

latin american weekly report

02 May 2019, WR-19-17

ISSN 0143-5280

CONTENTS

LEADER	1
Guaidó's uprising fizzles out as military stands by Maduro	
ANDEAN COUNTRIES	
PERU	4
Getting to the bottom of Odebrecht corruption	
TRACKING TRENDS	
BRAZIL & SOUTHERN CONE	
ARGENTINA	6
IMF seeks to bolster Macri	
BRAZIL	8
All eyes on the Amazon	
TRACKING TRENDS	
CHILE	10
Piñera wraps up Asian tour	
MEXICO	
MEXICO	11
Labour reform clears congress	
MEXICO	12
First national guard unit deployed	
TRACKING TRENDS	
CENTRAL AMERICA & CARIBBEAN	
HONDURAS	14
Hernández makes U-turn	
GUATEMALA	15
Renewed concerns about drug money ahead of June vote	
POSTSCRIPT	16
Colombian opposition suffers blow	
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

Guaidó's uprising fizzles out as military stands by Maduro

Venezuela's widely recognised interim president Juan Guaidó promised a decisive development in the end game to bring down the government led by Nicolás Maduro on 1 May. It was dramatic but not decisive. In the early hours of the previous morning social media was awash with the image of Guaidó standing alongside Leopoldo López, the opposition figurehead supposed to be under house arrest but released by his captors. Flanked by men in uniform outside the 'La Carlota' air base on the outskirts of Caracas, Guaidó said he had won the backing of the armed forces and urged supporters to set in motion the final phase of 'Operación Libertad'. But he was bluffing, overstating his hand to try and trigger an uprising to topple Maduro. Guaidó's energy and determination means he remains a significant threat to the Maduro administration as he chips away at the Bolivarian edifice, but the military hierarchy remains a formidable obstacle.

"The time is now," Guaidó said in a video filmed outside 'La Carlota'. His bold assertion appeared to be lent credence by the presence of members of the security forces alongside him as well as López, whose release from house arrest where he was completing a 13-year prison sentence instilled a sense of belief among opposition supporters which had started to flag after the initial momentum established by Guaidó three months ago. As the message filtered through, thousands of people took to the streets in the opposition stronghold of Altamira, a neighbourhood in the Chacao municipality of Caracas.

The uprising elicited the swift support of the US and Colombian governments, as well as the secretary general of the Organization of American States (OAS), Luis Almagro. The Maduro administration seemed slow to react. Maduro eventually tweeted an appeal for "nerves of steel" and said he had spoken to the commanders of the eight regional commands (Redi) and the commanders of the 27 zones into which these are subdivided (Zodi) around the country and received the expression of their "absolute loyalty". This was borne out by events on the ground. No prominent member of the military came out in support of Guaidó.

Once again, the military hierarchy remained unmoved, just as on 23 February when Guaidó urged soldiers to allow humanitarian aid into Venezuela from Colombia hoping it would provide the tipping point to expedite a democratic transition process, prompting mass defections by frontline troops in the military and national guard. It confirmed that dislodging Maduro is likely to require sustained pressure over time.

The communications minister, Jorge Rodríguez, belittled "a small group of military traitors...carrying out a coup", while the foreign minister, Jorge Arreaza, said that it was not clear whether the uprising was being backed by "more than 24 soldiers, while our personnel exceed 215,000 and 2m militias".

Cuban support

Cuba's President Miguel Díaz-Canel accused the US government of "a dangerous escalation" of the situation in Venezuela this week, while denying that Cuba had any troops in the country. The US imposed financial sanctions on 5 April on two companies that ship crude from Venezuela to Cuba. Venezuela's oil shipments to Cuba have been falling but it has still been supplying it with 20,000 to 50,000 barrels of oil per day. Venezuelan Foreign Minister Jorge Arreaza responded defiantly to the sanctions by saying that the country would continue to "fulfil its commitments" to Cuba, saying that "when the conventional power of capitalism attacks you, you have to know how to respond through non-conventional means, always respecting international law".

Arreaza added, "The situation is complicated in three blocks of an upper-middle-class neighbourhood in Caracas. The other 916,049km of the country are in absolute peace".

Guaidó withdrew to nearby Altamira square after the air base repelled his group of deserters, and the national guard and pro-government militias, *Colectivos*, harried protesters with tear gas and gunfire. The video of a national guard armoured car crashing into protesters near 'La Carlota' went viral. Guaidó tried to rally protesters to greater efforts and made another appeal to the armed forces to rise up against Maduro but it went unheeded. As the day wore on, military defectors, wearing blue armbands and bandanas to cover their faces, and protesters melted away. The fact that López and his family entered the Chilean (and then Spanish) embassy in Caracas seeking protection did not send out the message that the opposition "controls the streets" as Guaidó claimed. The Brazilian embassy, meanwhile, reported that by mid-afternoon it had taken in 25 low-ranking military defectors seeking asylum.

"Maduro does not have the support of the armed forces, it is a historic day for the country," Guaidó claimed. But the number of blue-band wearing defectors did not swell significantly as he, López, and dissident members of the security forces led by lieutenant colonels Ilich Sánchez Farías, head of the national guard protecting the opposition-controlled national assembly, and Rafael Pablo Soto Manzanares, head of a national guard detachment, tried unsuccessfully to move on central Caracas and the Miraflores presidential palace. Guaidó has more support within the armed forces than the failed uprising might suggest, but while he might describe himself as the "legitimate commander-in-chief of the armed forces", the majority are not following his orders even if it was fear of reprisals, especially torture, that kept the rank-and-file in line rather than loyalty.

Psychological warfare?

As it became clear that the uprising was petering out, the US national security advisor, John Bolton, appealed to three of the most senior members of the Bolivarian regime, who he claimed had negotiated the departure of Maduro with the opposition over the course of the last three months, to "make good on their commitment to achieve the peaceful transition of power..." Bolton said the three men were none other than the defence minister, Vladimir Padrino López, the president of the supreme court (TSJ), Maikel Moreno, and the commander of the presidential guard of honour and head of military counter-intelligence (Dgcm), Iván Rafael Hernández Dala.

The US special envoy to Venezuela, Elliott Abrams, repeated these claims in a subsequent interview with the Spanish news agency *Efe* during which he maintained that despite negotiating "for a long time the means of restoring democracy", the three men (and other senior officials) had eventually decided not to act and had now switched off their mobile phones. Government strongman Diosdado Cabello dismissed the claims as "nonsense", adding that "they would love to number people like that in their ranks". Cabello said the "coup attempt" had been defeated in spite of "a great international media campaign to give the impression that the Venezuelan people are divided". He added that the armed forces remained "structurally united beyond two or three desertions".

Padrino López did not give the impression of having conspired to bring down Maduro. Along with other members of the top brass, such as Admiral Remigio Ceballos Ichaso, commander of strategic command operations (CEO), one of six branches of the armed forces, and the army commander, Major General Jesús Suárez Chourio, Padrino López underlined his loyalty to the Maduro administration.

