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CONTENTS

MEXICO & NAFTA

MEXICO 3

PRI seeks referendum to cut size of congress

TRACKING TRENDS

ANDEAN COUNTRIES

COLOMBIA 4

Military deployed to Cuba

PERU 6

Jarring victory for prime minister

VENEZUELA 7

Fedecámaras urges Maduro to play ball

BOLIVIA 8

Gruesome murder shakes up campaign

TRACKING TRENDS

BRAZIL & SOUTHERN CONE

BRAZIL 10

Rousseff threatened by Silva's rise

ARGENTINA 12

Dollar on the rise again

TRACKING TRENDS

CENTRAL AMERICA & CARIBBEAN

HONDURAS 14

Health minister admits to collapsed system

GUATEMALA 15

More suspicions over militarising security

POSTSCRIPT 16

Mexican authorities in the spotlight after massive acid spill

Quotes of the week

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Mexico launches stripped-down new police force

The long wait is over. Mexico's new gendarmerie was finally launched this week, some 20 months after President Enrique Peña Nieto took office. The fact that Peña Nieto's ambitious reform agenda has largely been carried out means that the focus will increasingly shift back onto the serious public security concerns he inherited and what he has managed to do to address them. It is far from clear that the gendarmerie will have a significant impact, still less enable the return to barracks of the military, whose prominent presence in the fight against organised crime was one of the fiercest criticisms directed by Peña Nieto at his predecessor Felipe Calderón (2006-2012).

President Peña Nieto presented details of the national gendarmerie on 22 August (it formally began operating three days later). The Mexican government cited the French gendarmerie and Chile's Carabineros as models for the new force and received advice and assistance from both in the establishment of their own gendarmerie. The fact that it was billed as Peña Nieto's flagship policy proposal for addressing Mexico's serious public security concerns but was only launched after he pushed through the bulk of his reform agenda – energy, telecommunications, electoral, fiscal and financial – suggests its importance has been systematically downgraded.

Initially conceived in May 2012 as a 40,000-strong stand-alone force, the gendarmerie has been progressively diluted. The new force will be a fraction of its proposed size, with just 5,000 agents. It will also be subsumed into the federal police (PF), becoming its seventh division, and will not include any recruits drawn from the ranks of the military as intended. Not only its size but also its competences have been watered down. This explains in part why the launch has been delayed on several occasions.

Although the government has never offered an explanation as to why the gendarmerie does not bear a very close resemblance to the original blueprint, it could be that it will have a greater chance for success with a specific remit, lowering expectations from Peña Nieto's original suggestion that it would decisively swing the balance in the struggle against organised crime.

The gendarmerie's main activities will not be combating drug-trafficking but assisting isolated communities where there is presently no army, navy or police presence. "Its mission is to strengthen the capacities of local law enforcement and safeguard the productive cycles of towns and states that require it [...] or where institutions are weak," Peña Nieto said, "containing and disbanding criminal organisations that undermine economic activity".

The national commissioner for public security, Monte Alejandro Rubido, provided more details. He said the objective of the gendarmes would be to

Murder, kidnapping and extortion

Every 12 minutes somebody is the victim of either murder, kidnapping or extortion in Mexico, based on state prosecutor general's offices. President Peña Nieto said that all three crimes were falling, singling out the states of Nuevo León, Chihuahua and Coahuila for a decline in homicides. But elsewhere in Mexico, the violence remains as bad as ever if not worse. Gendarmes, who will wear four different uniforms according to the type of service they are performing and where they are located, will play a role in combating kidnapping and extortion.

strike when organised crime threatens socio-economic life in specific areas. The government has not revealed where the gendarmerie will operate, but rather the contexts in which it will be deployed. In the western state of Michoacán, for instance, the drug trafficking organisation (DTO), Los Caballeros Templarios (LCT), has taken over control of lemon-producing areas since last January, putting up costs of the fruit by some 150% due to extortion on producers and distributors. In the state of Tamaulipas, the Golfo and Zetas DTOs have done the same with sorghum. In Tabasco kidnappings surge when it is time to harvest bananas, the most important crop in the state.

The PF general commissioner, Enrique Galindo, said the gendarmerie would have the wherewithal to carry out eight or nine operations simultaneously to protect economic activity, "depending on the season, when the activity starts, from seeding, cultivation, harvest, processing and going to market so that no part of the cycle is affected," he said. It could also be deployed to guard mining operations or tourist security. Gendarmes will have no fixed base and will be constantly on the move.

Rubido stressed that "the end goal is the tranquillity of citizens, and to give them that tranquillity you have to safeguard families, schools, workplaces," adding that it was "fundamental to improve the image of the police". Peña Nieto also laboured this point, emphasising that the main challenge for the force was to win the respect and trust of the public in a country where the police are widely viewed with suspicion. For this reason he said there had been a strict recruitment process. He said there were 130,000 applicants for the 5,000 places; that 80% of the recruits are younger than 30; that two-thirds of them have further education; and 20% undergraduate degrees.

Given that none of the raw recruits come from the military or have policing backgrounds, they will lack first-hand experience in security operations, although they have undergone six months of law enforcement and military training in an attempt to cultivate an *esprit de corps*. The government hopes that what the recruits lack in experience will be made up in other ways. The lowest salary of M\$14,000 (US\$1,067) per month is comparatively high by the standards of Mexican police: the average wage in Mexico is M\$9,250 pesos (US\$705) per month. This is designed to reduce the temptation of corruption, which plagues other police forces, especially at a municipal level, where active collusion with DTOs is not uncommon.

The government also hopes to offset the lack of experience of the raw recruits through the selection of 326 senior members of the new force from other divisions of the PF, with an average of six years of service, trained in Colombia, France, Israel, Spain and the US. Among these senior officers, 73% have undergraduate degrees and 3% postgraduate degrees; 17% are female (13% of the raw recruits are female).

Better paid and better qualified, the gendarmerie will swell the ranks of the PF, which will now be composed of 41,000 officials. The PF is the least corrupt of Mexico's police forces, but even with the addition of the gendarmerie it will make up less than 10% of the country's total of 440,000 police officers. Unifying and standardising the complex and multi-tiered police forces in Mexico has long been mooted but has foundered on a lack of political will and federal and state competences. There are 2,500 municipal police (the most easily corruptible) and 32 state police forces with their own command. Peña Nieto promised to establish a single command structure. This would arguably have a more profound affect on the quality of policing in Mexico than the introduction of the gendarmerie, but time will tell. As we went to press, the gendarmerie had begun its first operation with 350 officers dispatched to Valle de Bravo (Estado de México), a tourist town where 15 people have been kidnapped in the last month.

PRI seeks referendum to cut size of congress

The federally ruling Partido Revolucionario Institucional (PRI) has proposed holding a referendum next year on reducing the number of deputies and senators in the federal congress in order to cut public spending, and make it easier to reach a consensus and strike accords on key issues. The opposition immediately accused the PRI of trying to re-establish its former political hegemony.

