there were 147 companies listed, of which 35 are highly traded; Urquiza suggested that the new exchange would seek to attract around 50% of the total 147 within three years. Biva director María Ariza García Migoya told the local media that the exchange is looking to attract "disruptive companies" from across the economy. The launch of Biva has been delayed multiple times, and some question its potential impact in a nation where investing in stocks is far from the norm. According to the Comisión Nacional Bancaria y de Valores (CNBV), Mexico's banking and securities regulator, there are only 255,475 investment accounts in a country of almost 130m people. However, there is significant potential for investors in Mexico. According to Biva, the country currently has the 15th-largest domestic economy in the world but is only 23rd in terms of market capitalisation; and there are only 147 listed companies when there should be 850 given the size of the economy. If Biva can encourage mid-sized companies to join the exchange, it could have a major impact on Mexico's financial market.

MEXICO | **Suspension of oil tenders.** On 18 July Mexico's national hydrocarbons commission (CNH), the state agency in charge of regulating the sector, announced the postponement of the last three public tenders for oil concessions that were planned to take place before President-elect Andrés Manuel López Obrador takes office on 1 December. The CNH said that the decision came from petitions by the federal energy ministry (Sener) and companies interested in participating in the auctions. Sener stated that the deferment will allow the CNH to interact with the new government authorities to analyse the terms of the tenders and the contracts being offered in the process, and that this will allow more legal certainty to the participants. The original date for the tenders was 27 September, but this has been tentatively pushed back to 14 February 2019. During the electoral campaign López Obrador, who won the 1 July presidential election, said that if elected, he would suspend all oil tenders and revise all the oil concession contracts signed by the outgoing Enrique Peña Nieto administration to make sure that they are beneficial for the Mexican state and not unduly so for the companies awarded contracts.

Ortega takes aim at the Church**Catholics**

At the end of May 2018, the US State Department released its most recent report on religious freedoms which cites figures from Nicaragua's 2005 census (the most recent available) which found 59% of the population is Catholic and 22% evangelical Protestant, including Pentecostals, Mennonites, Moravian Lutherans, and Baptists. The same report cites a survey conducted in June 2017 by M&R Consultants which estimates Catholics compose 46% of the population, evangelical Protestants 33% and religious believers without affiliation 14%.

"Allies of coup mongers." This is how President Daniel Ortega referred to Nicaragua's Catholic Church in a speech held to mark the 19 July anniversary of the overthrow of the Somoza dictatorship (1936-1979) which singled out the Church for particular criticism. Ortega's blistering verbal attack on the religious leaders followed recent incidents of violence targeting churches and members of the clergy. This would appear to signal a change of tack and one which raises questions about the future prospects of dialogue, given Ortega's earlier request that the Episcopal Conference (CEN) mediate in the conflict which began three months earlier amid a brutal State crackdown on anti-government protesters.

Since having asked the CEN to mediate in April, doubts over the future of its role had already emerged this month, following an attack on 9 July by pro-government paramilitaries on the Basilica of San Sebastián in Diriamba municipality, Carazo department – an episode condemned by international human rights institutions such as the United Nations (UN) Office of the High Commissioner for Human Rights (OHCHR) and the Inter-American Commission on Human Rights (IACHR). Those affected were Cardinal Leopoldo Brenes and Monsignor Silvio Báez (who have played a key role in the dialogue process) as well as Apostolic nuncio Stanislaw Waldemar Sommertag.

Since then, on 14 July, shots were fired at a church in the capital, Managua,, where some 150 students sought shelter after the university campus of the Universidad Nacional Autónoma de Nicaragua (UNAN), which they had been occupying since early May, came under attack by paramilitaries. The attack left two students dead. A handful of other churches have also been attacked by pro-government paramilitaries while on 16 July the offices of the Catholic charity Caritas in Sébaco municipality, Matagalpa department, were set alight.

