

latin american weekly report

21 March 2019, WR-19-11

ISSN 0143-5280

CONTENTS

LEADER	1
López Obrador sounds death knell for neoliberalism in Mexico	
ANDEAN COUNTRIES	
ECUADOR	3
Moreno withdraws from Unasur	
PERU	4
Odebrecht investigations stoke tensions	
COLOMBIA	6
Indigenous groups challenge Duque	
TRACKING TRENDS	
BRAZIL & SOUTHERN CONE	
BRAZIL	8
Bolsonaro goes to Washington	
ARGENTINA	10
Trying to avert another currency crisis	
URUGUAY	11
Vázquez bites bullet and dismisses army chief	
TRACKING TRENDS	
CENTRAL AMERICA & CARIBBEAN	
HAITI	13
Another prime minister ejected	
NICARAGUA	14
Dialogue stumbles on as Ortega makes a concession	
EL SALVADOR	15
Bukele breaks his official silence	
POSTSCRIPT	16
Venezuela's Guaidó launches "new phase" to topple Maduro	
Quotes of the week	

This edition of *Latin American Weekly Report* has been produced for Canning House Corporate Members by LatinNews (www.latinnews.com).
Latin American Newsletters since 1967

López Obrador sounds death knell for neoliberalism in Mexico

Mexico's President Andrés Manuel López Obrador presented one of his government's flagship policy proposals at the weekend: a five-year national development plan designed not just to drive economic growth and attract foreign direct investment (FDI) but also to improve justice and the rule of law, and social welfare, "ending the nightmare that was neoliberal politics". The main 'development' concerning the political opposition, however, is that López Obrador will seek to stay in power beyond the timeframe of the plan. This after the federal lower chamber of congress approved a constitutional reform establishing a presidential recall referendum, which the opposition fears could pave the way for re-election. López Obrador sought to defuse political tensions, to enable the reform to pass through the senate, by signing a document expressly ruling out a re-election bid in 2024.

The government held a two-day open forum on 16 and 17 March entitled 'Planning the Transformation of Mexico together', with a series of working tables set up to allow popular participation in the different aspects of the national development plan (PND), along with the business sector. The finance minister, Carlos Urzúa, said the PND would be unique in Mexico's history as it would establish indicators and fix measurable goals to make public policy more effective and accountable.

Urzúa said that the PND would revive economic growth in Mexico, remove barriers to trade liberalisation and increase competition in certain markets, assign resources more effectively, combat corruption, expand access to and use of financial instruments, and provide greater incentives to drive the development of science, technology, and innovation. Although Urzúa stressed, while opening the forum, that the PND was a social pact that would transform public life in Mexico, reducing poverty and inequality, most of his proposals for reviving economic growth, the main thrust of his discourse, are textbook neoliberalism. And yet, while closing the forum, López Obrador "formally" proclaimed that neoliberalism in Mexico, "synonymous with plundering and anti-popular policies", was dead.

Announcing the death of neoliberalism would not normally be considered the way to attract a huge influx in FDI, and the manner in which a major project such as the Mexico City International airport (NAICM) was terminated through a referendum process, will have caused some disquiet among foreign investors. But the presidential chief-of-staff, Alfonso Romo, who also attended the forum, described annual GDP growth of an average of 2% in recent years as "an embarrassment", and said it would be doubled under López Obrador, partly through attracting US\$35bn-US\$40bn of FDI annually (a range about US\$5bn higher than the FDI average for the last five years). The Mexican private sector has cast doubt on this annual growth projection, arguing that it

Boosting development

The deputy minister of human rights at the interior ministry (Segob), Alejandro Encinas, said that the national development plan reverses “four decades of neglect with the state abnegating its responsibilities... subordinating the country’s sovereignty and the life of its citizens to the laws of the market”. Diana Álvarez Maury, the deputy minister of democratic development and social participation in the Segob, said that it was essential to combat corruption, which was the biggest deterrent to foreign investment. She cited the 2017-2018 Global Competitiveness Report of the World Economic Forum (WEF) which placed Mexico 127th out of 137 nations for diversion of public funds, 105th for irregular payments, and 127th for public confidence in politicians.

is over-ambitious. And, on 20 March, the international ratings agency Fitch lowered its growth forecast for Mexico in 2019 from 2.1% (when López Obrador took office in December) to 1.6%, and between 1.7% and 2.7% in 2020.

López Obrador, who remains committed to the 4% target, offered a vision of post-neoliberal Mexico, insisting that “modernity can be constructed from beneath, without excluding anybody, and development must not run counter to social justice”. The plan to incorporate social organisations within the PND, however, will be complicated by the fact that the López Obrador administration is centralising resources for social welfare, dramatically reducing funding for these groups.

Re-election

The political opposition was far less exercised by the PND forum than by a constitutional reform approved by the lower chamber of congress on 15 March enabling a presidential recall referendum to be held alongside mid-term federal congressional elections in 2021. Opposition politicians, as well as prominent figures in the private sector, argued that the only governments that had adopted this particular tool, designed to increase popular participation in politics, had in practice used it to perpetuate themselves in power. The president of the right-of-centre Partido Acción Nacional (PAN), Marko Cortés, accused the ruling left-wing Movimiento Regeneración Nacional (Morena) of having taken “various steps to repeat in Mexico the experience of Venezuela, Bolivia, or Nicaragua”, and called upon the international community to “take note”.

Irrked by the comparisons, López Obrador defended the recall referendum as an important democratic exercise, while seeking to address concerns about his intentions by signing a document on 19 March promising not to seek re-election, which he said he did not advocate “under any circumstances”. López Obrador said that he believed, like former president Francisco Ignacio Madero (1911-1913), that “power only has sense and virtue when it is put at the service of others”. This looks like an attempt to sway opposition senators ahead of a vote in the upper chamber on the reform on 28 March, but the PAN still suspects López Obrador will renege on this promise when the time is right.

López Obrador expressed confidence that six years would be sufficient “to uproot corruption and impunity and convert Mexico into a prosperous, democratic, and fraternal Republic”, which he added should ensure that the presidency would not fall back under the thrall of the “mafia of power”. This is the real fear of the PAN and Mexico’s other traditional political parties to which López Obrador’s derisive epithet refers. The recall referendum would provide him with the excuse to carry out an electoral campaign in the middle of his term in office, allowing him to use his popularity directly to secure an outright majority in the concurrent congressional elections for Morena, which would then be able to carry out a constitutional reform allowing re-election.

