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López Obrador puts flesh on the bones of plan to transform Mexico

Mexico's President-elect Andrés Manuel López Obrador went on holiday this week to recuperate after an arduous electoral campaign, but not before providing details of initiatives he insists will produce the most sweeping change to the country since the Revolution a century ago. López Obrador tabled a series of plans to address the country's most pressing challenges: a 50-point 'Republican austerity' plan designed to reduce government expenditure and combat corruption to fund a surge in social spending; a 10-point security plan to tackle mounting violence; and an undisclosed plan presented to a visiting high-level delegation from the US government to reshape bilateral relations. Less clear is whether he has a Plan B in the event of failing to meet the heady expectations he aroused during the campaign.

López Obrador presented his 50-point Republican austerity plan on 15 July. In essence it seeks to cut government expenditure, and end corruption and privileges, to save a massive M\$500bn (US\$26.43bn), channelling the additional funds into social welfare programmes, such as universal pensions and youth development.

The first seven measures in the plan are designed to root out official corruption. They seek a constitutional reform to allow serving heads of state to face trial for electoral crimes and corruption, and to end immunity from prosecution and other privileges enjoyed by public officials, who will also have to provide a full declaration of assets. A legal reform will be pushed through to reclassify influence trafficking, corruption, oil theft, and electoral fraud as serious crimes. It also commits to making the public prosecutor's office an independent, autonomous institution, and to confer complete freedom of action on the new special anti-corruption prosecutor.

The next 20 measures are devoted to reducing costs. The first of these, in keeping with a much-trumpeted campaign promise, will see López Obrador take a 60% wage cut compared with President Enrique Peña Nieto, meaning he will earn M\$108,000 (US\$5,700) per month. Public officials will not receive new cars or computers, and they will not receive bonuses or private medical insurance. Cabinet ministers will be limited to five advisers. Only ministers will have private secretaries. No officials will have bodyguards, only security officers. Travel expenses will be restricted, with all foreign travel requiring ministerial authorisation, and receipt of gifts in excess of M\$5,000 (US\$264) outlawed. Flights in private jets and helicopters will be prohibited. Trusts "or any other mechanism used to hide public funds" will be abolished. Government publicity expenses, frequently criticised by López Obrador as excessive, will be cut in half.

López Obrador wins governor backing

President-elect López Obrador held a meeting last week with the national confederation of governors (Conago) to discuss cooperation between federal and state governments. Only two of the country's 32 governors failed to attend the meeting: Jaime Rodríguez 'El Bronco' Calderón, the independent governor of the north-eastern state of Nuevo León who ran unsuccessfully for president against López Obrador, and Aristóteles Sandoval, the governor of the western state of Jalisco. López Obrador's Juntos Haremos Historia coalition managed to win five of the nine gubernatorial elections up for grabs on 1 July but the remaining 27 are in the hands of opposing parties.

Mid- and high-level public officials known as 'personal de confianza' (from general directors to departmental heads), who can be fired easily because they cannot legally belong to a union, will be reduced by 70%. The top-earning public officials with an income in excess of M\$1m (US\$52,800) a year will see their wages gradually cut in half.

The remaining 20-odd measures include a commitment to convert the Los Pinos presidential residence into a cultural space, and to reassign the president's elite military guard, Estado Mayor Presidencial (EMP), to the defence ministry. Public procurement will be strictly controlled. The award of public works contracts will be closely monitored with oversight from citizen observers and the United Nations. Companies that come from countries which have a strong track record of combating corruption will have a preference when it comes to trade and financial relations.

López Obrador said bills relating to the new measures would be sent to congress, such as reforming Article 127 of the constitution regulating 'high earners' salaries in order to reduce the large wage disparity between senior and junior officials. He urged deputies and senators-elect from his coalition Juntos Haremos Historia (JHH) to focus on approving the austerity plan.

Some of the measures do not lend themselves to simple arithmetic, but by number crunching wherever possible it is difficult to see how these measures will save M\$500bn (US\$26.43bn). One of the measures, frequently cited by López Obrador during the campaign, pertains to discontinuing pensions for former presidents. This smacks of populism. In total they amount to M\$205,000 a month before tax, which would generate savings per year of just M\$40m, a tiny fraction of the total savings he has promised.

During a press conference in Mexico City, López Obrador said "public officials should live in respectable mediocrity", citing his political idol former president Benito Juárez (1858-1872). López Obrador said he would personally have liked to lower his own salary even more but was conscious that it might discourage future public servants who earn more in the private sector and universities as it will not be permissible to earn more than the president.

This might not be the only problem. The wage cuts and removal of perks for public officials will result in some savings but they might prompt an exodus of more talented officials to the private sector, while the 70% cut in 'personal de confianza' could remove the wheat and leave the chaff, as many suspect they do most of the work. Other measures are fraught with risk, such as doing away with bodyguards in a country which has just staged elections with record levels of political violence, and the EMP.

Public security reform

Shortly before tabling his Republican austerity plan, López Obrador presented a 10-point security plan. This is related to the austerity plan in that it includes a series of measures to cut costs, not least the downsizing of the interior ministry (Segob), which will cease to be a 'super ministry' and will see its number of departments slashed from seven to three.

The security plan was eagerly awaited given López Obrador's controversial campaign proposal to offer an amnesty to organised criminal groups in a bid to reduce escalating levels of violence in Mexico. Alfonso Durazo, who will take charge of the public security ministry (recreated after being assimilated into the Segob by President Peña Nieto), did not divulge any details on a future amnesty bill, which he said would take shape after a series of nationwide consultative forums, before being sent to congress.

The security plan also includes the creation of a new government department of transitional justice, human rights, and attention to victims. This will

Developing Central America

The incoming foreign minister, Marcelo Ebrard, said that Mexico would move away from having “a bilateral foreign policy” with the US and engage more with the region.

Ebrard said that he would shortly hold a meeting with representatives of Central American countries but first would see if the proposal presented to the US about development cooperation, among other things, was “well-received”.

Ambitious development plans meant to benefit Central America have been championed by Mexico before.

Former president Vicente Fox (2000-2006) launched his ill-fated Plan Puebla Panamá (PPP) in 2001.

establish truth commissions to investigate emblematic cases, such as the notorious abduction and presumed murder of 43 students in Iguala in 2014. It will also investigate cases of extrajudicial killings.