In a rare interview broadcast on 23 July (*see box*) Ortega has since denied any persecution of the Church, which has publicly supported opposition demands for an end to the violence (which has left over 350 people dead) and for elections to be brought forward from 2021 to 2019. Yet, in his 19 July speech, Ortega was unequivocal that he now considered the Church an enemy. Alleging that churches have been used to stockpile weapons and stage attacks (for which he failed to provide evidence), Ortega said that actions by religious leaders had disqualified them as mediators, accusing them of being "part of the coup mongers' plan".

Ortega's U-turn signals the latest twist in what has been a fraught relationship with the Catholic Church which retains a strong influence in the country (*see sidebar*). Reconciliation with the Church had been critical to Ortega's electoral victory in 2006. This saw the ruling Frente Sandinista de Liberación Nacional (FSLN) back a blanket ban on abortion (even when continuing the pregnancy threatens the life or health of the mother, or when the pregnancy is the result of rape) and Ortega appoint Cardinal Miguel Obando y Bravo (who died in June) as head of his truth, justice, reconciliation and peace commission soon after taking office. Yet far ahead of the current crisis, Church-State relations had already soured due to the fact that religious figures like Brenes had come out publicly against Ortega's perceived authoritarianism.

More international responses

The US government was the first to respond to the reports of human rights violations being carried out by the government and paramilitary groups:

New anti-terrorism law sparks concerns

On 17 July, the spokesperson for the Office of the United Nations High Commissioner for Human Rights (OHCHR), Rupert Colville, warned that a new law on money-laundering and terrorism, approved by Nicaragua's FSLN-controlled 92-member unicameral legislature on 16 July has "a very broad definition of terrorism...which...could be used against people taking part in protests". The new law reportedly defines the destruction or damage to public or private property as terrorist activity which is punishable with a prison sentence of 15-20 years. He pointed to the "very loose wording" of the relevant article and its definition of a terrorist as someone who causes death or injuries or destroys public or private property warning that it "lays itself open to interpretation which could include people who are simply exercising their right to protest".

earlier in the month it sanctioned three Ortega allies (police [PNN] chief Francisco Díaz; Fidel Moreno, the secretary of the mayor's office of Managua; and Francisco López, the vice president of Albanisa [the bi-national oil company owned by Venezuela's state-run oil firm Pdvsa and Nicaragua's Petronic]) [[WR-18-27](#)].

On 20 July Luxembourg and the Netherlands separately announced that they would freeze cooperation and aid projects in the country. In a press release the Netherlands announced that it had suspended bilateral governmental cooperation with the construction of a hospital in Bilwi, the capital of the North Atlantic Autonomous Region (RAAN), in which the Dutch government had committed to invest US\$21.5m. Meanwhile Luxembourg issued a statement announcing it was freezing its contributions to the Nicaraguan government and suspending the signing of a new cooperation programme because its "cooperation had always been based on respect for human rights and democratic values". Instead the country "is strengthening its support to civil society and human rights groups on the ground" and is financially contributing to instruments established by the IACHR to contribute to finding a peaceful solution to the crisis. This included contributions to the Special Monitoring Mechanism For Nicaragua (MESENI) and to the Interdisciplinary Group of Independent Experts for Nicaragua (GIEI-NIC). According to a May 2018 report on foreign cooperation for 2017 by Nicaragua's central bank (BCN), total cooperation from Luxembourg amounted to US\$11m.

Interview

In a rare unscripted but pre-recorded interview with US cable news channel *Fox News* broadcast on 23 July, Ortega gave his account of the country's crisis. He denied the existence of pro-government paramilitaries, claiming instead that there existed anti-government paramilitaries who "obey political parties" and "some are members" of political opposition parties. According to Ortega, these paramilitaries carry out armed attacks "against organisations of the state, against the police, against loyal Sandinista families". He added that some are "financed by drug trafficking" whereas others have sought financing from various organisations, including US organisations.

