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Ecuador's presidential conflict triggers regional diplomatic realignment

The fallout from the acrimonious political dispute between President Lenín Moreno and his predecessor Rafael Correa (2007-2017) is no longer confined to Ecuador. After Ecuador's top court ordered the arrest of Correa to face trial for masterminding the 2012 kidnapping of a political opponent, Presidents Nicolás Maduro and Evo Morales, of Venezuela and Bolivia respectively, denounced the decision as political persecution. The Moreno administration promptly issued formal notes of protest to ambassadors of both countries. Moreno then declared the Union of South American Nations (Unasur), the integration movement championed by Maduro, Morales, and Correa, to be an abject failure and that it would be evicted from its swanky headquarters outside Quito. Watching from the wings, the US government, whose vice president Mike Pence had just visited Ecuador, will be thrilled at the prospect of counting the country as an ally against Maduro.

Ecuador's national court of justice (CNJ) ruled on 1 July that Correa should stand trial for the botched abduction of a former opposition deputy, Fernando Balda, in Colombia in August 2012 [WR-18-23]. It issued an Interpol Red notice for Correa's arrest. Correa, who is currently living in Belgium with his family, had refused to make fortnightly appearances before the CNJ given the distance involved, presenting himself to Ecuador's consulate in Brussels instead. The CNJ said this was unacceptable.

Correa took his personal animosity with Moreno to new heights days earlier in an interview with Spain's *eldiario.es* during which he was asked why he felt his successor, part of the same ruling left-wing Alianza País (AP) who had served as his vice-president for six years (2007-2013), had altered course so dramatically since assuming power. Correa opined that it was "pathological"; that Moreno's disability, which keeps him wheelchair-bound, had fuelled his resentment. Correa insisted that he faced "administrative, judicial, and political persecution".

Moreno, who initially refrained from discussing the CNJ's order, broke his silence on 5 July when members of the AP splinter group Revolución Ciudadana (RC) aligned with Correa, staged a protest march. Moreno said he was not interested whether Correa was arrested or not, and expressed his hope that he was not guilty. "Mr Correa can have full assurance that the judiciary functions in an autonomous and independent manner," Moreno said.

Presidents Maduro and Morales, who had kept their own counsel while the Moreno-Correa rift deepened, both spoke out. "First [Argentina's former president] Cristina [Fernández (2007-2015)]. Then [Brazil's former president] Lula [da Silva (2003-2011)]. Now Rafael Correa. End this persecution against genuine leaders of our Americas," Maduro said in a tweet expressing his soli-

Enhancing indigenous ties

There was an unmistakable symbolism behind President Moreno's decision to house an indigenous university in Unasur headquarters. Former president Correa had evicted Conaie from its headquarters in Quito in 2015 on the grounds that it had abused the terms of its contract by conducting political activities (criticising his government); Moreno reversed the decision this time last year and has set about improving relations with the indigenous movement. Moreno announced this week that he had set aside a budget of US\$195m this year to construct new intercultural schools, food and teaching materials, teacher training, and libraries.

ilarity with "Ecuador's people and Correa". Morales denounced "the politicisation of Ecuador's judiciary and US intervention" to imprison Correa.

Moreno was incensed by the criticism emanating from Caracas and La Paz. "With respect to the unfortunate declarations, we have been tremendously respectful of the autonomy of every country and we demand reciprocity," Moreno said. "Tolerance has its limits," he added, warning the Venezuelan government not to be "provocative" because "we know how to do the same". Moreno went on to describe democracy in Venezuela as "strange", saying that "without the participation of the opposition, and with limited possibility of international observation, this is not within what we would consider democratic norms".

Ecuador's government, meanwhile, issued an official response in a statement bristling with thinly veiled indignation. It spelt out in some detail "the complete independence of the judiciary and separation of powers [in Ecuador] in accordance with the constitution". It then accused other governments of "an attempt to discredit Ecuador's democratic institutions". It announced that it would delay sending Ecuador's new ambassador to Venezuela and would recall its ambassador to Bolivia. The foreign ministry then hauled in the Venezuelan and Bolivian ambassadors to seek an explanation for the comments and handed them formal notes of protest.

The following day, Moreno lashed out at Unasur, which he said was "not working" and was "the victim of human and ideological mistakes". Moreno said that Argentina, Brazil, Chile, Colombia, Paraguay, and Peru all wanted out of Unasur. He then described the headquarters of Unasur in Ciudad Mitad del Mundo, north of Quito, as "another white elephant for which a new role will have to be found at some stage". By the very next day, 6 July, Moreno had found that new role. He said the "very expensive" (US\$45m) headquarters would be converted into a university for higher indigenous studies. Speaking while signing a decree in the municipality of Latacunga, capital of the highland province of Cotopaxi, creating a secretary for bilingual intercultural education, Moreno said "We will begin the procedure of recovering it from Unasur which is not doing anything; Unasur will move to another [unidentified] space".

The event was attended by the leadership of the country's most powerful indigenous organisation, Confederación de Nacionalidades Indígenas del Ecuador (Conaie), and smaller affiliated groups. César Tixilema, the vice president of Conaie, expressed his contentment at the future location of the Universidad Indígena Amawtay Wasy. Conaie will be intimately involved in planning and organising events to launch and develop the university. Correa expressed his incredulity on Twitter. "The indigenous movement is to be an accomplice in the destruction of Unasur? I never would have believed it!" Correa tweeted. Moreno, however, has built bridges with Conaie's hierarchy, with which Correa had an antagonistic relationship.

For good measure, Moreno stressed that "Alba [the Venezuela-led bloc Alianza Bolivariana para los Pueblos de Nuestra América to which Correa signed up Ecuador] has not been working for a while." The Venezuelan government reacted to all of this with a diplomatic protest of its own against Ecuador's "interventionist positions", insisting that "Correa is a friend...and it is our duty to express sincere solidarity with him". It was clearly still smarting from Moreno's decision to host US Vice President Pence, who Maduro described as "a venomous snake", in late June. Moreno pointedly expressed satisfaction during Pence's visit at "US recognition of our efforts to re-establish a democratic society respecting laws and rights". Pence stepped up his courtship of Ecuador, praising Moreno for his "brave actions to make the economy grow", and announcing the contribution of US\$1.5m to support efforts to end corruption and strengthen civil society.

Scandal hits the judiciary

Secretly recorded audiotapes; allegations of influence peddling, bribery, and backroom deals. Peru has been here before, but in the latest scandal it is judges, rather than politicians, who are in the dock. The executive, legislative, and judicial powers may clash over how to fix the problem.

The revelations were made over the weekend by an investigative journalism portal, IDL Reporteros, suggestively described as “part one”, indicating more may be on the way. Assuming they are verified, they were shocking, even for a country that has seen its fair share of scandals in recent years.