Durazo also revealed that the current Mexican intelligence agency, Centro de Investigación y Seguridad Nacional (Cisen), would be disbanded and make way for a new national intelligence agency, which will form part of the new public security ministry. He did not provide details, without which this looks like little more than a cosmetic change.

Olga Sánchez Cordero, a former supreme court magistrate who will assume the post of interior minister, said that López Obrador had instructed her to “exhaust all ideas and proposals to recover the country’s peace and serenity, and use all the available legal instruments to ensure the right to truth in a transitional justice process”, putting victims’ rights (as in Colombia’s peace process) at the heart of future policy.

López Obrador also maintained that the military would return to barracks by the end of the first half of his six-year term. Peña Nieto promised to take the military off the streets when he took office in 2012, but he was unable to deliver on this due to soaring violence. López Obrador intends to approach Mexico’s public security problem from a different angle. Sánchez Cordero revealed this week, for instance, that she would be looking into moving to legalise certain drugs.

This has raised some concern within the US government. It is not clear whether it featured in the proposals for bilateral cooperation which López Obrador presented on 13 July to a visiting delegation including US Secretary of State Mike Pompeo, Treasury Secretary Steven Mnuchin, Homeland Security Secretary Kirstjen Nielsen, and President Donald Trump’s son-in-law and senior advisor, Jared Kushner. The incoming foreign minister, Marcelo Ebrard, who attended the meeting with the US delegation, said the proposals focused on four main fields of bilateral relations: trade, development, immigration, including from Central American countries, and a fruitful dialogue on security (*see sidebar*).

Defeated party presidents resign

René Juárez Cisneros resigned on 16 July as president of the Partido Revolucionario Institucional (PRI) after two-and-a-half months at the helm. “I came at a difficult time in the campaign and I did all that I could,” Juárez Cisneros said. “Ignoring the socio-political transformations in our country brought us to where we are today,” he added. “Did they change us because we didn’t change?” he asked rhetorically. He said the party had stopped listening to the grassroots. “I want a PRI that interprets and understands social reality. A PRI where members choose their own candidates and leaders,” he said, in a veiled criticism of the decision by President Peña Nieto to handpick (the infamous *dedazo*) José Antonio Meade as the party’s presidential candidate.

Juárez Cisneros passed the baton to former foreign minister Claudia Ruiz Massieu (2015-2017), who said that a process to renew the whole PRI party leadership would take place in the coming weeks, as well as an internal reform.

She will be operating on a tight budget as parties receive public financing according to the votes they receive, and the PRI has never received such a hammering at the polls.

Damián Zepeda announced his resignation as president of the right-wing opposition Partido Acción Nacional (PAN) in rather different circumstances. Despite senior members of the party demanding his resignation last week after presiding over “the biggest defeat since competitive elections were held in Mexico” [WR-18-27], Zepeda did not give a mea culpa. He simply said that being party president would not be compatible with becoming a PAN senator on 1 September. The process to select a new party leadership will begin next month.

Grappling with a growing scandal

The tentacles of Peru's judicial scandal are spreading into different spheres of public life. The justice minister, Salvador Heresi, was compelled to tender his resignation this week after a fresh wave of leaked audio recordings broke. They revealed an inappropriate conversation he had held earlier this year with a judge at the centre of the uncovered influence-trafficking and corruption network. Several implicated senior judges have also stood down. Some light was shed, meanwhile, on the lack of enthusiasm displayed by congress to get to the bottom of the scandal, despite the urgings of President Martín Vizcarra, when it emerged that a spokesman for the dominant right-wing opposition Fuerza Popular (FP, Fujimoristas), Deputy Héctor Becerril, was embroiled in it.

There is no evidence that Heresi committed any wrongdoing per se. But the emergence of an audio recording of Heresi speaking in very familiar terms with César Hinostroza, president of the second transitory criminal court, a supreme court judge, and one of the chief villains in the scandal [WR-18-27], requesting that he come to his office to offer the benefit of his experience to discuss a legal initiative, was damaging. Against this backdrop, Heresi could scarcely be the face of the sweeping justice reform promised by President Vizcarra in the wake of the release of the audios by the investigative media outlet IDL-Reporteros and local news programme Panorama.

Heresi was not alone in resigning on 13 July. Walter Ríos, president of the senior appeals court in Callao, who featured in several of the damning audio recordings, also stepped down. Two days later he was arrested by the national police (PNP). The supreme court ordered his apprehension at the request of the acting prosecutor of internal oversight, Jaime Velarde. But in a sign of just how tangled the web of corruption has become, Velarde had only assumed the position after the recusal on 13 July of Víctor Raúl Rodríguez, who appeared on one of the second batch of audios. Rodríguez can be heard inviting Mario Mendoza, a businessman believed to be at the heart of the influence trafficking and corruption network, to come to his office for a chat. Before these were published, Rodríguez had given IDL-Reporteros a three-day ultimatum to reveal its sources and hand over all of the recordings in its possession or else journalists involved in the exposé would face prosecution for resistance and disobedience of authority.

Fujimoristas stalling

IDL Reporteros journalist Gustavo Gorriti refused to divulge his sources, accusing senior members of the justice system of concocting legal charges in a bid to cow him and his colleagues to prevent the publication of any further damaging revelations. But despite the mounting evidence of systemic judicial corruption, congress, dominated by FP, showed little appetite for launching an investigation. Congress ignored Vizcarra's appeal, for instance, to dismiss all of the council of magistrates (CNM), two of whose members have resigned after being compromised in the audios; one of them, Julio Gutiérrez, contended "I have said but not done anything bad at all". In the end, Vizcarra ordered an extraordinary legislative session (congress is currently in recess) to be convened on 20 July to debate removing the CNM magistrates, on the grounds that the matter was "vital and unpostponable".

FP's first reaction to the scandal was to try and discredit the audios as leaks, and to attempt to haul the journalists behind them before congress (see sidebar). The second wave of recordings provided an explanation for the FP's unwillingness to delve into wrongdoing by the CNM. One of the

Fujimorista reaction

A cartoon by Carlinatura in the national daily *La República* on 17 July captured the FP reaction to the judicial corruption scandal. It depicted state coffers being plundered behind the back of the FP president of congress, Luis Galarreta, responding to a plea by IDL Reporteros journalist Gustavo Gorriti to "look at what is happening!" by saying "It doesn't matter what is happening here but rather who has tipped you off about something that should have been classified".

