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## Progress and setbacks in anti-impunity efforts in Northern Triangle

Guatemala's former president Alvaro Colom (2008-2012) was arrested last week, becoming the country's fourth leader to be accused of corruption by the United Nations-backed anti-impunity commission in Guatemala (Cicig) and the attorney general's office (AG). Two days later, Juan Jiménez Mayor, a former prime minister of Peru, quit as head of the Mission for Support against Corruption and Impunity in Honduras (Maccih), sponsored by the Organization of American States (OAS). Jiménez cited frustration with the lack of local political will to combat corruption, as well as differences with OAS Secretary General Luis Almagro. With Guatemalan President Jimmy Morales continuing to signal discomfort with Cicig's presence in the country, the developments again illustrate the endemic nature of corruption in the sub-region and the considerable challenges in seeking to address it.

Cicig's director, Iván Velásquez, and AG Thelma Aldana announced Colom's arrest on 13 February, in line with an investigation into a series of anomalies (totalling some US\$35m) for a new prepaid bus system (Transurbano), implemented in Guatemala department while Colom was in office. According to investigations, the state contract went to a local business association, the Asociación de Empresas de Autobuses (AEAU), without following due process, with four fake companies set up to facilitate the corruption. These were: Expansión Corporativa Mileniun SA, Tendencias Modernas Latinoamericanas SA, Rutas Metropolitanas de Transporte SA, and Concesionarios de Transporte SA.

As well as Colom, a string of his former ministers were also arrested: Juan Fuentes Knight (finance), Salvador Gándara (interior), Ana Francisca del Rosario Ordoñez (education), Abraham Valenzuela (defence), Edgar Alfredo Rodríguez (labour), Celso David Cerezo Mulet (health), Jerónimo Lancero Chingo (culture & sport), and Luis Alberto Ferraté (environment). Two deputy ministers were also arrested – Óscar Erasmo Velásquez (economy) and Alfredo Américo Pokus Yaquián (energy) – with an arrest warrant pending for former communications minister Luis Alfredo Alejos. Cicig and the AG also called for Colom's former foreign minister, Haroldo Rodas, currently a deputy for the Central American parliament (Parlacen), to be stripped of his immunity from prosecution in relation to the same case.

Colom is the latest political heavyweight to face justice since Cicig began its mandate in 2007, investigating the infiltration of state institutions by criminal organisations. Human rights ombudsman Jordán Rodas pointed out that the latest scandal, which is likely to prove damaging to the Unidad de la Esperanza (UNE), currently the main opposition party (see *page two sidebar*), shows the "fight against corruption has no political bias". Other former presidents accused of corruption by Cicig and the AG include Alfonso

## Further blow to UNE

The Transurbano scandal deals a further blow to former president Colom's UNE which has 29 seats in Guatemala's 158-member unicameral legislature. The party already faced transparency concerns in August last year when Cicig and the AG presented the findings of an investigation into illegal electoral financing. The investigation, which led to (unsuccessful) calls for national UNE deputy Orlando Joaquín Blanco Lapola to be stripped of immunity from prosecution, flagged up anomalies involving the UNE regarding the payment of services offered to candidates by a local helicopter company, Helicópteros de Guatemala SA, worth Q2.2m (US\$300,000). According to Cicig and the AG, the UNE reported as "non-cash contributions" some Q1.65m from two local companies, Bienno SA (textiles) and MAARIV SA (furniture), which were used to pay for air transport – claims which both companies denied.

Portillo (2000-2004) of the now defunct Frente Republicano Guatemalteco (FRG), who pleaded guilty to money laundering in the US in 2014, and Otto Pérez Molina (Partido Patriota, 2012-2015), forced to resign over allegations that he headed up a criminal ring in the tax authorities (SAT). Back in August 2017, Cicig and the AG also called for President Morales to be investigated for alleged illegal campaign financing, prompting him to seek to expel Velásquez although these efforts were thwarted by the legislature [[WR-17-34](#)].

The latest breakthrough in targeting official corruption comes amid renewed doubts regarding the current Morales administration's commitment to Cicig's future in the country. This uncertainty follows a meeting at the start of the month between Foreign Minister Sandra Jovel and UN Secretary General António Guterres in which Jovel apparently called for Velásquez's expulsion. Appointed in August after her predecessor Carlos Raúl Morales was reportedly fired for failing to implement President Morales's order for Velásquez to be removed, Jovel admitted on 5 February that the government had raised concerns about Cicig's mandate, but she denied calling for Velásquez to be dismissed.

## Maccih chief resigns in Honduras

The latest efforts to crack down on impunity in Guatemala bore stark contrast to events in neighbouring Honduras, where Jiménez announced on 15 February that he was stepping down as head of Maccih. In the post since Maccih was established in 2016, following mass protests triggered by the discovery of a major corruption scandal at the national social security institute (IHSS), Jiménez outlined the various reasons for his decision in an open letter. He cited the lack of commitment on the part of Honduran authorities to anti-corruption efforts, and the absence of political will to approve legislation proposed by Maccih such as a plea-bargaining initiative. (Unlike Cicig, Maccih lacks the authority to investigate or prosecute corruption cases independently but has a remit which includes proposing reforms and legislation to improve criminal justice, political finance, and the public security system). In particular, Jiménez said that Maccih was deeply concerned by recent legislative changes which, he warned, will block corruption investigations into over 60 legislators and public officials, including the head of congress, Mauricio Oliva [[WR-18-04](#)].

Jiménez's complaints did not stop with the local authorities. Indicative of the multiple challenges facing Maccih and differences at the top, he claimed to have encountered difficulties with Almagro himself. Jiménez said that since August 2017 there had been no personal communication with Almagro, who he said had refused to see him on 30 January despite his having travelled to the US for the meeting. Jiménez also expressed frustration with the lack of human and material resources necessary for Maccih to carry out its work, citing as an example the fact that the OAS-sponsored mission only had 10 people for investigations (compared with Cicig which has 80 experts in the same area).

Almagro has since responded to Jiménez, whose departure was followed by that of two other Maccih officials, Julio César Arbizu, a Peruvian lawyer, and Daniel Urrutia, a Chilean judge, who also expressed frustration at the lack of OAS support for Maccih. In an open letter published on 16 February, Almagro accused Jiménez of failing to tell the truth about various issues. He blamed the missed meeting at the end of January on Jiménez and insisted that efforts had been made to address complaints about a lack of resources, citing as an example an agreement under negotiation regarding an increased international police presence. Also indicative of tensions between the two men, Almagro, in his letter, appeared to cast doubt on Jiménez's leadership, claiming that an OAS inspector had been sent to Honduras to look into "administrative irregularities, bad practices and malfunctions within Maccih". This evidence of friction within the very institutions tasked with rooting out official corruption serves as a further reminder of the serious challenge ahead in addressing what remains a key priority in the sub-region.

