

latin american weekly report

29 October 2015, WR-15-43

ISSN 0143-5280

CONTENTS

BRAZIL & SOUTHERN CONE

BRAZIL 3

Lula's son under scrutiny as probes widen

BRAZIL 4

Government adjusts target as deficit climbs

TRACKING TRENDS

ANDEAN COUNTRIES

COLOMBIA 6

Elections produce clear winners and losers

ECUADOR 8

Correa challenges deputy to duel

VENEZUELA 9

The Whistleblowers

MEXICO & NAFTA

MEXICO 11

Osorio Chong confounded by data on violence

TRACKING TRENDS

CENTRAL AMERICA & CARIBBEAN

GUATEMALA 13

Morales takes on his most challenging role yet

HAITI 14

Voting day concerns fail to materialise

POSTSCRIPT 16

El Salvador's government modifies approach to maras

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

Macri in the lead ahead of second round

Few statistics in Argentina are reliable. Ahead of the 25 October first round election, opinion polls indicated that Daniel Scioli, the candidate of the ruling Frente para la Victoria (FPV, *Kirchneristas*) faction of the Partido Justicialista (PJ, Peronists), was almost ten points clear of his nearest rival, Mauricio Macri, from the centre-right Cambiemos coalition. In fact, the difference turned out to be a little over 2%. Hopes for an outright victory for the *Kirchnerista* candidate evaporated quickly on the evening of 25 October however. In the run-off due on 22 November, Macri now appears to have the edge.

With 97% of the votes counted, Scioli won 36.86%, narrowly ahead of Macri, on 34.33%. Sergio Massa, from the dissident Peronist grouping, Una Nueva Alternativa (UNA) came third with 21.34%. With outgoing President Cristina Fernández's approval ratings still relatively high, at around 40%, the election was a serious, and unexpected, disappointment for *Kirchneristas*. While the results were greeted with near silence in Scioli's camp, Macri's supporters were jubilant. "What happened today will change politics in this country," Macri told the crowd outside his campaign headquarters.

The most notable FPV defeat of the night was in the election for the governorship of the province of Buenos Aires, long a bastion of Peronism, where Maria Eugenia Vidal, of Macri's own Propuesta Republicana (PRO) party, beat Aníbal Fernández, the national government's combative cabinet chief.

Cambiemos also won governorships in the densely populated provinces of Córdoba, Santa Fe and Mendoza, while Massa's UNA took Jujuy. The FPV retained a number of smaller provinces: including the birthplace of *Kirchnerismo*, the Patagonian province of Santa Cruz. There, the family kept the flame alive, with the president's sister-in-law, Alicia Kirchner winning the governorship and Máximo Kirchner, the president's son, winning election as a national deputy.

In legislative elections, the FPV was unable to repeat its performance of 2011, when it won 54% of the seats in the national chamber of deputies. It lost 42 seats, but it remains the dominant party, controlling 114 of the 257 seats, but short of the 129 it needed for a majority. Cambiemos, meanwhile, has a total of 43 seats, while UNA will have 27 deputies from 10 December. In the senate elections, however, the FPV performed well: the party will have 38 seats, just shy of a two-thirds majority. Still, the make-up of congress means that whoever wins the presidential run-off will have to forge alliances to govern effectively, meaning that the abrasive political style of the Kirchner years may have come to an end.

Vote counting delays

Speaking on 28 October, the national electoral director Alejandro Tullio said the counting of votes of the 22 November run-off “will be simpler” with results expected to be released earlier compared with the first round. “One learns in each election,” Tullio said, referring to the meeting he has recently held with the representatives from the Cambiemos coalition and the Frente para la Victoria (FPV). “We called them to agree on the way in which we are going to resolve the provisional counting of votes. I ratified all the security measures to have an election as transparent as the one we had on the 25 October.”

Massa the kingmaker

Much now depends on who Massa’s voters decide to support. On 28 October he gave a strong indication that he favours Macri over Scioli, but he stopped short of an outright endorsement. Speaking alongside José Manuel de la Sota, the governor of Córdoba province, Massa said that an overwhelming majority of Argentines had voted for change rather than continuity on 25 October though he acknowledged that he was “not the owner of people’s votes”.

To help prod his supporters along, however, Massa issued a document setting out a list of demands from UNA. “The candidate who decides to follow the proposals will have the greater chance of winning the majority of our 5.2m votes,” he said. Among the ideas set out in the document was a request for an improvement in pensions, an increase in the penalties for corruption and stronger measures to combat the drugs trade. Most analysts believe Massa’s proposals are much closer to Macri’s offering, than to Scioli’s.

Scioli now has a delicate balancing act. Already suspected by hardcore *Kirchneristas*, his performance will have done little to calm their nerves. And yet in order to have a serious change of victory on 22 November he needs to reach out to the centre ground rather than the Left.

Already, there are signs of infighting within the FPV which could sink Scioli’s campaign. In the gubernatorial race for Buenos Aires province, Aníbal Fernández blamed Scioli’s absence during this year’s severe floods for his defeat. The president has yet to comment on the election results, but Scioli has had to repeatedly deny rumours he is considering breaking with her to boost his chances.

Speaking on 28 October, Scioli told a local radio station that he was “permanently” in talks with the president. “I speak with the president all the time,” he said. “Everything else is speculation.” In retrospect, it appears that Scioli’s decision not to participate in the presidential debate ahead of the first round may have been a mistake. Now, he has accepted an invitation by Macri to go head to head in the week before the second round vote.

Opinion polls

One explanation for the misleading forecasts offered by the opinion polls is that between the national, open, simultaneous and mandatory primary elections (Paso) in August and the 25 October election, voter turnout increased by 1.3m and most of them, according to some polls, up to 80%, supported Macri. While bearing in mind the mistakes of the first round, the polls taken after the vote on 25 October suggested that Macri has a slight edge over Scioli.

In a poll by González & Valladares, conducted on 26 and 27 October, Macri won 45.6% of voter intentions, versus 41.5% for Scioli. Around 4.5% said they would cast a blank vote and 8.8% said they were still undecided. As such the undecideds will play a big role on 22 November and it appears probable that they would be more susceptible to a moderate rather than a radical message. The poll also tried to analyse the intentions of Massa’s voters. According to the data, 45% of these voters are inclined to vote for Macri, while only 22.3% would vote for Scioli. Still, 24.3% of Massa’s voters are undecided. Of the nano-candidates, the four presidential also-rans who polled in low single figures, most of their voters are now inclined to vote for Scioli.

Vote count

Despite fears ahead of the election about the transparency of the vote, few irregularities were reported on polling day itself. However, there was a six-hour wait before the preliminary votes were released, leading some to suggest the election monitors were shocked by the discrepancy between the polls and the result.