Judge César Hinostroza, president of the second Sala Penal Transitoria, is heard to offer an intermediary of a defendant accused of raping an 11-year old girl, a reduced, or even a not guilty sentence (Hinostroza has denied any impropriety). Members of the Consejo Nacional de la Magistratura (CNM), the body that appoints and removes judges, are heard discussing the distribution of jobs to friends and associates (two of three named CNM members subsequently told Reuters news agency they had not been involved in influence peddling).

Walter Ríos, president of the Callao Superior Court, is heard discussing with CNM members how to get Juan Miguel Canahualpa appointed as prosecutor for Callao, as well as discussing with his wife how to lobby the CNM. A subsequent audio tape has Canahualpa, who got the job he wanted, offering to send over “a young lady” as a sign of his gratitude. In another conversation Ríos is also heard asking for “ten green ones” – assumed to mean US\$10,000 – in return for using his influence with the CNM to get a lawyer appointed as the anti-corruption prosecutor for Tacna.

While the allegations principally target the Peruvian judiciary, and suggest it is deeply tainted by influence peddling and other corrupt practices, they also tangentially impact some of the country’s politicians. In one tape Hinostroza is heard talking to former judge Aurelio Quispe and offering him an “issue” involving President Martín Vizcarra that could give him “power for the future.” Vizcarra says he did not authorise any use of his name for illegal purposes. In another, an unidentified caller is heard trying to set up a meeting between Hinostroza and “Señora K”. When Hinostroza says he is not sure who is being referred to, the caller says: “she of the first political force”. Keiko Fujimori, leader of the right-wing Fuerza Popular (FP), the largest party in congress, quickly denied that she had met Hinostroza or that she was the “Señora K” alluded to.

Fixing the mess is itself going to be controversial, since the three powers of government are involved. On 9 July, President Vizcarra called on congress to investigate and remove senior members of the judiciary. This would be possible under Article 157 of the constitution. Congress is currently in recess, but the existing permanent commission could appoint a special commission to hear the case. The president of congress, Luis Galaretta (FP), said on 10 July that the process had begun and that an initial report would be concluded by 20 July.

However, the judiciary and an internal watchdog body, the Oficina de Control de la Magistratura (OCMA), will investigate Judge Ríos separately. For its part, the CNM has initiated an internal enquiry and is seeking the dismissal of two of the three members implicated in the tapes. Clearly there is potential for disagreement on the scope and possible overlaps of these investigations and on the role of each power. The head of the judiciary, Duberlí

Power clash

President Vizcarra condemned the actions of the judges, and he reiterated his commitment to fighting what he described as endemic corruption in Peru. Despite being present at the meeting at which it was decided that congress could investigate the judges, the president of the supreme court, Deberlí Rodríguez, is clearly unhappy that the misdemeanours of some members of the judiciary could be used to score a political point, and perhaps to imply that the whole branch is corrupt.

Statute of guarantees

On 9 July, President Santos signed into law the 'statute of guarantees for the political opposition', which obliges the state to provide a minimum set of guarantees for opposition political parties. Santos explained that the new statute offers opposition parties complete freedom to exercise their democratic rights by ensuring their political, judicial, and personal security, and providing them with financing, access to the media, and participation in national public entities and the foreign relations advisory committee. Santos described the statute as "a landmark for Colombia's democracy". But the defeated leftist presidential candidate, Gustavo Petro, said that while the statute is positive the first priority should be to ensure that opposition members, such as some of the recently killed social leaders, "are no longer murdered".

Rodríguez, who is also the president of the supreme court, has warned that the other powers should not intervene in matters affecting its autonomy.

The potential for the affair to get messier was highlighted on 10 July when a prosecutor attempted unsuccessfully to seize documents and other materials relating to the case from the offices of IDL Reporteros. According to Gustavo Gorriti, director of IDL Reporteros, deputy anti-corruption prosecutor Rodrigo Rurush arrived unannounced and tried to seize materials in what constituted "a violation of the fundamental principles of free expression protected in Peruvian and international law". The prosecutor's office said only that a lawful procedure had been suspended because of the "lack of a document".

COLOMBIA | POLITICS & SECURITY

Duque will face multiple security challenges

"You can be sure that our government will not spare any effort in protecting the life of social leaders, politicians, and union members all around the country". This was the reaction by Colombia's President-elect Iván Duque to the release of new official data confirming that a record number of social leaders have been murdered in the country in the last two years. The systematic killing of social leaders has been pinpointed as one of the main public security problems in Colombia following the signing of the peace deal with the Fuerzas Armadas Revolucionarias de Colombia (Farc). Duque's incoming government will soon be responsible for improving the safety of these individuals even if it is not clear how this can be achieved.

The latest figures from Colombia's attorney general's office (Fiscalía) revealed that, between January 2016 and the start of July, 181 social leaders were murdered across Colombia. The Fiscalía data shows that those responsible for the murders have been identified in only 89 of these cases and just 18 of the 168 people arrested in connection with them have been convicted. The release of the alarming figures prompted outgoing president Juan Manuel Santos to call a meeting for 10 July of the national security guarantees commission, which was set up to provide security to vulnerable individuals as part of the peace deal signed with the Farc, to analyse the measures taken by the government to protect social leaders.

"Guaranteeing the life of social leaders and human rights defenders is and will continue to be a priority until the last day of my government and I hope with all my heart that it will be a priority for the incoming government," Santos said after chairing the meeting. Santos went on to announce a series of measures that will be adopted by his administration to try to improve the safety of social leaders.

Santos said that the government would launch a new 30-day 'urgent intervention plan' under which additional security forces will be deployed to the areas of the country in which these kinds of murders have become most common. Santos added that the plan will also involve the rolling out of so-called 'basic protection units (UBP)', which will strengthen local police forces and develop "collective protection schemes" to better protect social leaders.

In addition, Santos said that the government will be accorded an extra Col\$50bn (US\$17.35m) to strengthen the national protection unit (UNP) that was set up following the signing of the peace deal to protect demobilised Farc guerrillas and other individuals identified as potential targets for right-wing paramilitary groups.

Noting that the UNP was currently offering protection to 264 former Farc guerrillas and 4,510 social leaders and human rights defenders, Santos said

Inflation hits almost 3% per day

Venezuela's opposition-controlled national assembly announced on 9 July that daily inflation had hit 2.8%, higher than the annual rate in Chile. For the month of June prices rose 128.4%, while the June 2017-June 2018 annualised rate was 46,305%. The second vice president of the national assembly, Alfonzo Marquina, claimed that a new currency system introduced in March is already out of date due to inflation, and he criticised attempts by the government led by President Nicolás Maduro to solve the crisis by implementing price controls when inflation was rampant.

that it had become “overwhelmed” and was in need of more funding. Finally, Santos said that the government would also launch a new reward system for all those who provide information about the perpetrators and masterminds of attacks against social leaders.

