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## Paralysis a concern in Cuba as clock starts on Castro

**With a mere 11 months to go before President Raúl Castro has pledged to step down from power and relinquish his position as head of the Cuban council of state and council of ministers, there is growing concern both inside Cuba's one-party Communist political system and outside the country about what is *not* being done in preparation, both on the political and economic fronts.**

Raúl Castro is due to step aside as president of Cuba's council of state and council of ministers on 24 February 2018, although it is likely that he will retain an influential role, possibly as an éminence grise, almost certainly as president of the ruling Partido Comunista de Cuba (PCC) and head of the Cuban military. As yet, there is no concrete indication as to who might replace Castro, or even as to the process that will be set in place to designate his successor. Long vanished is the notion that Cuban citizens themselves might have been allowed a say in the matter via direct presidential elections for the first time since the establishment of the Revolution.

Nothing can ever be assumed in Cuban politics, and the presumption that Castro would hand over to a younger generation of 'reformists' is latterly under question anew. For instance, the 'economy czar', Marino Murillo, has not spoken in public since the middle of last year, as the *Financial Times (FT)* recently observed, even as the economy stagnates and the government's reforming zeal seems to have hit a wall.

In theory, Miguel Díaz-Canel, the first vice president of the council of state and the council of ministers, currently holds the second most powerful position in government, and as such, is widely considered the 'heir apparent' in diplomatic circles in Havana, Washington, Brussels and elsewhere. While there is plenty of precedent, pulling the rug from under the successor-designate at this stage could prove very unsettling; not least for foreign investor expectations, at a time when Cuba needs all the investment it can get.

Yet the latest revelation by the Cuban cardinal Jaime Ortega, the archbishop emeritus of the archdiocese of Havana, that Castro's 51-year-old son, Army Colonel Alejandro Castro Espín, was at the centre of the secret Vatican-mediated talks between Cuba and the US has revived speculation as to a 'dynastical' transfer of power. Castro family members have long been in government. President Castro's (reportedly now former) son-in-law, Luis Alberto Rodríguez López-Callejas, also an army colonel, oversees the hugely powerful military-owned Grupo de Administración Empresarial (GAESA), Cuba's largest holding company (with over 60 companies, plus banks, under its umbrella). He too has been on the watch list of potential transition figures.

## Cuba's economy

The Cuban government has forecast economic growth of 2% this year, on the assumption of a continued strong rise in tourism earnings, as well as higher oil, sugar and nickel prices. External economists suggest that this is very ambitious; most project another year of recession.

On some local accounts, Rodríguez López-Callejas and Castro Espín have had their differences, with some commentators suggesting that this doubly strengthens the case for Díaz-Canel as a 'neutral' choice. The question then is whether the loyalist Díaz-Canel would be more than a figurehead, or whether he would simply be a puppet of the all-powerful Castro-led military.

The collapse in the Venezuelan economy, and the harsh impact of that on Cuba, has thrown a very large spanner into the transition schedule. Although President Castro will be better informed than most politicians about the extent of the Venezuelan economic debacle it is unlikely that he foresaw having to deal with a recession in his final year. The loss of the Venezuelan subvention has obliged a new period of austerity, which has paralysed the reform process, and in some cases even reversed it.

Richard Feinberg, a senior fellow in the Latin America Initiative at the Brookings Institution, commented to the *FT*: "Senior leadership is focused on managing austerity and preparing the succession as Raúl steps down.... They are also managing a backlash over emerging inequality, low state wages and inflation."

Murillo, who was first appointed planning and economy minister in 2009 (and again in 2014), is no longer in that post, making him much less visible. Nonetheless, he remains head of the government's economic policy commission (and also sits on the politburo), suggesting that he retains President Castro's confidence.

When Murillo last spoke in public in July last year, it was to announce economic austerity measures, including various price controls and selective energy rationing. He was subsequently removed as economy minister, ostensibly to concentrate on properly implementing the economic reforms introduced to date. But with the economy continuing to deteriorate (with a reported GDP contraction of 1% last year), the respected Cuban expert Professor Carmelo Mesa-Lago suggests that hardliners and reform opponents in the government are now using Murillo as a scapegoat, so as to strengthen their position before Castro steps down.

The other unexpected spanner in the works for President Castro, of course, was the election of Donald Trump as US president, which has cast considerable doubt on the future of the détente between the US and Cuba. The new Trump administration has not announced a definitive Cuban policy stance as yet, but its pending 'review' of US-Cuba relations has chilled US business sentiment towards the island.

Interviewed by the *Miami Herald* in mid-March, Cuban economist Omar Everlery Pérez Villanueva identified five main challenges for President Castro in his final year: reviving economic growth; managing the uncertain relationship with Venezuela; attracting foreign investment; finding a solution to the dual currency system (and the associated risk of inflation); and dealing with the problem of low public salaries. The dual currency issue in particular is quite urgent, but in reality, the cash-strapped government appears in no position to deal with that right now.

As such, the consensus among Cuba specialists, including Mesa-Lago, is that for now "political logic will remain predominant over economic logic", with the need for strong control the priority. Mesa-Lago believes that while President Castro will not advance any further on the economic reform front for now, he will support Díaz-Canel in continuing with the process at a later stage. A departure from Cuba's one-party political system, however, is not expected any time soon.

**Between Scylla and Charybdis**

Ecuador is split into three parts ahead of the second round of presidential elections on 2 April. Coastal provinces support Lenín Moreno, the presidential candidate for the ruling left-wing Alianza País (AP); the Amazonian provinces support Guillermo Lasso, his rival from the centre-right opposition Movimiento Creo; and the highland provinces are torn between the two. The country's principal indigenous organisation, Confederación de Nacionalidades Indígenas del Ecuador (Conaie), composed of three regional federations, provides an accurate reflection of this in microcosm. Its coastal federation supports Moreno; its Amazonian federation Lasso; and its highland federation has instructed members to vote for neither option.

The momentum appears to be with Moreno. All of Ecuador's pollsters are now predicting that he will win the second round. They suggest that Lasso, who came in 11 percentage points behind Moreno in the first round on 19 February, peaked too early: Lasso established a five-point lead within days of the run-off campaign commencing, according to Cedatos, the country's most reliable pollster (based on its first round forecast), but slipped five points behind Moreno in the week before the second round in the latest Cedatos survey (and by more in pro-government polls).