Lula's son under scrutiny as probes widen**Marin to be extradited**

On 28 October the Swiss government announced that José Maria Marin, the former head of the Brazilian football association, Confederação Brasileira de Futebol (CBF), had agreed to be extradited to the US over his role in the corruption scandal at the world football's governing body Fifa. Marin is accused of receiving millions of dollars in bribes linked to TV broadcasting rights. Initially resistant to extradition, the fact the 83-year-old has changed his mind suggests he may be willing to cut a deal with the US authorities.

Alongside 'Operation Lava Jato', the official investigation into the corruption scandal at the state-controlled oil company, Petrobras, Brazil's federal police is also involved in another sensitive probe: 'Operation Zealots'. The focus of this investigation is the Conselho Administrativo de Recursos Fiscais (Carf), the body within the finance ministry that hears appeals on tax disputes. A number of its members are suspected of taking bribes to rule favourably on contentious tax cases. On 26 October, investigators raided the offices of Luís Cláudio Lula da Silva, son of former president Lula da Silva (2003-2011), as part of Operation Zealots.

According to *O Estado de São Paulo*, Luís Cláudio's firm, LFT Marketing Esportivo, is suspected of receiving money from a lobbyist suspected of bribing officials at Carf to push for tax breaks for car makers. In response to the raid, Luís Cláudio's lawyers said that LFT Marketing Esportivo and another company he owns, Touchdown Promoção de Eventos Esportivos, had not had any dealings with the tax appeals board.

Separately, Lula himself faces an ongoing investigation into charges of influence-peddling in the years since he left office. He stands accused of using his position to lobby foreign governments on behalf of Odebrecht, the construction giant, and to secure low-interest loans for the company from the Brazilian national development bank (Bndes). On 16 October Lula was questioned for 90 minutes by the attorney general, which is investigating trips he made to Panama, Venezuela, the Dominican Republic and Ghana at Odebrecht's expense.

Lava Jato

Lula is also starting to feel the heat from Operation Lava Jato. In plea bargaining testimony, Fernando 'Baiano' Soares, a lobbyist, confirmed that Lula and his close friend José Carlos Bumlai met several times with João Carlos Ferraz, the president of Sete Brasil, an oil-rig maker heavily implicated in the Petrobras corruption scandal. According to Soares, Lula discussed the advance of a R\$3m (US\$765m) payment that Bumlai would pass on to Lula's daughter-in-law to pay off her debt on an apartment.

The investigations are taking their toll on the personal relationship between Lula and his former protégé, President Dilma Rousseff. Despite the recent cabinet reshuffle which saw several of Lula's allies elevated to top positions, the former president appears unable to resist criticising Joaquim Levy, Rousseff's orthodox finance minister.

Lula, like many in the ruling left-wing Partido dos Trabalhadores (PT) favours replacing Levy with Henrique Meirelles, the former central bank governor. However, it is a truth, almost universally acknowledged in Brasília, that the day after Levy goes, Brazil's credit rating will be downgraded.

Due to the vigour of the police investigations, Lula would also like to see the justice minister, José Eduardo Cardozo, removed from his post for his apparent willingness to let the investigators do their job, unimpeded. The fact that Cardozo stayed in place during the recent cabinet reshuffle, therefore, is significant.

Tax revenues down

On 23 October, the federal tax agency announced that in September tax revenues were R\$95bn (US\$24m), down 4.12% on the same period last year. In the first nine months in 2015, tax collection was R\$901bn, down - 3.72% on the first nine months of 2014 and the lowest result since 2010.

'Bullets, beef and bible' caucus chalk up victories

Over the past week, the 200 or so members of the conservative 'bullets, beef and bibles' caucus chalked up three significant victories, in a sign that the government's weakness at setting the agenda on economics is matched by its weakness on social policy.

On 27 October, a special commission of the federal lower chamber of congress approved a bill to grant congress the authority to demarcate indigenous territories. On the same day, another congressional commission approved a text liberalising Brazil's gun laws; a week earlier, another backed a bill to limit yet further Brazilian women's access to abortion services, including in instances of sexual violence.

Though these bills all require the approval of the full plenary session of the federal lower chamber (as well as that of the senate), the passage of the bill to cut the age of criminal responsibility earlier this year suggests the caucus has the support, at least in the lower chamber.

BRAZIL | ECONOMY

Government adjusts target as deficit climbs

In an announcement that surprised few, on 27 October the Brazilian government led by President Dilma Rousseff revised down its primary fiscal target; the budget balance before interest payments. The government now expects a primary fiscal deficit of 0.85% of GDP, R\$51bn (US\$13.3bn). Many analysts expect this may be optimistic, as it relies on at least R\$11bn in revenue from the sale of concessions for 29 hydroelectric power stations in an auction due on 25 November. Given the many legal obstacles faced by companies currently operating hydroelectric plants in Brazil, particularly in the Amazon, this may be ambitious. The deficit could also grow if the government decides to pay debt it owes to state-controlled lenders before the end of the year.

After last year's general elections, but ahead of donning the presidential sash for the second time, President Rousseff selected Joaquim Levy as finance minister and announced that the 2015 primary surplus target would be reduced from R\$114.7bn (2% of GDP) to R\$66.3bn (1.2% of GDP). In July 2015, faced with increasing evidence of a sharper-than-expected slowdown and a consequent decline in tax receipts, the government announced a reduction in the target to a surplus of just R\$8.7bn (0.15% of GDP). Levy, reportedly, wanted a tougher goal, but he was overruled. A month later Standard & Poor's, the credit rating agency, downgraded Brazil to junk status.

In a statement signed off by Levy and the planning minister, Nelson Barbosa, on 27 October, the government admitted that expectations for GDP growth for 2015, which effectively orientate the fiscal projections of the federal government, had suffered repeated reductions throughout the year. The latest consensus forecast for the Brazilian economy this year is -3.02%. Expectations for 2016 have also been downgraded from -1.22% to -1.43%.

In an attempt to alert the federal congress to the urgency of Brazil's financial situation, the statement also warned of the difficulties if the country was to suffer another credit rating downgrade by one of the other major agencies: Fitch or Moody's. Should a second credit rating agency downgrade Brazil to junk, many funds would be legally obliged to dump their Brazilian assets, leading to major capital flight.

Barbosa and Levy's statement pointed out that studies show that when countries lose their investment grade rating they suffer on average a fall in the volume of foreign direct investment and portfolio investment from abroad of 65% and 98% respectively over the following 12 months.

“Codelco has been going through a rough period over the last couple of years due to the sharp fall in international copper prices and the company has been under pressure to cut its costs and rationalise operations so as to ease its financial pressures.”

In a note to clients, Shelly Shetty, the head of Latin American Sovereign Ratings at Fitch, responded to the government statement. “The fiscal difficulty and the growing debt of the government has been a source of concern for us, which we reflected in our recent lowering of Brazil’s credit rating by one grade [to one notch above junk]. The negative outlook suggests the risk of further pressure for a downgrade because of the deteriorating economic and fiscal outlook.”