Emphasising that protecting these individuals is critical for the success of the peace process, Santos called for these measures to be continued under the incoming government. “These policies must be maintained for the good of all Colombians and I’m sure the new government will accept this,” Santos said. This prompted Duque’s response which, while unequivocal, does not offer a commitment to maintaining the measures announced by the Santos administration after the change in government takes place on 7 August.

VENEZUELA | POLITICS

Uncertain outcome for rebellion by political prisoners

The outcome of a rebellion by an estimated 18 political prisoners held in the ‘El Helicoide’ centre in Caracas – which is also the headquarters of the intelligence service (Sebin) – remained unknown as this issue went to press. According to a video uploaded on social media by one of the prisoners, as of 9 July a total of 18 detainees in ‘El Helicoide’ had taken control of part of the facility and were demanding that they be released.

Human rights group Amnesty International (AI) said the prisoners’ lives were potentially at risk; some have been held even though they have long-standing release orders (known as ‘boletas de excarcelación’). An earlier rebellion occurred in May. There have been allegations of torture conducted in ‘El Helicoide’.

By 11 July there was no further information on the situation there. A local lobby group, Foro Penal, said it believed the protest was over. Other sources said some of the prisoners, including former police officers Fred Mavares and Reggie Andrade, had been transferred to other facilities. Theresly Malavé, a defence lawyer for various imprisoned political leaders, said there had been no news since the evening of 10 July, and that their families were “desperate”, camping outside Sebin awaiting any information. There had been no family visits for over 50 days preceding the rebellion.

News of the rebellion came as a range of local strikes entered their third week. The stoppages have involved doctors and nurses in hospitals around the country, as well as employees of state electricity utility Corpoelec, all of whom are demanding higher pay. According to the opposition-dominated national assembly, annual inflation reached 46,306% in June, and the economy contracted by 12% in the first quarter of this year (*see sidebar*).

TRACKING TRENDS

BOLIVIA | Study reveals dangers of fake medicines. The results of a study released on 4 July show that up to 21% of pharmaceuticals sold in Bolivia are fake, posing a serious health risk as well as cutting the country’s GDP by 0.2% and allowing tax evasion amounting to around US\$15m per year.

Some 76% of those interviewed for the study by economist Gonzalo Vidaurre were aware that they were buying contraband medicine, but 44% said they could not tell the difference between genuine products and fake ones.

Around 30 tonnes of contraband pharmaceuticals were seized by Bolivian customs in 2017 according to the study, which was supported by the Instituto Boliviano de Comercio Exterior (Ibce), a private organisation that advises the export sector, and the Confederación de Empresarios Privados de Bolivia (CEPB), an association of business leaders.

Judges go to war over Lula habeas corpus

New labour minister

Caio Luiz de Almeida, a lawyer specialised in labour relations, was appointed as the new minister for labour on 9 July, replacing Helton Yomura, who was suspended by order of the supreme court (STF) on 5 July. The STF's ruling came in response to a request by federal prosecutors who said Yomura was a "target" in an investigation into a wide-ranging corruption scheme in which politicians and labour officials offered fraudulent trade union licences in exchange for the payment of bribes.

Sunday 9 July will be remembered as a day of exceptional tragi-comedy for the Brazilian judiciary. A rapid succession of orders and counter-orders were issued in favour and against the release from prison of former President Lula da Silva (2003-2011). In the end Lula – a key player in this year's election race – remained locked up in a Curitiba prison where he is serving a 12-year-and-one-month sentence on corruption charges. But he may have gained politically as a result of the day's chaotic events.

The catalyst for an extraordinary day was set the preceding Friday (6 July) when three federal deputies from Lula's left-wing Partido dos Trabalhadores (PT) filed a habeas corpus writ on his behalf. Unlike many others, this one was not submitted through Lula's legal team. It had, however, been carefully timed and placed to come before judge Rogério Favreto, who was on weekend duty for an appellate court known as TRF-4 (Tribunal Regional Federal 4).

Favreto was not just any judge. A former PT member, he had worked for Lula's chief of staff, and was appointed to his current position during the administration of another PT-affiliated head of state, Dilma Rousseff (2011-2016). Despite that potential for a conflict of interest, early on Sunday morning Favreto accepted the habeas corpus request and ordered Lula's release. His main argument was that the PT's endorsement of Lula as its candidate for the October presidential elections constituted a "new fact". Because of this "new fact", Lula's release was therefore adjudged to be necessary in order to ensure he had equal rights with other presidential candidates. In Favreto's view this was considered sufficient to overrule Lula's imprisonment on the corruption conviction.

Three hours later, at around midday, federal judge Sérgio Moro, who presided over Lula's corruption trial in the first instance, and who was outside Brazil on a holiday in Portugal, filed an urgent opinion rejecting Favreto's order on the grounds that he was acting outside of his jurisdiction, as he had no involvement in the case. Arguably Moro, as the first instance trial judge, should in this matter have been subordinate to Favreto, who was representing the appeals court. Favreto, in any case, responded by confirming his order that Lula be released and directly requesting that the federal police should free him forthwith.

At around 2pm another judge, João Pedro Gebran Neto, the TRF-4 rapporteur for Lula's case, intervened, overturning Favreto's second release order. At 4.15pm Favreto responded with a third release order, this time demanding that the federal police free Lula within one hour. The federal police, in turn, issued a statement saying that, faced with conflicting orders, it had decided not to act. At 7.30 to 8pm that Sunday evening yet another judge, TRF-4 president Carlos Thompson Flores, ratified Judge Gebran Neto's ruling thereby putting an end to the day's judicial ping-pong.

On the following Tuesday (10 July), a higher court, the superior court of justice (TSJ) turned down a separate habeas corpus request on Lula's behalf. Referring to the weekend's events, the TSJ president, judge Laurita Vaz, said that Favreto had exceeded his authority as a duty judge. She rejected his argument relating to a "new fact" and said his intervention was "unprecedented" and "abnormal", as well as also failing to respect the rulings of other courts, including Brazil's supreme court (STF), which in 2016 ruled that those found

Lula
Surveys continue to show that Lula da Silva is the most popular presidential candidate, and that if he is unable to run, a significant proportion of his followers will vote for whichever candidate he recommends. If he cannot be president again, Lula may aspire to play a central role in picking the next president.

guilty on first appeal can be imprisoned, even if further appeals are pending.

This chaotic episode has significant judicial and political repercussions. As far as the judiciary is concerned it re-confirms something that was already widely known: Brazilian judges are highly politicised and factionalised. There is a tendency for judges to seek to assert personal authority so as to overrule or bend legal precedent and procedures, and thereby enable the outcomes they are seeking.