The ruling AP appears to have been stung into action by the first Cedatos poll in the wake of the first round. Playing on fears that Lasso would govern for business elites and discontinue social welfare programmes, it went from explicitly linking Lasso, a wealthy former banker, to the 1999 financial crisis, which resulted in the exodus of some 2m Ecuadoreans whose deposits were frozen, to insinuating that he was directly responsible and had stashed his ill-gotten gains in offshore tax havens. President Rafael Correa announced last week that the national tax agency (SRI) is investigating possible illegal activities of offshore companies belonging to Lasso, alluding to possible "evasion". Correa argued, "That is why they [Lasso's team] are proposing free zones [in the provinces of Manabí and Esmeraldas]; to repatriate money exempt of tax, and at the first sign of difficulties they'll send it abroad again".

Correa cited an article in Argentina's left-wing daily *Página 12* published on 15 March, which claimed that Lasso had left "traces in tax havens in Panama, the Cayman Islands and Delaware, with 49 offshore companies using made-up names to conceal his identity and that of his relatives", which Correa claimed Lasso had used to hide "tens, if not hundreds, of millions of dollars". Correa lauded the article published by "a very serious Argentine newspaper" (see sidebar).

The government also sought to undermine the credibility of Cedatos. *El Telégrafo*, the pro-government daily, slammed a Cedatos survey released on 16 March showing Lasso ahead by a whisker (50.8%-49.2%), baldly stating that the poll had been "fixed" by "a paying client [Lasso]". This despite the fact Cedatos predicted the outcome of the first round more accurately than any rival pollster and that the survey was conducted in 23 out of 24 provinces as opposed to four like the Diagnóstico polls published by *El Telégrafo*. Correa himself claimed that the Cedatos poll was "fraudulent" and urged Ecuadoreans to ignore it.

On 21 March Cedatos released another survey showing Moreno ahead by five points (52.4%-47.6%). Another poll, published by Market on 20 March, gave Moreno a 53.2%-46.8% lead. Both found that under 20% of Ecuadorean voters were undecided.

**Lasso's fortune**

The *Página 12* article was written by Cynthia García, a self-professed supporter of Argentina's former president Cristina Fernández (2007-2015), part of the region's 'progressive' Left along with Correa. García wrote: "This journalist had access to information that shows that...in just one year, between 1990 and 2000, [Guillermo Lasso's] fortune increased from US\$1m to US\$31m thanks to speculation with bonds issued after the banking crisis, enriched himself, benefiting from the banking crisis which saw 2m Ecuadoreans emigrate". García shed no light on the source of this "information".

### **Correa a liability**

President Correa, once a sure-fire vote winner in Ecuador, is now a liability for Lenín Moreno, polls suggest. Correa's decision to fire the commander of the army, Luis Castro Ayala [WR-17-10], for instance, was emphatically rejected by 62.8% of respondents in the Cedatos survey compared to just 27.7% who approved of it.

### **Indigenous indecision**

Indecision, however, has been a major feature of the campaign. This has been no more evident than among Ecuador's indigenous organisations. When Correa came to power in 2007 he implemented a policy of divide and conquer to avoid suffering the fate of several of his predecessors: deposition in uprisings driven by a powerful and united indigenous movement. Not only did he set the three principal indigenous organisations – Conaie, Federación de los Indígenas Evangélicos en Ecuador (Feine) and Federación Nacional de Indígenas, Campesinos, Negros del Ecuador (Fenocin) – off against one another but he also encouraged internal tensions.

Some indigenous groups argue that the Correa administration's social welfare programmes outweigh concerns about its decision to champion extractivist policies despite its ostensible commitment to the spirit of Pachamama ('Mother Earth'); other indigenous organisations cannot look beyond what they see as the rapacious exploitation of the country's natural resources under the Correa administration and accuse the head of state of authoritarianism and criminalisation of dissent and social protest.

Feine, Ecuador's second-largest indigenous organisation, announced last week that it would support Lasso. Fenocin, the third-largest, came out in favour of Moreno after an assembly of more than five hours in which the representatives of more than 1,200 social organisations from 19 provinces participated. The president of Fenocin, Santos Villamar, signed a strategic political accord with an AP national assembly deputy elect José Serrano, a former interior minister (2011-2016), which included the promise of an 'agrarian revolution'. In 2014, Correa acknowledged that 'the agrarian revolution' was the outstanding area where his government had not delivered, with unequal distribution of land and poor infrastructure to cover the irrigation deficit still prevalent. Moreno put agriculture at the centre of his electoral manifesto. Serrano, representing Moreno, promised the construction of irrigation systems, more fertilisers to improve crop production, and improved access to credit.

Conaie is split three ways. Marlon Vargas, president of Conaie's Amazonian federation Confederación de Nacionalidades Indígenas de la Amazonía Ecuatoriana (Confeniae), announced on 20 March that it would support Lasso. Vargas said Lasso had accepted several of Confeniae's demands, including a pardon for political prisoners (Vargas accuses the Correa administration of holding indigenous protesters as political prisoners), and a binding consultation on mining and oil exploitation. On 20 March Lasso visited Lago Agrio in Sucumbíos, the only one of six Amazonian provinces where he did not win in the first round, to try and stump up crucial additional support.

Conaie's coastal federation Confederación de Nacionalidades y Pueblos Indígenas de la Costa Ecuatoriana (Conaice) officially backed Moreno last week. It maintained that dialogue with the government had resulted in significant improvements for indigenous communities over the last decade in the country's coastal areas.

Conaie's highland federation Confederación de Pueblos de la Nacionalidad Kichwa del Ecuador (Ecuadorunari) decided on 20 March that it would support neither Moreno nor Lasso. Ecuadorunari was split down the middle. Its president, Carlos Pérez Guartambel, was clear that Lasso was the lesser of two evils: "a banker is preferable to a dictatorship that has stripped away our land, declared a state of exception, and locked us up in jail". But the viewpoint of former Ecuadorunari president Humberto Cholango prevailed. Cholango said Ecuadorunari could stomach supporting neither "Correa's heir" nor "the banker".

## Ruperta the elephant

Video images of a painfully-gaunt elephant from Caracas's Caricuao Zoo went viral, becoming the latest PR disaster for the Venezuelan government. Ruperta, a 46-year old female African elephant, appears emaciated in the video, with a local reporter, Román Camacho, explaining that days earlier she had collapsed from dehydration and was unable to get up for several hours, with the zoo requiring assistance from a local fire brigade. Camacho said he was contacted by a whistleblower, who claimed animals were getting only fruit to eat. Zoo officials denied the pachyderm was malnourished, saying a stomach ailment required her to be on a restrictive diet. Venezuelans, who complain that they are on 'the Maduro diet', took food to the zoo, which was refused for sanitary reasons.