In her blog for *O Globo*, the respected economics commentator, Miriam Leitão, argued that the current deficit was the result of the government’s long-term failure to withdraw the stimulus measures put in place during the financial crisis of 2008. While acknowledging that these measures were necessary at the time, Leitão said that they should have been reversed in 2010, at the start of Rousseff’s first term. Instead, the Rousseff government continued to spend, and continued to select certain industries to subsidise, most notably, Brazil’s automobile industry.

The increase in the minimum wage, which is linked to pension payments, has also led to a significant increase in government expenditure. The central bank has come in for strong criticism from noted economists for its failure over the years to draw attention to the rising levels of state spending. The government’s attempts to correct its course are now attracting flak from both Right and Left in the federal congress, with the political crisis in Brasília only

TRACKING TRENDS

CHILE | Codelco cuts investment plan. On 26 October Chile’s state-owned copper mining firm, Codelco, the world’s largest copper producer, announced that it was cutting its long-term investment programme by some US\$4bn. Codelco has been going through a rough period over the last couple of years due to the sharp fall in international copper prices and the company has been under pressure to cut its costs and rationalise operations so as to ease its financial pressures. The announcement, which came after an extraordinary meeting of Codelco’s board of directors in which they analysed the firm’s current financial situation, shows that the continued slide in copper prices this year has led Codelco officials to act now in order to ensure the firm’s profitability. Copper prices have fallen by 17.7% since the start of the year to an average of US\$2.5 per pound (/lb) compared to the US\$3.11/lb registered at this time last year. In a press conference following the meeting, Codelco’s CEO, Nelson Pizarro, said “we visualise an investment, taking into consideration the peso’s devaluation against the US dollar, of less than US\$25bn. The exact value we could say would be between US\$21bn and US\$22bn”. Pizarro did not provide more details, but said that the Codelco had decided to “adjust its investment schedule” for the next couple of years in order to promote savings and ensure profitability levels. Nevertheless, Pizarro added that “we are very calm because none of our [investment] projects are under question... and should materialise with a lag of one or two years”. Finance Minister Rodrigo Valdés, who also attended the meeting and ensuing press conference, said the government would discuss the firm’s capitalization in coming days. “We want to capitalise Codelco so that it can maintain a healthy financial balance”, Valdés said. Codelco’s announcement came despite the fact that during a meeting with investors in London earlier this month, the president of Codelco’s board, Oscar Landarretche, said that it was unlikely that the firm would revise its investment plans despite the fall in copper prices. Landarretche said that Codelco would only consider revising its investment plans or reduce its production levels if copper prices fell below US\$2.00/lb.

Elections produce clear winners and losers**Peñalosa**

Enrique Peñalosa launched the rapid-bus transportation system TransMilenio when he served as mayor of Bogotá between 1998 and 2002. A transit consultant, many voters see Peñalosa as the man to overhaul the overcrowded and poorly maintained TransMilenio system. The main public complaint in the capital is the deterioration in public transport. President Santos promptly received Peñalosa in the presidential palace and agreed with him “to work together for the capital’s future” and set in motion a series of initiatives for the capital to improve infrastructure, transport, housing and water provision.

The biggest winner did not actually run in the regional and municipal elections on 25 October. Vice-President Germán Vargas Lleras saw his prospects of landing the top job in 2018 boosted by the results obtained by his party, Cambio Radical (CR). The biggest losers were the Left and the Right. The left-wing Polo Democrático Alternativo (PDA) saw its 12-year control of the capital ended by Enrique Peñalosa, a CR-backed independent returning for a second stint as mayor of Bogotá. The right-wing Centro Democrático (CD) of Senator Alvaro Uribe suffered disappointing defeats in Bogotá and the former president’s native department of Antioquia. President Juan Manuel Santos had been on course to be a winner. The parties in his ruling coalition did well nationwide and election day was the most peaceful for decades but the very next day the Ejército de Liberación Nacional (ELN) killed a dozen members of the security forces carrying ballot boxes back from a remote polling station in Boyacá department.

The CR outperformed all of the other parties contesting the 32 gubernatorial elections, winning five governorships by itself – La Guajira, Magdalena, Bolívar, Vaupés and Amazonas – and a further five in coalition. It also won the mayoralty of Barranquilla, the capital of Atlántico department and the fourth largest city in Colombia, through Álex Char, a former mayor (2008-2012). But perhaps its most impressive achievement was the election of Peñalosa in Bogotá (*see sidebar*). Peñalosa, who served as mayor from 1998 to 2002, had tried and failed to be re-elected on numerous occasions. Although he ran as an independent and has an important support base of his own, the CR’s backing was crucial, not least because it broke with all the other parties in the ruling coalition who had backed Rafael Pardo of the Partido Liberal (PL). All of this will provide a useful springboard to the presidency for Vargas Lleras in 2018.

The PDA was humbled in Bogotá in a sharp blow to the Left (especially with all eyes on a post-conflict Colombia), which had united to back the mayoral candidacy of Clara López, who finished third on 18% behind Peñalosa on 33% and Pardo on 28.5%. Although López came fourth with nearly 2m votes in the 2014 presidential elections (President Santos only won 3.3m in the first round), she faced an uphill task running for mayor in Bogotá because of the high disapproval rating of the leftist incumbent, Gustavo Petro, whose troubled tenure has been dominated by a long legal battle to remove him from power which ended in a Pyrrhic victory.

Overall the first regional elections of Uribe’s CD have to go down as disappointing when it is considered that Óscar Iván Zuluaga forced Santos to a second round in last year’s presidential elections after winning more votes in the first. Francisco Santos was thumped in Bogotá, finishing a distant fourth on 12%, and the CD suffered some big setbacks in Uribe’s regional power-base of Antioquia. In the departmental capital Medellín, Colombia’s second largest city, the CD’s Juan Carlos Vélez was defeated 36% to 34% by the independent, Federico Gutiérrez. In the Antioquia gubernatorial elections, the PL’s Luis Pérez, backed by all of the parties in Santos’s ruling coalition, won comfortably against the CD’s Andrés Guerra by 39% to 30%.