Carrasquilla

Alberto Carrasquilla previously held the post of finance minister from 2003 to 2007 under the administration led by the CD founder and leader, former president Alvaro Uribe (2002-2010). Seen as an orthodox economist with conservative fiscal policies, Carrasquilla is expected to maintain the general fiscal discipline policies implemented by Finance Minister Mauricio Cárdenas. Pointedly Carrasquilla has said that he is in favour of expediting a pension reform, which Cárdenas has said is now necessary in Colombia.

second wave of audios, dating from 12 February, featured two CNM justices – Guido Aguila and Baltazar Morales – alluding to a meeting with Becerril 11 days earlier in Aguila’s house attended by the FP deputy who had sought to persuade them to elect Julio Gutiérrez Pebe as president of the body. Becerril had previously denied such a meeting ever took place. Becerril responded to the audio by withdrawing from the congressional commissions he presides over which would investigate the case.

The left-wing opposition parties Frente Amplio and Nuevo Perú presented formal accusations against Becerril for contravening five articles in the constitution, including the doctrine of separation of powers, and autonomy of the CNM. But it is unlikely this will go anywhere. In the meantime, Vizcarra has appointed a six-strong commission of experts, led by former foreign minister Allan Wagner (1985-1988; 2002-2003), to draw up a report laying out measures for a root-and-branch reform of the justice system. Vizcarra hopes to present the report in his state-of-the-nation address to congress on Independence Day on 28 July.

Wagner met the president of the judiciary, Duberlí Rodríguez, along with the attorney general, Pablo Sánchez, on 16 July to hear their proposals for reforming the judiciary. They all attested to a broad consensus of views. The following day, Rodríguez met the presidents of Peru’s 35 higher courts to discuss administrative, jurisdictional, and disciplinary proposals to present to the executive for the judicial reform. He declared a 90-day state of emergency in the judiciary, which he said had been “injured but not fatally” and would overcome the crisis.

With the image of the political class blackened by the Lava Jato corruption scandal, the growing evidence that the judiciary is also riddled with corruption, and that senior magistrates and politicians have a direct line to one another, has fuelled public indignation. A nationwide ‘march against corruption’ has been organised for 19 July, and groups of protesters, including jurists, have taken to washing the Peruvian flag outside courts around the country.

COLOMBIA | POLITICS

Duque forms cabinet

Due to assume office on 7 August, Colombia’s President-elect Iván Duque is slowly revealing the names of his cabinet appointments. This process is being closely scrutinised to try to determine the profile of Duque’s incoming administration, the first from the right-wing Centro Democrático (CD) to come to power. So far, it appears that Duque has opted for experienced politicians most of whom are closely aligned with CD even if they are not party affiliates.

Duque began unveiling some of his cabinet picks on 11 July. Since then he has made a total of 10 appointments, including to some key portfolios such as finance, defence, interior, foreign relations, and agriculture. The first was perhaps the most significant. Duque announced that he was appointing Alberto Carrasquilla as the head of his government transition team and future finance minister. Carrasquilla is now poised to take over from the long-serving Mauricio Cárdenas. These are big shoes to fill. Cárdenas is one of the most experienced sitting finance ministers in Latin America, serving in the post since 2013, with a proven track record of promoting fiscal probity and economic growth. But Carrasquilla is widely considered to be a ‘safe pair of hands’ on whom to entrust Colombia’s purse strings (*see sidebar*).

Duque chose Carlos Holmes Trujillo as foreign minister. Holmes Trujillo is a veteran politician and diplomat who has held the posts of ambassador to the Organization of American States (OAS) and head of Colombia’s diplomatic mission to the European Union (EU). Although he was previously affiliated

Other appointments

The other ministerial appointments made by President-elect Duque so far are Andrés Valencia Pinzón as agriculture & rural development minister; María Victoria Angulo as education minister; Ricardo Lozano as environment & sustainable development minister; José Manuel Restrepo as foreign trade, industry & tourism minister; Gloria Alonso as national planning minister; and Juan Pablo Uribe as health minister. Although none of these individuals have any formal party political affiliations, with the exceptions of Restrepo and Lozano they all have firm links to Uribismo.

to the centrist Partido Liberal (PL), Holmes Trujillo is a long time ally of former president Alvaro Uribe (2002-2010) who ran for the CD presidential nomination in 2013 and this year. His appointment could be seen as an attempt to promote CD party unity.

In contrast, one of Duque's more eye-catching appointments is that of Nancy Patricia Gutiérrez as his interior minister. Gutiérrez, a founding member of the CD, will become Colombia's first female interior minister. Duque has said that he will try to have an equal number of men and women in his cabinet. In this sense, the appointment of Gutiérrez, a seasoned politician who has presided over both chambers of congress, may have been intended to make a statement that women will fill significant posts in the incoming cabinet. Gutiérrez's appointment is controversial, however, given that in the past she has been investigated for having suspected links to right-wing paramilitary groups and of feeding them information about the movements of leftist politicians.

Yet it was not the most controversial appointment made by Duque. This was the 17 July designation of Guillermo Botero as future defence minister. Botero is a businessman with no political experience who has served as president of the national merchants' association (Fenalco) since 2003. Although Botero is set to replace fellow businessman Luis Carlos Villegas, the fact that he has no military or public security experience has been criticised in some quarters. In addition, Botero has been openly critical of the peace process that the outgoing administration led by President Juan Manuel Santos has been advancing with Colombia's leftist guerrillas, generating concerns among supporters of the peace process.

Notably, Gustavo Petro, the leftist candidate who Duque defeated in the presidential second round run-off election, has expressed concerns that Botero could seek to sabotage the peace process from the defence ministry by espousing a hard-line stance against the guerrillas. Petro claimed that Botero would turn the defence ministry into "the war ministry" and even insinuated that, under Botero's command, Colombia's armed forces could once again start persecuting leftist political leaders such as himself. "Can anyone guarantee my safety and that of my family with him leading a war ministry?" Petro recently asked rhetorically in a radio interview after alluding to the aggressive verbal attacks that Botero launched against Petro's presidential bid.

The other appointments made by Duque have been less contentious (*see sidebar*). Yet the fact that most of them are closely aligned to Uribismo has led some to accuse the president-elect of opting for a politically partisan cabinet rather than a politically inclusive one. In response, Duque has reiterated his call for the public to unite behind his government and asked the political opposition to reach a "national agreement" over what his government's priorities should be.

