

latin american weekly report

20 September 2018, WR-18-37

ISSN 0143-5280

CONTENTS

LEADER	1
Vizcarra's brinkmanship pays off in Peru	
ANDEAN COUNTRIES	
VENEZUELA	3
Intervention in Venezuela has different faces	
BOLIVIA-REGION	5
Embattled Unasur gets shiny new headquarters	
COLOMBIA	6
New 'chuzadas' scandal emerges	
TRACKING TRENDS	
BRAZIL & SOUTHERN CONE	
BRAZIL	7
Divisions deepen in polarised electoral campaign	
ARGENTINA	9
Macri seeks budget backing amid corruption scandal	
TRACKING TRENDS	
MEXICO & NAFTA	
López Obrador uncertain about 'pejenomics'	
TRACKING TRENDS	
CENTRAL AMERICA & CARIBBEAN	
GUATEMALA	13
Institutional crisis looms as Morales flouts ruling	
COSTA RICA	14
Alvarado tested by unions	
POSTSCRIPT	16
Top Chilean judges survive institutional clash	
Quotes of the week	

This edition of *Latin American Weekly Report* has been produced for Canning House Corporate Members by LatinNews (www.latinnews.com).
Latin American Newsletters since 1967

Vizcarra's brinkmanship pays off in Peru

Peru's President Martín Vizcarra scored a notable victory over congress this week, which should lead to the imminent approval of four significant judicial and political reforms and their subsequent presentation to the public in a referendum before the year is out. Constrained by his minimal backing in congress but emboldened by his public support, Vizcarra squared up to the main opposition Fuerza Popular (FP, Fujimoristas), accusing the party of holding up the reforms and calling a vote of confidence in his government. This backed FP into a corner. Accept the reforms or face fresh elections. The party did not accede without protest. With its popularity in tatters, however, it could not risk fresh elections and had no choice but to back Vizcarra.

Widely seen by the political opposition as a stopgap after Pedro Pablo Kuczynski was compelled to resign the presidency in March, President Vizcarra now looks far more comfortable in the position than his predecessor, with a level of popularity that surpasses any Peruvian head of state since the return to democracy after the authoritarian government led by Alberto Fujimori (1990-2000). Buttressed by this public support, Vizcarra delivered a televised address on 16 September, accusing FP of pushing his patience to the limit by sitting on its hands for 40 days after his government had sent its political and judicial reform proposals to congress for urgent attention. As such, Vizcarra said, he would be calling a vote of confidence in his government tied to the approval or rejection of the reforms.

This jolted FP into action. Two days later, with thousands of protesters marching in Lima demanding that congress approve the reforms, it unanimously approved the first of the four reforms to dissolve the disgraced national council of magistrates (CNM) and establish a new selection process of public competition based on merit. The CNM is at the heart of the corruption and influence-trafficking scandal that has rocked the Peruvian establishment.

FP did not take kindly to Vizcarra turning the tables on the party. The president of the congressional justice and constitution commission, FP's Rosa Bartra, railed against reforms that "soil the constitution as if it were toilet paper". If FP had hoped that by approving the CNM reform the government would call off the vote of confidence, however, it would have been disappointed by Vizcarra's response. He thanked congress but proceeded with his original course of action. He appears to have been unconvinced by the assurance offered by the president of congress, FP's Daniel Salaverry, to move swiftly to approve the other three reforms (which directly impact deputies): restoration of a bicameral legislature; a ban on congressional re-election; and the regulation of private financing of political parties and election campaigns.

Golpe

The prime minister, César Villanueva, reacted to FP accusations that the government was carrying out a coup ('golpe') by insisting upon the vote of confidence by pointing out that if this were the case it would not have waited "patiently for 40 days". Villanueva said that the only blow ('golpe') would be against corruption.

The prime minister, César Villanueva, went before congress on 19 September to seek the vote of confidence. The constitution stipulates that if congress denies a vote of confidence twice during one presidential term it results in the dismissal of the cabinet but also empowers the president to dissolve congress and call fresh elections. In essence, Vizcarra made FP pay the price for asserting its dominance over Kuczynski. FP had already denied Kuczynski (whose term Vizcarra is completing) a vote of confidence. The party's loss of popularity since then meant it could not take the risk of fresh elections as it would most likely have suffered a sharp reverse at the polls.

Divide and conquer

Vizcarra succeeded in dividing FP in a way Kuczynski never managed to achieve. After several hours of debate, deputies voted by 82-22 with 14 abstentions to grant the vote of confidence in his government and, by extension, the reforms. A total of 31 FP deputies voted in favour (many kicking and screaming), while 10 voted against (some accusing the government of carrying out a coup d'état), and 12 abstained. "A system of checks and balances is required to live in a democracy; however, some have not accepted this democratic model, inventing the charge of obstructionism [against FP]," Bartra asserted. "This obstructionism only exists in their fevered imagination," she added.

Only by harnessing strong public support could the government put the squeeze on FP. Villanueva acknowledged as much ahead of the vote of confidence when responding to criticism of the government's tactics by saying that "it is the public that has withdrawn its confidence in congress".

After the vote, Vizcarra maintained that "only Peru has won today, there are no winners and losers". But the reaction of the leader of FP, Keiko Fujimori, shortly afterwards belied this. Addressing a rally of supporters in the district of Acarí, in the south-eastern region of Arequipa, Fujimori accused the government of "erecting a smokescreen to conceal its incompetence and avoid confronting real problems". Indirectly alluding to FP's loss of popularity, she said the party had been "blamed for everything".

Fujimori went on to claim that Vizcarra was not interested in "working for the development of the country", adding that "we don't want coups and threats". Social media users were swift to remind Fujimori that her father carried out a genuine coup in April 1992 by disbanding congress and 'reorganising' the judiciary. Vizcarra, by contrast, acted within the constitution. He would never have been in a position to use the threat of dissolving congress to punish FP for its procrastination and compel the party to back his reforms if it had not used the same mechanism of the vote of confidence to apply pressure to Kuczynski beforehand.

What now?

The big questions now are when the three outstanding reforms will be approved and what modifications will be made to them by FP. The justice minister, Vicente Zeballos, initially said that as far as the government was concerned the decision by congress to grant the vote of confidence was tantamount to immediate approval of the reform projects. But they must be debated first.

Salaverry said the reforms would be approved before 4 October, giving the electoral authorities sufficient time to organise a popular referendum on them for 9 December in line with the second round of Peru's regional and municipal elections. The congressional resolution providing the vote of confidence, however, makes no explicit reference to a deadline for the reforms to be approved. Given the incensed reaction of FP deputies, political tensions will not suddenly dissipate.

Intervention in Venezuela has different faces

The Venezuelan government reacted to comments by Secretary General Luis Almagro of the Organization of American States (OAS) this week by claiming that the US was planning a military intervention in Venezuela under the cover of the OAS. Almagro did not overtly support military intervention but he did say that it should not be excluded as an option. Given the long and chequered history of military intervention in Latin America, it was not surprising that the majority of the region's government's reacted by criticising his remarks. Almagro insisted his comments had been taken out of context and that he was fully committed to exhausting all diplomatic options. The debate distracted attention from another intervention in Venezuela which is happening right now: an economic intervention by China. President Nicolás Maduro returned from a visit to Beijing this week, the upshot of which appears to be greater control of Venezuela's resources by China.

