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Odebrecht aftershocks still shaking region

It is axiomatic to say that the Odebrecht corruption scandal has had profound ramifications for established political and judicial systems across Latin America. But nowhere has the impact of the bribery scheme run by the Brazilian construction company been felt more keenly than in Peru. It brought down the presidency of Pedro Pablo Kuczynski (2016-2018), and each of his predecessors going back to 2001 is being investigated in connection to the firm's nefarious practices. Alan García (1985-1990; 2006-2011) sought refuge in the Uruguayan embassy in Lima this week as he files for asylum, citing political persecution in relation to the case. Odebrecht's impact has been less pronounced in Colombia, but fresh developments this week have left the country's attorney general, Néstor Humberto Martínez, fighting for his job and heaped pressure on President Iván Duque.

García sought admittance to the Uruguayan embassy in Lima late on 17 November. Hours beforehand a judge had barred him from leaving the country for 18 months, upholding a request by the prosecutor José Domingo Pérez who cited new evidence linking him to the Odebrecht bribery scheme. García had returned to Peru from Spain two days earlier to answer Pérez's questions in relation to the case. García initially reacted defiantly to the legal restrictions on his movement by saying that "to be in Peru for 18 months is no punishment or dishonour". He said he was ready to present counter-evidence despite the fact that "they need to make a bonfire and burn Alan García like an old witch".

But García swiftly changed his mind, presenting the Uruguayan embassy with a long letter to President Tabaré Vázquez outlining the reasons for his asylum request. García portrayed himself as the victim of political persecution. In the version of events García relayed to Vázquez, President Martín Vizcarra is intent on wreaking revenge on the main opposition Fuerza Popular (FP, Fujimoristas) and García's Partido Aprista Peruano (PAP) because (by means of their congressional majority) they had refused to dismiss the attorney general, Pedro Chávarry, who has threatened to investigate Vizcarra for alleged wrongdoing in connection to a contract to build the Chinchero airport near Cusco.

Peru's left-wing opposition coalition Frente Amplio (FA) reacted to García's move by setting about forming a cross-party mission of legislators to travel to Montevideo on 22 November to inform their Uruguayan counterparts that there is no political persecution in Peru but rather a determined fight against corruption. Former president Ollanta Humala (2011-2016), himself linked to Odebrecht corruption, sent a public letter to Vázquez insisting that "there is no political persecution [against García] and never has been"; that he is being investigated by a public prosecutor and not by the government; and that he

García's request for asylum

Yonhy Lescano, a deputy for Peru's centrist party Acción Popular (AP), argued this week that the Peruvian government should sever diplomatic relations with Uruguay if it approved former president Alan García's request for asylum. "Peru has to be firm on this," Lescano said. "We cannot allow a country to protect individuals accused of corruption."

is seeking asylum to "evade his responsibility". Humala did raise some concern, however, about the "abusive" use of the instrument of preventive detention (which saw him serve nine months in prison). García's son, Alan García Nores, indirectly revealed this week that this had weighed on his father's mind. "Should he...an innocent man...go to prison for 36 months like Keiko Fujimori?" he asked rhetorically in reference to the recent preventive detention of FP's leader [[WR-18-43](#)].

Peru's deputy foreign minister, Hugo de Zela, handed a diplomatic note to the Uruguayan ambassador in Lima, Carlos Barros, on 20 November, stressing that the Peruvian government was "neutral" and would respect whatever decision the Vázquez administration took. But the note pointed out that "democracy, the rule of law, and the separation of powers prevail in Peru, as well as the full exercise of human rights and fundamental liberties". It said that there had been "no persecution of any type [only] strict respect for due process and full guarantees of the administration of justice".

The case provides an unwanted quandary for Vázquez. Uruguay's ruling left-wing Frente Amplio (FA) has for the most part kept its own counsel, although one legislator pointed out that the country had a tradition of granting asylum requests. Several members of congress representing different political opposition parties, however, warned that Vázquez would be making a serious mistake if he were to insult a democratic government by granting García asylum.

Uruguay's foreign ministry issued a statement on 18 November saying that it would take its time to evaluate García's asylum request. What might count against him is the spurious parallel he drew in his letter between his situation now and in 1992 when he sought asylum in the Colombian embassy in Lima. Then-president Alberto Fujimori had dissolved congress and temporarily shut down the judiciary. The "coup" García accuses Vizcarra of carrying out is more difficult to discern. Neither Chávarry nor FP are the paragons of rectitude depicted by García in his letter. Evidence is growing of their links to an organised corruption and influence-peddling network inside the judicial system, in addition to FP's dealings with Odebrecht.

And then there is the actual case against García. García argued in his letter that the 'Lava Jato' report approved by congress on 9 November cleared him of wrongdoing, but the political opposition has dismissed the report as a white-wash as the FP-PAP alliance controls congress. Prosecutor Pérez said he had obtained new evidence against García, relating to the concession granted to Odebrecht to construct a metro line in Lima, which started operating in 2011.

García had signed five urgent decrees and two supreme decrees to modify the legal framework in favour of Odebrecht in 2009. The concession to construct the metro line was transferred from the mayoralty of Lima to the transport ministry, and was duly awarded to Odebrecht. Three former officials at the ministry are under arrest accused of taking some of the US\$24m Odebrecht paid in bribes to secure the contract. Pérez also now alleges that the US\$100,000 García received as a speaker's fee for a May 2012 conference for Brazil's Federação das Indústrias do Estado de São Paulo (Fiesp) was paid by Odebrecht.

Odebrecht in Colombia

While García is being investigated by Peru's attorney general's office for links to Odebrecht's bribery scheme, in Colombia it is the attorney general who has been caught up in the Odebrecht case. President Duque called for "exemplary sanctions" for "disgraceful actions by corporate powers". But Odebrecht did not act alone. And the actions (or more accurately 'inaction') of the attorney general, Néstor Humberto Martínez, has left his position looking increasingly untenable.

Recovering confidence

Inaugurating a national infrastructure congress in Cartagena de Indias on 22 November, Vice-President Marta Lucía Ramírez said that the principal challenge facing the Colombian government was to “recover public confidence” in state institutions and the private sector, as well as the confidence of investors, promising “better regulation”. On the same day, during the launch of his book on corruption in Colombia, the economist Luis Jorge Garay maintained that “corruption has systematically co-opted the state”.

The media outlet *Noticias Uno* published an interview on 12 November that it had carried out in August with Jorge Enrique Pizano, who audited a 2010 deal worth US\$1.7bn between Odebrecht and Grupo Aval, Colombia’s largest banking conglomerate, to build the Ruta del Sol II motorway infrastructure project. Pizano said he first began expressing concerns about the deal in 2013 and raised these again in 2015 with Grupo Aval’s legal adviser – Martínez – making an audio recording of the conversation. Martínez can be heard questioning whether anyone cares (he uses a forceful imprecation) about the corruption, and advising Pizano to keep quiet.

