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International pressure on Venezuela crystallises

The US slapped sanctions on eight members of Venezuela's new constituent assembly on 9 August, including Adán Chávez, brother of the late president Hugo Chávez (1999-2013). "President [Nicolás] Maduro swore in this illegitimate Constituent Assembly to further entrench his dictatorship," Treasury Secretary Steven Mnuchin said in a statement. "This regime's disregard for the will of the Venezuelan people is unacceptable, and the United States will stand with them in opposition to tyranny."

Honour badges

The full list of constituent assembly delegates sanctioned by the Treasury Department on 9 August: Adán Chávez, also a former governor of the state of Barinas; Francisco Ameliach, governor of the state of Carabobo; Tania D'Amelio Cardiet, member of the national electoral council (CNE); Hermann Escarrá, a constitutional attorney; Erika Farías, former minister for urban agriculture; Vladimir Lugo Armas, colonel with the Bolivarian national guard and head of legislative palace security accused of being involved in "several acts of violence" against opposition lawmakers in parliament; Carmen Meléndez Rivas; and Ramón Darío Vivas Velasco.

The measures will freeze any US assets held by those sanctioned, ban them from travel to the US, and prohibit US citizens from doing business with them. The US sanctioned President Maduro a week earlier, and another 13 Venezuelans on 26 July. Vice President Tareck El-Aissami was also previously sanctioned. In all, 30 Venezuelans linked to the government have now been sanctioned for human rights abuses and violations of democratic norms since anti-government protests began in April. All eight justices of the supreme court's constitutional chamber were sanctioned in May.

Delcy Rodríguez, the former foreign minister selected to head the constituent assembly, said the latest US action sought to "spread fear" among the body's 545 members, but remained defiant. Rodríguez herself, along with Diosdado Cabello, number two in the ruling Partido Socialista Unido de Venezuela (PSUV), and First Lady Cilia Flores, also a senior figure in the PSUV, and both part of the new assembly, have not yet been sanctioned. Neither have Aristóbulo Istúriz or Isaías Rodríguez, the other most senior members. Cabello, however, has been the target of a US criminal investigation into drug trafficking by senior Venezuelan officials.

The White House appears to have backed away from the idea of levying sanctions on the Venezuelan oil sector, after some concerted lobbying by the US oil sector (see page 2 sidebar). The State Department was also against the idea on humanitarian and political grounds, with Thomas Shannon, undersecretary for political affairs and close adviser to Secretary

US oil companies

Nine US oil companies, including Chevron, Valero, Citgo and Phillips 66, currently process heavy Venezuelan crude in over 20 US refineries, most located along the Gulf Coast. Many of these refineries are built for heavy crude. Replacing the Venezuelan supply would be tricky. An industry group including the nine companies reportedly sent two letters to President Trump to make that very clear. Six Republican congressmen from three of the states that process Venezuela's heavy crude – Texas, Mississippi and Louisiana – backed that up with a letter of their own.

of State Rex Tillerson arguing strongly that regional diplomacy can be the only solution to the Venezuelan crisis.

The State Department chose not to send a high-profile representative to the meeting of regional foreign ministers in Lima, Peru, this week. Hosted by Peru's foreign minister Ricardo Luna, the meeting was attended by his counterparts from 16 other countries: Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Grenada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Panama, Paraguay, St Lucia, and Uruguay.

Following the meeting, 12 of the 17 attendees – Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Panama, Paraguay and Peru – signed the Lima declaration which “condemns the rupture of Venezuela’s democratic order” and refuses to recognise the “illegitimate” constituent assembly or any of its actions. It also declares full support for the ‘democratically elected’ Venezuelan national assembly and notes that any legal acts which under the constitution require prior national assembly approval would only be recognised when approved by that body. Under the current 1999 constitution, national assembly approval is required for all debt issues and energy joint ventures.

Luis Videgaray, Mexico’s foreign minister, was keen to underline this. “There are two points to stress,” he noted in comments to the media. “The first is our full support for the national assembly. The second is that we do not recognise rulings [by the constituent assembly] that the Venezuelan constitution requires the national assembly to pass.”

This latter point is critical, as it will work as a form of financial pressure on the Maduro government, which is seeking to use the constituent assembly to amend oil contracts and issue/restructure debt. Denying the constituent assembly any legitimacy means that Venezuela’s oil partners and creditors will be loath to accept any contract amendments.

Thus the Lima Declaration can in fact be read as a multilateral economic sanction on the Venezuelan government – and it could prove more powerful in its application than all of the statements issued by the Organization of American States (OAS). When combined with the US sanctions on key members of the constituent assembly, it is clear that the squeeze on Caracas is intensifying.

Maduro appears oblivious. Even as the 17 regional foreign ministers met in Lima, the foreign ministers of Cuba, Bolivia, Ecuador and Nicaragua joined a rival meeting in Caracas, where Cuba’s foreign minister Bruno Rodríguez declared the 30 July election for the constituent assembly to be “a lesson in democracy”.

The assembly wasted no time upon its installation – immediately ordering the removal of the dissident attorney general Luisa Ortega Díaz, replacing her with the pliant ombudsman Tarek William Saab, and later approving a decree granting itself powers to control all public institutions in Venezuela, with immediate effect.

Meanwhile, the CNE has banned the main opposition coalition, Mesa de la Unidad Democrática (MUD), from participating in seven of the 23 state elections due to be held in December (Zulia, Apure, Monagas, Bolívar, Trujillo, Aragua, and Carabobo). After much internal wrangling, the MUD has decided to compete in the elections, it said in a statement on 9 August, prompting derisory comments from Cabello, who slammed the opposition coalition for its inconsistency – one minute accusing Venezuela of being a dictatorship, the next agreeing to take part in elections.

Armed rebellion?

There is little clarity about an alleged rebellion in an army base in the city of Valencia, the capital of Carabobo state, last weekend, purportedly led by a rogue fugitive military officer, but President Maduro has used the incident to his advantage, warning of maximum consequences for ‘traitors’ and ‘terrorists’. He said two of the “mercenaries” had been killed and eight captured. “Today we had to defeat terrorism with bullets,” he declared. Defence Minister Vladimir Padrino López dismissed the attackers as a “paramilitary expedition”, and the military leadership reaffirmed its support of the government.

The MUD is in a bind. With two failed election boycotts on its hands (the legislative elections of 2005 and the constituent assembly election) it said its decision to participate was designed to make sure that there are elections, one of the main demands of the protests held since April, “which have cost so much pain and blood”, spokesman Andrés Velásquez noted. It is also the case that to boycott the polls could undermine the international pressure being brought to bear on the Maduro government.