Military intervention

Almagro made his contentious remarks during a press conference on 14 September after visiting Venezuelan migrants in the Colombian border city of Cúcuta. Almagro accused the Maduro administration of committing "crimes against humanity" by refusing to allow humanitarian assistance and provoking a mass exodus of migrants. "With regards to a military intervention aimed at overthrowing the regime of Nicolás Maduro we should not exclude any option," Almagro said.

Delcy Rodríguez, the vice-president of Venezuela, promptly denounced what she described as "the demented action of someone who has abusively usurped the position of secretary general of the OAS". Rodríguez went on to accuse Almagro of "promoting military intervention" in Venezuela, harking back to "imperialist ventures in the past", threatening the stability not just of Venezuela but the whole region, and said her government would denounce him before the United Nations (UN).

With the notable exception of the Colombian government led by President Iván Duque, 11 of the 14 governments in the Lima Group, highly critical of the Maduro administration, emphatically rejected "any course of action or declaration involving military intervention or the exercise of violence, threat or use of force in Venezuela". Bolivia's President Evo Morales said the Lima Group statement constituted a "defeat of [US President Donald] Trump's interventionism", citing recent revelations that US officials had met dissident members of the Bolivarian armed forces (FANB) to listen to their coup proposals [[WR-18-36](#)].

Morales did not allude to the second part of the Lima Group statement in which members reaffirmed "their commitment to contribute to the restoration of democracy in Venezuela and to overcome the grave political, economic, social and humanitarian crisis that this country is experiencing through a peaceful and negotiated solution". It was this part of the statement upon which Almagro fastened during a video he released on *Twitter* three days after his remarks in a bid to smooth over differences with the Lima Group, which he said had recognised "the ignominious nature of the Bolivarian dictatorship...hiding in omission, obfuscating the truth, and outright denial, criminal actions of the worst moral category and the worst vileness in social and political terms".

Almagro insisted that when remarking that "no option should be discarded it was assumed that we were speaking of violence, of a military attack, and that

Firemen arrested

Two Venezuelan firemen in the state of Mérida, Ricardo Prieto Parra and Carlos Varón García, have been arrested and face up to 20 years in prison for recording a video of a donkey named 'President Maduro', which has gone viral on social media. In the video, the donkey carries out an inspection of the fire station and is treated as if it were Maduro. The firemen were arrested by military counterintelligence (DGCIM) and face prosecution under hate crime incitement legislation.

Military intervention

Venezuela's constituent assembly accused OAS Secretary General Luis Almagro of being "an agent of US government intervention". It approved a resolution condemning the "constant aggression of the US government, conspiring against the sovereignty and independence of Venezuela", and said it would create a special commission to draw up and present to the country and the world a record of the "systematic process of aggression" against the Venezuelan government.

we favour armed aggression [but] this is not true". He said that he would always adhere to "the framework of the Inter-American System that was created for the protection of democracy and human rights as well as within the confines of public international law". But while claiming that his words had been twisted and that he was committed to exhausting diplomatic options, Almagro insisted that it was incumbent upon the international community not to become "an accomplice through indifference that makes dictatorships perennial", asking rhetorically "was it in accordance with the law to allow the genocide in Rwanda under the pretext of the principle of non-intervention?"

Almagro concluded his video message by saying that the Venezuelan government would love him to leave his position but he would "keep fighting against it anywhere, anyhow, until it falls". The following day, the national constituent assembly (ANC) duly released a statement calling for Almagro's resignation as "a threat to the stability and peace of Venezuela and the wider region [through his] grotesque call for military intervention" (*see sidebar*).

Economic intervention

At the same time the ANC approved a series of cooperation accords paving the way for China's economic intervention in Venezuela. Maduro presented the 28 accords, mainly involving the productive economy, mining and oil deals, upon returning from a four-day trip to China. Maduro said the trip had been a resounding success, accusing the media of reporting erroneously that "Maduro went to China and found nothing, they mistreated him", when the government's economic recovery plan had received "the support of our biggest brother". Rhetorical support might exist but China's actions spoke louder than words. It sought greater control over Venezuela's natural resources and it is not clear what Maduro got in return, certainly not the largesse of days of yore.

Pawning assets?

Maduro agreed to the sale of 9.9% of the shares in the joint oil venture Sinovensa to a Chinese oil company. He did not reveal which company or for how much, but he said the Chinese would own 49% of Sinovensa after the sale goes through. Maduro said that the sale formed part of a massive investment by China to double Venezuela's crude oil production and allow it to export "1m barrels of crude [to China] in the medium term". These grand targets have been set time and time again by the Maduro administration while never being met. On 12 September, the Organization of the Petroleum Exporting Countries (Opec) reported that Venezuela's oil production declined yet again to an average of just 1.23m barrels per day (bpd) in August.

Maduro, who met China's President Xi Jinping in Beijing, also revealed that China's Yankuang Group would participate in "joint gold production" in Venezuela, without providing further details, and China's national offshore oil corporation (CNOOC) would strengthen cooperation with Venezuela's state oil firm Pdvsa in gas exploration and development. Maduro said China would assist with experts to advise the government on an economic development programme, but in the meantime, the country would "fill ships and planes [with] all of Venezuela's exports" to send to China ahead of Shanghai's International Import Expo between 5 and 10 November.

The aspect of Maduro's visit to China which excited most reaction was his return trip via Turkey, where he had a meal at Istanbul's famous Nusr-Et steakhouse run by Turkish chef Nusret Gökçe (better known as Salt Bae). Videos of Salt Bae carving up large steak cuts for Maduro and his wife Cilia Flores went viral on social media, generating a barrage of criticism given food scarcity in Venezuela, especially beef. Maduro defended the visit saying Salt Bae was "a very nice guy who loves Venezuela". He blamed speculators for the national meat shortage and said his government had set in motion a 'special plan for the supply of beef'.

Finding a new purpose

“It is absurd that a building that cost tens of millions of dollars has no practical purpose,” President Moreno said in reference to the headquarters of Unasur’s general secretariat in Ciudad Mitad del Mundo. Moreno wants to see it converted into a university for higher indigenous studies, with the secretariat moving to an alternative building in Quito. The operating costs of the building, for water, electricity, and Internet, are US\$284,000 a year but there are just 31 people carrying out administrative duties working there. According to the founding treaty of Unasur, however, there are only three ways in which ownership of the building would transfer to Ecuador: if Unasur disbands, if Ecuador abandons the bloc, or if all member countries agree to move the headquarters to another country.

