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Argentina and Mexico team up to roll out coronavirus vaccine

As many countries across Latin America and the Caribbean are reeling from the combined health and economic impact of the coronavirus (Covid-19) pandemic, a ray of hope cut through the gloom. The heads of state of Argentina and Mexico, Alberto Fernández and Andrés Manuel López Obrador, respectively, celebrated an accord with the British pharmaceutical company AstraZeneca to produce Oxford University's vaccine. While Fernández and López Obrador share an ideological affinity, their antithetical approach to the pandemic has been striking, with one enforcing a strict lockdown and the other dismissive from the outset, and Argentina, with a population just over a third the size of Mexico, has suffered fewer than a tenth of the number of fatalities from Covid-19. In spite of this, sizable protests on 16 August suggest public patience is wearing thin in Argentina.

The Mexican and Argentine governments announced that the two countries had reached an agreement with AstraZeneca to produce between 150m and 250m doses of the vaccine. The Argentine biotechnology company mAbxience, owned by Grupo Insud, will make the active substance of the vaccine, and then the Mexican pharmaceutical company Liomont will 'fill and finish' the vaccine, filling vials and packaging the product. The Fundación Slim, run by the Mexican tycoon Carlos Slim, will contribute to the cost of production and distribution of the vaccine.

The accord means that Latin America will not be joining the back of the queue for vaccines behind the developed world. "This accord will permit Latin America to access the vaccine between six and 12 months earlier than otherwise," President Fernández said in a press conference on 12 August. He added that vaccines would be "distributed equally among all countries in the region," except Brazil.

"We are at the vanguard of this process," President López Obrador said during a press conference of his own on 13 August. "It really is exceptional," he added, providing "hope...and confidence that we will move forwards and the nightmare will end". His choice of language provided a stark contrast with his assessment of the threat posed by Covid-19 back on 18 March as Mexico confirmed its first death from the virus. Then he averred that "it's a global issue, but when it comes to Mexico I don't feel like we'll have big problems. That's my prognosis. Adversity and pandemics are going to do nothing to us." Five months on from this fatal underestimation of the impact of the coronavirus, Mexico has the world's third highest death toll, approaching 60,000 confirmed fatalities, and López Obrador has decreed a 30-day period of mourning for victims of the pandemic, from 13 August to 1 September.

López Obrador maintained that there was a "high probability that this vaccine will be effective", claiming on 16 August that it should be universally

Protests

President Fernández accused the opposition of orchestrating the protest marches, which he described as “an invitation to become infected”. The capital is a stronghold of support for his predecessor Mauricio Macri (2015–2019), and most of those taking part were opponents of Fernández. However, the march did not receive the support of the mayor of the city of Buenos Aires, Horacio Rodríguez Larreta, a member of Macri’s party, who restricted himself to urging protesters to take all of the necessary sanitary precautions. Fernández insisted that the lockdown had been relaxed in most areas and that his government had never “restricted liberties just looked after people’s health”. He has extended the partial lockdown in the Amba until the end of August, however, arguing that “the only medicine we have found so far is to limit the movement of people and the face-to-face meeting of people as much as possible”.

available by the first quarter of 2021. While the Oxford University vaccine is widely considered to be the most promising presently being developed, its success is not guaranteed and some production will begin before the completion of Phase 3 clinical trials (the last phase of testing of a vaccine to demonstrate efficacy and safety before it can be submitted to a regulatory authority for evaluation and possible approval) which are expected to be concluded in November or December this year. mAbxience has the capacity to produce in the region of 23m doses per month.

The Mexican foreign minister, Marcelo Ebrard, explained the details of the agreement with AstraZeneca during a virtual meeting of the Community of Latin American and Caribbean States (Celac) on 17 August. There was widespread support, with Mario López, Peru’s foreign minister, for instance, expressing his government’s willingness to cooperate in any joint regional action, and his Guatemalan peer, Pedro Brolo, offering to assist with logistics and distribution. More than half of the region’s 6.2m confirmed cases, and not far off half of the 247,000 recorded fatalities, however, are in Brazil, which withdrew from Celac in January this year, claiming it had been suffused with communist ideals, and is not participating in this programme.

Brazil, whose government is led by a populist president in Jair Bolsonaro, whose dismissive view of Covid-19 remains unaltered despite the high national death toll and having personally contracted the virus, is ploughing its own furrow. The federal government’s immunobiological technology institute Biomanguinhos struck its own US\$287m deal in late June to acquire 100m doses of the Oxford vaccine. Separately the state government of São Paulo has signed a cooperation accord with the Chinese pharmaceutical company Sinovac to acquire another vaccine (which is also in phase 3 clinical trials) for the state Instituto Butantan to produce. Meanwhile the governor of the southern state of Paraná, Ratinho Júnior, met the Russian ambassador to Brazil, Sergey Akopov, on 12 August to discuss terms of an agreement for production by the Instituto de Tecnologia do Paraná (Tecpar), a state research institute, of a Russian vaccine which was granted regulatory approval by Moscow after less than two months of human testing.

In the case of the Oxford vaccine and the Sinovac vaccine, the Brazilian institutes would acquire the technology transfer to manufacture the vaccines locally and possibly export them to the rest of Latin America. The Argentine-Mexico programme, however, would provide competition on this front.

While the vaccine announcement provided a welcome tonic for López Obrador amid widespread criticism of his government’s handling of the pandemic, its production cannot come soon enough for Fernández in Argentina despite his government’s comparative success at keeping cases and fatalities down, especially outside of the metropolitan area of Buenos Aires (Amba). Public frustration with the lengthy lockdown that has made this possible is palpable, and there are signs that it is having an adverse effect on his popularity just nine months into the job.