The MUD decision comes even though it is well aware that the CNE will heavily interfere with the process, and that there is a chance that the polls will be cancelled. The MUD’s lists will be complicated by the fact that many of its members are in jail or facing legal proceedings. Ramón Muchacho, mayor of the wealthy Caracas municipality of Chacao, was the latest opposition mayor to be targeted, when the supreme court removed him from office and sentenced him to 15 months in prison for failing to stop the anti-government protests in his district. David Smolansky, mayor of El Hatillo, suffered the same fate the next day.

In May the supreme court ordered 13 mayors to stop protests focused on street barricades. Three others have also had similar sentences handed down: Gustavo Marcano of Lechería, Carlos García of Mérida and Alfredo Ramos of Barquisimeto. Muchacho has gone on the run but posted a video message on social media urging Venezuelans “to continue in this struggle”.

Damning UN report may cause future legal problems for Maduro

In a new report issued on 9 August, the United Nations High Commissioner for Human Rights, Zeid bin Ra’ad Zeid al-Hussein, slammed the Maduro government for “the widespread and systematic use of excessive force and arbitrary detentions against demonstrators”, saying that the security forces and pro-government militants were responsible for the deaths of at least 73 protesters.

Without permission from the Maduro government for formal access to Venezuela, UN investigators remotely carried out 135 interviews between 6 June and 31 July with victims and families, witnesses, civil society organisations, journalists, lawyers and doctors, among others, Zeid said.

In the report, the UN cites “credible reports of cruel, inhuman or degrading treatment by security forces of such detainees, amounting in several cases to torture,” including tactics such as “electric shocks, beatings, suffocation with gas, and threats of killings, and in some cases threats of sexual violence”.

“Since the wave of demonstrations began in April, there has been a clear pattern of excessive force used against protesters,” it said. “Witness accounts suggest that security forces, mainly the national guard, the national police and local police forces, have systematically used disproportionate force to instil fear, crush dissent and to prevent demonstrators from assembling, rallying and reaching public institutions to present petitions. Government authorities have rarely condemned such incidents,” it added, noting “the breakdown of the rule of law in Venezuela” and “constant attacks by the government against the national assembly and the attorney general’s office”.

Evidence of human rights violations could be used in future legal actions against the Maduro government and members of the Venezuelan security forces. The OAS secretary general, Luis Almagro, has also asked Argentine jurist Luis Moreno Ocampo to investigate whether the Maduro government committed crimes against humanity that could be tried in the International Criminal Court (ICC); Moreno was the ICC’s founding prosecutor (2003-2012).

Crimes against humanity include imprisonment, torture, illegitimate deprivation of liberty, murders and persecutions. Under the Rome Statute founding the ICC, in order to be prosecuted, these must be committed as part of a widespread or systematic attack against civilians, and as organised policy.

Mercosur gets off the fence over Venezuela**Nin Novoa**

In an interview with the Uruguayan media, Foreign Minister Nin Novoa stressed that “the onus is on the [Venezuelan] government to start a dialogue process”. He went on: “But when the government ignores the national assembly and convenes a constituent assembly to draft a new constitution and this body’s first order is to remove the [critical] attorney general [Luisa Ortega Díaz], which has been repudiated by all the attorneys general in Mercosur, it shows the true intentions of the constituent assembly.”

The founding members of the Southern Common Market (Mercosur) have decided to apply the bloc’s democratic clause on Venezuela and extend its existing suspension for failing to meet the requisite economic obligations for member states until democratic order is fully restored the country. The move comes after Mercosur’s founding members (Argentina, Brazil, Paraguay, and Uruguay) closed ranks to reject the decision by the Venezuelan government led by President Nicolás Maduro to go ahead with the installation of its constituent assembly to draft a new constitution in the face of domestic political and international condemnation of its illegitimacy. But while the decision by Mercosur’s founding members is a significant show of unity among these governments, the move against Venezuela has produced divisions at home.

Mercosur’s founding members adopted their decision to apply the bloc’s democratic clause against Venezuela after holding an urgent meeting of foreign ministers (to which Venezuela was not invited) on 5 August in Brazil to discuss the unfolding political crisis. The meeting was called by Brazil, in its current capacity as pro-tempore president of Mercosur, in response to the Maduro government’s decision to hold constituent assembly elections on 30 July (boycotted by the political opposition), and, in defiance of widespread international criticism of the elections, to go ahead and swear-in the new assembly delegates on 4 August. Following the meeting, the foreign ministers issued a joint statement rejecting the constituent assembly and refusing to recognise it.

In a press conference following the meeting, Brazil’s foreign minister, Aloysio Nunes, said that the four founding members had unanimously agreed to apply the bloc’s Ushuaia protocol on commitment to democracy to suspend all of Venezuela’s political rights. Nunes explained that they considered the installation of the new constituent assembly in Venezuela to constitute a rupture in the constitutional order, as it was elected in a process that contravened the country’s constitutional provisions.

Venezuela already had its political rights in Mercosur suspended in December 2016 for failing to meet all of its membership commitments and until all of these are fulfilled (which has yet to happen). So the new suspension, which will continue until constitutional and democratic order is fully restored in the Andean country, is symbolic.

However, Nunes stressed that the message from Mercosur’s founding members was clear. “This declaration further isolates Venezuela from Mercosur and through it we fulfil our duty [to uphold democracy]. It is another element that should contribute to Venezuela once again returning and participating [in Mercosur] as a democratic country,” Nunes said, noting that Mercosur is the first regional forum to apply its democratic clause on Venezuela.

Nunes added that while the suspension does not call for any economic sanctions, the bloc could consider imposing such sanctions should Venezuela’s political situation continue to deteriorate. Nunes went on to urge the Maduro government to engage in “serious dialogue” with the political opposition to resolve the political crisis.

Maduro rejects suspension

President Maduro argued that Venezuela's suspension from Mercosur for violating the bloc's democratic clause was "illegal". He argued that this contradicted Mercosur's internal rules that all decisions have to be unanimously approved by all members. Maduro went on to accuse President Macri of "spearheading" international aggression against his government. Maduro said that Macri sought Venezuela's suspension from Mercosur because "he seeks to blockade Venezuela economically, financially, and politically, as with Cuba", adding that "the fatal obsession that Mr Macri has with Venezuela is not normal. If only he had the same obsession to generate employment in Argentina, to take care of pensioners, to improve health".

Uruguay in the spotlight

Although President Maduro has rejected the latest suspension as illegitimate and accused the centre-right governments led by President Michel Temer in Brazil and President Mauricio Macri in Argentina of being behind the "ideological persecution" of his leftist administration (*see sidebar*), it was the decision by the leftist Uruguayan government led by President Tabaré Vázquez to back the suspension that allowed its implementation. Until now, Uruguay had been the only remaining ally of the Maduro government in Mercosur.