Dialogue process

Earlier in April, Foreign Minister Jorge Arreaza rejected the dialogue process proposed by the international contact group led by the European Union (EU), claiming that it is made up of “biased actors”. Arreaza said that the so-called Montevideo mechanism, proposed by the governments of Uruguay, Mexico and Caribbean nations, is a “much more logical option”, containing four phases: immediate dialogue, negotiation, compromise, and implementation.

It was noteworthy that when Maduro, ubiquitous on state television most days, finally appeared on the screen late in the day to address the nation, he was flanked by Padrino López and Cabello. But while Cabello could be entirely justified in dismissing the comments by Bolton and Abrams as “nonsense”, they could have a psychological effect, sowing distrust at the top of the regime.

Guaidó might have looked weaker at the end of the day, but Maduro did not emerge stronger. He will not be enjoying these probing tests of military loyalty that are steadily undermining his authority. Mass defections from the military did not transpire but cracks in the regime are not a figment of the opposition’s imagination. The biggest blow to Maduro was the defection of Division General Manuel Ricardo Christopher Figuera, the director of the national intelligence agency Sebin.

In a public letter to the Venezuelan people on 30 April, Figuera said he could no longer remain silent, criticising “the untrammelled corruption which many top-level public servants practice as if it were a sport”. “Is this the fault of the empire?” he asks rhetorically, before concluding that “the time has come to find other ways of practising politics”.

The local media outlet *Runrunes* reported that Figuera, accused by some Maduro loyalists of masterminding the “coup attempt”, had been arrested on 1 May. Maduro replaced Figuera at the head of Sebin with Gustavo González López (who had held the position until last year). But the release from house arrest of López who, prior to Guaidó’s emergence, was the most charismatic leader of the opposition, indicates that there is dissent within Sebin. López tweeted that he had been freed by members of the military and explained that Guaidó, as the legitimate president, had granted him and all political prisoners a pardon. López said members of Sebin guarding him had not opposed his release after Guaidó offered them a guaranteed amnesty.

Maduro, who branded López “a true murderer and a fascist”, accused the opposition “and imperialism” of seeking to provoke “a civil war”. Maduro said that the failed uprising had demonstrated that “intervention, coup-mongering, and armed confrontation is not the way forward,” in Venezuela. But the opposition has no faith in talks as past precedent shows that the Maduro administration will seize any opportunity to hold a grand national dialogue process without any intention of making meaningful concessions. Guaidó has insisted that a pre-condition for talks would be the departure of Maduro and the staging of free and fair elections.

What next?

Guaidó’s immediate challenge is to maintain the spirits of a public disillusioned with the failure to remove Maduro from power. Anti-government demonstrations on 1 May were still large but noticeably fewer protesters turned out. Guaidó, however, remains undeterred and indefatigable. “While we maintain the pressure on the streets, we will be closer than ever,” he said. He immediately announced the next phase of his attempt to topple Maduro during a demonstration in Caracas on 1 May, calling for a rolling strike by trade unions, ‘Operación Libertad Sindical’.

In the meantime, the Maduro administration’s financial position will grow weaker, reducing the incentives for the military to prop it up. Oil sanctions are biting, exacerbated by a dramatic decline in oil production in March, down 33% on February to just 960,000 barrels per day (bpd), according to the Organization of the Petroleum Exporting Countries (Opec), and just 732,000bpd, according to secondary sources. This could ultimately lead to the sort of conspiracy to which Bolton alluded. If the military hierarchy concludes that the situation is truly unsustainable, it might try to lead a transition, removing Maduro in an internal power grab, while seeking to dictate terms to Guaidó.

Public opinion

According to an opinion poll by the Instituto de Estudios Peruanos (IEP), released on 29 April, 83% of respondents believe that former president Alan García had decided to take his life because the evidence gathered by prosecutors was stacking up against him, while only 12% believe that García killed himself because he was put under undue pressure by prosecutors. The poll also found that while 41% of respondents expressed negative feelings in relation to García's death (including disappointment, shame, anger, and rejection), 60% believe that the incident will spur on the corruption investigations and only 29% believe that it will paralyse the investigations.

Getting to the bottom of Odebrecht corruption

"The Peruvian people want to know the truth." This was how President Martín Vizcarra responded when asked if the authorities remain committed to advancing the judicial investigations into the widespread government and political corruption scheme run by the Brazilian construction firm Odebrecht in Peru. The so-called 'Lava Jato' investigations have generated political turmoil in the country as evidence implicating ever-more prominent politicians and businesspeople in the scandal materialises. Questions over whether the investigations are producing more harm than good resurfaced last week after the police tried to arrest former president Alan García (1985-1990; 2006-2011) only for him to commit suicide [\[WR-19-16\]](#). The Vizcarra government is under pressure to explain why uncovering the whole truth about the scandal remains necessary.

García's death rocked Peru's political establishment. His party, the Partido Aprista Peruano (PAP), reacted by accusing the authorities of being responsible for his death for relentlessly persecuting him. Since then PAP and other opposition parties in congress have been calling for the prosecutors leading the Lava Jato probe to face investigation for the way in which they have led the probe.

José Domingo Pérez, the lead Lava Jato prosecutor, dismissed the criticism as an attempt to undermine and obstruct the investigations as they continue to make headway. This after Peruvian prosecutors were finally able to obtain detailed testimony from Odebrecht's former representative in Peru, Jorge Barata, after reaching a plea-bargaining deal with him and prosecutors in Brazil, where he is being prosecuted.

Pointedly, on 27 April, Pérez said that Barata had confirmed that he had paid bribes to various former Peruvian government officials and politicians including García. Pérez added that Barata identified Luis Nava, who served as García's secretary of the presidency and Miguel Atala, the former vice president of Peru's state-owned oil firm Petroperú, as García's 'middlemen' (testaferros) who received bribes on his behalf.

Three days later, on 30 April, Pérez revealed during a court hearing that Atala had admitted, under questioning, to having received irregular payments from Odebrecht on behalf of García, made to a bank account in Andorra, from 2007. Pérez requested during the hearing that both Atala and Nava be placed under preventive detention.

Pérez also said that Atala had told him that he has been receiving threats from "factions of the PAP" and that he had asked for police protection for him and his family. Pérez said that Atala had become a target of the PAP's "shock troops" after he decided to collaborate with investigators and he called for the specialised organised crime unit at the attorney general's office to launch an investigation to identify these individuals who he said appeared to form part of a "criminal organisation" intent on obstructing justice. After the hearing, Pérez told reporters that "It is a radical group that is seeking to frighten, harass those that want to collaborate with the public ministry's investigation... there is a risk for individual witnesses and their families... and also for us prosecutors that are investigating".

