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Maduro digs in as US and Guaidó ratchet up pressure

In the space of barely three weeks, Juan Guaidó has emerged as the most formidable foe Venezuela's Bolivarian Revolution has faced in its 20 years of existence. His bold gambit to declare himself interim president has galvanised a downtrodden, demoralised, and divided opposition movement, and won the backing of all of the hemispheric heavyweights, except Mexico. The US has thrown its full weight behind Guaidó, following up on President Donald Trump's recognition of him as the legitimate president, by imposing sanctions on the state-owned oil company Pdvsa this week in an attempt to choke off the supplies of hard currency sustaining President Nicolás Maduro and persuade the military to drop its allegiance. The government's vacillating response to Guaidó enabled him to build momentum but Maduro has now launched a legal counter-offensive.

Guaidó has spent the last week acting as if he has presidential authority. His decisiveness has united the fragmented and acephalous opposition. National deputies began drafting the legal framework of a transitional government, and approved his diplomatic nominees to represent Venezuela to nine friendly countries that have recognised him as the legitimate president, as well as designating Julio Borges, a former president of the national assembly living in exile in Colombia, as his envoy to the 14-member Lima Group.

Guaidó also named a new board of directors for Pdvsa and its US-based subsidiary Citgo on 28 January, shortly before the US national security adviser, John Bolton, and treasury secretary, Steven Mnuchin, announced sweeping sanctions on Pdvsa in a joint press briefing. They said these would freeze US\$7bn in Pdvsa's US-based assets (essentially Citgo, which owns three US refineries, as well as pipelines and petrol stations in the US) and deny the Maduro administration over US\$11bn in export proceeds over the next year.

This is a big move. The US receives around 500,000 barrels per day (bpd) of Venezuela's heavy crude, which comprises over one-third of the country's total oil exports (which, in turn, make up 96% of all of its exports). Oil exports to the US are the Maduro administration's main supply of ready cash, however, as most of its exports to China, for instance, which takes one-quarter of Venezuela's crude exports, are tied up in oil-for-loan deals. Mnuchin stressed that the US was content to keep receiving Venezuelan crude and pay for it, but this revenue would go into "a blocked account" which Guaidó, at some stage, would be able to access. This is unlikely to appeal very much to Maduro, but it might concentrate the minds of the military high command buttressing his administration. Finding alternative markets for this oil will not be achieved overnight, especially as some potential customers, such as China, might not pay cash but just expect the crude as payment-in-kind for loans.

Bullion to buttress regime?

John Bolton said that the US sanctions on Pdvsa were designed to ensure that “Maduro and his cronies...can no longer loot the assets of the Venezuelan people”. Juan Guaidó this week ordered the “transfer” of the state’s foreign accounts to “its legitimate authorities” to prevent their “plundering” by the Maduro administration. The Bank of England has rejected a request from the Maduro administration to release US\$1.3bn of the country’s gold reserves. Arkiely Perfecto became the first deputy to defect from the government’s bloc and join the opposition in the national assembly this week, citing the government’s misuse of the country’s wealth. Perfecto said she wanted to “defend the values and social activism of Chavismo” but opposed “a government that has caused poverty and destruction and abandoned the people to their fate”.

The oil sanctions were a signal of intent by the US. In a fiery special meeting of the United Nations Security Council (UNSC) forced by the US on 25 January, US Secretary of State Mike Pompeo urged states to “end this nightmare”, and decide whether they “stand with the forces of freedom or [are] in league with Maduro and his mayhem”, while censuring Russia and Cuba for sustaining an “illegitimate mafia state”.

Maduro’s foreign minister, Jorge Arreaza, said the US was “not behind the coup...but in the vanguard...dictating orders, not only to the Venezuelan opposition but also to satellite governments in the region and, it seems, in Europe [the European Union is due to recognise Guaidó as we go to press after Maduro ruled out staging free and fair presidential elections with international oversight]”. Russia’s permanent representative to the UN, Vassily Nebenzia, accused the US of being “ready to use military force against a sovereign state under a bogus pretext”. Trump’s appointment of Elliot Abrams as his special envoy on Venezuela could certainly sow the seeds for future charges of US interventionism in the region unless it works closely with the international community to support Guaidó and keep the Venezuelan people at the forefront of its concerns: Abrams had a chequered record in Central America in the 1980s to put it mildly.

Russia and China have a vested interest in Maduro surviving. They have significant economic interests and they naturally fear that if Maduro falls, they will lose out financially as well as losing influence. Venezuela’s sovereign debt to Russia stands at US\$3.15bn and it faces a US\$100m interest payment on this at the end of March. Russia’s largest oil producer Rosneft has expanded its operations in Venezuela in recent years and extended significant loans to Pdvsa in exchange for oil supplies and a nearly 50% stake in Citgo. China’s state banks have provided loans amounting to in excess of US\$62bn over the last 12 years, some in the form of oil-for-loan deals. Venezuela also has a geopolitical significance for both countries, in particular the Russian government, resentful at being hemmed in by US allies and keen to cultivate an ally hostile to Washington deep in its backyard.

At present Guaidó’s designated chargé d’affaires to the US, Carlos Vecchio, is leading discussions to open a humanitarian corridor to Venezuela. Vecchio, who stressed that “this is not the US against Venezuela; this is the free world on the side of human rights and democracy, against dictatorship”, met Vice President Mike Pence on 29 January, as well as State Department officials and members of congress. Borges will urge the Lima Group in a meeting on 4 February to help establish an “urgent” and “immediate” opening of a humanitarian corridor to address the serious shortages of food and medicine in Venezuela. Maduro is irrevocably opposed to this, arguing that it would be cover for a military invasion to oust him; Borges insisted there would be no invasion but that the arrival of aid on the country’s borders would mean “decision time” for Venezuela’s armed forces. The opposition is conscious of the need to move fast given that the sanctions on Pdvsa will start biting, meaning an even-shorter supply of essential food and medicine.

Opposition supporters started disseminating copies of an amnesty law in military barracks in and around Caracas on 27 January. The law, approved by the national assembly, would grant an amnesty for any military personnel who respect the constitutional order and remove Maduro. Military support is a sine qua non of Guaidó’s attempt to establish a transitional government. Maduro is redoubling efforts to preserve the military’s loyalty. On the same day he joined in a jog with members of the military in ‘Fuerte Paramacay’ army barracks in Naguanagua in the central state of Carabobo and the nearby naval base ‘Agustín Armario’ in Puerto Cabello, where the former bus driver got behind the wheel of an amphibious tank. Leading troops in a chorus of “Never traitors, always loyal”, he enjoined them to prepare for “the most important military exercises of the last 200 years” between 10 and 15 February. He provided no further details.