López Obrador reveals oil plans

President López Obrador has announced a restricted tender process for a new US\$6bn-US\$8bn oil refinery in Dos Bocas, in the south-eastern state of Tabasco, as well as the refurbishment of six existing oil refineries as part of a plan to bolster the production of the state oil company Pemex and make Mexico self-sufficient in oil. The firms permitted to take part in the tender process for the new refinery are all foreign but López Obrador ruled out any new tenders for exploration, which will be carried out by Pemex. López Obrador wants to reverse the decline in domestic crude production which stood at 3.38m bpd in 2004 but fell to only 2.07m bpd in 2018, an average annual decline of 7%. But increasing production dramatically will be challenging as Pemex will stick to drilling in shallow water, which is cheaper to explore but has small reserves. Pemex lacks the resources or expertise to drill in deep water where reserves are much larger.

Moreno withdraws from Unasur

Ecuador's President Lenín Moreno completed a profound foreign policy transformation last week by formally suspending his country's membership of the Union of South American Nations (Unasur) and seeking to recover the US\$43.5m headquarters of the integration movement located in Ciudad Mitad del Mundo, north of Quito. Moreno made the announcement days before a summit on 22 March in Chile, which he will attend, to launch a re-envisioned regional bloc, known as Prosur.

President Moreno has now unpicked the foreign policy legacy of his predecessor Rafael Correa (2007-2017). Moreno, who served as vice president for the first six years of Correa's decade-long governance before coming to power in 2017 for the same left-wing Alianza País (AP), withdrew Ecuador last August from the Alianza Bolivariana para los Pueblos de Nuestra América (Alba), the leftist organisation, created in 2004 by the two late presidents of Venezuela (Hugo Chávez) and Cuba (Fidel Castro), which Ecuador joined in 2009.

Moreno is currently seeking membership of the Organisation for Economic Co-operation and Development (OECD) and the Pacific Alliance trade bloc (comprising Chile, Colombia, Mexico, and Peru) which Correa derisively dismissed while in office, saying that he would join "when Alaska and Siberia have a trade deal because they are very close to each other". And at the start of March, Moreno received Venezuela's opposition figurehead Juan Guaidó, who he has recognised as the country's interim president, denouncing "the abyss [of] 21st century socialism".

Moreno's criticism of Unasur is not new. Last July he branded it an abject failure and the headquarters in Mitad del Mundo, inaugurated in 2014, a "white elephant for which a new role will have to be found at some stage". That stage could be fast approaching. Announcing his decision to suspend Ecuador's membership of Unasur, Moreno lamented the construction of the headquarters as "an ode to waste".

"Ecuador contributed much more than it had... a US\$40m building instead of putting this money towards pensioners and schoolchildren," Moreno said, adding that the three-metre tall bronze statue of Argentina's former president Néstor Kirchner (2003-2007), the first secretary general of Unasur (May 2010-October 2010), would be removed as it "does not represent the aspirations of the Ecuadorean people".

Prosur

No sooner had Moreno announced that Ecuador was leaving Unasur than he expressed his interest in joining its replacement, Prosur, a trade and integration initiative being driven by Chile's President Sebastián Piñera and Colombia's President Iván Duque. Moreno will be the least expected attendee of a summit in Santiago, hosted by Piñera, to launch Prosur on 22 March.

In addition to Piñera, Duque and Moreno, the heads of state of Argentina, Brazil, Paraguay, and Peru, Mauricio Macri, Jair Bolsonaro, Mario Abdo Benítez, and Martín Vizcarra, all to varying degrees on the right of the political spectrum, will also attend the summit.

Unasur

President Moreno's foreign minister, José Valencia, argued that the founding treaty of Unasur stipulated that the headquarters of the integration bloc outside Quito would be returned to Ecuador if Unasur was "not functioning", which he said accurately reflected its present state.

OAS

On 19 March Brazilian construction firm OAS, which has also admitted to making irregular payments to Peruvian government officials and politicians in exchange for securing favours, announced that it too had agreed to negotiate a plea-bargaining agreement with Peruvian prosecutors. In a statement, OAS said that it was prepared to collaborate with the investigations in Peru and admit culpability where crimes had been committed, and pay compensation. However, taking note of the questions raised in Peru's congress about the agreement that Odebrecht has reached with Peruvian prosecutors, OAS expressed concern over "the legal security of the agreements signed with Peruvian prosecutors".

Brazil's Bolsonaro faces banquet boycott in Chile

While Ecuador's President Moreno is under fire from left-wingers at home for attending the Prosur summit, Chile's President Piñera has been accused by the left-wing opposition of compromising the country's traditionally apolitical foreign policy by embracing the initiative [WR-19-10]. The presence of Brazil's President Bolsonaro, who will conduct an official visit to Chile on 23 March after attending the summit, has also fuelled domestic political tensions.

The presidents of Chile's senate and lower chamber of congress, Jaime Quintana and Iván Flores respectively, revealed this week that they have turned down invitations to participate in a luncheon organised by the Piñera administration in honour of Bolsonaro.

Quintana, a senator for the left-of-centre opposition Partido por la Democracia (PPD) who assumed the presidency of the upper chamber earlier this month, said he would attend official activities in connection with the visit by Colombia's President Duque on 21 March but his "political convictions" would not permit him to attend the luncheon with Bolsonaro in the presidential palace La Moneda. Flores, a member of the centrist Democracia Cristiana (DC), who also just took up his post, said he was sending "a political signal in the most diplomatic way possible [to reject] the unfortunate declarations [Bolsonaro has made] which are clearly homophobic and xenophobic".

The vice-president of the senate, Alfonso de Urresti, of the more left-wing Partido Socialista (PS) went further, publicly rejecting the invitation to the luncheon and describing Bolsonaro as "a danger to democracy in Brazil and the region".

This all prompted Senator Jacqueline van Rysselberghe, the president of the ultra-conservative Unión Demócrata Independiente (UDI), part of Piñera's right-of-centre ruling coalition Chile Vamos, to criticise the opposition political figureheads for "a lack of Republicanism", refusing to attend a luncheon for "the president of Brazil (elected democratically and transparently by 60m Brazilians); if it is out of political conviction then condemn the leftist dictatorship led by Nicolás Maduro in Venezuela".

Senator Andrés Allamand, of the UDI's right-leaning coalition partner Renovación Nacional (RN), said the opposition politicians had "clearly failed to grasp their role as legislative authorities, preferring to put party political interests above the national interest". Allamand's criticism will have touched a nerve as it is precisely the same criticism levelled at Piñera by prominent politicians in the PPD and PS for his firm stance on Venezuela [WR-19-10].

PERU | POLITICS

Odebrecht investigations stoke tensions

The long-running investigations into official corruption centred around the Brazilian construction firm Odebrecht are still causing political division and tensions in Peru. The clearest example of this came this week when the anti-corruption prosecutor, Jose Domingo Pérez, was physically attacked by a mob after he once again attempted to question the jailed leader of the main opposition Fuerza Popular (FP, Fujimoristas), Keiko Fujimori, over the accusations that she received illegal campaign financing from Odebrecht. The episode suggests that as the Odebrecht investigations come to a head after the Brazilian firm signed an 'effective collaboration' plea-bargaining agreement with Peruvian prosecutors, the political environment in Peru could once again turn volatile.