On 17 August there were large-scale demonstrations in major cities in Argentina, including Buenos Aires, Córdoba, Mendoza, Santa Fe, Rosario, and Tucumán. This was not just registering impatience with the lockdown, or the ‘cuareterna’ (a portmanteau conflating ‘quarantine’ and ‘eternal’) as it has become known, but also a rejection of the Fernández administration’s judicial reform proposal which is viewed by many as an attempt to shield Vice President Cristina Fernández from prosecution for corruption [\[WR-20-32\]](#). The largest march, numbering in the thousands, was in the city of Buenos Aires. For the most part protesters wore facemasks but the size of the march precluded social distancing. The health minister, Ginés González García, criticised the demonstrations as “totally unnecessary at a risky time”.

Elections

The president of the TSE, Salvador Romero, described the new date for the elections, which have been delayed twice already, as “definitive, immovable, and unpostponable”. He conceded that the further delay was “neither ideal nor the chosen option of any candidate or political party” but he argued that it was essential for “the protection of public health” as health authorities expect the coronavirus (Covid-19) epidemic to peak in Bolivia in late August or early September, just when the general election was due to be held on 6 September. A survey by the local pollster Mercados y Muestras released this week shows the MAS presidential candidate, Luis Arce, in a technical tie with former president Carlos Mesa (2003-2005) on 23% of the vote, with Jeanine Áñez lagging behind on 12%.

Electoral accord struck but volatility persists

The majority of Bolivia’s 70-odd roadblocks were dismantled on 14 August, a day after the supreme electoral tribunal (TSE) ratified the revised date of the general election as 18 October. This revision was made possible when warring parties in the legislative assembly set aside their differences to approve a bill pushing the election back from 6 September and this was swiftly promulgated by interim president Jeanine Áñez. But any hope that this might restore peace and harmony to the country was shattered by subsequent developments.

There were fewer than a dozen roadblocks left by 15 August after the workers’ union Central Obrera Boliviana (COB) reluctantly backed down the previous day, suspending mobilisations until 18 October when elections are due to be held. Not all of those who erected the roadblocks responded to the COB, however, so some remained in place: Felipe ‘El Mallku’ Quispe, a radical Aymara political leader estranged from the left-wing Movimiento Al Socialismo (MAS) of former president Evo Morales (2006-2019), insisted on persevering with the protests until Áñez’s resignation. Teachers joined protesters in blocking the main road linking La Paz and the satellite city of El Alto, demanding that Áñez go.

No sooner were the majority of the roadblocks taken down than the blame game started in earnest. The economy minister, Oscar Ortiz, estimated that the 10-day social protest had caused losses of some US\$100m per day, while the Administradora Boliviana de Carreteras (ABC) reported US\$1.5m of damage to road infrastructure and toll stations, especially in the south-western department of Oruro where it said that dynamite had been used by protesting miners to bring down “big rocks” on to the road.

The interim government then announced that it was filing charges of genocide against MAS members, including Morales, and the executive secretary of the COB, Juan Carlos Huarachi, who denounced the political accord to push the election date back as “a betrayal reached without consensus”. Morales, however, had actually tried to persuade the COB, and the umbrella Pacto de Unidad grouping, to end the roadblocks and drop demands that Áñez resign, arguing that this would merely “delay the return to democracy even further” [\[WR-20-32\]](#). Áñez further stoked tensions by accusing the MAS of trying to trigger a “civil war” and claiming that her interim government had delivered “the second pacification” of the country in allusion to the resolution of the political and social crisis last November after the resignation of Morales, when violent clashes resulted in at least 31 fatalities.

While the MAS acquiesced in postponing the elections, it has since denounced “the terror and violence of parastate and fascist groups in the face of state passivity”. This was a reference to the actions of the ultra-conservative Comité Pro Santa Cruz, whose president Rómulo Calvo condemned the roadblocks and encouraged groups of militant youths to set about dismantling them in the eastern department, as well as what the MAS described as a “terrorist attack” on the La Paz headquarters of the COB, which were damaged after an explosive device was detonated outside. Bolivia’s civic committees told the president of the TSE, Salvador Romero, that they opposed elections being held at all in the midst of the pandemic and blamed the interim government for ceding to pressure to hold them.

Deputy Betty Yañiquez, the head of the MAS bench in the lower chamber, meanwhile, presented an extraordinary bill for ‘the protection and non criminalisation of social protest’. Yañiquez said there was presently no rule of

Domestic tuna industry

While all the focus on the Galápagos fishing dispute has been on China, there is domestic opposition from Ecuadorean fishermen to a proposal to expand the EEZ around the archipelago. Luigi Benincasa, the head of the Asociación de Atuneros del Ecuador (Atunec), the national tuna association, appeared before the sovereignty and international relations commission of the national assembly this week. Benincasa argued that expanding the EEZ would have the most detrimental impact on Ecuador's fishing fleet. Fisheries and aquaculture is Ecuador's second largest export sector, and Ecuador is the largest tuna producer in the western hemisphere. Chen Guoyou, China's ambassador to Ecuador, declined an invitation to attend the debate.

law in Bolivia and the bill was necessary to avoid criminalisation of legitimate protest action. The head of the MAS bench in the senate, Efraín Chambi, said the legislative assembly would form a human rights and justice commission to investigate the legal situation of those arrested as a result of the COB-led protests to ensure "the objectivity and impartiality of investigations".

The deputy public security minister, Wilson Santamaría, denounced the proposed law as "unconstitutional", arguing that it was designed with the express purpose of providing impunity for the "leaders of the blockades". He maintained that the interim government had opted not to use the military or the police to break up the roadblocks in order to avoid bloodshed but that somebody had to be held accountable for the economic losses, and the 30-40 Covid-19 fatalities which it claims were the direct result of oxygen tankers being prevented from circulating freely. The removal of the roadblocks allowed a convoy of oxygen tankers to make its way from Santa Cruz to La Paz under military escort this week.