Anti-corruption referendum

Colombia's national electoral council (CNE) last week presented the seven questions that will be included in the national referendum scheduled for 26 August in which Colombians will be asked whether they support a drastic series of measures designed to combat government corruption.

The referendum is being promoted by the centre-left Alianza Verde party, which has come up with the proposals that will be put in the referendum. These seven questions approved by the CNE ask Colombians if they agree to reducing the salaries of national legislators and high-ranking government officials; that individuals convicted of corruption should be banned from holding public office; that holding transparent public tenders should be mandatory across the country; that the public should have a say on government budgets; that national legislators should be more accountable for their actions in the legislature; that all elected officials should make their sworn declaration of assets public; and that there should be a limit of three terms imposed for all elected posts.

Maduro launches mission impossible

President Nicolás Maduro has announced the creation of a new 'mission' to guarantee citizen security in Venezuela. Ordinary Venezuelans suffering from the parlous state of public security in the country are unlikely to attach any great expectation to the government's latest offering. There has been no shortage of missions in the past with similarly ambitious intent. The Lima Group of regional nations did ascribe significance, however, to related reports of a military build-up on the border with Colombia, criticising the development in a strongly worded eight-point statement.

Speaking during a graduation ceremony for police at the Universidad Nacional Experimental de la Seguridad (Unes) in Caracas on 16 July, President Maduro announced that he had decided to "create a new great mission linked to security". With an indirect acknowledgement that this would not be the first such attempt to get a grip on soaring levels of violence in Venezuela, Maduro added that "we are going to persevere like never before, with the experience gained, to construct a public security system". He said the time was now ripe, and he ordered Vice-President Delcy Rodríguez, Defence Minister Vladimir Padrino, the vice president of citizen security, and Interior Minister Néstor Reverol to work together to craft the 'great mission of peace quadrants'.

Maduro said the new mission would launch "a new historic era, a fundamental part of a new start". Despite the emphasis on the 'new', the 'peace quadrants' are in fact 'old'. They were introduced as part of another mission, launched in February last year, designed to accomplish much the same as the present one, only then it was named a 'great mission of socialist justice'. Maduro argued then, as now, that violence in Venezuela was "a product of the anti-values of capitalism".

There are 2,144 'peace quadrants', a grand term for what is essentially community policing, operating in Venezuela. Police graduating from the Unes, formed in 2009, will go into these 'peace quadrants' having been trained in "a new model of policing, closer to the community, using force in a progressive way".

Another one of the stated objectives of the 'great mission of socialist justice' was to crack down on paramilitaries and drug-trafficking from Colombia. With this in mind, it is worth noting that on 17 July 10 countries in the region's Lima Group issued a statement expressing "profound concern [at] recent reports of a mobilisation of arms and combat planes by Venezuela on the Colombian border". This was one of eight points in the statement, signed by Argentina, Chile, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Panama, Paraguay, and Peru, which also denounced "the rupture of the constitutional order and the rule of law" in Venezuela.

Referring to the statement the following day, the president of the government-controlled constituent assembly, Diosdado Cabello, accused Colombia of failing to protect the border, allowing "paramilitary groups and Bacrim [criminal groups] to call the shots". Cabello said this had "obliged Venezuela to move troops to safeguard its borders".

Venezuela has moved troops to the Colombian border on several occasions in recent years. But tensions are particularly high now ahead of the investiture on 7 August of Colombia's President-elect Iván Duque, who has been fiercely critical of the Maduro administration.

Elections

Venezuela will hold yet more elections this year. The national electoral council (CNE) has announced that local elections will be staged on 9 December. A total of 4,900 councillors and their deputies will be elected to the country's 335 municipal councils.

Weathering economic storm**Inflation**

On 17 July Argentina's national statistics institute (Indec) released its latest inflation figures, which found that the monthly inflation rate increased by 3.7% from May to June, the highest monthly increase recorded so far this year. The June inflation figure brings the accumulated inflation rate so far this year to 16% – already one percentage point above the official year-end inflation target of 15%. With the inflation rate accelerating rather than falling, Argentina's economic authorities will struggle to meet the 17% year-end 2019 inflation rate target set in the SBA.

“We are facing a storm, but we have managed to raise our sails and stay the course. I am convinced that we are doing the right thing”. This is how Argentina's President Mauricio Macri appealed for public support during a televised press conference for his government's economic stewardship and its efforts to maintain macroeconomic stability in the country following the recent run on the peso.

The Macri government's controversial decision to turn to the International Monetary Fund (IMF) for financial assistance helped to stabilise the exchange rate but Argentina's economic authorities have not yet succeeded in bringing inflation under control, heightening public concerns about their ability to do so. President Macri knows that he must regain the public's trust in order to increase his government's chances of pushing the economic policy measures that it has committed to adopt under the Stand-By Agreement (SBA) reached with the IMF in the opposition-controlled national congress.

Macri's press conference came the day after the central bank (BCRA) overcame the latest major test of market confidence. On 17 July the BCRA succeeded in restructuring 75% of the short-term treasury notes (Lebacs) that matured that day without having to offer significantly higher yields.

The fact that the BCRA was able to reduce the money supply in this way helped to maintain the peso/US dollar exchange rate (at around Ar\$28/US\$1) relatively stable, signalling that the speculation against the peso has subsided and that, following the signing of the SBA, the market now has renewed confidence in the BCRA's ability to defend the peso.

The press conference was much anticipated given that it was announced five days in advance and also because it was the first time that Macri would talk about the state of the country's economy following the May currency crisis. It was clear that Macri would have to defend his government's general economic policies and the specific actions it has taken in order to tackle the latest crisis. In particular, he had to defend the decision to return to the IMF given that this has been rejected by the political opposition and by a large chunk of the public which still resents the economic policy prescriptions imposed by the IMF during Argentina's previous major economic crisis in 2001-2002, and the economic hardship that these produced.

But the question was how convincing Macri's defence would be and whether he could succeed in restoring the much-needed public support for his government's economic policies. In the event, Macri sought to do this by admitting that the economic problems faced by the country would affect economic growth prospects this year and further stoke inflation but insisting that the measures adopted by his government would get the country through this difficult period and lead to economic stability in the medium term. Indeed, during the press conference Macri admitted that the economic difficulties experienced in the past few weeks mean that economic growth in Argentina this year “will fall”, while inflation would stay high (over 10%) for longer.