PAP legislators in congress have rejected Pérez's claims and denied the existence of shock troops within the party tasked with intimidating those involved in the Lava Jato investigations. They have also insisted that Atala's confession must be corroborated before it can be considered to be truthful

Graña y Montero

On 29 April Lima Mayor Jorge Muñoz announced that the municipal government was cancelling a contract recently awarded to a local construction firm, Graña y Montero (Gram), for roadworks in the city. Muñoz's decision came after the press reported that the former representative of Odebrecht, Jorge Barata, had told prosecutors that Gram, a regular business partner of Odebrecht in Peru, helped to pay some of the bribes offered by the Brazilian construction firm to secure state contracts. Gram has denied knowingly paying bribes in a statement in which it explained that Odebrecht always asked it for the reimbursement of expenses related to bidding for contracts. However, Muñoz has said that Gram should not be rewarded with any contracts while it remains under suspicion.

“because it is very easy to blame someone who is no longer alive”. Moreover, PAP legislators called for the Lava Jato investigations to remain strictly judicial in character “rather than political”.

President Vizcarra sought to ease the political tensions and address the concerns about the Lava Jato probe by stating on 30 April that “all of Peru wants to know the truth and we hope that we can get to the truth to strengthen our institutions, to correct the mistakes that may have been made. What we ask of the institutions that administer justice is that they get to the truth and for that they have all our support”.

TRACKING TRENDS

ECUADOR | Growth objectives. The Inter-American Development Bank (IDB) approved a loan of US\$500m for the government led by President Lenín Moreno last week to support its sustained economic growth and recovery initiatives, the reduction of poverty, and protection of the most vulnerable sectors of society. The credit forms part of the US\$10.2bn of accords struck by the government with the multilaterals in February.

Meanwhile, Ecuador's environment ministry announced the creation of a centre for business promotion, BioEmprende, last week, based on the sustainable use of natural resources as a source of alternative development for the country. The environment minister, Marcelo Mata, said that BioEmprende would endeavour to promote and expand biocommerce and bioindustry in Ecuador. “We are creating the necessary conditions for the sustainable use of biodiversity with an effective and efficient conservation strategy,” Mata said.

PERU | Tourism up. The number of visitors to Peru between January and March was 1,102,608, according to official figures released on 28 April. This is a 2.1% increase on the same period last year. There was an increase in the number of visitors from most source countries, with a steady growth in tourism from Asia. While Peru is a popular holiday destination for countries around the world, 40% of the tourism in Peru comes from within the Pacific Alliance trade bloc, which also includes Mexico, Colombia, and Chile.

Part of the overall growth in tourism can be attributed to Peru's expanding international air connectivity. Compared with the same period last year, there were 8% more flights into Peru. The foreign trade & tourism ministry is optimistic that the trend will continue for the rest of the year. To further facilitate tourism growth, Prime Minister Salvador del Solar announced to congress in early April that the government is working on a plan to improve the management of Machu Picchu, to enhance the city of Cusco, and to revitalise lesser-known archaeological sites. There has been an ongoing discussion around implementing a tax-free system to increase tourist spending.

PERU | Looking to join Belt and Road Initiative. Peru signed a Memorandum of Understanding with China on 27 April at the Belt and Road Forum in Beijing. The Forum centred on China's Belt and Road Initiative (BRI), under which it invests in infrastructure projects in countries with which it has economic relations. China expanded the BRI to include Latin America in January 2018 and has focused thus far on investment in Chile and Panama. Peru is expected to enter the programme formally over the next few weeks.

In his trip to Peru two weeks ago, US Secretary of State Mike Pompeo warned Latin American countries about China's lending practices, exemplified by the BRI. But China, not the US, is currently Peru's top trading partner. In 2018, trade between the two countries reached US\$23bn. Further, at the Forum, Peru's foreign trade & tourism minister, Edgar Vásquez, also spoke to attendees about his country's free trade policies. Peru has signed 19 trade agreements that comprise 90% of its trade.

IMF seeks to bolster Macri

Bolsonaro

President Bolsonaro made his comments while defending his government's tough pension reform, which is pending congressional approval in Brazil. "Argentina carried out a [pension] reform [in 2017] which, let's speak plainly, was only half the job," Bolsonaro said. "Macri is having problems now and the problems are mounting," he added. Bolsonaro will carry out an official visit to Buenos Aires on 6 June.

Just how much is at stake in Argentina's presidential elections in October was laid bare this week. Fresh from setting aside his economic principles to impose price controls on 64 essential products for six months in a bid to halt the relentless march of inflation and give himself a chance of re-election, President Mauricio Macri saw the International Monetary Fund (IMF) acquiesce to interventions in the foreign exchange market by the Argentine central bank (BCRA) to buttress the tottering peso. Relaxing its strictures was as much a political decision as an economic one by the IMF which is acutely aware that as Macri sinks in the polls and former president Cristina Fernández (2007-2015) rises the prospect of Argentina defaulting on its debt again increases commensurately.

President Macri gave a radio interview on 25 April at the end of a tumultuous week on the financial markets, during which at one point the peso plummeted 7% in the space of two days to Ar\$47/US\$1. The Buenos Aires stock exchange (Merval) also sank, while Argentina's country risk, as measured by the JP Morgan Emerging Markets Bond Index, briefly pushed through the psychological barrier of 1,000 basis points (in excess of four times that of any other country in South America other than Venezuela) for the first time since the start of 2014. And just to hammer that point home, Brazil's President Jair Bolsonaro said on 25 April that Argentina could become "another Venezuela in South America" if Fernández returned to power (*see sidebar*).

Macri argued that the prospect of "returning to Peronism", in its most radical populist guise under Fernández, had spooked the markets which had reacted by punishing the peso. Macri insisted, however, that the markets' fear was "unfounded", adding that "Argentines don't want to go back, they understand that magic does not exist and that Messianism leads to the destruction of society". Venting his frustration, Macri added that "the market is different, it is another world, they are people that are behind a computer screen in a distant place, buying and selling, they have a more short-term vision, of opportunity".

There is no doubt that the markets are concerned about the possible return of Fernández – a recent opinion survey by Isonomía gave her a 45%-36% victory over Macri in a hypothetical second round – but it was not fear of Fernández succeeding Macri that first began the rout of the peso over a year ago. Macri inherited a challenging economic situation from Fernández but he has categorically failed to tame inflation and erase poverty as promised, and by resorting to the very heterodox measures, such as price controls, that she employed, he cannot be exempt from responsibility for the adverse reaction of the markets.

It is against this backdrop that the IMF decided to alter its stance on a 'non-intervention zone', or trading band, within which the BCRA was barred from selling US dollars to prop up the peso under the terms of its US\$56bn Stand-By Arrangement (SBA). The BCRA will now be at liberty to intervene, with the size and frequency of its interventions dictated by "market dynamics". IMF spokesman Gerry Rice said that this was "well calibrated to the challenges facing Argentina".