Uruguay's ruling leftist Frente Amplio (FA) coalition has refused to accept the imposition of any further sanctions on another regional leftist government. However, the widespread rejection of the installation of the constituent assembly in Venezuela by the likes of the US, the European Union and the Organization of American States (led by Uruguay's former foreign minister Luis Almagro [2010-2015]) has made continued support of the Maduro administration politically costly for the Vázquez administration.

Uruguay's foreign minister, Rodolfo Nin Novoa, underscored this difficulty. Following the announcement of Venezuela's suspension from Mercosur, Nin Novoa said that after numerous failed attempts by the international community to promote dialogue between the Maduro government and the political opposition in Venezuela there was "no alternative". Noting that the suspension should have no direct economic consequences on Venezuela, Nin Novoa added that it did not stem from any desire to punish Venezuela or its people. To the contrary, he argued, it was "in favour of the Venezuelan people...so that they can enjoy the liberties and rights of democracy".

The Vázquez government's decision to support Venezuela's suspension from Mercosur was heavily criticised from some quarters in the FA. Radical FA factions including the Partido Comunista del Uruguay (PCU), Casa Grande, Lista 711 (the party of Vice-president Raúl Sendic), and the Movimiento de Participación Popular (MPP), the FA's largest constituent party, all issued public statements rejecting Venezuela's suspension and the Vázquez government's acceptance of it.

The PCU, the most steadfast ally of the Maduro administration in Uruguay, issued a statement describing the decision as a "serious mistake", arguing that it "only strengthens the logic of confrontation". The radical FA factions also called on the Vázquez government to review its support for Venezuela's suspension and mooted summoning Nin Novoa to congress to explain the government's decision.

This looks like a thinly veiled threat. On 10 May Nin Novoa was summoned to congress where he was grilled by the opposition for what it perceived to be his ambivalent attitude towards Venezuela. Just days before Nin Novoa's appearance in congress, the PCU had released a statement accusing his ministry of "unwarranted interference in the affairs of a brother country". Nin Novoa's announcement back then that Uruguay had agreed to mediate (yet another) dialogue process in Venezuela ensured that the PCU backed him, but if it dropped its support he would face censure in congress where the FA enjoys the smallest of majorities.

Leftist political parties in Brazil and Argentina were also critical of the latest suspension of Venezuela from Mercosur in their respective national legislatures. But, unlike in Uruguay, these parties are in opposition in Brazil and Argentina. As such, the difference of opinion on the issue within the FA presents a singular problem for the Vázquez administration. Not least because the radical FA factions are already at odds with the moderate Vázquez administration over its draft budget proposal for 2018, which is currently being debated by congress. The disagreement over Venezuela's suspension from Mercosur could now complicate the approval of the draft budget.

Tax amnesty boosts public coffers

The department of federal tax revenue (Receita Federal) has announced that it has raised some R\$1.6bn (US\$500m) during the second phase of the tax amnesty programme offered to any Brazilian taxpayers holding undeclared assets abroad. According to the Receita Federal, 1,935 individuals (including 20 firms) took part in the second phase of the programme, under which they were allowed to pay lower taxes and a small fine to repatriate their assets. The participants agreed to regularise R\$4.6bn (US\$1.43bn) in assets. The amount of funds raised in the second phase of the amnesty programme is 40 times lower than the R\$50.9bn (US\$15.9bn) raised during the first phase that concluded in October 2016 and much lower than the R\$13bn (US\$4bn) that the government had hoped to raise.

All change ahead of 2018 elections

After President Michel Temer was acquitted of corruption charges last week, attention has already turned to who will succeed him after the next general elections in 2018. Unlike Brazil's previous three presidents (Fernando Henrique Cardoso [1995-2003], Lula da Silva [2003-2011] and Dilma Rousseff [2011-2016]) who all ran successfully for a second term, Temer will not be running again. But in a surprise move, he recently endorsed the mayor of São Paulo and possible presidential contender João Doria.

On the surface, President Temer and Doria are polar opposites. Temer, a septuagenarian legislator-turned-politician, is a member of Brazil's old guard. By contrast, Doria is a young upstart with eight months' experience in politics who made a name for himself through entrepreneurship and showbusiness. Despite their differences, Temer described Doria as a potential "partner", a man with a truly "national" vision who "understands the country's problems".

This glowing endorsement has sparked speculation that Temer's ruling Partido do Movimento Democrático Brasileiro (PMDB) may be looking to poach Doria. The PMDB does not have a strong candidate to put forward in the 2018 elections, making Doria (who has so far denied presidential ambitions but is expected to run) an option. Although Doria is currently affiliated with the Partido da Social Democracia Brasileira (PSDB), he may be tempted to jump ship to the PMDB if he loses party elections to more established members of his party such as his old mentor, Geraldo Alckmin.

Aside from Doria, another presidential contender who could switch allegiances before 2018 is the ultra-right candidate Jair Bolsonaro. The army captain-turned-congressman is expected to desert his Partido Social Cristão (PSC) in favour of the rival evangelist Partido Ecológico Nacional (PEN). Bolsonaro is looking for a new party after the PSC party leader, Pastor Everaldo Pereira, fell into disrepute in the wake of multiple corruption allegations.

Bolsonaro himself is no stranger to controversy, having been accused of racism and sexism in the past. He was once described as the "most misogynistic, hateful elected official in the world", by the journalist who broke the US National Security Agency (NSA) surveillance scandal Glenn Greenwald. Nevertheless, his power should not be underestimated. When Bolsonaro moves parties, he is expected to take another 30 state and federal deputies with him, showing the comparative weakness of smaller political parties compared with overarching interest groups in congress such as the evangelical bench.

A more familiar presidential contender who could re-surface in the 2018 elections is Fernando Haddad, who was education minister under former president Lula's left-wing Partido dos Trabalhadores (PT) government. Haddad, who also served as mayor of São Paulo (2013-2017), briefly disappeared from public view after a humiliating defeat against Doria in the municipal elections last October. But he could soon make a comeback if Lula, who was recently sentenced to almost a decade in jail for corruption (pending appeal), cannot run for the presidency again.

With Lula's blessing, Haddad has begun canvassing support across Brazil by giving classes in various schools from the southern states of Goiás and Santa Catarina to northern states such as Pernambuco. Meanwhile, his rival Doria, christened the "anti-Lula", fared less well outside São Paulo. He was recently egged in Lula's old stomping ground, the North-East, during a visit to Salvador (Pernambuco).