### Maduro vows to attend Summit

“Do you fear me? You don’t want to see me in Lima? You’re going to see me because come rain or shine, by air, land, or sea, I will attend the Summit of the Americas,” President Maduro said last week after Peru’s foreign minister, Cayetana Aljovín, had said he would “not be welcome”. Peru’s prime minister Mercedes Aráoz responded to Maduro by saying that “neither Peruvian soil, nor Peruvian sea, nor Peruvian air space can be invaded by a foreign force...he cannot enter because he is not welcome. The government is withdrawing the invitation to the Summit...He has to understand that in Peru we don’t want to receive him.”

### Maduro tables economic and political solutions

“Today, a cryptocurrency is being born that can take on Superman,” President Nicolás Maduro announced in an address on Venezuelan state television on 20 February. The launch of the petro looks designed less to take on Superman, the personification of the US, than to get around him, namely US sanctions preventing banks and investors from buying Venezuelan debt. It also needs to get around the constitution, which expressly bars the issuance of debt without the approval of the national assembly, presently controlled by the political opposition. The Maduro administration also appears to have an answer for this apparent quandary: hold new legislative elections on 22 April alongside the presidential contest.

#### Petro: panacea or more pain?

For two months a steady stream of cabinet ministers have extolled the virtues of the new cryptocurrency on state television which has given it near-saturation coverage. President Maduro hopes this will have made the petro an eagerly anticipated event. At a ceremony in Caracas presiding over the launch, Maduro praised the petro as providing “a big solution for a big problem”. He added: “We Venezuelans are indomitable”.

The petro is seen as nothing less than the Bolivarian Revolution’s elixir. Its main purpose appears to be to evade sanctions by the US and European Union (EU), which are making it difficult for the government to issue debt. The government also sees the petro as having a very active role in everyday life. The daily devaluation of the paper currency, the bolívar fuerte, and increasingly incalculable hyperinflation, makes the prospect of a digital currency attractive.

A government white paper explains that the petro will be accepted as payment for “national taxes, fees, contributions, and public services”, and that citizens will be encouraged to obtain a digital petro wallet. Quite how the petro will work in day-to-day transactions is not clear. But the government aims to link it to the ‘Carnet de la Patria’, the identity card needed to receive food parcels, pensions, and bonuses, and to register to vote, thus tightening its grip over the country’s citizenry.

It would take a significant leap of faith to believe that all of these expectations could be met by the petro. But it is easy to see the importance of some economic optimism for Maduro amid the prevailing gloom ahead of the presidential elections on 22 April, even if he might not have a rival to face.

Maduro hailed the initial offering of the petro as a success. The government made 38.4m petro coins available at a pre-sale reference price of US\$60. Maduro claimed that US\$735m had been raised in the first day of the cryptocurrency’s pre-sale but he provided no details about the investors. This equates to virtually one-third of the total issuance of coins, which is supposed to stretch until 19 March, when a further 44m tokens will be sold. The superintendency of cryptocurrencies and related activities (Supcacven) will hang on to the remaining 17.6m coins. The total of 100m coins are worth US\$6bn.

#### Electoral solution

If the launch of the petro is seen by Maduro as “the big solution” to the country’s economic travails, the answer to its political difficulties was advanced by the government’s top enforcer Diosdado Cabello this week. Cabello recommended that legislative elections be brought forward from the end of 2020 and held at the same time as presidential elections, advanced from the end of 2018 to 22 April.

## Opposing Maduro

The MUD was technically barred from participating in the presidential elections, although its announcement that it would not seek to take part was still seen as a surprise by some observers who thought the opposition would find a way to get around this by backing a candidate from one of the two constituent parties not yet barred. The MUD's decision does not mean that Maduro will stand unopposed. Henri Falcón, the moderate leader of Avanzada Progresista (AP), still seems intent on standing. Falcón has not been fully embraced by the opposition as he originally hails from Chavismo. Lorenzo Mendoza, the president of the food and drinks producer Empresas Polar, ruled out his participation this week. Despite never declaring an interest in pursuing a political career, Mendoza topped a recent poll of opposition figures to oppose Maduro.

Undeterred by the fact that the constitution stipulates that legislative elections should be held every five years (they were last staged in December 2015), Cabello said there was sufficient time – all of two months – to organise them now. “The national constituent assembly [ANC] can make this decision without any difficulty,” Cabello said on 20 February. The government controls the ANC which is ostensibly drafting a new constitution but has to all intents and purposes supplanted the national assembly, in which the opposition coalition Mesa de la Unidad Democrática (MUD) secured a majority in 2015.

Cabello said that staging legislative elections in April would “fill a vacuum [as] the national assembly doesn't exist at present, there is no collegiate body, which is so necessary”. Cabello argued that legislative elections would “dynamise Venezuelan politics”. He said it might encourage the MUD to compete, although obviously not Primero Justicia (PJ) and Voluntad Popular (VP), two of the four principal parties in the MUD, as they have been barred from participating in elections by the national electoral council (CNE) because they refused to re-register after boycotting municipal elections last December. The MUD announced this week that it would not take part in the presidential elections because the conditions were not in place for a fair contest (*see sidebar*).

Cabello said the decision to bring forward legislative elections should not “cause any country any surprise”. That much is true. Most countries are now accustomed to the systematic violation of Venezuela's constitutional order. But they remain undecided about what to do about it.

## PERU | POLITICS

### Kuczynski bogged down

**This week it was revealed that the left-wing parties Frente Amplio (FA) and Nuevo Perú (NP) have been in discussions with the main right-wing opposition Fuerza Popular (FP, Fujimoristas) to launch a new attempt to impeach President Pedro Pablo Kuczynski in March, when congress reconvenes. At this stage the prospects for success are unclear, but Kuczynski remains on the political defensive. A long war of attrition may lie ahead, darkening the outlook for the remaining three-and-a-half years of his five-year presidency.**

The first attempt to remove Kuczynski from office, over claims that in a previous administration he accepted improper funding from Odebrecht, the Brazilian civil engineering company, was narrowly defeated last December. Kuczynski survived by issuing a pardon for imprisoned former president Alberto Fujimori (1990-2000), who was serving a 25-year sentence on human rights and corruption charges. The pardon caused a split in the ranks of FP. This has led to a political realignment. Paradoxically, perhaps, the anti-Fujimorista Left now seems prepared to try and strike a tactical alliance with FP, led by Fujimori's daughter Keiko, to push out Kuczynski. The FP rebels, led by Fujimori's son, Kenji, can be expected to support Kuczynski.