The IMF had been critical of the burning of Argentina's international reserves by the previous BCRA president, Luis Caputo, so why the change of tack? The change of exchange-rate policy is eminently electoral. Unless the

Economic activity

Argentina's economic activity in February fell by 4.8% compared with the same month in 2018, according to the national statistics institute (Indec), a slight improvement on the 5.7% year-on-year decline in January but a tenth straight month of contraction. Most sectors declined, with the manufacturing sector contracting by 8.2%, for instance, although the agriculture sector grew by 5.9%.

government can stabilise the peso, any depreciation of which is constantly slapped on the front pages of the national press, and bring down inflation decisively, Macri's re-election hopes will hang by a thread.

This strategy is not devoid of risk. If the BCRA fritters away the country's international reserves (currently some US\$71bn), it will raise market concerns about a debt default, increasing country risk. The US\$34bn owed by Argentina next year under the IMF deal already looks onerous, and the increase in the debt in real terms as a result of the depreciation of the peso could necessitate swingeing and politically unpalatable budgetary cuts to honour the repayment schedule.

It is very doubtful whether Fernández would be prepared to do this. Even the more moderate Peronist Sergio Massa, a presidential aspirant for the Frente Renovador (FR), has said he would move to renegotiate the "unjust" accord with the IMF if he were to come to power, stressing that "a corpse can't pay".

This is all a cause for concern not just for the markets but also the IMF. It was noteworthy that during the general strike on 30 April staged by Argentina's second largest trade union movement, Central de Trabajadores de la Argentina (CTA), the leader of the powerful truckers' union, Hugo Moyano, accused the Macri administration of "only receiving the IMF's orders". But, fearful of his demise, the IMF has ceded ground to Macri.

Strike disruption

The general strike caused some disruption, with most domestic and international flights cancelled, the metro closed, buses operating a reduced service, and hospitals and schools affected. But the failure of the country's largest trade union movement Confederación General del Trabajo (CGT) to support the strike undermined its effectiveness. This prompted the secretary general of the CTA-Autónoma, Pablo Micheli, to chastise the CGT for failing to join the protests to ratchet up the pressure on Macri.

Further union protests took place in the Plaza de Mayo in central Buenos Aires on 1 May to mark International Labour Day, attended by some politicians from the Peronist opposition Partido Justicialista (PJ). Protest marches caused further transport disruption, the cancellation of flights, and the closure of schools and banks. The marches were well-attended but did not differ markedly from annual protests on International Labour Day.

Is Fernández on the way back?

While the credibility of Macri has been damaged in recent months, that of Fernández, an incumbent federal senator, also remains low. Judge Claudio Bonadio, widened legal proceedings against her this week, and for the sixth time requested her preventive detention for alleged corruption. This will not come to pass as the PJ majority in the senate will never strip Fernández of her immunity from prosecution.

It is widely anticipated that Fernández will seek the presidency again, with detractors saying it is her best bet for continuing to avoid prosecution, but she has not revealed her intentions yet. She might make an announcement when she launches her new book 'Sinceramente' at the Buenos Aires International Book Fair, Feria del Libro, on 9 May. Her book sold 60,000 copies on the first day it went on sale on 25 April.

There is still time for Fernández to declare her hand. The deadline for candidates to register to participate in party primary elections in August is not until 22 June. But the PJ is deeply divided over supporting Fernández, just like the country's trade union movement. The longer that remains the case, the better Macri's chances of securing a second term.

Bolsonaro speaks to agribusiness

Speaking at the opening of an agricultural fair in São Paulo state on 29 April, President Bolsonaro praised members of the agricultural sector and spoke of the importance of valuing their work. He announced a range of measures to this effect, including an increase in the government-provided rural insurance, and plans to shield from prosecution landowners who commit crimes in self-defence. The Catholic Church's land commission (CPT) has denounced this latter measure as encouraging violence and impunity, and further criminalising the landless, the indigenous and the quilombolas (descendants of slaves) who already struggle for their right to land.

All eyes on the Amazon

Striking a balance between environmental protection and agribusiness interests has been a long-standing challenge for the government in Brazil, a country which is both home to two-thirds of the Amazon rainforest and one of the world's largest agricultural producers. President Jair Bolsonaro has made no secret of his intention to favour the latter, as he and his government push for measures which weaken environmental safeguards to the benefit of the country's farming sector. This follows a trend begun under former president Michel Temer (2016-2019), during whose term Brazil's environmental record worsened and the power of the already influential agribusiness lobby increased. However, amidst growing calls worldwide to contain climate change and address the global environmental crisis, Bolsonaro's approach is coming under increased scrutiny and criticism both at home and abroad.

The focus of much of this scrutiny and criticism is the Brazilian Amazon, on account of its critical ecological importance, and the indigenous peoples who inhabit it, as they play an important role in its conservation. On 25 April, Global Forest Watch (an open-source web application that monitors global forests) released data showing that Brazil lost 1.3m hectares of primary rainforest in 2018 – accounting for more than a third of the 3.6m hectares of primary forest loss worldwide. Although deforestation in Brazil as calculated by Global Forest Watch decreased compared to 2016 and 2017, the surface of primary forest loss in 2018 remains higher than in any other year between 2007 and 2015.

Global Forest Watch notes that most of Brazil's primary forest loss in 2018 can be attributed to clear cutting (usually for cattle ranching, and to a lesser extent, soybean crops), and that protected indigenous territories were amongst the areas affected by large amounts of illegal clearing. This only serves to reinforce the claims of the few thousand indigenous who were gathered in Brasília last week for the 15th edition of the annual Acampamento Terra Livre. This year's demonstration was particularly important in light of what the Articulação dos Povos Indígenas do Brasil (Apib), an indigenous group, sees as the government's "intention to exterminate Brazil's indigenous peoples" (President Bolsonaro has often spoken of wanting to assimilate indigenous peoples into Brazilian society by allowing them to reap the economic benefits of exploiting their land).

While in Brasília, indigenous representatives presented their demands to members of the federal congress. They urged lawmakers to cancel a presidential decree (dating back to January) which diminishes the power of the federal indigenous rights agency, Funai. Notably, through this decree, the responsibility for demarcating indigenous territories no longer lies with Funai, but with the agriculture ministry. This is denounced by many as an attack on indigenous rights, and by extension on environmental safeguards.

The dismantling of the MMA?

The reshuffling of government ministries and agencies has also directly targeted the environment ministry (MMA), serving to weaken its environmental oversight. During a public audience in congress on 25 April, former environment minister Marina Silva (2003-2008) criticised the "complete dismantling" of environmental structures that is being promoted by Bolsonaro.

Both Bolsonaro and his agriculture minister, Tereza Cristina da Costa Dias, recently celebrated the fact that they can work with, rather than against, the environment minister, Ricardo Salles. The MMA's role in awarding licenses to infrastructure projects, and fining landowners or businesses for environmental mismanagement, has often put it at odds with the agribusiness sector. Salles shares Bolsonaro's criticisms of Ibama and ICMBio, the MMA's envi-

The militarisation of the MMA?