The CD performed better than the PDA, however, in the sense that it won two governorships, Casanare and Tolima (the latter in an alliance). It won the most seats on the Medellín council (it was the only party to surpass the percentage of blank ballots) and the Antioquia departmental assembly. It threw its weight behind Norman Maurice Armitage, the independent victor

Bacrim

A total of 197 members of criminal gangs (Bacrim) operating in northern Colombia were arrested earlier this month in 'Operation Nemesis' carried out by the police and the attorney general's office. The majority, 148, belonged to Colombia's largest gang, Clan Úsuga or Los Urabeños. A further 29 belonged to Los Rastrojos; 13 to Los Costeños; and seven to La Empresa. The attorney general's office singled out John Jairo Benítez and Farly Eliécer Velásquez, who were running for posts in municipalities in the department of Córdoba in elections on 25 October. They are believed to be financial coordinators for the Clan Úsuga, which has some 2,650 members. The authorities have been carrying out a separate operation, 'Agamemnon', to track down the group's leader, Dairo 'Otoniel' Antonio Úsuga.

of the mayoral elections in Cali, Colombia's third largest city: Armitage, a successful businessman, had turned to politics for the first time at 70.

The CD also won 53 mayoralties (76 in coalition), with the majority in Antioquia, Caldas, Cundinamarca, Caquetá and Amazonas, but none of the big ones. While the PDA recorded no victories in departmental capitals the CD won three – Leticia (Amazonas); Puerto Carreño (Vichada); and Florencia (Caquetá), albeit all in areas of conflict with the Fuerzas Armadas Revolucionarias de Colombia (Farc). But ultimately the CD's failure to offer much beyond its opposition to the peace process with the Farc damaged its performance elsewhere where the elections were fought on specific local and regional concerns.

ELN strikes

President Santos, meanwhile, hailed the elections as a success, claiming that turnout of 59% was "the highest in the country's history", especially given that voting is not compulsory. Santos argued that the strong showing of the parties in the ruling coalition showed the public "wants peace", and that violence was down by 60% on the previous regional and municipal elections in 2011. But these positives were to some extent negated by the most devastating attack by the ELN for several years, the day after the elections.

ELN guerrillas killed at least 11 soldiers and one police officer in the Sierra Nevada del Cocuy. The ELN, which took two soldiers hostage, claimed that the number of fatalities was 18. The members of the security forces were carrying ballots cast in Bocotá, an u'wa indigenous community, to Güicán municipality in the north of the department of Boyacá near the border with Arauca. This high altitude mountainous area is accessible only by bridleway.

The security forces believe 'Pablito' (Gustavo Aníbal Quinchía), who became a member of the ELN central command (Coce) at the turn of the year, masterminded the attack. 'Pablito', the leader in the ABC departments of Arauca, Boyacá and Casanare, escaped prison in 2009. He has around one-third of the ELN's 1,500-strong guerrilla force under his command. He has also led frequent attacks on oil pipelines and electricity infrastructure in the area.

Santos said the attack "shows that the ELN has not understood that this is the time for peace not war". He ordered the armed forces to redouble its offensive against the ELN, adding that "if it thinks that it will gain political space through these actions or strengthen its position in eventual negotiations it is gravely mistaken".

After around two years of exploratory talks with the ELN, the government and guerrillas were poised to announce the final details of formal peace talks, such as the venue and the identity of guarantor nations. The ELN's offensives have been more visible in this time – a soldier was killed in the municipality of Anorí in Antioquia in an ELN attack on election day – leading to speculation that it is trying to force more concessions out of the government. With the recent announcement that the Farc peace process is moving towards its denouement the ELN is under mounting pressure to get negotiations underway.

Corrupt victors

Santos reiterated the importance of these particular regional and municipal elections two days before voters cast their ballots because if a peace accord is signed with the Farc on 23 March 2016, as scheduled, then those elected now will be responsible for implementing it and will receive millions of dollars of post-conflict resources. This is another reason why it is so important for responsible officials to be elected to office. There were, however, a number of winners with highly dubious credentials.

César Omar Rojas Ayala won the mayoralty of Cúcuta, the capital of the department of Norte de Santander near the Venezuelan border, for Partido

Public-private partnership in Ecuador

The new public-private partnership law was approved by 96 votes to 24 by Ecuador's national assembly. It provides incentives for public-private partnerships that carry out infrastructure and social housing works. It establishes mechanisms for strategic alliances between the State and the private sector in areas other than strategic sectors. An inter-institutional committee will determine which projects can be contracted in this way.

Opción Ciudadana (POC), the rebranded Partido de Integración Nacional (PIN) comprised of relatives or pawns of politicians jailed for links with paramilitary groups. Ramiro Suárez, who is serving a 27-year prison sentence for homicide and corruption, campaigned for Rojas from prison via Skype. Rojas worked as transport secretary under Suárez when he was elected mayor of Cúcuta in 2003. Then there is the POC's Yahír Acuña, a controversial former national deputy who put his wife, Milene Jarava Díaz, up for governor in the department of Sucre. Two days before the elections Acuña was arrested after Col\$480m (US\$165,000) in cash was found hidden in rucksacks in one of his campaign vans, presumably to buy votes. Jarava narrowly lost the election.

But perhaps the most eye-catching election result saw John Jairo Torres win the mayoralty of Yopal in Casanare. He was arrested on 14 October accused of corruption in the sale of plots of land in an illegal housing scheme, but his candidacy was not withdrawn.

ECUADOR | POLITICS

Correa challenges deputy to duel

Ecuador's President Rafael Correa last week challenged an opposition deputy, Andrés Páez, to a face-off. Páez had posed the rhetorical question on Twitter: "if the Dhruv helicopters are so good why has Correa never travelled aboard one but always defended their acquisition?" Earlier this month the defence ministry unilaterally cancelled a contract with the Indian manufacturer, Hindustan Aeronautics Limited (HAL), four of the seven Dhruv helicopters purchased in 2008 having crashed in the last six years.

President Correa responded to Páez by saying that "if he has a problem with me this swine knows where to find us". Páez accepted holding a debate on Ecuador's problems provided Correa turned up "without your 300 bodyguards". And so it went on. After his initial challenge to Páez, a member of Movimiento CREO, Correa responded that he would "not waste time" with such "a coward", prompting Páez to denounce him as "intolerant, rude, arrogant and fanatical".

These playground exchanges, as unedifying as they sound, serve the purpose of providing light entertainment for Correa's still significant support base at a time when hard realities are setting in as the economy grinds to a halt amid low oil prices and the appreciation of the US dollar. They provide a welcome distraction from the running of government. Correa shook up his cabinet in mid October in a bid to improve ties with the private sector. The big change saw Vinicio Alvarado replace Nathalie Cely as production minister. One of Alvarado's main challenges will be persuading foreign investors that there is juridical security in Ecuador, starting off with the approval of a public-private partnership law, which was passed by the national assembly on 27 October (see sidebar). Foreign direct investment (FDI) totalled just US\$251m in the first half of the year, down 19% year-on-year, according to the central bank.

The purchase of the seven Dhruv helicopters from HAL for US\$45.2m (of which 82% has been paid) has been the target of frequent criticism in the local press since the purchase was agreed in 2008 because of their safety record (see our latest *Andean Regional Report* for more details). In his criticism of the purchase, Páez alluded to the fact that one of the helicopters, which had various special features, had been assigned to transport Correa. This helicopter crashed in February 2014 in the province of Chimborazo (Correa was not onboard): three of the four crew members were killed. Last week Correa cancelled a visit to India scheduled for 4 November, ostensibly due to political problems in Ecuador.