Dialogue

"It is not civil war...that will solve Venezuela's problems, it is dialogue," Defence Minister Vladimir Padrino López, surrounded by the military high command, said on 24 January. But dialogue is a *cul-de-sac* for the opposition. It has tried this route time and time again and the government, which would leap at the chance to display its openness to dialogue, would not compromise on anything meaningful, talks would go nowhere, and Maduro would still be in power. But dialogue is what the Uruguayan and Mexican governments are offering, this week calling an international conference for 7 February in Montevideo to "create the framework for a new dialogue mechanism" to resolve Venezuela's crisis.

Bolton might have urged the Venezuelan military to accept "the peaceful, democratic, and constitutional transfer of power", and the arrival of humanitarian aid on Venezuela's borders would provide another probing test of military loyalty, but this is not simply a case of the armed forces dropping support for a corrupt, authoritarian civilian government. The Bolivarian Revolution is a civil-military symbiotic relationship. Senior military officials control 11 of the 23 state governorships; many have become ambassadors in their retirement; nine of Maduro's 32 cabinet ministers are members of the military, including defence and interior.

Partly because he does not have a military background like his late predecessor Lieutenant Colonel Hugo Chávez (1999-2013) to win the armed forces over, Maduro has worked hard to curry favour with the military high command, handing them control of Pdvsa, the state cash cow, and creating more military companies than any previous president: the military has more than a dozen lucrative ventures in food distribution, transport, agriculture, communications, construction, mining, and finance. All of these are composed of and directed by the military, with budgets granted by the defence ministry. Maduro gave the military its own bank after he came to power in 2013, and television channel (TV FANB), the only one on the continent, financed by the government.

It is admittedly the military high command that derives the greatest benefit from all of this, not the rank-and-file or mid-ranking officers, who the opposition will be trying to sound out. But Venezuela's top brass is enormous. There are over 2,000 generals (more than twice as many as the US) and hundreds of admirals. This all explains why the high command is the biggest obstacle Guaidó faces and why relinquishing this political, diplomatic, and economic power for an amnesty is not a tempting offer. If popular protests against Maduro grow in magnitude, however, the top brass will not be able to rely on the rank-and-file to engage in repression on a huge scale. It might then calculate that by calling upon Maduro to step down, it could placate the opposition and preserve its influence. The scale of the protests planned for 2 February, which will mark the 20th anniversary of Chávez taking office and the inception of the Bolivarian Revolution, could be decisive.

Maduro will try to use the occasion to rally support. He has ruled out holding fresh presidential elections, cocking a snook at much of the international community by instead proposing bringing forward legislative elections from 2020 to this year to serve as "an escape valve for tension caused by the imperialist coup d'état in Venezuela". This could be bluster. The pliant supreme court (TSJ) approved precautionary measures announced by the attorney general, Tarek William Saab, on 29 January barring Guaidó from leaving the country, and freezing his bank accounts pending an investigation into "serious crimes conspiring against the constitutional order" but it stopped short of ordering his arrest. This suggests it is wary of pushing the international community too far and perhaps Bolton's admonition that there would be "serious consequences for those who attempt to subvert democracy and harm Guaidó".

For his part, Guaidó said that he had seen a declaration by "somebody who had usurped control of the attorney general's office and those occupying seats in the TSJ [but] we don't want to leave the country, we want people to return". He also ruled out "false dialogue" in the face of Maduro's offer of talks (*see sidebar*). Despite Trump's celebratory tweet, "Maduro willing to negotiate with opposition in Venezuela following U.S. sanctions and the cutting off of oil revenues", Maduro has always been willing to hold dialogue as a means of delaying, regrouping, exposing divisions in the opposition, and perpetuating himself in power.

Morales' claims of victory ring hollow

In what President Evo Morales has trumpeted as a victory for democracy, last week Bolivia held its first-ever primaries ahead of the October 2019 general election. In line with a law passed in July last year by the national legislature, controlled by the ruling Movimiento al Socialismo (MAS), the 27 January vote was slammed for various reasons by the opposition who called on the electorate to boycott the vote. The low turnout might suggest, however, a victory of sorts for the opposition.

At the time of its approval, the law on primaries had been criticised by figures like former president Carlos Mesa (2003-2005), who has emerged as Morales' main rival and is running for the presidency for the Comunidad Ciudadana alliance which comprises the Frente Revolucionario de Izquierda (FRI) and La Paz Mayor Luis Revilla's Soberanía y Libertad.

As well as underlining the redundancy of holding primaries given that the nine parties registered to run had already presented their presidential slates [[WR-18-49](#)], Mesa had complained that the mechanism of holding them was designed to provide legitimacy to Morales' candidacy after the 2016 popular referendum which rejected changing the 2009 constitution to allow him to run again (by 51.30%-48.70%). Despite the referendum, in December 2018 the electoral court (TSE) upheld a ruling by the constitutional court (TCP), issued the previous year, which accepted an appeal by the MAS and allows Morales to seek a further term in office on the grounds that the constitutional ban on re-election violated his political rights.

As well as pointing to the apparent futility of staging the vote, which cost some Bol\$27m (US\$4m), Mesa and other opposition candidates called on the public to boycott the primaries as a means of expressing opposition to Morales' candidacy. This tactic has been used as a means of expressing dissatisfaction with previous electoral processes, such as the December 2017 polls to elect members of the judiciary.

As with the December 2017 election for the judiciary, the opposition's call would seem to have met with success. Bar the MAS, the eight other parties – Movimiento Nacionalista Revolucionario, Movimiento Tercer Sistema, Bolivia dice No, Comunidad Ciudadana, Frente Para la Victoria, Unidad Cívica Solidaridad, Partido Demócrata Cristiano, and Partido de Acción Nacional Boliviano – claimed turnout of less than 8% on preliminary figures.

The MAS itself was only able to muster turnout of 37% of its members. With the final figures yet to be released, the Organization of American States (OAS), which sent a delegation of experts to observe the vote, noted "low turnout of voters at voting centres and...a high number of null or blank ballots".

Cabinet changes

As has often been the case since he came to power in 2006, Morales marked his electoral anniversary on 22 January with a cabinet reshuffle, changing seven of the current ministers and keeping the other 13. Two of the changes in particular were perceived to be in line with the fact that it is an electoral year – the return of Juan Ramón Quintana to head up the ministry for the presidency and Luis Arce to the economy ministry.

Ministers ratified in their posts

The 13 cabinet ministers ratified in their posts were Diego Pary (foreign affairs), Carlos Romero (interior), Héctor Arce (justice), César Cocarico (rural development), Luis Sánchez (hydrocarbons), Mariana Prado (planning), Carlos Ortuño (environment & water), Tito Montaña (sport), César Navarro (mining), Javier Zavaleta (defence), Rafael Alarcón (energy), Roberto Aguilar (education), and Wilma Alanoca (culture & tourism).