ECUADOR | POLITICS & DIPLOMACY

Galápagos fishing dispute deepens

Ecuador's government is appealing to the international community to improve surveillance and control of fishing activities in the region, several weeks after the widely reported arrival of 260, mainly China-flagged, fishing vessels near the exclusive economic zone (EEZ) of the Galápagos archipelago. The vocal response of the government led by President Lenin Moreno at the time prompted the US Secretary of State, Mike Pompeo, to put out a statement criticising the "predatory fishing practices" of China, whose government has since made several gestures to the Moreno administration.

The environment minister, Paulo Proaño, expressed concern about the fishing fleet on 14 August during a virtual meeting of the Corredor Marino del Pacífico Este Tropical (CMAR), to which Colombia, Costa Rica, and Panama also belong. The CMAR issued a statement urging the international community to "strengthen and improve control and monitoring mechanisms of fishing activities in the region". A group of environmental activists also demonstrated outside the Chinese embassy in Quito against the fleet's presence near the EEZ.

In his statement on 2 August, Pompeo said the US government stood full square behind the Moreno administration in opposing the "illegal, unreported, and unregulated fishing" of Chinese vessels. The Chinese government reacted by announcing a three-month moratorium from 1 September on the fleet operating in "the high seas west of the Galápagos marine reserve". It also agreed to its vessels being supervised by Ecuador while operating in international waters, and it promised to uphold a "zero-tolerance policy" for any vessels or companies fishing illegally. Ecuador's navy claimed on 18 August, however, that many of the vessels had turned off their tracking systems to avoid being monitored. "It is a breach [of protocol] on the high seas because they do not want us to know what they are doing and the activities they carry out," the defence minister, Oswaldo Jarrín, said.

Amid the Galápagos tension, the Chinese government has made some other gestures to Ecuador. On 10 August it lifted the ban on imports of Ecuadorean shrimp, imposed a month earlier after traces of the coronavirus were detected on packaging. And on 5 August the China Development Bank (CDB) suddenly granted Ecuador a grace period of 12 months on debt repayments and amortization, saving the country US\$417m [\[WR-20-31\]](#).

Duque doubles down on security policy

Plan Colombia

US National Security Advisor Robert O'Brien described Colombia Crece as "a new Plan Colombia", in reference to the US foreign aid initiative that ran between 2000 and 2015, providing support for Colombia's highly militarised efforts to tackle drug trafficking organisations and guerrilla groups within the country. Both President Duque and O'Brien emphasised the central role of rural development and investment in Colombia Crece – linked to the region-wide 'América Crece' investment strategy – but Duque's comment highlighting "the importance of combining security and justice efforts with the arrival of investment" contributed to concerns that a return to a full-scale war on drugs could be on the horizon.

After three violent attacks in the space of a week claimed the lives of at least 17 people, the United Nations (UN) peace mission in Colombia warned that the number of massacres recorded in the country so far this year – defined as the killing of three or more people in a single attack – had reached 34. In a statement, the mission called on the Colombian government to take action to stop this violence. Its proposed solution – "to advance and deepen the comprehensive implementation of the [2016] peace agreement" – was familiar and straightforward, but it is likely to fall on deaf ears once again.

The killing of nine people on 15 August by (as yet unidentified) armed assailants in the municipality of Samaniego in the southern department of Nariño drew particular attention. Nariño's governor, Jhon Rojas, noted that 20 murders had been reported in the department in the past two months, and his diagnosis of the cause of this increasing violence matched the UN's as he called for improved implementation of the peace accord, and claimed that the increasingly militarised response of the government led by President Iván Duque was contributing to the escalating insecurity.

Duque instead responded by ordering an increased security presence in Nariño, instructing the army and police to launch an investigation "to find the perpetrators of this crime". The government was already facing criticism after five Afro-Colombian teenagers were killed on 11 August in the city of Cali, Valle del Cauca department, and a further attack in Nariño against an indigenous Awá community on 18 August claimed at least three more lives. This same day, the Organization of American States (OAS) similarly called on the government to stop the violence, while opposition senators raised the possibility of a motion of censure against the defence minister, Carlos Holmes Trujillo.

Duque is eager to be seen to be taking action, but many in Colombia and abroad maintain that choosing confrontation over conciliation as a strategy against the country's armed groups is only contributing to such violence. There is little indication that the government is prepared to heed these criticisms; Duque has seized the opportunity presented by the coronavirus (Covid-19) pandemic (as quarantine restrictions limit capacity for protest) to double down on his security agenda [\[WR-20-30\]](#), and the unveiling on 17 August of a US-funded initiative heralded as the "new Plan Colombia" suggested that this trend is set to continue.

'Colombia Crece' was portrayed by Duque – and by the delegation of US officials visiting Bogotá – primarily as an economic development initiative, pledging US\$5bn of investment for Colombia's rural areas over the next three years. Critics of the government's security policy have often emphasised development funding as an effective alternative to militarisation of rural areas, but the reference to Plan Colombia (*see sidebar*), and the make-up of the US delegation (led by National Security Advisor Robert O'Brien and the commander of the US Southern Command, Admiral Craig Faller), prompted concerns that Colombia Crece will instead just be more of the same.

Uribe resigns

Plan Colombia had played a crucial role in facilitating former president Álvaro Uribe's 'democratic security policy' (the precursor to Duque's current security strategy), and it is clear that Uribe is still thought highly of in Washington, despite recently being put under house arrest on charges of witness manipulation and procedural fraud [\[WR-20-31\]](#); US Vice President Mike Pence raised eyebrows last week by describing Uribe as a "hero", and calling for him to be released until his trial has taken place.

Iranian fuel tankers

One sign that the US might be preparing to up the ante came on 14 August, as its Department of Justice (DoJ) reported that US forces had confiscated the cargo of four tankers carrying fuel from Iran to Venezuela. The suggestion that the US might intercept Iranian fuel supplies - much-needed in Venezuela as oil production figures continue to tumble - caused a significant escalation of geopolitical tensions back in May [\[WR-20-21\]](#), and the decision to act on this occasion will not have been taken lightly.