Martínez, who became attorney general in August 2016, had recused himself from the case because of his previous position at Grupo Aval, but has now had to admit that he knew about the irregularities of which he had previously professed ignorance. The interview was published four days after Pizano, a key witness in the Odebrecht scandal, died of a heart attack, and the day after his son, Alejandro Pizano Ponce de León, who had returned home from Spain for the funeral, died from cyanide poisoning after drinking a bottle of flavoured water on his father’s desk. Investigators subsequently found a jar containing a kilo of cyanide under the washbasin in a bathroom in the house. Pizano Sr only agreed to give the interview, and hand over the audio recording, on the condition that it should not be published until he had left the country or after his death. He had been negotiating travelling to the US to receive witness protection the day before he died.

Martínez maintains that there is a conspiracy to discredit him but the compromising audio recording (suggesting that he knew about the Odebrecht bribery scheme but did nothing), coupled with the suspicious manner in which the Pizanos died, has placed him under huge pressure. Duque supported the call for an ad hoc prosecutor this week, saying he stood ready to provide a shortlist of candidates to the supreme court (CSJ) if it asked for one, in order to get to the bottom of the Odebrecht scandal. Duque stood by Martínez, but the opposition is pushing for the Comisión de Investigación y Acusación in the lower chamber of congress, the one body that can judge Martínez under the constitution, to reopen an investigation into his conduct in view of the new evidence. This body ruled in May this year that there was “insufficient merit” to an accusation against Martínez in relation to the Odebrecht case.

“In other countries, the attorney general would have resigned out of common decency,” Gustavo Petro, the leftist presidential candidate who lost the second round of this year’s elections to Duque, said. “In Colombia we have a corrupt regime and a system of impunity.” Senator Claudia López, of the centre-left opposition Alianza Verde (AV), asked rhetorically “with his ability to lie and manipulate would any Colombian want Martínez to be the prosecutor in any case?”

Colombia’s prosecutor general, Fernando Carrillo Flórez, stopped short of discussing Martínez on 22 November while participating in the launch of a book by the Colombian economist Luis Jorge Garay, entitled ‘El gran libro de la corrupción en Colombia’ (see sidebar), but he acknowledged the scale of the challenge confronting the country. “The concept of sovereignty collapses in the face of the might of transnational corruption,” Carrillo said, while calling for “improved ethics and morality” to be instilled in the public and private sectors.

Vice President Marta Lucía Ramírez this week called for Odebrecht to be barred from competing for public works contracts in Colombia for 20 years. Along with the Agencia Nacional de Defensa Jurídica del Estado (Andje), part of the justice and law ministry, she “categorically” rejected an offer of Col\$106tr (US\$33.8m) from Odebrecht in compensation for its bribery scheme as “legally and morally unacceptable”. This is much the same sum as Odebrecht stands accused of spending on bribes in Colombia. Andje said that purely monetary compensation would act as “a perverse incentive to continue committing these sorts of actions”, and that it would send out “a dreadful message” if Odebrecht were able to bid for contracts again.

Higher oil price not a panacea

Venezuela's President Nicolás Maduro delivered a eulogy for Alí Rodríguez Araque, an icon of the Bolivarian Revolution and oil czar, on 21 November in which he insisted that a "fair price" for a barrel of crude would be US\$100 (the average price for the Venezuelan oil basket this year is US\$61.74). But falling oil production and rampant corruption, not low prices, are the primary cause of the country's problems as this week amply demonstrated.

Rodríguez Araque, 81, was honoured by the government-controlled national constituent assembly (ANC) as a "loyal man, a warrior of a thousand battles". A former secretary general of the Organization of the Petroleum Exporting Countries (Opec) and president of Pdvsa who oversaw the dismissal of more than 20,000 employees of the state-run oil company after the 2002-2003 strike-cum-lockout, Rodríguez was serving as ambassador to Cuba when he died on 19 November.

Pdvsa's production levels are presently at their lowest level since the strike-cum-lockout. The latest Opec report showed that Venezuelan crude production fell by 40,000 barrels per day (bpd) in October on the previous month to just 1.17m bpd. Elías Matta, an opposition deputy in the national assembly, claimed last week that since President Maduro appointed Major General Manuel Quevedo as president of Pdvsa just under a year ago, promising to drive production up, refineries were operating at just 40% capacity and production had fallen by 187,000 bpd.

Matta actually understates the severity of the decline. Oil production in December 2017, the first month of Quevedo's tenure, stood at 1.7m bpd, which is 530,000 bpd higher than the present level. Assuming one barrel to be worth US\$61.74, this means that Venezuela would be making over US\$32.7m more per day if production was at the same level as last December. If oil prices were to increase to US\$100 per barrel, at the present production level of 1.17m bpd it would make US\$117m per day compared with US\$72.2m per day at the current price of US\$61.74 per barrel. This would generate US\$44.8m more per day.

This shows that a price of US\$100 per barrel would not suddenly solve Venezuela's problems. Just recovering production to last December's levels (bearing in mind that October last year marked the first time since the 1980s that production had fallen below 2m bpd) would bring in not far short of the same additional revenue. And this is before taking into account losses due to corruption.

Rooting out corruption

Upon his appointment, Quevedo was given the task by Maduro of conducting "a great clean-up" of the "leeches" in Pdvsa. This was part of an internal power play to diminish the influence of Rafael Ramírez, a titan under the late president Hugo Chávez (1999-2013) who presided over Pdvsa and the oil industry for over a decade until 2014. Tarek William Saab, the attorney general appointed by the ANC, went on to purge scores of senior Pdvsa officials accused of corruption.

Spain's national daily *El País* reported on 22 November that an internal investigation within Pdvsa ordered by Quevedo had concluded that various former directors defrauded the state-run firm of at least US\$500m, granting

State-owned firms

A total of 441 state-owned firms were created under the successive governments led by the late Hugo Chávez (1999-2013) and the incumbent president, Nicolás Maduro, through the expropriation, confiscation, and nationalisation of property, Transparencia Venezuela said in its report. However, the report found that these firms have consistently posted negative financial results that have led many of them to collapse.

Other groups registered

As well as the two alliances and the MAS, the other political parties to have registered ahead of the October 2019 election are Movimiento Nacionalista Revolucionario (MNR) (due to announce its candidate on 26 November); Partido Demócrata Cristiano (PDC) which is fielding former president Jaime Paz (1989-1993); Unidad Cívica Solidaridad (UCS), which is putting forward former vice president Víctor Hugo Cárdenas (1993-1997); and Movimiento Tercer Sistema (MTS), which is fielding La Paz governor Felix Patzi; while El Frente Para la Victoria (FPV) and Partido de Acción Nacional Boliviano (PAN-Bol) have yet to unveil their candidates.

procurement contracts to their own companies, rigging tenders for their own benefit, and laundering their illicit proceeds in Spain.