With a lot of important legal issues yet to be resolved (including further cases against Lula; the ongoing 'Lava Jato' corruption trials; and a decision on the status of Lula's presidential candidature), there is a danger of unpredictability and split decisions. Sunday 9 July could turn out not to be the only day of "judicial chaos" that Brazil experiences this year.

At the political level, even though he remains in prison, the episode looks like a relative victory for both Lula and for the PT. One interpretation is that Lula's defence lawyers know that the odds remain against him on two important counts. Firstly, even if Favreto had succeeded in getting Lula released, the decision would have been overruled in a matter of days. Secondly, although the matter will not be decided until August or September, it is unlikely that Lula will be able to run for the presidency in October's elections, since the law bans those who have had a criminal conviction upheld on appeal from running for public office.

But seen from a political perspective, the episode was doubly useful for the PT. Critically, it kept Lula's name on everyone's lips. According to the Brazilian consultancy Atlas Político, over the weekend, mentions of Lula's name on social media ran far ahead of those of any other presidential hopefuls. By its calculations there were 1.14m mentions of Lula on Twitter alone, dwarfing the runner up, far-right candidate Jair Bolsonaro, with just over 110,000 mentions. There is an argument, however, that judicial chaos, or indeed any kind of chaos, may also benefit Bolsonaro whose promise of a hard-line government appeals to those well disposed to authoritarian solutions.

Judge Moro's intervention – while made from thousands of kilometres away in Portugal – can be used to reinforce the PT's narrative that suggests he is pursuing a personal vendetta against Lula, who is a victim of a supposed establishment conspiracy. While both Lula and the PT still insist that he will stand as a presidential candidate and that there is no 'Plan B', it is also true that the more he remains in the public eye, the more effective his endorsement may be if, at the end of the day, he is excluded from running and seeks to back another left-wing candidate (*see sidebar*).

BRAZIL | POLITICS

Senate approves data protection bill

On 10 July, Brazil's federal senate approved a data protection bill that had already cleared the lower chamber of congress last May. Since there were no major variations in the text, the way now seems clear for President Michel Temer to sign the bill into law.

The bill provides a legal framework for the protection, storage, and use of personal data. It broadly follows the model created by the European Union's General Data Protection Regulation (GDPR). Violation of its provisions will be punishable with fines or the suspension of particular databases. Corporate infractions can attract fines worth up to 2% of a company's annual turnover. There will be a mechanism for individuals to check what personal information is being held on them and to correct errors.

'Fake news'

On 28 June, Brazil's electoral tribunal (TSE) signed an agreement with Google and Facebook designed to combat 'fake news'. At least 20 out of Brazil's 35 political parties have also signed an agreement to counteract 'fake news' on social media. However, both these initiatives are themselves controversial since there is a debate on how to define 'fake news' and where to draw the line between it and legitimate freedom of expression.

The bill also requires the government to set up a regulatory agency. Companies and other institutions must hold only the data that is necessary for them to conduct their businesses. Data held for the purposes of journalism, artistic activity, academic research, public security, and national defence is excluded from the proposed law.

There is also a requirement that when the security of a given database is breached, and personal information is stolen, its owner must give full details to the regulatory body, which, in turn, will decide on what further action is necessary.

One early difficulty has been resolved: the central bank and finance ministry were concerned about a clause that said that data could only be held and used with the consent of the individual to which it related. Both institutions said this could compromise data held for valid financial reasons – such as lists of bad debtors. In the end the final text of the bill allows such databases to be operated automatically without the prior consent of individuals.

Interest in the bill rose as a result of various international controversies over improper use of personal information harvested from Facebook and other social media for electoral marketing purposes by companies like Cambridge Analytica. Ahead of this year's Brazilian elections, various attempts are being made to legislate against 'fake news' (*see sidebar*).

Luiz Fux, president of the TSE and a member of the supreme court (STF), has raised the possibility that in certain circumstances the elections could be annulled if the results are shown to have been swung by false news stories.

According to a recent 35-country survey by the Reuters Institute, Brazil is one of the countries where citizens are most concerned by the impact of 'fake news'. The survey said that 85% of Brazilian respondents "expressed concern about veracity and the possibility of manipulation in news stories".

ARGENTINA | POLITICS

Cracks appear in Cambiemos coalition

These are difficult times for Cambiemos, President Mauricio Macri's ruling coalition. The foreign currency crisis is pushing the economy into recession and the government has promised the International Monetary Fund (IMF) that it will deliver an austerity programme. Finding a political pathway through the crisis is not easy. The stresses and strains are beginning to show.

The Cambiemos coalition was formed in 2015, with three main components: Macri's Propuesta Republicana (PRO), the Unión Cívica Radical (UCR), and the smaller Coalición Cívica para la Afirmación de una República Igualitaria (CC-ARI) led by Elisa Carrió. The coalition was victorious in the December 2015 presidential elections, and under Macri's leadership has governed the country with a fair degree of success over the last two-and-a-half years. But three months of financial market turbulence, an enforced turn to the IMF for financial help, and the need to draw up new austerity plans has begun to take a toll.

Not for the first time, Carrió brought underlying tensions out into the open. Recognised as a passionate anti-corruption campaigner, Carrió also has a reputation for shooting from the hip. A practicing Catholic, she appears to have been irritated by the debate on legalising abortion (although Macri promised a free vote, Carrió believes the UCR and government officials are favouring legalisation).

Peña urges Carrió to tone it down

Cabinet chief Marcos Peña said he had spoken privately with Elisa Carrió to tell her to stop saying things which might be intended as jokes but were hurtful: as he put it “Cambiamos is the main source of hope for many Argentines and we must look after it”.

Carrió stormed out of a congressional debate threatening to break with Cambiamos; she then turned on some of her coalition colleagues accusing them of misogyny, adding that the UCR used to “send us out to distribute *empanadas*; now I can control them from the outside”. This led a top UCR leader, Alfredo Cornejo (who is also governor of the western province of Mendoza), to shoot back that Carrió had gone too far with a “pejorative” attack on his party.

Carrió’s outburst came at a time when the UCR was already angry that it had not been properly consulted over talks with the IMF or on the details of plans to implement domestic austerity. The party was particularly annoyed to discover that government officials had met with some members of the main opposition Partido Justicialista (PJ, Peronists) to discuss a potential deal on provincial budget cutbacks without UCR knowledge or involvement.