On 15 April, Adalberto Eberhard resigned as president of ICMBio citing personal reasons, but believed to be in protest at Environment Minister Salles' threat of launching disciplinary proceedings against ICMBio employees who had failed to attend a ceremony to which they had not been invited. Eberhard's departure led to a further five resignations within ICMBio. All were replaced last week by members of the armed forces or the military police, bringing the number of strategic positions in the MMA now occupied by the military to around 20. Some see this as an attempt by Salles and President Bolsonaro to limit and control the MMA's environmental protection agenda.

ronmental regulator and conservation agency, which the president accuses of practicing "an industry of fines" driven by ideological activism and subordinate to international NGOs (of which Bolsonaro is also very critical).

Since Salles took over, the MMA has been rocked by personnel changes (see sidebar) and rumours of the dismantling of regulatory agencies within the ministry. More recently, there has been talk of the imminent merging of Ibama and ICMBio. On 26 April, the national daily *O Estado de São Paulo* reported that Salles is cutting Ibama's budget by 24%. ICMBio employees anonymously told news site *UOL* in a story published on 28 April that Salles "is not interested in encouraging a policy of biodiversity protection" and speak of an "atmosphere of witch hunt" against the staff pre-dating the current administration.

Amid these tensions, the national association of environmental workers (Ascema) published an open letter denouncing "the destruction of federal environmental management and the recent verbal attacks to environmental civil servants" perpetrated by Salles, and defending the ICMBio's work and achievements. The Ascema followed this up with a press note on 29 April, warning about threats and violence against environmental workers.

Brazilian trade at risk?

While Bolsonaro has dismissed the demands and criticisms laid at his feet by activists, NGOs, and environmental workers, he may find them harder to ignore if he comes under fire from trade partners. Last week saw NGOs and the scientific community call upon European and North American governments and businesses to face up to their share of responsibility in environmental destruction in Brazil, and particularly the deforestation of the Amazon.

In a report released on 25 April, entitled 'Complicity in Destruction,' US NGO Amazon Watch denounces "international consumers, traders, and financiers" (some by name) for helping enable illegal deforestation by doing business with Brazilian companies guilty of the practice. Amazon Watch's call upon the global markets to exercise their influence to mitigate "the plunder" of the Brazilian Amazon was picked up by *The Financial Times* on the same day.

Separately, 602 European scientists and two Brazilian indigenous groups addressed a letter to the European Union (EU), published in *Science* magazine on 26 April, urging it to cease unsustainable trade with Brazil. In the context of the ongoing trade negotiations between the EU and the Mercosur regional trade bloc, the letter's signatories ask the EU to make any trade deal conditional on a Brazilian commitment to protecting human rights and the environment.

Government on the defensive

The government is dismissing these criticisms as veiled attacks against Brazilian trade parading as environmental concern. Speaking to news programme *GloboNews* on 26 April, and at the opening of an agricultural fair on 27 April respectively, Environment Minister Salles and Agriculture Minister Da Costa Dias maintained that Brazil's image abroad is distorted and that the country's farmers are some of the world's most committed to the environment. "We are examples of sustainability for [European countries]," Salles said.

Both evoked Brazil's forest code as stringent and proof of this commitment. According to this 1965 law, which was updated in 2012, rural landowners must preserve between 20% and 80% of their land from exploitation, depending on the biome (this protected area is known as the legal reserve). The forest code is the object of much criticism, and two senators (including Flavio Bolsonaro, one of the president's sons) recently presented a bill proposing to end the legal reserve on private property and "give the rural landowner back his right to his land".

Piñera wraps up Asian tour

Chile's President Sebastian Piñera conducted an official tour of Asia over the course of the last week with visits to China and South Korea. Piñera was accompanied by First Lady Cecilia Morel, Foreign Minister Roberto Ampuero, government representatives, and Piñera's son, Cristóbal.

In Beijing President Piñera met President Xi Jinping, signing a three-year action plan with a view to expanding the countries' bilateral relationship. According to a Chilean government press release, the 2005 Chile-China free trade agreement (FTA) will be updated to increase the number of Chilean products, particularly agricultural, that will have tariff-free access to the Asian market. Currently, China is Chile's main trading partner, accounting for 28% of the country's international trade. In subsequent meetings with businesspeople and government officials, Piñera discussed strengthening cultural and academic relations, sought to attract Chinese investment in Chile's wine and technology sectors, and participated in a roundtable discussion at the Belt and Road Forum.

On 29 April the Asian tour moved to South Korea, Chile's fifth largest trading partner. Piñera and his Korean counterpart, Moon Jae-In, signed agreements in the areas of defence, modernisation of the state, transport, and technology with four new priorities central to discussions: to digitalise governments, to promote the knowledge economy, to collaborate on cybersecurity, and to promote free trade. In addition, Piñera acknowledged Moon's "great efforts to move forwards with the denuclearisation of the Korean peninsula and in his role in facilitating talks between the US and North Korea".

TRACKING TRENDS

ARGENTINA | China opens its doors to pork. On 29 April, Argentina's President Mauricio Macri announced that his government had reached an agreement which will allow the country to export pork to China. Macri highlighted the positive impact this will have on Argentina's pig farmers, shipping industry, and meatpackers.

According to figures from the US Department of Agriculture cited by the Argentine government, pork consumption in China reached 55m tonnes (t) in 2018, of which 1m t were imported. Chinese imports of pork are expected to double in 2019 as an outbreak of African swine flu has hit internal production. Argentine pork production totalled 148,390 t in the first three months of the year, the government says.

According to the agreement reached by Argentina's agriculture minister, Luis Miguel Etchevehere, while in China last week, three Argentine meatpackers are now authorised to export pork to China (La Pompeya, Campo Austral, and Paladini). The government additionally noted that Chinese customs have authorised 22 Argentine establishments for the export of beef and poultry, contributing to a further general increase in meat exports.

BRAZIL | Ford reaches agreement with union. US automobile manufacturer Ford announced on 30 April that it had come to an agreement with workers at its São Bernardo do Campo factory in Brazil's São Paulo state, slated to close by the end of the year. The local trade union, Sindicato dos Metalúrgicos do ABC, and the state government had protested the planned closure, which threatens thousands of jobs and was announced by Ford on 19 February as part of a redesign of its global business, which includes exiting the heavy truck industry in South America.

As a result of negotiations with the union, Ford has agreed to implement a voluntary redundancy programme, provide psychological support, and propose professional retraining courses to factory workers. The union has accepted that the plant's closure might be brought forward depending on negotiations with potential buyers. Both Lyle Watters, president of Ford South America, and Wagner Santana, president of the Sindicato dos Metalúrgicos do ABC, highlighted the importance of the long dialogue process. "It was more than 40 days of fighting," Santana said.