In a press conference last week, the president of the PRI, César Camacho, advocated reducing the size of the federal lower chamber of congress from 500 to 400, with 300 deputies elected by relative majority and 100 (down from 200) by proportional representation. He also suggested the senate be cut in size from 128 to 96 by doing away with the 32 senators elected by PR. The PRI requires more than 1.6m signatures for the referendum to go ahead. It would be held alongside the lower chamber, gubernatorial and municipal elections in July 2015 if it gets the go-ahead from the supreme court of justice (SCJN).

The right-of-centre Partido Acción Nacional (PAN) and the left-wing Partido Revolución Democrática (PRD) leapt to the defence of the legislators elected through PR arguing that they were “the most active group” in congress. They contended that the whole purpose of PR was to increase political pluralism, accusing the PRI of anti-democratic intentions. However, while the PRD accused the PRI of trying to distract attention away from a much more important debate on the government’s energy reform, the PAN warned that the PRI was playing into the PRD’s hands by trying to hold a referendum on an issue which requires constitutional reform. If the SCJN looks favourably on the PRI’s proposed referendum, for instance, it is difficult to see how it could reject the PRD’s call for a referendum on energy reform – which would be awkward for the government.

TRACKING TRENDS

MEXICO | First half GDP figures low as expected. The Mexican economy grew by 1.7% in the first six months of 2014 compared to the same period last year, the national statistics institute (Inegi) revealed, as economic activity continued to slow down in the second quarter.

The weak official first half GDP figures were in line with the expectations of local analysts, who have pointed to a slump in economic activity since the final quarter of last year. This led most analysts to revise down their economic growth forecast for this year, with the central bank (Banxico) and a reluctant finance ministry (SHCP) eventually following suit. But even after the downwards revision, the SHCP’s forecast of 2.7% was seen as high, prompting speculation that it would have to be further adjusted following the release of the official GDP data [WR-14-31].

Even though Inegi’s data showed that economic activity in the second quarter had increased by 1.6%, even lower than the 1.9% registered in the first quarter; the SHCP announced that it would not further adjust its growth forecast. In a press conference that followed the release of Inegi’s data, the SHCP’s chief economist, Ernesto Revilla, said that hidden in the disappointing figures were signs of a “recovery trend” that would become more apparent in the second half of the year. In particular, Revilla pointed out that the consensus forecast for second quarter growth of 1.5% had been (marginally) surpassed by Inegi’s figure, which he said points to “greater dynamism” in domestic demand as the SHCP had been anticipating. As further evidence of this, Revilla pointed to the “surprising” 1.8% increase in activity in the services sector, which he said was “good news”.

‘Ley Mordaza’ struck down

The Sinaloa state congress has annulled article 54 bis of the ‘Ley Mordaza’ (clamp law), which was approved on 31 July. The law was widely condemned as a blatant form of press censorship as it severely restricts crime reporting, banning journalists from inspecting crime scenes, and prohibiting gathering audio, video, or photographic evidence [WR-14-31]. Governor Mario López said he was satisfied with the decision by congress and expressed his commitment to hold talks in the future whenever there is an issue over freedom of expression.

Military deployed to Cuba

The peace talks between the government and the Fuerzas Armadas Revolucionarias de Colombia (Farc) have broken new ground with active military officers, including top brass, heading to Cuba to sit on a sub-commission to discuss the logistics of guerrilla disarmament and an eventual ceasefire. President Juan Manuel Santos came under fire from the Right for violating the constitution but he insisted that the armed forces not only needed to be present for practical purposes to advise the government negotiating team but were also “ennobled and dignified” through their participation.

The head of the joint command of the armed forces, General Javier Flórez Aristizábal, the second-highest ranked member of the military, led a seven-strong group of officers dispatched to Cuba on 22 August, accompanied by two army colonels, a major in the air force, a captain and lieutenant in the navy and a lieutenant colonel in the police. The sub-commission also includes three civilian experts, including two members of the high commission for peace. The sub-commission will be led by retired army general Jorge Enrique Mora Rangel and retired police general Óscar Naranjo, both members of the government negotiating team.

Santos said the military would “study alternatives, mechanisms, and the experiences they have [...] to design that step which would be the final step, the definitive step to achieve peace [...] in a conflict as complex as ours”. Flórez Aristizábal has received training abroad in post-conflict issues, geopolitics and demobilisation, including the peace accords in El Salvador in 1992, and has coordinated major operations on the ground against the Farc. He, as well as anybody, understands guerrilla strategy, movements and weaknesses, and is well-placed to advise the government negotiating team on the logistics of demobilisation.

Former senator Piedad Córdoba, a prominent left-winger, praised the sending of the military to Cuba, in particular the choice of Flórez, who she said was “respectful of human rights”, adding that it showed the “historic, seriousness of the [peace] process”. Former president and now senator, Alvaro Uribe (2002-2010), who is head of the right-wing Centro Democrático (CD), did not share her enthusiasm. He denounced the presence of active military officers participating in the talks in Cuba as contravening the constitution.

Santos sought to refute the criticism, arguing that “peace is victory” for the armed forces and served as “a guarantee” for the country. The head of the government negotiating team, Humberto de la Calle, said that active officers in the military and police had to take part in the talks “for obvious reasons”, adding that it had happened “in every serious and successful peace process in the world”.

De la Calle’s counterpart on the Farc team, Iván Márquez (Luciano Marín Arango) said the formation of the sub-commission was “excellent news” and showed that the talks were making “important advances”. He said that it marked “the first time that active members of both sides’ armed forces [...] are sitting down as equals to begin discussions”. Although the Farc is yet to name the guerrillas working in parallel with the government on the sub-commission, according to “sources close to the negotiation” cited by the Spanish news agency *Efe*, the military officers have already met “face to face with the guerrillas and exchanged documents”. The military members of the sub-commission will apparently work mainly from Colombia while shuttling back to Cuba when necessary to discuss specific points.

Sub-commission

The task of the sub-commission is to set the ball in motion for the demobilisation of the guerrillas and a ceasefire, which will be tackled by the negotiating teams when the current topic – compensation for victims of the conflict – is concluded. This is designed to expedite the negotiations although realistically it is difficult to see how the peace process can be concluded for at least another year.

Hacking

Oscar Iván Zuluaga said the *Semana* interview with Andrés Sepúlveda was a “smokescreen” created by the government to cover up criticism from Centro Democrático of its decision to send active members of the military to Cuba for the peace talks. President Santos said he found the interview “spine-chilling” and “scandalous”, calling on the judiciary to carry out an in-depth probe into the “extremely serious allegations”.

‘Historic commission’

The sub-commission will get all the groundwork in place for the next stage of the talks but the issue of compensation for victims will be debated by the main negotiating teams for some time yet. A ‘historic commission’ to write a report into the country’s long armed conflict met on 21 August. It comprises 12 experts drawn from the world of academia, and two rapporteurs, who will draw up the final report at the end of four months of deliberations, to assist in the discussion of compensation. Six of the academics were chosen by each of the two negotiating teams. For the most part the academics will work alone. The rapporteurs are Eduardo Pizarro, the current Colombian ambassador to the Netherlands and the author of various books on the history of the Farc, and Víctor Manuel Moncayo, a former rector of the Universidad Nacional.