Embattled Unasur gets shiny new headquarters

Bolivia’s President Evo Morales inaugurated a state-of-the-art new headquarters for the parliament of the Union of South American Nations (Unasur) on the outskirts of the central city of Cochabamba on 12 September. The only trouble is there are no legislators to sit in the building. Unasur’s 12 member nations determined in 2008 that representatives would be elected to a body emulating the European parliament but they could not agree on its precise constitution and this grand vision now looks like a will-o’-the-wisp. Six member states suspended their participation in Unasur indefinitely in April this year, and in late August Colombia’s President Iván Duque announced his country’s definitive withdrawal from the integration bloc within six months for not just failing to hold the Venezuelan government led by President Nicolás Maduro to account but also its “silence and complicity”.

“This is a historic day for South America,” President Morales said, describing the new Bs\$400m (US\$57.9m) “symbol of South American freedom” in the municipality of San Benito. Morales said Bolivia had financed the building itself, constructed over the last four years. It comprises three separate buildings, complete with heliports, three auditoriums (one capable of holding 1,300 people), myriad debating rooms and press rooms, canteens, and water treatment facilities.

“It has all the latest technology to provide a service that Bolivians really need,” the public works minister, Milton Claros, said. It is not clear how many Bolivians will actually benefit from it though. Morales said it could be used for international summits and national meetings, graduation ceremonies, and even weddings. It will need to supplement its main function as a South American parliament as there will not be permanent legislators, as envisioned when Unasur took shape, but rather occasional meetings of representatives of the region’s legislative bodies.

Morales confidently asserted that there was “no turning back” for Unasur but with Colombia leaving, and Argentina, Brazil, Chile, Paraguay, and Peru having suspended their membership, ostensibly because of a failure to agree upon a new secretary general, it does not augur well for the bloc’s future. For one thing, Colombia supplied 11% of the Unasur budget in 2017; Brazil, 39%. In a visit to La Paz in late August, Brazil’s foreign minister Aloysio Nunes said he favoured reform of the bloc and called for the Bolivian government, which holds the pro tempore presidency, to “avoid sterile polarisation”.

Amid uncertainty over Unasur’s future, the Bolivian political opposition accused the Morales administration of squandering state funds by building a white elephant. Ecuador’s President Lenín Moreno branded the permanent headquarters of Unasur’s general secretariat in Ciudad Mitad del Mundo, just north of Quito, with the same tag in July [[WR-18-27](#)], saying that “another purpose” would have to be found for the building (*see sidebar*).

Ecuador’s foreign minister José Valencia stressed on 12 August that his government was not thinking of leaving Unasur but he called for its working agenda to be “cut back” because “members want to reduce their budget”. He said Unasur should focus on coordinating defence and security initiatives, infrastructure integration, disaster prevention and mitigation, and public healthcare, subordinating ideology to integration, as its agenda had essentially been infused with 21st century socialism. Valencia argued that once a consensual agenda could be reached (and Unasur coordinators will meet in Uruguay this month), a new secretary general could be agreed upon.

New 'chuzadas' scandal emerges

A new scandal involving the illegal wiretapping of mobile phones (locally known as 'chuzadas') of high-profile government officials has broken out in Colombia. The country has been here before on numerous occasions in recent years, raising concerns that the authorities have yet to come to grips with the practice. The fact that the new scandal implicates a previously respected former police chief suggests that this is an intractable security problem that the authorities may struggle to resolve in the medium term.

The new chuzadas scandal broke in early August when the authorities arrested three individuals suspected of tapping the phone of the attorney general, Néstor Humberto Martínez: retired army officers Colonel Carlos Andrés Pérez Carmona, Mayor Luis Mesías Quiroga, and Lieutenant Colonel Jorge Humberto Salinas Muñoz. The arrests led the authorities to María Alicia Pinzón Montenegro, a former official at the information technology & communications ministry (TIC), who prosecutors believe was hired to hack into the attorney general's phone to steal information.

On 12 September the attorney general's office announced that as part of the investigation it had detained Humberto Guatibonza, a retired national police (PNC) general who led the Bogotá metropolitan police and the PNC's national anti-kidnapping and anti-extortion unit (Gaula). According to prosecutors, Guatibonza, a highly decorated officer that served in the PNC for 35 years until his retirement in 2016, was one of the main figures in a criminal ring dedicated to illegally intercepting sensitive information from government officials in order to sell it on to interested individuals. Prosecutors said the ring used security firms located in the cities of Bogotá, Cali, and Ipiales as fronts for the illicit operations.

One of the two suspicious firms, A&G Seguridad, was registered in Guatibonza's name. It is believed that Guatibonza was not only fully aware of the illegal operations that targeted government officials, politicians, firms, and members of the judiciary but also that he offered his firm's illegal wiretapping services to high-profile individuals including businessmen and politicians. The authorities revealed that among the suspected clients is Senator Armando Benedetti of the Partido de la U (PU), who has been implicated in numerous corruption scandals and is currently being investigated by the supreme court. This fuelled speculation that the arrest of Guatibonza could lead to further revelations about who has been spied on in the country.

Further raising concerns about the threat that chuzadas represent in Colombia, the local press reported that prior to Guatibonza's arrest President Iván Duque considered appointing him as the head of the national intelligence agency (DNI), Colombia's civil intelligence agency. According to the press reports, Duque met Guatibonza to discuss the role but his arrest came soon afterwards.

TRACKING TRENDS

COLOMBIA | **Cutting red tape to boost jobs market.** On 13 September Colombia's President Iván Duque announced the implementation of a raft of measures designed to cut red tape and encourage entrepreneurialism. In his first year in office Duque, who assumed office last month, has promised to reduce by 50 the number of requirements needed to found and run a company in Colombia, a move which he hopes will inspire the creation of new businesses that will provide quality jobs.

The changes are part of a drive to reinvigorate the Colombian economy through innovation, improved access to finance, and the promotion of the 'orange economy', which comprises the creative industries.

Targeting Ecuador

The Colombian media has reported that those arrested in connection to the latest illegal wiretapping scandal told prosecutors that the criminal ring of which they formed a part was in the process of expanding its operations to Ecuador. According to the local press, one of those detained has said that the plan was to obtain sensitive information that the Colombian authorities may have about the movements of the criminal groups that operate in the Colombia-Ecuador border area so as to offer the information to the Ecuadorean authorities. Notably, one of the cities where the criminal ring operated, Ipiales, lies on the border with Ecuador.

Divisions deepen in polarised electoral campaign

Brazil has just over two weeks to go before the first round of its most uncertain presidential election in recent history, on 7 October. This week has seen the Partido dos Trabalhadores (PT) candidate Fernando Haddad make important gains, moving ahead of **Ciro Gomes**, of the left-wing Partido Democrático Trabalhista (PDT). Far-right candidate **Jair Bolsonaro**, of the Partido Social Liberal (PSL), maintains his position as frontrunner.

The results of an electoral opinion poll released by polling institute MDA on 17 September show quite a change from last week. They were confirmed by Ibope and Datafolha's latest polls released on 18 and 19 September respectively. MDA attributes 28.2% of voting intentions to Bolsonaro and 17.6% to Haddad. They are followed by Gomes (10.8%); **Geraldo Alckmin** of the centre-right Partido da Social Democracia Brasileira (PSDB – 6.1%); and **Marina Silva**, representing the Rede Sustentabilidade (Rede) party on the centre-left (4.1%).