## Supreme court steps into the ring

**The drift from democracy towards dictatorship in Venezuela appears increasingly real. The situation poses a major challenge for Latin America.**

Following an extraordinary meeting of the permanent council of the Organization of American States (OAS) on 28 March to discuss the situation in Venezuela, the 20 countries that voted in favour of holding the extraordinary session – led by Mexico – said they would work towards “concrete proposals to define a course of action that contributes to the identification of diplomatic solutions in the shortest possible time within the institutional framework of our organisation and through inclusive consultation with our member states”.

President Nicolás Maduro claimed victory, on the basis that the Permanent Council had neither approved the recent critical report on the country prepared by the OAS secretary general Luis Almagro, nor held a vote on whether to activate the Inter-American Democratic Charter (IADC) against Venezuela, as per Almagro's recommendation. It may turn out to be a rather short-lived pause for the Maduro government. Simultaneous actions by the Venezuelan supreme court look so controversial, and so egregious, that the country's exit from the main hemispheric club may come sooner rather than later.

The day of the OAS meeting, Venezuela's supreme court (TSJ) ruled that an earlier (21 March) national assembly vote in support of the recommendations in the Almagro report constituted “actions that run counter to independence and national sovereignty” and could give rise to a ‘state of commotion’. Given that the opposition-controlled assembly is already operating in contempt, the court noted, the principle of parliamentary immunity could not be presumed to apply. The court asked the public ministry to consider whether opposition deputies might be guilty of treason, while it ordered the president to adopt “economic, military, criminal, administrative, political, juridical, and social measures that he deems pertinent and necessary to avoid a state of commotion”.

José Miguel Vivanco, executive director for the Americas at the US-based NGO Human Rights Watch, blasted the ruling in a subsequent commentary for the local blog *Caracas Chronicles*, noting that it opened the door to the “prosecution of opposition legislators in military courts, simply for performing legislative functions”. The court explicitly authorised the president, Vivanco emphasised, to modify criminal laws, including the Military Justice Code, on the basis that “military crimes may be being committed” (i.e. treason by opposition deputies). Vivanco also made the point that the court, which extended (again) the existing state of emergency in the country, has given powers to the president broad enough to include almost anything.

“In a country with more than 100 political prisoners, including some prosecuted in military courts, where the government is crushing dissent and suspending elections in a desperate struggle to stay in power, this is a real threat”, he concluded.

But as if that wasn't contentious enough, the court's constitutional chamber the very next day assigned itself “parliamentary competencies”, advising that “**while the situation of contempt and the invalidity of actions of the national assembly persists, this chamber will guarantee that parliamentary competencies are exercised directly by this chamber, or by the organ it disposes of, to protect the state of law**”. This broad statement effectively appears to usurp the powers of the legislature for the (government-controlled) supreme court.

Venezuela is now heading into uncharted territory, with concern that President Maduro might use a ‘state of commotion’ to cancel pending state and municipal elections, and potentially even the scheduled 2018 presidential ballot.

### **Mujica defends Almagro**

Sometimes lost in the Venezuelan attacks on Almagro is the fact that he has impeccable left-wing credentials. Prior to taking up the OAS post in May 2015, Almagro was foreign minister under the left-wing Uruguayan government led by José Mujica (2010-2015), himself a former Tupamaro urban guerrilla imprisoned (and tortured) over a 13-year period by a military government in the 1970s/1980s. A lawyer by training, Almagro is a member of Mujica's Movimiento de Participación Popular/Frente Amplio, and has dedicated his career to international diplomacy.

In an interview on 29 March, in the hours after the Venezuelan government threatened to seek Almagro's removal from the OAS, Mujica stated that Almagro was in his post thanks to his "unquestionable" qualities, adding that Almagro owed Mujica nothing. He rubbished suggestions put about by Venezuela's foreign minister, Delcy Rodríguez, that as president he had given guarantees to President Maduro that Almagro would be a 'sympathetic' figure to Caracas in return for Venezuelan support of his OAS candidacy.

Mujica refused to be drawn on the barrage of insults hurled at Almagro by Venezuela, noting, however, that there were certain ways he "did not share" and which "shamed those that use them".

More tellingly, and not for the first time, Mujica also repeated that he did not approve of political prisoners "in any part of the world", whether in the US military base in Guantánamo (Cuba), from where Uruguay has taken former detainees, or anywhere else. "And the Venezuelans know that, because I have said it to them," he intoned.

Mujica said he would have liked the conflicts in Venezuela to have been resolved by dialogue. He observed that Venezuelans can, however, make for difficult interlocutors, given their tendency towards hyperbole. "They all talk too much, too much shouting...and so many declarations...as if the world could be fixed with declarations," he complained.

## **COLOMBIA | SECURITY & POLITICS**

### **ELN steps up military offensive**

**The insurgent Ejército de Liberación Nacional (ELN), Colombia's second-largest leftist guerrilla group, appears to have stepped up its latest military offensive. As well as launching a series of deadly attacks targeting security forces in recent days, ELN guerrillas have been accused of raiding a town in north-western Chocó department, where they killed and forcefully displaced civilians. These actions come despite the fact that the guerrilla group is currently engaged in formal peace negotiations with the government led by President Juan Manuel Santos. The increase in violence has led the national ombudsman's office to urge both sides to agree to a bilateral ceasefire while they sit at the negotiating table. This is something that the ELN would like but which the government remains reluctant to do.**

The ELN embarked on a renewed military offensive ever since the establishment in early February of the peace dialogue table with the government in Quito, Ecuador. This offensive has primarily entailed launching attacks on officers from the national police as well as the armed forces. The speculation is that the objective behind the ELN's actions is to strengthen its hand in the peace negotiations and force the government into making some significant concessions – including agreeing to a bilateral ceasefire – in exchange for a de-escalation of its military offensive. But the government, via the head of its peace negotiating team in Quito, Juan Camilo Restrepo, has been clear it will not be pressured into offering any concessions to the ELN despite its actions.

Instead Restrepo called on the ELN to unilaterally reduce its military operations as a 'good will' gesture to help advance the negotiations. However, the ELN appears to have ignored Restrepo's call and continued its attacks on the security forces this past week. On 25 March, suspected ELN guerrillas launched an armed attack on the police station in the town of Fortúl in the

## Forced displacement

According to a 28 March report by the United Nations Office for Humanitarian Affairs (OCHA), 61 members of the local Afro-Colombian community have been forcefully displaced from the town of Carrá since the incursion of suspected ELN guerrillas in the area. The OCHA report notes that marines have been deployed to the area to reinforce public security. It highlights that fighting between the ELN, local criminal organisations, and paramilitary groups has intensified across Chocó after the units from the Fuerzas Armadas Revolucionarias de Colombia (Farc) main guerrilla group moved out following the signing of peace deal with the government and urges the authorities to increase the presence of the security forces in Chocó to protect the civilian population.

eastern Arauca department, in which the local deputy police commander was shot dead. That same day suspected ELN guerrillas also abducted and murdered a police officer in northern Córdoba department. A few days later, on 28 March, two soldiers were shot dead and three more were wounded during what the army described as a “ambush” by ELN fighters in the Arauca municipality of Tame.