Duque has also been quick to come to the defence of his mentor, still a key figure in the ruling right-wing Centro Democrático (CD), and he has faced criticism for responding to his arrest by raising the possibility of judicial reform. Uribe echoed this sentiment on 18 August, calling for “justice reform that will depoliticise the system”, before announcing his resignation from Colombia’s senate, on the basis that his house arrest “nullifies any expectation of being able to return”. This is a blow for Duque; Uribe plays little formal role in his government, but his role in unifying the party in the senate will be missed.

Duque may also have more personal motives for seeking judicial reform, after the national electoral council (CNE) last week opened an investigation into alleged illegal financing of his 2018 presidential campaign. These accusations are linked to the vote-buying scandal that caused problems for Duque earlier in the year [\[WR-20-10\]](#), following allegations made by former senator Aída Merlano, and the emergence of audio evidence implicating officials within the CD party. While the investigation into Duque’s awareness of vote-buying is yet to make much progress, the CNE’s focus on campaign financing creates another angle of attack in relation to a suspicious US\$300,000 donation by Venezuelan businessman Oswaldo Cisneros.

VENEZUELA | POLITICS

Guaidó seeks to consolidate support

With the Venezuelan opposition having firmly committed itself to a boycott of December’s legislative elections - despite misgivings in some quarters about the viability of abstention as a strategy for challenging Nicolás Maduro’s government [\[WR-20-32\]](#) - opposition leader Juan Guaidó has been quick to return to the familiar exercise of gathering international backing for his position.

Guaidó has always looked more comfortable building support in the international arena than within Venezuela itself, and this has been no exception. While the promised protests in rejection of Maduro’s electoral manoeuvrings [\[WR-20-27\]](#) are yet to materialise, signatories of a statement released on 14 August – the US, member states of the European Union (EU), and Lima Group of Western Hemisphere countries – insisted they would not recognise the results of the vote and called for “free and fair” elections to be called instead. On 18 August, the Organization of American States (OAS) further added that it would refuse to send an observation mission to Venezuela in December.

The domestic opposition’s most prominent international ally is the US. Speaking on 16 August, National Security Advisor Robert O’Brien pledged that the country’s new ‘Strategic Framework for the Western Hemisphere’ would include “a maximum pressure strategy against Venezuela” (*see sidebar*). US officials have long promised to turn up the pressure on Maduro, and rarely delivered – but, with their own election approaching in November, there are signs that President Donald Trump is keen to make rapid progress in Venezuela to secure the support of influential diaspora voters in Florida.

This is not to say that Guaidó has given up on effecting change at a domestic level; on 19 August he appealed for all sectors of the opposition to come together in a “unity pact”, in order to build “a concrete agenda of struggle and mobilisation”. Guaidó offered little insight into what the specifics of this strategy might look like, but it is clear that his ambitions remain lofty – his proposals included a return to protests through “an agenda of international action and mobilisation”, and he hinted at the possibility of organising some form of popular consultation to rival the legislative elections, calling for the country to “express its true will through a mechanism of massive citizen participation”.

Abdo Benítez challenged on various fronts**Approaching peak**

Paraguay's Covid-19 infection and death rates have remained comparatively low, with fewer than 6,000 confirmed cases and 100 deaths registered up to July. However, there has been a marked surge in cases and deaths since the start of August and these figures had swelled to 10,606 cases and 161 deaths by 18 August. While the health authorities had predicted that the peak of the epidemic would occur at some stage in August, and advocated maintaining quarantine restrictions and sanitary protocols, the surge in cases observed in recent weeks has been attributed to the gradual easing of restrictions and to people no longer following sanitary protocols, in particular avoiding mass gatherings.

Paraguay's President Mario Abdo Benítez marked the completion of his second year in office on 15 August. The anniversary was not a happy one. Abdo Benítez faces serious questions over how his administration has managed the public health, economic, and social dilemmas posed by the coronavirus (Covid-19) pandemic. The government's response to these is now being challenged by the political opposition, the health sector, the business sector, and civil society. Finding answers to these challenges could plague Abdo Benítez until the end of his term in 2023.

The government's initial response to the pandemic was widely supported. It is broadly accepted that imposing a national quarantine early helped contain the spread of the virus and kept infections and deaths low. The request to contract US\$1.6bn in additional debt to reinforce the public health system, as well as provide economic and social assistance to those affected by the quarantine measures, was supported by the opposition in congress, and applauded by the business sector. But, with the quarantine entering its fifth month, businesses and households are now struggling financially and, with the number of infections and fatalities rising sharply, the government has been facing growing criticism and pointed questions about the adequacy of its response plan.

The presentation of an economic recovery plan [\[WR-20-26\]](#) and the phased reactivation of economic activities [\[WR-20-29\]](#) have not eased criticism. To mark the second anniversary of President Abdo Benítez's inauguration, the presidents of opposition parties released a joint statement criticising various actions taken by the government since he assumed office, but particularly what they considered to be its deficient response to the pandemic's fallout. The statement complains that the economic assistance offered to businesses and workers is insufficient, and it calls for the adoption of more relief measures, including extended fiscal relief and more direct cash transfers to households.

But, critically, the opposition insists that these measures should be adopted without contracting any more public debt, by reducing government salaries and redirecting spending to ensure that the country is not unnecessarily saddled with more debt. The opposition and the media have denounced that part of the emergency funds obtained to address the pandemic have been misused by the government to pay for public salary increases and in dubious contracts for the procurement of medical equipment and supplies (evidence of corruption has been found in some of these contracts and all of them are subject to investigation). This has led to civil society organisations rejecting the government's claim that it has no resources available to provide additional social assistance.

Various groups, including unions, teachers, university students, and small business owners staged street protests in the capital, Asunción, from 12 to 14 August in demand of more financial assistance, and they warned of social unrest if this is not forthcoming. Meanwhile, on 17 August, doctors' associations released a statement entreating the government to adopt new measures to help flatten the curve of infections, including the imposition of tougher sanitary controls and the purchase of additional medical supplies and personal protective equipment for healthcare workers. Warning that the local epidemic seems to be approaching its peak (*see sidebar*), the statement says that failure to adopt such measures could have "catastrophic consequences".