Quinoa production up

Bolivia produced 700,763 tonnes (t) of quinoa in 2018, up from 66,792t in 2017, according to Edgar Solíz, the director of Centro Internacional de la Quinoa (CIQ), a dependency of Bolivia's rural development & land ministry. The departments with the highest grain production were Oruro with 31,537t, Potosí with 26,445t, and La Paz with 8,472t. Solíz said that Bolivia's quinoa exports last year reached 32,100t, generating over US\$80m, with the US, Europe and China the main markets.

One of the MAS's key political operators, Quintana had previously held the post from 2006 to 2010 (he went in a 2010 cabinet reshuffle amid plummeting popularity ratings caused by his alleged involvement in a contraband scandal). He then returned to the post in 2012 before leaving it again in 2017 to serve as Bolivia's ambassador to Cuba. Some had linked the move to the influence-trafficking scandal which broke in 2016 and implicated Morales directly, involving his former girlfriend, Gabriela Zapata, and a Chinese company, CAMC. The scandal was cited as one of the reasons for Morales' defeat in the 2016 referendum.

Arce, who is widely credited with the government's continued sound management of the economy, had stood down in July 2017 for health reasons. At that point he was the only cabinet minister to have retained his post since Morales came to power.

Other new faces include Manuel Canelas, an MAS deputy for La Paz department who took over as deputy planning minister in 2018 and now picks up the communications ministry; former president of the lower chamber (2015-2018) and senate (2012-2014) Gabriela Montaña (health); former MAS senator Nélida Sifuentes (productive development); former minister of public works (2008-2009) energy (2009-2010) and the presidency (2010-2011) Óscar Coca (public works); and unionist Milton Gómez (labour), a former mining minister who held the post for just five days in 2010 before having to step down over a corruption case.

Balance sheet

In his annual speech to congress on 22 January, President Morales flagged up various achievements in the last 13 years since taking office. As well as highlighting an increase in net international reserves which totalled US\$8.95bn in 2018, up from US\$1.7bn in 2005, Morales also pointed out that due to the country's economic growth the national minimum wage had risen from Bol\$440 in 2005 to Bol\$2,060 in 2018.

According to the most recent (December 2018) estimates by the Economic Commission for Latin America & the Caribbean (Eclac), Bolivia's GDP grew by 4.4% in 2018 – the highest in South America.

Morales also said that due to his government's efforts to redistribute wealth, since 2005, 1.7m people were no longer living in extreme poverty. He said that while between 1993 and 2005 state investment averaged just US\$556m, between 2006 and 2018, it averaged US\$3.63bn.

COLOMBIA | SECURITY

Los Pelusos leader captured

Colombian police said on 28 January that they had captured Reinaldo 'Pepe' Peñaranda Franco, the leader of the illegal armed group Los Pelusos. The news came at a time when the government led by President Iván Duque is facing a complicated security situation, marked by renewed violence from the Ejército de Liberación Nacional (ELN) guerrillas, with which peace negotiations have broken down.

Peñaranda Franco was captured in the north-eastern border department of Cesar. He had been leading Los Pelusos, a drug trafficking organisation that emerged from the defunct leftist rebel movement the Ejército Popular de Liberación (EPL). According to police sources, Los Pelusos has been fighting a turf war with the ELN in the border area with Venezuela. They claimed Peñaranda Franco had been using the Venezuelan state of Zulia as a safe haven and as a route for trafficking drugs using light aircraft.

ELN attacks

The ELN has gone on the offensive in Colombia. Following-up on the attack on the police academy in Bogotá, on 23 January ELN guerrillas carried out attacks on police stations in Anorí, in the north-western department of Antioquia, and Saravena, in the eastern department of Arauca, during which one of the attackers was killed.

The wider security situation appears well on its way to becoming both more dangerous and more complex. The ELN's car bomb attack on a police academy in Bogotá on 17 January, which left a toll of 21 dead and a further 68 injured, means peace talks are highly unlikely to be resumed in the immediate future and the scene is set for increased hostilities, with the Duque administration preparing to step up military operations.

ELN peace negotiators based in Cuba claimed that they were not linked to the attack and were focused exclusively on the peace dialogue. This could be untrue. But on the other hand, it might also accurately reflect their lack of decision-making power and the organisation's lack of centralised control – all of which further reduces the likelihood of meaningful talks.

Interpol issued international arrest warrants last week for 'Pablo Beltrán' (Israel Ramírez Pineda), a member of the ELN's central command (Coce) and chief peace negotiator, and fellow negotiator 'Aureliano Carbonell' (Víctor Orlando Cubides). In its Red Alert, Interpol said they were wanted for homicide and terrorism.

Beltrán appealed to the Duque administration to adhere to the protocols agreed at the start of the negotiation process in 2017, under which guerrilla commanders were provided with security guarantees to return safely to Colombia after the conclusion of talks. For its part, the Cuban government invoked these protocols in response to a public request from Duque to extradite the ELN peace negotiators.

Hot spots of violence

There are various hot spots where tension has been increasing. One of these is the municipality of Tumaco on Colombia's border with Ecuador. There, according to the UN Office for the Coordination of Humanitarian Affairs (UN OCHA), at least 700 members of largely indigenous and Afro-Colombian communities have been forced to flee their homes by fighting between rival groups.

The area has extensive coca plantations and is also seeing a turf war waged between dissidents from the Fuerzas Armadas Revolucionarias de Colombia (Farc), which signed a peace deal with the government two years ago, the ELN, and up to a dozen local criminal groups. There have in addition been reports of fighting between Farc dissidents and EPL members in Cauca in the south-west of the country, forcing at least 300 residents to flee the area.

One potential escalation is the possibility of a cross-border attack by the ELN into Ecuador. Colombia's security forces have warned their Ecuadorean opposite numbers that the ELN is planning an attack on military or police in Ecuador's northern Pacific coastal province of Esmeraldas bordering the Colombian department of Nariño. One hypothesis is that the ELN is seeking to retaliate against Ecuador's decision to expel ELN leaders after it stopped hosting peace talks last year (a decision which moved the venue of the now-suspended talks to Cuba).

Ecuadorean police sources told the specialist online security publication *InSight Crime* this week that the ELN has been busy establishing a support network within the country. But the ELN is not the only organisation that has operated across the border. The city of San Lorenzo, Esmeraldas, just 18km south of the border, was hit by numerous attacks with explosives linked to Farc dissident groups early last year. 'Guacho' (Walter Patricio Arízala), the leader of the dissident Farc group Frente Oliver Sinisterra (FOS), notoriously kidnapped and killed two Ecuadorean journalists and their driver before he was killed in a Colombian security operation on 21 December last year.