Public electoral finance fund

Creating a new public electoral campaign fund could boost Brazil's established political parties over smaller groups if money was only allocated to more mainstream groups. This could limit the chances that an 'outsider' figure would triumph in the upcoming 2018 elections. However, recent polls suggest this is the opposite of what most Brazilians want. A survey by Agora!-IDEIA showed 79% of voters want a break from Brazil's political establishment, including existing parties and politicians.

Brazil's congress eyes political reform

The head of the federal lower chamber of congress, Rodrigo Maia, has stressed that reforming Brazil's electoral system ahead of the 2018 elections is a top priority. He is working against the clock to establish a "totally different" political system, with greater citizen participation. Any changes would need to be approved by this October – a year before the election is due to be held.

Legislators are becoming increasingly agitated about how the 2018 presidential election should be financed. The matter is urgent since prosecutors from the anti-corruption investigation 'Operation Car Wash' have accused dozens of members of congress of receiving illicit campaign funds, causing political upheaval. This follows a decision by Brazil's supreme court (STF) to ban companies from donating to political parties in 2015. In the worst-case scenario, those who swap cash for favours with businessmen could face jail time.

To avoid further fallout from Operation Car Wash, legislators are keen to draw up clearer rules about the way political campaigns should be financed. One alternative to asking companies for money is to create a public electoral campaign financing fund. The initiative would cost some R\$3.5bn (US\$1.1bn) – or around 0.5% of Brazil's GDP. That figure is higher than the annual budget for some departments, such as the ministry for communications, science and technology, which has been allocated R\$3.2bn (US\$1.0bn).

Requests by legislators for such a hefty sum at a time when the fiscal deficit looms large has raised some eyebrows. Congressional spending is already under scrutiny after legislators received US\$1.35bn in pork barrel money between June and July, out of US\$1.9bn available for the whole of 2017, just before Temer was acquitted for corruption in August, according to accounts watchdog Contas Abertas.

However, Deputy Vicente Cândido defended the need to finance the new electoral campaigns fund. "Let's have a look at what is more expensive for the country: spending R\$3.5bn on an electoral campaign or sinking into a crisis like Car Wash, with private money," Cândido said. Making campaign funds public rather than private makes the system more transparent, he argued. This, in theory, would reduce the temptation for politicians to broker backhand deals with businessmen.

Cândido stressed that political reform ahead of the 2018 elections should be broader than simply tackling campaign funds. Another proposal currently under discussion is the adoption of a closed-list candidates' system (where votes are cast for parties not people then doled out according to the party's preference), as opposed to the current open-list system (votes are cast for people not parties then deputies with the most votes are elected). Other proposed changes include imposing new limits on electoral advertising; the end of the positions of vice-presidents and vice-governors; the extension of executive mandates to five years rather than four but the end of re-election; and a gender quota to ensure one in three candidates in the federal legislature is a woman.

By focusing on the 2018 elections, legislators have blithely ignored Temer's attempts to plug the fiscal deficit. This week, Temer mulled introducing a new higher tax bracket to raise more revenue. He was promptly rebuffed by Maia, who warned Temer "[the proposal] won't pass". The fate of Temer's other reforms, including a pensions overhaul, also looks uncertain. Changing the pensions system, which currently accounts for 13% of GDP, would require the support of two-thirds of the lower chamber. This is a tough call when Temer's power has already been compromised by an onslaught of corruption charges. Even though he was acquitted of bribery charges last week, Attorney General Rodrigo Janot is expected to file another two corruption charges against him before September.

Guillier seeks to get up and running

Goic

Ricardo Rincón is not going quietly. He accused Carolina Goic of needing “a poster boy” because her candidacy had failed to take off, and promised to continue campaigning, presumably in the (not unfounded) hope that she might yet withdraw from the race given her low level of support. The latest survey, published by Adimark on 2 August, gave Goic just 1% support, and it could be that she is using the dispute over Rincón to try and raise her profile. It has certainly won her extensive media coverage.

Alejandro Guillier registered his presidential candidacy for Chile’s ruling left-wing coalition Nueva Mayoría before the electoral authorities (Serval) on 4 August ahead of November’s general elections. Guillier was accompanied to the Serval headquarters by around 1,000 supporters including the presidents of six of the constituent parties of the Nueva Mayoría supporting his candidacy. The seventh party, Democracia Cristiana (DC), which is presenting its own presidential candidate, Carolina Goic, is embroiled in infighting. But Goic, who had threatened to withdraw her candidacy, has confirmed that she will remain in the race.

“The diagnosis is clear: the current crisis is an ethical crisis, one of values, [political] abuse, lack of faith in the society in which we live,” Guillier said. He promised to crack down hard on corruption and the price collusion scandals that have rocked public confidence in the public and private sector, and provide untrammelled support for laws on transparency in public administration and private development. “The abuse of big [monopolies] is over,” he declared. “Whoever thinks that with just the growth of big economic groups we are going to solve Chile’s problems will face the spectre of ungovernability,” he added.

After the registration of his candidacy, Guillier needs to make an impression – and fast. Recent opinion polls have him trailing not just former president Sebastián Piñera (2010-2014) of the right-of-centre coalition Chile Vamos but also Beatriz Sánchez, the presidential candidate of the nascent radical left-wing Frente Amplio (FA).

Piñera remains the clear favourite to triumph in November’s elections but there is tension within Chile Vamos. After an acrimonious primary election which saw Piñera emerge victorious, the principal parties within the coalition, the centre-right Renovación Nacional (RN) and ultra-conservative Unión Demócrata Independiente (UDI), have been unable to agree on a list of congressional candidates with junior partners Partido Regional Independiente (PRI) and, particularly, Evópoli.

Piñera felt compelled to lecture the parties on the importance of overcoming their differences. “It is not just an option; it is their duty to reach an agreement,” he said, rather than engage in petty squabbling over “one more candidate here and there when there is so much at stake”. But in spite of this rhetorical dressing down Piñera has pointedly refrained from intervening in the selection process. The president of Evópoli, Francisco Undurraga, penned Piñera a letter explicitly calling for him to intervene. The PRI president, Alejandra Bravo, lashed out, saying that Evópoli’s “desire to grow at the expense of the other parties [in Chile Vamos] is a true obstacle to unity”.

Meanwhile, Goic announced on 3 August that she would remain the DC’s presidential candidate despite a fierce clash with the party’s national executive committee. Goic threatened to pull out after the body endorsed a list of congressional candidates that included on its senate slate Ricardo Rincón, an incumbent congressional deputy who was charged with domestic violence in 2002 [[WR-17-30](#)].

Goic argued, much like Guillier, that opinion surveys showed the paramount importance of political parties being “intolerant of abuse” and “raising their ethical standards”. The DC’s senior leadership rallied behind Goic, empowering her to veto any congressional candidacy of which she disapproved. She promptly announced that Rincón would be moved from the list (*see sidebar*).