Military

President Macri revealed this week that members of the armed forces would receive an annual wage increase in excess of 20%. Macri revealed the increase during a meeting with Defence Minister Oscar Aguad and military top brass. The military had looked askance at the government's previous proposal of a salary increase of 8% for the lowest ranks and fixed sums for higher ranks.

Positive vision

However, Macri was adamant that the actions taken by the government, and the economic recovery plan agreed with the IMF, would lead to economic growth "returning next year". Macri also insisted that reducing inflation is his government's "absolute priority". In the wake of the currency crisis inflation has once again accelerated in recent weeks (see page 8 sidebar), but Macri said it would fall by "over ten [percentage] points" next year.

Moreover, Macri said that he was confident that the inflation rate would fall close to "single digits" by 2020. "I see a better future, as clearly as in the first day...there are things that we don't control, things that happen in the world. But every time we have more fortitude to face this volatility," Macri said alluding to the external factors that help to keep inflation high in Argentina.

Macri went on to say that the root of many of Argentina's economic problems lies in the high level of government spending compared with revenue. As such, Macri insisted that his government will continue to try to reduce the fiscal deficit by reducing spending, as agreed in the SBA.

In this sense Macri said that it was critical that congress approves an adequately austere 2019 national budget in order to meet the 1.3% of GDP fiscal deficit target set in the SBA. He did not offer any more details on how this would be achieved. But his message was clearly directed at the political opposition to work with his administration to approve a budget that introduces sufficient spending cuts to meet the targets set in the SBA. Macri has also sought to persuade (mainly opposition Peronist) provincial governors to embrace the need to reduce the fiscal deficit.

Earlier in the week, on 16 July, a group of opposition political leaders, trade union leaders, and national deputies from the main opposition Partido Justicialista (PJ, Peronists) signed an open letter addressed to the IMF managing director, Christine Lagarde, in which they expressed their repudiation of the SBA. They described the terms of the deal as "odious and execrable" noting that it was signed by the Macri government without congressional or public consent. The letter warned that the signatories would do everything within their power to oppose the implementation of the agreement, and even threatened to challenge it in the courts.

BRAZIL | POLITICS & ECONOMY

Gomes targets the Boeing-Embraer deal

The centre-left presidential hopeful **Ciro Gomes** said on 17 July that, if elected, he would stop the planned US\$4.75bn joint venture between US aviation giant Boeing and Brazil's Embraer. His move may be designed to boost his appeal to nationalist and left-wing sentiment.

The Boeing-Embraer deal has been under discussion for months. Full details have yet to be hammered out. In its current shape, Boeing is set to acquire 80% of Embraer's commercial aviation unit; Embraer's defence division would not be affected by the takeover.

The two companies are not expected to finalise the deal until early 2019, after the next Brazilian head of state takes office (which is set to happen on 1 January 2019). Therefore, it is the next president who is likely to be called upon to give the final approval. But during a meeting with business leaders in the city of São Paulo, Gomes said that, if elected, he would not approve the joint venture: in his view the deal is "hostile" to Brazil's interests and a threat to the country's national security.

Gomes confidence

Ciro Gomes has expressed his conviction that he will make it through to the second round of presidential elections, which would be held on 28 October, without the endorsement of former president Lula da Silva who he describes as “an old friend of 30 years with whom I agree and disagree”.

Targeting the Boeing-Embraer deal may be a way for Gomes to raise his profile in the election race. Assuming former president Lula da Silva (2003-2011) is prevented from standing because of his conviction for corruption, Gomes is currently lying in third place with around 8% support, behind extreme right-winger Jair Bolsonaro (17%) and centre-left rival Marina Silva (13%). Gomes needs to build support. His small Partido Democrático Trabalhista (PDT) is currently sounding out the Partido Socialista Brasileiro (PSB) for a possible alliance.

Gomes has been publicising an unorthodox mix of economic policies, not all of them statist in inspiration. Nelson Marconi, his policy director, has said a Gomes government would end the monopoly on refining operations exercised by the state-run oil company Petrobras, and promote competition in the sector. This could put Gomes on a collision course with the Petrobras unions.

On the other hand, Gomes opposes the recent auctions of upstream offshore oil and gas exploration and production rights, arguing that the current government led by President Michel Temer lacked the legitimacy to modify terms and sign the new contracts. He proposes voiding the contracts and paying compensation to the oil majors involved, which include Exxon Mobil, Shell, and BP.

Otherwise, Gomes is advocating a strong state (for example through proactive lending by the state development bank Bndes) and fiscal discipline. He talks about increasing the share of investment in GDP, and of achieving pension and tax reform, through an interventionist state where necessary.

Gomes, a former governor of the north-eastern state of Ceará, and briefly a former finance minister (1994-1995), has a reputation for shooting from the hip, to the point that some say his short temper and off-the-cuff comments could be an electoral liability. They certainly were when he ran for the presidency in 2002, when he lost ground to Lula (the victorious candidate) after calling a voter “stupid” and saying that his then-wife’s role was limited to “sleeping with me”.

In recent interviews, Gomes has insisted his proposal for Brazil is a “centre-left project”, not a left-wing one, and that he is the candidate best-equipped to stop Bolsonaro on the far right. But Marco Antonio Carvalho Teixeira, a political science professor at Brazil’s higher education institution Fundação Getúlio Vargas (FGV), says it could be difficult for Gomes to show his softer, more toned down side to the electorate, in any confrontation with Bolsonaro. His challenge, says Carvalho Teixeira, will be to find a way to “escalate the debate against Bolsonaro without going too far” – in other words, without losing his temper.

BRAZIL | POLITICS

Evangelical mayor under fire

Protest votes do not always solve the problem that the voters want fixed. In October 2016, angry over corruption and mismanagement, no less than 59% of voters in the city of Rio de Janeiro chose Marcelo Crivella, a political outsider and former evangelical bishop, as their new mayor. Less than two years on, Crivella faces accusations of impropriety; he has narrowly escaped impeachment and may still struggle to complete his term in office.

Crivella, a member and former bishop in the controversial Igreja Universal do Reino de Deus (Universal Church of the Kingdom of God), won the elections in part by playing down his religious affiliations and promising to run the city for all its residents. But, according to the latest accusations against him, Crivella has deliberately sought to favour his fellow believers.

Crivella's survival

If Rio de Janeiro Mayor Marcelo Crivella is to stay in office, he will most likely have to give much more power to his centrist allies. Some local analysts say real power in the city has already shifted to Crivella's chief of staff, Paulo Messina, a member of the PMDB.