‘Paso a Paso’ recovery plan

President Piñera stressed that the overall ‘Paso a Paso’ recovery plan includes a series of measures which aim to help small and medium-sized enterprises (SMEs) through new tax incentives and rebates, and the simplification of requirements to invest in and develop SMEs.

In a video message released to commemorate his second anniversary in power, Abdo Benítez insisted that his government is doing everything it can to “overcome the pandemic, strengthen the healthcare system...[and] protect and create jobs at this complex time”. Achieving all of this without increasing the public debt, and while returning to fiscal balance before the next general election, as Abdo Benítez has pledged, will be a major challenge. Abdo Benítez’s proposal to cut all ministerial budgets by 15% in 2021 to balance the books has already been described as “impossible” by Interior Minister Euclides Acevedo.

CHILE | ECONOMY

Investment ‘mega plan’ announced

Chile’s President Sebastián Piñera unveiled on 16 August different plans aimed at creating 250,000 jobs and stimulating economic activity, representing US\$34bn in overall investment over the next two years. They are part of the government’s ‘Paso a Paso Chile Se Recupera’ (‘Step by Step Chile Recovers’) plan for economic recovery to help the country emerge from the crisis caused by the coronavirus (Covid-19) pandemic.

“The ‘Paso a Paso Chile Se Recupera’ plan will favour the creation and recovery of jobs through a robust public investment plan and incentives to private investment,” President Piñera said as he unveiled the projects. One of these is a US\$4.5bn 2020-2022 public investment plan for several cabinet ministries (public works, transport & telecommunications, housing & urbanism, agriculture, sport, and the administrative & regional development sub-secretariat in the interior ministry).

The plan notably includes a portfolio of 2,130 projects to be executed by the public works ministry, with a focus on construction, the improvement and expansion of roads, bridges, hydraulic works, airports, and public buildings, amongst other areas. The public works ministry will receive a total investment of US\$9.63bn, of which US\$2.895bn is extra money under the new investment plan. The transport & telecommunications ministry will receive a total US\$3bn in investment into train and metro lines in particular, notably the extension of two metro lines (2 and 3) in Santiago, and the construction of a new one, line 7.

The concurrently announced ‘plan to incentivise and subsidise the creation and recovery of jobs’ will involve financing part of the salary of 1m workers with an investment of US\$2bn. It will also include incentives for private investment and give priority to 138 investment projects, totalling US\$24.52bn and which should create 115,000 new jobs within two years.

Piñera has tabled a raft of proposals designed to propel GDP growth and mitigate the economic impact of Covid-19. But the public remains unconvinced. The political opposition seized upon public disillusionment to push through congress a pension withdrawal plan, with the support of dissident legislators from the ruling right-of-centre Chile Vamos coalition, which his government had fought tooth and nail [\[WR-20-29\]](#).

Copper to drive recovery

The economy contracted by 14.1% year-on-year in the second quarter, according to figures released by the central bank on 18 August, the biggest fall since records began in 1986. The slump was not unexpected “and is something that can be seen across the planet”, the economy minister, Lucas Palacios, said. There was one cause for optimism, however, as the mining sector expanded by 1.6%. Furthermore, on 19 August, copper prices broke through US\$3 per pound for the first time since June 2018, reaching US\$3.02 per pound on the London Metal Exchange, a 2.69% increase on the previous day. “This will mean more tax revenue and more resources to help Chilean families that are struggling,” the mining minister, Baldo Prokuriča, said.

Behind Bolsonaro's popularity boost

Support for institutions

As negative opinions of President Bolsonaro have fallen, so too negative views of the institutions he often clashes with have risen. According to Datafolha, those with a negative view of the performance of members of congress have risen from 32% in May to 37% in August (positive opinion fell by one percentage point to 17%). Magistrates from the supreme court (STF) are viewed positively by 27% (down from 30% in May) and negatively by 29% (up from 26%).

"I don't base myself on any survey. [Public opinion] is what you see on the streets. It's us here with the people," President Jair Bolsonaro said upon arriving in Aracaju, the capital of the north-eastern state of Sergipe, on 17 August. On his way to inaugurate a privately owned thermoelectric plant, Bolsonaro was greeted by a cheering crowd at Aracaju airport. This warm welcome reinforced the findings of a public opinion survey carried out last week by Datafolha, one of Brazil's main pollsters. Bolsonaro may be dismissive of surveys, but Datafolha's opinion poll found that his support was at its highest level since he took office in January 2019.

Surveying 2,065 people by phone on 11 and 12 August, with a two percentage point margin of error, Datafolha found that 37% of Brazilians have a positive opinion of President Bolsonaro – branding his government 'good' or 'very good'; 27% consider his government to be 'regular', while 34% have a negative opinion ('bad' or 'very bad'). This is the first time since April 2019, three months into his four-year term, that Bolsonaro's approval levels have risen above his disapproval levels.

Throughout Bolsonaro's first year in office, public opinion on the president was largely split equally between positive, indifferent, and negative (bar a spike in rejection and a concomitant dip in support following the uproar over his response to fires in the Amazon last August). Since the emergence of the coronavirus (Covid-19) pandemic, frequent Datafolha polls had shown that disapproval of Bolsonaro had been growing, reaching 44% in late June, while approval ratings remained stable at 32% and 'regular' opinions had fallen to 23%. The four-percentage point climb in support and ten-percentage point drop in rejection in the seven weeks to early August therefore represent a sharp reversal in the trend of growing dissatisfaction with the president.

That Bolsonaro is growing in popularity may seem counterintuitive, particularly from an international perspective, given his government's mismanagement of the pandemic, his disinterest with surging fires in the Amazon, and the rumours of military intervention underpinning the institutional tensions that dominated the country's politics in May and June. But Datafolha's findings have been echoed by other public opinion surveys and show that Bolsonaro has been successful in his recent attempts to regain some public ground, distancing himself from the death and devastation caused by Covid-19 and toning down his more radical and inflammatory rhetoric.