Ruling AP faces schism as Moreno fires Glas

Ecuador's political opposition is looking on in amazement while the ruling left-wing Alianza País (AP) teeters on the brink of an internecine war. The AP's peerless pre-eminence over the last decade has been shattered within three months of President Lenín Moreno taking office. Moreno's decision last week to strip Vice-President Jorge Glas of all of his functions, leaving him as no more than an impotent figurehead, set in motion a series of frantic meetings to try and prevent the party from imploding. These meetings have pitted against one another factions loyal to Glas, who has the full and very vocal support of a feverishly tweeting former president Rafael Correa (2007-2017), and the Moreno administration.

President Moreno issued a decree on 3 August taking away all of the powers and responsibilities conferred on Vice-President Glas. Moreno cannot dismiss Glas as he holds an elected post. As such the decree was more symbolic than anything else, but it sent shockwaves through the AP by underscoring the irreconcilable differences at the top over the direction of the Citizens' Revolution and its priorities. Moreno relieved Glas of his positions to drive national production as head of the Consejo Sectorial de la Producción and the Consejo Consultivo con el sector empresarial dialogue table. Glas also lost his position overseeing reconstruction in the northern coastal provinces affected by the earthquake of April 2016.

Moreno moved against Glas directly after the latter had released a statement laying bare for the first time his disenchantment with the president. Glas accused Moreno of "orchestrating the return of the old country through handouts, and laying the groundwork for institutionalised corruption", a reference to the ostensible award of control over the national electricity corporation (CNEL) to an ally of Fuerza Ecuador (FE), the party run by Abdalá 'Dalo' Bucaram Pulley, the son of former president Abdalá Bucaram Ortiz (1996-1997). Correa had explicitly denounced a pact between Moreno and the Bucaram family, which he has branded as the most corrupt political dynasty in Ecuador's history.

Glas also warned that Moreno was preparing a "possible *paquetazo* [the term applied region-wide by left-wing parties to describe painful fiscal adjustments customarily carried out by right-leaning governments]" in September. This after Moreno claimed that his government had inherited serious economic difficulties from the Correa administration, including a much higher public debt than he had been led to believe, and vowed to expunge corruption. Correa penned a series of tweets excoriating his successor for his comments.

Moreno, without cancelling any of his agenda, waited until the evening to respond to the statement by Glas. In a three-minute video announcing his decision to strip Glas of his functions, Moreno called for "profound reflection [within the party], without falling into provocation, rupture, complicity, or worse still concealment". He added that while he was open to "diversity of opinions... revolutionising the Revolution must always be our permanent objective".

Glas responded in a press conference shortly afterwards by saying he would never resign his post. "My functions have been taken for expressing an opinion, criticising, telling the truth...at the request of Abdalá Bucaram, Guillermo Lasso [the former banker and defeated presidential candidate of the right-of-centre Movimiento Creó], and big business, betraying the sovereign will of the people who elected me on a joint ticket," Glas said. "With or

Rallying support

Some 4,000 people turned out in front of the Carondelet presidential palace on 7 August for the changing of the guard carried out by President Moreno, waving banners of support. "Nobody will stop the fight in Ecuador for transparency, loyalty and honesty but not the loyalty of the Mafioso, or those that cover up for each other, rather loyalty to the country," Moreno said, eliciting a furious reaction from his predecessor on *Twitter*. "It's impressive how disloyalty and mediocrity can destroy what was constructed over years in a couple of months," former president Correa tweeted.

Budget

President Moreno presented a draft budget proposal of US\$36.82bn for 2017/2018 this week, with a US\$4.7bn fiscal deficit. The budget was predicated on GDP growth of 0.7%, and an oil price of US\$41.69 per barrel. The national assembly has 30 days to approve the draft budget, along with a four-year national budget programme presented by the Moreno administration. Moreno also announced a government austerity plan, slashing the salaries of some 7,000 senior public officials by 10%, and selling off state-owned assets, including some 330 properties.

without functions, I will remain vice-president," he declared, adding "I must confess something; I feel a sense of release because I have witnessed over the last two months the start of the dismantlement of our Revolution, ideals, principles, and values."

Just before Moreno issued his decree, an audio recording was released by the Brazilian daily *O Globo* in which the former superintendent of the Brazilian construction firm Odebrecht in Ecuador, José Conceição do Santos Filho, can be heard telling Ecuador's former comptroller general Carlos Pólit (who recently fled to the US) that Glas had sought to cream off 1% from every public contract agreed with Odebrecht through his uncle, Ricardo Rivera, who had served as an intermediary. Conceição claimed Odebrecht had indirectly paid bribes amounting to US\$14.1m to Glas between 2012 and 2016.

Conceição claimed to have met Glas two or three times a year. During one of these meetings, which he said took place in 2014 in the office of the vice-presidency, Glas allegedly asked for campaign financing on top of the habitual payments to Rivera. During one meeting in Suite 156 of Swissotel in Quito on 23 June 2016, Conceição said he had rigged up a camera to record Rivera's arrival. Conceição presented dates for 15 payments made to a company of Rivera's choosing. He said that the deal with Glas and Rivera made Odebrecht millions, securing the contract for the construction of the Manduriacu hydroelectric dam, the Daule-Vinces water transfer system, the Poliducto Pascuales-Cuenca multi-purpose pipeline, the La Esperanza aqueduct, and the Pacific refinery.

The attorney general, Carlos Baca Mancheno, downplayed the significance of the recording, saying it was not definitive evidence of wrongdoing, but it could be only a matter of time before a smoking gun emerges and Moreno could be calculating that before it does he wants to have distanced himself decisively from his vice-president, who could then face impeachment. Either this or see his entire anti-corruption crusade undermined. Moreno has pointedly neither defended nor condemned Glas in public saying he does not want his personal opinions to influence legal proceedings.

While Moreno might have silenced the opposition by taking action against Glas he has driven a wedge into his party. The leadership council of the national assembly (CAL), where the AP has a reduced majority, had only just voted to archive a motion presented by the opposition to impeach Glas for political responsibility for alleged corruption [WR-17-29]. The AP held a five-hour closed-door meeting of party deputies on 3 August which had been convened to discuss the rupture at the helm. Ironically, however, as news filtered through that Moreno had stripped Glas of his functions, the rupture threatened to spread wider. Four AP deputies, including Marcela Aguiñaga, the maximum leader of the party in Ecuador's most populous province of Guayas, stomped out of the meeting.