What these results show first of all is fast-diminishing support for the political centre. Silva was until recently vying with Gomes for second place in the opinion polls. She now finds herself in a technical tie with **João Amoêdo**, a businessman representing the Partido Novo (2.8% of voting intentions), Senator **Alvaro Dias** of Podemos (1.9%), both virtually unknown, and the candidate for the unpopular incumbent Movimento Democrático Brasileiro (MDB), **Henrique Meirelles** (1.7%). The MDA poll also gives Silva the highest rejection rates out of all candidates, with 57.5% of respondents saying they would never vote for her.

Alckmin has similarly high rejection rates (53.4%) and has also seen a drop in support, belying predictions that he would benefit from the official television and radio advertising which began at the start of the month. Alckmin refuses to accept himself as beaten however, and remains confident that he will make it to the expected second round of elections, saying that polls represent but a snapshot in time. Speaking to foreign correspondents in Brasília this week, he warned against the “two terrible populist adventures” that Haddad and Bolsonaro would represent for the country, on either the Left or the Right.

The electoral campaign is not only becoming increasingly polarised between the Left and the Right, but also between those who support former (PT) president **Lula da Silva** (2003-2011), and those who vehemently oppose him.

Bolsonaro, who remains in semi-intensive care in hospital after being stabbed two weeks ago, focuses his online campaign on appealing to the latter group. In an emotional video broadcast live on social media last weekend, he did not hold back in his criticism of Haddad and the PT, implying that a PT government would lead Brazil down the same path as Venezuela, and cast doubts over the legitimacy of the electoral process, suggesting that if he loses the election it will be because the country's electronic voting system has been rigged.

Rosa Weber, president of Brazil's electoral court (TSE), immediately responded to this suggestion of fraud by insisting that the electronic voting machines are reliable and auditable. The president of the supreme court (STF), **José Antonio Dias Toffoli**, further noted that Bolsonaro, who has been a federal deputy since 1991, has always been elected through the electronic voting system.

Projections for a hypothetical second round between Bolsonaro and Haddad show that the race would be a close one, and although some polls give Bolsonaro more support, analysts believe that the far-right candidate would lose.

No pardon for Lula

Fernando Haddad has said that he will not grant a presidential pardon to former president Lula if he is elected, after comments from both within the PT and its opponents suggested that he would do so. Lula himself has said that he does not need any favours, but wants the judiciary to recognise its mistakes.

The markets' candidate

Jair Bolsonaro has promised to cut taxes, in a move which is clearly aimed at building support amongst Brazil's financial and business sectors. Although Bolsonaro lacks economic expertise, the markets are warming to the extreme-right-wing candidate as their preferred alternative to a PT government.

Since being announced as the PT's candidate last week, after Lula was forced to abandon his presidential bid, Haddad has embarked on a campaign to convince Lula's supporters that he is the popular former president's embodiment. Whereas twice-former president Lula is a well-known figure with a strong support base, especially amongst the country's lower classes who benefitted from social programmes implemented during his presidency, Haddad is both less popular and less well known. His challenge has been to raise his profile amongst an electorate that barely knows his name. His surge to second place in the polls suggests that he is being successful, although he remains unknown to 8.7% of the electorate, the highest proportion amongst the five top candidates.

Haddad has also had to compete with Gomes for left-wing votes. The PT had until fairly recently held out hope for a left-wing coalition with the PDT, going so far as to offer Gomes the position of Lula's running mate (the offer was rejected). Gomes, who has support amongst the educated left-wing electorate, has been openly critical of Haddad, casting doubt over his credibility as a candidate. Haddad, however, has said that they are both on the same side, and that he would vote for Gomes over any other candidate in a hypothetical second round. If, as the polls suggest, the PT candidate faces Bolsonaro in the likely run-off on 28 October, he knows that a potential victory will depend at least in part on Gomes' support.

Targeting the female vote

The Datafolha and Ibope polls show a clear social divide in the electorate. Bolsonaro's support is concentrated amongst the better-off and more educated segments of society, and is stronger in the wealthy southern states. In contrast Haddad has seen his support increase most significantly amongst the least-educated and poorer sectors of society, as well as in the north-east.

A lot of attention is being given to the female electorate. Women represent 52.5% of the 147.3m voters in Brazil, and more of them remain undecided over who to vote for (7% of female voters are undecided versus 3% of male voters). Almost half of them (49%) say they would never vote for Bolsonaro, who is known for his sexist comments and attacks on women. Capturing the female vote could therefore be key in determining any candidate's victory over Bolsonaro in a second round.

Bolsonaro is aware of this. An anti-Bolsonaro feminist *Facebook* group, called 'Women United Against Bolsonaro', saw its following grow to 2m after it was hacked last week, and the hashtag #elenão (him no) is being used on social media in rejection of the far-right candidate. In response, Bolsonaro's campaign has shared videos of the candidate with his eight-year old daughter and messages rejecting sexual violence. In a move that attempts to appeal to both the female and anti-Lula electorate, Bolsonaro's son Carlos has criticised the PT for leaving Haddad's running mate Manuela d'Ávila of the Partido Comunista do Brasil (PCdoB) on the side-lines of its campaign.

Democracy under threat?

The belief that Brazil's democracy is being eroded had so far been the PT's refrain, maintained ever since former president Dilma Rousseff (2011-2016) was impeached by congress, in a move that the PT continues to call a 'coup'. However, as the presidential campaign becomes increasingly divisive and even toxic, concern has begun to emerge from other quarters. Bolsonaro's running mate General Antônio Hamilton Mourão has caused alarm by openly supporting the possibility of an armed coup in the past, and by saying last week that Brazil's 1988 constitution could be re-written without consulting elected representatives.

Macri seeks budget backing amid corruption scandal

Argentina's federal congress began debating the draft budget for 2019 this week. Given the importance of the vote, and the government's reliance on the support of the main Partido Justicialista (PJ, Peronists) for its passage through congress, President Mauricio Macri could have done without the decision by Judge Claudio Bonadio accusing his predecessor Cristina Fernández (2007-2015) of leading a huge corruption network. At any other time Macri might have welcomed the development on the grounds that it could sink any chance of a revival in the fortunes of his main rival ahead of presidential elections in just over a year from now. But right now he does not need the PJ being side-tracked.

Finance Minister Nicolás Dujovne presented the government's austere draft budget for 2019 to the federal congress on 17 September. The belt-tightening measures announced by Dujovne include streamlining public administration by downsizing, merging, or eliminating a dozen cabinet ministries; slashing all non-essential spending; and restricting spending on public works projects to those already begun. Dujovne said the spending cuts would enable the government to balance the budget, reducing the fiscal deficit from 2.6% this year to zero in 2019.