Mishaps

President Piñera came under fire from Chilean media for a comment excusing his government's uncritical stance towards China: "each country can choose the political system it wants". The remark has sparked controversy considering the Piñera administration's vocal stance against Venezuela's authoritarian government led by the de facto president Nicolás Maduro. Piñera was also criticised for taking his son along on the trip, to which Cristóbal Piñera responded on Twitter that he went simply to accompany his parents "at no expense to the state".

Education reform returned

While the majority Morena senate bench succeeded in steamrolling through the labour reform before the end of the congressional session, it could not do the same with the government's education reform. The controversial initiative, which has already passed through the chamber of deputies, seeks to replace the 2012-2013 education reform repudiated by the Coordinadora Nacional de Trabajadores de la Educación (CNTE) teachers' union with a counter reform that addresses the CNTE's complaints [WR-19-15]. But the government has failed to convince the opposition to back its proposal. Consequently, the reform, which involves constitutional changes, did not get the required two-thirds support in the last senate session on 30 April and has now been returned to the lower chamber.

Labour reform clears congress

Mexico's federal senate has given final approval to the labour reform submitted by the government led by President Andrés Manuel López Obrador. This is a major boon for the government as the introduction of changes to Mexico's labour laws to reinforce workers' rights has been set as a precondition by US legislators for the ratification of the US-Mexico-Canada (USMCA) regional trade agreement. But not everyone in Mexico is content with the approved reform, with business lobbies complaining that the proposed changes will undermine Mexico's longstanding competitive advantage to the detriment of local business and the national economy.

Given some of the misgivings expressed by the business sector as well as some legislators over the government's proposed reform, including from the ruling Movimiento Regeneración Nacional (Morena) [WR-19-16], there was some speculation that approval of the reform by the senate could prove to be difficult. With Mexico's congress due to go into recess on 30 April until September, failure to get the reform approved this week would have been a blow for the López Obrador government as it would have significantly delayed its passage through congress and by extension the ratification of the USMCA, which López Obrador has prioritised. However, in the end senators were able to expedite the approval of the labour reform as Morena congressional leaders had hoped.

The senate plenary voted in favour of the reform bill in general on 29 April by 120-4 with two abstentions in the 128-seat chamber. The Morena majority bench largely backed the bill, which introduces changes and harmonises Mexico's federal labour law, social security law, judicial organic law, and the law on the national housing fund for workers. While a number of reservations were raised on the bill approved by the chamber of deputies, these were quickly rejected in a subsequent senate vote (by 70-50) as enough Morena senators heeded the party leadership's call to make no changes to the bill to ensure its approval before the congressional recess.

Approval of the reform was celebrated by the senate president, Morena's Martí Batres Guadarrama. Batres said that the approved reform initiative brings Mexico's legislation in line with the 2017 constitutional amendment on labour justice; the International Labour Organisation (ILO) Convention 98 on workers' rights to organise and collective bargaining, which was ratified by Mexico last year; and the USMCA's labour chapter. According to Batres, all of this means that the reform guarantees workers' rights to organise freely and provides them with effective freedom to take decisions related to their representation and defence of their interests.

López Obrador said the reform's approval represented an important step forward for labour rights and the democratisation of unions in Mexico. He said that by approving the reform Mexico had fulfilled the commitments made during the USMCA negotiations to update its labour laws and he urged the US Congress to ratify the agreement. "We said that we would approve a reform and we have delivered. Now it is up to the US government, US legislators to ratify the trade agreement," López Obrador said. US Trade Representative Robert Lighthizer "commend[ed] the Mexican congress and President López Obrador for passing historic labour reforms... These reforms will greatly improve Mexico's system of labour justice and are exactly what labour leaders in the US and Mexico have sought for decades".

However, approval by the senate of a reform bill that did not take into consideration any of the concerns it has raised during its debate in the lower

Police chief murdered

The archbishop of Puebla, Víctor Sánchez Espinosa, adjured frustrated, fearful, or grief-stricken inhabitants of the central state not to try and take justice into their own hands, while delivering Mass on 28 April, despite violence being “out of control”. On the same morning, the chief of the municipal police force in Acatzingo, one of the municipalities located in Puebla’s so-called ‘Red Triangle’, notorious for oil pipeline theft by gangs of huachicoleros, was shot dead. Antonio Bartolomé de la Luz was travelling on a motorcycle taxi when armed assailants in vans sealed off the road and gunned him down.

chamber disappointed Mexico’s business sector. Gustavo de Hoyos, the president of the Confederación Patronal de la República Mexicana (Coparmex) employers’ confederation, lamented the fact that none of the objections made by Coparmex about aspects of the reform that could undermine labour productivity – such as the creation of new specialised employment tribunals to replace the existing tripartite labour conciliation councils in which unions, the government, and employers were represented, and making it easier for unions to call strikes – had been addressed. De Hoyos insisted that the risks of falling labour productivity as a result of the reform were real and that these could negatively affect economic activity in the country.

De Hoyos added that it was also regrettable that Mexico’s congress had approved a reform that had been “dictated” by the US rather than act as a sovereign and independent body. “Today the senate of the republic has taken a step back on legislative sovereignty; and while it is true that the imposition of duties from abroad is bad, it is much worse for norms and institutions to be imposed on us from abroad,” De Hoyos commented following the approval of the reform.

Mexican business leaders have previously complained that some of the labour law changes that the Mexican government agreed to introduce during the USMCA negotiations go beyond the labour law provisions in the US and Canada, and that they have been specifically designed to undermine the competitive advantage that Mexico currently enjoys over its North American trade partners. Meanwhile, the political opposition has accused the government and Morena of violating congressional due process by fast-tracking the approval of the reform in their haste to have it passed before the end of the congressional session.

MEXICO | SECURITY

First national guard unit deployed

The municipality of Minatitlán in the eastern state of Veracruz has become the first area in Mexico to house the newly established national guard. President Andrés Manuel López Obrador announced on 26 April that the national guard would be deployed to Minatitlán, the scene of a brutal massacre a week earlier [\[WR-19-16\]](#), during his fifth visit to Veracruz in as many months since taking office last December.

President López Obrador announced that Minatitlán would be the headquarters of the first of 266 ‘territorial coordination units’ nationwide. A national guard contingent of 1,059 members composed of naval police, military police, and federal police has been deployed to Minatitlán. Accompanied by his security and defence ministers, Alfonso Durazo and Cresencio Sandoval respectively, López Obrador said that 51 of the 266 units would be up and running by mid-June.

“We came to say that you are not alone,” López Obrador said, condemning the “vile acts of cowardice” on 19 April when 13 people were killed in an armed attack [\[WR-19-16\]](#). He also announced a raft of social measures, such as subsidies for coffee growers and sugar cane cutters, credits for farmers, and youth development assistance.

Veracruz, the third most populous state in Mexico, is composed of 212 geographically dispersed municipalities (the second most in the country), complicating public security. It is a natural corridor for drug traffickers and people trafficking, and a fertile ground for huachicoleros, with the fourth highest number of clandestine oil taps in 2018 (*see sidebar*). There were 468 murders in Veracruz in the first three months of 2019. At the present rate the annual total would hit 1,898 victims, up 11% on 2018.