The Whistleblowers

Rodríguez

Venezuela's foreign affairs minister, Delcy Rodríguez, who is very active on *Twitter*, reacted "the insolent remarks of the US State Department spokesperson John Kirby, who attacks the powers of our homeland." "The way the US blackmails, threatens, and buys off public prosecutors in Latin America to hinder justice and satisfy its interests is vulgar", she continued. "The US dares to talk about lack of judicial independence in Venezuela, yet in that country, the president nominates top justices".

Franklin Nieves, one of the two lead prosecutors in the trial of the Venezuelan opposition leader Leopoldo López, has fled the country for the US with his family and now alleges that he acted under pressure from his superiors, specifically the attorney general Luisa Ortega, to build a false case against López. This bombshell revelation (long alleged by supporters of López) has put the government led by President Nicolás Maduro under fresh international scrutiny just weeks before critical mid-term national legislative elections in which the opposition is hoping to make important inroads against the ruling party's congressional dominance. Nieves is just the latest Venezuelan whistleblower to make allegations against the Maduro government; and there is some indication that the evidence provided by these former insiders is helping various US judicial authorities as they slowly but surely construct cases of their own – presumably much more watertight – against key figures in the Bolivarian Revolution. The question is how and when US authorities might choose to use this leverage.

Nieves turned up in Miami last weekend, whereupon he released a video alleging that the case against López, who in late September was found guilty on charges of arson, criminal association, conspiracy, damage to public property and inciting violence in fatal anti-government protests in February 2014 and was handed down the maximum sentence of 14 years in prison, was a sham. "Leopoldo López is innocent," Nieves told the conservative *Wall Street Journal (WSJ)* on 26 October. "This was a totally political trial which should be nullified. All of Leopoldo López's human rights were violated because he was not able to present any witnesses or evidence." "Prosecutors and judges fear that if anyone dissents from carrying out an order, he will be detained, or a criminal case will be invented against him and he will be jailed" Nieves added, telling the newspaper that judges and prosecutors were routinely pressured to convict political opponents of the government by their superiors, who would give them their orders verbally in frequent meetings.

Distinctly unimpressed, Attorney General Ortega thoroughly denied the allegations. In a TV interview she accused Nieves of acting in an "anti-national" manner, saying that the only pressure brought to bear on the prosecutor had emanated from "foreign factors". "The prosecutor's office doesn't pressure anyone", she stated. Ortega confirmed that Nieves had been fired, having "abandoned his position".

Eric Farnsworth, vice president of the Washington-based Council of the Americas, told the *WSJ*, "This is very important because it shows that Leopoldo López is a political prisoner and that the regime is jailing its political opponents". The Maduro government denies that there are any political prisoners in Venezuela, just "imprisoned politicians" and it has long accused the international right-wing media, among which it includes the *WSJ*, of being part of a permanent campaign of attrition against oil-rich Venezuela's radical left-wing Socialist government.

However, the US government appears to have taken seriously the Nieves accusations. In a 27 October press release, the US State Department's spokesperson John Kirby expressed renewed concern about the lack of judicial independence in Venezuela. According to the statement, "One of the prosecutors in Mr. Leopoldo Lopez's [sic] case stated recently that he was pressured to pursue the case based on illegitimate charges and false evidence. If true, these statements highlight the lack of judicial independence and adherence to due process of law in Venezuela. We call on the

The race for a supermajority

In a recent client note, Bank of America-Merrill Lynch estimated that Venezuela's opposition would need to win the popular vote in the upcoming 6 December legislative polls "by a margin of at least 18.1% to capture a two-thirds supermajority", noting that current polls put the opposition's lead well above that threshold. The note stresses that a "three-fifths majority of the national assembly can revoke presidential decree powers and remove government ministers. Most importantly, a two-thirds majority can call elections for a constituent assembly, which has the power to dissolve other branches of government – including the executive – and replace them with temporary appointees".

Venezuelan government to respect the rights of all political prisoners; and to guarantee fair and transparent public trial, consistent with the American Declaration of the Rights and Duties of Man, the Inter-American Democratic Charter, the International Covenant on Civil and Political Rights, and Venezuela's Constitution. And we renew our calls for the Venezuelan government to release all Venezuelans who are imprisoned for political reasons, including Leopoldo Lopez".

WSJ also alleges Pdvsa investigation

Just before Nieves showed up in Miami, the WSJ ran another controversial article alleging that US authorities were investigating corruption at Venezuela's state oil giant *Petróleos de Venezuela (Pdvsa)*, the golden goose that for over a decade has funded the Bolivarian Revolution (and its regional allies). According to the 21 October story, US authorities have launched "a series of wide-ranging investigations into whether Venezuela's leaders used PdVSA to loot billions of dollars from the country through kickbacks and other schemes...The probes, carried out by federal law enforcement in multiple jurisdictions around the U.S., are also attempting to determine whether PdVSA and its foreign bank accounts were used for other illegal purposes, including black-market currency schemes and laundering drug money". The daily suggests that Venezuela's former 'oil czar', Rafael Ramírez, for a decade the country's energy minister and Pdvsa president, along with his cousin, Diego Salazar, are at the centre of the investigation. Ramírez was suddenly removed from his post in September 2014 and now is stationed in New York as Venezuela's ambassador to the United Nations (UN), stripped of his former powerful role. In March, the US Treasury's Financial Crimes Enforcement Network (FinCEN) issued a report alleging that the *Banca Privada d'Andorra (BPA)* was being used as a money-laundering hub, with over US\$4bn of funds from Venezuela passing through the bank, of which an estimated US\$2 billion was "siphoned" from Pdvsa, according to the FinCEN. That investigation is ongoing.

The *WSJ* report claims that in early October "federal prosecutors from New York, Washington, Missouri and Texas met in person or by teleconference in Washington to coordinate actions and share evidence and witnesses in the various PdVSA-related probes...The meeting also included agents from the Department of Homeland Security, the Drug Enforcement Administration, the Federal Bureau of Investigation and other agencies". Curiously, the report states that "no charges have been made public in the PdVSA matter and it is possible none will be filed", without explaining why. Certainly, should a public legal case ever be launched, Pdvsa's CITGO operations in the US might become very vulnerable (to seizure).

IAHCR

Mutual recriminations between the Venezuelan government and the Inter-American Commission on Human Rights (IACHR) continued with the IACHR's Special Rapporteur for the Freedom of Expression, Edison Lanza, telling journalists that the state of emergency imposed in late August and early September in 24 municipalities in western border states would prevent electoral freedom in the 6 December mid-term legislative elections and risked serious abuses of the electoral process. Under the measure, large public gatherings are forbidden and freedom of expression is restricted, making political campaigning difficult.