Fujimori was arrested and placed in preventive detention pending trial in October last year on charges that she received illegal campaign financing from Odebrecht to the tune of US\$1m. Since then the case against her has not made much progress in part due to the lack of a collaboration agreement with Odebrecht. This made it difficult for Peruvian prosecutors to interrogate former Odebrecht officials who are also being prosecuted in Brazil over the regional corruption scheme ran by the firm. It was only after a lengthy negotiation that Odebrecht finally signed an agreement with Peruvian prosecutors in mid-February [WR-19-08].

Deadly attack

The deadly attack in Santander de Quilichao was condemned by President Duque, who claimed that armed criminal groups could have infiltrated the indigenous protests in a bid to try to destabilise his administration. Duque said that the crime would not go unpunished and called for leaders of the Consejo Regional Indígena del Cauca (Cric) to help the authorities identify those responsible.

After the agreement was approved by a judge it came into effect, allowing prosecutors to advance their investigation. Thanks to this, Pérez was able to quiz former Odebrecht officials about their actions in Peru to gather more evidence against those that have been charged with receiving illicit payments in Peru. which besides Fujimori include former presidents Alejandro Toledo (2001-2006), Alan García (2006-2011; 1985-1990), Ollanta Humala (2011-2016), and Pedro Pablo Kuczynski (2016-2018). However, it appears that the evidence compiled by Pérez clearly incriminates Fujimori, whose case is the most advanced.

Fujimori was expected to face trial earlier this year but the process has been slowed down after her defence lawyer recused the judge that was originally assigned to her case (and issued the preventive detention order against her) [[WR-19-05](#)] and the replacement judge, Elizabeth Arias, recused herself due to her links to another defendant in the Odebrecht case. However, after the council of magistrates appointed Víctor Zúñiga as the new judge in the case on 14 March, the case could now be heading to trial. In preparation for this, on 18 March, Prosecutor Pérez sought to interrogate Fujimori at the Chorrillos women's prison where she is being held to confront her with the new evidence he had gathered.

Prior to Pérez's visit to the prison, Fujimori had already publicly announced that she would not respond to any of Pérez's questions, arguing that she has been collaborating with the investigations for the past three years and that she has nothing more to say. Fujimori also accused Pérez of being biased against her and said that she was being victimised by him. After visiting Fujimori, Pérez told journalists waiting for him outside the prison that she had exercised her right to remain silent and did not answer any of his questions. It was while Pérez was talking to journalists that a group of Fujimori supporters approached and, after insulting him, threw objects at him, including a water bottle that struck him on the back of the head and made him fall to the ground, despite the efforts by the police officers present to maintain order.

Following the incident, Pérez presented a formal complaint against his attackers before the authorities in a bid to avoid repeat incidents. Pérez added that not only the perpetrators but also all potential instigators of the attack should also be identified and prosecuted after insinuating that Fujimori or her defence team may have been behind it in a bid to try to further delay his investigations or intimidate him into abandoning them. Pérez was immediately backed by Interior Minister Carlos Morán, who condemned the attack and insisted that it would not go unpunished.

For his part, President Martín Vizcarra said that "no matter what [political] discrepancies there might be, these should never lead to physical aggression". Further defending Pérez's actions, Vizcarra also insisted that it was right that "the authorities are firm in fighting corruption, as this is one of the government's main priorities". However, in a sign that Fujimorismo is still trying to obstruct the investigations into Fujimori, on 19 March the FP-controlled congress voted in favour of summoning Justice Minister Vicente Zaballos to appear before it to face questions about the collaboration agreement signed with Odebrecht.

These questions mainly revolve around the criticism that the S/610m (US\$185m) that Odebrecht has agreed to pay in compensation for the crimes it committed in Peru is too low a figure. Fujimorista deputies argue that this is because prosecutors are not interested in fully clearing up the Odebrecht case but only in convicting Fujimori and other opposition leaders. Should Zaballos' answers fail to satisfy FP, it could move to censure him in which case he would have to resign.

Nariño

The blockade of the Pan-American highway has effectively cut off Nariño's road transport links to the rest of Colombia. This has produced shortages of hydrocarbon fuels, which has prompted the departmental and national governments to adopt emergency measures. The departmental government was first forced to issue a decree rationing the sale of fuel to the general public to avoid running out. Then the national government intervened and, on 19 March, announced that in order to ensure fuel supplies in Nariño, it has asked Ecuador to supply 150,000 gallons of diesel; 235,000 gallons of petrol; and 140,000 gallons of liquefied petroleum gas (LPG) per day to Nariño for the next 10 days.

Indigenous groups challenge Duque

The disruptive and violent protests being staged by indigenous groups in Colombia's south-western departments of Cauca and Huila are emerging as a significant political test for the government led by President Iván Duque. The protesters' demands that the unfulfilled promises made by the previous government led by Juan Manuel Santos (2010-2018) be honoured pose a conundrum for the Duque administration's efforts to rationalise government spending, impose the rule of law and not be held to ransom by interest groups. However, the economic damage that the protests are producing, and the potential for them to spark wider discontent, represent risks for the Duque administration.

Indigenous communities in Cauca grouped in the Consejo Regional Indígena del Cauca (Cric) launched their protest on 12 March, when they staged demonstrations and erected blockades on the Pan-American highway that links Colombia to Ecuador. The protesters complain that promises made by the previous administration, including the restitution of their lands, the provision of state economic assistance to boost economic development, and respect for their right to prior consultation when it comes to extractive industry projects, remain unfulfilled. They are demanding a commitment from the government to honour these, and called on President Duque to travel to Cauca to meet them and provide personal assurances.

Duque has said that the demands made by the indigenous protesters amount to some Col\$4.6trn (US\$1.16bn) in additional spending and that his government simply cannot provide such funds. Moreover, Duque accused the previous government of making promises that it knew would be "impossible to keep" in order to appease protesters in the past. Duque offered to establish a new negotiation with the Cric but only once all roadblocks are lifted. Duque deployed his interior minister, Nancy Patricia Gutiérrez, to the area to establish a dialogue table with the Cric. However, with the protesters refusing to remove the roadblocks (which spread beyond Cauca into neighbouring Huila) until Duque meets them, and the security forces ordered to clear the roads, the protests began turning violent this week.

Violent clashes between the protesters and the security forces have left dozens injured and resulted in various arrests. The violence reached a high-point on 19 March when one police officer was shot dead during clashes near the town of Santander de Quilichao. This came after the police and the army reported that their units deployed to maintain order in Cauca have faced armed and explosive attacks by protesters that have left some wounded. The security forces said that they believed that the protesters may have been infiltrated by armed criminal groups potentially including guerrillas from the Ejército de Liberación Nacional (ELN) and dissident groups from the now demobilised Fuerzas Armadas Revolucionarias de Colombia (Farc) that are active in the area.