Country demands answers after dam collapse tragedy

Footage from rescue operations after a tailings dam collapsed on 25 January near Brumadinho, Minas Gerais state, shows a helicopter hovering above a sea of mud as firefighters attempt to pull victims out of the sludge. The true extent of the human and environmental losses remains unknown almost a week later, as the search for missing people continues and authorities have launched an investigation into the causes of the accident.

The collapse of a dam at the Corrêgo do Feijão iron ore mining complex near Brumadinho was immediately compared with the Mariana dam collapse of 2015 (also a tailings dam in the minerals-rich state of Minas Gerais), often described as Brazil's worst environmental disaster (*see sidebar*). If the environmental damage of the more recent dam break appears less serious, the human cost is already shockingly higher. After five days of searches, authorities reported 84 dead and 276 people still missing, with the number of casualties expected to rise.

Journalists on the ground report feelings of despair but also anger amongst the relatives of those dead or missing. The question on everybody's lips, not only in Brumadinho but also across the whole of Brazil, is how and why such a tragic accident has been allowed to repeat itself. "Mariana, never again," Fábio Schvartsman had said in 2017 when he took over as president of Vale, the Brazilian mining giant that owns the Brumadinho dam, and that had been co-owner of the Mariana dam.

Vale in disgrace

Vale is paying for its negligence. Within 48 hours of the dam collapsing, the mining company had been fined close to R\$350m (US\$94.4m) by the federal environmental regulator (Ibama) and Minas Gerais state authorities, and had a total of R\$11bn (US\$3bn) blocked by federal and state prosecutors. The value of its shares plummeted, falling by over 24% on the São Paulo stock exchange (Bovespa) when the markets reopened on 28 January. That same day, credit ratings agency Fitch downgraded Vale's rating to BBB-.

But many see financial sanctions as insufficient, recalling that, to this day, none of those investigated in the Mariana disaster have been held to account, while victims are still awaiting compensation. There is a sense of indignation in Brazil that such a crime remains unpunished, and authorities have been quick to respond to public outrage. Raquel Dodge, the federal attorney general, defended a thorough investigation into the civil, environmental, criminal, and labour violations, and said that Vale and its executives should be held criminally liable for the Brumadinho dam collapse.

As acting president, Vice President Hamilton Mourão urged that individuals guilty of malpractice or negligence be punished, and even evoked the possibility of using the government's stake in Vale (which was privatised in 1997) to force a reshuffle of the executive board, although other members of government have since rejected this course of action. Vale itself was quick to disavow comments by one of the company's defence lawyers, who said that it was not responsible for the chance accident. After Brazilian authorities arrested three Vale employees and two sub-contracted engineers, who were supposedly responsible for certifying the dam's safety, on 29 January, the company released a statement saying that it is cooperating and fully supports the investigation.

Mariana tragedy

On 5 November 2015, a dam containing waste from iron ore mining in the municipality of Mariana, Minas Gerais, collapsed. It released a wave of toxic mud which left 19 dead, buried the neighbourhood of Bento Rodrigues, and carried 32m litres of toxic waste into the Rio Doce, contaminating water over 600km before being eventually discharged into the Atlantic Ocean. The owner of the dam was Samarco, a joint venture between Brazilian mining giant Vale and Anglo-Australian company BHP Billiton. An investigation was opened but is yet to be ruled upon in court, while victims are still awaiting compensation and the reconstruction process remains incomplete.

Environmental damage

The collapse of the Brumadinho dam has severe, although not yet measurable, human, economic, and environmental costs. The dam released 12.7m litres of mining waste which has run into the Paraopeba river, causing concern that the waste might reach the Três Mariás hydroelectric complex and affect its operations. Conservation NGO WWF-Brasil notes death of aquatic fauna in the most damaged parts of the river, and that ecosystems are likely to be affected in the long term. Using satellite imagery, WWF-Brasil estimates that 125 hectares of forest coverage have been wiped out by the mud flow.

As well as questions around environmental licensing (the dam was deemed low risk and its licence was in order), the Brumadinho accident has raised questions about Vale's security protocols. The majority of the victims are Vale employees or contractors who were in Vale's offices downstream from the dam when it broke, and survivors say there was no alarm system to warn them. Minas Gerais state's labour ministry (MPT) released a statement on 27 January describing this as one of Brazil's biggest workplace accidents ever.

Schvartsman has apologised on behalf of Vale, and the firm has said it will donate R\$100,000 (US\$26,955) to the family of each deceased or missing person, whether they were Vale employees or not, assuring that this is separate from whatever compensations will be distributed at a later date. Vale has also announced the decommissioning of 10 dams built using the same upstream method as the Brumadinho dam and all now inactive, but which will still require temporarily halting operations in several mines, at a cost of US\$5bn.

Attention turns to the government

As owner of the dam, Vale is the first target of public anger, but the federal and state governments stand next in line. The federal government's immediate response to the human tragedy has been to facilitate access to information and release funds through a number of channels to help attend to the victims and their families. President Jair Bolsonaro visited the site of the disaster on 26 January, less than 24 hours after the dam broke, and promised to deliver justice and prevent this kind of tragedy from happening again.

This human and environmental tragedy comes not long after new governments, at both federal level and state level in Minas Gerais, have taken office criticising environmental regulations and promising to diminish bureaucracy around environmental licensing. They may be forced to review their positions as closer scrutiny reveals just how little public authorities have done since 2015 – like Brumadinho, the Mariana dam was also deemed low risk and had been recently inspected. The collapse of the two dams exposes either fraud or fundamental flaws in the licensing and auditing processes, which are undertaken by federal or state-managed inspection agencies.

A 2017 report on dams by the national water agency (ANA) notes that only 3% of the country's 24,092 dams were inspected in 2017, and that 42% of the country's dams did not have a licence or other form of authorisation to operate. The report highlights the lack of regulatory agencies and personnel to carry out inspections.

The federal government is now scrambling to remedy this. On 29 January, the ministerial council set up to manage the responses to the Brumadinho disaster passed measures to reinforce the national dam security policy (PNSB). The ministry for regional development has since announced that a total of 3,386 dams classified as 'high risk' will be inspected as soon as possible, with priority given to the 205 dams containing mining waste.

Even the environment minister, Ricardo Salles, who like Bolsonaro has been vocal about his desire to cut environmental red tape, has reeled back earlier comments and spoken out in favour of regulation to ensure good practice around dams. He has also suggested technical improvements to mining waste dams, such as switching to dry waste storage methods.