Ricardo Patiño, a man for all seasons under Correa who held all of the most senior cabinet positions, has been trying to broker the peace since then, holding a series of meetings with Correístas such as Gabriela Rivadeneira, the AP party secretary, Aguiñaga, and Glas himself. Patiño sought to downplay the tension. He said Glas had got the wrong end of the stick over CNEL, pointing to the departure on 7 August of the managing director of the state holding, Antonio Intriago, which he said made it clear that there had been no pact between Moreno and the Bucarams.

In his resignation speech, Intriago said he did not belong to any political party, and had worked under the Citizens' Revolution for eight years, but he had decided to step down because of "the slander" heaped on him and his family. Glas tweeted in response that "the departure of the Bucarams from CNEL is a great step by President Moreno in the fight against corruption. He heard the cry of the grassroots." It might be the first step towards a tense reconciliation.

Protesting teachers accused of terrorist ties

Peru's interior ministry claimed this week that as many as 4,819 teachers signed a document in 2011 presented to the national electoral board (JNE) seeking the registration as a political party of the *Movimiento por la Amnistía y los Derechos Fundamentales* (Movadef), widely considered to be the political wing of the Sendero Luminoso (SL) guerrilla group. The ministry maintained that several of the leaders of the ongoing teachers' protests in Peru, which began in the southern region of Cusco in 15 June, had signed the document. Teachers' unions have accused the government of trying to discredit their legitimate demands for better salaries and working conditions.

The deputy interior minister, Rubén Vargas, told the investigative television programme *Cuarto Poder* that the government had established that the most serious protest actions by teachers were taking place in regions where there was most support for Movadef, "in other words backing the political strategy of a terrorist group": Lima, Puno, Ayacucho, Áncash, Junín, and Huancavelica.

The JNE rejected Movadef's application to register as a political party in 2012 on the grounds that it was a movement that threatens Peru's democratic principles. Movadef actively campaigns for the release of the imprisoned founder of SL, Abimael Guzmán, and an amnesty for former SL guerrillas serving prison sentences for terrorism.

Thousands of teachers refused to heed an ultimatum from the education ministry to return to class this week or face salary cuts and the threat of dismissal. Despite this President Pedro Pablo Kuczynski agreed to meet leaders of the teacher protests in the presidential palace (a meeting which is taking place as we go to press on 10 August). The prime minister, Fernando Zavala, insisted that no teacher representatives with any links to SL would be permitted to enter the palace, but the meeting has generated disquiet.

The president of the judiciary, Duberlí Rodríguez, criticised Kuczynski for rewarding violence. Rodríguez argued that the meeting would only encourage "violent postures" by groups that would feel they could "bring the government to its knees". Rodríguez added that it was unfair on striking doctors and health workers who had not resorted to violence like some unions on the fringe of the umbrella teachers' union *Sindicato Unitario de Trabajadores en la Educación del Perú* (Sutep).

Movadef

"Politically speaking it is absolutely clear that Movadef is linked to Sendero Luminoso," the president of Peru's judiciary, Duberlí Rodríguez, said. "The state cannot take half-measures with respect to the presence of people infiltrating the heart of social protests that are legitimate," Rodríguez added.

COLOMBIA | POLITICS

Santos makes final call for unity

"Let's change history. Let's change the way we do things. Let's not stop hope that leads us to a better life." With these words, President Juan Manuel Santos appealed for unity in support of the peace process that his government has been advancing with Colombia's leftist insurgent guerrillas. His appeal came during a speech marking the start of the last of his eight years in office, and shows that he is very much aware that a lot still needs to be done to secure the future of the peace process.

There has been a steady polarisation in Colombia between those that support the peace process being advanced by the Santos administration and those that have opposed it ever since the government signed a peace deal with the *Fuerzas Armadas Revolucionarias de Colombia* (Farc) in November last year.

De la Calle throws his hat into the ring

On 9 August

Humberto de la Calle, Colombia's former vice-president (1994-1996) and the government's chief negotiator in the successful peace negotiations with the Farc, announced his intention to run for the presidency next year. De la Calle, a member of the Partido Liberal (PL), part of the Unidad Nacional ruling coalition, has not confirmed if he will seek the PL nomination or that of another party. But De la Calle did say that he remains loyal to President Santos and the peace deal signed with the Farc, which he said he would fully implement if elected. De la Calle is the fifth former Santos government official to declare his intention to bid for the presidency.

Opponents of the peace process, which include the right-wing opposition Centro Democrático (CD), led by former president and incumbent senator Alvaro Uribe (2002-2010), are critical of the peace deal reached with the Farc, believing that it offers far too many political concessions to the guerrilla group and that its implementation will thus not lead to a long-lasting peace.

Opposition to the peace deal with the Farc has resulted in the delay of the approval of all the supporting legislation linked to the accord in congress, as opponents have lodged various legal challenges to some of these initiatives. President Santos is keen to have the entire legal framework required to implement the peace deal fully in place before the end of the year, aware that the passage of secondary legislation through congress will become increasingly difficult in 2018, an electoral year. Hence, during his 7 August speech marking the anniversary of the start of Colombia's independence struggle in 1819, Santos decided to make one final impassioned call for the country, and in particular all political parties, to unite behind the peace process.

"Today from the Boyacá bridge, in front of a strengthened and vigorous army, I want to invite all Colombians to fight the battles that face us together: the battles to continue reducing poverty, to continue improving healthcare and education, to continue building homes, to continue creating formal jobs," Santos said. He went on to urge all political actors not to "waste time in bickering that leads to nothing", and to row behind the peace process.

Calling for no one to "try to turn back the clock and return to the conflict", Santos insisted that the "differences of opinion [should] not impede us from working in harmony...for a better Colombia". Santos concluded his speech by shouting "the country [patria] over [political] parties! Colombia over egos!" It looks like a long shot, especially with the proximity of presidential elections, but Santos also said, in an interview with the Spanish news agency *Efe* this week, that he would strive to "leave the country much less polarised than it is" by seeking to "effect a reconciliation with my predecessor former president Uribe".

Cabinet reshuffle

The speech by President Santos marking the start of his final year in office was preceded by a cabinet reshuffle. The changes were largely influenced by electoral considerations as Colombia's political parties gear up for next year's general elections. However, Santos was careful not to make any major changes and maintain the cabinet's delicate political balance. He is keen not to upset any of the parties that make up the ruling coalition Unidad Nacional so that he still enjoys sufficient support to push all the peace process secondary legislation through congress before the end of his term.