Duque insisted on the lifting of all roadblocks as a precondition for the establishment of a dialogue. With neither Duque nor the Cric show any sign of softening their stance, the economic losses resulting from the roadblocks continue to mount, reaching Col\$10bn, according to the latest estimates by local business. Most of these losses have been incurred by the freight transport sector, which has been prevented from using the Pan-American highway (protesters have punctured the tyres of some lorries and even set one alight) and cannot use alternative routes. But the situation is also producing shortages of basic goods in the departments of Cauca, Huila, and Valle del Cauca, while it has also left the department of Nariño, on the border with Ecuador, virtually isolated (*see sidebar*). Against this backdrop, Duque is facing calls from the governors of these departments to resolve the conflict as quickly as possible.

India

The statement by Indian conglomerate Reliance Industries Limited (RIL) said that “Since the US government imposed sanctions on the government of Venezuela in late January 2019, Reliance Industries Limited has been in close contact with representatives from the US Department of State to ensure full compliance.”

JEP demonstration

In addition to dealing with the indigenous protests in the south-west, this week President Duque has also had to face a national protest march called by the political opposition in support of the transitional justice system (JEP) and the national peace process. The establishment of the JEP is part of the peace accord that the Colombian government signed with the Farc in 2016. The JEP was approved by Colombia’s congress but Duque has recently partially vetoed the statutory law that regulates it [WR-19-10], generating doubts over the future of the JEP and by extension the stability of the peace accord.

The political opposition, which now includes former Farc members, argues that the objections to the JEP statutory law and the changes to it that Duque has proposed will undermine the body and potentially betray the peace accord. This is why the opposition has launched a public campaign to try to pressure congress into overturning Duque’s veto. As part of this campaign, a protest march in cities across the country was staged on 18 March.

Thousands of people took part in the demonstrations, placing considerable public pressure on congress. However, Vice President Marta Lucía Ramírez reacted by criticising the opposition for seeking to politicise the issue of the JEP and insisting that the objections and changes proposed by Duque aim to “perfect” the JEP and ensure that victims of the internal armed conflict receive “truth, justice, and reparation”.

TRACKING TRENDS

VENEZUELA | **Guaidó’s IDB delegate approved.** The Inter-American Development Bank (IDB) has recognised Venezuelan economist Ricardo Hausmann as the chosen delegate of the opposition figurehead and interim president Juan Guaidó. The IDB’s decision was praised by the US National Security Advisor, John Bolton. The US is a founding member of the IDB and holds 30% of its shares.

Speaking at a recent energy conference in the US, Hausmann said that if Nicolás Maduro were removed from power, Guaidó would open up the oil industry to foreign investment, because of the operational and financial weakness of the state oil company Pdvsa, in order to boost production. This plan lays Guaidó open to accusations, thrown at him by the Maduro government, that he is serving foreign interests.

VENEZUELA | **Cancelled oil contracts.** Indian conglomerate Reliance Industries Limited (RIL) announced last week that its US subsidiary would no longer be purchasing crude oil from Venezuela’s state-owned oil firm Pdvsa or supplying it with oil diluents. RIL’s decision comes in response to the latest round of economic sanctions targeting Pdvsa announced by the US government in January.

RIL is India’s largest private oil refiner and its decision will impact the Venezuelan economy. Notably, India replaced the US as the biggest buyer of Venezuelan crude in February after the imposition of the sanctions forced US firms to terminate all dealings with Pdvsa (*see sidebar*).

The statement goes on to explain that as a result “Our US subsidiary has completely stopped all business with Pdvsa... In addition Reliance has halted all supply of diluent to Pdvsa and will not resume such sales until sanctions are lifted”. Although it has been speculated that RIL could resume its purchase of Venezuelan crude by conducting its operations through Indian banks, the fact that the Indian government has warned companies to halt purchases of Venezuelan oil or face consequences suggests that this is unlikely, leaving Pdvsa without a major customer.

Bolsonaro goes to Washington**Visa waiver**

On 18 March, the Brazilian government announced that it is waiving tourist visas for citizens of the US, Canada, Australia and Japan. The waiver allows tourists to enter the country for a 90-day period, which can be renewed once. This decision was taken unilaterally by Brazil, with no prospect or guarantee of reciprocity.

“Someone has to be the first to reach out,” President Bolsonaro said in response to criticism, saying the measure aims to encourage tourism.

Brazil’s President Jair Bolsonaro has always been open about his admiration for his US peer Donald Trump, to whom he is so often compared that he has earned the moniker ‘the Trump of the Tropics’. The meeting between the two heads of state in Washington DC on 19 March was therefore eagerly anticipated, both as a measure of their affinities (beyond a prolific tweeting habit and a penchant for controversy), and as an indication of the direction that the previously indifferent Brazil-US relationship might now take.

President Bolsonaro, who has made the pursuit of a closer relationship with the US his top foreign policy priority, returned to Brazil from his three-day trip to Washington claiming victory. “We leave America with the feeling of having accomplished our mission,” he tweeted on 19 March, highlighting important advances on the economic, security, and foreign policy fronts, as well as the consolidation of a “strong friendship” between the US and Brazil.

On the latter, to assert a victory seems fair. Bolsonaro, whose repeated professions of admiration for Trump have verged on fandom, was well received by the US president, who stressed their similarities and congratulated Bolsonaro for his electoral victory last year. The two heads of state exchanged gifts of football shirts from their national team in the Oval Office, and displayed an easy, friendly rapport during the press conference that followed their private meeting. “Because of the relationship that we [Trump and Bolsonaro] have, Brazil and the United States have never been closer than they are right now,” Trump affirmed.

This show of friendship translated into mutual assurances of support and some cooperation agreements, announced during the joint press conference and detailed in a written statement shared by the White House and Itamaraty (Brazil’s foreign ministry). However, the overall benefits of these for Brazil remain a matter of debate. There is a general sense amongst Brazilians that their country has made some generous concessions to the US, while Trump’s expressions of support are, at this stage, largely symbolic.

Security cooperation

On the defence and security front, Trump announced his intention of designating Brazil as a major non-NATO [North Atlantic Treaty Organization] ally. This would pave the way for closer military ties between the two countries, increase Brazil’s opportunities for acquiring defence contracts and selling military equipment, and more generally allow for broader cooperation, on the fight against transnational crime for example.

Some concrete steps towards the latter were taken by Brazil’s Justice & Public Security Minister Sérgio Moro, who signed cooperation agreements with the Federal Bureau of Investigation (FBI) and the US Department of Homeland Security on the exchange of biometric data and border security information with Brazil’s federal police force (PF). Moro also accompanied Bolsonaro on an unscheduled visit to the headquarters of the Central Intelligence Agency (CIA).