Dujovne predicted a -0.5% economic contraction in 2019 (and -2.4% this year) with inflation of 23%. Both of these forecasts look optimistic. The Macri administration has consistently failed to meet its inflation targets, and the depreciation of the peso has built up more inflationary pressure. Two days after Dujovne's budget presentation, the national statistics institute (Indec) revealed that GDP contracted by 4.2% year-on-year in the second quarter, dragging growth for the first half of 2018 down to 0.5%. The second-quarter figure broke a run of five consecutive quarters of growth due to a combination of the currency crisis and the severe drought which ravaged agricultural exports.

The Macri administration calculates that an austere budget is the only way to recover the confidence of the financial markets and thus halt the peso's freefall. It is also a sine qua non for early disbursement of the US\$50bn Stand-By Arrangement (SBA) with the International Monetary Fund (IMF). Dujovne told congress, however, that while the government's budget was "austere" it had "clear priorities" to support the most vulnerable sectors of society. He said that social security spending would increase by 35% (faster than predicted inflation but not necessarily actual inflation) and spending on food programmes by 60%. He also promised that any increase in water, gas, and electricity tariffs would not exceed inflation.

The government is confident that provincial governors, the majority of whom belong to the PJ, are aware of the need to secure a zero deficit. President Macri invited all of the governors to the presidential palace Casa Rosada on 12 September to explain the importance of joint cooperation. Obtaining the support of provincial governors is vital for the Macri administration as federal senators essentially answer to them. The interior minister, Rogelio Frigerio, said that the "central characteristics" of the budget had been agreed with the governors when they met Macri, but deputies and senators would be at liberty to tweak it.

Corruption network

Persuading the PJ to accept the budget and fast-track its approval would be no mean feat, and the Macri administration would have been keen to avoid rocking the boat before achieving this. In this sense, the timing of the decision by Judge Bonadio to charge (now-senator) Fernández with leading a large corruption network, and to urge the senate to strip her of her immunity from prosecution, was far from ideal. There is no love lost between

De la Sota killed in road accident

The PJ currently has no clear alternative to former president Fernández to run for president in October 2019. One presidential aspirant who had been seeking to reunite Peronism, José Manuel de la Sota, died in a road traffic accident on 15 September. De la Sota, a former governor of the province of Córdoba, had said he was prepared to sign a commitment to stand for just one term in office.

More corruption allegations

José López, a long-serving public works secretary during the Fernández administration who was arrested in 2016 after being caught tossing bags containing some US\$9m over a convent wall, sought to negotiate his own plea-bargain this week. López claimed that he was in “no doubt” that the money came from Fernández, saying that he believed he was following her orders. Meanwhile, Luis Betnaza, director of the local construction firm Techint, admitted to paying former Kirchnerista officials to try and secure a US\$2bn compensation payment from the Venezuela government over its expropriation of Techint’s Sidor firm in 2008.

much of the PJ and Fernández, but the party is not prepared to do Bonadio’s bidding for fear of the public backlash from her not inconsiderable following.

In a 500-page indictment, Bonadio charged Fernández with heading an “illicit organisation”, comprising former officials, magistrates, and businessmen, based on the revelations contained within the notebooks of Oscar Centeno, a driver for deputy planning minister Roberto Baratta (in office 2005-2015), which contain detailed accounts of visits and cash deliveries [WR-18-31]. Bonadio said Fernández (and her late predecessor Néstor Kirchner [2003-2007]) had extorted large sums of money from businessmen in exchange for public works contracts.

Bonadio said that a further 41 people (14 of whom are currently in preventive detention), were being charged in the case with stealing money from the state “to the detriment of education, health, pensioners, and public security, leaving the poorest sectors of society without sewers, running water, public services, and secure transport”.

Bonadio also took aim at businessmen “lining their pockets...pretending to have yielded to official pressure”. Businessmen negotiating plea bargains have, for the most part, insisted that they just made campaign donations and were not part of some Argentine version of Brazil’s Lava Jato corruption scandal. Bonadio said that to secure a public works project, a rail or road concession or benefit from subsidies, businessmen had to hand over part of their earnings to officials designated by the Kirchners. He said these bribes were used for funding electoral campaigns, or political organisations like La Cámpora, with the rest going to the Kirchners.

TRACKING TRENDS

BRAZIL | Ban on plastic straws. Rio de Janeiro has become the first city in Brazil to implement a law banning plastic straws. From 18 September, businesses including street vendors and beach stalls found to be distributing plastic straws will be fined between R\$650 and R\$1,650 (US\$156 to US\$396). Fines could reach R\$6,000 (US\$1,442) for re-offenders.

“We are at the forefront of a very important fight, in defence of the environment. This is a cause that involves the whole population,” the mayor of Rio de Janeiro, Marcelo Crivella, said. A similar law is under discussion in the city of São Paulo’s municipal council, and has been passed but is yet to be implemented in municipalities in the states of Amazonas and São Paulo. This follows a worldwide trend of local and national governments, as well as private corporations, implementing plastic straw bans as part of an attempt to reduce plastic pollution.

BRAZIL-PARAGUAY | Building bridges. Brazil and Paraguay are committed to building two international bridges between their countries to facilitate cross-border connections. The question of new bridges was raised twice last week: first during a meeting between Paraguay’s President Mario Abdo Benítez and the governor of the Brazilian border state of Paraná, María Aparecida Borghetti, which took place in Asunción; and then again during Paraguayan foreign minister Luis Alberto Castiglioni’s first international visit, to meet his Brazilian counterpart Aloysio Nunes in Brasília.

Currently only one bridge over the Paraná river links the city of Foz do Iguaçu, Brazil, with Ciudad del Este, Paraguay. Negotiations are underway to construct a second bridge over the Paraná river, linking Foz do Iguaçu with Presidente Franco, and a third bridge further north over the Paraguay river, connecting Porto Morinho in Brazil with Puerto Carmelo Peralta in Paraguay. Castiglioni said he hoped the construction of both bridges could be completed within five years, while Brazil’s foreign ministry highlighted the close commercial ties that link the two countries, with trade totalling US\$2.2bn in the first seven months of 2018, a 5.7% increase on last year.

López Obrador uncertain about ‘pejenomics’

In the run-up to Mexico’s presidential elections in July the campaign team of the eventual winner, Andrés Manuel López Obrador, released a small document outlining the candidate’s economic proposals entitled ‘Pejenomics’ (in allusion to López Obrador’s nickname – ‘El Peje’). A key component of the proposals contained in Pejenomics is the rationalisation of government spending to reduce waste, make significant savings, and the redirecting of these resources towards development projects. Since winning election López Obrador has talked about implementing a ‘Republican austerity plan’ to free up government resources to allocate to a growing list of priority initiatives. Yet this week, for the first time, he suggested that his administration may not have enough money to achieve all of its objectives.

President-elect López Obrador has claimed that his austerity plan will produce M\$500bn (around US\$26.8bn) in savings that his government will be able to reallocate once he takes office on 1 December. This figure has been repeatedly questioned by local analysts but López Obrador has insisted that his determination to run an efficient and corruption-free administration will deliver big savings and that there would be enough resources to fulfil all the commitments he made during the electoral campaign and more. However, he appears to have changed his tune suddenly this week.