Kuczynski reacted to the news by insisting he would not resign in the face of what he described as an unfounded “paroxysm” of media-based and “communist” pressure. To widespread disbelief Kuczynski continues to deny that his decision to pardon Fujimori was part of a wider political pact with the former president. As he put it, pardoning Fujimori was a politically difficult decision taken on its own merit. He argued that issuing the pardon was ultimately necessary to allow Peru to live in peace and harmony: “to achieve that, you have to be able to swallow some frogs. I swallowed one, knowing the decision would be controversial,” he said.

## Vargas Llosa

Novelist and elder statesman Mario Vargas Llosa, who President Kuczynski says he consulted over granting the pardon, has been cutting in his criticism. In an interview published on 18 February, Vargas Llosa said that if it is proven that Kuczynski benefited from Odebrecht funding, impeaching him would be the best thing for the future of Peru's "imperfect democracy". Vargas Llosa went on to assert that "beyond doubt" Kuczynski had shown himself to be a liar: "he has disappointed many people, including his friends, such as myself".

The numbers suggest a second impeachment attempt may struggle to succeed. Removing Kuczynski from office requires a two-thirds majority, or the support of 87 out of the 130 deputies in congress. In December the Kenji-led defection of 10 out of 72 FP deputies meant the impeachment attempt fell short, mustering only 79 votes. Now, minus Kenji's contingent, the FP block has dwindled to 60 votes. The Left has 20 seats (10 for FA and 10 for NP). This gives a potential total of 80 votes.

Some of the other smaller parties and independents might swing behind impeachment, to meet the 87-vote target. Yet many analysts suspect the divisions in Fujimorismo will once more end up protecting Kuczynski. Journalist Augusto Álvarez Rodrich, who remains sceptical about Kuczynski's ability to stay in office for the full five years of his term, has nevertheless suggested he and Fujimori *père* are locked in a kind of mutual dependency pact. Kuczynski, he says, has become the guarantor of Fujimori's freedom, so Fujimori ultimately has a vested interest in keeping Kuczynski in office. In other words, it is not entirely clear how FP will vote. Álvarez Rodrich argues: "As the next impeachment attempt takes shape there will be telephone calls from one side to the other, asking for 10 or so Fuerza Popular members of congress to abstain, with Fujimori saying 'I don't want to go back into prison'."

Matters have also been complicated by a court decision that the presidential pardon does not protect Fujimori from prosecution in an historic human rights case involving the murder of six peasants in Pativilca by an elite army unit in 1992. The unit, known as Grupo Colina, was created on the orders of the then-president, and it is believed to have been responsible for up to 60 extrajudicial executions during the counter-insurgency campaign against Sendero Luminoso guerrillas. Fujimori's lawyers say they plan to appeal against the ruling. Human rights lobby group Amnesty International, on the other hand, welcomed the decision as a "historic" move against impunity.

While Kuczynski may be able to fend off this second impeachment attempt, his political health remains very poor. His popularity has been crashing downwards. According to the pollster Ipsos, his approval rating fell by four percentage points to 19% in February, while his disapproval rating surged by five points to 75%. An opinion poll at the end of January had shown the country to be almost exactly split down the middle over the Fujimori pardon (49% opposed it, 50% supported it). Despite official denials, a massive 78% believed the pardon was in fact part of a political deal.

The essential problem is that Peruanos por el Cambio (PPK), the ruling party, has only 15 seats in congress, so Kuczynski has always faced the need to form relatively long-lasting alliances to be able to govern with any degree of coherence. In his first year-and-a-half in office PPK has followed a zigzagging path, trying to play off the traditional Left against the Fujimorista Right, and seemingly succeeding only in angering and exasperating both of them. This led another analyst, Juan Carlos Tafur of newspaper *El Comercio*, to describe the scenario in which Kuczynski serves out his full five-year term as "the least acceptable option". It would, he said, imply the continuation of a weak and unpopular government, which would be at the mercy of continuing political and social crisis.

## COLOMBIA-VENEZUELA | DIPLOMACY & SECURITY

### Dangerous frontiers

Although Colombia has made progress towards implementing a peace settlement, this week there were worries over ongoing threats to the process, many of which appear to be situated in and around the country's borders.

## Border controls

President Santos has begun to tighten controls – passports will now be required for entry (replacing ‘border mobilisation permits’) – and he has announced a new registration procedure will be required to qualify for Colombian public health assistance. Border patrols are also being stepped up. Santos went as far as saying that the inflow of Venezuelan refugees is potentially the most serious problem now facing Colombia.

To hand over a more peaceful country to his elected successor, President Juan Manuel Santos, now in his last six months in office, needs to achieve at least four things. First, he must ensure that the peace settlement with the Fuerzas Armadas Revolucionarias de Colombia (Farc) is on its way to successful implementation. Second, he has to try and achieve a peace deal with the Ejército de Liberación Nacional (ELN), the remaining left-wing guerrilla group, which continues to actively pursue a military campaign; this is perhaps unlikely until after this year’s elections. Third, he must try and stop criminal groups and right-wing paramilitaries from moving in to control territory previously held by the guerrillas. Here, the danger is that a surge in crime and drug trafficking could in the end block any meaningful pacification of the country. And finally, he must try and do something to control the massive inflow of Venezuelan refugees into Colombia, which threatens a major humanitarian crisis and could destabilise the overall peace effort. This week there were worrying signals that some of these four things could become entangled with each other in a negative way.

One relatively small example came on the Colombian-Ecuadorean border. On 17 February an Ecuadorean army border patrol in the locality of El Pan, Esmeraldas province, came under fire from the Colombian side of the border. Two soldiers were wounded. It is assumed the aggressors may have been criminal or former guerrilla groups operating on the Colombian side. There is a considerable amount of illegal coca cultivation in the area. Relations between the two countries are reasonably good at present. Ecuador has stepped up army patrols since a car-bomb attack on a police station in San Lorenzo, another border locality, at the end of January [[WR-18-04](#)]. That attack has been attributed to a dissident Farc leader, known as ‘Guacho’ (Walter Artízala). Colombian Defence Minister Luis Carlos Villegas has proposed that the Colombian and Ecuadorean armies should form a joint border patrol.

The ELN problem also has a potential international dimension. Since the peace talks with the Colombian government, the guerrilla group has been stepping up its military campaign. A report by Colombian think-tank Indepaz says that the ELN actually expanded its operations last year, raising its presence from 140 to 165 municipalities across 22 provinces, as well as being active in five Venezuelan municipalities. The total number of ELN attacks was 458, causing the deaths of 62 members of the security forces and 28 civilians.