Of 48,000 contracts examined between 2009 and 2015, a total of 2,562 were for companies owned by Roberto Rincón and Abraham Shiera, whom Pdvsa accuses of paying bribes to secure contracts from Bariven, the procurement arm of Pdvsa. Pdvsa has filed a suit against the two men, as well as 11 others, including Javier Alvarado, the former president of Bariven (2011-2013) and a former deputy energy minister.

Pdvsa's 'discovery' of internal corruption comes three years after US authorities arrested Rincón and Shiera on charges of violating the US Foreign Corrupt Practices Act (FCPA). Both men have pleaded guilty to bribing Pdvsa officials to obtain the lucrative contracts from Bariven.

Initially the Venezuelan government dismissed these investigations as US sabotage, designed to discredit and destabilise the Bolivarian Revolution. But in a change of tack, Pdvsa under Quevedo claims to have been the victim of fraud, and Saab is pushing for compensation to the tune of US\$600m from the two men.

BOLIVIA | POLITICS

Opposition fails to unite ahead of elections

The picture has become clearer ahead of next year's general elections. Two opposition alliances and seven political parties registered with the electoral authorities (TSE) ahead of the 13 November deadline for party primaries on 27 January 2019. The registration of the two alliances indicates that, as in previous elections, President Evo Morales (who is controversially seeking re-election) and his ruling Movimiento al Socialismo (MAS) are likely to benefit from a divided opposition.

Following their 30 October announcement of plans to forge an alliance [[WR-18-44](#)], former president Carlos Mesa (2003-2005) and La Paz mayor Luis Revilla registered their 'Comunidad Ciudadana' alliance, with Mesa to run as its presidential candidate. As outlined with their announcement of the alliance, the two are running on a pro-democracy platform which has as its rallying point opposition to President Morales' insistence on seeking a further re-election (despite the February 2016 popular referendum which voted against changing the 2009 constitution which would allow him a further term).

The other opposition alliance (which has yet to announce its candidate) is that of 'Bolivia Dice No' ('Bolivia Says No'). This is another allusion to the 2016 referendum, which is headed by Samuel Doria Medina, the leader of the main opposition party Unidad Nacional (UN), and Santa Cruz Governor Rubén Costas (Partido Demócrata Social).

Opposition to Morales' determination to run again adds to more general concerns about the independence of Bolivia's institutions and, in particular, the judiciary. These fears were again reignited with the announcement by the MAS-controlled 166-member bicameral legislature, the day after the 13 November deadline to register political parties and alliances, that it had called for Mesa to be investigated by the attorney general's office.

The call is in line with the findings of a report by a special congressional committee into the region-wide bribery scandal involving Brazilian construction firm Odebrecht. MAS deputy Susana Rivera told reporters that the commission had investigated three governments – those of Mesa, Gonzalo Sánchez de Lozada (1993-1997; 2002-2003), and Eduardo Rodríguez

Growth forecast cut
Colombia's central bank (Banrep) revised its GDP growth projection for 2018 to 2.6%, down from 2.7% in October, despite the third-quarter performance. Banrep was clear that its predictions rely on continued growth in private consumption and investment in the fourth quarter.

Veltzé (2005-2006) – with regard to five road infrastructure projects, and eight top government officials were implicated, including Mesa himself.

While Bolivia did not feature as one of the 12 countries mentioned by the US Department of Justice report on the scandal where bribes were paid, Rivera cited “serious signs” that the corruption network operated in Bolivia. These included “coincidences in travel arrangements regarding places and dates of top Bolivian civil servants with the same representatives from Brazilian companies” and “unusual movements” in various bank accounts – transactions which lacked economic or legal justification.

This is not the first time Mesa has faced the prospect of appearing before the courts. Earlier this year he faced the threat of legal action over the so-called ‘Quiborax case’ – his 2004 decision to revoke mining concessions from a local company, Non Metallic Minerals (NMM), and the ultimately successful 14-year attempt by NMM, and its partner Quiborax, the Chilean mining corporation which has a majority stake in the company, to sue the Bolivian state for the loss of the concessions. In May 2018, the World Bank’s International Centre for Settlement of Investment Disputes (Icsid) ordered Bolivia to compensate Quiborax, which it did in June to the tune of US\$42.6m.

Yet in October the legislature approved an amnesty for Mesa decreed by Morales on the grounds that no former president, except those accused of crimes against humanity or genocide, should have legal cases “while the country is fighting for the defence of our maritime rights” – an allusion to the case with Chile before the International Court of Justice (ICJ) (lost by Bolivia in October) in which Mesa served as Bolivia’s spokesperson. Mesa rejected the amnesty – and the case against him – insisting on his innocence.

Corruption in state companies

Corruption by state companies has pushed Venezuela into economic crisis, the local NGO Transparencia Venezuela claimed in a report published on 16 November. The extensive report studied the performance of 576 of these companies, concluding that 467 are presently not operating while the remainder are producing “well below the needs of the country”. It focused in particular on 160 companies in the mining, hydrocarbons, public services, and food industries. It criticised mismanagement, politicisation, the absence of regulation, and corruption at Pdvsa, which it said had been forced to bear a heavy burden funding social expenditure, much of which has been lost to corruption, such as within the food distribution company Pdval, financed by Pdvsa.

TRACKING TRENDS

COLOMBIA | Signs of economic recovery in third quarter. Colombia’s national statistics department (Dane) last week released its latest economic figures, which show that for the first time since the fourth quarter of 2014 there was positive growth in each of the 12 domestic economic sectors in the third quarter of the year.

According to the Dane data, this resulted in positive year-on-year GDP growth of 2.7% in the third quarter, an improvement over 1.7% year-on-year growth recorded in the third quarter of 2017. The third-quarter results bring the accumulated GDP growth rate for the year to 2.5% compared with the previous year.

According to Dane, the public administration, defence, education, and health sector led the way with 4.5% growth, followed by communications (3.7%), professional scientific and technical activities (3.6%), and fuel supplies (3%). Even mining (1%) and construction (1.8%) returned to positive growth after two and three years respectively of negative growth. Economists from Grupo Bancolombia told the local media that although the domestic economic growth is still lower than the country’s economic growth potential, it was encouraging to see good results spread out across all productive sectors.

Mapuche conflict escalates

Two senior officials in Chile's militarised police, the Carabineros, in the southern region of La Araucanía have resigned along with the region's governor. The resignations are part of the fallout from an operation by the Carabineros which resulted in Camilo Catrillanca, a 24-year old, being shot dead. The political opposition seized upon the incident to criticise the belligerent aspects of President Sebastián Piñera's 'Plan Araucanía' and summoned the interior minister, Andrés Chadwick, to appear before deputies in the lower chamber of congress on 11 December.