As well as denying links between the government and paramilitaries, Ortega also denied that peaceful protesters had been repressed and rejected accounts of individuals being denied medical attention in hospitals. Similarly, he rejected claims by the Catholic Church that it was being persecuted, that "no Nicaraguan has died in any church" and insisted that he invited the Church to continue participating in the dialogue". He also rejected calls for early elections stating that they "would create instability and insecurity and make things worse".

HONDURAS | POLITICS

Crucial test for Honduras's justice system

The Organization of American States (OAS)-sponsored Mission to Support the Fight against Corruption and Impunity in Honduras (Maccih) and US embassy in Tegucigalpa this week hailed progress with regard to the high-profile "Pandora Case" – a major corruption investigation unveiled last month which implicates the ruling Partido Nacional (PN) of President Juan Orlando Hernández and traditional opposition Partido Liberal (PL) [[WR-18-24](#)]. The US and Maccih are responding to the decision by a local judge to order the preventative imprisonment of 19 individuals, including three national legislators, an alternate legislator, and a deputy minister in relation to the case. With Hernández's professed commitment to tackling corruption already under scrutiny following a contentious supreme justice court (CSJ) ruling at the end of May which critics warned would weaken anti-corruption efforts [[WR-18-24](#)], the case is serving as the latest test for Honduras's justice system.

Other charges against deputies

On 17 July US authorities presented charges against Midence Oquelí Martínez Turcios, a national deputy for the Partido Liberal (PL), for conspiring to import cocaine into the US and possessing, conspiring to use, and using machineguns and other destructive devices. In January the US Drug Enforcement Administration (DEA) filed charges against the then-PL national deputy Fredy Renan Najera Montoya in connection with a DEA investigation into politically connected drug trafficking in Honduras.

Last month Maccih had presented the findings of the investigations which had been undertaken in conjunction with attorneys and investigators from the special prosecutor's unit against corruption and impunity (Ufecic-MP) and the office for transparency and fighting public corruption (Fetccop-MP) of the attorney general's office (AG). According to the investigation, some HL282m (US\$11.7m) in public funds, which had been assigned to agricultural, agro-industrial, and horticultural initiatives, instead went on financing the political campaigns of both the PN and PL ahead of the 2013 general election (which gave Hernández his first victory).

At the time the identities of the 38 people who had been charged (for alleged crimes including abuse of authority, fraud, embezzlement, and money laundering) were not revealed. On 23 July however, Justice Lidia Álvarez Sagastume put an end to this speculation, with the announcement that she had signed an order for 19 people to be sent to prison on a preventative basis. Those named include deputy environment minister Carlos Alberto Pineda Fasquelle, national legislators Rodolfo Irías Navas (former congress president, 1990-1994) and José Celín Discua (both PN), as well as former vice president (2006-2009) and former presidential candidate Elvin Santos (PL), and alternate legislator Lenin Rigoberto Rodas Velásquez of the small opposition Unificación Democrática.

With the legislature having already been discredited over other scandals such as a case of alleged embezzlement implicating five former deputies – the first case brought by Maccih at the end of last year [[WR-18-04](#)] – it is worth recalling that this is not the first time the PN has faced allegations of irregular campaign financing. The massive corruption scandal that broke in 2015, sparking the protests which resulted in the creation of Maccih in the first place, involved allegations that some of the millions of dollars embezzled from the Honduran social security institute (IHSS) through an official corruption network went to the ruling party and helped finance Hernández's 2013 election campaign.

Relaunching dialogue?

The timing of the announcement regarding the arrest orders, which are likely to reignite public anger with the political class, is unfortunate for President Hernández who on 19 July announced plans to relaunch talks this week aimed at finding a solution to the post-electoral crisis following the November 2017 general election.