President Santos said this week that one ELN fighter, who had died while placing a bomb on Colombia’s Pamplona-Cúcuta highway, was in fact a member of Venezuela’s national guard, the Guardia Nacional Bolivariana (GNB). According to the commander of the armed forces, General Alberto Mejía, the ELN is deliberately recruiting Venezuelan refugees and using them as “cannon fodder”. He accuses the Venezuelan government of complicity; of offering a safe haven to the ELN’s top leaders; and of providing logistics support for the ELN campaign.

There has in fact been a new war of words between the two countries. Earlier this month Venezuela’s de facto attorney general, Tarek Saab, claimed Colombia was planning “military bombardment, military invasion, and occupation by blood and fire” of Venezuela. Venezuelan Interior Minister Néstor Reverol added that the Colombian army was forcibly recruiting Venezuelans. On the Colombian side Santos retorted “We are used to these claims, this madness, coming from President Nicolás Maduro and his officials. This is another piece of madness: who would ever think of invading Venezuela?” Santos said Venezuela constantly used the idea of an external invasion to legitimise internal repression. He added that he opposed any US invasion of Venezuela, which would only have “catastrophic” results.

## Conspiracy?

Iván Duque tweeted “Farc have never forgiven [Alvaro Uribe] for pinning them down. Colombians must defend the leader whose patriotism defended us and gave us hope”. Other Uribista leaders criticised what they said was a “politicised” supreme court decision. President Santos, on the other hand, said Duque’s claim of an anti-Uribe conspiracy was “absolutely ridiculous”.

It is clear, however, that Colombia’s border problem with Venezuela is on the rise. There are at least half a million Venezuelans now living in Colombia (some estimates range as high as 1.2m). As the internal Venezuelan political and economic crisis intensifies, it is estimated that around 37,000 Venezuelans are crossing into Colombia every day (see sidebar).

## COLOMBIA | POLITICS & SECURITY

### Uribe faces new witness-tampering claim

Former president Alvaro Uribe (2002-2010) already faces a range of court investigations over alleged human rights violations and links to paramilitary groups. On 17 February it became evident that there is one more on the list: the supreme court opened a case to investigate whether now-senator Uribe has been involved in witness tampering. The news came just three weeks before the congressional elections on 11 March and may influence the performance of his right-wing Centro Democrático (CD).

The latest legal developments relate to a longstanding vendetta between Uribe and Senator Iván Cepeda of the left-wing Polo Democrático Alternativo (PDA). Since 2014 Cepeda has accused Uribe of supporting the creation of right-wing paramilitary groups in the northern department of Antioquia. Cepeda said he had witness statements from imprisoned former paramilitary fighters testifying that one paramilitary force, the Bloque Metro, had been set up on the Guacharacas farm, owned by Uribe’s family. At the time Uribe took immediate legal action, submitting a case to the supreme court accusing Cepeda of seeking to incriminate him through the use of false witnesses.

This action now seems to have backfired badly. In its ruling on the case, the supreme court has dismissed all the charges against Cepeda and instead ordered an investigation into witness tampering by Uribe. The court says its investigations, which included wiretaps, revealed a concerted campaign to influence witnesses and threaten their families. It also said there had been efforts to pervert the course of justice, including the unexplained disappearance of key evidence files.

Uribe reacted angrily, saying it was legitimate for him to seek out witnesses to defend himself and his family, and repeating allegations that Cepeda had used his position as a member of a congressional human rights commission to visit prisoners and “offer inducements to people to testify against me and my brother” (the former president’s brother Santiago is currently in jail accused of setting up a paramilitary group). Uribe went on to claim that in opening the new investigation against him the Colombian judiciary was motivated not by a desire for justice but by a “persecutory spirit”.

It remains to be seen whether this will influence the congressional elections due on 11 March, and the first round of presidential elections which follow on 27 May. Both Cepeda and Uribe are congressional candidates. Polls in January suggested CD might capture around 15% of the senate vote. The official CD presidential candidate, Iván Duque, has so far had limited impact. His best performance in a handful of opinion polls in early February was to place fourth with 8% support.

Duque and other party leaders may have concluded that the best political defence in these circumstances is to go sharply on the attack, denouncing a wider anti-Uribe conspiracy. Duque has claimed that there is an “unwritten agreement” between former Fuerzas Armadas Revolucionarias de Colombia (Farc) guerrillas and the government led by President Juan Manuel Santos to imprison Uribe after the elections (see sidebar).

**Honours even as Moyano takes on Macri**

The 21 February march against President Mauricio Macri's government, called by the veteran trade union leader Hugo Moyano, demonstrated two things. Moyano retains his ability to mobilise tens of thousands of people against a sitting government; but he does not enjoy sufficient support within the umbrella trade union movement Confederación General del Trabajo (CGT) to dictate terms to Macri.

An estimated 85,000 people participated in a march along the iconic 9 de Julio avenue in central Buenos Aires. The march was ostensibly organised by Moyano, who recently transferred the leadership of the Sindicato de Camioneros de Argentina to his son Pablo, to protest against the economic policies implemented by the Macri administration. Hugo Moyano's decision to call the march, however, came shortly after the launch of judicial action against him for alleged corruption [[WR-18-06](#)].

Moyano was the headline act in a series of evening performances by trade union bosses. He protested his innocence of the legal charges against him, while insisting that imprisonment held no fears for him. After thanking the "massive presence of workers from all sectors of society" at the march, he then launched into the Macri administration for "starving them" through a series of tough economic measures that have failed to bring down inflation decisively.

Moyano's speech was punctuated with mentions of class. In particular, he goaded Macri by saying "not even those of your class believe you, that's why investment is not forthcoming". This touched on an enduring source of frustration for Macri, although ironically one of the principal reasons why investors are withholding their cash is because he is yet to push through a substantial labour reform, reducing the power of the trade unions and improving competitiveness.

Earlier in the day, while visiting the eastern province of Entre Ríos, Macri indirectly referred to the march to underscore his government's commitment to dialogue rather than confrontation, and to assure the public that the economy is going from strength to strength. In an allusion to Moyano, an erstwhile ally, Macri said his government would never succumb to "pressure, extortion and mafioso behaviour". He also argued that the economy expanded in 2017, inflation fell, employment grew, taxes fell, and the fiscal deficit declined, a virtuous combination he maintained Argentina had "not seen for 100 years". He promised that GDP growth would be faster this year and that inflation would fall once again.

Macri's pointed emphasis on dialogue was a message to the many trade union bosses who opted against accompanying Moyano's march. Two of the CGT's three leaders stayed away, with only Juan Carlos Schmid taking to the stage. The head of the bankers' union, Sergio Palazzo, also addressed the marchers, along with the leaders of the two rival factions of the country's second largest trade union movement, Central de Trabajadores de la Argentina (CTA): Pablo Micheli of CTA Autónoma and Hugo Yasky of CTA de los Trabajadores.