Santos announced only four ministerial-level changes in the 15-minister cabinet. Those leaving are the transport minister, Jorge Rojas; the trade, industry & tourism minister, María Claudia Lacouture; the housing minister, Elsa Noguera; and the agriculture minister, Aurelio Irragorri. Rojas, Lacouture, and Noguera have been replaced by Germán Cardona, María Lorena Gutiérrez and Jaime Pumarejo respectively. The replacements are all members of the same parties as their predecessors in order to maintain the same balance (with Cardona and Gutiérrez having already previously served in the Santos cabinet).

Meanwhile, although Santos had announced that Irragorri, the newly elected president of the Partido de la U (PU), would be leaving the agriculture ministry to lead the PU into next year's general elections, the president said that Irragorri had asked him to stay on as minister until the recent outbreak of foot-and-mouth (FMD) disease in the country comes under control, so as not to leave the task half-completed. Irragorri is a political heavyweight who will not be easily replaced in the cabinet. Pointedly Santos has yet to name his potential replacement.

Farmers ratchet up pressure on Peña Nieto

Between 5,000 and 7,000 farmers converged on Mexico City from across the country this week to stage an indefinite protest against the government led by President Enrique Peña Nieto. One of the principal demands of the protesting farmers, who have been staging marches in the capital, is that the Peña Nieto administration should ensure that chapter seven of the North American Free Trade Agreement (Nafta) on agriculture, sanitary and phytosanitary measures is torn up when it begins renegotiating the treaty with the US and Canada on 16 August.

The protest by the farmers, who came from eight different states – Chiapas, Coahuila, Guerrero, Jalisco, Estado de México (Edomex), Oaxaca, Puebla and Veracruz – was timed to coincide with the anniversary of the birth of Mexico’s revolutionary hero Emiliano Zapata on 8 August 1879. It was organised by the Coordinadora Nacional Plan de Ayala (CNPA), which takes its name from the so-called ‘Plan de Ayala’, drafted by Zapata in 1911.

A sacred scripture for ‘true revolutionaries’, the ‘Plan de Ayala’ accused President Francisco Madero (1911-1913) of reneging on a deal with Zapata, who had supported him to help topple the regime of Porfirio Díaz (1876-1911), and abandoning the countryside. Madero had demanded that Zapata disarm his army of rebels as a precondition for discussing agrarian reform.

Many Mexican farmers feel that the agrarian reform promised at the start of the country’s revolution has never been delivered. They also feel that just as Madero betrayed Zapata and his support base of peasant farmers, Mexico’s current political leadership betrayed the country’s campesinos when Nafta was drawn up in 1994. The CNPA accused the government of benefiting from agricultural exports to the US without passing on a fair share of profits to farmers. Protesters demanded that this situation should be rectified. The CNPA also alleged that the government had appropriated resources meant for the agricultural sector in order to fund electoral campaigns.

The farmers are promising to camp out in the Ciudad de México (CDMX) until they get a favourable response from the federal government to their demands. But discussing the agricultural sector does not seem to be a priority for the Peña Nieto administration.

The day before the farmers’ protest began, the economy minister, Ildefonso Guajardo, said that the Peña Nieto administration had three principal priorities when the renegotiation of Nafta commences in Washington, D.C. on 16 August: expanding trade, ensuring safeguards for protecting industry, and updating Chapter 19 of the treaty referring to dispute settlement between Nafta’s three member countries. Guajardo also insisted that the government would not “sacrifice substance for rapidity” in the forthcoming talks.

Meanwhile, the president of the business lobby Consejo Coordinador Empresarial (CCE), Juan Pablo Castañón (*see sidebar*), claimed this week that the renegotiation of Nafta (or ‘modernisation’ to use the Mexican government’s preferred nomenclature) would help to “let loose the potential of the most competitive region in the world”. Castañón claimed that Mexican businessmen were confident that the talks would result in “a win-win accord”.

Optimism

The president of the business lobby Consejo Coordinador Empresarial (CCE), Juan Pablo Castañón, was invited to address the federal senate this week along with the chief negotiator of the Mexican private sector, Moisés Kalach, to hold an open dialogue with senators over the Nafta renegotiation. Castañón was buoyant. He argued that while the talks would not be “simple”, the result would be “a modern treaty that strengthens the well-being of Mexicans, Canadians and Americans for years to come”.

Solís shock tactics over deficit provoke ire**Fiscal deficit**

It was not just the political opposition that criticised President Solís for his comments. Deputy Ottón Solís (no relation), a former leader of his own Partido Acción Ciudadana (PAC), criticised Solís for not pushing for a fiscal reform the second he took office. President Solís postponed debate of the fiscal reform until the second year of his term, afraid that it would provoke hostility and leave him unable to advance any other legislative initiative. The fiscal deficit stood at 5.2% of GDP in 2016. The central bank last week raised its projection for the 2017 fiscal deficit from 5.9% of GDP to 6.1%, based on the GDP growth forecast being cut from 4.1% to 3.8%.

President Luis Guillermo Solís provoked a furious response from the political opposition last week by declaring that urgent measures were necessary to avoid Costa Rica falling into “liquidity difficulties”. This looks like the last throw of the dice by Solís. Like his predecessor before him he has tried to push through a fiscal reform to no avail. But far from being shocked into action, Costa Rica’s opposition parties, which dominate the 57-seat legislative assembly, held Solís wholly responsible for the lack of a fiscal pact. With parties gearing up for next February’s general elections, the impasse looks like lasting his entire four-year term.

“Despite all the efforts we have made from the start of my term to contain spending and increase [government] revenue a gap still exists that we must close with fresh resources,” President Solís said in a televised broadcast. He ordered the treasury to prioritise paying public debt, meeting salary and pension payments and transfers to state institutions, and then making “other payments and obligations”, warning that there could be “difficulties...to guarantee the operation of essential services”. Solís announced that there would be no increase to the 2018 budget other than constitutional commitments. He also decreed the suspension of all public contracts that have not begun whether domestic or international (but not those financed by international loans), and instructed cabinet ministers to evaluate all non-essential spending.

The Solís administration has long been pushing for the creation of new taxes, principally substituting the 13% sales tax (from which services are exempted) with a value-added tax (VAT) with wider application and, ideally, a higher rate. But the legislative assembly has repeatedly stymied his attempt at fiscal reform, demanding that he cut government spending first. Candidates participating in a presidential debate ahead of February’s elections censured Solís. “It is hard to be surprised that there are liquidity problems when the government increased spending by 34% in three years against accumulated inflation over the same period of 5%,” Rodolfo Piza, of the traditional Partido Unidad Social Cristiana (PUSC), said. “What has been announced dramatically comes too late: President Solís should have engaged in belt-tightening a long time ago,” he added, advocating the restriction of public sector salaries and pruning state bureaucracy.