According to newspaper *O Globo*, at a recent meeting with 250 evangelical leaders, Crivella promised he could help members of their flocks skip waiting lists in the public health system and get fast-track treatment for a range of medical conditions, including operations for cataracts, varicose veins, and vasectomies.

Crivella also reportedly offered to help evangelical churches get exemption from the urban land tax (IPTU); exemption is available for all churches, but requires a complex and lengthy procedure which, it appears, Crivella was offering to fast track for like-minded religious groups. Crivella also offered assistance to get bus stops, speed bumps, and traffic lights built near churches.

On 12 July Crivella managed to survive a vote on whether to launch an impeachment process against him in the Rio de Janeiro City Council. Although Crivella's Partido Republicano Brasileiro (PRB) is in a minority, his alliance with the Partido do Movimento Democrático Brasileiro (PMDB), the party to which President Michel Temer belongs, and other centrist parties, appears to have held up (*see sidebar*). Councillors voted 29-16 not to initiate impeachment proceedings.

But the legal threats to Crivella's rule as mayor are not over yet. Federal judge Renato Borelli has opened an investigation into allegations that, in his previous role as minister for fishing (2012-2014), Crivella overpaid private contractors by around US\$106,000 for work on glass windows and mirrors in the ministry building. As part of this investigation the judge has ordered a freeze on some BRL3.1m (US\$805,000) held in Crivella's personal bank accounts.

A Rio de Janeiro court, meanwhile, has issued 12 specific restrictions on Crivella's role as mayor. These include a ban on conducting a census on the religious beliefs of city employees; a ban on giving members of specific churches priority access to public services; and a ban on subsidising, or otherwise favouring, religious groups.

Violation of any one of these restrictions could lead to Crivella's removal from office pending trial. The Rio de Janeiro public prosecutor's office (Ministerio Público – MP) has also opened an investigation.

Homicide rate still rising

The Rio de Janeiro electorate may also be dissatisfied with Mayor Crivella because of his inability to contain the crime wave in the city. However, the reality is that the city's search for a saviour on the law and order front is not proving very successful. The hopes of some were raised in February when President Michel Temer ordered the army to take overall responsibility for public security in the city. Yet after six months of militarised security, amid a mixed batch of data, there is little evidence that Rio has actually become a safer place to live.

According to official sources, the number of people who died during operations by the police and army in June was 155, up by 60% on the same month in the preceding year, and up by 9.2% on May 2018. However, the number of total homicides in June was 375, a fall of 3.8% on June 2017.

According to a report by Universidade Cândido Mendes in Rio de Janeiro, in the five months since military intervention began, the murder rate has increased by 80% and the number of recorded shootings has increased by 37%. The report was critical of the authorities, saying a lot of money and resources was being spent on operations, while there was very little investment in intelligence gathering.

Perhaps bearing out this criticism, a major sweep against crime gangs on 16 July involved the deployment of 4,300 soldiers and 200 police, but led to only six arrests.

Corruption cases spell fresh trouble for ruling elite**Abbott's days numbered?**

On 13 July the supreme court accepted an appeal presented on 10 July by various members of Chile's political opposition to remove attorney general (AG) Jorge Abbott for "manifest negligence in carrying out his functions". The petition accuses Abbott, who is the cousin of Alfredo Moreno (currently the minister for social development and a former president of Penta), of inappropriate meetings with UDI leaders, including the current justice minister, Hernán Larraín, and of influencing the course of the case.

Recent rulings in relation to two high-profile corruption cases involving illegal campaign finance, which broke under the previous Nueva Mayoría coalition government led by former president Michelle Bachelet (2006-2010; 2014-2018), are again causing discomfort for politicians of all political stripes. Further casting doubt over the handling of the two cases – involving Penta, a local diversified investment fund, and Sociedad Química y Minera (SQM), a local chemicals and mining group – the supreme court has declared admissible an appeal against Attorney General (AG) Jorge Abbott – a move unprecedented in the 20 years since his office was created (*see sidebar*).

The first rulings came on 4 July when Santiago guarantees judge Daniel Aravena announced that three individuals linked to the Penta case – Pablo Wagner, a former deputy mining minister (2010-2012) under President Sebastián Piñera's first government (2010-2014), and Penta's founders Carlos Alberto Délano and Carlos Eugenio Lavín – would see charges against them lessened, with those relating to bribery removed. As a result, Wagner will just be sentenced for tax offences and illicit enrichment, while Lavín and Délano are to be sentenced solely for tax offences.

Five days later regional attorney Pablo Gómez announced various charges, including tax offences and bribery, against 16 individuals in relation to the SQM case. Those facing charges include Patricio Contesse, SQM's former general manager (1990-2015); Pablo Longueira, former economy minister (2011-2013) and former senator for Unión Demócrata Independiente (UDI – part of the ruling Chile Vamos coalition, along with Renovación Nacional [RN]); Senator Jorge Pizarro of the centre-left opposition Democracia Cristiana (DC); and Marco Enríquez-Ominami, a former presidential candidate now of the Partido Progresista (PRO). Fulvio Rossi, a former senator (2010-2018) from the NM's Partido Socialista (PS), was acquitted.

The rulings in relation to the Penta case in particular have been condemned by organisations like the state defence council (CDE) – a public agency that defends, represents, and provides legal advice to the Chilean state over its proprietary and non-proprietary interests – and NGO Ciudadano Inteligente, both of which had filed the bribery accusations. With the CDE having announced on 12 July that it would appeal the rulings, the two organisations have also expressed outrage over a further ruling by Aravena which excludes them from the proceedings of the case in which the court is accepting Chile's tax administration (SII) as the only legitimate plaintiff.

Justice?

In relation to the Penta case, the UDI's Jovino Novoa, a former senator (1988-2014), was the first to be convicted for tax offences, receiving a three-year sentence in 2015, which he is serving under house arrest. Laurence Golborne, a former cabinet minister (2010-2012), was accused of tax offences in 2016 although the charges have yet to be formalised. Golborne is currently a member of the SQM board. In 2015 Senator Iván Moreira (UDI) was charged but reached a deal in January 2018 with the courts allowing him to pay a fine of Cl\$35m (US\$53,000) in exchange for the case against him being dropped.

As regards the Penta case, Giorgio Martelli, who collected electoral campaign funds for Bachelet in 2013, and Claudio Eguiluz, the RN regional president for Biobío and an adviser for the Piñera campaign in 2005, were sentenced in June 2017 and November 2017 respectively, both to an 800-day open prison sentence for tax crimes and a Cl\$2.8m fine.