Schmid made a point during his speech of calling for unity among the trade union leadership to build "a great national strike" against the government, but the conditions are not yet in place for this. The Macri administration has been picking off union leaders one by one with a series of individual accords.

**Threats**

Two federal deputies for President Macri's ruling centre-right Cambiemos coalition, Graciela Ocaña and Paula Oliveto, denounced on 20 February having received anonymous threats. Ocaña was the first deputy to accuse Hugo Moyano in the latest case of corruption.



## Tupac Amaru

Also present at the march against the Macri administration was Tupac Amaru, the social organisation led by Milagro Sala. Sala, a staunch Kirchnerista, was arrested in January 2016 accused of “instigating crime and public disturbance” in the wake of protest action undertaken by Tupac Amaru, which had camped out in the central square of the provincial capital of Jujuy, San Salvador de Jujuy, to protest against the governor. She was subsequently accused of fraud and embezzlement of public funds amounting to Ar\$29m (US\$1.83m) of which there was no record. The funds had been meant for social housing construction.

One development which will give Macri pause for thought, however, is the manner in which Moyano and Kirchnerismo, inveterate enemies, appear to have patched up their differences. Federal deputy Máximo Kirchner, the leader of La Cámpora and son of former presidents Néstor Kirchner (2003-2007) and Cristina Fernández (2007-2015), attended the march along with other members of the Kirchnerista faction of the main opposition Partido Justicialista (PJ).

## ARGENTINA | POLITICS & ECONOMY

### Andorra account forces resignation

As in many Latin American countries, in Argentina much of the political debate is about comparative corruption: crudely, the question asked by voters is whether the current people in power are more or less likely to misbehave than their predecessors. So far, the government led by President Mauricio Macri has maintained that its standards of ethics and transparency are demonstrably higher than those of the administration of his predecessor Cristina Fernández (2007-2015). Certainly, she and her former ministers face multiple ongoing court investigations for fraud and money laundering among other alleged crimes. But the resignation this week of Valentín Díaz Gilligan, deputy general-secretary to the presidency, is a reminder that this government too may fall short.

Díaz Gilligan’s troubles began when Spanish newspaper *El País* revealed the existence of an account under his control in a private bank in Andorra, which at one point contained US\$1.2m. The official said he had opened the account as a favour to a friend; the money was not his, but belonged to Line Action, a UK-registered football management company. Díaz Gilligan said he had resigned as director of Line Action in 2014, although company papers suggest otherwise. In addition, it appears he had not declared his connection to the company when he first took public office in the city of Buenos Aires in 2013.

There were therefore enough unanswered questions – particularly the connection with notoriously opaque football financing – to merit front-page coverage by the Argentine press. The initial reaction from President Macri was to stand by his official and give him time to present his defence (the country’s anti-corruption office said it was opening an investigation).

However, it seems political considerations forced a change of plan over the weekend, leading to Díaz Gilligan’s decision to resign on 19 February. Two important members of the ruling centre-right Cambiemos coalition expressed unease.

Mario Negri, a federal congressional deputy for the Unión Cívica Radical (UCR) and leader of the coalition’s parliamentary group, tweeted that Díaz Gilligan should step down to allow a full investigation: this would be a way of demonstrably setting a higher bar on the whole question of transparency. Coalición Cívica-ARI, the party of anti-corruption campaigner Deputy Elisa Carrió, took a similar position.

Quick to seize upon the opportunity, a deputy of the Kirchnerista faction of the main opposition Partido Justicialista (PJ) has filed a formal complaint to the judiciary accusing Díaz Gilligan of “illicit enrichment”. Assessing whether there is a case to answer has fallen to none other than Judge Claudio Bonadio (well known for presiding over multiple corruption cases against members of the previous government).

## Tax havens

President Macri reminded journalists that he too had been accused of using tax havens. But, Macri went on, he had provided the courts with an explanation and relevant documents. The case was eventually dismissed.

This is the latest of a series of comparatively small but still politically inconvenient cases affecting the Macri administration. The treasury minister, Luis Caputo, stands accused of having an equity stake in companies that channelled funds into tax havens, before taking public office, at a time when he was in the private sector. Caputo denies these charges but is also subject to investigation by the country's anti-corruption office (Oficina Anticorrupción, OA).

Labour Minister Jorge Triaca, meanwhile, was accused of hiring a domestic maid, Sandra Heredia, "off the books" (without legally mandated social security registration), being verbally abusive to her (according to audio recordings that have surfaced in social media), and then sacking her without compensation [[WR-18-06](#)].

Following publicity over the case the Triaca family is reported to have settled the employment dispute with Heredia. Triaca told the local newspaper *Clarín* that as a result of the incident he had offered his resignation to Macri, but it had been refused.

The agro-industry minister, Luis Etchevehere, meanwhile, has been questioned over his decision to take a US\$25,000 bonus when he stood down from the farmers' lobby Sociedad Rural Argentina (SRA) last year to take up his ministerial role. Etchevehere says his decision to accept the payment was not wrong, but he has returned the money anyway to avoid the issue becoming a distraction.

Perhaps sensing that a string of incidents of this type could grow and turn into a significant political liability, Macri made a point of saying all allegations of wrongdoing require an "honest and serious" response. He said public servants had a duty to explain themselves and hoped that in Argentina the process would become increasingly "normal" and "routine" (*see sidebar*).

## BRAZIL | ECONOMY & SECURITY

### Military tighten grip in Rio

**Brazil's congress has approved a decree by President Michel Temer authorising the military to take full control of security operations in the state of Rio de Janeiro. This puts General Braga Netto in charge of both the military and state police, after the former head of state security Roberto Sá resigned. Given the high crime rates, the need to take action in Rio was unquestionable. But could the cure be worse than the disease?**

President Temer unveiled his latest security plan after Carnival. During the festive period, over 1.5m tourists visited Rio de Janeiro, which thrust the city's habitual violence into the international spotlight, prompting the government to take action or risk a diplomatic fallout. The federal intervention comes after state authorities failed to implement an effective security strategy, despite deploying over 17,000 policemen to oversee public safety.

The timing of the security decree is important, as Temer weighs up his own re-election prospects. Currently, these look dim as the country's most unpopular president since polling records began. But Temer's strategy to combat crime – a key electoral issue – could improve his chances. Of the other presidential contenders, only one is running on a security platform: ultra-right candidate Jair Bolsonaro from the Partido Social Liberal (PSL).

In another coup for Temer, the need to approve the security decree urgently meant congress could not vote on constitutional reforms such as the pensions bill. This provided a convenient excuse to explain why the reform, which was already doomed to failure, did not go through. By way of

## Search and arrest warrants

The defence minister, Raul Jungmann, said on 20 February that the federal government is preparing a series of search and arrest warrants for entire neighbourhoods in Rio de Janeiro. This gives army officers the right to raid houses where suspected drug traffickers may be hidden. However, the measure could be challenged by Brazil's judiciary for infringing on citizens' constitutional rights.

compensation, the government has outlined another 15 economic legislative priorities for 2018, the majority of which are already pending in congress. This could appeal to voters by reinforcing Temer's pro-market message and finally abandoning the unpopular pensions reform.