'Jairzinho Paz e Amor'

The newly subdued Bolsonaro, who refrains from belligerent altercations with representatives from the other branches of government and largely contains his dismissive comments on the coronavirus to his weekly *Facebook Live* addresses, has been dubbed 'Jairzinho Paz e Amor'. The change appeared to have been prompted by the arrest of Fabrício Queiroz in late June [\[WR-20-25\]](#) – a Bolsonaro family friend, Queiroz is a key figure in a suspected corruption racket implicating the president's eldest son, Senator Flávio Bolsonaro, and his arrest was understood to have shaken the president and his family.

One aspect of 'Jairzinho Paz e Amor' has been the executive's overt rapprochement with the 'centrão' bloc in congress, a loose group of parties with flexible ideology which has traditionally propped up successive governments in the legislature (and which recently fragmented, with the departure of the Movimento Democrático Brasileiro [MDB] and the Democratas [DEM] earlier in July [\[WR-20-30\]](#)). The latest sign of the

‘Operação Alem Mar’

Brazil’s federal police (PF) launched ‘Operation beyond the sea’ on 18 August, part of a large-scale investigation into several transnational drug-trafficking networks that worked together to smuggle cocaine to Europe from Brazilian ports, notably from the port of Natal in the state of Rio Grande do Norte. Sealed investigations had been taking place since 2018, the PF says, the result of collaboration with the United Kingdom’s National Crime Agency (NCA). The government notes that 12 people were arrested, including a wanted drug trafficker, and 11 tonnes of cocaine were seized in Brazil and Europe during the sealed investigations. The 18 August operation involved 630 police officers carrying out 139 search warrants and 50 arrest warrants across 13 states.

government’s increased ties with the *centrão* came on 12 August, when Ricardo Barros, a deputy for Progressistas (PP – a key *centrão* party), announced that he had accepted Bolsonaro’s invitation to be the new government leader in the chamber of deputies. He replaces ‘Major Vitor Hugo’ de Araújo Almeida, a long-standing Bolsonaro ally and member of the Partido Social Liberal (PSL, with whom Bolsonaro won election but has since left), in this role.

This alliance with the *centrão* is understood to be driving Bolsonaro’s current criss-crossing of the country, as he emulates his predecessors by travelling to different states to inaugurate completed infrastructure projects in a bid to shore up support – as he was doing in Sergipe earlier this week. According to national daily *Folha de São Paulo*, Bolsonaro has taken 16 official domestic trips in 2020 up until 18 August, the majority of which were in July and August alone. Many of these visits have been to states in the Nordeste region which traditionally supports the left-wing Partido dos Trabalhadores (PT) and where support for Bolsonaro has tended to be lower.

The consensus is that, despite the still distant 2022 presidential elections and his own assurances to the contrary, Bolsonaro is focused on his re-election prospects and doing what is necessary to consolidate them – currently, this means speaking to an audience beyond his radical support base and striking political alliances with parties he had once sworn to steer clear of. Having recently said that his prospective party in the making, *Aliança pelo Brasil*, would be ready in time for 2022 [\[WR-20-29\]](#), Bolsonaro backtracked last week. “It’s difficult to form a party. [...] I can’t invest myself 100% in the *Aliança*...I need to look at other parties,” he said on 13 August. He added that he had already received invitations to join three different parties, including one from the Partido Trabalhista Brasileiro (PTB), a member of the *centrão*.

Economic considerations

With 47% of Brazilians believing that Bolsonaro is not responsible in any way for the country’s now more than 111,000 Covid-19 victims, the president’s attempts to absolve himself of any responsibility for the pandemic’s impact appear to have borne fruit [\[WR-20-32\]](#) and helped shore up support, along with his more subdued political stance. But an important element in explaining his newfound popularity is the government’s distribution of an emergency basic income to help economically vulnerable Brazilians during the pandemic, and which has reached roughly a third of the population.

The drop in Bolsonaro’s rejection rates was most significantly observed amongst respondents from the Nordeste, those who earn up to two minimum wages, and those who completed only primary education – all segments of the population which will have benefited from the R\$600 (US\$112) monthly handout implemented in April. This emergency income has reportedly saved 23.5m Brazilians from falling into poverty, and there are now discussions to extend it beyond September, or even make it permanent, possibly by incorporating it into a wider social benefit programme.

While key to boosting Bolsonaro’s support, the government’s largesse is proving a contentious point in political circles. With the executive due to present the 2021 budget to congress by the end of the month, there are reports that some government ministers are requesting more resources, and suggesting that a constitutional spending cap, which has been bypassed for pandemic-related costs but otherwise prevents the government from increasing expenses from one year to the next, could be disregarded. Such a suggestion causes discomfort in the financial markets and is strongly opposed by Economy Minister Paulo Guedes – whose adherence to fiscal rigour is not wholeheartedly shared by Bolsonaro, and whose influence in government has been brought into question amid a recent spate of resignations of key officials in the economy ministry.

Gender violence

On 16 August several hundred female protesters marked the first anniversary of the launch of #NoNosCuidan NosViolan ('They don't look after us, they rape us'), a widely trending social media hashtag, by marching against the police in Mexico City (CDMX). The hashtag was set up after a young girl said she was sexually assaulted by four police officers while walking home in CDMX. The march was not entirely peaceful, with protesters clashing with the police by the monument to Cuauhtémoc, the last Aztec emperor, which they were attempting to deface. Feminist organisations accuse the federal government of a dismissive attitude to femicides and gender violence, in spite of mounting evidence of both.

A deceptive peace in Guanajuato?