No indication has been given, however, as to how and when any of these measures and proposed changes will be enforced and financed. Even after the Mariana tragedy, bills pushing for stricter environmental and mining regulations have remained stuck in congress at both federal and state level, blocked by powerful mining interests – a sign that the political will behind such measures is not perhaps as strong as the initial responses to the disaster might suggest.

Congress prepares to elect leaders

Brazil's federal congress returns from recess on 1 February. In the bicameral legislature, two-thirds of the senate and the entire chamber of deputies are newly elected or re-elected representatives who were voted in last October. Their first responsibility will be to hold elections to choose a president of the senate, and of the chamber of deputies.

In a reflection of the new congress's political fragmentation (21 parties are represented in the senate and 30 in the lower chamber), these are set to be some of the most crowded elections for the posts ever. Candidates have until the evening of 1 February, when the vote will take place, to put themselves forward, but at the time of writing, there were nine pre-candidates for the senate leadership, and eight for the chamber of deputies. For the last elections, in 2017, there were two and six candidates respectively.

Despite congress's high renewal rates, familiar faces are the favourites to win. Rodrigo Maia from the centre-right Democratas (Dem) looks set to retain the presidency of the chamber of deputies. He begins his fifth term as federal deputy and had already been re-elected head of the lower chamber in 2017. In the senate, Renan Calheiros from the Movimento Democrático Brasileiro (MDB) is the favourite to win, for what would be his fourth non-consecutive term as president of the senate.

The government's official position is that it will not seek to influence legislators' choice of leaders in congress. It is, however, crucial for the executive's capacity to advance its agenda to have congressional leaders who are both experienced in the politics game and favourable to the government. The presidents of the senate and lower chamber have control over the agenda of congressional votes, can influence the appointment of rapporteurs for important proposals, and can authorise or block the creation of parliamentary inquiry commissions.

In a column published on news site *Poder360*, journalist and former government minister (2014-2015) Thomas Traumann described these 1 February elections as "the canary in the coal mine" for President Jair Bolsonaro's government. Bolsonaro's intention to end pork-barrel politics in the legislature [[WR-18-48](#)] is a welcome attempt to weed out corruption, but his decision essentially to bypass traditional parties could backfire with negative consequences for his governability.

Government deficit doubles in December

Brazil's central government posted a primary deficit of R\$31.78bn (US\$8.53bn) in December 2018, almost double the previous month's deficit of R\$16.21bn (US\$4.35bn). Overall, the central government (which includes the social security system, the central bank, and the national treasury) posted a primary deficit of R\$120.3bn (US\$32.28bn) in 2018.

Although this is a 3.2% reduction on the 2017 primary deficit and is well under the R\$159bn government target, it is the government's fifth consecutive annual primary deficit, highlighting the challenges that lie ahead for President Jair Bolsonaro and his administration's efforts to redress the fiscal balance.

A widening social security deficit is by far the biggest hurdle. As he presented the government deficit on 29 January, the secretary for the national treasury, Mansueto Almeida, noted the urgent need for a pension reform as Brazil's population ages, or the government accounts will continue to worsen, not just in the federal government, but also at state and municipal level.

Bolsonaro's PSL

The governing party, the Partido Social Liberal (PSL), has only this year shed its status as a fringe party in congress. It has a candidate in the running for the senate leadership, Sérgio 'Major' Olímpio, but none in the chamber of deputies, despite being the second-most represented party with 52 deputies. The PSL is reportedly backing Rodrigo Maia in the election for presidency of the chamber of deputies. Going forward, the PSL's capacity to build alliances within the legislature will also be crucial in guaranteeing President Bolsonaro's ability to govern successfully.

Coming up: 15-plus election Sundays

On 27 January residents of La Rioja province kicked off a year in which there will be at least 15 electoral Sundays, and probably more. The starting point was a little inauspicious – a controversial provincial referendum which is being challenged in the courts. Ahead lie an assortment of primaries, provincial, and then presidential elections due in October. Politicians have sought to gain tactical advantage through the timing of the polls.

Ten years ago, Argentina approved a federal law introducing obligatory, simultaneous and open primary elections (Paso). The idea was that they would be held on the same Sunday across the country a few months before general election. In a general election year, citizens might therefore have to vote on at least three Sundays: once in the primaries, once in the general election itself, and potentially a third time in the event of a second-round run-off presidential ballot being necessary.

But over the last few years and for a variety of reasons, many provinces, which hold the constitutional right to select their own dates, have moved their primaries and principal elections around. The end result is that someone, somewhere in Argentina, will be voting on something on at least 15 different Sundays in 2019. The ‘simultaneous’ primaries have therefore turned out to be anything but. Some provinces have also chosen to make their primaries non-obligatory.

This year’s electoral starting point was an ill-tempered referendum in the small province of La Rioja (home to about 1% of the national electorate). Incumbent governor Sergio Casas of the Partido Justicialista (PJ, Peronists) sought, and according to his supporters obtained, backing to change the provincial constitution to allow him to stand for re-election later this year. Roughly 60% of those who voted indeed favoured changing the constitution, according to provisional results. In terms of registered voters, however, the result was 25.27% to 17.90% in favour of amending the constitution. The centre-right Cambiemos opposition (aligned with the federal government) argues that the provincial constitution requires at least 35% of the registered electorate (rather than of the actual voters) to back the change (*see sidebar*).

Next up will be (non-obligatory) primaries in La Pampa province on 17 February. Here the PJ has a single candidate (Sergio Zilioto) while Cambiemos has yet to choose between rival candidates from President Mauricio Macri’s Propuesta Republicana (PRO) and the Unión Cívica Radical (UCR). On 10 March, Neuquén province will hold elections including the choice of provincial legislators and the governor. This is likely to be a three-way fight. Incumbent Governor Omar Gutiérrez, of the local Movimiento Popular Neuquino (MPN), which has dominated the province for more than half a century, will seek re-election, contested by the PJ and Cambiemos. On 31 March, San Juan province will hold primaries.

On 7 April there will be primaries in Chubut province, while on the same day in Rio Negro there will be legislative and gubernatorial elections. On 14 April come primaries in Entre Ríos, on 21 April there will be (non-obligatory) primaries in San Luis (a province marked by a bitter quarrel between governor Alberto Rodríguez Sáa and his brother Adolfo). On 12 May there will be gubernatorial elections in Córdoba, important because it is the country’s second-largest electoral district, followed on 19 May by gubernatorial elections in La Pampa. The electoral dates will continue to come thick and fast in the second half of this year. In all, they are expected to spread out

La Rioja elections

The supreme court had turned down a Cambiemos attempt to postpone the elections in La Rioja; now it may again be called on to rule on the meaning of the referendum results. Federal justice minister Germán Garavano described the poll as “manipulated” and controversial, and claimed it had a negative impact on Argentina’s democracy.