It appears that the Carabineros were pursuing three hooded individuals who stole three cars from four teachers, entering the nearby Mapuche Temucuicui community in La Araucanía, where Catrillanca was shot dead while driving a tractor. The precise chronology of events is not as yet clear, partly because one of the Carabineros participating in the operation subsequently erased the memory card on his camera, and has since been expelled from the force along with three colleagues. Chadwick initially accepted the account given by the general director of the Carabineros, Hermes Soto, in an interview with the national daily *La Tercera* on 18 November that they had no camera between them but a boy travelling on the tractor with Catrillanca testified to the contrary. Chadwick was later forced to acknowledge that the card had been destroyed, which he said was "unacceptable", adding that any action transgressing the law would not be tolerated.

Two senior Carabineros in La Araucanía, General Mauro Victoriano and Colonel Iván Contreras, resigned over the incident, but the centre-left opposition Democracia Cristiana (DC) issued a statement demanding that the intendant (governor), Luis Mayol, should be removed for his infelicitous comments in the wake of the shooting when he claimed, without evidence, that Catrillanca had been involved in the car theft. The justice minister, Hernán Larraín, later announced that Catrillanca had no criminal record and had not been involved in previous instances of car theft. Chadwick initially stood by Mayol but he resigned his position on 20 November after the opposition announced that it would seek to impeach him. President Piñera appointed Jorge Atton Palma, a politically unaffiliated electronic engineer, to replace him.

The lower chamber voted on 21 November to summon Chadwick to appear before deputies to be questioned by Emilia Nuyado, a member of the opposition Partido Socialista (PS) of Mapuche origin. She will endeavour to determine what happened during the operation, what the exact modus operandi of the Comando Jungla is (*see sidebar*), and the political response.

Piñera was away on a five-day foreign trip taking in the Association of Southeast Asian Nations (Asean) and Asia-Pacific Economic Cooperation (Apec) summits in Port Moresby, capital of Papua New Guinea, and a visit to New Zealand, when the incident took place. He tweeted on 19 November that "the government will exhaust all means to get to the truth of what happened", announcing that a special prosecutor would be appointed to clarify the circumstances surrounding Catrillanca's death. But Piñera fanned the flames of protests by defending the right of Carabineros to pursue criminals and defend themselves when attacked. A total of 101 violent attacks in La Araucanía and the neighbouring region of Biobío have been recorded since Catrillanca's death, including arson attacks on schools, churches, and private properties. Protesters clashed with police in central Santiago during a large demonstration on 21 November.

Comando Jungla

"The death of Catrillanca is the result of an irresponsible political decision to form a military group and train them in a foreign country where there is an internal war, terrorism, and drug-trafficking, and bring them to La Araucanía, an area of social conflict," said Francisco Huenchumilla, a senator for La Araucanía representing the centre-left DC, in reference to the 80-strong Comando Jungla unit in the Carabineros, trained in Colombia for deployment to the region under President Piñera's 'Plan Araucanía'. Director General Hermes Soto maintained that the Carabineros involved in the incident actually belonged to the Grupo de Operaciones Especiales (Gope) and not the Comando Jungla. Deputy Felipe Kast (Evópoli), part of the ruling Chile Vamos coalition, said that the destruction of evidence (the memory card) constituted obstruction of justice and was "very similar to what happened in Operación Huracán", carried out in September 2017 by the Gope [[WR-18-06](#)].

Mujica stays away

José Mujica, who remains a respected political figure in Uruguay and abroad, ultimately decided against attending the forum after it was dubbed a 'counter summit' to the upcoming G-20 summit. Forum organisers sought to dispel the notion that the event was designed to challenge the G-20. But in a letter explaining his decision, Mujica said that "In the past few days the media has cultivated the image of a counter summit and this has been installed in the imagination of our societies.... I am obliged to be prudent at this juncture in the interests of our government and our people. For these reasons I regret I won't be attending," insinuating that his attendance could upset relations with the Macri government.

Fernández attempts another comeback

It was meant to be a non-partisan forum in which thinkers from around the world would be able to present their criticisms of the global capitalist order and the G-20 group of nations that seeks to perpetuate it. But the 19-20 November Primer Foro Mundial de Pensamiento Crítico held in Buenos Aires, Argentina, looked more like an attempt to re-launch the image of Argentina's former president Cristina Fernández (2007-2015) as one of the leaders of the regional Left. The speculation in Buenos Aires is that this marks the prelude of Fernández's prospective bid to vie for the presidency in the 2019 general election against President Mauricio Macri.

The Foro Mundial de Pensamiento Crítico was organised by leftist political organisations and academics as an 'alternative summit' to the 30 November-1 December G-20 summit that will be hosted in Buenos Aires, and to be staged on the fringes of the VIII Latin American and Caribbean Social Sciences Conference staged by the Consejo Latinoamericano de Ciencias Sociales (Clacso). The plan was for international political leaders and intellectuals to present a critical view of the existing global economic system and Latin America's apparent move towards the Right and neoliberal economic policies. The keynote speakers were billed to be Fernández and her fellow former leftist presidents Dilma Rouseff of Brazil (2011-2016) and José Mujica of Uruguay (2010-2015), although Mujica did not ultimately attend (*see sidebar*).

The organisers were clear that the event was not sponsored by any political party in particular but the fact that Fernández, an incumbent senator, is still the leader of the hard-line faction of the main opposition Partido Justicialista (PJ, Peronists), and that the majority of the thousands of people that attended the forum were her sympathisers, left little doubt as to the underlying political nature of the event. In her allocution during the 'capitalism, neoliberalism, and democracy in crisis' panel discussion, Fernández was very pointed in her criticism of the Macri administration and what she perceived as its poor management of the domestic economy to the detriment of the general population. So, while Fernández warned about the advance of the far-right in the region in general following the election of Jair Bolsonaro in Brazil and the return of neoliberal economic policies in places like Chile, Peru, and Colombia, she used her first public speech in months to complain about the situation in Argentina.

Fernández said that, under the Macri administration, "Argentina once again has the structural clamp it had back in 1976, and an unprecedented level of debt". Fernández accused the Macri administration of making the same mistakes that in the past had led Argentina to a recurrent cycle of economic crises. "The government that ended on 9 December 2015 is the only one that brought Argentina out of debt. In 2005 we paid off the debt to the International Monetary Fund [IMF]...which allowed us to develop public policies without being dictated to that led to the economic growth, development, industrialisation, and social inclusion in Argentina.... Today the IMF is back...[and] Argentina is once again merely managing the policies imposed from abroad," Fernández said.