Homicides

The violence in Mexico is not abating. There were 37 homicides over the weekend of 27-28 April, 19 of which were in the central state of Guanajuato. It is worth noting that the security minister, Alfonso Durazo, announced shortly after taking up his post in December that there would be a significant fall in homicides within 180 days (a milestone that will be reached on 31 May). Now he is saying that this significant progress will be achieved within the next 180 days.

The day before López Obrador's visit to Minatitlán, the 27-year-old mayor of the Veracruz municipality of Mixtla de Altamirano, Maricela Vallejo, a member of his left-wing Movimiento Regeneración Nacional (Morena), was assassinated. This prompted fierce exchanges between the Morena governor of Veracruz, Cuitláhuac García, and the attorney general, Jorge Winckler, who was appointed to a nine-year term in 2017 under the previous right-wing Partido Acción Nacional (PAN) state government. García accused Winckler of doing nothing, despite Vallejo having publicly denounced receiving death threats, and branded the state attorney general's office ineffective for solving just 2% of the crimes it investigates. In February Morena state deputies tried to initiate impeachment proceedings against Winckler but to no avail.

López Obrador joined in the criticism of Winckler, saying that many of the problems in Veracruz had been "inherited from previous administrations", but that the deployment of the national guard would help to address them. Durazo, meanwhile, responded to criticism of the national guard assuming functions in Minatitlán despite the fact that the secondary legislation regulating the new security force has not yet been approved by congress. He insisted their deployment was constitutional as they would assume the duties of the federal police until the secondary legislation could be approved.

In an appearance before the federal senate on 26 April, Durazo said the national guard would have 82,000 members by the end of 2019, and 150,000 by 2023. He said that the government aimed to achieve "reasonable levels of peace and calm" in Mexico during the first three years of López Obrador's *sexenio* before consolidating these results in the second half of his mandate.

TRACKING TRENDS

MEXICO | No to foreign investment. On 28 April Mexico's President Andrés Manuel López Obrador said that the Istmo de Tehuantepec infrastructure development project will be carried out without any foreign investment. The project will see the expansion of the Salina Cruz port on Oaxaca state's Pacific coast, and Coatzacoalcos port in Veracruz state on the Gulf of Mexico, as well as the rehabilitation of a train line connecting the two. According to López Obrador, the train line will open up trade between Asia and the eastern coast of the US, as well as facilitate commercial and people transit between the two states. In addition, the project is set to benefit 76 municipalities, while construction will apparently be carried out without negatively impacting on the environment. The project will be funded by public money and, if private investment is required, it will come from Mexican investors. Finally, López Obrador said that genetically modified (GM) corn will not be introduced in the area.

MEXICO | Slowest growth in a decade. Mexico's national statistics institute (Inegi) released new preliminary figures on 30 April showing that GDP growth for the first quarter of 2019 was 0.2% compared with the same period in 2018. The figures also show GDP in the second quarter contracted by 0.2% compared with the final quarter of 2018. According to Banco Base this is Mexico's slowest growth rate since the last quarter of 2009. The figures are far from the 4% annual economic growth that President Andrés Manuel López Obrador promised during his election campaign.

Predicted annual growth figures for Mexico from the International Monetary Fund (IMF) are at 2.1% for 2019 and 2.2% for 2020 after being downgraded to reflect lower private investment. Predictions from other institutions are even lower, with BBVA Bancomer bank estimating growth of between 1.5% and 2% for both 2019 and 2020. While analysts view the stagnation as worrying, overall there are no fears of a recession and there are hopes for an improved second quarter. The president of the Mexican stock exchange (BMV), Jaime Ruiz Sacristán, believes that the figures are "reasonable", and a result of the changeover in presidential administration.

Hernández makes U-turn

The Partido Nacional (PN) government led by President Juan Orlando Hernández was forced to make a major concession this week after mass protests erupted across Honduras in rejection of proposed reforms to the health and education sectors which have now been shelved. The unrest, which turned violent at times, comes months after thousands took to the streets on the anniversary of Hernández's first year in office, calling for him to resign [WR-19-04]. As in previous protests – most notably the after Hernández's controversial November 2017 re-election – the response of the security forces attracted criticism.

The PN government had maintained that, among other things, the initiatives which were approved by the legislative assembly in a heated session on 25 April would simply restructure the budgets for health and education so as to be able to invest in different areas. However, doctors' and teachers' unions warned that the changes would ultimately result in privatisations, dismissals, and more general job insecurity. Their response was swift. The following day protests and strikes began, with the biggest demonstrations taking place on 29 April in the capital, Tegucigalpa, and other parts of the country. At least four buildings were set alight, including the town hall in Tegucigalpa, while anti-riot police fired tear gas and protesters threw Molotov cocktails. According to Coalición Contra la Impunidad (CCI), a grouping of over 45 civil-society organisations, at least eight people were arrested, and three people were "seriously injured".

The unrest attracted international attention and has reignited concerns about the security forces (*see box*). In a joint statement, the Inter-American Commission on Human Rights (IACHR) and Office of the United Nations High Commissioner for Human Rights (OHCHR) lamented the "violent incidents" and called on the police to investigate the violence, noting the presence of armed individuals in civilian garb in close proximity to security officials. The CCI also criticised the behaviour of the security forces, denouncing a "strategy of infiltration" whereby individuals with "military-police characteristics" intervene with "the clear objective of intimidating, causing damage, and identifying protest leaders".

The protests led congress on 30 April to announce that it was shelving both initiatives and to call for dialogue. However, the unions have made it clear that unless the government revoke additional decrees passed in 2011 and 2018 which declare a state of emergency in the health and education sectors (and which unions claim weaken labour rights), further protests could ensue.

Renewed concerns about military police

The public prosecutor's office has sparked fresh concerns about the military police (PMOP) with claims that it had hindered investigations into deaths recorded after the November 2017 general elections. In a 23 April tweet, it said that public prosecutors assigned to the inter-institutional security force (Fusina) had attempted to carry out "investigative proceedings" in the PMOP's criminal information and investigation unit but were "hindered".

The revelations add to existing concerns regarding the PMOP, which was set up in 2013. A March 2018 report by the OHCHR in Honduras (which focused on human rights violations committed between voting day and 27 January, the presidential inauguration) was clear that elements of the security forces, "especially the military police of the public order and the army, used excessive force... to control and disperse protests, leading to the killing and wounding of protesters as well as passers-by". At the time of completing the report, the OHCHR had registered at least 23 deaths in the post-electoral protests.

Relying on the military police

The post-electoral violence had led the OHCHR and IACHR to call for the authorities to "restrict the use of the military police and armed forces in law enforcement functions". However, President Hernández has continued to rely on their presence. Earlier this year he launched Operación Morazán II, which had the objective of dismantling criminal groups. The operation took place between 18 and 20 January in the departments of Gracias a Dios, Choluteca, Cortés, Yoro, Olancho and Francisco Morazán. The interventions included 10 raids, with 68 people arrested for homicide, drug trafficking, and the illegal transport of firearms among other things. One of Hernández's first acts upon taking office in 2014 had been to launch the first 'Morazán' operation.