Both Trump and Bolsonaro highlighted the signature of a technology safeguard agreement (TSA) on the commercial use of Brazil’s Alcântara satellite launch base – an agreement which has been in negotiation for years. If ratified by congress in both countries, the TSA would bring down costs of rocket launches for the US while opening up the international satellite launch market to Brazil. However, critics see the US as having more to gain

Brazil's other foreign minister

The prominent role played by Eduardo Bolsonaro, President Bolsonaro's son, during the Brazilian delegation's visit to Washington earned him the title of "de facto foreign minister" in the Brazilian press. Eduardo sat in on the bilateral meeting between Presidents Trump and Bolsonaro and was singled out for praise by Trump during the joint press conference. A federal deputy who now heads the foreign relations committee in the chamber of deputies, Eduardo is believed to have always played an active role in shaping his father's foreign policy. This is a source of friction with (actual) Foreign Minister Ernesto Araújo, who has tried to play down Eduardo's influence.

from this deal and fear that it could negatively impact Brazil's national sovereignty. The possible designation as a major non-NATO ally, while presented by the Brazilian government as fundamental to the country's defence industry, has also caused concerns as to loss of autonomy on choice of military and defence equipment.

Business & trade

Economists and members of government who were eager to secure Trump's support for Brazil's application to join the Organisation for Economic Co-operation and Development (OECD) were rewarded. In exchange for this, Brazil has agreed to forego provisions for special and differential treatment in World Trade Organization (WTO) negotiations, from which it benefits as a developing country. This trade-off was not well-received by all, with Economy Minister Paulo Guedes reportedly unhappy with the demands made by the US.

Speaking to businesses at the US Chamber of Commerce's 'Brazil Day' on 18 March, Guedes had urged investors to come to Brazil, while also demanding conditions of reciprocity in bilateral trade relations. The announced trade-related commitments in the agricultural sector are, however, balanced in favour of the US. Brazil has agreed to a quota allowing the annual import of 750,000 tonnes of US wheat tariff-free, while also ensuring that US pork gains better access to Brazilian markets. The US, for its part, has merely agreed to speeding up the food safety inspection process for allowing the resumption of Brazilian beef exports, with no talk of quotas or tariffs.

The agreement on wheat imports is already causing concern amongst Brazil's wheat producers, as well as in Argentina, Brazil's largest source of wheat imports. In a somewhat ominous sign of the repercussions that this decision could have on Brazil's regional relations, Argentina's foreign ministry announced on 20 March that it is engaging in discussions with Brazil and other members of the Southern Common Market (Mercosur) trade alliance to "analyse the impact and consequences that this measure might have on bilateral trade."

Problems at home

Bolsonaro will have been particularly eager to present a positive balance of his international visit considering some of the problems he is facing in Brasília, where congress is digging in its heels on some of the government's key reforms and scandal continues to dog him and his inner circle. Some of these problems followed him to Washington. In an 18 March interview with US cable news channel *Fox News*, Bolsonaro was questioned about his family's alleged links with militia groups involved in the murder of Rio de Janeiro councilwoman Marielle Franco last year [\[WR-19-10\]](#). He then incurred the wrath of many Brazilians when he pronounced himself in favour of Trump's border security policy and said that most immigrants have bad intentions. Bolsonaro later apologised for this remark and said he had misspoken.

Venezuela

Another rebuke at home, this time from the military in government, related to Bolsonaro's comments on Venezuela – or lack thereof. Emphatic condemnation of Nicolás Maduro's government and of socialism more generally was just one of the points on which Bolsonaro and Trump wholeheartedly coincided (other shared values cited by the presidents include the "traditional family" and an "enduring love of faith"). Bolsonaro is more ambivalent than Trump, however, on the question of military intervention. When questioned about Brazil's position on a possible US military intervention in Venezuela, Bolsonaro avoided giving a straight response, neither endorsing nor condemning such an action. This did not sit well with Brazil's military high command, which is unequivocally opposed to military intervention in Venezuela, not least because it wants to avoid the risk of an armed conflict on Brazil's northern border.

Trying to avert another currency crisis

Argentina's central bank (BCRA) hoisted the benchmark interest rate back up to record levels last week after inflation reached a 12-month high in February. Time is starting to run out for President Mauricio Macri. If he is going to secure re-election in October, his government will need to get a firm grip on inflation and improve the country's economic fundamentals. Days after the adverse inflation result, the International Monetary Fund (IMF) cleared US\$10.87bn of credit for use by the Macri administration but not without calling for "further restraint in government spending". This will constrain Macri's room for manoeuvre as elections approach.

The BCRA lifted the benchmark interest rate to 63% after monthly inflation hit 3.8% in February, bringing 12-month inflation to as much as 51.3%, the highest it has been since President Macri took office in December 2015. The BCRA had relaxed the interest rate, settling at 44% in the final quarter of 2018, after wrestling with a currency crisis for a significant part of last year, but pushed it up to a record level again after renewed inflationary pressure and fear of another run on the peso.

The main drivers of inflation were utility bills, and food (particularly beef) and drink, both up by more than 6%, the national statistics institute (Indec) reported. The BCRA wasted no time in responding, not just raising the interest rate but also extending the freeze on monetary base growth until November. "We need to be persistent, understanding that there are no immediate results," BCRA president Guido Sandleris said sombrely. "But without a doubt, there will be results," he added.

Macri needs the results sooner rather than later. The IMF concluded its third revision of the Stand-By Arrangement (SBA) with Argentina on 18 March, releasing an additional US\$10.87bn. It praised the efforts of the Macri administration to address macro-economic imbalances and to stabilise the economy. "The high fiscal and external deficits, the two imbalances at the heart of the 2018 financial crisis, are in the midst of a significant correction," the report noted. But the IMF also urged further belt-tightening if the target of wiping out the primary deficit in 2019 is to be met, noting that "weak economic activity and high inflation are taking a toll".

The IMF did express support of the Macri administration's decision to increase social spending but with inflation eroding the purchasing power of the poor it is debatable whether this will "mitigate the social impact of the needed stabilization policies". This will provide fertile ground for opposition political parties to attack the Macri administration in the run-up to October's elections. On the plus side for the government, state coffers should soon be swollen by export earnings from a good harvest.

Macri gave an interview at the weekend suggesting that he sees his predecessor Cristina Fernández (2007-2015), who he said "denies reality and blames others for her own mistakes", as his principal rival in October. He sought to make a favourable comparison between his government and hers. "We are better prepared as a society than in 2015. We have a better quality of democracy. I have given a record number of press conferences [pointedly eschewed by Fernández]. We have begun to return Argentina to normal," Macri said. "Her arbitrary visions and magic realism do not help," he added.

Judicial questions

Fernández visited her daughter Florencia this week in Cuba where she is

Macri's mistake
President Macri said in his interview this week that if he could change anything about his government it would be not having set such ambitious inflation targets that generated expectation that his government was unable to meet. A balanced budget, he went on, was essential to deal with "a fragility in the [domestic] economic system that dates back decades".