Fernández went on to note that the inflation rate in Argentina is currently higher than when she left office and that the peso/US dollar exchange rate is now also significantly higher, all of which hurts the pockets of Argentine workers, producing more poverty and social discontent. Very deliberately, Fernández also compared the current level of social discontent with that observed during her administration. "We have just concluded three-and-a-half years of the presidential term with the Plaza de Mayo filled with protesters...something that we have never seen in our history," Fernández claimed. She added that the PJ only lost the 2015 presidential election by "one-and-a-half percentage points", after spending 13 years in power, the

Cats, dogs, and mares

During her 19 November intervention at the Primer Foro Mundial de Pensamiento Crítico, former president Cristina Fernández mostly maintained a restrained tone when criticising the government led by President Mauricio Macri. Except for what appeared to be an oblique swipe at Macri and his political allies. When discussing respect for different thinking in a democracy, Fernández said that “whatever our thinking or ideology we can be different...like animals...cats will always be cats, dogs are all dogs, and mares will always be mares”, in what was taken to be an allusion to the derogatory terms of ‘cat’ often used by his detractors to refer to Macri and to ‘dumb mare’, which is how Fernández’s opponents often describe her.

insinuation being that the level of public support for the Cambiemos centre-right coalition government led by Macri is waning, while support for the PJ remains strong.

Manoeuvring

It was these comments that led local observers to speculate that Fernández has now decided to have another tilt at the presidency. The comments certainly appeared to spur a series of political moves on the part of Cambiemos and the moderate PJ factions opposed to Fernández, ostensibly designed to thwart any attempt by Fernández to try to return to the presidency. Following Fernández’s speech, the minority Cambiemos bench in the federal senate called for a special debate to be held on 20 November on whether Fernández’s congressional immunity from prosecution should be lifted so that she can be prosecuted in relation to the case of the alleged cover-up by her government of the involvement of Iranian government officials in the 1994 bombing of the Asociación Mutual Israelita Argentina (Amia) Jewish organisation in Buenos Aires.

Cambiemos has been trying to get Fernández’s immunity lifted since last year but it has been unable to advance this in the PJ-controlled senate. It was unlikely that the call to strip Fernández of her immunity would meet with much more success this time given that this could only be achieved with a two-thirds majority vote. But the Cambiemos senators were likely seeking to bring the issue back to the fore in order to remind the public of the serious accusations faced by Fernández, who is also a suspect in various corruption cases. But the move to hold a debate failed, with Fernández’s supporters in the senate boycotting the session, leaving it inquorate and precluding the possibility of the charges levelled against her from being debated.

Meanwhile, moderate PJ figures grouped in the Alternativa Argentina emerging alliance of Fernández’s in-party rivals – Sergio Massa, Córdoba Governor Juan Schiaretti, Salta Governor Juan Manuel Urtubey, and Senator Miguel Ángel Pichetto [\[WR-18-39\]](#) – advanced their plans to build an anti-Fernández bloc to contest the PJ presidential nomination. On 21 November the four Alternativa Argentina leaders held a meeting with six other PJ provincial governors to try to convince them to join their 2019 electoral project. “We continue working on creating an alternative political project to Mauricio Macri and Cristina [Fernández],” an anonymous source that attended the meeting told the Argentine press.

ARA San Juan wreck found but government still faces criticism

On 17 November Argentina’s defence ministry announced that, after months of searching, US firm Ocean Infinity, which had been hired to find the Argentine navy’s submarine ARA San Juan, which disappeared in November last year while on patrol in the South Atlantic, had found the wreckage of the vessel in the sea bed 500km off the Argentine coast.

The reaction to the announcement went from relief to indignation after Defence Minister Óscar Aguad said that the government would now try to clear up what happened to the submarine and its 44-strong crew, but revealed that it had neither the means nor the technical capacity to rescue the vessel and bring it back to the surface. Aguad explained that the submarine appears to have imploded and broken into pieces that now lie 907m below sea level, and that recovering a mass of 2.3 tonnes from that depth would be impossible.

Relatives of the ARA San Juan crew, who have been staging demonstrations calling for the submarine and the crew to be found, have demanded that the government bring the vessel and its contents back to port so that investigators can fully determine what happened to it and those onboard. The relatives held a public demonstration in the submarine’s home port of Mar del Plata urging the government to recover the ship. This despite assurances given by President Mauricio Macri, who declared three days of national mourning following the discovery of the wreckage, that the ongoing investigation into what happened to the ARA San Juan and its crew would continue until “the whole truth is known”.

Internal tensions as cabinet appointments continue**Call for doctors**

Brazil's health ministry has put out a call this week for Brazil-trained doctors, to replace the 8,332 Cubans from the Mais Médicos programme who will leave by the end of the year. The Cuban doctors work primarily in remote, poor, and isolated parts of Brazil, and an estimated 611 towns will be left without a medical professional if no replacement is found. Medical associations in Brazil say that the country has enough trained doctors to attend to the population. The health ministry, which was praised for acting rapidly, says it received 3,300 applications on the first day.

Several new appointments are announced every day as the future government of Brazil's President-elect Jair Bolsonaro takes shape. His appointees, in turn, are starting to form their own teams. At the time of going to press, 11 cabinet ministers out of an expected 17 had been confirmed, with some appointments proving contentious.

The latest name to be confirmed was that of Gustavo Bebianno at the head of the general-secretary of the presidency (a presidential office which has ministerial status). Bebianno was interim president of Bolsonaro's Partido Social Liberal (PSL) during the presidential campaign, and his appointment to this ministerial post came as no surprise. Speaking after his appointment, Bebianno said that he will work on modernising and de-bureaucratising the Brazilian state, and indicated that he might invite Carlos, one of Bolsonaro's sons, to join his team as part of the communications secretariat. Carlos helped run his father's social media campaign but would be a controversial choice in an official communications role given his frequent attacks on the mainstream media.

With the exception of Bebianno, all of Bolsonaro's appointments have been announced via his *Twitter* account. This was the case with Luiz Henrique Mandetta, the future health minister. Mandetta is the third federal deputy from the medium-sized centre-right Democratas (Dem) party to be appointed to Bolsonaro's cabinet, after Onyx Lorenzoni as chief-of-staff, and Tereza Cristina Corrêa da Costa Dias as agriculture minister, leading to speculation that Bolsonaro and his team have some sort of agreement with the Dem.

Lorenzoni denied this when questioned, saying that these multiple Dem appointments are "mere coincidence". Augusto Heleno Ribeiro Pereira, the future head of the institutional security office (GSI) and close adviser to Bolsonaro, echoed this, saying that ministerial appointments are being made based on recommendations from caucuses in congress and on professional merit, not partisan agreements.

The current president of the federal chamber of deputies, Dem deputy Rodrigo Maia, also spoke up on the matter, insisting that the party has had nothing to do with the appointments. It is believed that the Dem will push for Maia, who was re-elected as federal deputy for Rio de Janeiro state this year, to retain the presidency of the lower chamber in the incoming congress, which takes over on 1 February 2019. The Dem appointments have reportedly stirred up some discontent amongst elected PSL representatives, who have not yet agreed upon who they will back to be president in the incoming federal senate and lower chamber. The PSL elected more representatives than the Dem to congress (a total of 56 senators and deputies versus 35) but is a less experienced party.