Speaking at a political rally in Tepic, the capital of the western state of Nayarit, on 16 September at the start of his ‘thank you tour’, which will see him visit all 32 of Mexico’s states before he assumes office, López Obrador said that he fully intends to deliver on all of his campaign pledges, including all his proposed development programmes “as long as we have a budget for it”. López Obrador went on to say that “Given the circumstances...because of the bankrupt situation that the country is in, we may not be able to deliver all that we are being asked, but to be clear, we will deliver all that we promised during the campaign.” López Obrador’s remarks prompted a torrent of criticism from his detractors, economists, and the outgoing government.

Many critics accused López Obrador of ‘getting his excuses in early’ by suggesting that if his government is not able to fulfil all of its objectives or even all of its campaign promises, it would be due to circumstances entirely beyond its control. The claim that López Obrador is set to inherit a “bankrupt” country has also been widely attacked. The federal finance ministry (SHCP) issued a statement noting that Mexico has healthy public finances; macroeconomic stability with an inflation rate converging on the central bank’s target; and that the domestic economy has posted consistent economic growth at an average rate of 2.7% since 2014, higher than in Chile, Argentina, Brazil, and the US. The SHCP’s points were backed by local economists and business leaders.

Aníbal Gutiérrez, an economics professor at the Universidad Nacional Autónoma de México (Unam), said that while Mexico’s debt levels are relatively high the country “maintains the ability to pay its external debts, so it cannot be qualified as bankrupt”. Juan Pablo Castañón the president of the Consejo Coordinador Empresarial (CCE) business lobby, said that Mexico faces many economic challenges including insecurity, and low investment and growth levels, “but we are not bankrupt”. Enrique Bojórquez, the president of the Mexican association of specialised financial institutions (Amfe), said that “We are not a buoyant economy and we are not a rich country; we are developing...but I think it is extreme to think that we are bankrupt.”

More pointedly, Marco Cancino, the general director of local NGO Inteligencia Pública, commented that “López Obrador is now realising that his government’s room for manoeuvre is limited...that there will not be enough to finance all of his campaign proposals and he needs to blame someone.”

Disneyland

President-elect López Obrador’s remarks that his incoming administration may not be able to achieve all of its objectives due to the country’s unfavourable economic circumstances were also widely mocked by his political opponents in the federal congress. The leader of the Partido Revolucionario Institucional (PRI) in the chamber of deputies, René Juárez Cisneros, said ironically that if the López Obrador administration fulfils all its campaign promises after it assumes office, “then Mexico will become Disneyland”. Juárez added that he was unsure how this could be achieved and that “all I know is that there is not enough [resources] to do it all”.

Carbon bond market

On 18 September the environment & natural resources ministry (Semarnat) announced that Mexico will launch the pilot phase of the Americas' carbon bond market in 2019, with the aim of having the market fully operational by 2022. This initiative is part of the regional effort to implement the Carbon Pricing in the Americas (CPA) cooperative framework, agreed upon last December by Canada, Chile, Colombia, Costa Rica, and Mexico, as well as US state governments including California and Washington. The CPA initiative aims to promote inter-regional carbon emissions markets and standardise pricing. In its official statement, Semarnat noted that Mexico already has a carbon tax and celebrated the regional cooperation efforts in designing carbon pricing mechanisms.

TRACKING TRENDS

MEXICO | Pemex financial results. Mexico's state-owned oil firm Pemex released a statement on 12 September announcing that it expects that it will reduce its financial deficit this year thanks to the improved conditions in the international oil market.

In 2016 Pemex recorded a financial deficit of US\$5.35bn. This fell to US\$4.93bn in 2017, and the firm now forecasts that it will fall further to US\$2.6bn by the end of the year, lower than the deficit target of US\$4.18bn that it had set at the start of the year.

According to Pemex, the improved financial outlook is the result of the re-structuring and disinvestment from non-strategic assets programme that the firm has been implementing; the improved financial management of its subsidiaries; the gradual improvement in the productivity of its oil refining system; and additional income from the sale of exploration data to third parties. Significantly, the Pemex statement notes that it expects that some of these initiatives will continue to help boost the firm's finances in the short-term.

MEXICO | Regulator approves two new LPG distribution licenses. On 17 September Mexico's energy regulatory commission (CRE), the federal agency in charge of regulating the electricity and natural gas markets, announced that it had granted operating licenses to two companies looking to distribute liquid petroleum gas (LPG) in Baja California and Baja California Sur states. The LPG distribution markets in these two states are currently dominated by a duopoly, and the CRE has noted that the approval of these licences will break that by allowing Sonigas and Baja Gas and Oil de México to enter the regional market. The energy regulator added that it is hopeful that consumers' bills will now fall as a result of increased competition. The CRE statement also highlighted that, in the last few months, it has seen an increase in applications for LPG distribution licenses, suggesting that there is growing interest from firms to participate in Mexico's LPG market.

MEXICO | López Obrador promises economic stability. President-elect Andrés Manuel López Obrador met the governor of Mexico's central bank (Banxico), Alejandro Díaz de León, on 13 September to discuss Banxico's monetary policy and Mexico's current economic growth prospects. Afterwards, Díaz de León said that the meeting had been constructive, with the pair discussing the economic challenges facing Mexico, as well as the prospects for economic growth.

According to the local press, López Obrador and Díaz de León agreed to work together to maintain macroeconomic stability and a low rate of inflation. On the same day, Gerardo Esquivel, López Obrador's pick for deputy minister at the federal finance ministry (SHCP), spoke at the annual meeting of the Mexican confederation of industrial chambers (Concamin), promising a responsible national budget for 2019 in a move that was seen as the latest attempt to win over business leaders sceptical of the incoming leftist López Obrador administration.

Esquivel's appearance at the Concamin meeting came after last week he presented the incoming government's provisional budget to the bench of federal deputies from López Obrador's Movimiento Regeneración Nacional (Morena). The M\$5.7tn (US\$301bn) budget presented by Esquivel would be a 7.5% increase on the budget that was approved for 2018. After taking office on 1 December, López Obrador's administration will have until 15 December to present its economic package to congress, which will have to be approved before the end of the year.

Institutional crisis looms as Morales flouts ruling

Back in August 2017 President Jimmy Morales said that he would respect any legal resolutions issued by the constitutional court (CC) – remarks which followed its ruling overturning his order to expel the head of the International Commission against Impunity in Guatemala (Cicig), Iván Velásquez, after the latter first called for him to be investigated for corruption. Just over a year on and Morales, who also caused a stir with the announcement that he will not be renewing Cicig’s mandate when it expires in September 2019, is now rejecting a similar CC ruling with regard to allowing Velásquez’s re-entry to the country – a stance which is threatening to push the country to the brink of a constitutional crisis.