The aim of the final report is to reflect the plurality and diversity of opinion in Colombian society towards the conflict, as it is, ultimately, being written for the public. The prosecutor general, Alejandro Ordóñez, a severe critic of the peace process, sent a letter to Santos arguing that “truth can never be the result of a negotiation between the government and the Farc” to which Santos indirectly responded with a call for “tolerance and equanimity” as well as “the ability to forgive and reconciliation” while swearing in his new justice minister, Yesid Reyes. Santos also pointed out that the ‘historic commission’ is “completely distinct” from a truth commission which will be created at the end of the conflict. María Emma Wills, the only female on the historic commission explained that its aim was not to compile evidence to apportion blame for the conflict, which will be the role of the truth commission, but to “propose interpretative threads to aid comprehension and understanding of the conflict”.

Hacker scandal ensnares Uribe

The right-wing Centro Democrático of Senator Álvaro Uribe should be legally disbanded, Arturo Yepes, a congressional deputy for the Partido Conservador, said this week. The CD faced serious allegations in an interview carried out by the news magazine *Semana* on 24 August with Andrés Sepúlveda, a campaign adviser on social networking and information technology security for the party’s defeated presidential candidate Oscar Iván Zuluaga.

Sepúlveda was arrested on 6 May accused by the attorney general’s office of carrying out illegal wiretapping from an office in northern Bogotá targeting negotiators in Cuba and journalists, and intercepting President Santos’s emails, all with the intent of sabotaging the peace talks [WR-14-18].

Yepes said the CD had been established to “commit crimes against democracy, against peace and against the rule of law”. His comments come after

Sepúlveda alleged that he was contracted by the presidency of the CD to obtain intelligence about the peace talks. He said he had worked closely with ‘Andromeda’, a covert spying operation run from the back of an Internet café in Bogotá by army intelligence officers (the existence of which was denounced by *Semana* last February), which prosecutors apparently wound up [WR-14-07].

Sepúlveda said he had supplied the CD with information for its campaign to try and sabotage the talks, even creating “trending topics on Twitter”, and that it could not possibly deny this.

Sepúlveda also said that “the objective was to know what the president was doing, how he did it, when he did it” and that Uribe had run the whole campaign “using different pawns”. Sepúlveda, nonetheless, described himself as “more uribista than Uribe”, explaining that he had taken the decision to speak out because he felt he had been abandoned (“I felt used and lost 10 years of my life supporting uribismo”) and even maintained he had survived a murder attempt.

Uribe denied any contact with Sepúlveda, arguing that Santos had devised the hacking scandal to divert attention from allegations that he used money from narco-trafficking in his campaign, something with which Uribe will himself be accused by a congressional commission on 18 September.

Sendero Luminoso

Ana Jara also promised congress her government would eradicate 30,000 hectares of coca by the end of the year, while cracking down hard on the guerrilla group Sendero Luminoso (SL). The defence ministry revealed last week that more than 100 members of a special intelligence brigade of Peru's armed forces took part in an operation in the central region of Junín which resulted in nine people, including three young children, held captive by a column of SL guerrillas being freed. Several of the older captives had been held by the SL for 30 years, according to the military's head of counter-terrorism, José Baella, who said they were in a state of extreme poverty and poor health.

Jarring victory for prime minister

It was hardly a resounding vote of confidence. At the third time of asking congress grudgingly gave its backing to President Ollanta Humala's choice of prime minister, Ana Jara, on 26 August, but only when the head of congress, Ana María Solórzano, used her prerogative to cast the deciding vote after a 54-54 deadlock. Last March Jara's predecessor, René Cornejo, also had to endure three votes in congress, which increasingly resembles a bear pit for aspiring prime ministers. The opposition sought to extract myriad concessions from Jara, including a cabinet reshuffle, in exchange for its constitutionally mandated vote of confidence. She did not oblige. The subsequent victory, however, was Pyrrhic. Jara now faces the prospect of a chastening defeat as the opposition Fujimoristas prepare to present a motion of censure against Energy and Mines Minister Eleodoro Mayorga.

Jara, who was appointed as prime minister by Humala on 22 July after the resignation of a scandal-hit Cornejo, fell well short of a majority in the 130-seat congress at the first attempt after a 16-hour debate concluding in the early hours of 21 August. The ruling Gana Perú coalition and its ally Perú Posible (PP), the party of former president Alejandro Toledo (2001-2006), provided 50 votes for Jara between them but 63 deputies abstained and one voted against her. It was a similar story in another vote on 22 August. The reverses underlined the damaging impact of the recent defection of deputies from Gana Perú [WR-14-31].

In her plan of governance, Jara had promised to fight poverty; to guarantee Peru's economic growth; and to be "inflexible in the fight against corruption". The Fujimorista Fuerza Popular (FP) and Partido Aprista Peruano (PAP) were never going to lend their votes to any candidate advanced by Humala but more moderate opposition parties were also unconvinced. There were demands for modifications to the compulsory contributions from self-employed workers to the privately run national pensions system (AFP); a solution to a medical strike which has dragged on for more than 100 days; and more details on public security and oversight of public procurement.

The opposition also called for the dismissal of Mayorga as energy and mines minister after the emergence of compromising emails suggesting a conflict of interest. It also questioned Jara's promise to keep GDP growth in excess of 4%, pointing to the fact that the economy grew by just 0.3% year-on-year in June, the lowest monthly expansion for five years. PAP deputy Mauricio Mulder held up a piece of paper with 0.3 on it saying that "this is the government's score". The irony, however, is that at this moment of maximum political weakness in congress, Humala has regained some of the public's confidence. The latest opinion poll by Ipsos put him on 29%, up four percentage points on July and a six-month-high, chiefly as a result of the no-nonsense approach of his new interior minister, Daniel Urresti, to public security, the perceived lack of which is the chief complaint of Peruvians in poll after poll.

It was noteworthy that the only concession offered to win the opposition vote at the third time of asking came not from Jara but from First Lady Nadine Heredia, a fairly clear sign of where the real power lies. Heredia tweeted that the ruling Partido Nacionalista Peruano (PNP) was in favour of a law suspending the obligatory contributions of self-employed workers to the AFP pension funds. This might have swayed a few deputies. Others might have felt they had made their point and rather than create a political crisis by refusing to back Jara a third time they would express their disenchantment in other ways, such as backing a motion of censure against Mayorga. Humala responded to the vote from the northern region of Ancash by saying it was "time to turn the page", but with jockeying ahead of the 2016 general elections due to begin next year he is likely to face many more run-ins with congress.

Fedecámaras urges Maduro to play ball

Importing oil

Whatever the cost savings, the notion that the country with the largest land-based oil reserves on the planet may no longer have oil self-sufficiency will grate with critics of the Bolivarian Revolution, who say that it has run Pdvsa into the ground over the course of the past 14 years. Venezuela exported 2.43m barrels of oil and derivatives last year, on Pdvsa figures, down 11% year-on-year and the lowest level since 2007. And while production stagnates, the Venezuelan oil barrel has averaged US\$96.4/b to date this year, down from US\$99.5/b in 2013 and roughly US\$102/b in 2012/2011.