So the government made a point of trying to re-unify and refocus the coalition. Macri invited top UCR leaders to dinner on 11 July to reassure them that their views were being heard. The dinner appears to have been successful, with Cornejo saying that the UCR had agreed to help reduce the budget deficit next year to not more than 1.3% of GDP, something which the government has promised the IMF it will achieve. At the dinner, he added, the UCR governors had made the point that it is difficult to cut the deficit in the midst of recession: therefore, they had told Macri he should try to boost small and medium-sized enterprises (SMEs), which are labour intensive, as well as finding a way to protect spending on public works.

Some divisions within Cambiamos cut across party lines. One group, said to be led by Cabinet chief Marcos Peña, sees the top priority as technical and economic: finalising the 2019 budget and implementing the IMF austerity programme. For this group, the main target is to stabilise the exchange rate and get the economy back on track.

Another group, said to be led by the governor of the province of Buenos Aires, María Eugenia Vidal, and Buenos Aires city mayor Horacio Rodríguez Larreta, wants a much more political response to the crisis. An anonymous member of this group told the national daily *La Nación* that the government was approaching planned budget cuts for Patagonian provinces the wrong way round: “Are we going to slash their budgets and then ask them for political support?” This group says political agreements are vital as a first step, logically coming before the technical details which should follow later.

The key issue is, of course, how long and how deep a recession Argentina faces. The newspaper quoted another anonymous senior official saying: “If we can get the economy to start recovering by March next year, we’ll get to the (October 2019) elections in relatively good shape. But if the recession drags on past March, we’ll be in trouble.”

PARAGUAY | POLITICS

Abdo Benítez lays foundations for new government

With a little over a month before his investiture on 15 August, Paraguay’s President-elect Mario Abdo Benítez has made significant strides this week in forming his future government and setting out a political agenda. Abdo Benítez, who has embarked on a series of official foreign visits to meet some of his soon to be peers, has made some key appointments to his future cabinet, which suggest he is determined to hit the ground running and that his government will seek to be pragmatic. Yet Abdo Benítez’s actions have not escaped controversy and have been questioned in some quarters.

Environment & sustainable development ministry

President-elect Mario Abdo Benítez will have to fill a new ministerial post when he assumes office on 15 August. On 5 July, the outgoing president, Horacio Cartes, decided to give the national environment secretariat (Seam) the rank of a ministry and formally turn it into the environment & sustainable development ministry. The new ministry has been tasked, for the first time, with establishing and developing a comprehensive national environmental protection policy. The creation of the ministry has been celebrated by the current Seam head, Rolando de Barros, who said that it will have the power to better “protect and manage Paraguay’s national resources”.

Last month Abdo Benítez made his first official trip since becoming president-elect, when he visited Brazil and Argentina on 11-12 June before heading to Russia to attend the 14 June inauguration of the Fifa World Cup and meet President Vladimir Putin. Abdo Benítez was accompanied on that trip by Luis Alberto Castiglioni, who he has named as his future foreign minister. During that visit Castiglioni said that Abdo Benítez discussed bilateral relations and sought Putin’s support for Paraguay, Argentina, and Uruguay’s joint bid to host the 2030 World cup.

After returning from Russia, Abdo Benítez made another key ministerial appointment on 19 June when he named his half-brother, Benigno López, as his future finance minister, before embarking on another mini regional tour on 2-3 July that took in Uruguay and Chile. In Uruguay, Abdo Benítez met President Tabaré Vázquez and discussed bilateral issues as well as the Southern Common Market (Mercosur) as the Vázquez government is currently exercising the pro-tempore presidency of the bloc. Similarly, in Chile Abdo Benítez met President Sebastián Piñera to go over the bilateral agenda, including plans to increase bilateral trade and energy exchanges. Abdo Benítez and Piñera reportedly also discussed strengthening ties between Mercosur and the Pacific Alliance trade bloc comprising Chile, Colombia, Mexico, and Peru.

Abdo Benítez briefly returned to Paraguay, where he named some more key future cabinet members. On 5 July, he named Denis Lichi as his future agriculture & livestock minister, Carla Bacigalupo as his labour minister, and Julio Javier Ríos as his justice minister. On 11 July he named Arnoldo Wiens as his future public works & communications minister. With Wiens’ appointment Abdo Benítez has already filled practically all of the main ministerial portfolios having previously appointed an interior, defence, and health ministers (Juan Ernesto Villamayor, Bernardino Soto Estigarribia, and Julio Daniel Mazzoleni, respectively). As we go to press Abdo Benítez is scheduled to meet Bolivia’s President Evo Morales to discuss strengthening economic ties.

Abdo Benítez’s agenda has faced criticism. While his decision to make his first visits to Paraguay’s main Mercosur partners, Brazil and Argentina, was applauded, the decision to go to Russia was heavily criticised given the current diplomatic tensions between Russia, the US, and Europe. López’s appointment has been denounced by some as potential nepotism, while the appointment of former officials in the outgoing government, such as Soto Estigarribia (who reprises a role he held from 2013-2015) and Bacigalupo (who served as justice minister in 2016), has been slammed as an act of defiance against President Cartes, who had dismissed them both. The fact that all of the appointees so far are linked to the ruling Asociación Nacional Republicana-Partido Colorado (ANR-PC) has also not been lost on the opposition, which has complained that Abdo Benítez is once again trying to fill the government with party loyalists rather than technocrats, as Cartes tried to do.

TRACKING TRENDS

CHILE | Growth projections increased. Finance Minister Felipe Larraín announced on 10 July that the government had revised up its GDP growth predictions for 2018 from 3.5%, when President Sebastián Piñera took office in March, to 3.8%. Larraín told a congressional commission that inflation is projected to increase from 2.8% to 2.9% and internal demand from 4.1% to 4.8%.

The revised growth projections are due in part to higher prices for copper, Chile’s main export, but could be brought down once more if the US-China trade war escalates.

US relations

Marcelo Ebrard, the incoming foreign minister, faces his first big challenge on 13 July when he will join President-elect López Obrador in meeting US Secretary of State Mike Pompeo, US Treasury Secretary Steven Mnuchin, and US President Donald Trump's son-in-law and senior advisor Jared Kushner during their visit to Mexico. Mark Feierstein, a former senior aide to Trump's predecessor Barack Obama, wrote in *Americas Quarterly* on 3 July that "Trump himself sees a bit of his renegade self in AMLO, privately dubbing the Mexican politician 'Juan Trump', according to a senior government official". López Obrador is certainly just as adept as Trump at using social media to stay in touch with his large 'following' and support base.

MEXICO & NAFTA

MEXICO | POLITICS

López Obrador makes key political appointment

Mexico's President-elect Andrés Manuel López Obrador announced last week that Marcelo Ebrard would serve as his foreign minister when he assumes office in December. It looks like a shrewd political appointment. Ebrard might help López Obrador to shore up a two-thirds majority in the federal congress to enact constitutional reform.