The five-member CC issued its unanimous ruling on 16 September in response to President Morales’ refusal to allow Velásquez (who left Guatemala at the start of the month for meetings in the US) to re-enter the country [WR-18-35] on the grounds that he was a “national security threat”. As in its previous ruling against Morales’ efforts to expel Velásquez a year ago, the CC invoked Article 12 of the agreement establishing Cicig (which began operating in the country in 2007) which states that any controversy between the body backed by the United Nations (UN) and the government must be resolved through negotiation between the two sides.

Unlike the previous occasion however – where Morales agreed to respect the CC’s ruling – his government is digging in its heels. On 17 September Interior Minister Enrique Degenhart said that Velásquez (who last month called again for Morales to be investigated) “will not enter” Guatemala. Based on the argument that the court order did not specify Velásquez by name, the government maintains that it will permit the entry of a Cicig commissioner agreed upon by the UN and the Guatemalan state and has given the UN a 48-hour deadline to name an alternative commissioner. Yet it is worth recalling that the agreement that established Cicig in the first place states (in Article 5) that it is the UN which has sole responsibility for making the appointment. After Morales announced that Velásquez would not be permitted to return to the country, UN Secretary General António Guterres asked for “Velásquez to continue at the helm of Cicig from outside Guatemala until there is more clarity on the situation”.

Meanwhile Morales’ response to the CC ruling has had an immediate impact domestically: on 17 September Convergencia por los Derechos Humanos de Guatemala, a group of human rights organisations, presented a criminal complaint against the president and various cabinet ministers for disobeying the court ruling, while the head of the attorney general’s office (AG), Consuelo Porrás, has said that if the court determined that the government was in violation of its ruling, her office could take legal action.

Fallout

With thousands again taking to the streets last week in protests calling for Morales to step down and for Cicig to remain (*see sidebar*), the crisis continues to have a local impact. In recent days the ministers of labour (Leticia Teleguario) and finance (Julio Héctor Estrada) have both quit. The two had initially offered their resignations a year ago (along with the security minister, Francisco Rivas) when the political crisis first erupted. However, Morales did not accept their resignations at the time (although Rivas has since quit). Estrada was less open about his reasons for leaving but Teleguario was explicit that “the country’s situation does not permit me to continue contributing”.

Protests

On 12 September thousands of campesinos took to the streets in Guatemala’s capital, Guatemala City, calling for President Morales to resign and in support of Cicig.

Organised by the Comité de Desarrollo Campesino (Codeca), the protests in the capital followed demonstrations earlier in the week in Sololá and Totonicapán departments by indigenous protesters who blocked off part of the Pan-American Highway.

FDI down

Concerns over the lack of legal guarantees in Guatemala come as the country was one of two in Central America (the other being Nicaragua) to have registered a fall in foreign direct investment (FDI) last year, according to a July 2018 report by Eclac. The Eclac report showed that in 2017, FDI to Guatemala fell from US\$1.19bn to US\$1.15bn. Overall FDI to Central America was up 4.5% in 2017 compared with the previous year, reaching US\$13.08bn.

The departure of Estrada – who had been in the post since Morales took office in January 2016 – could prove particularly damaging for the government and the country’s image in general. On 13 September, the same day that he stepped down, the local media circulated a press release by credit ratings agency Fitch warning that the increase in political tensions and continued political uncertainty will “probably undermine economic growth perspectives”. In its latest forecast last month the Economic Commission for Latin America & the Caribbean (Eclac) revised down its estimate for Guatemala’s GDP growth for 2018 to 2.9%, from 3.3% in April.

Other investor concerns

The departure of Estrada (who has since been replaced by his deputy minister Víctor Manuel Martínez Ruiz) comes as investor concerns have already been heightened in recent weeks following the CC’s announcement on 3 September that it had upheld the suspension of a July 2017 ruling by the supreme court (CSJ) of a mining licence for the Escobal silver mine, one of the largest in the world, which is owned by Canada’s Tahoe Resources.

The CSJ suspended the licence amid complaints that, ahead of granting it in 2011, the mining & energy ministry (MEM) had violated the Xinca indigenous people’s right of consultation. As well as suspending the licence, in its latest decision, the CC also ordered the government to carry out a public consultation. Even ahead of the CC’s latest ruling, Tahoe Resources issued a press release in August stating that about 70% of the total workforce had been dismissed due to the legal uncertainty. Prior to the licence suspension, the mine employed 1,030 people, 97% of whom are Guatemalan and 50% of whom are from the Santa Rosa region, where the mine is located.

Saca sentenced

With Guatemala’s president coming under fire over anti-corruption efforts, in neighbouring El Salvador former President Tony Saca (Alianza Republicana Nacionalista [Arena], 2004-2009) became the country’s first president to be sentenced to prison on 12 September, receiving a 10-year conviction for corruption after pleading guilty to diverting US\$301m in state funds [WR-18-32]. In a conviction hailed by the attorney general, Douglas Meléndez, as “historic”, Saca was also ordered to repay US\$260m as part of a civil judgement. Saca is not the only former president of El Salvador to be facing the prospect of jail time. Two days later the attorney general’s office (FGR) announced that it had asked a judge to approve a request for former president Mauricio Funes (Frente Farabundo Martí para la Liberación Nacional [FMLN] 2009-2014) to be extradited from Nicaragua, where he was granted political asylum, to face corruption charges. In June 2018 the FGR issued an arrest warrant for Funes on charges of money laundering and embezzlement to the tune of some US\$351m during his time in office.

COSTA RICA | POLITICS & ECONOMY

Alvarado tested by unions

Costa Rica’s largest trade union, Asociación Nacional de Empleados Públicos y Privados (Anep), has begun an indefinite strike against the fiscal reform proposed by the centre-left Partido Acción Ciudadana (PAC) government led by President Carlos Alvarado – a major priority given the country’s spiralling fiscal deficit, which closed at 6.2% of GDP in 2017. The second national strike by the unions over tax reform [WR-18-25] since Alvarado took office in May, the issue is serving as a major test of relations between the new government and the unions.

The strikes began on 10 September, despite complaints from 27 public institutions that they are illegal on the grounds that they do not follow the

Reactivating the economy

As well as efforts to address the fiscal deficit, President Alvarado is also seeking to relaunch the economy in the wake of reduced growth forecasts. In its most recent economic growth forecast released on 23 August, Eclac lowered its GDP growth forecast for Costa Rica for 2018 to 3.3% from 3.4%. On 3 September Alvarado announced a new four-pronged plan to reactivate the domestic economy. The plan includes reducing bureaucracy for the productive sector; support for small and medium-sized enterprises (SMEs); improving employability; and increased investment in public infrastructure.

minimum requirements established by the labour code. The PAC government has done its best to downplay the impact of the unrest so far – which in some places turned violent (see box). On 18 September it said that overall (bar teachers), turnout had dropped from 13.2% on 10 September to just 9.3% on 17 September. However, on 13 September *Semanario Universidad*, the weekly publication for the public Universidad de Costa Rica (UCR), cited education-ministry figures which suggest that 52% of education centres across the country remained closed. Private sector lobbies are also warning of the impact on tourism and business. According to a 15 September statement by Canatur, the country's tourism lobby, travel agencies reported a 50% fall in weekly sales; hotels in Limón province had received up to 75% of cancellations; shops, forced to close earlier than usual, reported declines of 30% in sales; while there were also reports of fuel scarcity in Guanacaste province.