Military reform

President Vázquez named José González to replace Guido Manini Ríos as army commander. González served as an adviser to the former defence minister Azucena Berrutti during Vázquez's first term in office (2005–2010). He takes over at a time of real tension between the government and the armed forces. The government is intent on advancing a reform of the role of the military, downsizing the armed forces, changing its system of training, and promoting greater female presence in its ranks.

undergoing treatment for “health problems”. Fernández linked these to “the ferocious persecution” to which both her and her daughter had been subjected by the judiciary. The Kirchnerista opposition is insistent that the government is manipulating the judiciary to bring legal cases against Fernández and senior officials in her government to discredit her ahead of October’s elections.

Last week a federal judge, Alejo Ramos Padilla, invited to appear before a congressional commission in the lower chamber of congress by an ally of Fernández, claimed that there was “a vast political and judicial spying network” in Argentina. Padilla is investigating a case brought against a lawyer, Marcelo D’Alessio, accused by a businessman, Pedro Echebest, of soliciting bribes in the name of prosecutor Carlos Stornelli to be left out of the ‘notebook corruption case’ [WR-19-08]. Stornelli denies the accusations and claims that D’Alessio is part of “a clear operation to damage the investigation” into the notebook case in which Fernández is implicated. Stornelli refused to appear before Padilla, arguing that he was intent on undermining the notebook case.

Ramos told congress that he had gathered evidence to show that D’Alessio had carried out “intelligence operations” to force people to confess to crimes or implicate others. Ramos said that intercepted communications suggest that the federal security minister, Patricia Bullrich, “gave instructions” to D’Alessio. Ramos also denounced the existence of “a parastate organisation with links of all sorts”.

These are serious allegations. The government appears to feel that they should not have been aired. The justice ministry reacted by accusing Ramos of “an evident case of malfeasance ... violating his obligation to impartiality, prudence and decorum”, and calling for his removal by the judicial council. But this has led to the government being accused of violating judicial independence.

URUGUAY | SECURITY

Vázquez bites bullet and dismisses army chief

Uruguay’s President Tabaré Vázquez adjudged that the army commander, Guido Manini Ríos, had gone too far last week and summarily dismissed him. Manini Ríos had tested Vázquez’s patience for the best part of two years, publicly criticising the government’s reform of the military pension system, Caja Militar, and accusing a cabinet minister of lying. But, it was the army commander’s broadside against the justice system, which he accused of selective impartiality and convicting former military officers for human rights abuses during the dictatorship (1973-1985) without firm proof or even with forged evidence, which finally cost him his position. Manini Ríos is now weighing up whether to throw his hat into the ring for this October’s presidential elections.

Manini Ríos was on borrowed time. The national daily *El País*, using a football metaphor befitting a country obsessed with the beautiful game, said that Manini Ríos had been given two yellow card warnings by President Vázquez, before his outburst about the judiciary, but remained on the pitch when he should already have received a red card. *El País* was referring to the public concerns raised by Manini Ríos in May 2017 about the reform of the Caja Militar, which earned him administrative and disciplinary sanctions, and his outspoken criticism in a radio interview in September 2018 of the labour minister, Ernesto Murro, who he accused of “knowingly lying” about the Caja Militar reform approved by the senate shortly beforehand. This resulted in Manini Ríos being placed under ‘arresto riguroso’ for 30 days (confining him to his private residence outside of working hours) for contravening military discipline enshrined in the constitution by intervening in political issues.

Airport auctions

This is the fifth round of public auctions for airport concessions in Brazil, and the first under the government of President Jair Bolsonaro. Infrastructure Minister Tarcísio Gomes de Freitas celebrated the outcome of the auction as “a show of confidence in the country” which demonstrated “Brazil’s great potential.”

The final straw came last week when Manini Ríos said that members of the military summoned to appear before the judiciary lacked guarantees of due process and were not receiving impartial verdicts but rather being convicted “based on conjecture without reliable evidence”. His criticism followed the conviction of three retired colonels – Jorge ‘Pajarito’ Silveira Quesada, José Nino Gavazzo, and Luis Alfredo Maurenate Mata – to 28 years in prison for aggravated homicides committed during the military dictatorship.

The Vázquez administration responded by issuing a forthright resolution announcing that Manini Ríos had been dismissed for “censuring the judiciary as he has done, with comments that are absolutely incompatible with the position he was filling”. It added: “In a democratic, Republican, system of government, with separation of powers, respect for the decisions of the justice system...must be a fundamental premise”.

The big question is whether, relieved of his duties, Manini Ríos will now seek to take up a career in politics. Just hours before his dismissal he had mooted as much, intimating that he might fancy a tilt at the presidency in order to annul the Caja Militar. It was widely speculated that he might head the ticket of the Partido Cabildo Abierto-Movimiento Social Artiguista (PCA-MSA), a new party launched by retired military figures. The PCA-MSA was only formally registered as a political party by the electoral court on 10 March.

Manini Ríos said this week that he had no intention of leading a military party if he decided to seek election. He did not reveal if he has any particular party in mind but he is likely to favour presenting himself as an outsider challenging the country’s traditional parties, much like Brazil’s President Jair Bolsonaro, if he opts to run. The country’s traditional right-of-centre parties, Partido Nacional (PN, Blancos) and Partido Colorado (PC), pointedly stood behind Vázquez, a rare occurrence, accusing Manini Ríos of having crossed the line.

TRACKING TRENDS

BRAZIL | Airport concessions. On 15 March, Brazil’s civil aviation agency (Anac) successfully completed the sale of 12 airport concessions (split into three blocks), generating R\$2.38bn (US\$623m). The infrastructure ministry says that over the planned 30-year period, these concessions will generate a total of R\$4.2bn (US\$1.1bn) in income for the federal government.

Spanish airport services operator Aena won the bidding against five other initial bidders for the operating rights to the six airports making up the north-eastern block, which include Recife in Pernambuco state, with a R\$1.9bn (US\$498m) offer. Swiss firm Flughafen Zurich acquired the south-eastern block (two airports) for R\$437m (US\$114m). The bid for the four airport terminals in the mid-western block was won by local consortium Aeroeste for R\$40m (US\$10.5m).

Following the successful outcome of the auction, on 18 March, the infrastructure ministry announced that a sixth round of airport concessions would encompass 22 airports and take place in mid-2020. The 22 airports will be divided into three blocks: a southern block (nine airports), a northern block (seven airports) and a central block (six airports).

CHILE | Mining drives GDP growth. On 18 March, Chile’s central bank (BC) released its annual national accounts report, in which it revealed that GDP grew by 4% in 2018. GDP growth for the fourth quarter totalled 3.6%, up from 2.6% in the third quarter.