Ebrard will fill the position López Obrador had assigned last December (when naming his cabinet ahead of the electoral campaign) to Héctor Vasconcelos, a former ambassador with plenty of experience but no political clout. Ebrard, a moderate left-winger who served as mayor of Mexico City (2006-2012) directly after López Obrador, has the requisite experience: he has a degree in international relations, he served as deputy foreign minister during the government of former president Carlos Salinas (1988-1994), and he has held various posts at the United Nations. But, crucially, Ebrard also has political influence.

Ebrard quit the left-wing Partido de la Revolución Democrática (PRD) in 2015 but retains strong support within the party. The PRD suffered heavy defeats at the hands of López Obrador's Movimiento Regeneración Nacional (Morena) in state-level elections on 1 July and will be dwarfed by his party in the new federal congress. In spite of this, the PRD will have a potentially decisive presence in both chambers of congress. When the final congressional results are announced, it is likely that the PRD's seats in the lower chamber and senate (while reduced) will be enough to give López Obrador a coveted two-thirds majority.

The PRD party leadership's tense relations with López Obrador are well-documented, but factions of the party supported him during the campaign rather than Ricardo Anaya, the presidential candidate of Por México al Frente, the electoral alliance between the PRD, the right-wing Partido Acción Nacional (PAN), and leftist Movimiento Ciudadano (MC). Many PRD politicians are arguing that now that a left-wing government has come to power in Mexico, the party should seek to be a part of it.

The death knell certainly seems to have sounded for Por México al Frente after López Obrador's sweeping victory. Seven governors and 32 PAN politicians, mainly incumbent and former federal deputies, signed a letter this week calling for the party's "renewal", rejecting Anaya's return to lead the party. The PAN governors of Aguascalientes, Baja California Sur, Durango, Puebla, Querétaro, Quintana Roo, and Tamaulipas said in the letter that the PAN had endured its "biggest defeat since competitive elections were held in Mexico". They argued that neither Anaya nor his ally, the current PAN party president Damián Zepeda, had the "collective legitimacy to continue leading the party", and they called for a "permanent plural commission of party members" to meet to name an interim president. They said the PAN needed a leader capable of building bridges between the different factions of the party.

The governor of Durango, José Rosas Aispuro, pointedly said the electoral alliance with the PRD and MC forged by Anaya (successful in past gubernatorial contests) was a mistake. Speaking in an interview with the national daily *Reforma* this week, Rosas said the alliance had left many PAN politicians with no chance to compete "especially in areas where the PAN has been competitive historically".

PRI humbling

Mexico's dominant party of the last century, the federally ruling Partido Revolucionario Institucional (PRI), has another reason to lick its wounds after the adverse electoral

Refuelling drug vessels

The coasts of the states of Guerrero, Michoacán, Colima, Jalisco, and Nayarit are being used by criminal groups to supply speedboats carrying cocaine shipments from Ecuador, Colombia, and Central America for onward transit to the US, with fuel often obtained through huachicoleo, Mexican authorities claimed this week. A total of 6.7 tonnes of cocaine have been confiscated on the high seas in the first five months of the year, a record for this timeframe, the navy reported. Refuelling is taking place along a route running some 200km out from the coast as criminal groups hope to avoid the need to land on Mexican soil and evade naval coastal patrols.

results on 1 July. It was confirmed this week that the PRI had even lost its spiritual homeland, the municipality of Atlacomulco in the Estado de México (Edomex), to Morena. The PRI narrowly won the gubernatorial elections in Edomex last year but it lost its state legislative majority in elections on 1 July in a resounding defeat to Morena and will only control 23 of the state's 125 mayoralties to 48 for Morena. President Enrique Peña Nieto, the incumbent Edomex state governor Alfredo del Mazo Maza, and four of his predecessors hail from Atlacomulco. But Morena's Roberto Téllez Monroy won the symbolic municipality by 49%-30% against his PRI rival. The PRI also lost Toluca and Ecatepec, the most populous municipality in Edomex, to Morena.

TRACKING TRENDS

MEXICO | Doubling economic growth. President-elect Andrés Manuel López Obrador made a bold promise to double GDP growth from its current average of 2% a year to 4% during his six-year term. López Obrador announced the target after meeting Francisco Cervantes, the president of Mexico's powerful industrial lobby, the Confederación de Cámaras Industriales (Concamin), on 9 July.

López Obrador also said that he would meet business organisations to evaluate progress every three months. For his part, Cervantes highlighted the "enormous common ground" with López Obrador, saying that he would meet incoming cabinet ministers over the coming months to draw up shared agendas. Cervantes added that Concamin, which comprises 46 national chambers, 14 regional chambers, and 46 associations of different productive sectors, would support López Obrador's 'Jóvenes Construyendo el Futuro' programme, designed to guarantee 2.6m young people scholarships and apprenticeships. López Obrador had unveiled the plan on 4 July during a meeting with one of the country's main umbrella business associations, Consejo Coordinador Empresarial (CCE). Like Cervantes, the president of the CCE, Juan Pablo Castañón, a fierce critic of López Obrador during the electoral campaign, praised the M\$110bn (US\$5.66bn) plan during "very cordial and respectful" talks.

After emerging from the Concamin meeting, López Obrador also promised that fuel and energy prices would decrease during the second half of his sexenio. He vowed that there would be no 'gasolinazos' (sudden, sharp, increases in fuel prices) on his watch, and that his government would reverse the fall in crude oil production by enhancing the country's existing six refineries and building one new one, reducing the reliance on foreign imported fuels. But this will not happen overnight. In the meantime, keeping the promise that fuel prices will not increase (other than in line with inflation) could result in some costly subsidies, complicating López Obrador's promise to preserve fiscal balance, especially amid significant increases in spending on social welfare programmes, pensions, and youth development initiatives.

López Obrador also promised to end oil theft, or huachicoleo. "This would be the tip of the iceberg to start to solve the majority of insecurity problems," said the president of the national chamber of freight transportation (Canacar), Enrique González Muñoz. Canacar distributes 30% of the country's fuel. He said that 15 trucking companies hauling fuel had gone out of business (leaving 145) because of the mounting insecurity and onerous risk management costs. González claimed that the state oil company Pemex did not care about the loss of fuel because it reclaimed lost revenue through insurance, with the trucking companies footing the excess of US\$10,000 a time.

Tanker truck theft is up 14% in the first five months of the year compared to the same period in 2017, and has surged in recent years. Canacar estimates that 16 tankers a month are targeted by thieves, who erect false checkpoints, or throw rocks or paint at tanker windscreens to compel drivers to stop. Each tanker carries some 62,000 litres of fuel worth around US\$1m.