Cambiemos jewels

The outcome of the contest for the three electoral ‘jewels’ in the Cambiemos crown could be settled on the same day, 27 October: the national presidency; the governorship of Buenos Aires (the country’s largest single electoral constituency), currently held by María Eugenia Vidal, and the mayoralty of the city of Buenos Aires, currently held by Enrique Rodríguez Larreta. Two of the three will definitely be settled on 27 October; the presidency, of course, might go to a second-round run-off in November.

to cover more than 15 Sundays, since some provinces (including Misiones, Tucumán, Chaco, and Catamarca) have yet to fix their dates.

The timing of these elections has a lot to do with political tactics. When most of the primaries were held on the same Sunday (as happened in 2015) the vote gave an immediate and fairly comprehensive snapshot of the strengths and weaknesses of the national parties. With not only the primaries but also the main provincial elections spread out across the year, the national trend becomes blurred and more difficult to call. A potentially confusing mix of opinion polls, primary results, and early provincial elections will be used to measure party strength. It is possible that the desire to spin a positive message and create a national ‘bandwagon’ effect has convinced some provinces to schedule their elections earlier. Also relevant: if the government’s hoped-for ‘green shoots’ of economic recovery do not emerge until later this year, the opposition may do better in those polls held in the early part of the year.

The ruling Cambiemos coalition has taken the decision not to bring forward the Buenos Aires gubernatorial election from 27 October (*see sidebar*). There was a persuasive argument for Governor María Eugenia Vidal to bring the election forward. She has been a popular governor in a province traditionally seen as a PJ stronghold. She might have done better to take a degree of distance from the national government’s unpopular economic performance. On the other hand, delivering a victory in the province ahead of the presidential election could have been seen as the perfect way to build momentum for the re-election of Cambiemos at a national level.

It might also have given the PJ less traction by splitting the provincial contest away from the presidential race where former president Cristina Fernández (2007-2015) is expected to be a candidate. However, Vidal is reported to have ruled out an earlier poll based on what she called electoral “speculations”. Macri himself is also said to have opposed holding too many elections on separate days (which he says are confusing and costly in budget terms) and to have argued that bringing the Buenos Aires race forward could have been seen as a sign of weakness.

The Cristina factor

Broadly speaking, analysts are still expecting a three-way political split in this election year, with voters choosing between the centre-right Cambiemos coalition, some sort of centrist Peronist option, and the populist-left represented by former president Cristina Fernández. One of the key questions is whether Fernández, facing multiple corruption charges dating back to her time in government, is discredited and out of touch with the voters, or on the contrary, able to pose a renewed and refreshed challenge to the Macri government. News of a poll by Elypsis, conducted in January as the government was announcing unpopular utility tariff increases, has caused alarm in government and investor circles: it suggests Fernández is definitely once-more becoming politically competitive.

The poll shows her approval rating growing to 36%, pushing her up above María Eugenia Vidal (35%), anti-corruption campaigner and federal deputy Elisa Carrió (30%), and Peronist economist Roberto Lavagna (28%). President Macri’s approval rating had dropped nine percentage points on the previous month to languish in fifth position with 24%. That put him ahead only of Peronists Juan Manuel Urtubey (governor of Salta) and Sergio Massa (who has formally declared he will make a bid for the presidency). The poll suggests that the economic crisis has reduced support for both Vidal – who had the highest approval rating during most of 2018 – and Macri.

The Elypsis poll does come with a health warning, however: it was a telephone survey carried out in the middle of the summer holiday season, meaning that with many people away, the sample of respondents may have been less representative.

Mixed messages on security front

The government led by President Andrés Manuel López Obrador says it is winning the fight against oil theft, as a new source of disruption – a teachers' strike in Michoacán – has emerged. While President López Obrador is still in his honeymoon period, serious security problems continue to loom.

A cynical view is that all new Mexican governments start out energetically looking for some quick wins in the battle against crime and then get bogged down in its complex and intractable challenges. The current administration has certainly chosen to make a first big push against fuel theft. With the army taking control of key pipelines the campaign has caused intermittent fuel shortages around the country.

The dangers of fuel theft were dramatically underlined when one punctured pipeline exploded at Tlahuelilpan, in the central state of Hidalgo, on 18 January: the death toll resulting from that tragedy has now grown to 115 local residents. Questions continue to be asked over the way the state oil company Pemex and the army handled that incident. There was in addition a new pipeline explosion on 28 January in San Agustín Tlaxcala, also in Hidalgo, this time without fatalities.

Despite the difficulties the government has been claiming a win. Pemex director general Octavio Romero claimed on 29 January that fuel theft, running at an annual rate of about US\$3.1bn, had been reduced by 65% since the army was sent in on 20 December. Two tankers thought to have been used to smuggle fuel have been seized.

Romero rejected criticisms that the campaign had not been properly thought-through. He said that, to date, 432 people had been arrested on fuel theft charges. For 18 years during three successive governments fuel theft had been allowed to grow, so it would take time to tackle the problem, he argued (*see sidebar*).

CNTE protests

A second and separate source of disruption then emerged in the western state of Michoacán, where protesters from the country's second-largest teachers' union Coordinadora Nacional de Trabajadores de la Educación (CNTE) have been blocking railway lines since 14 January in a protest over salary and bonus arrears. The blockades have led to some food shortages. During the administration of his predecessor Enrique Peña Nieto (2012-2018), López Obrador was a prominent supporter of the campaign by the CNTE to resist education reforms. In return for the CNTE's support for his electoral campaign, upon taking office López Obrador sent a bill to the federal congress to revoke the education reform.

In the current dispute with the CNTE, López Obrador has laid much of the blame not on the teachers' union but on the governor of Michoacán, Silvano Aureoles, who belongs to his estranged former party, the left-of-centre Partido de la Revolución Democrática (PRD). López Obrador accused the governor of being outside Mexico at a time of crisis (Aureoles was attending a tourism conference in Spain).

Fuel supply problems

The authorities claimed this week that fuel supply had returned to normal in many parts of the country, although they acknowledged there were still problems in some states, such as Guanajuato, Querétaro, Hidalgo, and Jalisco.

Security policy

According to security analyst Alejandro Hope, the meeting of the national public security council showed the government has a centralist, top-down approach to security policy, which places too little emphasis on coordination with the governors and other key players. As Hope put it, the national public security system (SNSP) has no policy and operational teeth: it has been reduced to “handing out cheques and counting crimes”.