However, Temer's economic policies have at times conflicted with his bid to improve public security. Last year, the federal government froze R\$1.4bn (US\$429m) in funds from Rio de Janeiro state's department for public security and prisons, according to a freedom of information request from local daily *GI*. This meant the total budget allocated was R\$8.3bn (US\$2.54bn) in 2017, down 16.8% from the previous year, leaving local authorities tightly stretched.

Moreover, the state governor of Rio de Janeiro, Luiz Fernando Pezão, has argued that investing in security means little if the underlying socio-economic problems which contribute to rising crime rates are not addressed. "[Rio] will only win the war for public security if people have jobs," he said, alluding to high unemployment rates, "and we need a strong rebound in economic activity".

Members of the opposition have also voiced concerns that the military intervention in Rio de Janeiro could be costly, meaning the federal government would be forced to trim the fat from elsewhere. To address these concerns, the finance minister, Henrique Meirelles, said his team of economists would consult with the defence ministry before tweaking the security budget. He said the army would be given additional resources if needed, but he did not extend the same courtesy to police, who have long complained they are ill-equipped to deal with rising crime.

The security problems facing Rio de Janeiro state are far from unique. A survey by the Forum for Public Security, released in November 2017, found that it is the tenth most violent state (in terms of homicide rates per 100,000 inhabitants) behind the north-eastern states of Sergipe, Rio Grande do Norte, and Alagoas. So the decree could set an important precedent, leading to increased militarisation in other parts of the country.

But military intervention is no panacea. The armed forces could be afflicted by the same ills that have already crippled the local police force – such as the risk officers will get corrupted. Moreover, there are fears of greater impunity since members of the armed forces can only be tried in military courts for homicide cases, not civil ones, according to a law published in October 2017.

## TRACKING TRENDS

**ARGENTINA & BRAZIL | Soybeans.** The drought which has ravaged soy-rich areas in Argentina since November could cost local agricultural producers US\$5bn in losses according to government estimates, but it has presented an opportunity to neighbouring Brazil. Local agricultural consultancy Agripac cut its forecast for Argentine soybean production to 47m tonnes, down 18% from the start of the season.

After the water shortage, international soybean prices hit a seven-month high, allowing competitors such as Brazil and the US to see their profits soar. This has allowed Brazil to sell its outstanding soybeans which it accumulated from the bumper crop last season (2016/2017) and begin trading those which have been picked more recently and are better quality.

Another development which could benefit Brazil's soy industry is the opening of a so-called 'grain corridor' on 20 February, running from a port in Paraguay's northern city of Concepción to Brazil's state of Mato Grosso do Sul. This will facilitate the transport of grains between both countries by land, rather than relying on the goods being shipped by sea.

## López Obrador relaxed

Andrés Manuel López Obrador also had a witty rejoinder when questioned by a journalist attending a meeting with his Morena campaign team in the Deportivo Cuauhtémoc in Mexico City on 15 February to evaluate his pre-campaign. He said he was on “an interview strike” until the national electoral institute (INE) explained exactly what the inter-campaign period, between the end of the pre-campaign on 11 February and the start of the official campaign on 30 March, allows him to do and what is prohibited. He also appealed to those attending the meeting not to record proceedings “because only [the national intelligence agency] Cisen can do that”, an allusion to the scandal that broke last week concerning a Cisen agent pursuing his presidential rival Ricardo Anaya [[WR-18-06](#)].

## MEXICO & NAFTA

### MEXICO | POLITICS

#### Six will contest presidency

The three main contenders in Mexico’s presidential elections on 1 July were all formally proclaimed as candidates by the three parties comprising each of their respective coalitions in a series of events between 18 and 20 February. The deadline for registering as an independent candidate fell in the midst of these rallies. Three candidates out of the 86 original aspirants successfully negotiated the arduous registration process.

The frontrunner, Andrés Manuel López Obrador, was formally ratified as the presidential candidate of his Movimiento Regeneración Nacional (Morena) on 18 February. The following two days saw him anointed in separate events by the other two parties in his Juntos Haremos Historia (JHH) coalition: the left-wing Partido del Trabajo (PT) and the socially conservative Partido Encuentro Social (PES).

During his appearance before Morena supporters in Mexico City, López Obrador promised to stamp out “abuses and waste in government”, saying that he would display all of his “trademark obstinacy” in rooting out official corruption. The following day, however, he told the PT gathering that he would not pursue political revenge, in defence of his choice to name the former mining and metalworkers’ union (SNTMMSSRM) leader Napoleón Gómez Urrutia on Morena’s 11-strong plurinominal list for the senate. Gómez Urrutia fled into exile in Canada in 2006 after a methane explosion in the Pasta de Conchos coal mine in the state of Coahuila claimed 65 lives. He was accused of fraud to the tune of US\$55m by Mexican authorities. López Obrador said he was the victim of political persecution.

López Obrador also rewarded prominent defectors from other parties. Near the top of Morena’s senate list is Germán Martínez, a former party president of the Partido Acción Nacional (PAN) and fierce critic of López Obrador in the past, and Senator Gabriela Cuevas, who abandoned the PAN last month, as well as Ifigenia Martínez, a founder of the left-wing Partido de la Revolución Democrática (PRD). The progressive former supreme court magistrate, Olga Sánchez Cordero, who will be López Obrador’s interior minister if he wins election, was also high on the senate list.

López Obrador has stolen a march over his main rivals in the polls. He did the same in 2006, but he appears far more politically adroit now. Then he took umbrage at any criticism and lashed out intemperately, appearing to lack the poise required of a statesman. Now, it is far more likely that the US President would act in this way than Morena’s presidential candidate. Indeed, López Obrador has embraced the criticism, responding with a sense of humour (*see sidebar*) that seems to have won over some detractors, such as his adoption of the name Andrés Manuelóvich after he was accused of being supported by Russia.

Crucially, what López Obrador’s opponents have sought to seize upon as gaffes do not appear to have impacted his popularity. He was completely unscathed, for instance, by criticism of his proposal for an amnesty for organised crime. If anything, voters appreciated an alternative proposal rather than slavish adherence to a policy of combating drug trafficking organisations which has failed to bring the desired results since 2006. José Antonio Meade, the presidential candidate of the ruling Partido Revolucionario Institucional (PRI), has suffered more of a dip in support since backing the government’s recent internal security law (enshrining the militarisation of public security in the constitution).