Losses to pipeline theft are running at more than US\$1bn a year. Thieves carried out 10,363 illegal 'taps' in 2017, and 28,736 in the first five years of the current government (one every 90 minutes), up from 3,230 over the same period under the previous government.

Ortega's intransigence laid bare

"A pressure cooker about to explode." This was how international human rights NGO Amnesty International (AI) described Nicaragua this week amid growing international condemnation of serious human rights violations committed by the Frente Sandinista de Liberación Nacional (FSLN) administration led by President Daniel Ortega against anti-government protesters which has so far left over 300 dead. AI's statement follows recent attacks by pro-government paramilitaries against members of the Catholic Episcopal Conference (CEN) which is brokering national dialogue between the government and opposition. The mediators insist that the dialogue process will continue despite the attacks; despite Ortega's declared refusal to bring forward elections from 2021 to 2019, a key demand of the opposition, CEN, and international community; and despite continued state repression. The international community – particularly the US – continues to ramp up the pressure on Ortega to make concessions.

The attacks against the religious leaders took place on 9 July at the Basilica of San Sebastián in Diriamba municipality, Carazo department – an episode condemned by international human rights institutions such as the United Nations Office of the High Commissioner for Human Rights (OHCHR) and Inter-American Commission on Human Rights (IACHR).

Those affected were Cardinal Leopoldo Brenes and Monsignor Silvio Báez (who have played a key role in the national dialogue process) and Apostolic nuncio Stanislaw Waldemar Sommertag. Along with Matagalpa department and Jinotepe municipality (Carazo department), Diriamba was the site of one of the worst shows of violence over the 7-8 July weekend since the crisis began mid-April, with at least 17 people killed, mostly by police (PNN) and paramilitary groups.

Despite this, on 10 July Báez, who during the attacks reportedly sustained an injury to his arm and was punched in the stomach, reaffirmed that the CEN would continue to mediate. His remarks came in spite of speculation which had already emerged over the future of dialogue after President Ortega told a rally on 7 July that he had no intention of stepping down early (in line with demands from the CEN and opposition) as "the rules come from the constitution, and you can't change the rules from one day to the next". This justification was widely slammed given his government's previous apparent disregard for the magna carta, as evidenced in contentious decisions such as the 2009 ruling by FSLN magistrates on the supreme court of justice (CSJ) overturning the constitutional ban on presidential re-election, to pave the way for Ortega's perpetual continuance in power.

US pressure

Ortega's intransigence comes despite ongoing pressure from the international community to make concessions. In what effectively signals the US administration's first concrete move against him since the start of the crisis, on 5 July the US Department of the Treasury's Office of Foreign Assets Control (Ofac) announced sanctions against three key Ortega allies under the Magnitsky Human Rights Accountability Act. The three are PNN commissioner Francisco Díaz (for human-rights violations); the secretary of the mayor's office of Managua, Fidel Moreno (also for human rights violations); and Francisco López, the vice-president of Albanisa (the bi-national oil company owned by Venezuela's state oil firm Pdvs and Nicaragua's Petronic), for corruption.

US sanctions

Up until this point, US sanctions had only been applied to the now former head of the electoral authorities (CSE), Roberto Rivas (also an Ortega ally), for alleged corruption, although this was back in December 2017, before the violence began. Last month the US State Department announced it was imposing US visa restrictions on "individuals responsible for human rights abuses or undermining democracy in Nicaragua". Affected individuals included "National Police officials, municipal government officials, and a Ministry of Health official", although these were not publicly identified due to US visa confidentiality laws.

Violence

On 8 July, national daily *La Prensa* cited the findings of a report from local human-rights NGO Asociación Nicaragüense Pro Derechos Humanos (ANPDH), published on 3 July, which put the death toll as of 3 July at 309. The same report found that out of this total 253 people had died as a result of gunshots with most (153) of the deaths reported in the department of Managua, followed by the departments of Masaya (34), León (21), the northern Caribbean coast (20), and Matagalpa (19).

The move strikes right at the heart of Ortega's inner circle: Díaz's daughter is married to Ortega's son, Maurice; López is FSLN treasurer; and Moreno, the main link between the FSLN and municipal governments and a former leader of the FSLN youth branch, Juventud Sandinista, is reportedly the right-hand man of Vice President and First Lady Rosario Murillo.

An Ofac press release notes that, as a result of the actions, any property, or interest in property, of those designated within US jurisdiction is blocked. Additionally, US persons are generally prohibited from engaging in transactions with blocked persons, including entities 50% or more owned by designated persons.

Growth forecast lowered further

Indicative of the ongoing impact of the crisis on the economy, at the end of last month, the president of Nicaragua's central bank (BCN), Ovidio Reyes, further lowered Nicaragua's GDP growth forecast for 2018 to a range of 0.5%-1.5%. In May, Reyes had told reporters that GDP projections for 2018 had been revised down from 4.5%-5.0% to 3.0%-3.6% as a result of the crisis.

On the same day, the think tank Fundación Nicaragüense para el Desarrollo Económico y Social (Funides) released its latest report on the economic impact of the crisis, outlining two possible scenarios for 2018 growth forecasts.

In the first scenario, in which Ortega accepts a negotiated solution to the crisis and ends state repression by the end of July 2018, Funides forecasts GDP to contract by -0.03% compared with 2017.

In the second scenario, if the crisis is prolonged and intensifies throughout 2018, Funides warns that this would lead to a GDP contraction of -5.6% with respect to 2017.

The sectors most affected in both scenarios, according to Funides, include trade, construction, textiles, hotel and restaurant services, agricultural and livestock products, and financial mediation services. It warns that losses in these sectors will further impact employment, amid reports that, as a result of the crisis, 215,000 people have lost their jobs so far. Of these 215,000 newly unemployed, 77% worked in tourism, trade, and construction sectors. The same report also warns that, due to rising joblessness, the percentage of Nicaraguans in poverty has risen from 29.6% to 31.7%, equivalent to 131,000 people falling into poverty.

Meanwhile, Funides goes on to warn that if the second scenario becomes a reality, over the next few months, 1.3m people are at risk of falling into poverty given likely job losses and falling incomes. This would mean that the levels of poverty in the country would be similar to those registered in the first half of the 1990s when almost half of the population lived in poverty.

PANAMA | POLITICS

Varela delivers final balance sheet

President Juan Carlos Varela has delivered his fourth and final annual balance sheet. He singled out as key achievements, public investment; construction; rejection of corruption in the country's institutions; and economic growth. Yet with the International Monetary Fund (IMF) having recently revised down its forecast for Panama for 2018 [WR-18-24], and Varela once again facing questions over his commitment to transparency, major doubts persist regarding some of these claims.