Homicides not slowing

Underlining the severity of the new government's inherited security problem, official figures showed that homicides rose by 15% last year to reach 33,341, the highest ever recorded in the country. In the nature of these things, the new government cannot be held responsible for these high inherited levels of violence. However, if the surge in homicides continues through 2019 and 2020 and beyond, there will come a point when the administration will no longer be able to blame its predecessors.

The López Obrador administration has outlined long-term efforts to tackle the roots of crime: it says it aims to invest in developing poorer parts of the country, creating jobs for currently unemployed young men, many of whom are recruited as foot-soldiers by drug trafficking organisations (DTOs). The administration is also aiming to decriminalise consumption of some drugs and to offer a limited amnesty to lower-level DTO members. Even if these policies prove to be ultimately successful, however, they are unlikely to produce results for several years.

In the meantime, the creation of a new national guard (the requisite constitutional reform was approved in the lower chamber of congress on 16 January) remains controversial, since many see it as a continuation of a highly militarised anti-crime strategy that has been unsuccessful under previous governments. It will also take a number of years for the national guard to emerge as an effective operational force.

Some security analysts are deeply worried by the new government's approach. They argue that on 24 January the first meeting of the national public security council (Consejo Nacional de Seguridad Pública – CNSP) in over a year was disappointing. The CNSP, which brings together cabinet ministers, state governors and civil society representatives, is seen as a key body to coordinate anti-crime efforts. But at the meeting President López Obrador gave a routine 10-minute speech and then left. The meeting did not resolve some short-term practical issues such as the distribution of anti-crime resources at federal, state, and municipal levels.

TRACKING TRENDS

MEXICO | Financing the national guard. President Andrés Manuel López Obrador announced on 29 January that hundreds of official governmental vehicles would be auctioned to finance the proposed new national guard, comprising military, naval, and police forces.

The first auction, which will take place in the Santa Lucía airbase in the Estado de México (Edomex) on 26 and 27 February, will include a total of 263 vehicles ranging from agricultural trucks to vans and cars with blacked out windows, and aims to raise M\$100m (US\$5.25m). The second auction, which will be staged on 26 and 27 April, will endeavour to sell 76 helicopters and airplanes.

This initiative is part of López Obrador's plan to put an end to luxury and superfluous expenses, as well as combat corruption. Furthermore, he argued that the funds, which will all go towards funding the national guard, would allow the government to confront the problem of violence and insecurity more effectively.

MEXICO | Trade deficit. Mexico registered a trade deficit of US\$13.70bn in 2018, according to the national statistics institute (Inegi), up by as much as 25% on the previous year. Imports outstripped exports, increasing by 10.4% on 2017 to US\$464.28bn; exports were up by 10.1% on the previous year to total US\$450.57bn. Non-oil products posted a surplus of US\$9.49bn in 2018, up from US\$7.34bn in 2017, but the deficit in oil products increased to US\$23.19bn in 2018 from US\$18.31 the previous year. Mexico did post a trade surplus in December 2018, however, of US\$1.84bn compared with a deficit of US\$3m in the same month in 2017.

Electoral reforms approved**Maccih warns of setback to anti-impunity efforts**

In a statement released on 24 January, Maccih warned that proposed changes to the law governing the superior accounting tribunal (TSC) could jeopardise transparency efforts. The Maccih statement acknowledged that the proposed legislative initiative could strengthen administrative independence and promote audits in institutions which manage public funds and guarantee the TSC's budgetary autonomy. However, it warned that other changes would affect the TSC's ability to audit and monitor funds relating to private concessions, public-private alliances (PPA), privatisation, and state funds allocated to NGOs. It also cited other concerns, such as the fact that provisions in the new law could result in administrative delays in the TSC.

"The most important electoral reforms in the country's history." This is the response by the president of the legislative assembly, Mauricio Oliva, of the ruling Partido Nacional (PN), to a series of constitutional changes passed last week by the 128-member legislature. The changes incorporate recommendations to have emerged from the national dialogue facilitated by the United Nations (UN), which ended last year without a formal agreement [[WR-18-50](#)]. The dialogue was called to address the post-electoral crisis surrounding the controversial November 2017 re-election of President Juan Orlando Hernández which the opposition presidential candidate Salvador Nasralla maintains was fraudulent. Yet with thousands taking to the streets in protests held to mark the first year of Hernández's current mandate, the approval of these reforms appears to have done little to calm political tensions.

Approved on 25 January by 113 deputies – well over the two-thirds needed to make constitutional changes – the legislative initiative dissolves the electoral authority (TSE), replacing it with a national electoral council (CNE), responsible for organising and supervising electoral processes. It also establishes an electoral justice court (TJE) which is authorised to settle disputes regarding complaints related to electoral activity. The CNE will comprise three main councillors and an alternate, elected for a five-year period, while the TJE will comprise three main magistrates and two alternates, also serving five-year terms.

The changes also restructure the national registry office (RNP) which will be administered by a permanent commission, the three members of which will serve five-year terms and be tasked with purging the electoral register of anomalies, among other things. The proposed changes also allow for the possibility of forms of popular consultations and for a second round to take place in elections.

Widespread party support?

The legislative initiative was presented by a special multi-party commission comprising nine deputies: three from the ruling PN; two from the main opposition Libertad y Refundación (Libre) of former president Manuel Zelaya (2006-2009), which had supported Nasralla in the 2017 election; two from the traditional opposition Partido Liberal (PL), which splintered last year into two factions, one aligned with bench leader Elvin Santos, and the other with the PL's 2017 presidential candidate, Luis Zelaya; and one each from the Democracia Cristiana and Alianza Patriótica.

As well as being hailed by Oliva and President Hernández, congressional approval of the initiative was also welcomed by the secretary general of the Organization of American States (OAS), Luis Almagro, and the UN representative in Honduras, Igor Garafulic. Meanwhile, on 24 January, ahead of the final approval of the reforms, US chargé d'affaires in Honduras Heidi Fulton tweeted: "The Honduran people deserve electoral reforms that strengthen Honduran electoral institutions, increase transparency, and inspire confidence in the electoral process – including a continuation of the Clean Politics Unit. We support efforts that improve democratic processes."

Yet the approved initiative has yet to dampen political tensions. On 27 January, the anniversary of Hernández's inauguration, thousands took to the streets in the capital Tegucigalpa and in at least 14 of the country's 18 departments, calling for his resignation. According to the local press, thousands of police mobilised to prevent protesters from obstructing movement of vehicles and individuals which led to violent clashes and tear gas being fired.

Pandora

President Hernández faced some uncomfortable questions last year after a lawyer defending one of the 38 suspects in the so-called ‘Pandora’ corruption case which was uncovered by the Mission to Support the Fight against Corruption and Impunity in Honduras (Maccih), sponsored by the Organization of American States (OAS), pointed to the existence of a “criminal organisation directed from the state”. The Pandora case investigation involves claims that public funds to the tune of HL282m (US\$11.7m) meant for agricultural, agro-industrial, and horticultural projects were used to finance the political campaigns of both the PN and PL ahead of the 2013 general election (which produced Hernández’s first victory).