The unions have long taken issue with the government's fiscal reform initiative which, first unveiled under the previous PAC administration led by President Luis Guillermo Solís, proposes replacing the current sales tax with a 13% value-added tax (VAT) and increasing the number of products and services to be taxed, among other measures. Unions argue that, under the reform, the working class would be unfairly hit due to provisions that would subject the wages of public-sector employees to a ceiling. They are also suspicious of Alvarado's choice of Rodolfo Piza as his minister for the presidency: Piza ran unsuccessfully for the presidency for the centre-right Partido Unidad Social Cristiana (PUSC) in February's elections.

Alvarado's PAC lacks a majority in the 57-member national legislature with just 10 seats, hence his need for alliances with figures like Piza. On 21 August the legislative finance committee made further changes to the government's proposal which included new exemptions for basic goods as well as for private education. Finance Minister Rocío Aguilar himself warned that the exemptions for basic goods alone would result in losses of C\$60bn (US\$105m) annually. The World Bank and Inter-American Development Bank (IDB) later criticised the changes.

Violence

The PAC government has been forced to set up a commission to investigate recent acts of violence which took place at the UCR campus in the capital, San José, during the unrest. Announced on 13 September, the commission, which includes UCR vice rector Carlos Araya Leandro, Justice Minister Marcía González, and the president of the UCR students' federation Renato Franco, was created in response to clashes which took place between law enforcement officials and students the previous day.

Such incidents of violence are relatively rare in Costa Rica and prompted a response from the regional NGO Centre for Justice and International Law (Cejil), which issued a statement condemning "excessive use of force" by law enforcement officials who "entered the campus and attacked students". Cejil reported that four students were also arrested as a result of the incidents while aggression against a journalist was also documented.

As well as the violence in San José, the judicial investigation department (OIJ) for Limón province said it was investigating an incident in which a minor died after receiving at least one "bullet to the head" while another minor was shot in the leg. With the details of the incidents yet to be clarified, the government reported that the young people were thought to be in a group causing disturbances in the area.

Also indicative of the unrest, the government was forced to take measures to guarantee fuel supply and port services through actions such as taking control of the Moín port in Limón province and the Garita refinery of the state-owned oil refining company Recope in Alajuela province. This came as Recope's executive president, Alejandro Muñoz, complained on 17 September of acts of sabotage to a pipeline in Alajuela and attacks on equipment in the company's Moín plant.

Quotes of the week

“It is very easy to ride the wave of [public] indignation, but let’s resolve the country’s principal problems.”

The president of Peru’s congressional justice and constitution commission, Rosa Bartra, takes aim at President Martín Vizcarra.

“They can excavate all of Patagonia but they will never find anything to incriminate me.”

Argentina’s former president Cristina Fernández.

“An institution that should promote integration is totally paralysed...[Unasur] is no longer alive, it seems more like a political corpse.”

Chile’s foreign minister Roberto Ampuero.

POSTSCRIPT

Top Chilean judges survive institutional clash

Chile’s lower chamber of congress has thrown out a constitutional challenge by the political opposition to remove three magistrates sitting on the supreme court (CSJ) for “abandonment of duties” after they released seven prisoners in July who had been convicted of crimes against humanity committed under the military dictatorship led by General Augusto Pinochet (1973-1990). The vote, which took place on 13 September, two days after the 45th anniversary of the Pinochet-led coup that toppled Salvador Allende (1970-1973), comes amid heightened political tensions over the origins of the dictatorship and Chile’s democratic history [WR-18-33].

The debate in the lower chamber ran deep into the night. Firstly, deputies voted on a challenge presented by the lawyers of the three judges calling upon them to declare the motion inadmissible. This ended in a tied vote (69-69) which cleared the way for a vote on whether to remove the judges. Eventually, in a tight vote, deputies rejected the motion to dismiss them by 73 votes to 64. Together the political opposition could have mustered a narrow majority in the 155-seat lower chamber but while the left-wing Frente Amplio (FA) enjoyed the backing of much of the main centre-left opposition Nueva Mayoría (NM) coalition, the NM’s Partido Radical (PR) was divided, as was Democracia Cristiana (DC). The ruling right-wing Chile Vamos coalition opposed the motion.

Addressing congress, Davor Harasic, the defence lawyer of one of the judges, Hugo Dolmestch, said he had “never before seen such a crude attempt to subvert judicial independence”. The acting president of the CSJ, Sergio Muñoz, argued that congress was perfectly within its rights to dismiss judges on the charge of abandonment of duties but not when this was being used as a pretext to challenge the court’s ruling.

FA deputies, clutching photos of the ‘disappeared’ during the debate, contended that the CSJ ruling ran counter to international jurisprudence, to which Chilean law is subordinate, as this establishes clear standards for those found guilty of crimes against humanity, genocide, and war crimes. Organisations such as the association of relatives of the disappeared and detained during the dictatorship (AFDD) have staged demonstrations against the CSJ ruling. Protests are likely to continue, not least because President Sebastián Piñera has announced his government’s intention to create a ‘museum of democracy’ which detractors see as a rival to the ‘museum of truth’.



25 October 2018 | Chatham House | London

Latin America 2018

Leadership, governance and pathways to economic progress

On 25 October, Chatham House will convene leaders from government, the private sector and civil society to look at current political, economic and social dynamics in the Latin America region and to assess prospects for increasing investment, sustainable growth and future prosperity.

Booking and information:

Book online: www.chathamhouse.org/latin-america
Contact Charlie Burnett Rae: charlieb@chathamhouse.org
+44 (0)20 7957 5747

CHATHAM HOUSE
The Royal Institute of International Affairs

Speakers include:

José Luis Rodríguez Zapatero
Prime Minister of Spain (2004-11)

Jorge M. Faurie
Ministry of Foreign Affairs,
Argentina

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

Read the agenda and see the full speaker line-up:
www.chathamhouse.org/latin-america

LATIN AMERICAN WEEKLY REPORT is published weekly (50 issues a year) by **Latin American Newsletters**, Hamilton House, Fourth Floor, Mabledon Place, London, WC1H 9BB, England. Telephone +44 (0)203 695 2790, Email: subs@latinnews.com or visit our website at: <http://www.latinnews.com>. **EDITOR: JON FARMER**. Subscription rates will be sent on request. Overseas subscription sent by airmail. Printed by Quorum Print Services Limited, Unit 3, Lansdown Industrial Estate, Gloucester Road, Cheltenham, Glos. GL51 8PL **COPYRIGHT © 2018** in all countries. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, electrical, chemical, mechanical, optical, photocopying, recording or otherwise, without the prior written permission of the publishers. Registered as a newspaper by Royal Mail. **REFERENCES:** Back references and cross-references in the current series will be made thus: WR-18-01 will indicate Weekly Report, 2018, issue 1.