## Independents register

The national electoral institute (INE) validated in excess of 1m signatures, more than the required 1% of the national electoral roll, for each of the three successful independent candidates. Jamie 'El Bronco' Rodríguez Calderón managed to exceed the state-level requirement by amassing enough endorsements in at least 24 states. Margarita Zavala made it in 23 states, although it was a close shave. With just one week to go before the deadline she had only hit the target in 16 states and held a special event in the Ciudad de México (CDMX) on 12 February to get over the mark. Senator Armando Ríos Piter, who quit the PRD last year to run as an independent, collected sufficient signatures in 22 states. Zavala and Ríos Piter met this week to discuss a common front against political parties to demand that the INE ensure greater equity in the campaign.

The latest opinion poll published by the national daily *Reforma* on 15 February put López Obrador on 33%, up two percentage points, followed by Ricardo Anaya, standing for the PAN-PRD-led coalition Por México al Frente, on 25%, up six points, and Meade on 17%, down three points on the previous poll. Anaya's increase appears to have been chiefly at the expense of Margarita Zavala, the independent presidential candidate who saw her support cut in half from 8% to 4%. Zavala was one of three candidates to pass the stringent requirements to register as an independent by the deadline of 19 February (see sidebar).

Speaking during his ratification as presidential candidate at an event in Mexico City on 18 February, Anaya said he would fight the "three cancerous tumours that are oppressing Mexico: corruption, violence, and inequality". Anaya boldly stated that 60 days of pre-campaign had seen him leave Meade "very far behind", arguing that it was now a straight shootout between him and López Obrador. "The key question is what kind of change we want," Anaya said. "A change with a vision fixed on the future or a change trapped in ideas of the past...old ideas that haven't worked," he said, attacking López Obrador.

Anaya's confidence could be premature. Unlike him, Zavala has not benefited from pre-campaign television spots and rallies. There are also divisions within his coalition. In addition to PAN and PRD defections to Morena, Javier Corral, the PAN governor of Chihuahua, censured the process by which the party designated its plurinomial candidates to the senate as "a political simulation". Unedifying scuffles also broke out among PRD politicians as the leaders of the principal party factions, or 'tribus', Nueva Izquierda (known as 'Los Chuchos'), Vanguardia Progresista, and Alternativa Democrática Nacional, were accused of imposing their own candidates for the federal lower chamber of congress and senate.

Meade also promised to be "implacable in combating corruption" upon accepting the PRI presidential candidacy at a national convention of party delegates on 18 February. "Only we are able to give Mexico a new face," he claimed. Meade praised some of the achievements of the present government but underlined that it was necessary to acknowledge that many Mexicans were angry and disillusioned and to listen to their demands.

Meade is preparing to appoint some big hitters within the PRI to his campaign team in the hope of reviving his fortunes after flagging in the polls. There are also tensions within his coalition though. On the same day as he was formally ratified as the PRI's presidential candidate, the party's main ally, Partido Verde Ecologista de México (PVEM), pulled out of the Todos unidos por Chiapas coalition with the PRI for gubernatorial elections in the southernmost state of Chiapas where the PVEM exercises power.

## MEXICO | SECURITY

### Cartel Jalisco poses new threat

Violent crime has been on the rise in Mexico, and there are fears that the main drug-trafficking organisations (DTOs) could intensify their attacks on the security forces (and on each other) in the run-up to July's elections. The kidnap and murder of two intelligence agents, believed to be the work of Cartel Jalisco Nueva Generación (CJNG), is a worrying pointer of what may lie ahead.

The last three sexenios (six-year presidential terms) have established a pattern where there is a potential for increased criminal violence in election years. To put it bluntly, this is because in election years the DTOs renegotiate their relationships with newly elected officials, make or break alliances with other

## CJNG

CJNG has built a reputation for high-profile acts of defiance: in a notorious incident in 2015 it used a rocket-propelled grenade (RPG) to shoot down an army helicopter, killing 10 soldiers. Now, it has been expanding at the expense of other criminal groups.

groups, and reassess their geographic areas of influence and control of drug-trafficking routes. Behind the scenes, drug money finds its way into the political campaigns. Particularly at state and local level, lower-level officials running for election may accept these campaign contributions in exchange for a promise to 'look the other way' regarding the future illicit activities of certain criminal groups. It is, however, a time of uncertainty on all sides: DTO leaders believe their business model could be at risk because of the law enforcement actions of the next government, or because of the actions of their competitors.

This context may explain the abduction and murder of two federal agents earlier this month. On 11 February, a video emerged on social media showing a group of armed and masked men holding two captives. The two were later identified as Alfonso Hernández Villavicencio and Octavio Martínez Quiroz, both agents for the organised crime unit of the attorney general's office, known as the Subprocuraduría Especializada en Investigación de Delincuencia Organizada (Seido). The authorities said they had been kidnapped in the Pacific state of Nayarit on 5 February. In a subsequent statement on 18 February the government said their bodies had been recovered in the city of Xalisco, also in Nayarit, and positively identified with DNA tests.

The abduction and murders are widely believed to have been carried out by members of CJNG, now considered to be the most powerful DTO in Mexico, having overtaken the Sinaloa/Pacífico DTO. The attorney general's office said both its agents had travelled to Nayarit for personal rather than for work-related reasons (they were said to be attending a family gathering). In the carefully staged video, however, they were clearly forced by their captors to follow a different script. They said they had been "sent to this city" (which city is being referred to is unclear) to "do intelligence work". They had been sent alongside Mexican marines to "operate freely" and had been given permission to "torture kidnap and steal...with no respect for women, children, and the elderly".

The cold-blooded defiance of the video is reminiscent of the tactics of terrorist organisations from other parts of the world, such as Islamic State. What is particularly striking is the intention to challenge the government directly: this is in contrast with other Mexican DTOs, such as Sinaloa/Pacífico, that have on the whole sought a lower profile.

A number of analysts suggest that CJNG's aggressive approach bears resemblance to the ultra-violent Los Zetas, now largely seen as a spent force. In fact, earlier this month, the security services captured José María Guízar Valencia, known as Z-43, one of the remaining founding members of the organisation. However, ever since the capture of Miguel Ángel Treviño Morales – known as Z-40 – in 2013, the organisation has been seriously weakened. Security analyst Alejandro Hope has argued that the Zetas were victims of their own success. He says, "They grew too much, too fast. Their calling card was brutality. All public, all on display. That inevitably brought them unwanted attention; they became the primary target of the government."