Setback for Ortega as OAS issues firm resolution

The foreign community is stepping up its rhetoric against the Frente Sandinista de Liberación Nacional (FSLN) administration led by President Daniel Ortega in response to the ongoing crackdown on protesters, carried out by the national police (PNN) and pro-government paramilitaries, which began mid-April and has left 351 people dead on the latest (11 July) figures from local human rights NGO ANPDH. This week the Organization of American States (OAS) issued a resolution condemning the violence and calling for early elections. The move followed an escalation in violence in recent days which was widely condemned regionally and internationally. Doubts persist as to whether this will force any concessions from Ortega given his intention of clinging on to power at any cost.

Over the weekend of 15-17 July at least 12 people were killed, including two students, after shots were fired at a church in Managua, where some 150 students sought shelter after the university campus of the Universidad Nacional Autónoma de Nicaragua (UNAN), which they had been occupying since early May, came under attack by paramilitaries. The other 10 people were killed when government forces attacked the Monimbó district of Masaya, the capital of the eponymous department (and historically an FSLN bastion, now stronghold of the opposition). A further attack on Masaya the following day left three people dead, enabling the government to take control of the city.

This violence had already elicited condemnation from figures such as Federica Mogherini, High Representative of the European Union (EU) for Foreign Affairs and Security Policy; United Nations Secretary-General António Guterres, as well as the US State Department and 13 Latin American countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, and Uruguay). Mogherini described as “deplorable...the acts of violence against students and civilians in Nicaragua as well as the delays in providing urgent medical assistance for the wounded.” Guterres condemned “the ongoing violence against civilians”. The US State Department warned that “every additional victim of this violence and intimidation campaign further undermines Ortega’s legitimacy”.

In a further diplomatic setback for Ortega, on 18 July the OAS passed a resolution which condemned the acts of violence in Nicaragua; called on all sides to participate “actively and in good faith” in the national dialogue; and urged the government “to support an electoral calendar”, jointly agreed, in the context of the national dialogue process (currently suspended) being brokered by the Catholic Church. This is an allusion to calls to bring elections, which are scheduled for 2021, forward to March 2019, although Ortega has outright rejected this proposal.

With the OAS resolution in particular likely to provide a boost to the opposition, and Ortega increasingly isolated (as well as Nicaragua, only Venezuela and St Vincent and the Grenadines voted against it), the international response has yet to make a difference to Ortega. Neither, seemingly, has a 24-hour national strike, staged by the influential private sector lobby Cosep, on 13 July. This is the second strike, after that which took place on 14 June [[WR-18-24](#)], a move unprecedented in recent years. Instead the UN has expressed concerns that violence could in fact intensify ahead of the 19 July anniversary of the overthrow of the Somoza dictatorship (1936-1979), when FSLN followers traditionally take to the streets in support of the government.

Disappearance

Concerns are rife regarding the disappearance of Medardo Mairena, the coordinator of national protest group Consejo Nacional en Defensa de Nuestra Tierra, Lago y Soberanía. Mairena was last seen on 13 July when he was arrested by the national police (PNN) at Managua airport.

Fresh crisis as PM quits over fuel price rises

The decision by the Parti Haïtien Tèt Kale (PHTK) government led by President Jovenel Moïse to increase fuel prices has sparked the biggest crisis since he took office in February 2017. Following outrage over the decision, which was in line with a deal struck earlier in the year with the International Monetary Fund (IMF), which has since been reversed, Prime Minister Jack Guy Lafontant tendered his resignation, ahead of a no confidence vote, taking his 18-member cabinet with him. This leaves Moïse in the all-too-familiar position faced by his predecessors, of finding a replacement acceptable to the bicameral legislature (in which the PHTK has the biggest representation but not a majority) which must ratify the new PM and his government plan.

On 6 July President Moïse announced his government's plan to raise prices of petrol, diesel, and kerosene by 38%-51%. This was in line with a six-month deal struck in February 2018 with the IMF aimed at "mobilising revenues and rationalising current expenditure, to make room for critical public investment in infrastructure, health, education, and social services". Part of this included measures to "eliminate excessive subsidies, including on retail fuel" as the IMF argues that generalised fuel subsidies "disproportionately benefit the well off and prevent other priority spending on items such as health and education". The Haitian government would then have been able to ink a long-term deal with the IMF, which would provide access to budget support from other donors.

Such a move was always going to be contentious given that Haiti remains the poorest country in the Americas (*see sidebar*) with any rise in living costs likely to result in unrest – particularly given that kerosene, the fuel on which the poor most rely, would have seen the greatest increase. Following the announcement of the price rises, protests began in Port-au-Prince, the capital, spreading to Les Cayes commune (Sud department), Cap-Haïtien commune (Nord department), and Malpasse town (Ouest department) on the border with the Dominican Republic. Local press reports vary as to the violence but between three and seven people were reportedly killed in the protests. International airlines cancelled flights in and out of Haiti, and the United Nations Security Council issued a statement on 12 July "strongly condemn[ing] the recent violence in Haiti".

Already unpopular for its perceived failure to address corruption [[WR-18-09](#)], the Moïse government has come under heavy fire over the debacle. On 9 July the leading business lobby, Forum Economique du Secteur Privé, issued a statement condemning the violence for which it blamed "a lack of leadership from the highest authorities of the Haitian state". The statement went on to urge Moïse to ask Lafontant "to submit, without delay, his resignation and that of his government in order to offer a way out of the current political stalemate". With other sectors such as human rights group Collectif du 4 décembre, Haiti's Catholic Episcopal Conference, and the national federation of Haitian mayors echoing these calls, Lafontant's fate appeared sealed when the lower chamber announced plans to hold a vote of no confidence on 14 July, prompting him to quit.

Moïse has yet to reveal any possible choices of candidate to replace Lafontant, a gastroenterologist, and reportedly his close personal friend. However, the immediate issue regarding fuel prices has yet to be resolved. The government has suspended the increases but, in a 12 July press briefing, IMF spokesperson Gerry Rice said that Haitian authorities were working on a revised reform plan which, the IMF believes, would still include a lowering of petrol fuel subsidies, albeit in stages. This suggests that even if a new prime minister and cabinet is installed swiftly the unrest which forced out Lafontant could well resurface.