According to Bolsonaro, Mandetta's name was put forward by the public health caucus with the support of medical associations. Mandetta shares the president-elect's criticism of the Mais Médicos programme, through which Cuban doctors are employed to work in remote areas of Brazil. Bolsonaro recently said that the programme, which was set up under the leftist Partido dos Trabalhadores (PT) government, helps fund the "Cuban dictatorship". His comments led Cuba to announce the withdrawal of its 8,000-plus doctors last week, making work for Brazil's health ministry as it looks to guarantee the provision of healthcare in the towns currently served by the Cuban doctors (*see sidebar*).

This spat triggered by Bolsonaro is just one of his many moves that seem driven by ideology rather than pragmatism. Ideology certainly prevailed in

Push for privatisation

The future economy minister, Paulo Guedes, has said that his economy 'superministry' will include a privatisation secretariat, focused on the strategic sell-off of state assets. The privatisation of state-owned companies has been an oft-repeated promise of President-elect Bolsonaro, although he has been ambivalent about which state companies might be privatised. The policy receives full support from Guedes and his economic team. Somewhat controversially, the incoming government will look at selling off parts of Petrobras, once the 'crown jewel' of Brazilian industry and now the most indebted oil company in the world.

the appointment last week of Ernesto Araújo, a mid-level career diplomat, as foreign minister. Araújo will strengthen the ranks of a group identified as the pro-Trump anti-globalists by Matias Spektor, a professor of international relations at the Fundação Getúlio Vargas (FGV) and columnist for *Folha de São Paulo*. Spektor sees this group vying for influence in Bolsonaro's government with the military faction and the neo-liberal economists. Writing in *Americas Quarterly*, Oliver Stuenkel identifies a fourth group in this internal power struggle, led by future justice minister and former anti-corruption judge Sérgio Moro.

With clashes expected between these different groups, notably on questions of foreign policy, Moro and Paulo Guedes, the designated economy minister, have been choosing allies to form their own teams, with an emphasis on anti-corruption for the former and free-market economics for the latter.

Guedes has picked two fellow University of Chicago-trained economists to fill key posts: Joaquim Levy will be CEO of the national development bank (Bndes), while Roberto Castello Branco is to be CEO of Petrobras, the state-owned oil company. Levy's appointment has apparently proved contentious with some of the PSL due to his links with former leftist governments – he briefly served as finance minister under the (PT) former president Dilma Rousseff (2011-2016).

Roberto Campos Neto, another liberal economist and currently Americas director at Banco Santander, was confirmed by Bolsonaro as the new president of the central bank (BCB), which is likely to lose its ministerial status. In what is seen as symbolically significant, Campos Neto's grandfather, Roberto Campos, was an icon of Brazilian liberalism who contributed to the BCB's creation in 1964.

Campos Neto's nomination, which must still be approved by the federal congress, elicited little reaction from the markets who see him as representing welcome continuity with current BCB president Ilan Goldfajn. Overall, the seemingly cohesive economic contingent led by Guedes is seen as a positive counterbalance to other influences within the future government, although there is no doubt that Guedes' team is going to be hard-pushed to accomplish all of the economic reforms it is promising.

Meanwhile, Moro has been choosing his team amongst professionals with whom he has worked on the 'Operação Lava Jato' corruption probe, which carried him to international fame as the judge in charge of the proceedings. "These people have proven both their integrity and their efficiency," Moro said of his collaborators on the case. He has appointed Maurício Leite Valeixo as director-general of the federal police (PF). Valeixo, who is currently the PF superintendent in the southern state of Paraná, coordinated a number of Lava Jato arrests, including that of former president Lula da Silva (2003-2011).

Moro is adding to the number of Bolsonaro's military appointees in the incoming government [[WR-18-45](#)] by reportedly choosing General Carlos Alberto dos Santos Cruz to head the public security secretariat within the justice ministry. Dos Santos Cruz previously held this position under the incumbent president, Michel Temer, and served as force commander of the United Nations peacekeeping missions in Haiti (Minustah) and the Democratic Republic of the Congo (Monusco).

Other appointments announced by Bolsonaro this week include Wagner de Campos Rosário, who will remain in his current position as minister for the national ombudsman (CGU), which is linked to the transparency ministry. Rosário, a graduate from the same military academy as Bolsonaro, is so far the only minister to have been maintained from Temer's cabinet. André Luiz da Almeida Mendonça, a public attorney, will head the federal attorney general's office (AGU), which, like the BCB, is expected to lose its ministerial status.

Chilean GDP growth

Finance Minister Larraín is predicting stronger growth in the fourth quarter, which he says will be driven by a recovery in the mining sector and greater dynamism in non-mining sectors, such as construction and services. Regarding the labour market, Larraín promised greater efforts to cut unemployment and claimed that a total of 150,000 jobs would be created this year. He also predicted that fuel prices would start to fall in the coming weeks.

Spectre of corruption looms

President-elect Jair Bolsonaro has vowed to stamp out corruption and end underhand dealings in government, breaking with the habits of past administrations. Yet some of his chosen cabinet members might already be tainted by past scandals.

On 18 November, the national daily *Folha de São Paulo* reported that federal deputy Tereza Cristina Corrêa da Costa Dias, Bolsonaro's designated agriculture minister, gave fiscal incentives to meat-packing company JBS while she occupied a position in the state government of Mato Grosso do Sul and simultaneously had a joint cattle venture with JBS.

Da Costa Dias has acknowledged having ties with JBS, through ventures inherited from her mother as well as through some land her family rents from the Batista family (which is the majority owner of JBS). However, her lawyers argue that all these dealings took place in accordance with the law, as did campaign donations she received from JBS in 2014, and that they have nothing to do with the investigation currently taking place into a kickback scheme through which the meat-packing giant allegedly paid R\$150m (US\$40m) in bribes to the Mato Grosso do Sul state government.

The investigation is based on revelations made in the plea bargain deal reached with JBS executives in April 2017, in the context of the Lava Jato corruption probe. Bolsonaro has stood by Da Costa Dias, saying that nothing is proven and for the moment she benefits from "all his trust".

Da Costa Dias is not the only appointee whose integrity is in question. Designated chief-of-staff Onyx Lorenzoni and economy minister Paulo Guedes are under investigation for illegal campaign financing and fraud relating to the management of pension funds respectively. Both deny any wrongdoing.

Luiz Henrique Mandetta, announced this week as health minister, is under investigation for tender fraud, influence peddling, and the use of slush funds while he was health secretary in Campo Grande (Mato Grosso do Sul). Mandetta also denies the allegations, and Bolsonaro defended his appointee, saying that the investigation has not advanced since it was launched in 2009. Bolsonaro has nonetheless said that ministers will not be maintained in their post if solid accusations against them emerge.

TRACKING TRENDS

CHILE | Growth slows in third quarter. On 19 November, Chile's central bank (BCCH) released its third-quarter economic growth figures, revealing signs of a slowdown. The domestic economy grew by 2.8% year-on-year in the third quarter compared with 5.4% in the second quarter, resulting in 4.2% accumulated growth for the year so far.