The Venezuelan opposition, which is strong in many of the affected municipalities, has argued from the outset that the states of emergency, ostensibly imposed on security grounds, had political-electoral motives. The Maduro government has refused Lanza and his team permission to visit Venezuela, accusing the IACHR, an arm of the US-headquartered main hemispheric Organisation of American States (OAS), of institutional bias.

Osorio Chong confounded by data on violence

Politicians who claim success in the battle against crime often find themselves in danger of being confounded by statistics. Such seems to have been the fate of the interior minister, Miguel Ángel Osorio Chong, who on 22 October told a joint sitting of the security and governance commissions of the federal chamber of deputies that “it is a fact that violence and crime is falling in much of the country”.

It all depends on what you measure, and between which dates you measure it. Osorio Chong picked the homicide rate, as calculated by the national statistics institute (Inegi), between 2012 and 2014. He pointed out correctly that in that period the homicide rate fell from 22 to 16 homicides per 100,000 inhabitants, an impressive fall of over 25% in the first two years of the six-year tenure of President Enrique Peña Nieto.

But Osorio Chong did not mention that so far, during the course of 2015, the homicide rate has been trending up again. In fact, according to another official body, the Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública (SESNSP), the murder rate has now come back to between 51 and 52 a day, nearly 6% more than in the comparable period last year.

Osorio Chong went on to say that the national anti-kidnapping strategy was delivering results, with a 32% year-on-year fall in abductions in the first eight months of this year. He also said that theft was down by 10% and extortion was down by 17%.

Mexican states that had suffered from the onslaught of violence, such as Chihuahua, Nuevo León, Sinaloa, Durango, Michoacán, San Luis Potosí, Tamaulipas and Morelos were now “recovering the tranquillity that their families and communities deserve.” In his opinion “all the high-impact crimes are being significantly reduced”. Osorio Chong concluded that “there are still challenges, but we will face each of them decisively and with commitment”.

Misleading

While it is natural for any government to want to celebrate successes in the battle against crime, a variety of experts contend that Osorio Chong’s upbeat view of the trends may be simply misleading. According to SESNSP the total number of reported homicides in September was 1,592 (these are *homicidios dolosos* – meaning that cases of manslaughter are excluded). While this was the lowest monthly total since June, it was nevertheless up by almost 16% on September 2014. More significantly, and as mentioned, the total for the first nine months was up by 5.9% year-on-year to 13,920.

Based on this trend it is now likely that 2015 will be the first year since 2011 in which the annual murder total increases, rather than falls. There have been significant variations across the country. There have been fewer murders in the states of Chihuahua and Tamaulipas, but more in Baja California Sur and Zacatecas.

Mexico City, traditionally seen as something of a safe haven, is having a very bad year. Violence is back in the news there, with the macabre discovery of a masked and bandaged corpse hanging from Ixtapalapa bridge (the authori-

“While it is natural for any government to want to celebrate successes in the battle against crime, a variety of experts contend that Osorio Chong’s upbeat view of the trends may be simply misleading.”

“A big and still unanswered question remains as follows: if the Mexican homicide rate trended down consistently from 2011 onwards right through to 2014, but has now changed direction and is moving back up in 2015, what are the causes behind this change in trend, and how long will it last?”

ties say they have now arrested a suspect and that the killing may be related to a feud inside the city's prisons). According to the SESNSP numbers, the Mexico City murder rate has surged by 21.3% year-on-year to reach 679 in the first nine months of 2015.

While Osorio Chong's numbers on kidnapping, extortion and theft appear encouraging, these too may tell only a small part of the story. The problem is that they are based on reported crime, and as Inegi's annual victimisation survey has demonstrated, there is a massive "dark number" of unreported crime in the country: it estimated that in 2014 no less than 92.8% of all crime went unreported. If that proportion, based on comparing police data with the results of a survey of 95,000 households, also holds true for this year, then the positive trends identified by Osorio Chong relate only to a very small minority of occurrences.

Security expert Alejandro Hope summarised it in the following manner: "Those numbers are basically useless, since most crimes (other than homicide and car theft) are never reported. At best, they provide a rather inadequate approximation of the level of trust in the authorities. At worst, they are mere propaganda tools. Pay no attention to them."

A big and still unanswered question remains as follows: if the Mexican homicide rate trended down consistently from 2011 onwards right through to 2014, but has now changed direction and is moving back up in 2015, what are the causes behind this change in trend, and how long will it last?

There are clearly a complex set of factors affecting the homicide rate, and no easy answers, although some analysts say that the inability of the police and the criminal justice system to catch, try, and sentence the vast majority of the perpetrators may be one of them.

TRACKING TRENDS

MEXICO | Inflation continues to set record lows. On 22 October Mexico's national statistics institute (Inegi) released its latest inflation figures which showed that cumulative inflation to the first half of October this year had reached 2.47%, a new historic record low for the period. The result, which was lower than the 2.51% forecast by local analysts, strongly suggests that the country's year-end inflation rate this year will fall within the central bank (Banxico)'s target range of 3% plus or minus one percentage point. This low inflation scenario allows Banxico to continue pursuing an expansionary monetary policy in support of the still relatively weak domestic economic growth, with the official year-end growth forecast now being of 2%-2.8%. In fact, Banxico has been able to maintain its benchmark interest rate at a low 3% since June 2014 as part of a bid to stimulate increased domestic economic activity. That inflation has remained subdued, regardless of this, is even more surprising given that the peso has sharply depreciated against the US dollar, its value falling by 12% since January and reaching a record low of M\$17.34/US\$1 last month. Local analysts had predicted that the peso's loss of value would impact on the consumer price index. However, the Inegi report shows that while energy prices rose by 2.35% to October (mainly due to the ending of the government's summer electricity tariffs subsidy scheme), food prices have remained largely unchanged. Indeed on Inegi's figures, Mexico's cumulative underlying inflation rate (which excludes prices of some highly volatile products) is 2.46%, reflecting the relative stability of most of the prices included in the consumer price index.

The latest on Ríos Montt

On 8 October a Guatemalan appeals court rejected an amnesty request filed by former dictator, Efraín Ríos Montt (1982-1983), whose retrial for crimes against humanity and genocide during the country's civil war (1960-1996) is due to begin in January 2016. The decision was hailed by local human rights groups like Asociación Justicia y Reconciliación (AJR) and Centro de Acción Legal en Derechos Humanos (Caldh), civil parties in the case against Ríos Montt. In August a high risk court ruled in favour of trying Ríos Montt on the charges but behind closed doors due to the 89-year-old former general's fragile health.