The BC’s report highlights that all sectors reported positive results, and that annual growth was driven in particular by the mining sector, personal services, and retail. The mining sector posted 5.2% growth after contracting for three consecutive years, spurred by an increase in copper production. The retail sector grew by 5%, and personal services by 4%.

Another prime minister ejected

Haiti's 119-member lower chamber has passed a vote of no confidence in Prime Minister Jean Henry Céant and his government. The move, which takes place against a backdrop of widespread anger over the country's deteriorating economic situation and public corruption, follows public differences between President Jovenel Moïse and Céant, who had hinted of pressure from the top to quit [WR-19-07]. Moïse announced plans to begin the process of selecting a successor to Céant, who has been in the position for six months and is refusing to step aside. The political instability will exacerbate the country's existing problems.

The no confidence motion was passed in the lower chamber (which is sympathetic to President Moïse) on 18 March by 93 votes, with six against and three abstentions. A letter signed by 70 deputies, reproduced in the local media, outlined seven reasons for the move against Céant, a 2016 presidential candidate for the opposition Renmen Ayiti party who had replaced Jack Guy Lafontant following his resignation over the government's mishandling of a rise in petrol prices in July. Among other things these reasons include the current economic situation (in which the depreciating gourde has driven up inflation which reached 15% in January), and the government's "passivity" in response to the February protests which left 40 dead and 82 people injured, according to a report released on 19 March by the local human rights group Réseau National de Défense des Droits Humains (RNDDH).

The same letter also claimed that government initiatives in the area of justice had blocked efforts "to investigate the Petrocaribe case", a reference to the alleged embezzlement of some US\$2bn of funds from Venezuela's discounted oil initiative, which has implicated Moïse, and other anti-corruption efforts.

Haiti's deteriorating economic situation is a factor in the recent unrest, and the government's collapse looks set to compound these difficulties, casting doubt on the disbursement of much needed international funds. On 7 March, the International Monetary Fund (IMF) had announced loans totalling more than US\$229m at 0% interest, paid across three years. The loans are in return for the Haitian government attaining agreed goals such as reducing its budget deficit and carrying out social protection programmes, which are now threatened.

Another source of concern

Prime Minister Céant had also been summoned for questioning by the 30-member senate in relation to various issues, most notably the lack of transparency surrounding the transfer to the US of seven foreign individuals (five US nationals and two Serbians) following their detention last month in Haiti in possession of an arsenal of weapons.

The incident has also served to fan public anger amid reports that the men – who reportedly told US authorities that they were on the island providing private security for a "businessman" doing work with the Haitian government – would not face criminal charges in the US. The local media circulated a letter from Justice Minister Jean Roody Aly to Haiti's central directorate of the judicial police (DCPJ) saying that the transfer had been authorised.

The transfer of the men also sparked tensions within the government. In an interview with *CNN*, Céant described them as mercenaries and terrorists, while in a letter to Aly dated 21 February, he urged the justice minister to provide him with a detailed report of all the steps taken given the weapons found in their possession which he described as "seriously prejudicial to national security".

Growth

According to the IMF, Haiti's real economic growth remains near its four-year average of 1.5% while "political turbulence has discouraged private investment and limited action on needed fiscal reform".

Dialogue stumbles on as Ortega makes a concession

The Frente Sandinista de Liberación Nacional (FSLN) administration led by President Daniel Ortega has agreed to release within 90 days all political prisoners (802 on the latest report from local human rights groups). This is a key demand from the opposition Alianza Cívica por la Justicia y la Democracia (ACJD) which earlier this week once again suspended dialogue (aimed at finding a solution to the crisis stemming from the government's crackdown on opponents) in response to reports of recent police (PNN) repression and violence against protesters. Ortega's latest concession may well reflect international pressure following the latest show of PNN violence and the prospect of further sanctions from the foreign community.

With the government having promised to release "a significant number of political prisoners" ahead of the latest round of talks on 14 March, government negotiator Wilfredo Navarro told reporters on the same day that a total of 188 had been freed. The ACJD is already facing criticism for returning to the dialogue table from within its support base given this represented less than a quarter of those currently detained. The reports of PNN violence against protesters, which took place on 16 March, cast further uncertainty over the future of the talks. Called by the Unidad Nacional Azul y Blanco (Unab) (which comprises student movements, political opposition groups, and various private sector lobbies), the planned protest itself had made headlines as the first major demonstration since the PNN declared in September 2018 that demonstrations that "alter the public order" were "illegal" and criminalised the act of calling them, a move denounced by human rights groups as tantamount to declaring a 'state of exception' in the country.

Yet the demonstration was ultimately cut short amid reports that protesters who gathered at various points in Managua "were beaten by police", while videos circulating on social media also showed police hitting civilians. In a statement, the PNN – which detained 107 people before releasing them – claimed that those arrested had taken part in protests that "were not authorised and that interrupted public order and local businesses".

The latest show of violence was met with widespread international outrage, prompting statements of concern from the US government; Inter-American Commission on Human Rights (IACHR) and European Union (EU) among other institutions. It is perhaps the prospect of further sanctions against the Nicaraguan government – in addition to the US government's promulgation in December 2018 of the Nicaraguan Investment Conditionality Act (Nica Act) – [[WR-19-01](#)] which could have proven decisive in forcing President Ortega to make the latest concession. Yet while talks again resumed on 21 March, Ortega's unwillingness to budge on another crucial demand – early elections – casts further doubt as to the likelihood of a genuine breakthrough (*see sidebar*).

EU sanctions?

The government is facing the threat of additional sanctions after the European Parliament issued a new resolution on 11 March which "calls on the [European] Council, the Commission and the European External Action Service to assess the possibility of activating targeted individual sanctions against those responsible for human rights violations in Nicaragua" unless there is progress in the negotiations and the conditions set by a European Parliament delegation, which visited the country in January, are met. These conditions consist of freeing political prisoners; an end to repression; and allowing the return of human rights organisations – a reference to the government's expulsion of the Interdisciplinary Group of Independent Experts (GIEI) and IACHR's Special Monitoring Mechanism for Nicaragua (Meseni) last year.

ACJD demands

On 19 March the ACJD announced its five-point agenda for dialogue with the government. Among other things these include the release of all political prisoners and cancelation of judicial action against imprisoned protesters, as well as a return of democracy through establishing a trustworthy electoral system which includes recommendations and observations for early elections – a demand which President Ortega has repeatedly refused to grant.

Taiwan

On 13 March the constitutional chamber (SC) of El Salvador's supreme court (CSJ) temporarily suspended the cancellation of El Salvador's free trade agreement (FTA) with Taiwan, accepting an injunction from El Salvador's sugar association which argued that the move jeopardised the industry's property rights and legal security, among other things. Following its establishment of ties with China, the Salvadorean government in December 2018 ordered that the FTA with Taiwan, under which El Salvador exports 80,000 tonnes (t) of sugar, should cease to be in effect from 15 March 2019. The SC agreed with El Salvador's sugar association that the decision regarding the FTA was unconstitutional because it had not been upheld by the legislature.