The incident that produced the most concern however was the reported incursion of an ELN column in the Chocó town of Carrá, in Litoral de San Juan municipality on the border with Panama. The national ombudsman’s office reported on 28 March that on eyewitness accounts, the ELN fighters entered the town on 25 March, killed five people and ordered others to abandon the area (*see sidebar*). According to the ombudsman’s office’s report, the attack was due to the Litoral de San Juan area currently being the site of a territorial dispute between the ELN and local criminal and drug trafficking organisations. The Carrá attack was condemned by President Santos, who ordered the deployment of additional security forces to the area and called for the authorities to identify and punish all those responsible.

The ELN leadership denied responsibility for the Carrá attack. Nevertheless, Restrepo has sent a clear message to the ELN that attacks on civilians, in particular, would not expedite a bilateral ceasefire. In a 28 March radio interview, Restrepo reiterated that the government would not agree to a ceasefire until the conditions are in place, noting that “the attacks on the civil population obstruct this process...the conditions for discussing a ceasefire will be in place when the ELN understands that this is not the time for terrorism”. Yet Restrepo was also clear that the military offensive would not make the government abandon the peace dialogue table, as it knows that talks imply “patience, prudence, and care”.

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## TRACKING TRENDS

**COLOMBIA | Unemployment creeps up.** On 28 March Colombia’s national statistics department (Dane) reported that the country’s national unemployment rate stood at 10.5% in February, 0.5 percentage points higher than in the same month of 2016. The marginal increase in unemployment in February suggests that the domestic economic slowdown is starting to impact on the local labour market. This is problematic for the government led by President Juan Manuel Santos, who since assuming office for a second time in 2014 pledged that the national unemployment rate would be in single digits by the end of its term in 2018. While temporarily achieved in 2014, since then, unemployment has been on the rise due to the slowdown in domestic economic activity, stemming from the fall in international commodities prices. Yet on the more positive side, the Dane figures show that the overall number of people in employment in Colombia in February stood at 21.85m, the highest such figure of the last 16 years.

**PERU | BCRP adjusts growth and inflation projections.** On 26 March Peru’s central bank (BCRP) released its latest monthly inflation report, in which it revised its economic growth and inflation forecast for the year. The BCRP report identifies the recent heavy rains produced by the ‘El Niño Costero’ climatic phenomenon, which has led to significant flooding and landslides in the country’s coastal areas, as major factor in its new forecasts. BCRP president Julio Velarde explained that the effect of the natural disaster on the price of goods is so strong that the bank opted not to report March inflation figures, because they will be very high but only a “temporary shock” and that will eventually subside. However, Velarde said that the inflation forecast for the year is now for 2.4%, just one percentage point higher than previously forecast but still within the BCRP’s target range of 1%-3%, and “still one of the lowest in the region”. As for GDP growth, Velarde recognised that this would be negatively impacted by the destruction and disruption caused by the natural disaster, leading the BCRP to revise down its forecast from 4.3% to 3.5%, lower than the 3.9% growth rate recorded in 2016.

**Brazil moves to loosen labour laws**

Brazil's federal congress has approved a landmark bill to make it easier for businesses to outsource their services. Brazil's business community has welcomed the bill, but local trade unions decry the new legislation as an affront to workers' rights. On 22 March, the bill, which was drawn up some 15 years ago under former president Fernando Henrique Cardoso (1995-2002), passed through the chamber of deputies with 231 votes in favour to 188 against. Having previously been approved by the senate, it now goes to President Michel Temer for promulgation.

If sanctioned, the bill could help foster a more business- and investor-friendly climate in Brazil. "[The outsourcing bill] will help companies to find temporary workers and grow their businesses," said Finance Minister Henrique Meirelles.

Moreover, the new outsourcing legislation would help out public and private businesses struggling under Brazil's domestic economic recession by allowing them to restructure their services and use temporary workers with greater legal security. While existing regulations already allow businesses to employ third parties for some services in some circumstances, they are considered outdated and do not refer to outsourcing explicitly. The lack of legal certainty up until this point has made outsourcing risky in Brazil, where labour litigation is common.

However, the version of the bill approved by deputies, which dates back to 1998, riled some senators who preferred a more recent version of the bill, dating from 2015. The newer version was updated supposedly to make it more difficult to exploit workers. The former head of the senate Renan Calheiros (2013-2017) criticised the head of the chamber of deputies, Rodrigo Maia, for passing the older version of the bill on the sly when a more current version was still being debated by the senate.

Calheiros urged President Temer to update outsourcing legislation based on the more recent version of the bill instead of the proposal the chamber of deputies had just sent him. In a petition signed by seven other senators, Calheiros wrote "We ask the president not to sanction the [older] bill because he must take responsibility for increased unemployment, greater uncertainty in the workplace and a fall in taxes as consequences."

Furthermore, supreme court (STF) justice Celso de Mello asked the chamber of deputies to explain its decision to resurrect the previously moribund outsourcing bill. Deputies from the leftist opposition Rede Sustentabilidade party had complained before the STF that the bill approved by the chamber of deputies was unconstitutional given that former president Lula da Silva (2003-2011) asked the chamber to archive that bill in 2003.

All this has put pressure on Temer to veto parts of the legislation considered detrimental to workers' rights. Brazil's secretary of staff, Antônio Imbassahy, said the older outsourcing bill would serve as a "base" and a "starting point" to regulate outsourcing but did not say if Temer would provide greater legal certainty for employees.

Articles that will now be scrutinised by Temer include: scrapping the eight-hour work limit for temporary workers, and increasing the contracts temporary workers can be employed on from three to six months, which could be an incentive for employers to take on fewer permanent staff. Another controversial provision would make temping agencies directly liable for

### Consumer confidence soars in Brazil

Consumer confidence in Brazil rose in March for the third month in a row to its highest level in the past two years. A survey from the Fundação Getulio Vargas (FGV) found that consumer confidence rose by 3.5 points from 81.8 to 85.3 between February and March. One of the researchers behind the report, Viviane Seda Bittencourt, pointed to high levels of inflation, a reduction in interest rates and newly-won access to workers' funds FGTS (which were only available upon retirement until this month) as factors which helped coax Brazilians to spend more.