Morales takes on his most challenging role yet

A comedian and actor with no experience of public office will take over as Guatemala's president on 14 January 2016 for a four-year term. It was precisely this lack of experience and perceived distance from the political establishment, whose credibility is in tatters following a string of corruption scandals which ultimately forced Otto Pérez Molina to resign as president last month, which was key to Jimmy Morales's landslide victory for the small right-wing Frente de Convergencia Nacional (FCN-Nación) in the 25 October presidential run-off election. Unsurprisingly Morales – whose campaign slogan was 'Not Corrupt, Not a Thief' – has since reiterated his pledge to crack down on corruption. As well as ongoing concerns about the lack of substance of his proposed government plan [WR-15-41], local think-tanks and civil society groups question how far this pledge will be possible given the FCN-Nación's low representation in the new 158-member unicameral legislature, not to mention impunity concerns surrounding some of its members.

With 100% of the vote counted, Morales's victory – by 67.44% of the valid vote to 32.56% for former First Lady, Sandra Torres (Unidad Nacional de la Esperanza) – was in line with poll predictions and one of the biggest second-round victories registered in Guatemala in recent years. It is well above the run-off victories managed by his immediate predecessors – Pérez Molina (Partido Patriota) who took 53.74% in 2011; UNE's Alvaro Colom (2008-2012), who won with 52.82% in 2007; and Oscar Berger (2004-2008) of the Gran Alianza Nacional (Gana), who took 54.1% in 2003.

Turnout in the second round was 56.32% of the 7.56m registered voters, down from 71.33% in the first round although this relative drop in participation was still in line with the trend of past electoral contests. Torres won in just two of the country's 22 departments (Quiché and Alta Verapaz), losing even in her home turf of Petén. Despite concerns about a repeat of the electoral violence and incidents that characterised the 6 September first round of elections – such that elections had to be restaged on 25 October in 11 of the country's now 339 municipalities, following the approval earlier this month by congress of the creation of the new municipality of Sipacate, Escuintla department – polling day was largely peaceful.

As with his first round victory, Morales has been quick to acknowledge the role of public anger stemming from public corruption in his eventual success. In its preliminary electoral observer report on the second round, the Organization of American States (OAS), which sent a 70-strong mission, "observed serious societal discontent with the way political parties now operate". Morales has unsurprisingly pledged support for the United Nations (UN)- backed International Commission against Impunity in Guatemala (Cicig) which, together with the attorney general's office (AG), was instrumental in uncovering the scandals. Cicig, which began operations in 2007 and this year had its mandate extended for a further two years to September 2017, enjoys unprecedented levels of support in the country with its current head, Colombian jurist Iván Velásquez – in the post since 2013 – somewhat of a national hero.

How far Morales is able to address what remains an endemic problem – at least with regard to the legislature where his FCN-Nación will have just 13 seats – remains to be seen. The most recent report by local electoral watchdog, Mirador Electoral, notes that at least nine of the re-elected deputies for the 2016-2020 legislature (seven from the main opposition

Final municipal results

Of the 11 municipal elections restaged on 25 October in Guatemala, seven went to the main opposition Libertad Democrática Renovada (Líder), three, to the ruling Partido Patriota (PP) and one to the Unidad Nacional de la Esperanza (UNE). This gives Líder a total of 132 municipalities out of the country's 339. Meanwhile the PP will have 82 and UNE, 63. The Frente de Convergencia Nacional (FCN-Nación) of president-elect Jimmy Morales did not win a single mayoralty.

Libertad Democrática Renovada [Líder] party and two from the PP) are facing legal action for alleged corruption. Crucial to addressing this will be securing approval of reforms to the electoral law and law on political parties (LEPP), which has stalled in congress. The LEPP includes changes like strengthening transparency of political party financing, ending the common practice of floor-crossing and limiting the re-election of mayors.

While UNE was damaged by corruption allegations implicating key figures like Gustavo Alejos, in charge of collecting funds for the UNE under the Colom administration [WR-15-36], human rights groups have raised impunity concerns regarding the FCN-Nación. These centre on the fact that the party was set up in 2004 by members of the military veterans' association (Avemilgua), prompting concerns that this link could undermine efforts to bring former members of the military accused of human rights violations committed during the 1960-1996 civil war to justice (*see sidebar*). That Morales and FCN-Nación received public backing from the imprisoned former army official, Byron Lima Oliva, who last year was charged with running a multi-million dollar criminal network from prison, is unlikely to have assuaged these concerns.

Transition team

Morales and his running mate, Jafet Cabrera, a former rector of the state-run Universidad de San Carlos (1994-1998), who served as secretary for agricultural affairs under the Oscar Berger government, have yet to publicly announce any future cabinet members, insisting this will be done in December. These appointments are likely to attract considerable scrutiny given that relatively little is unknown about Morales's inner circle.

He has, however, named three members of his transition team who may well go on to feature in his new government. These are: lawyer Elmer Erasmo Beltetón, who last year served as a legal advisor to the national secretariat for the administration of forfeited assets (Senabed). At that time Senabed was led by former vice-president Roxana Baldetti (2012-2015) who quit in May over the corruption scandal that ultimately forced out Pérez Molina. Other members of the transition team include Carlos Martínez Durán, a lawyer who for the past 23 years has served as advisor to several ministries including education, environment and communications; and Cesar Osbelí Aguilar, a public accountant and auditor, who for the past 35 years has worked in national institutions like the ministry for culture & sport and the institute of municipal development (Infom).

HAITI | POLITICS & ELECTIONS

Voting day concerns fail to materialise

A "significant improvement...from the August 9th elections". This is how the Organization of American States (OAS) has described Haiti's second round legislative elections, first round presidential election and municipal elections that took place on 25 October. Unlike the 9 August first round of legislative elections (for two-thirds of the 30-seat national senate and the newly expanded 118-seat lower chamber of congress), concerns regarding electoral violence ultimately failed to materialise. However, with the provisional electoral council (CEP) president, Pierre-Louis Opont, announcing that he will reveal the results by 3 November, tensions could well re-emerge as counting gets underway.

Fears regarding a repeat of the electoral violence and irregularities which took place on 9 August – when clashes and violence left three dead and forced the closure of 26 voting centres (of 1,508 nationwide) – had been on the rise ahead of 25 October. This stemmed from incidents like the deadly 16 October clash in Cité Soleil, a slum on the outskirts of the capital, Port-au-Prince, which left 15 people dead. On local press reports, the violence

First round final results

According to the final results, just two candidates running for Haiti's senate and eight running for the lower chamber of congress managed first round victories on 9 August. The successful senate candidates were: Youri Latortue (Ayiti An Aksyon, AAA), the nephew of former interim prime minister Gérard Latortue (2004-2006); and Jean Renel Sénatus (Ligue Dessalinienne, Lide), a former government commissioner for Port-au-Prince (2012). Of the eight successful lower chamber candidates, four were from President Michel Martelly's Parti Haïtien Têt Kalé (PHTK) – Gracia Delva, Antoine Rodon Bien Aimé, Rony Célestin, Bernard Anouce; two from the AAA – Cholser Chancy and Fritz Chéry; one from Plateforme Vérité, the new party launched by former president, René Préval (1996-2001; 2006-2011) – Gabriel Lyonel Jean; and one from Préval's former party, Inité – Jackie Guerrier.

erupted when a specialised unit of the national police (Boid) attempted to arrest members of two politically-aligned gangs from rival areas, Bois Neuf and Projet Drouillard, who were feuding over money distributed by political operators ahead of the 25 October vote.