Jorge Roig, the president of Venezuela's main business chamber Fedecámaras, has called on the government led by President Nicolás Maduro to sit down with the private sector and "take decisions" in the face of the "very grave crisis" in the country. Fedecámaras suggests the economy could be looking at a contraction of 4%-5% this year.

Roig complained that the government has not met the private sector in over two months – despite Fedecámaras agreeing to an official invitation to sit down with the administration "in the national interest" back in January. "We ask the government to resume these working tables," Roig stated, noting that the private sector was newly owed some US\$9.0bn in foreign currency debt by the government. Roig strongly rejected the new fingerprint ID scanners coming shortly to Venezuelan supermarkets as part of efforts to prevent hoarding and the smuggling of food and other consumer goods. "In the name of the entire business sector and all the retailers in the country, please accept our excuses for forcing upon them a humiliating process of marking their finger to buy their food," he said.

President Maduro, however, remained defiant in a fiery speech at the weekend, denying government responsibility for the crisis and blaming it all on the economic war being waged against the country from inside and out. He compared Venezuela to Chile under Allende, Yugoslavia under Tito and Cuba under the Castros, saying it was the subject of a vast conspiracy by right-wing extremists to destroy the Bolivarian Revolution. Expressly denying that there would be any liberalisation of price or currency controls, he seemed to directly contradict his own economic czar, Rafael Ramírez, which begs the question as to whether the all-powerful Ramírez, also president of the state oil company Pdvsa and oil minister, will remain in his post in the imminent cabinet reshuffle.

Venezuela to import crude?

Pdvsa is considering importing Algerian light crude as a blender in order to boost sales of its own heavy crude, principally to China, but also with other Asian customers like India in mind, the newswire *Reuters* reports.

Venezuela has in fact been importing – at high cost – increasing volumes of refined products since around 2010, principally heavy naphtha from the US, to mix with its domestic heavy crude. Reuters makes the point that this blend of crude and naphtha, known as diluted crude oil (DCO), "lacks buyers and is mainly sent to its U.S. unit Citgo" (reportedly for sale). The problem lies in the fact that long-planned upgrades to extend domestic refining capacity have yet to materialise. The much vaunted Abreu e Lima refinery in northern Brazil – originally a joint venture between Pdvsa and its Brazilian counterpart Petrobras – was meant to be a heavy crude processor but after the deal fell apart Petrobras is now building a light oil refinery to process its own sweet crude. Meanwhile, Venezuela's largest Amuay refinery is still not back to full capacity two years after a major fire.

The Reuters report (based on internal Pdvsa documents), suggests the strategy now is to use the firm's brand new supertankers to cut freight costs and expand sales by bringing over the Algerian oil and then re-shipping the lighter blend out to Asia, where demand is high and prices better. Venezuelan sales to its main customer, the US, have been in decline as it diverts sales to China; and US demand for oil imports is in any case falling as its domestic shale oil supplies boom. Pdvsa reportedly told its local partners that it was in talks with Algeria's state-run Sonatrach for a sweet crude purchase contract. To transport crude from Algeria – which has plentiful inventories – to Venezuela would take some 20 days and Pdvsa could save around US\$3m per shipment using its own fleet, according to the cited internal document. From that point of view, the Pdvsa strategy is not illogical. *Reuters* makes the point that Mexico's Pemex is also set to import oil, again mainly condensates and light crudes.

Progress

It is worth pointing out that the government of President Morales has made some improvements vis-à-vis gender rights. The World Economic Forum (WEF)'s annual Global Gender Gap Index (GGGI), released on 25 October 2013, ranks countries' efforts to close the gender gap in relation to economic, political, education and health-based criteria. Bolivia registered the second highest percentage change of all the 110 countries included, relative to its 2006 score, improving by 15.9% – behind only Nicaragua (17.4%). As regards political representation, the most recent figures from the UN Economic Commission for Latin America & the Caribbean (Eclac)'s gender observatory place Bolivia second in the Andean sub-region after Ecuador as regards the proportion of female ministers and legislators (30.0% and 25.4% respectively), although this falls to 7.0% as regards mayors.

Gruesome murder shakes up campaign

The recent murder of a 26-year-old woman in Santa Cruz, the capital of the eponymous eastern region, has shocked the country, once again focusing attention ahead of the 12 October general elections on what has been a weak point of the Movimiento al Socialismo (MAS) government led by President Evo Morales – security.

Sophia Leticia Calvo, a former model and biochemist, was attacked in a car park on 15 August by an attendant, Ronald Fernández Chambi, who is believed to have raped her before stabbing and strangling her. Three days later Fernández received a 30-year prison sentence (the penalty for femicide as per a 2013 law – see box). The murder prompted outrage, with some 4,000 people gathering in Santa Cruz on 19 August demanding better security from the Morales government. The local representative of the United Nations Development Programme (UNDP), Claudio Providas, also issued a statement of concern.

As well as focusing attention on the continued need to address gender violence (see box), Calvo's murder has led to more general calls for the Morales government to improve security. Back in June 2014 the former interior minister, Carlos Romero (who has since quit in order to run in senate elections), put the national homicide rate at 12.1 per 100,000 inhabitants in 2013. This is up on 8.9 per 100,000 inhabitants in 2010, on figures from the UN Office on Drugs and Crime (UNODC). Calvo's murder has also compelled the different parties competing in October's election to provide more information as to how they intend to tackle femicide and crime in general.

As regards femicide, the centre-right Unidad Demócrata (UD) led by cement magnate, Samuel Doria Medina, who is currently second in the polls behind Morales (on 17% to 59% on the latest Ipsos survey released on 19 August), is proposing life imprisonment, and former president Jorge Quiroga (2001–2002), of the Partido Demócrata Cristiano (PDC), who is running third on 4%, is calling for tighter sanctions. While Justice Minister Sandra Gutiérrez called for the death penalty, the left-wing opposition Movimiento Sin Miedo (MSM), whose candidate former La Paz mayor Juan del Granado is fourth, on 3%, is calling for the installation of community police officers to tackle crime more generally.

Yet the parties' manifestos remain vague on security. The MAS is proposing to further strengthen the police and provide better equipment – implementing security cameras in the capital cities, safe taxis as well as preventative education programmes. The UD is offering a comprehensive citizen security policy which envisions strengthening the police and prison service. The MSM is calling for community police and citizen security committees, while the PDC proposes strengthening the police and creating neighbourhood watch brigades which would receive state support via training, equipment and logistical help.

Gender rights

Despite the promulgation in March 2013 of a law sanctioning the crime of femicide with a prison term of 30 years without pardon, the women's rights organisation, Observatorio Manuela del Centro de Información y Desarrollo de la Mujer (Cidem), warns that femicide is on the rise. Cidem reports 59 femicides in the first six months of 2014, while the total for 2013 was 110.

A March 2013 report by the World Health Organization, 'Violence against Women in Latin America and the Caribbean', notes that 53% of the Bolivian women surveyed claimed to have suffered physical or sexual abuse at the hands of a partner, the highest rate of the 12 countries studied. The others were Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Paraguay and Peru.