The third-quarter result is lower than market predictions, which averaged 2.9%. However, government officials point out that there were three fewer working days in this year's third quarter compared with the same period last year, which had a negative impact of 0.4% of GDP.

Despite slower growth, Finance Minister Felipe Larraín emphasised the positives of 4.2% accumulated growth for the year to date and a boost to spending on investment, which was up by 7.1% in the third quarter. "I want to emphasise that the economy is getting back on its feet and leaving behind four years of negative growth, or falling investment in other words," Larraín said at a press conference.

In the third quarter, mining sector activity contracted by 2.7% but other sectors, including personal services (4%), trade (3.2%), and business services (3%), boosted the overall results. Imports increased by 10% year-on-year, led by metal products, machinery, and fuel, while exports were up 7.5%, driven by copper and industrial products.

Statistics show that growth in internal demand, which slowed to a 4.6% increase in the third quarter, compared with a 6.1% increase in the second quarter and a 4.1% increase in the first quarter.

Supreme court serves warning to López Obrador

The very day after President-elect Andrés Manuel López Obrador presented his public security strategy, Mexico's supreme court (SCJN) ruled that the internal security law of the outgoing government led by President Enrique Peña Nieto was unconstitutional. The law, which was approved by congress at the end of last year, essentially perpetuates the military's policing role in public security. The SCJN ruled that the law clashed with the constitution in spirit and substance. So that López Obrador's security reform does not end up before the SCJN, and suffer the same fate, he is aiming to reform the constitution to remove the lexical padlocks preventing the permanent involvement of the armed forces in a public security role.

Under López Obrador's public security plan a national guard would be created composed of members of the army and navy, and gradually subsuming the federal police (PF) (*see sidebar*). The national guard would not be controlled by the public security ministry but rather fall under the remit of the defence ministry (Sedena), which will be in the hands of a military man, General Luis Cresencio Sandoval, when López Obrador takes office on 1 December.

Cresencio Sandoval insisted that the national guard would be "the people in uniform" but it will be trained by the armed forces, which places the emphasis on combat, rather than prevention in police training, and raises the same concerns prevalent during the last two governments about the just and proportionate use of force and human rights abuses by the military.

López Obrador has been critical of the failed security strategy of the present and previous governments, an intrinsic part of which was the militarisation of public security. He argues that his plan is different as "80%" of it consists of addressing the causes of violence, but his proposed societal focus will take time to be felt, while the military's role in public security will be closely monitored from the outset of his government. Writing in the national daily *El Universal* on 16 November the Mexican security expert Alejandro Hope said that "The national guard will have the same number of individuals, in the same places, doing the same, with the same tactics, leadership, and equipment as now, but a different uniform; unless this uniform is magic, different results should not be expected."

Hope contended that if the ambitious recruitment goals were met and the national guard swelled to 150,000 members within three years it might have more impact in reducing violent crime in the medium term, but this would require a "monumental effort". He maintained that "the crucial endeavour" should be to reform the state and municipal police forces rather than "construct a new federal force". The implication is that the incoming government either sees this as too challenging or views the state and municipal police forces as not up to the task. Either way, morale in these forces will be eroded by their neglect, leaving them even more susceptible to being corrupted by organised crime.

The next step for López Obrador will be winning the approval of congress for a constitutional reform to enshrine the military's role in public security. He now knows what to expect from the SCJN after it declared the Peña Nieto administration's internal security law unconstitutional. But setting out to circumvent the SCJN in this way raises ethical questions – just as López Obrador is poised to unveil a 'moral constitution' on 26 November.

Banking bill

The incoming finance minister, Carlos Urzúa, met the head of the Morena bench in the senate, Ricardo Monreal, last week to discuss the legislative initiative he presented that would eliminate 12 bank charges on customers, including cash withdrawals, balance enquiries, and inter bank transfers. Urzúa did not strongarm Monreal into dropping the initiative but it was not just a ‘courtesy visit’. The two men agreed that proposed economic and financial changes would be “studied carefully”. They discussed “coordinating efforts between the executive and legislative branch of government” [code for not presenting a bill without prior consultation] to address Mexico’s most pressing financial and economic challenges. According to a statement put out after the meeting, they agreed that “the best strategy to address these challenges [together] is a broad and plural debate including civil society, academics, and the private and financial sector”.

Big fish fill new business council

President-elect Andrés Manuel López Obrador has made a big gesture to Mexico’s private sector by forming a business advisory council, with which he will meet every two months. He made the announcement on a video posted on social media on 15 November.

The business council will be comprised of eight of the biggest names in Mexico’s business world. Two of the berths will be filled by media kingpins Ricardo Salinas Pliego, the founder of Grupo Salinas, which owns TV Azteca network, and Bernardo Gómez, the co-chief executive of Televisa network. Then there is Olegario Vázquez Aldir, who is the owner of Grupo Imagen media conglomerate and the national daily *Excélsior*, in his capacity as director general of Grupo Empresarial Ángeles (GEA), the Mexican communications, healthcare, tourism, financial services, and media corporation.

The other five business figureheads are Daniel Chávez Morán, the founder of Grupo Vidanta, a major real estate consortium; Miguel Rincón Arredondo, the chairman and chief executive of Bio Pappel, the country’s largest manufacturer of writing and printing paper; Miguel Alemán Magnani, founder of the Mexican airline Interjet, and scion of a powerful dynasty going back to former president Miguel Alemán Valdés (1946-1952); Sergio Gutiérrez Muguerza, chief executive at DeAcero, dubbed ‘the king of steel’ and described as “an extraordinary man” by López Obrador; and Carlos Hank González, the president of the second-largest financial group in Mexico, Grupo Financiero Banorte.

Positive reception

The president of the powerful business sector lobby, Consejo Coordinador Empresarial (CCE), Juan Pablo Castañón, said the decision to create the business advisory council and fill it with “distinguished members of our sector” was “very positive”. He added that it would “contribute to an atmosphere of confidence”. It is also a major fillip for López Obrador to have this support from the business sector after confidence in his incoming administration had been damaged in recent weeks by his decision to cancel the project to build a new international airport in Mexico City (NAIM) and a banking initiative presented by his leftist Movimiento Regeneración Nacional (Morena) in congress.

The inclusion of Gómez and Hank González on the council was particularly eye-catching. López Obrador has been fiercely critical of Televisa’s coverage in the past, which he has said cost him the presidential elections in 2006 and 2012. Hank González’s Grupo Financiero Banorte (*see sidebar*) saw its stock plummet 11.9% in one day after Morena tabled its legislative initiative aiming to restrict commissions charged by banks [[WR-18-45](#)].