Estrada's targets

Mario Estrada's arrest has also resulted in a public spat between the current attorney general, María Consuelo Porras, and her predecessor and presidential hopeful Thelma Aldana (2014-2018), a leading anti-corruption crusader who is facing an arrest warrant on charges that she maintains are trumped up. Aldana, who is appealing the revocation of her candidacy for the left-wing Movimiento Semilla, claims to be one of the two political rivals targeted by Estrada (whose names have not been made public) and that Porras had known of the plan for 40 days but had chosen not to investigate it.

Renewed concerns about drug money ahead of June vote

The arrests of a presidential candidate, a legislative candidate, and an acting mayor have reignited fears regarding links between politicians and organised crime in Guatemala.

The headline-grabbing arrest was that of Mario Amílcar Estrada Orellana, a presidential candidate for the right-of-centre Unión del Cambio Nacional (UCN) who was picked up in Miami on 17 April. He faces charges by the US Attorney for the Southern District of New York of attempting to conspire with Mexico's Sinaloa drug trafficking organisation (DTO) to import cocaine and weapons into the US and attempting to arrange the assassinations of two political rivals. This led the electoral authorities (TSE) to revoke his candidacy on 24 April. While not a serious contender in June's general election, Estrada remains a well-known figure in local politics, having served as a national legislator (2000-2007) and head of the social development secretariat (Sedesol) under President Alfonso Portillo (2000-2004), who pleaded guilty to money laundering in the US in 2014. Estrada has stood for the presidency on three occasions, 2007, 2011, and 2015, registering his best performance in 2011 when he came fourth with 8.57% of the vote.

The Estrada case (which has also raised some uncomfortable questions for President Jimmy Morales amid reports that he met Estrada on various occasions and used his helicopter) is one of various high-profile cases involving allegations of drug trafficking and politicians to have emerged in recent days. On 26 April the attorney general's office (AG) presented a request for legal action against Erick Salvador "Pocho" Súniga Rodríguez, mayor of Ayutla, San Marcos department, in line with an extradition request presented by the US Drug Enforcement Administration (DEA) for crimes related to drug trafficking. As a sitting mayor, Súniga, who is seeking re-election, currently enjoys immunity from prosecution, which the AG is calling to be removed. He had been elected for the opposition Gran Alianza Nacional (Gana) (since renamed Crecer). Meanwhile, three days earlier Julio Enrique José Rosales Morales, who was running for the opposition Visión con Valores (Viva) as a deputy for Retalhuleu department, was arrested in line with a US request in relation to charges of conspiracy to manufacture and transport heroin.

An ongoing problem

The UCN was one of various parties flagged up in a recent report by the United Nations (UN)-backed International commission against Impunity in Guatemala (Cicig), entitled 'Illicit networks and political crisis: the reality of the Guatemalan congress'.

Released last month, the Cicig report highlights the existence of so-called Illegal Political-Economic Networks (RPEIs), which, serving as the latest incarnation of Illegal Clandestine Security Apparatuses (CIACs), are political parties created by clandestine groups to represent their interests, in part through the use of illicit resources to gain political influence. The most high-profile example of this was the now defunct Partido Patriota (PP) of President Otto Pérez Molina (2012-2015), who was forced to resign over corruption. The PP has since been cancelled for violating electoral legislation.

The Cicig report identifies the UCN, which consists of former members of the now defunct Frente Republicano Guatemalteco (FRG), led by the late dictator General Efraín Ríos Montt and Alianza Ciudadana (AC) – which comprises members of the Libertad Democrática Renovada (Líder) (also cancelled for violating electoral legislation) – as illustrating the "best example of the tradition of the relation between CIACS and political parties".

POSTSCRIPT

Quotes of the week

“They failed in their plan. They failed in their call, because the people of Venezuela want peace. We will continue to emerge victorious...in the months and years ahead. I have no doubt about it.”

Venezuela's de facto president Nicolás Maduro.

“If the regime thought we had reached maximum pressure it is mistaken; we will take to the streets until we achieve Venezuela's liberty.”

Venezuela's interim president Juan Guaidó.

“Change is an adventure, and like all adventures it carries risks but... to return to the past would be to self-destruct, it would be to lose two or three generations to rediscover an opportunity like the one the world has given us now. Now is the time to show how much courage we have...more than ever, as the world and markets doubt...”

Argentina's President Mauricio Macri.

Colombian opposition suffers blow

Colombia's leftist political opposition has been shorn of two key figureheads in congress in as many weeks after two separate rulings by the council of state. This comes as public opposition to the right-leaning government led by President Iván Duque is growing. Numerous nationwide marches brought thousands to the streets on 25 April to protest against the government's social and economic policies in what was billed as the first general strike since Duque took office last August, albeit far from every sector took part.

On 11 April the council of state annulled the election to the senate of Antanas Mockus, of the centre-left Alianza Verde (AV), for conflict of interest. Mockus was accused of contravening the constitution as *Corpovisionarios*, a non-profit organisation for which he was the legal representative, signed public contracts with state entities in November 2017, within six months of congressional elections in March 2018 when Mockus received the second most votes of any senatorial candidate in Colombia's history.

On 26 April the council of state voted to strip the AV's Ángela María Robledo of her seat in the lower chamber of congress for failing to resign it at least 12 months before registering to be the running mate of Gustavo Petro for a different party, Colombia Humana, in the May 2018 presidential elections. Robledo had taken up her seat in the chamber again under the opposition statute law as their presidential ticket finished second. Robledo rejected the decision, which cannot be appealed, as “a blow against democracy” and “a denial of the constitutional rights of millions of people to whom this seat belongs”.

The expulsion of two prominent members of the political opposition coincided with nationwide marches organised by the trade union movement Central Unitaria de Trabajadores (CUT) against the Duque administration's national development plan (PND) being discussed in congress, which it argued was “regressive” for labour rights. Agricultural producers, especially coffee growers, who supported Duque's election, also protested, demanding more government assistance. They were joined by student and indigenous groups, who have staged separate protests in recent months.

LatinNews Daily

LatinNews Daily is an essential briefing tool for anyone with a serious interest in Latin or Central America and the Caribbean and is relied upon by thousands of LatAm professionals world-wide.

It is the definitive English language resource delivered via email at 0800 EST outlining all key developments throughout the region with expert analysis on the likely impact of each development.

LatinNews Daily costs just \$1,870 USD or £1,170 GBP for the year. For a 10-day free trial register at www.LatinNews.com, or for further information please contact Maria Isotalo via our online form at: www.latinnews.com/contact-us.

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 © 2019** 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-19-01 will indicate Weekly Report, 2019, issue 1.