Ecuador celebrates recognition

On 21 August Ecuador's finance minister, Fausto Herrera, celebrated the fact that ratings agency Standard & Poor (S&P) had decided to upgrade Ecuador's credit rating and that a recent report by the International Monetary Fund (IMF) praised the country's economic development over the last decade as "confirmation that Ecuador has a healthy and sustainable economic management". S&P upgraded Ecuador's credit rating from B to B+ on 20 August citing the country's increased fiscal flexibility, a solid liquidity position and an improvement in investment environment. Meanwhile in a report released last week, the IMF highlighted that "Ecuador has achieved important economic and social progress in the past decade, which has led to an average economic growth of 4.5% and a gradual reduction in inflation to around 3%".

PERU | Growth forecast cut again. On 20 August Peru's central bank (BCRP) announced it was cutting its growth forecast for the year from 4.4% to 4%. This is the second time that the BCRP has cut its growth forecast rate this year after previously having done so in April. The decision confirms that the slowdown in domestic economic activity in Peru this year continues despite the economic stimulus packages designed to boost domestic investment levels implemented by the government led by President Ollanta Humala and the BCRP's adoption of an expansionary monetary policy.

The announcement of the revision was made by the BCRP's general manager, Renzo Rossini, who explained that it came after the bank's data showed that year-on-year economic growth for June had been just 0.3%, the lowest monthly growth rate recorded by the Peruvian economy in almost five years. According to Rossini the weak result came amid a continued drop in mining and manufacturing sector production levels, in line with a trend that has been observed since the start of the year.

Peru's GDP increased by 5.1% in the first quarter of the year but by a much lower 1.7% in the second according to the latest official figures. However, Rossini said that the BCRP believes that the fall in activity had reached a trough and that it would now start to pick up with growth of 3.4% projected for the third quarter and 5.6% for the fourth. Indeed Rossini said that the BCRP expects that the economy will fully recover next year, for which it continues to forecast a growth rate of over 6%, on the back of increased government spending as per the economic stimulus package and the coming on stream of a series of new mining projects.

In the meantime Rossini said that the BCRP would continue pursuing its expansionary monetary policy for "as long as inflation permits", pointing out that the accumulated rate of inflation is currently running at around 3%, the top end of the BCRP's target range (1%-3%).

COLOMBIA | Positive coal outlook. On 25 August Colombia's national association of financial institutions (Anif) released a study providing a positive outlook of the future of Colombia's coal industry. Colombia is the world's fourth largest coal producer and the country has seen its coal exports rise in recent years on the back of a stable global demand for the mineral. However, the sudden increase in global natural gas supplies resulting from the development and spread of hydraulic fracturing or 'fracking' techniques used to extract shale gas had led many analysts to believe that demand for coal would begin to fall in international markets, to the detriment of Colombia's coal industry.

The Anif study has found that despite a substantial drop in coal exports to the US, which in 2009 bought 25% of all Colombian coal exports, global demand for coal has remained strong thanks to an increase in demand for the mineral primarily in Europe. According to the study, despite the European Union's provisions calling for a 20% reduction in fossil fuel emissions by 2020, coal consumption (mainly for energy generation) has increased by almost 50% in some European countries and this has helped to compensate for the fall in demand in the US.

The study points out that demand for coal in the Netherlands has increased by 22% since 2008, with that country now becoming the main export market for Colombian coal, accounting for 23% of all exports. Meanwhile there has also been a significant increase in exports to the United Kingdom (28%), Turkey (31%) and Israel (25%) over the period.

In addition, the study also highlights that the fall in demand from China has partly been made up by an increase in demand from India and Africa. The study concludes that all of this suggests that there is room for Colombia's coal exports to continue to increase in the short term to the benefit of the country.

The release of the Anif study came just five days after Colombia's national mining agency (ANM) revealed that national coal production reached 47.3m tonnes (t) in the first half of the year, a 14% increase over the 40.5m t produced during the same period last year.

According to ANM data, 90.9% of Colombia's coal production is currently exported, providing further evidence that international demand for Colombian coal remains strong and that it will continue to drive the industry for the foreseeable future.

Rio race opens up

In the latest Ibope poll to study the race for the governorship of Rio de Janeiro, Anthony Garotinho, of the Partido da República, has begun to gain an edge over his rivals. A former football commentator who was convicted of conspiracy during his last term as governor, Garotinho is on 28%, followed by the current governor, Luiz Fernando Pezão, on 18%; with Senator Marcelo Crivella, of the Partido Republicano Brasileiro on 16%, and the PT's Lindberg Farias on 12%. In a second-round run-off between Garotinho and Crivella, the two candidates were in a virtual tie; other scenarios predicted a Garotinho victory.

Rousseff threatened by Silva's rise

Marina Silva, the candidate of the Partido Socialista Brasileiro (PSB) would beat President Dilma Rousseff, of the Partido dos Trabalhadores (PT), in a second-round run-off, according to a poll published by Ibope on the day of the first presidential debate. The same poll showed that Silva would easily beat Aécio Neves, of the Partido da Social Democracia Brasileira (PSDB) in the first round, and force Rousseff into a run-off.

In the poll of over 2,500 people carried out in 175 municipalities across Brazil, 34% of voters said they would back Rousseff in a first round; 29% came out in favour of Silva and 19% backed Neves. When those surveyed were asked who they would back in a second round between Rousseff and Silva, 45% backed the PSB candidate, and just 36% the president. In a second-round scenario pitting Rousseff against Neves, the PT candidate won 41% to 35%.

As with the Datafolha poll published on 18 August, just five days after the death of the PSB's original presidential candidate, Eduardo Campos, it is worth factoring in the emotional context. Nevertheless, it is also true that the Brazilian election campaign had yet to penetrate the public's consciousness until his tragedy. Campos had been desperately dashing across the country to promote his brand of 'third-way' politics, of business-friendly solutions to social problems, when his death brought his message the kind of national prominence he had previously struggled to obtain. Silva's rise in the polls is at least in part due to her finding an audience receptive to the PSB's politics.

Market reaction

Both Rousseff and Neves are seeking to exploit Silva's lack of executive experience. In off-the-record briefings by campaign staff to the national media, both teams suggest Silva's "fundamentalism", a nod both to her environmental activism and membership of the evangelical Assembleia de Deus, means a vote for her is a risky bet.

Brazil's financial markets, however, do not seem unduly fazed by the prospect of a Silva presidency. Maria Alicia Setúbal, the daughter of the founder of one of Brazil's largest banks, Itaú, is co-ordinating Silva's campaign platform. As one of the wealthiest women in the country, and a shareholder in one of Brazil's most prestigious financial institutions, her backing matters. In an interview last week, Setúbal confirmed that Silva would stick to Campos' plans to grant autonomy to the central bank. She also said that a Silva presidency would stick to the 4.5% plus/minus 2% inflation target currently in use, although she declined to give details as to how the new administration would tackle rising prices. Brazil's current level of inflation is just under 6.5%. After the publication of the interview, Brazil's stock market, the Bovespa, rose a little over 2%.