Despite some "isolated incidents" and local press reports of between 224 and 234 people arrested on election day, these concerns ultimately failed to materialise. As well as the OAS and the European Union (EU), which sent delegations of 125 and 60 observers respectively, local civil society groups like Observatoire Citoyen pour l'Institutionnalisation de la Démocratie (Ocid) and the leading human rights group, Réseau National de Défense des Droits Humains (RNDDH), agreed that polling day was an improvement on 9 August. Indeed the OAS observer mission "observed a higher turnout" albeit while failing to provide further details. Turnout for the 9 August vote was just 18% of the 5,871,450 registered voters, beating the record low of 22.8% observed in the last electoral cycle in 2010.

More CEP concerns

The electoral violence nonetheless took place against a backdrop of further doubts regarding the nine-member CEP itself, which had already come under scrutiny following the announcement last month by a leading opposition party, Plateforme Vérité, that it was pulling out of the 25 October legislative second round elections citing complaints about the CEP's handling of the first round [WR-15-38]. The announcement at the start of this month by CEP member, Néhémy Joseph, that he was resigning, citing growing concerns about the legality of the CEP's actions, did little to assuage these doubts. In the week before the latest round of elections, three presidential candidates (none of whom were serious contenders) announced they were pulling out of the contest (still leaving over 50 in the race), echoing Plateforme Vérité's complaints about the first round. These were: Chavannes Jean Baptiste (Kontra Pep); Mathias Pierre (Konsyans Patriotik) and Simon Desras Dieuseul (Parti Pour la Libération des Masses et d'Intégration Sociale).

Of the three, Desras announced he would be supporting one of the main presidential frontrunners, Jude Célestin of the Ligue Alternative pour le Progrès et l'Emancipation Haïtienne, who competed in the 2010 presidential elections for Inité, the party of former president René Préval (1996-2001; 2006-2011), before being controversially excluded from the second round run-off. In a further boost for Célestin, he has also received the backing of Plateforme Vérité, whose own presidential candidate, Jacky Lumarque, was controversially excluded from the electoral process by the CEP in June [WR-15-38].

Electoral surveys

With the CEP having only announced the results of the 9 August first round at the end of last month (*see sidebar*), two pre-electoral polls – one by a local private think-tank, Brides, and the other by Miami-based Integrated Communications and Research (ICR) – suggest different frontrunners for the presidential contest.

Yet the two polls agree on who the three main presidential contenders are: Célestin; mechanical engineer, Jovenel Moïse, who is running for President Michel Martelly's Parti Haïtien Têt Kalé (PHTK) party; and Jean Charles Moïse of Pitit Dessalines. However, while the Brides poll gives Célestin 31.3% of voting intentions, with Jovenel Moïse on 12.9% and Jean Charles Moïse on 10.7%, the ICR poll shows Jovenel Moïse ahead with 20.5% of voting intentions, with Célestin second with 12.8% and Jean Charles Moïse third with 8.7%.

The Brides poll interviewed 11,000 people, while the ICR survey interviewed 1362 people. Both, however, showed a large number of undecideds (34.4% according to ICR and 13.5% according to Brides). In order to avoid a second round run-off (tentatively scheduled for 27 December, a candidate must win 50% +1 of the vote or, following a change introduced to electoral legislation this year, have a 25 percentage point lead over their nearest competitor.

POSTSCRIPT

Quotes of the week

“A breath of hope for Haitian democracy.”

The head of the European Union (EU)'s electoral observer mission, Elena Valenciano on Haiti's 25 October first round presidential election, second round legislative elections and municipal elections.

“I celebrate the good results obtained by the parties that comprise the ruling coalition, their victory was decisive, confirming that the Colombian people want peace, that they want prosperity for all.”

Colombia's President Juan Manuel Santos on the 25 October regional and municipal elections in which candidates from the centre-right Unidad Nacional ruling coalition outperformed their rivals on the Left and the Right.

“What happened today changes politics in this country.”

Mauricio Macri, the presidential candidate of Argentina's centre-right Cambiemos coalition, on his better-than-expected performance in the 25 October first round presidential election.

El Salvador's government modifies approach to *maras*

After months of deteriorating levels of violence in El Salvador the government led by President Salvador Sánchez Cerén is pursuing a more nuanced course to the belligerent tactics that have so far characterised its response to the *mara* street gangs. On 26 October the government sent a special bill to the legislative assembly for the rehabilitation and reinsertion into society of members of *mara* gangs.

The aim of the bill, as spelt out by the justice and public security minister Benito Lara during its presentation to the legislative assembly, is to stop the gangs from swelling in number through formal and informal education programmes, job creation, and productive projects leading to a culture of peace. “The State is not renouncing the legitimate and proportionate use of force but it is also offering opportunities to youths for their own development,” Lara said. *Maras* who have not committed murder or received prison sentences of more than 10 years for serious crimes will be permitted to avail themselves of the schemes.

The bill would create an inter-institutional commission to coordinate the schemes comprising the justice and public security ministry, the interior and territorial development ministry, the national institute of youth and the national institute for youth development, as well as the country's corporation of municipalities (Comures). There would also be a consultative council composed of representatives of the private sector, civil society groups, Churches (who have played a significant role in mediation with the gangs in recent years), universities and youth organisations.

The government was keen to stress that the proposed law was not offering an “amnesty” for *mara* gang members as “all those people who have committed crimes will have to answer to the courts” as the government spokesman, Eugenio Chicas, said. Instead it seems to be particularly directed at young Salvadoreans who might have been coerced into joining the *mara* gangs or lacked alternative opportunities.

LatinNews Daily

LatinNews Daily is an essential briefing tool for anyone with a serious interest in Latin or Central America and the Caribbean and is relied upon by thousands of LatAm professionals world-wide.

It is the definitive English language resource delivered via email at 0800 EST outlining all key developments throughout the region with expert analysis on the likely impact of each development.

LatinNews Daily costs just \$1,760 USD or £1,080 GBP for the year. For a 10-day free trial register at www.LatinNews.com, or for further information please contact Maria Isotalo via our online form at: www.latinnews.com/contact-us.

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 © 2015** 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-15-01 will indicate Weekly Report, 2015, issue 1.