## Vale appoints new director

After months of speculation, Brazil's largest iron ore exporter, Vale do Rio Doce (Vale), has finally named a new CEO. Fabio Schvartsman, until now the CEO of cardboard producer Klabin, will replace the outgoing Vale CEO, Murilo Ferreira, in May. Ferreira, who was appointed to the board of the quasi-public firm during the leftist Partido dos Trabalhadores (PT) administration led by then-president Dilma Rousseff's (2011-2016) leaves the company amid media speculation about political interference from the ruling centre-right Partido do Movimento Democrático Brasileiro (PMDB) party. Schvartsman was one of the candidates hand-picked for the role by international recruiting company Spencer Stuart, though Vale's board of advisors made the final decision.

paying workers on time instead of contracting companies. This could leave workers vulnerable to getting no wages if the temping agencies go bankrupt.

Brazil's main umbrella workers union, Central Unica dos Trabalhadores (CUT), opposes any changes to Brazil's current outsourcing regulations. CUT members argue that relaxing labour laws could making working conditions more precarious. A 2013 study jointly commissioned by the CUT and socioeconomic research group Dieese found that outsourced workers tend to work three hours more per week than their in-house counterparts and that their salaries are 25% lower.

## BRAZIL | TRADE

### Nunes touches down in Paraguay

**Quick on the heels of a Southern Common Market (Mercosur) meeting in Argentina, Brazil's foreign minister, Aloysio Nunes, touched down in Paraguay to meet President Horacio Cartes on 27 March. During a two-day official visit to the capital, Asunción, Nunes met with his Paraguayan counterpart, Eladio Loizaga, to discuss how to forge closer bilateral ties between the two Mercosur countries. Talks centred around border security, trade and investment, shared infrastructure projects, and the Itaipú binational hydroelectric dam.**

Starting with border security, Nunes pledged that Brazil would make good on its promise to crackdown on illegal smuggling at the 'triple border area' where Argentina, Brazil and Paraguay meet. This has been a long-term problem for the trio of countries, resulting in billions of US dollars in losses from customs payments, not to mention the human damage caused by transnational crime. Officials from Brazil and Paraguay first discussed the need for tighter border security during a November 2016 Mercosur meeting but Nunes indicated that it was important to make sure the proposals "are not limited to paper but are achieved in reality".

Moving on to trade, Nunes stressed the importance of increased commerce with its southern neighbour. "The Brazilian economy is tied to the notable economic development in Paraguay, which has accelerated in recent years and makes us believe we have conditions to do the same and grow again through bilateral trade," Nunes said. His comments relate to the Brazilian government's efforts to lift the country out of its current economic recession through a series of investment- and trade-friendly initiatives. Brazil is already one of Paraguay's biggest trading partners and imported around US\$3bn of Paraguayan goods last year, according to figures from United Nations International Trade Statistics Database (UN Comtrade). The surge in demand for Paraguayan products during Brazil's recession can be partly explained by cheaper manufacturing costs in Paraguay.

Another topic on the bilateral agenda is the long-running disagreement over the terms of the treaty governing the shared Itaipú dam, located in on the Paraná River that divides both countries. Both countries have 50% ownership of the dam and are entitled to receive 50% of the electricity produced by it but Brazil consumes the majority of the electricity generated by the dam, paying Paraguay a concessionary price for the excess electricity share not consumed by Paraguay, which is forced to cede any unused electricity to Brazil. But Paraguay has complained that these terms are unfair as the price paid by Brazil for excess electricity is low and they deny Paraguay the option to sell its excess electricity share to third parties for a higher price. Until Brazil agreed to renegotiate the terms of the treaty in 2009, Paraguay was forced to sell its excess electricity to Brazil at below-market prices. The change led to Paraguay's annual income from electricity sales from Itaipú to Brazil to triple. The current terms of the treaty are due to come up for revision in 2023 and one of the points that Paraguay has been pushing for is to be allowed to sell its excess electricity share to third parties.

**Vidal**  
Much has been said about María Eugenia Vidal's political promise. President Macri himself recently said she had taken over as governor in Buenos Aires province to conduct "a revolution" in a territory previously dominated by macho men ('machotes bravos' as he called them).

Meanwhile, shared infrastructure projects up for discussion included: the upcoming construction of two more bridges across the waterways separating the two countries to reduce the burden on the only existing bridge. Currently, the main border crossing point is the 'Puente de la Amistad' bridge over the Paraná River that links the Brazilian city of Foz do Iguazu (Paraná state) with the Paraguayan city Ciudad del Este, (the capital of Alto Paraná department). Planning permission has already been granted for authorities to build a new US\$2.1m bridge linking Foz do Iguazu to Ciudad del Este, which is to run parallel to the 'Puente de Amistad.' A second new bridge is due to be constructed between the Brazilian municipality of Porto Murtinho (Mato Grosso do Sul state) and the Paraguayan municipality of Puerto Carmelo Peralta (Alto Paraguay department), but discussions are still in the early stages.

## ARGENTINA | POLITICS

### Vidal squares off against teachers

The government led by President Mauricio Macri is facing a complex standoff with the trade unions and the opposition, with a 24-hour general strike called for next week. Both sides of the political divide have their hard-liners and their more moderate counsellors. A key figure on the government side is María Eugenia Vidal, the governor of Buenos Aires province and currently Argentina's most popular politician. Currently an exponent of a hard line against striking teachers, how she plays her cards may help define the outcome of the current struggle.

Vidal has a strong political narrative behind her. Her election as governor of Buenos Aires province in 2015 was a major surprise. A representative of President Macri's centre-right Cambiemos coalition, Vidal won a dramatic victory in Argentina's largest single electoral constituency, for decades a populist, male-dominated, and heavily trade-unionised stronghold of the Partido Justicialista (PJ, Peronists).

In the 15 months that she has held the job, rather than being engulfed by the machine politics and the financial complexity of the province, Vidal appears to have prospered. Successions of opinion polls place her as Argentina's most popular politician. One of the most recent, by polling company Julio Aurelio/Aresco, gave her a 53% approval rating in the province – ahead of Macri's 40.1% in the same district.

#### Argentina's Thatcher?

Macri said Vidal was waging a battle of importance to all Argentines – the defence of quality education. Some journalists say that if Macri stands for and wins re-election in 2019, Vidal will almost certainly be the nominee for the ruling coalition the next time around, in 2023.

The Spanish newspaper *El País* went as far as to describe Vidal earlier this month as "Argentina's Margaret Thatcher" – claiming that her struggle with the teachers in 2017 could turn out to be as much as a defining moment for Argentina as Thatcher's struggle with the British miners was in 1984.

Vidal has certainly been uncompromising in her opposition to the wave of 48-hour strikes called by the province's various teachers' unions. The unions are demanding wage increases of 35%, while Vidal says her government cannot give more than 19% in three phases, linked to a "trigger clause" that would allow more to be offered if 2017 inflation, as measured by the national statistics institute (Indec), exceeds that level.