Debate

The first televised presidential debate took place in São Paulo on 26 August broadcast by TV Bandeirantes. In keeping with her surprise rise in the polls, Silva was the stand-out performer. Though much of her campaign may be built on "third-way" consensus building, in the debate she went on the attack. In her very first question she asked Rousseff why none of the promises her government had made in the wake of last June's major demonstrations had been honoured.

The PSB candidate described the government's security, health and education policies as being in a state of "poverty". Following Rousseff's defence of her administration, Silva said, "this Technicolor Brazil the president has just described does not exist. Political reform has just become a matter of

Water wastage

Despite the severe water shortages in Brazil's south-east, a survey carried out by the NGO Instituto Trata Brasil found that in 90 of the 100 cities studied, no progress had been made in preventing water wastage, through spillage, poor maintenance or theft. In 62 of the cities between 30% and 60% of water treated for human consumption was being wasted. In the cities of Macapá and Porto Velho, in the northernmost states of Amapá and Roraima respectively, seven out of every 10 litres produced for human consumption was lost.

swapping ministers." Silva's principal purpose appeared to be to differentiate herself from the PT and the Rousseff administration. Given that she served, as environment minister, in the government of former president Lula da Silva (2003-2011), she is anxious to avoid Neves' charge that she is offering merely PT policy continuity.

Silva was brutally dismissive of Neves' rosy portrayal of his governorship of Minas Gerais, particularly regarding his administration's investment in education and the state's poorest areas. One of Neves' main campaign strategies is to emphasise his success as governor of one of Brazil's wealthiest states, thereby contrasting his management experience with Silva's naivety. Silva's response to this charge was to praise both former presidents Fernando Henrique Cardoso (1995-2003) and Lula, who were elected without much executive experience.

Neves

Of the three main candidates (the debate included four others, none of whom have more than 1% support), Neves appeared the most relaxed. However, his casual demeanour masks a degree of alarm among his campaign team about Silva's rise in the polls. Having spent much of his campaign criticising the failures of Rousseff, in this debate he felt obliged to target Silva. In particular, he questioned the coherence of the "new politics" Silva claims to represent which, he argued, appears dependent on some of the old-style political alliances of Brazil's past. He questioned how Silva could expect the support of the PSDB in some states, yet refuse to back Geraldo Alckmin, the PSDB governor of São Paulo, when her own party, the PSB, is backing him. Silva insisted her stance was "entirely coherent" and that "new politics" meant an end to the PT-PSDB duopoly. Neves also sought to portray Silva as promoting virtually identical policies to the PT, of which she was once a member, but without the same respect for economic orthodoxy as some in the party, such as Lula.

Still, Neves did not entirely overlook his job of attacking Rousseff. He argued that the PT administration had lost its "capacity to inspire confidence", and said that the president should apologise to the Brazilian people over the widespread instances of corruption and mismanagement at the state-run oil firm, Petrobras. Neves also said that the party's rapidly dwindling reputation for economic competence had only been won in the first place thanks to the stabilising measures instigated by Cardoso, the last PSDB president.

Rousseff

Rousseff avoided too much direct criticism of either of her two main rivals. As president, she prefers to leave much of the dirty work of pointing out the flaws of the other candidates to her campaign staff, and instead chooses to use much of her public speeches to defend her, and the PT's, record in office.

In response to Silva's question over the failure of her government to deliver on its commitments to the street protesters, Rousseff pointed to the popular, if controversial, *Maís Medicos* programme (under which thousands of Cuban doctors have been contracted to work in areas underserved by Brazilian medics), and the decision to direct 75% of the profits from the 'pre salt' oil fields off the coast of Rio de Janeiro to the education budget. Rousseff argued that congress had blocked the other solutions her government had proposed.

Although Rousseff was criticised in some quarters for her relatively bloodless, technocratic performance, she did allow herself a few barbs at Neves' expense. Neves has promised to take "unpopular measures" to ensure Brazil's economy receives a boost from his administration. Rousseff wondered aloud whether those unpopular measures would involve cutting salaries or cutting jobs.

Most analysts agree that none of the candidates produced a game-changing performance. If subsequent polls confirm the trend revealed by the Ibope and Datafolha surveys, however, both Rousseff and Neves will have to improve their line of attack on Silva. The next presidential debate takes place on 1 September.

Dollar on the rise again

While President Cristina Fernández continues to insist that life goes on in Argentina after the “credit event” (the government rejects the term “default”), one key indicator of business confidence is flashing red. At close of trading on 26 August, one US dollar was trading for Arg\$14.20 on the black-market (the so-called ‘blue dollar’). The new record of Arg\$14.20/US\$1 brings the gap between the official and informal rates to 69%. The increased shortage of US dollars is likely to become more acute, putting even greater pressure on Argentina’s dwindling supply of foreign reserves. However, the government has denied there will be a repeat of January’s devaluation.

Grinding on

The dispute between Argentina and its hold-out bondholders grinds on, with few solutions in sight. A number of the exchange bondholders (the term for those who accepted previous debt writedowns) have filed lawsuits against the Bank of New York Mellon (BONY) for not releasing the interest payment the Argentine government had deposited with the bank. Judge Thomas Griesa’s court order had prohibited the dispersal of the funds.

The Quantum Group of Funds, founded by the billionaire business magnate George Soros; Hayman Capital, a Dallas-based hedge fund run by Kyle Bass (see sidebar); and several other hedge funds argue that BONY failed to meet its obligations with its clients by not paying them €226m (US\$298m) of interest on Argentine debt, because Griesa does not have jurisdiction over their bonds. BONY’s “actions have been designed consistently to protect its own interests without reference to the interests [of the bondholders],” they argue.

Meanwhile, on 26 August, Argentina’s cabinet chief, Jorge Capitanich, said that the government has officially revoked the licence of BONY to operate in Argentina. Previously, Argentina had attempted to persuade BONY to ignore Griesa’s order and disperse the funds anyway. The revocation of BONY’s license is considered a necessary step to implementing the Fernández government’s plan to bypass Griesa’s ruling by offering new bonds issued under Buenos Aires law to its ‘exchange’ bondholders.

The home front

In a speech on 26 August, President Fernández called for unity at home in the face of foreign intransigence. Warning that the country faces “difficult times” due to those holdout creditors who wish to see Argentina “kneel”, Fernández called for her fellow citizens, regardless of their political affiliation, to back her government’s position. “Our big failures as a society have always happened when our democratic forces were divided,” she said.

In fact the speech was at least in part designed to stave off the threat of serious industrial action. A week earlier three different sectors of Argentina’s opposition-aligned trade union movement confirmed plans for a 24-hour general strike to be held on 28 August.

The Confederación General del Trabajo (CGT), led by government critics Hugo Moyano and Luis Barrionuevo; and one sector of the Central de Trabajadores de la Argentina (CTA), led by Pablo Micheli, are planning a strike over “lower salaries, jobs, and inflation”. Barrionuevo has already warned of further action in September without government concessions.