Hank González’s late grandfather and namesake was a controversial power-broker in the Partido Revolucionario Institucional (PRI) for 30 years. Conscious that this sort of association would attract criticism from the left of Morena, López Obrador said simply “This is a government for the rich and the poor,” adding that the council would “help the government to achieve progress with justice for all”.

López Obrador did not rule out expanding the advisory council, which will be coordinated by Alfonso Romo, his incoming chief-of-staff, in the coming months. Romo is a business tycoon himself, serving as president of the board for Grupo Plenus, which has investments in biotechnology, education, and financial services, as well as honorary president of the stock brokerage and fund management company Vector.

Ethics pact raises eyebrows

“A mockery of the people.” This was the response by Saúl Méndez, the presidential candidate for the small leftist Frente Amplio por la Democracia (FAD), to the ‘ethics pact’ recently signed by the six other parties ahead of the general election in May 2019. Citing concerns about the previous lack of transparency surrounding state funds and their use by the main political parties, Méndez’s response to the pact comes as the 71-member unicameral legislature has been hit by a fresh scandal involving the government-run sports institute (Pandeportes). All of this has served to focus attention on the chief electoral issue in Panama – government corruption. Concerns have intensified due to scandals such as that involving Brazilian construction firm Odebrecht which broke in December 2016 and has implicated top officials, including President Juan Carlos Varela himself.

The pact was signed on 12 November by Heriberto Araúz, the president of the electoral authorities (TE); the media; private sector; and civil-society. It was also signed by representatives from the ruling Partido Panameñista (PPA) whose presidential candidate is Panama City mayor José Isabel Blandón; Partido Revolucionario Democrático (PRD), which is fielding former agriculture minister (2004-2006) Laurentino Cortizo; and Cambio Democrático (CD), the party of former president Ricardo Martinelli (2009-2014), which is putting forward Rómulo Roux, a former foreign minister (2012-2014); along with representatives from other smaller parties. Among other things, the ethics pact promises to “avoid acts of clientelism and vote-buying” and to “circulate the profiles of the candidates and their manifestos”.

In a statement, however, Méndez said it was risible to sign this type of agreement with “parties and candidates that have depleted state resources in the past”, and so far remained unaccountable. As if to illustrate his point, three days after the ethics pact was signed, Ricardo Lombana, an independent presidential candidate, presented a criminal complaint against 11 national deputies from the PPA, PRD, and CD for embezzlement. The case relates to a scandal centred on Pandeportes which first came to light at the end of last month following an investigation by the national daily *La Prensa*. The investigation, which spanned the period 2014 (the year President Varela took office) to 2017, found that 88% of the total US\$14.9m assigned for sports federations and associations ended up in organisations linked directly or indirectly to deputies or politicians (*see sidebar*). Since the scandal was made public, more details have come to light. According to a press release by the comptroller general’s office, the first phase of an audit of funds managed through Pandeportes, which it presented to the attorney general’s office on 14 November, found that some US\$9m in funds had not been accounted for.

Another complaint

The legislature has also recently attracted transparency-related criticism after approving amendments to the US\$23.6bn budget proposal for 2019 which, among other things, would exempt certain institutions from tax audits and also weaken oversight of public contracts relating to sports federations and associations.

After private-sector lobbies like Consejo Nacional de la Empresa Privada Panamá (Conep) expressed concern, calling on the government to explain the basis for these changes, which were approved on 31 October, Panama’s executive partially vetoed the 2019 draft state budget on 13 November and sent it back to the legislature for further discussion.

Deputies facing complaints

The PRD deputies facing criminal complaints are Benicio Robinson (who is president of the Panamanian baseball association), along with Javier Ortega, Alfredo Pérez, Iván Picota, Zulay Rodríguez, and Néstor Guardia. The PPA legislators mentioned include Adolfo Valderrama and Katleen Levy, while those from the CD include Carlos Afú (a former president of the regional baseball league in Los Santos province) and Juan Poveda.

Quotes of the week

“This is a man who moves through corruption like a fish in water [and] who seems to have taken Dr Pizano’s denunciations [of irregularities related to Odebrecht] to have been a joke.”

Senator Jorge Robledo of Colombia’s left-wing Polo Democrático Democrático on the country’s attorney general, Néstor Humberto Martínez.

“I’m not interested in the support of [President Nicolás] Maduro because there is no revolution in a clique dedicated to perpetuating itself in power to capture oil revenues. This is not a revolution.”

Colombia’s defeated leftist presidential candidate Gustavo Petro responds to claims by Venezuela’s constituent assembly president Disodado Cabello that “Mr Petro came here looking for support for his campaign”.

“The Haitian people elected me president of Haiti and while I’m in power nobody is going to put the country’s interests in jeopardy. We cannot set aside the democratic process to create chaos.”

Haiti’s President Jovenel Moïse responds to calls for him to resign.

Moïse clinging on in Haiti amid fatal anti-corruption protests

The Haitian government led by President Jovenel Moïse is coming under mounting pressure amid escalating nationwide protests which have claimed at least seven lives this week. Public fury at a senate report pointing to official embezzlement of some US\$2bn of funds from the Petrocaribe soft diplomacy initiative financed by Venezuela lies behind this and recent protests. In a message to the nation on 21 November Moïse called for a dialogue process but he made no mention of corruption. Various political opposition leaders have seized upon the protests to insist that he must go.

Anti-corruption protests are becoming increasingly volatile because protesters do not trust the Moïse administration to deliver on its promise to punish any officials found guilty of wrongdoing in the Petrocaribe corruption probe. Six people were killed during protests over the scandal on 17 October, the 212th anniversary of the assassination of Haiti’s founding father Jean-Jacques Dessalines, and nine injured in Port-au-Prince two weeks later during a funeral procession for them.

The nationwide protests on 18 November marked the 215th anniversary of the Battle of Vertières, just south of Haiti’s second-largest city Cap Haïtien, in Nord department, when Dessalines won a decisive victory over French forces to secure independence. Police fired tear gas and gunshots to disperse thousands of protesters. A further six protesters were killed not just in Port-au-Prince but also Cap Haïtien and Petit Goâve in the south-west.

Moïse delivered a short televised message calling for “union, peace, and dialogue to advance”, but he was widely censured for failing to visit Vertières, as is customary, with the fledgling opposition coalition Secteur démocratique et populaire (grouping some 20 parties) claiming that the protests demonstrated that his position was untenable. Speaking from Cap Haïtien, Moïse Jean Charles, the leader of the opposition Pitit Desalin, said that only Moïse’s resignation would suffice to ensure a true investigation into the Petrocaribe corruption, and that demonstrations would continue “until he goes”.

On 19 November the national police reported that an officer had been killed by a street gang in a Port-au-Prince slum, La Saline (where up to 25 dead bodies were found last week, according to a report by the human rights group Fondasyon je klere [FJKL]). Two further days of demonstrations followed. Given that half of the population survives on a salary of less than US\$2 a day, protesters will continue to demand accountability for the missing US\$2bn of funds.

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