Poverty

According to the World Bank, more than 6m out of 10.4m Haitians (59%) live below the national poverty line of US\$2.41 per day, while over 2.5m (24%) live below the national extreme poverty line of US\$1.23 per day. A February report by the Economic Commission for Latin America & the Caribbean (Eclac) said that inflation remained high at an average annual rate of 14% in 2017.

Bukele fights for right to run for presidency

The constitutional chamber of the supreme court ordered the supreme electoral tribunal (TSE) last week to cancel the legal registration of two small left-wing parties, the Partido Social Demócrata (PSD) and Cambio Democrático (CD). At first blush this might not seem particularly significant: neither party has a legislative presence. But it could be decisive in the outcome of the presidential elections in February 2019. Why? Because just two weeks earlier, the former mayor of San Salvador, Nayib Bukele (2015-2018), began talks with the CD to run for president on the party's ticket following the TSE's ruling that Bukele's new party had not met the registration requirements. Recent polls show that Bukele is the presidential frontrunner and could break El Salvador's political duopoly.

The TSE issued two resolutions in 2015 explaining that it had decided not to cancel the registration of the two parties despite neither of them mustering the minimum threshold of 50,000 votes in that year's legislative elections. The TSE ruled that Article 47 of the law of political parties establishing this threshold contravened the commitment to political pluralism enshrined in the constitution. The constitutional chamber has now declared these resolutions to be "non-existent", ruling that the TSE did not have the necessary quorum when issuing them. It has ordered the TSE to wind the parties up.

The timing of the ruling by the constitutional chamber was eye-catching. On 21 June, Bukele announced that he was finalising "a strategic alliance" with the CD allowing him to compete in its internal elections on 15 July and, crucially, to seek the presidency on the party's ticket in February next year. Bukele began talks with the CD after accusing the TSE of trying to thwart his presidential ambitions by refusing to register his new party Nuevas Ideas.

It is easy to see Bukele's attraction for the CD. If even some of his stardust had rubbed off on the party, the alliance could have catapulted it into contention, competing for dominance on the Left with the ruling Frente Farabundo Martí para la Liberación Nacional (FMLN), which suffered a humbling defeat in legislative and municipal elections in March this year. Early polls put Bukele comfortably ahead of the presidential candidate of the opposition right-wing Alianza Republicana Nacionalista (Arena), Carlos Calleja, with the FMLN's Hugo Martínez a distant third.

Juan José Martel, the secretary general of the CD, said that "when Calleja asked us in private to forge an alliance with Arena, we respectfully declined because we had started talks with Nayib Bukele and Nuevas Ideas, and this is why they are abolishing us". Bukele slammed the constitutional chamber's decision, accusing the magistrates of trying to "impose their candidate, that of Arena, on the people of El Salvador".

Bukele's accusation might sound like sour grapes, but the FMLN and Arena have significant influence over El Salvador's state institutions and both of them have a vested interest in seeing him excluded from the electoral process. The FMLN has long accused the constitutional chamber of having a political agenda, favouring Arena in its rulings. The magistrates on the constitutional chamber would not be alone among members of the country's judiciary and government institutions in having reservations about Bukele, an anti-system candidate who favours a restructuring of the state, and political and judicial reforms.

Bukele announced this week that he will meet the secretary general of the Organization of American States (OAS), Luis Almagro, on 20 July, to outline "this attempt to reverse our democracy".

Legal status

In reference to the contentious ruling, the TSE magistrate Miguel Ángel Cardoza said the constitutional chamber had taken "more than two years to resolve this matter and we will take less than one month". Such was the constitutional chamber's delay in reaching their verdict that the CD has since competed in the 2018 legislative elections during which it won one seat, which is sufficient to retain a party's legal status.

Quotes of the week

“No more politicking, no old style traditional politics.... The people don't want corrupt, arrogant, false, lying, braggarts as politicians.”

Mexico's President-elect Andrés Manuel López Obrador.

“This is how security is constructed. Not on Mars, not on Jupiter, not in the air.”

Venezuela's President Nicolás Maduro on the country's latest public security 'mission', using 'peace quadrants' to provide community policing.

“Now we've gone from Lava Jato to Lava Juez (Judge), deep down I'm sure we're going to find A's relationship with B, but for now we're moving on Lava Juez.”

Gustavo Gorriti, a journalist for Peru's IDL Reporteros, on the labyrinthine corruption investigation involving Brazilian companies and top politicians, and the latest judicial corruption scheme.

Purge of Ecuador's state institutions deepens

Ecuador's fourth branch of government is wielding a giant axe as it sets about decapitating the country's principal judicial and institutional bodies. The seven members of the Consejo de Participación Ciudadana y Control Social Transitorio (Cpccs-t) were dismissed under February's referendum which, in its place, established a transitional body empowered to evaluate the performance of the country's institutions and undertake any necessary reforms.

The Cpccs-t has not spared the axe. First it dismissed the superintendent of information and communications, widely accused of restricting press freedom, then it fired the ombudsman. When Gustavo Jalkh, the president of the judicial council, Consejo de la Judicatura (CJ), grew querulous, appealing to the constitutional court (CC) to interpret the mandate of the Cpccs-t granted by the referendum, on the grounds that the people had not elected an all-powerful constituent assembly, it reacted by initiating an evaluation of the performance of the CJ which culminated in the dismissal of Jalkh and the body's other four magistrates in June.

The Cpccs-t argued, *inter alia*, that the CJ magistrates had violated its independence through political affiliation with former president Rafael Correa (2007-2017). On 17 July, the Cpccs-t fired all five members of Ecuador's national electoral council (CNE) on similar grounds.

The Cpccs-t criticised partisan rulings by the CNE, such as in 2014 when it threw out a petition by Yasunidos, an advocacy group, to stage a referendum on drilling for oil in the Yasuní national reserve, after declaring that more than 50% of the signatures it presented were invalid. Opinion polls had suggested that Correa would have lost such a referendum had it been held. In the same year, the CNE stripped two parties of their legal status: the Marxist-Leninist Movimiento Popular Democrático (MPD), affiliated to the teachers' unions, and Movimiento Ruptura de los 25, a founding member of the ruling left-wing Alianza País (AP) coalition. Both former allies of Correa, they had become vocal critics, accusing him of betraying the principles of the 'Citizens' Revolution'. Current allies of Correa are accusing President Lenín Moreno of using the Cpccs-t to erase the influence of his predecessor and co-opt the institutions of state for his own gain.



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