At least one trade union did heed Fernández’s call. The Unión Transviarios Automotor (UTA), the long-distance transport workers’ association, has announced that it will not adhere to the national strike, following conversa-

Hedge funds gun for BONY

“They failed to transfer the euro funds in accordance with their trust obligations. Our interest payment is governed by UK law, which hasn’t ruled on this [the conflict between Argentina and the vulture funds],” Kyle Bass, the founder of Hayman Capital hedge fund said in an attack on the Bank of New York Mellon (BONY). “Until there’s a similar injunction in the UK, they owe us our interest payments.

Beef exports restricted

On 22 August, the Argentine government announced the restriction of beef exports for 15 days in an effort to contain domestic prices. The domestic trade office reduced permit authorisations for beef shipments. Beef prices have climbed 54% since the beginning of the year, an increase which Argentina's cabinet chief, Jorge Capitanich, claimed "has no relation with costs", but was rather due to "speculation".

tions with Capitanich. The UTA's decision therefore represents a victory for the Fernández administration; but the level of adherence to the industrial action on 28 August will give a better indication of how well the government's 'patria o buitres', 'homeland or vultures' rhetoric is playing out with the Argentine populace.

TRACKING TRENDS

BRAZIL | Rio gets internet domain. On 25 August Rio de Janeiro's mayor, Eduardo Paes, revealed that the city is set to become the first in South America to boast its own internet domain- '.rio'. According to Paes his municipal government is in the final stages of registering the new domain with the Internet Corporation for Assigned Names and Numbers (ICANN), the organisation responsible for the maintenance of unique identifiers related to the namespaces of the Internet, and that this process would be finalised by January 2015, ahead of the 450th anniversary of Rio's foundation.

Noting that other cities such as New York, London and Paris already have their own domains, Paes said that "what we want is to develop a brand for the city". Registration in the new domain will cost US\$30 a year and all interested parties have until 29 December to apply for a .rio internet address.

CHILE | Advancing energy policy agenda. On 26 August Chile's President Michelle Bachelet inaugurated the 'El Arrayán' wind farm in Coquimbo region, which with 50 wind turbines and an installed electricity generating capacity of 115 megawatts (MW) is now the country's largest.

Since assuming office for the second time back in March, Bachelet has said that tackling Chile's energy sector crisis would be one of her government's main priorities. In order to do so her government has come up with an 'energy policy agenda' designed to tackle the sector's high operational costs and boost domestic electricity production levels by providing greater incentives for investment in the sector [WR-14-20].

Among other things, the seven-point energy policy agenda gives the State a new planning role in the energy sector in the hope that this will allow it to diversify the national electricity production matrix by promoting increased use of non-conventional renewable energy (NCRE) sources (which include the likes of wind, solar and geothermal power sources).

In a short speech delivered at the opening of 'El Arrayán', Bachelet said that the new wind farm would help her government achieve the objective set out in its energy policy agenda of increasing NCRE electricity generating capacity by 45% during her current four-year term in office until 2018 so that NCRE electricity accounts for 20% of Chile's total energy production by 2024.

"The launching of this wind farm is a step towards the objective that we have set ourselves as a country in the energy policy agenda," Bachelet said, pointing out that 'El Arrayán' has the potential to supply electricity to some 200,000 homes. Bachelet noted that her government had already set aside US\$3.5bn to invest in 'clean' energy generation projects and that so far this year some 600MW of NCRE-generated installed electricity capacity had been added to the energy matrix compared to 291MW last year. "We have reason to be optimistic, because this year there has been an important increase in the development of NCRE projects in the country," she said.

Adding that there are another 14 NCRE generating projects with a projected generation capacity of 1,526MW currently at the evaluation stage, Bachelet rhetorically asked, "What better sign of confidence can there be than Chilean and foreign investors being prepared to present new projects or expand existing ones and choosing our country to generate new business?" She then urged Chile's energy sector entrepreneurs to continue investing in this type of clean energy production, declaring that "these will become the foundation for the country's future economic growth".

Interestingly, the northern region of Coquimbo (Region IV), a major tourism destination, appears to have become the centre of the NCRE investments, with the region now being the home to 15 different NCRE energy generation projects (eight wind, four solar and three hydroelectric).

Health minister admits to collapsed system**Congress - the serious, the bizarre and the absurd**

Congress has begun a debate on political reform, with proposals including a second round of elections, presidential re-election and reform of the supreme electoral court. For good measure, it is also proposing a reform to allow people with 'ugly names' ('nombres feos') to be able to change them by deed poll. Among some of the 'uglier' names on the national registry are Próculo, Pancraccio, Herculano, Filemón, Anacleto, Eustaquio, Sansón, Gumersindo, Eleuterio, Pánfila and Coronado, in addition to 'Hitler', 'Silvestre Stallone', 'Arnold Schwarzenegger' and 'Jonh F.Kennedy'. This follows on an earlier reform to ban female deputies from wearing mini-skirts and revealing blouses in the legislature, in protest at which male deputies from the opposition Libre party turned up wearing short skirts in solidarity with their female colleagues.

Doctors, nurses and health care workers staged a 'Dignity March' in several Honduran cities on 24 August in protest at the dangerously deteriorated state of the public health system. Admitting that the system was in a state of "collapse", Health Minister Yolani Batres nonetheless took umbrage at the protest, warning of sanctions against striking workers. The congressional health committee also released a report damning of public health workers, saying patient care in the country's hospitals had become "dehumanised".

The president of the Honduran medical college (CMH), Elmer Mayes, said that the government had left the health system in "total abandonment". "We are health soldiers and without arms we can't have results," he declared, adding that doctors and nurses work "with their hands alone".

Batres admitted that the main problems in the service were the poor quality of service and problems with supplies. But she was unsympathetic, warning that striking workers would be sanctioned appropriately, including having their salaries withheld. She told a press conference that President Juan Orlando Hernández had ordered a thorough review of the national health system upon taking office in late January, starting with "a new and transparent mechanism for the purchase of quality medicines, at a fair cost, from suppliers of confidence, delivering immediate savings of 300%". She did not elaborate with actual figures, but continued that since early August these new supplies had been distributed "on a permanent basis" across the country.

She added that the government was also taking disciplinary measures, within the law, aimed at improving the quality of service provided to public hospital patients. She stressed that the government would not allow the health of people to be used as an excuse for unions to negotiate salary demands.

Meanwhile, the head of the congressional health commission, Deputy José Vivian Portillo of the ruling Partido Nacional (PN), declared the country's hospitals to be "in a coma" in a report presented on 26 August. The report said the hospital system was in a "deplorable state", noting that access to the health system was "far from a guarantee of recovery". On the basis of visits to two hospitals in Tegucigalpa and San Pedro Sula, the commission found that basic hygiene protocols were not being followed, with laboratory services "insufficient". It also noted that supplies were sorely lacking and cast grave aspersions on the quality of in- and out-patient care. It complained that the common practice of charging patients and their families for services went counter to the constitutional guarantee of access to the health system.