In the latest round of negotiations, the provincial government said it might also improve entry-level teacher wages in return for a reduction in absenteeism, reported to be running at 17% and costing the province as much as Ar\$14bn (US\$908m) a year. The teachers' unions turned this offer down. Vidal has gained a reputation for straight talking. She has said that meeting the teachers' demands in full would cost Ar\$45bn (US\$2.86bn), more than the province's entire public works and infrastructure budget for this year.

## Internal rifts

One of the most radical leaders of the teachers' unions is Roberto Baradel of the Sindicato Únicado de Trabajadores de la Educación de Buenos Aires (Suteba). The government suspects that Baradel is essentially politically motivated, as he is aligned with the *Kirchnerista* Peronists, who, it argues, are intent on disrupting and destabilising the Macri administration ahead of October's mid-term congressional elections.

However, the politics of the teachers' strike is complex. *Kirchnerismo*, nominally loyal to former president Cristina Fernández (2007-2015) is itself showing signs of fracturing into rival groupings. Some analysts say Baradel may be less in control than he would like: various Trotskyist and leftist factions have gained influence among the teachers, and Baradel may be taking a hard-line position in the dispute to stop himself being outflanked.

There is also an ideological battle under way. The strikers are presenting the government's tough line on wages as part of a neo-liberal and right wing offensive. Ultimately, they say, the government is trying to undermine public education in order to pave the way for large-scale expansion of private schools. Officials deny this, arguing that their entire strategy is aimed at increasing the quality of public education.

The recent APRENDER tests suggested that over 50% of secondary students have comprehension difficulties when reading. Officials also claim the previous *Kirchnerista* administration itself seriously undermined public education: according to official statistics, during its time in office enrolment in public schools fell by 12% while enrolment in private schools rose by 23%.

The likely outcome is far from clear. What is more clear is that it could have major implications not just for October's mid-term elections but also for Vidal and Argentina's medium-term political future.

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## TRACKING TRENDS

**ARGENTINA | Poverty data.** On 28 March Argentina's national statistics institute (Indec) reported that the national urban poverty rate fell marginally in the second half of 2016, from 32.2% to 30.3%. The extreme poverty rate fell by 0.2 percentage points to 6.1% in the second half of 2016, or 2.6m people. Having argued that the methodology used to obtain the poverty figures had to be overhauled, this is only the second set of poverty figures released by Indec since the previous leftist Frente para la Victoria (FPV, *Kirchneristas*) administration led by former president Cristina Fernández (2007-2015) stopped releasing official poverty figures in 2013 (along with other key economic metrics). This was largely seen as a move designed to hide the fact that despite its rhetoric, the unorthodox economic policies implemented by the Fernández administration had driven many Argentines into poverty rather than help lift them out of it.

The lack of availability of official economic data became a major political issue in Argentina, to the point that after winning the 2015 presidential election for the centre-right Cambiemos coalition, President Mauricio Macri ordered a full overhaul of the Indec and promised that it would once again regularly publish economic data, with the first new Indec figures released in September 2016. Since then Macri has underlined that the more orthodox economic policies adopted by his administration would produce positive results that would be reflected in credible data.

While Indec's latest poverty figures are encouraging for the Macri administration, the new data contrasts with that released earlier this month by the Universidad Católica de Argentina (UCA), which in the absence of reliable Indec statistics has been consistently measuring poverty for years. UCA found that the national urban poverty rate had increased from 29% to 32.9% in Macri's first year in office (December 2015-December 2016), while the extreme poverty rate rose from 5.4% to 6.9%. The discrepancy in UCA and Indec figures (and critically the poverty rate trend direction) has led some to question Indec's new methodology. While these doubts might persist, what is undeniable is that Argentina is currently very far from Macri's objective of "zero poverty".

## Journalist murdered

Miroslava Breach, Chihuahua correspondent for *La Jornada*, was shot and killed on 23 March as she left home to drive her son to school. She was the third Mexican journalist to be gunned down in March, following the deaths of Ricardo Monlui (shot in a restaurant in Veracruz) and Cecilio Pineda (gunned down by two men on a motorcycle in Guerrero). The murders come amid suspicions that organised crime groups are targeting reporters who cover their activities. Breach investigated human rights and crime issues. Chihuahua governor Javier Corral said he believed Breach had been targeted for her coverage of the links between drug traffickers and corrupt state police.

## MEXICO & NAFTA

### MEXICO | POLITICS

#### Early shots in 2018 campaign

The first moves in Mexico's July 2018 presidential election campaign are well underway, with diatribes being exchanged between contenders and aspirants. Of particular interest at this early stage is how the different players will try and frame the debate, particularly since the advent of a right-wing anti-globalist north of the border, in the form of US President Donald Trump, has called Mexico's traditional political alignments into question.

As has often been the case over the course of the last decade in Mexico, whenever there is a political quarrel, Andrés Manuel López Obrador, the leader of the radical left-wing Movimiento Regeneración Nacional (Morena) since 2014, has been close to the action, one way or another. The former mayor of Mexico City (2000-2005), and twice-unsuccessful presidential candidate (2006 and 2012 for the left-wing Partido de la Revolución Democrática [PRD]) is widely regarded as having been pushed up into pole position in these early stages of the 2018 race, thanks to a nationalist backlash against Trump's anti-Mexican rhetoric and actions [[WR-17-04](#)].

#### Banking boost for López Obrador

Mexico's bankers may have done López Obrador an unintentional favour this week, by dedicating a key session of the annual convention of the Asociación Mexicana de Bancos (ABM) to a discussion of 'liberalism versus populism'. A range of speakers praised the former and warned against the latter. President Enrique Peña Nieto warned against the "easy escapes" and "magical solutions" of populism. Finance Minister José Antonio Meade Kuribreña (a potential presidential candidate in 2018) warned against those calling on Mexico to "return to the past, isolate ourselves, and ignore technological change".

Much of this was directed against López Obrador, who was not present, but who benefited to the extent that he was the candidate everyone was talking about. In keeping with recent moves to appeal to the centre ground, López Obrador's spokesman said "we aren't fighting with any constituency in this country, not with bankers, not with businessmen. We need all of them to move the country forward."

Some bankers took the point. Raúl Martínez-Ostos of Barclays Mexico said that putting "liberalism as all good and populism as all bad" was too simplistic. Oscar Domínguez of Volkswagen Financial Services said populist governments did not work, but "it makes sense to listen to what they have to say. That voice was missing from the conference."