Following the capture of the main leader of the *Cártel Santa Rosa del Lima* (CSRL) criminal organisation [\[WR-20-31\]](#), the Mexican government led by President Andrés Manuel López Obrador boasted this week that violence levels are finally falling in the troubled state of Guanajuato. But rather than earn it widespread plaudits, the claims have raised questions over whether the López Obrador administration has reached an agreement with the *Cártel Jalisco Nueva Generación* (CJNG) drug trafficking organisation (DTO) that would allow the latter to assume full control of criminal activities in the state in exchange for maintaining peace. There are also doubts over whether, following its decapitation, the CSRL has now completely disintegrated.

Just five days after the capture of CSRL kingpin José Antonio 'El Marro' Yépez Ortiz, on 7 August Mexico's federal public security minister, Alfonso Durazo, was the first to claim that violence levels were already falling in what had become Mexico's most murderous state. The high murder rate in Guanajuato has been attributed to a turf war for control of the central state between the CSRL and the CJNG, as well as the efforts by the security forces to combat these criminal organisations.

Security experts, including government officials, warned that, while positive, Yépez's arrest could exacerbate the violence with the CJNG expected to move to assume control of the state, while rival CSRL members would fight against each other to try to become the group's new leader. However, Durazo said that, contrary to expectations, there had been a tangible fall in violence in Guanajuato since Yépez's capture. Durazo said that the official figures showed that there had been a 50% decline in homicides in the state since 3 August, with an average of 10 murders a day compared with the average of 15 recorded in the first week of August.

President López Obrador also highlighted the falling murder rate in Guanajuato during a 14 August press conference. "Since the arrest of the leader of the *Cártel de Santa Rosa de Lima* a fall in homicides has been observed, they [the murders] have not stopped, but Guanajuato no longer has the highest rate...it has not been first in the past 15 days," López Obrador said. He added that this did not mean that the problem of violence in Guanajuato had been resolved but emphasised that it is improving.

Although the fall in murders appears encouraging, it has raised suspicions. There are questions over whether the fall is just temporary. But, more worryingly, some have questioned whether the reduction in murders stems from a tacit agreement between the government and the CJNG. These suspicions emerged because, soon after Yépez's capture, a video began circulating on social media in which suspected CJNG members celebrated the capture and said that they were committed to maintaining peace in the state.

"We are very pleased with the detention of José Antonio Yépez alias El Marro, the innocent killer...we respect what has been said, that the war was against El Marro...and we reiterate what we have said, that the CJNG led by Mr Mencho will let you live in peace," a group of masked men say in the video. 'Mencho' is the alias of Nemesio Oseguera Cervantes, the main CJNG leader.

Those in the video go on to claim that the CJNG has never been involved in kidnappings or the extortion of businesses in Guanajuato, that the CSRL was responsible for this, and they even offer their help to stop these

Hegemonic stability

The idea behind the hegemonic stability strategy is that there tends to be less criminal violence in areas with a single dominant criminal group than in those in which two or more groups vie for control. So, one way for the authorities to reduce violence levels is to ensure that one criminal group remains dominant by weakening its rivals. While the López Obrador government has not admitted that this is part of its strategy to reduce the violence in Mexico, analysts have pointed out that, prior to the emergence of the CSRL in 2017 and the arrival of the CJNG in 2018, Guanajuato was a relatively peaceful state under the sphere of influence of the Sinaloa/Pacífico DTO.

crimes. The video concludes with the men giving assurances to the people of Guanajuato: “Guanajuato businessmen, we will not go after you...and to those that have left out of fear, you can come back”.

Notably, a few days later, on 17 August, the Guanajuato state government suddenly announced that it was changing its security strategy in the wake of Yépez’s arrest. Guanajuato’s security minister, Alvar Cabeza de Vaca Appendini, said that the main objective of the ‘Golpe de Timón’ (‘change of course’) strategy launched in the state in June was to capture Yépez, dismantle the CSRL, and regain control of the Santa Rosa de Lima community in Villagrán municipality. According to Cabeza de Vaca, now that most of these objectives have been achieved this strategy would be discontinued. Cabeza de Vaca’s remarks have been interpreted as a signal that the security forces will now ‘ease off’ in the fight against criminal organisations in Guanajuato.

Security experts say that, if this is the case, then the CJNG will effectively be allowed to extend its influence in the state unchallenged in what could be an example of the government pursuing a strategy of ‘hegemonic stability’ (see sidebar). Moreover, experts point out that although Yépez has been neutralised, this does not mean that the CSRL has been completely defeated, nor that the battle for control of Guanajuato is over. There are already signs that the CSRL could be reorganising.

Intelligence reports by the security forces have identified three individuals who are likely to be seeking to succeed Yépez as CSRL leader: Juan Rodolfo Yépez Godoy, Yépez’s father; Rodolfo Yépez Ortiz, Yépez’s brother; and José Mario ‘El Magia’ Lara Mendoza. Meanwhile, a series of banners with intimidating messages against those that ‘betray’ the CSRL began appearing in Guanajuato over the weekend (14-16 August) signed by ‘El Azul’, who could also be vying to assume control of the organisation. As one security expert, David Saucedo Torres, commented, “the war for Guanajuato is not yet over”, and now new fronts could be opened as the criminal underworld in the state - which includes other criminal groups besides the CSRL and the CJNG - adjusts to the new reality.

TRACKING TRENDS

MEXICO | Economic recovery. The Asociación de Bancos de México (ABM) expressed “enormous concern on 19 August at the lack of an accord between public and private sectors to reactivate the national economy in the face of the coronavirus crisis. “We all have to participate in the reactivation of the economy and up until this point we have not seen this [broad] accord to work together to expedite our emergence from this severe economic crisis,” the president of the ABM, Luis Niño de Rivera, said in a press conference, adding that there was no sign of consumption or investment picking up. The economy contracted by 18.9% year-on-year in the second quarter, with 1.1m formal jobs disappearing, the Instituto Mexicano del Seguro Social (IMSS) reported.