Bukele breaks his official silence

President-elect Nayib Bukele chose to give his first official speech since his landslide victory last month at the US conservative think tank Heritage Foundation. Once again signalling a distance from his left-wing Frente Farabundo Martí para la Liberación Nacional (FMLN) roots (having broken with the party in 2017) Bukele made his remarks during a tour of the country which also included meetings with top US officials. The trip points to a new chapter in US-El Salvador relations when Bukele takes up the presidency in June. These had come under strain under the current FMLN government led by President Salvador Sánchez Cerén.

Bukele's decision to appear on 13 March before the Heritage Foundation, which states that its mission is to "formulate and promote conservative public policies based on the principles of free enterprise, limited government [and] individual freedom", among other things, serves as the latest reminder of his seeming lack of ideological orientation. Having served as FMLN mayor of San Salvador (2015-2018) and Cuscutlán (2012-2015), before being elected on the ticket of the right-of-centre Gran Alianza por la Unidad Nacional (Gana) last month, Bukele had notably remarked in December 2016 that he would "never be seen in the ranks of Gana or Arena...my heart is to the Left". His speech at the Heritage Foundation and subsequent meetings with top US officials including National Security Advisor John Bolton; Under Secretary of State for Political Affairs David Hale; and Assistant Secretary of State for Western Hemisphere Affairs Kimberly Breier underlines this change of tack and efforts to endear himself with the US administration led by President Donald Trump.

One sign of this was Bukele's questioning of relations with China with which the Sánchez Cerén government established ties last August after severing relations with Taiwan – a move frowned upon at the time by the US. In remarks likely to be well received by the US government, Bukele said that he had not decided whether to maintain relations with China. At the Heritage Foundation he accused China of failing to respect the rules of trade, manipulating its currency and interfering in other countries' democracies (without providing specific details as to his criticism). Bolton also tweeted that he and Bukele reaffirmed strong friendship between their countries: "We are eager to identify new opportunities for foreign investment, improve security, counter Chinese predatory practices, & increase support for Interim Venezuelan President [Juan] Guaido".

As well as his show of support for the US administration, Bukele also claimed that El Salvador's economic boom was "on the way". Highlighting his interest in attracting private investment, he tweeted that the US government's development finance institution, the Overseas Private Investment Corporation (Opic) was prepared to finance "more than US\$1bn in private projects" in El Salvador.

Bukele meets Mexican counterpart

Ahead of his visit to the US on 12 March President-elect Bukele met Mexico's President Andrés Manuel López Obrador. The meeting produced pledges to deepen bilateral cooperation on issues such as trade, migration, and the economic and social development of southern Mexico and Central America's 'Northern Triangle' (comprising El Salvador, Guatemala, and Honduras).

The issue of migration in particular had made headlines late last year, after thousands of Central Americans had formed caravans, travelling to the US to escape the violence and lack of economic opportunities in their home countries.

Upon taking office in December 2018, López Obrador inked a deal with his peers from Guatemala and Honduras (Jimmy Morales and Juan Orlando Hernández respectively) along with El Salvador's vice president Óscar Ortiz to develop a comprehensive development plan for Central America, aimed at tackling the root causes of migration.

Quotes of the week

“In Mexico we have not just carried out a simple change of government, it is a change of regime. It is time to express that for us the nightmare that was neoliberal politics is over.”

*Mexico's President
Andrés Manuel López
Obrador.*

“There were times when [Uruguay's dismissed former army commander Guido Manini Ríos] walked on the edge of the cornice.”

*Uruguay's Vice
President Lucía
Topolansky.*

“The decision is illegal and outside of the constitution. It is unacceptable.”

*Haiti's Prime Minister
Jean Henry Céant on
the parliamentary vote
of no confidence in
him.*

Venezuela's Guaidó launches “new phase” to topple Maduro

Juan Guaidó has begun a tour of Venezuela's 23 states in a bid to build momentum behind his claim to the presidency and sweep Nicolás Maduro from office. Guaidó said he was embarking on a new phase, dubbed ‘Operation Freedom’, to stir up support in cities across the country. While he benefitted from the week-long power outage inasmuch as for many it underscored the mismanagement and incompetence of the Maduro administration, Guaidó also saw his plans stalled. The country being plunged into darkness for a week, and Internet services down, complicated the coordination of protest action. Guaidó is now trying to regain the initiative after returning to Venezuela from a mini tour of the region on 4 March.

Addressing some 10,000 people in Valencia, the capital of the state of Carabobo, on 16 March, Guaidó insisted that “this process is unstoppable...Nothing will stop the road to freedom”. This was his first big rally since returning to Venezuela and the starting point for a nationwide tour in which he will try to mobilise support to oust Maduro. The main focus of his cabildos (rallies) to date has been Caracas but while these have served him well to this point he is clearly conscious of the need to head into the interior of the country, not least because he could capitalise on ever-deepening public discontent, exacerbated by continued power shortages outside of the capital. Guaidó said that “days of persecution and threats lie ahead” but promised to be in the Miraflores presidential palace shortly.

Diosdado Cabello, the vice president of the ruling Partido Socialista Venezuela (PSUV), responded by saying that “the oligarchy and bourgeoisie will never again enter the palace of the revolutionary people”. Addressing a pro-government march of several thousand people in central Caracas on 16 March to mark “victory over electric sabotage”, Cabello said that the armed forces (FANB) and militias were carrying out civil-military exercises at the weekend to protect the electricity system. The Universidad Central de Venezuela (UCV) presented a study days earlier rebutting the claim of sabotage and pointing instead to a fire on a power line which deactivated the generators at the Guri hydroelectric dam.

Maduro, for his part, inspected a hydroelectric dam complex in the southern state of Bolívar, on 16 March, where he promised a “profound transformation” of the state electricity company Corpoelec, before calling upon all of his ministers to resign ahead of a “profound restructuring” of his cabinet.

LATIN AMERICAN WEEKLY REPORT is published weekly (50 issues a year) by **Latin American Newsletters**, Hamilton House, Fourth Floor, Mabledon Place, London, WC1H 9BB, England. Telephone +44 (0)203 695 2790, Email: subs@latinnews.com or visit our website at: <http://www.latinnews.com>. **EDITOR: JON FARMER**. Subscription rates will be sent on request. Overseas subscription sent by airmail. Printed by Quorum Print Services Limited, Unit 3, Lansdown Industrial Estate, Gloucester Road, Cheltenham, Glos. GL51 8PL **COPYRIGHT © 2019** in all countries. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, electrical, chemical, mechanical, optical, photocopying, recording or otherwise, without the prior written permission of the publishers. Registered as a newspaper by Royal Mail. **REFERENCES:** Back references and cross-references in the current series will be made thus: WR-19-01 will indicate Weekly Report, 2019, issue 1.