The problem, as ever, is money. Portillo admitted that while the healthcare budget was a fundamental problem, administrative control at the local level had been lost, with "a chain of irregularities" in the acquisition of medicines and other supplies (suggestive of corruption). Among the commission's recommendations was the creation of a new health superintendency to oversee the sector.

According to the World Health Organisation (WHO), Honduras spent a relatively high 8.6% of GDP on health in 2012, or US\$354 per capita annually (in adjusted international dollar terms). However most of its health indicators are worse than the regional average, including infant and maternal mortality rates, life expectancy at birth, and the prevalence of HIV, TB and malaria. In no small part, of course, this is a product of the country's high poverty rate (affecting some 70% of the 7.9m population) and extreme insecurity.

More suspicions over militarising security**Head of armed forces dies in crash**

The chief of staff of the Guatemalan armed forces, General Rudy Ortiz Ruiz, died in a helicopter crash which took place on 20 August in the mountainous region of Huehuetenango near the border with Mexico. The causes of the crash, in which four other military officials died, are unknown. Defence Minister General Manuel López Ambrosio, who had previously held Ortiz's post, said that the officials had been carrying out routine checks in the department. President Otto Pérez Molina has named General Carlos Estrada Pérez, who was serving as Ortiz's deputy, as the new chief of staff.

President Otto Pérez Molina last week announced the deployment of a joint police and military patrol to the northern regions of Alta Verapaz and Baja Verapaz in order to combat "organised crime". While in line with his policy of militarising citizen security – which Pérez Molina claims has had an impact on reducing crime – the latest move has attracted suspicion as it comes two days after deadly clashes took place in Alta Verapaz, reportedly over attempts to evict families to make way for a hydroelectric project.

Interior Minister Mauricio López Bonilla gave no details as to the size of the joint patrol or the length of deployment. The current Partido Patriota (PP) government has set up other combined military-police task forces to fight organised crime since taking office in January 2012. The first of these – Fuerza de Tarea Tecún Umán – was created in July 2013 in San Marcos, to operate along the Mexican border. A second – Fuerza de Tarea Institucional Chortí – created in April, has been deployed in Zacapa, along the border with Honduras.

The establishment of the latest joint patrol attracted suspicion given that on 15 August three peasants were killed (reportedly by gunfire) and six police officials were injured in clashes in Raxruhá, a municipality in Alta Verapaz. During the clashes, which have resulted in 22 arrests, eight PNC officials were taken hostage by local community members, although all have since been released.

The Pérez Molina government claims the unrest broke out in response to arrest warrants issued for members of a local peasant organisation, Comité de Desarrollo Campesino (Codeca), accused of stealing electricity. However, some local press reports said the violence followed the eviction of around 160 families from land in the municipality of Cobán earmarked for the controversial Santa Rita hydroelectric dam. While the mining & energy ministry reported on 30 July that 14 communities from Cobán had inked a deal with local authorities over the dam, which is owned by Israeli company Energía Limpia de Guatemala (ELG) and is one of three projects under development on the River Icbolay, local organisations like Ut'z Che' claim the affected communities were not consulted.

The deaths and subsequent militarisation of the area have prompted concern from local peasant organisations, including the Coordinación y Convergencia Nacional Maya Waqib'Kej and the Asociación de Servicios Comunitarios en Salud (Asecsa) and the national organisation, Coordinación de ONG y Cooperativas (CONGCOOP). On 19 August the indigenous group Observatorio de Pueblos Indígenas told reporters that it will pursue legal measures against López Bonilla for crimes including extrajudicial executions and racial discrimination.

Security gains

A 23 July presidential press release cites figures from the prominent human rights group, Grupo de Apoyo Mutuo (GAM), which showed 2,844 homicides in the first half of 2014 – an 8.64% decline on the same period in 2013.

According to the same press release, the current homicide rate is currently 30 per 100,000 inhabitants, down from 40 when the PP government took office, while President Pérez Molina aims to reduce the rate to 26 by the end of his four-year mandate. The press release notes that the Escuintla department has the highest homicide rate in the country, with 84 victims per 100,000 inhabitants, followed by Zacapa (77) and Guatemala (which includes the capital, 69).

As well as his deployment of the military to fight crime, Pérez Molina attributes the reduction in crime to the increase in size, training and professionalisation of the national police (PNC) which currently numbers 32,000 officials, up from 22,000 when he took office. He is planning to raise this to 35,000 by the end of his mandate.

Quotes of the week

“The leader of a team never hands over the heads of members of that team to save their own.”

Peru’s prime minister, Ana Jara, refuses to heed an opposition demand to remove certain cabinet ministers.

“If they want me to stop speaking out they will have to kill me.”

Colombian deputy for the right-wing Centro Democrático, María Fernando Cabal, after coming under fire for tweeting that one of the victims attending the peace talks in Cuba must be suffering from “Stockholm syndrome” when she smiled upon shaking hands with a member of the Farc negotiating team. The victim actually shook hands with a member of the government team.

“We don’t want to be betrayed, we have no confidence in the PRD leadership.”

Mexican left-winger Andrés Manuel López Obrador refuses to cooperate with his former party to gather signatures for a referendum to revoke the energy reform.

Mexican authorities in the spotlight after massive acid spill

“This is the worst natural disaster provoked by the mining industry in Mexico’s modern history,” and it is “100% the fault of Grupo México”, the environment minister, Juan José Guerra Abud, concluded in a press conference on 26 August given with the director of the national water commission (Conagua), David Korenfeld. The mining giant Grupo México manages Buenavista del Cobre, a copper mine situated in the municipality of Cananea in the north-western state of Sonora, from which more than 40,000 cubic metres of copper sulphate acid spilt into the River Sonora on 6 August affecting 22,000 people, and thousands of hectares of crops and livestock. The spill comes just as President Enrique Peña Nieto has won congressional approval for his energy reform proposal, and has led to questions being asked about how firm his government will be with abuses by foreign investors in the energy sector.

Grupo México has sought to downplay the seriousness of the spill and its own responsibility for it. Some 24 hours afterwards it blamed “atypical” rains for the spill. Then a spokesman told the radio on 12 August that the content of the acids was “not toxic in itself” and that there would be no problem for communities provided “suitable precautions” were taken. Guerra Abud had no truck with this, arguing that investigations had shown that the spill included copper, arsenic, aluminium, cadmium, chromium, iron, manganese and lead and was down to a faulty pipe due to poor maintenance. He also said that Mexico’s national weather service had revealed that “atypical” rains never occurred on 6 August.

The federal prosecutor’s office for environmental protection (Profepa) presented a lawsuit on 18 August against Buenavista del Cobre which could be fined M\$40m (US\$3m), a tiny fraction of the possible damage caused. Although Guerra Abud said his ministry’s priority was to apply “the maximum penalty” and “guarantee environmental compensation”, there is concern that if this is the most serious fine that can be levied, there will be little pressure on foreign energy companies entering the sector to safeguard the environment. The federal lower chamber of deputies, however, announced a special working group on 26 August to continue investigating the spill and, if found responsible, to strip Grupo México of the concession to continue operating the mine, which produces 200,000 tonnes of copper a year.

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