Calls for Hernández to be investigated

Days before the one-year anniversary of President Hernández’s second term in office, on 21 January the Acción Ciudadana Contra la Dictadura (ACCD), an umbrella group which includes hundreds of political and social organisations, filed a request before the attorney general’s office (AG) for Hernández to be investigated in relation to the arrest of his brother Juan Antonio ‘Tony’ Hernández. A former PN legislator (2013-2017), ‘Tony’ Hernández was charged on 25 November in the US with drug trafficking among other offenses [[WR-18-47](#)].

Melvin López, a lawyer for the ACCD, told reporters on 21 January that the request is for the AG to investigate Hernández’s “personal conduct” in his capacity as the country’s head of state and as brother of Tony Hernández. The ACCD also stated that Hernández, as president, possessed enough information and power to stop the illicit activities involving his brother. According to a US Department of Justice press release, Tony Hernandez had been charged in a Manhattan federal court with conspiring to import cocaine into the US, “related weapons offenses involving the use and possession of machineguns and destructive devices, and making false statements to federal agents”.

TRACKING TRENDS

PANAMA | Law against tax evasion approved. Panama’s 71-member unicameral legislature approved a new law (Ley 591) this week making tax evasion a criminal offence – long a demand by international organisations like the Organization for Economic Cooperation and Development (OECD), the Financial Action Task Force (FATF), and Latin American countries. Considered key to preventing Panama from being blacklisted for failing to cooperate in the fight against money laundering, the new law sanctions those found guilty of tax fraud to the tune of US\$300,000 or more in a fiscal period with up to five years in prison.

Panama’s finance minister, Eyda Varela, said that this “threshold excludes the majority of the population, and does not represent any threat to small and medium taxpayers. It will criminally sanction tax evasion of large amounts, which affects the treasury and consequently the whole country.” The law now only needs President Juan Carlos Varela’s ratification to come into effect.

In its *First Enhanced Follow-up Report of Panama*, published on 25 January, the FATF had underlined the fact that “there are business areas that require a greater presence of supervisors to ensure the fulfilment of the regulations, especially in the trust sector and in the most vulnerable sectors of the Designated Non-Financial Businesses and Professions (DNFBPs) (real estate firms, customs free zones, and lawyers)”. It added that “in this regard, the country reported on the current status of Bill No. 591, which adds Chapter XII ‘Crimes against the National Treasury’ to Title VII of the Criminal Code, which covers tax offences”. The approval of the law should therefore elevate Panama’s cooperation status with the FATF.

NICARAGUA | Growth continues to shrink. On 29 January Nicaragua’s central bank (BCN) published its latest monthly economic activity index (Imae) for November 2018, which showed a fall in activity (-5.1%) compared with the same month in 2017. The activities with the highest growth were mining & quarrying (14.8%), agriculture (14.1%), livestock (11.1%), energy & water (3%), health (2.6%), and education (2.2%). These figures were strongly offset by falls in activity in hotels & restaurants (-30.3%), retail (-19.6%), the construction sector (-15.3%), and financial intermediation & related services (-15.1%).

The slump stems from the current political crisis. As part of efforts to boost revenue, this week Nicaragua’s finance minister Iván Acosta presented a new legislative initiative to reform the country’s tax legislation. According to Acosta, the main changes proposed in the tax reform include an increase in corporation tax for large companies – from 1% to 3% – and for medium-sized companies (from 1% to 2%).

Quotes of the week

“The regime is in its final stages, this is unstoppable, and you don't have to sacrifice yourselves for the usurper and his gang; think of yourselves, your career, the future of your children and grandchildren...history will recognise you.”

Venezuela's interim president Juan Guaidó reaches out to supreme court magistrates.

“Never before was there an open coup attempt led from Washington...John Bolton is offending Venezuelan soldiers. He offends international rights. There's no limit to the extremist group that took over the White House. They're like the Ku Klux Klan.”

Venezuela's other president Nicolás Maduro.

“Three years after the serious environmental crime in Mariana, with investigations unfinished and those responsible unpunished, history repeats itself with the tragedy in Brumadinho. It is unacceptable that public authorities and mining companies have learnt nothing.”
Marina Silva, former environment minister of Brazil (2003-2008).

Fujimoristas in retreat in Peru

Peru's President Martín Vizcarra is pressing congress to deliver his reforms, while the once-dominant right-wing Fuerza Popular (FP, Fujimoristas) loses strength in the legislature. Vizcarra is driving home his political advantage. In a speech on 28 January he stressed that the legislature had yet to pass the law creating a Junta Nacional de Justicia (JNJ), the body designed to reform the judiciary. Creating the JNJ was one of the key measures approved in the referendum held on 9 December. Vizcarra said Peru urgently needed a better justice system and honest judges. He demanded that congress move forward to “fill the vacuum” and approve the reforms.

Vizcarra looks set to get his way. The political composition of congress is undergoing rapid change. With Keiko Fujimori, the FP leader, in prison on corruption charges, the party, which once controlled a majority of 73 in the 130-seat congress, is rudderless and in accelerated decline. In December 2017 Kenji Fujimori broke with his sister Keiko taking 10 deputies out of the party. There has been a raft of more recent defections, including that of Daniel Salaverry, the current president of congress. The latest numbers show the FP bloc has dwindled to 55 members, still the largest group, but now well short a majority.

Change has also come to the Consejo Directivo, the top congressional steering group. Here, FP representation has dwindled from 14 of the 22 council members down to only 10, once more reflecting a loss of majority status. The other parties represented on the steering group are the government's Peruanos Por el Cambio (PPK, with three seats), followed by Alianza para el Progreso, Nuevo Perú, and Frente Amplio (each with two seats) and then Cambio 21, Bancada Liberal, Unidos por la República, Acción Popular, and Partido Aprista Peruano, each with one seat. Despite FP protests over the composition of the new Consejo Directivo, Salaverry said the change was positive and would help improve the image of congress among the wider population.

The steering group is now expected to alter the composition of a range of congressional commissions, which could bring to an end the long confrontation between the executive and the legislature. This could trigger a cooperative approach not only to the political reforms but also to other pending issues such as labour market reform and measures to encourage private investment. There is even a possibility that congress could swing too far in the other direction and end up being a rubber stamp, uncritically supporting the executive. “Various political parties are already competing with each other to try and win the government's favour,” former politician-turned-analyst, Fernando Rospigliosi, warns.

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