The crisis stems from claims by Salvador Nasralla, the former presidential candidate for the Alianza de Oposición contra la Dictadura opposition coalition, that the election was fraudulent and he was the rightful winner. Nasralla had pulled out of the dialogue in April citing as grounds for his decision the PN's refusal to accept an international mediator and legally binding agreement. He was clear that while he trusted the OAS, the United Nations (UN), and the US to seek a possible political dialogue, he had seen "no political will" on the part of the Hernández government to resolve the political crisis.

With Nasralla's claims regarding fraud seemingly receiving public support [[WR-18-15](#)], another of his concerns – human rights violations against anti-government protesters during the post-election protests – also continue to make headlines. Human rights institutions like the UN Office of the High Commissioner for Human Rights (OHCHR) and IACHR have all raised concerns, and last month the international human rights NGO Amnesty International (AI) issued a report warning that Honduran authorities have continued to violate the human rights of people arrested during the protests by denying their right to due process and holding them in inhumane conditions. The AI report notes that more than 30 people were killed during the post-election demonstrations, including at least 16 who were shot, allegedly by members of the security forces. It also highlights that investigations into these killings have yet to result in any charges against members of the security forces.

Quotes of the week

“I thought they were mediators, but no, they are committed to the coup mongers. They were part of the coup mongers’ plan.”
President Daniel Ortega turns against the Catholic Church, which he had asked to mediate in the crisis in Nicaragua stemming from the crackdown on anti-government protesters.

“We will unite whites and blacks, homosexuals and heterosexuals, we will unite bosses and employees, and we won’t plant the seed of discord between them.”

Far-right former army captain and presidential candidate in Brazil’s October general election Jair Bolsonaro, notorious for his rhetoric on women, gay people, and black people, seeks to soften his stance.

“I feel morally impeded from being a senator, I will send my resignation letter so that my defence does not interfere with the work of the senate.”
Colombia’s former president Alvaro Uribe (2002-2010) announces his resignation as senator in order to face criminal charges brought against him by the supreme court.

López Obrador ally facing dissolution in Mexico

One of the parties in the Juntos Haremos Historia (JHH) coalition which carried Mexico’s leftist presidential candidate Andrés Manuel López Obrador to power on 1 July is struggling for political survival. This might seem odd given that López Obrador won a decisive victory in the presidential elections and the JHH secured a thumping majority in both chambers of the federal congress. But the Partido Encuentro Social (PES), a conservative evangelical party, could see its party registration cancelled despite winning more than a tenth of the 500 seats up for grabs in the federal lower chamber of congress.

The PES forged an unlikely alliance with López Obrador’s left-wing Movimiento Regeneración Nacional (Morena) party and the Maoist-inspired Partido del Trabajo (PT) to form the JHH ahead of the electoral campaign. The alliance provided one of the numerous examples in López Obrador’s 2018 bid for power of his subordinating any ideological considerations to pragmatic concerns. The PES enjoys an established presence in northern Mexico, where López Obrador had previously struggled to make his mark.

The PES narrowly failed to muster the 3% threshold of the total vote in any of the federal elections – either the presidential or congressional elections (to the lower chamber or senate). Under electoral law, this means that the party must lose its registration, the national electoral institute (INE) ruled.

The PES president, Hugo Erik Flores, said López Obrador had offered Morena’s team of lawyers to appeal the decision. The appeal to the INE sought to have the votes cast for independent candidates (as they are not political parties) discounted from the overall vote tally for the purposes of determining whether a party had reached the legal status threshold, arguing that if they were omitted then the party would have cleared the 3% threshold in all three federal elections. But the INE rejected this argument. The PES is now turning to the federal electoral tribunal (TEPJF), which has a history of going over the heads of the INE, to try to secure a favourable ruling.

By virtue of the JHH alliance, the PES looks set to win 55 seats in the federal lower chamber and seven seats in the federal senate. The PES currently has 10 deputies and no senator. If the PES loses its registration these incoming members of congress will have to join another party or become independents.



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