#### Education spat

López Obrador was also involved in a quarrel with the education minister, Aurelio Nuño Mayer, himself often mentioned as a contender in the 2018 race, for the ruling Partido Revolucionario Institucional (PRI). Nuño kicked off the spat by saying that if López Obrador were elected in 2018, it would spell the end of Mexico's educational reforms implemented under the Peña Nieto administration.

Despite a *coup de foudre* shortly after Peña Nieto came to power in 2012, when the powerful long-serving secretary general of the Mexico's largest teachers' union Sindicato Nacional de Trabajadores de la Educación (SNTE), Elba Esther Gordillo, was abruptly arrested on charges of embezzlement and

## López Obrador on migrants

Andrés Manuel López Obrador was in the US on 15 March to present his much-touted formal complaint to the Inter-American Commission on Human Rights (IACHR) against US President Donald Trump's executive orders on immigration. López Obrador pointedly said that he was standing up for Mexican migrants in the US against "neofascism" because the Peña Nieto administration had failed them.

organised crime, his government's overhaul of the education system has been slow and remains incomplete [WR-17-10]. Peña Nieto might have drawn the teeth of the SNTE, and ensured Gordillo's replacement with a pliant successor, but determined protests by the country's second-largest teachers' union, the Coordinadora Nacional de Trabajadores de la Educación (CNTE), have held up the educational reform, which seeks to improve Mexico's education standards with teacher performance appraisals and to terminate 'discretionary criteria', which had allowed teacher posts to be bought and sold for instance, to be replaced with a meritocratic system of promotion.

López Obrador retorted that Nuño's comments made him laugh, since the present government's reforms were not a good thing for education. If elected, López Obrador said he would review all the current government's economic and education reforms. Nuño then hit back once more, describing the Morena leader as "an authoritarian who laughs at education" and who had taken 10 years to complete his own first degree.

### PAN guns for López Obrador

Former president Felipe Calderón (2006-2012) of the right-wing opposition Partido Acción Nacional (PAN) was also tempted to indulge in some López Obrador-bashing. In this case Calderón is supporting his wife, Margarita Zavala, who is one of the leading candidates for the PAN presidential nomination for 2018.

Calderón called on the party faithful to support Zavala as "the only candidate who can stop Andrés Manuel López Obrador in 2018". Zavala herself has said that the PAN should bring the choice of its presidential candidate forward, because in her view López Obrador is stealing a march on everyone else by being in full campaigning mode already.

### Human rights and security

Finally, López Obrador was also involved in a dispute over human rights and the role of the army. This stemmed from his statement during a tour of the US (*see sidebar*), that Peña Nieto and the army were "implicated" in the September 2014 abduction and presumed murder of 43 trainee teachers in Iguala, in the southern state of Guerrero.

The defence ministry said it "emphatically and forcefully rejected" López Obrador's claim, a position supported by Peña Nieto who described the allegation as "inadmissible". López Obrador retorted that a "nervous" Peña Nieto was trying to manufacture a confrontation. For good measure, the interior minister, Miguel Angel Osorio Chong, another PRI presidential aspirant, took aim at López Obrador who he said should "come out of his comfort zone and assume responsibility for his declarations if he has evidence, and go to the attorney general's office and show it". Osorio Chong also maintained that López Obrador's record against insecurity as mayor of Mexico City left a lot to be desired.

López Obrador has been arguing this time around that the way to tackle crime and violence should not be through a military response, but through the creation of employment and educational opportunities for Mexico's youth. This, López Obrador contends, would enable his government to reduce the number of homicides in Mexico by 50%, as well as striking a major blow against organised crime.

These remain very early days in a long campaign, which will be preceded by elections in the Mexican states of Estado de México (Edomex), Coahuila and Nayarit, due on 4 June this year. But if the first requirement of a successful campaign is to be at the centre of attention, López Obrador has started out well.

**Morales under pressure over children's rights****IACHR statement**

In its 13 March statement ordering the Guatemalan state to adopt precautionary measures, the IACHR cited “frequent allegations of physical, psychological, and sexual violence – perpetrated by staff or by other residents – in these types of large institutions, as well as negligent treatment, inadequate nutrition, lack of access to age-appropriate educational and medical services, and unwarranted restrictions to contact with family members, all of which constitute serious violations of the rights of children”.

The issue of children's rights in Guatemala has made international headlines in recent weeks due to two separate incidents: a deadly blaze following a riot at the Hogar Seguro Virgen de la Asunción children's centre, on 8 March; and a riot at the Centro Estatal Etapa II prison for juveniles and adults on 19 March. Both institutions are administered by Guatemala's social welfare secretariat (SBS) whose directors have since been fired. With local institutions such as the human rights ombudsman (PDH) and international organisations like the United Nations (UN) and the Inter-American Commission on Human Rights (IACHR) expressing outrage, the Frente de Convergencia Nacional (FCN-Nación) government led by President Jimmy Morales, which took office in January 2016, is under pressure to make changes.

The 8 March blaze made headlines after the fire, which started during protests being held at the centre resulted, in the death of 41 girls who were initially locked in a room from which they were unable to escape. According to the local press, the protests were over poor conditions at the centre, located in the San José Pinula municipality of Guatemala department, and where, according to the IACHR, some 700-800 girls and adolescents were held, well above the facilities' maximum capacity (of 400). On 13 March the IACHR, which has flagged up more general concerns about Guatemala's child protection institutions (see sidebar), ordered the state to adopt precautionary measures and guarantee the protection of all the children housed at the centre, where it has since emerged that residents were a mixture of victims of violence and young offenders.

With a string of other international institutions such as the UN International Children's Emergency Fund (Unicef) and the UN Office of the High Commissioner for Human Rights (OHCHR) in Guatemala also slamming the state for failing to protect children's rights, the riot at the Centro Estatal Etapa II, also located in San José Pinula, took place less than two weeks later. Staged by jailed members of the Barrio 18 street gang, the riot left four prison guards dead. So far 49 people have been charged – 44 adults and five children.

Like the Hogar Seguro Virgen de la Asunción fire, the Centro Estatal Etapa II protest stemmed in part from inmates' demands for better conditions. The local press has since pointed out that back in October 2016, a judge issued an order calling for the conditions at the detention centre to be improved. A report published at the time by the PDH notes that in the Centro Estatal Etapa II (along with three other detention centres monitored), nearly 50% of key posts for social workers, psychologists and teachers were vacant. The PDH report estimates that 75% more personnel were necessary; and that there were reportedly 201 adolescents for 160 places in the Centro Estatal Etapa II. Furthermore, Hilda Morales, a deputy prosecutor for human rights, pointed out that the facility held street gang members mixed with other detainees unaffiliated with gangs. Vladimir López, the SBS deputy director, also told reporters that while the Centro Estatal Etapa II prison is supposed to house minors, of 56 known gang members held in it, 39 were adults. This has fuelled concerns that while street gangs have long used adult prisons as bases of operations and to recruit new members, this process has now extended to juvenile detention facilities as well (see box).