Piza’s words were echoed by Otto Guevara, of the right-wing Movimiento Libertario (ML), who pointed to the 19% increase in the budget in 2015, five times the rate of inflation. Guevara stressed that Solís still had room for manoeuvre before increasing taxes, and could cut spending on government publicity, and leave public positions vacant to streamline the public sector.

Solís rejected the criticism the following day saying that “no government in the last 10 years has cut so much”. He claimed that 95% of the budget was fixed spending on education, debt servicing, and pensions. But Antonio Álvarez Desanti, the presidential candidate of the main opposition Partido Liberación Nacional (PLN), accused Solís of spooking international markets, especially holders of Costa Rican sovereign bonds, with his alarmist rhetoric. Álvarez said the PLN’s 18 deputies would vote in favour of fiscal reform on condition that the government reopen the debate on downsizing the public sector and stop any further recruitment; present a plan for spending cuts; end wasteful spending on publicity; and play a leading role in negotiating a reduction to judicial pensions [[WR-17-30](#)].

Financial crisis takes on new dimension

El Salvador's top court is increasingly assuming the role of a political actor to fill a void which has pushed the country into financial crisis. The constitutional chamber of the supreme court (known simply as the 'Sala') has never shied away from contentious resolutions; in July last year, for instance, it struck down the amnesty law which had shielded perpetrators of human rights abuses during the civil war (1980-1992) from prosecution. In the last two weeks, however, it has waded into the economic arena much to the chagrin of the government led by President Salvador Sánchez Cerén.

The Sala issued two rulings in as many days annulling a makeshift pension reform and then, for good measure, declaring the 2017 budget to be unconstitutional. President Sánchez Cerén took to the airwaves to accuse the Sala of doing the dirty work of the right-wing opposition Alianza Republicana Nacionalista (Arena), and conspiring to leave pensioners without any income.

The Sala overturned the new law allowing the government to increase borrowing against the national pension fund Administradoras de Fondos de Pensiones (AFP) from 45% to 50%. It then issued a ruling requiring the legislative assembly to rectify the 2017 budget, correcting any violations of the constitution, by 31 October at which point it would become invalid.

In May this year, the attorney general, Douglas Meléndez, claimed that the budget contravened the constitution, and the Sala upheld his criticism. It accused the government of "underestimation of foreseeable and unavoidable expenditure", such as payments to pensioners and retired members of the military, and value added tax (VAT) rebates to exporters, which it said amounted to a deficit of US\$430m for which it had not budgeted.

In order to balance the budget, the Sala called upon both the legislative assembly and the government to refrain from "non-essential, excessive or unjustified spending, inconsistent with the country's fiscal and financial situation". In particular, it slammed US\$5.6m of payments to NGOs which "have no social purpose to justify the budget allocation", outlawing further payments of public resources to private entities, especially those linked to political parties.

The rulings in themselves were sufficient to annoy the Sánchez Cerén administration but it was incensed by what it took to be the Sala's politicised and sententious accompanying text. After the pension ruling, Sánchez Cerén delivered a televised address accusing the Sala of "issuing sentences to create crisis and confrontation". He claimed that the Sala would be responsible if pensioners did not receive their dues.

Rodolfo González, a magistrate on the Sala rejected the insinuation that the body wanted the non-payment to 160,000 pensioners, and advised the government to reach a deal in the legislative assembly, a tall order given that political polarisation, a perennial problem, is heightened right now with municipal elections in March 2018 fast approaching. González said the presidency had 800 employees in 2008 but this had mushroomed to nearly 3,000 (*see sidebar*). "We detect disorder and waste," he said.

After the budget ruling, the government released a statement insisting that Sánchez Cerén and his economic team "are working on initiatives to bring us out of the crisis into which Arena and the Sala are trying to take us". It went on to accuse the Sala of exceeding its jurisdiction, issuing rulings imbued with "a political character, fully consistent with the blocking tactics of Arena". Further impasse looks set to deepen the country's financial travails.

Waste

The Sala outlawed any future recruitment other than to social areas: health, education, and security ministries. It said that, based on a report by the International Monetary Fund (IMF), countries with a comparable level of development spent 7.6% of GDP on public sector salaries compared with more than 9% of GDP in El Salvador.

Quotes of the week

“How difficult it must be to sleep at night with so many deaths on your head.”

Argentina's President Mauricio Macri addresses his Venezuelan peer Nicolás Maduro.

“The dismissal of the attorney general Luisa Ortega is the first dictatorial act of an illegitimate constituent assembly.”

Colombia's President Juan Manuel Santos.

“Nobody wants Costa Rica to become like Greece, Italy or Spain in 2018. Taking action now will be easier than in the future.”

Costa Rica's President Luis Guillermo Solís on the fiscal deficit.

POSTSCRIPT

Bouterse moves to muzzle social media in Suriname

The government led by President Desi Bouterse is trying to push through the national assembly a draft law that would punish defamation of the Surinamese head of state on social media with a fine or even a prison sentence. The political opposition expressed concern at the so-called 'Electronic Legal Transactions' bill, while Wilfred Leeuwin, the director of the association of Surinamese journalism, *Surinaamse Vereniging van Journalisten (SVJ)*, said it contravened the freedom of the press and fundamental citizens' rights.

The 51-seat national assembly began debating the draft bill on 3 August. Stephen Tang, a deputy for Bouterse's ruling *Nationale Democratische Partij (NDP)*, said the bill would require politicians and the public to exercise greater care "and be politer with each other online". Leeuwin slammed the bill on the grounds that "someone exercising their constitutional rights should never be punished". He said it had been designed purely to protect Bouterse who "is not above the law".

Leeuwin said the SVJ would send a letter to the national assembly expressing its "profound concern" over the proposed new regulations, which he described as "a sad development [that would] encounter enormous resistance". It is not clear from where this resistance will come. Bouterse's NDP is a dominant force in Suriname, becoming the first single party in the country's electoral history to win an outright majority with 27 seats in general elections in May 2015.

Leeuwin said that Suriname had made impressive strides in the annual World Press Freedom Index by Reporters Without Borders (RWB) but this would be undone. In fact, Suriname rose two positions to 20th in the 2017 ranking behind only Costa Rica (6th) and Jamaica (8th) in the region, with RWB commenting that "With few attacks on journalists and a varied media landscape, Suriname gets fairly high marks these days for its respect for freedom of information.

Wesley Gibbings, the Trinidadian president of the Association of Caribbean Media Workers (ACM), warned that rating agencies would look askance at the development. Gibbings said the bill before the national assembly, which includes reviving some dormant defamation laws dating back to the colonial era, would be "an important setback for freedom of expression in the Caribbean". He added that "In many places in Latin America and the Caribbean defamation laws are being rejected as contrary to constitutional rights."

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