Up to a point, Hope argues that CJNG is following its own version of an aggressive Zetas-style expansion strategy, although it is more based on the formation of local alliances (the Zetas relied not on alliances but on a policy of forced recruitment). CJNG has been able to diversify from drugs into oil theft and extortion. But Hope says there have been some signs of internal conflict (a dissident faction appears to be operating in the state of Guanajuato) and, ultimately, if its top leaders are eventually captured, like the Zetas 'kingpins' were, the CJNG may itself break up into rival groups. But in either scenario – whether it remains strong and united or becomes fragmented and consumed by internal warfare – the CJNG is likely to pose a major security threat for the next elected Mexican government.

**Pre-electoral surveys augur badly for FMLN**

With less than two weeks until the 4 March legislative and municipal elections, pre-electoral surveys are pointing to a victory for the right-wing opposition Alianza Republicana Nacionalista (Arena) at the expense of the left-wing Frente Farabundo Martí para la Liberación Nacional (FMLN) government led by President Salvador Sánchez Céren. As well as indicating public disillusionment with the Sánchez Céren administration and its failure to address the perennial issues of crime, violence and a weak economy, these surveys also expose the damaging impact of the FMLN leadership's decision last year to expel San Salvador mayor Nayib Bukele – the country's most popular politician – from its ranks [WR-17-40].

A survey published on 14 February by the respected public opinion institute at El Salvador's Universidad Centroamericana (Iudop) showed that Arena is ahead in the legislative contest, where all 84 seats in the national assembly are up for grabs, with 32.7% of voting intentions, followed by 20.5% for the FMLN. The same survey, which interviewed some 1,588 people across the country and had a 2.4% error margin, showed 7.5% of respondents would vote for the centre-right Gran Alianza por la Unidad Nacional (Gana); 5.1% for the right-wing Partido de Conciliación Nacional (PCN); and 2.1% for the centrist Partido Demócrata Cristiano (PDC). In the March 2015 legislative elections, Arena took 35 seats (up from 33 in 2012), to 31 for the FMLN (unchanging).

The Iudop survey tells a similar story regarding local elections in the country's 262 municipalities. It showed that Arena obtained 31.7% of voting preferences, followed by the FMLN (24.7%); Gana (8.9%); PCN (8.4%); and PDC (2.4%). In the 2015 municipal elections, Arena ended up with 129 seats (including 10 in alliances with PCN and PDC), 15 more than it achieved in 2012, while the FMLN finished with 85 mayors, the same as in 2012.

While Arena looks poised to capitalise on the government's travails (see sidebar), the Iudop survey revealed an electorate disillusioned with the political class as a whole, reflected in the high number of undecided voters: 30% for the legislative elections, and 22.6% for the municipal contest. The poll showed that 51.4% of respondents had little or no interest in voting. A survey released the previous month by the same source showed that political parties were the least trusted of the country's institutions, registering just 3% trust.

**San Salvador contest**

The FMLN has been damaged by its decision to expel Bukele, ostensibly taken for "verbal aggression" towards a party councillor at a municipal council meeting but following long-running differences with the FMLN old guard. Indicative of the impact that this has had on the FMLN, 74.4% of respondents to a Iudop poll last month felt that the party would lose votes in the elections as a result.

Bukele is now positioning himself as a presidential candidate ahead of next year's elections for his new political outfit, Nuevas Ideas. The two main parties have failed to come up with candidates capable of rivalling his popularity for the San Salvador mayoralty – the country's second most important elected post. The February Iudop poll showed 29.5% of respondents would vote for none of the San Salvador candidates, 27.1% for Arena's Ernesto Muyschondt, and 24% for the FMLN's Jackeline Rivera. Both Muyschondt and Rivera are national deputies. More than 80% of respondents to the January Iudop poll revealed that they did not know who they were.

**Electoral concerns**

The Iudop survey revealed that crime and violence were the chief public concerns, cited as such by 49.5% and 10.6% of respondents respectively. There were 60 homicides per 100,000 inhabitants registered in El Salvador in 2017. While down from 81 per 100,000 in 2016, the murder rate is still the highest in Central America and one of the highest in the world. The other main concerns were unemployment and the economy (cited by 9.5% apiece). The latest (December 2017) figures from the Economic Commission for Latin America & the Caribbean (Eclac) forecast just 2.4% GDP growth for El Salvador in 2017 – the lowest in Central America, where the average is 3.3%.

## Quotes of the week

“What Mexico needs is not a Messiah with delusions of grandeur but the unequivocal application of the law.”

*Mexican presidential candidate Ricardo Anaya on corruption and remedies proposed by his rival Andrés Manuel López Obrador.*

“It is not an election, it is a simple coronation.”

*Bolivia's former president Jorge Quiroga on Venezuela's presidential elections.*

“All victory is relative, all defeat is transitory.”

*Argentina's veteran trade union leader Hugo Moyano cites Mexico's Nobel literature laureate Octavio Paz.*

## POSTSCRIPT

### The rise and fall of Brazil's Luislinda Valois

Luislinda Valois stepped down as head of Brazil's recently reinstated human rights ministry this week, one year after she assumed the post. An outspoken black woman with a legal background, Valois was tasked with improving diversity in President Michel Temer's male-dominated cabinet. There are now no black ministers in government and just one woman, Grace Maria Fernandes Mendonça, who heads the attorney general's office (AGU).

The days of the human rights ministry may now be limited. Discussions are underway to fold the ministry into the department of justice, according to local daily *G1*. Meanwhile, the centre-right Movimento Democrático Brasileiro (MDB) government is reportedly creating a new ministry for public security, making it clear where its priorities lie. Publicly, however, it is as if nothing had changed with Valois still due to represent the Brazilian government at a United Nations (UN) conference scheduled from 24 February to 2 March.

Valois' departure had not been entirely unexpected following a series of unfortunate incidents. She came under fire towards the end of last year for complaining that she was being treated like a “slave” because her salary was only R\$33,700 (US\$10,348) a month – more than 10 times Brazil's average wage of R\$2,149 (US\$659), according to the national statistics agency (Ibge). This caused a huge backlash, with prominent members of the black community saying she did not represent them. Adding to the embarrassment, some of her earlier claims, such as that she held a position at the UN in 2012 or had been Brazil's first black judge, later proved to be false.

Valois also came under pressure to leave last December when the centre-right Partido Social Democrático Brasileiro (PSDB) broke away from Temer's government. Instead of resigning then, she remained loyal to the government and chose to abandon the PSDB. Foreign Minister Aloysio Nunes is the last-standing PSDB member in government.

Valois' replacement (at least on an interim basis) will be Gustavo Rocha, who currently works for the legal department under Temer's chief-of-staff Eliseu Padilha. This is ostensibly a political appointment since Rocha is seen as a Temer ally. He was formerly the lawyer of disgraced former speaker Eduardo Cunha, represented Temer's wife Marcela after she was blackmailed by hackers, and helped him rise to power by backing the impeachment of president Dilma Rousseff (2011-2016).

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