**Government response**

The Morales government has responded by firing three SBS top officials – its director Carlos Antonio Rodas Mejía; an SBS deputy secretary Anahí Keller

### **Icefi press release**

In its 21 March press release, Icefi noted that the lack of “public services for effective social protection means that 3.7m [Guatemalan] children live in poverty” with a further 1.6m “vulnerable” to the threat of poverty as a result of factors like “child labour; familial disintegration, and abuse”.

Zavala; and Santos Torres Ramírez, the Hogar Seguro Virgen de la Asunción director. The three are now being investigated for the crimes of homicide, negligence of duties, and mistreatment of minors. Meanwhile on 14 March Finance Minister Julio Héctor Estrada told reporters that the government would assign a further Q\$75m (US\$10m) this year to pay for at least 13 new children centres (with the capacity to house between 20 and 40 children each) and improve existing centres for children under SBS care. However, local think-tanks such as the Guatemala City-based Central American institute for fiscal studies (Icefi) warn that these incidents are just the “tip of the iceberg” (see sidebar), highlighting the woeful lack of investment by the Guatemalan state (Q\$7.48/US\$1.02 per day) on each child and adolescent – an amount that Icefi notes is “insufficient to guarantee their wellbeing and full development”.

### **Barrio 18 attacks**

The riot at the Centro Estatal Etapa II detention centre and its aftermath also served to illustrate the power of the Barrio 18 street gang – one of country’s main street gangs. The riot was eventually quelled on 20 March after the national police (PNC) stormed the facilities. The same day nine armed attacks took place against PNC stations and patrol cars – mainly in Guatemala department – which left three PNC officers dead.

With the local press reporting that inmates’ demands included calls for the return of Barrio 18 members recently transferred to another juvenile detention centre, Centro Juvenil de Detención Provisional (Cejudep), the attacks against the PNC came a month after the attorney general’s office’s (AG) called on it to step up vigilance in the face of possible Barrio 18 attacks on state institutions. The AG’s warning issued on 23 February was linked to the transfer the previous day of 162 gang members from the ‘Frajanes I’ prison in Guatemala department to the ‘El Infiernito’ maximum security prison in Escuintla department as part of efforts by the authorities to regain control of the country’s prisons. According to the AG missive, the alert was based on “privileged information” and could involve attacks on the PNC headquarters, the AG headquarters, the national prison system, hospitals, and local courts, among other institutions.

## **TRACKING TRENDS**

**PANAMA | IMF mission.** On 17 March the International Monetary Fund (IMF) released a concluding statement of its recent mission to Panama. The IMF statement projects that the country’s economic growth will reach 5.1% in 2017 and about 5.5% over the medium term, supported by the expanded Panama Canal and the wide range of investment projects currently in the pipeline. The 5.1% 2017 growth forecast is considerably less than the 5.9% forecast by the United Nations (UN) Economic Commission for Latin America & the Caribbean (Eclac), which put Panama’s GDP growth in 2016 at 5.2%. In its statement, the IMF also projects that inflation will pick up to about 2% in 2017 from 0.7% in 2016 as fuel prices continue to normalise and economic activity strengthens somewhat.

The IMF identifies as “key risks”, factors relating to the external environment and progress in strengthening tax transparency and measures for anti-money laundering and combatting the financing of terrorism (AML/CFT). It notes that the authorities completed several important policy actions over the past year. These include the commitment to implement automatic exchange of tax information by 2018; ratification of the Organisation for Economic Co-operation and Development (OECD)’s Multilateral Convention on Tax Matters; and adoption of key pieces of domestic legislation that form the legal basis for automatic exchange of tax information, strengthen the revenue administration’s powers, and reinforce the accounting requirements for companies and foundations registered in Panama. The IMF statement notes that to “obtain a positive assessment under the [OECD’s] Global Forum’s fast-track procedure in mid-2017 it is essential to address the remaining deficiencies, including strengthening the revenue administration’s human, procedural, and [information and communication technology] ICT capacities to ensure effective exchange of tax information”.

## POSTSCRIPT

### Quotes of the week

“I’m not scared, I’m from Rio.”

*A Brazilian witness of the London terror attack told CNN, prompting a backlash in Brazil about propagating stereotypes that Brazilians are desensitised to violence.*

“We are not going to negotiate for the sake of negotiating something, nor will we sign a hurried or badly done ceasefire, it will come when the conditions are in place.”

*Juan Camilo Restrepo, the head of the government negotiating team in the current peace dialogue that the Colombian government is undertaking with the country’s second-largest leftist guerrilla group, the Ejército de Liberación Nacional (ELN).*

“It’s a historic day in El Salvador. It’s a historic day for the whole world.”

*El Salvador’s environment minister, Lina Pohl, after El Salvador became the first country in the world to ban metals mining nationwide.*

### Another Mexican governor on the run

It is beginning to look like a pattern. Another former Mexican state governor, once again from the federally ruling Partido Revolucionario Institucional (PRI), has gone on the run in an effort to escape corruption charges. This time the fugitive is César Duarte, who was governor of the northern state of Chihuahua from 2010 to 2016.

At a press conference on 28 March the incumbent governor of Chihuahua, Javier Corral, of the right-wing Partido Acción Nacional (PAN), said that his predecessor Duarte had fled across the border to El Paso, Texas, to escape an arrest warrant on corruption charges. The state of Chihuahua, Corral said, would seek extradition.

Three former officials who worked under Duarte were arrested on 27 and 28 March, with two of them facing charges of embezzlement. Charges against the third were not immediately known. Corral said they all came under “Justicia para Chihuahua” an investigation into systematic corruption under the previous government. According to the current state authorities, during Duarte’s administration state-level debt soared by as much as 284% to M\$55bn (US\$2.89bn).

This is the second PRI governor to flee justice in the face of charges of corruption. The first, Javier Duarte (who shares the same surname but is not related to César Duarte), is the former governor of Veracruz (also from 2010 to 2016), the third-most populous state in Mexico, who went on the run late last year. Javier Duarte faces charges of illicit enrichment, embezzlement and dereliction of duty. He too is believed to have taken refuge in the US.

A third former PRI governor, Roberto Borge of the south-eastern state of Quintana Roo, is also facing a corruption probe. Last November the federal attorney general’s office (PGR) launched an investigation into Borge. He stands accused, inter alia, of selling 9,500 hectares of state land to relatives and associates without complying with normal administrative procedures and at well beneath the market value.

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