In his state-of-the-nation address, President Varela listed various examples of the public investment undertaken by his coalition government, led by the Partido Panameñista (PPA). These include the handover of 45,000 homes under the 'Techo de Esperanza' (roofs of hope) scheme which he began rolling out in 2015; 15,000 housing projects of social interest; a 102km modern highway through the Darién province; 2,000km of new roads which are due to be completed (an investment that exceeds US\$2.2bn); and US\$1bn

Irregularities

In May, Panama's comptroller general Federico Humbert filed a criminal complaint against Yanibel Abrego for crimes against public administration, although this has since been rejected by the supreme justice court (CSJ). Earlier in the year Humbert had revealed the findings of an audit into the use of funds by national legislators between 2009 and 2014 under the previous Cambio Democrático (CD) government led by former president Ricardo Martinelli (who was extradited from the US last month to face charges related to his activities whilst in office). The audit found irregularities totalling some US\$247m, whereby funds were supposedly transferred to municipal authorities but then used for political gain or electioneering.

invested in new educational centres throughout national territory, with 60 new schools being built in the indigenous *comarcas* (indigenous administrative regions), and 10,000 teachers trained.

Varela also trumpeted as an achievement the investment of US\$1.5bn in health to improve the provision of potable water, and construction of sewerage systems. As regards the economy, he claimed to have maintained average GDP growth of 5.2%, with unemployment levels at 5.9%, and inflation below 1%, while over the past four years he said that 150,818 Panamanians had been lifted out of poverty.

As regards transparency efforts, Varela himself acknowledged the "complicated situations that we have lived through, fighting against corruption and the attack on our legal and financial services". This was a clear allusion to the April 2016 'Panama Papers' scandal (when over 11m confidential documents were leaked from the offices of Panama-based offshore law firm Mossack Fonseca), as well as the corruption case involving bribes paid to local officials from the Brazilian construction and engineering firm Odebrecht (in which Varela has been implicated [[WR-17-49](#)]).

In his speech, Varela claimed that during his administration "no corruption cases have been hidden", while those that have been uncovered are being investigated. He also claimed that over US\$500m had been recovered from embezzlement, and that "new government contracts are subject to higher standards of transparency".

Yet doubts persist regarding this commitment. In May, a local lawyer, Guillermo Cochez, Panama's former ambassador to the Organization of American States (2009-2013), presented an appeal before the supreme court of justice (CSJ) against Varela for breaching the 2002 law on transparency, over his alleged failure to provide information regarding money recovered through corruption investigations.

The previous month Varela was criticised by civil-society groups, such as the anti-corruption lobby group Movimiento Independiente (Movin), over his decision to issue a partial veto to an anti-corruption bill (Ley 514), approved on 3 April by the 71-member unicameral national legislature. In particular, Varela objected to provisions regarding crimes against public administration, arguing that they violated the constitutional right to the presumption of innocence.

Transparency concerns in other institutions

President Varela is not the only one whose pledges to address corruption have been met with scepticism. On 1 July, following her re-election as president of congress for the 2018-2019 period, Yanibel Abrego, of the opposition Cambio Democrático (CD), said she was willing to promote debate as part of efforts to seek mechanisms that would permit greater transparency. Yet Abrego – whose election was the fruit of a deal between the CD and fellow opposition party Partido Revolucionario Democrático (PRD) – has been criticised for blocking efforts to investigate payrolls of the legislature (*see sidebar*).

TRACKING TRENDS

CUBA | **New economic reforms.** The government led by President Miguel Díaz Canel announced a package of 20 measures – six decrees and 14 resolutions – on 10 July to "regulate the activity" of the private sector. The measures, which will take effect in December, tighten controls on 'cuentapropistas' (self-employed workers) and confirm that Díaz Canel is not planning any further opening of the closed state economy. The most significant reform will see business licences restricted to one per person, which the government said would combat rising income inequality and tax evasion.

Quotes of the week

“In certain cases, people with disabilities feel bitterness, frustration with life, a frustration against those who have not suffered the same misfortune, which they vent when they have power.”

Ecuador's former president Rafael Correa on his successor President Lenín Moreno.

“The judicial system must not and cannot be an instrument at the service of obscure powers but must be supplied with the basic conditions for equal access of all citizens to it...There is no legal security without a good judicial system...no institutional stability, no investment, no economic or social development. There is no development with corruption.”

Peru's President Martín Vizcarra.

“This is not the time for opportunism and demagoguery, for being egotistical...We have to be optimistic. It is time to work together, shoulder to shoulder so that the country can consign to history the recurrent crises which have caused so much damage.”

Argentina's President Mauricio Macri.

Bolivia's Morales accused of moving against key opponent

Bolivia's Movimiento al Socialismo (MAS) government led by President Evo Morales is again facing accusations of judicialising politics – a perennial complaint by the opposition. Earlier this week Bolivia's attorney general Ramiro Guerrero announced he had requested that the criminal chamber of the supreme court (TSJ) investigate former president Carlos Mesa (2003-2005), a leading opposition figure, in relation to the 2004 decision to revoke a mining concession. The fragmented opposition warns that the decision is political ahead of February 2019 general elections in which Morales will again run following a contentious ruling late last year by the constitutional court (TCP) removing the bar on his candidacy [WR-17-47].

On 9 July, Guerrero stated that the public prosecutor's office sought to investigate Mesa, who has given mixed messages as to whether he intends to run in the 2019 election, for the crimes of taking decisions contravening the 2009 constitution and national law, non-compliance with duties, and uneconomical conduct. This all related to the so-called 'Quiborax case' – Mesa's decision in 2004 to revoke mining concessions from Bolivian company Non Metallic Minerals (NMM) and the ultimately successful 14-year attempt by NMM, and its partner Quiborax, the Chilean mining corporation, which has a majority stake in the company, to sue the Bolivian state for the loss of the concessions. In May 2018, the World Bank's International Centre for Settlement of Investment Disputes (Icsid) ordered that Bolivia compensate Quiborax which it did in June to the tune of US\$42.6m.

Mesa, who is currently the spokesperson for Bolivia's legal case in its maritime dispute with Chile before the International Court of Justice (ICJ), said on 10 July that the public prosecutor's request to investigate the Quiborax case represented the “criminalisation of politics and the destruction of democracy”, adding that he had presented his own petition to the criminal chamber of the TSJ to annul Guerrero's request for “diverse and serious irregularities in the investigation”. These included the public prosecutor's alleged failure to call for “key witnesses” and to include “former authorities of this government implicated in the case”.

Mesa has received statements of support and solidarity from various political parties, such as the Movimiento Demócrata Social (MDS) and Unidad Nacional (UN), and former president Jorge Quiroga (2001-2002), all of whom have denounced the investigation request as an example of political persecution.



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HM Trade Commissioner for Latin America and the Caribbean, Department of International Trade

Read the agenda and see the full speaker line-up:
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