On the very same day, after months of tensions and clashes, President Andrés Manuel López Obrador met state governors in San Luis Potosí, with the interior minister, Olga Sánchez Cordero, and subsequently said that an agreement had been reached “to construct a joint strategy” in the face of the health and economic crises. This includes a commitment to review the fiscal pact under which taxes collected by the federal government are distributed among Mexico’s 32 states. The so-called Alianza Federalista de Gobernadores de México, which comprises the state governors of Aguascalientes, Chihuahua, Coahuila, Colima, Durango, Guanajuato, Jalisco, Michoacán, Nuevo León, and Tamaulipas, is demanding a more equitable division of federal tax revenues commensurate with the higher contributions made by the (primarily wealthier) northern and western states compared with the (mostly poorer) states in the south.

Abinader assumes power promising to clean up politics

Energy

President Abinader moved swiftly to shake up the electricity sector, a persistent problem for successive governments, with blackouts and power cuts. The state power holding company Corporación Dominicana de Empresas Eléctricas Estatales (CDEEE) will be wound up and its functions subsumed into the energy and mines ministry. The three electricity distribution companies, Empresa Distribuidora de Electricidad del Este (Edeeste), Empresa Edenorte (Edenorte), and Empresa Edesur (Edesur), will be placed under the control of a nine-strong administrative council chaired by the energy and mines minister.

Luis Abinader was sworn-in as president on 16 August, formally ending 16 years of governance by the Partido de la Liberación Dominicana (PLD), the longest uninterrupted stretch any single party has wielded power in the Dominican Republic since the assassination of the country's long-ruling dictator Rafael Trujillo in 1961. Abinader, who belongs to the Partido Revolucionario Moderno (PRM), which has never before exercised power, promised to adopt an unflinching stance on corruption and nurse the economy back to health in the face of the ravages of the coronavirus (Covid-19) pandemic.

Abinader's investiture in the legislative assembly was a scaled-back affair due to Covid-19. Only eight countries were represented by foreign delegations, and only two heads of state attended: President Jovenel Moïse, of neighbouring Haiti, and President Umaro Sissoco Embaló, of Guinea-Bissau. The US Secretary of State, Mike Pompeo, was the most senior member of the US government to attend the inauguration of a Dominican president since Antonio Guzmán was sworn-in in 1978 after diplomatic pressure had been brought to bear by the Carter administration to restore genuinely free and fair elections. Abinader held a meeting with Pompeo after his investiture, covering issues such as economic and trade cooperation, regional security, and, pointedly, working together to promote a democratic transition in Venezuela. Abinader is expected to harden the Dominican Republic's stance on Venezuela, not that it had been soft under President Danilo Medina since the sham presidential election in 2018.

In a separate ceremony, Abinader was handed the presidential sash by the president of the senate, Eduardo Estrella, who in turn received it from Medina, who then promptly left. Abinader started his inaugural speech to assembled guests by holding one minute of silence for the country's 1,453 victims of the pandemic (at that point) and applause for patients and medical workers. He called for the national interest to prevail over narrow partisan interest to combat Covid-19: he inherits an economy that is heading for a sharp coronavirus-induced contraction after over a decade of high growth. But the PLD could be reluctant to provide the cooperation the Abinader administration will need to push through organic laws requiring a two-thirds majority in congress after he savaged the party's record on corruption during his speech.

"Corruption is at unimaginable levels," Abinader said, promising to be unstinting in working to restore transparency and accountability to public life. "Be under no illusions, there will neither be impunity for past corruption nor that committed in the future," he said. "The people expect the recovery of the funds lost to corruption," he added. "Those who stole will pay for what they did," he promised, while denying there would be a witch hunt: "We will act without retaliation, favouritism, or protection".

Abinader required individual cabinet ministers, upon being sworn-in to their new positions, to take an oath to swear to uphold a high ethical standard. Former Vice President Milagros Ortiz Bosch will head a transparency, ethics, and corruption prevention agency. Abinader said it was incumbent on ministers to set a good example. "We are convinced that corruption at the top encourages crime below, which leads to insecurity: both must be combated without let up," he said. Abinader must deliver on this front in order to preserve his popularity as it was a key campaign pledge and vote-winner.

Giammattei back on the defensive

President Alejandro Giammattei is facing down protests demanding his resignation which have highlighted two pressing public concerns: the ongoing institutional stand-off over the election of top justices [\[WR-20-28\]](#) and the lack of transparency surrounding funds assigned for addressing the coronavirus (Covid-19) pandemic. This has left the country with the highest fatality rate (and third highest number of infections) in Central America (2,419 deaths as of 18 August).

On 15 August some 200 people gathered in Guatemala City in protests led by social organisations such as Otra Guatemala Ya and students from the Universidad de San Carlos state university. Broader concerns regarding government incompetence and corruption over its handling of the health emergency have previously emerged, forcing the sacking of the health minister, Hugh Monroy, in June [\[WR-20-25\]](#). The latest complaints, however, centre on the lack of transparency regarding the disbursement of funds. On 5 August this led Acción Ciudadana (AC), the national branch of anti-corruption NGO Transparency International (TI), and local think-tank, Central American institute of fiscal studies (Icefi), along with other civil-society groups, to launch 'Transparencia Covid-19', an initiative to monitor government programmes which have the declared purpose of mitigating the economic and social effects of the pandemic.

Further indicative of public anger at the lack of transparency, on 10 August, AC and anti-corruption protest group #JusticiaYa filed a criminal action before the attorney general's office (AG) against President Giammattei for violating Articles 94 and 184a of the constitution which establish the obligation to preserve the health, integrity, and security of Guatemalans. The complaint itself highlights that the government had requested Q25bn (US\$3.25bn) to address the pandemic but the health ministry (MSPAS) had spent just 8% of it. It also highlights that, as of 30 July, only 27% of the funds for the government's flagship 'Bono Familia' programme had been executed (*see sidebar*).

These claims have left Giammattei and his government on the defensive. Two days after the protests, he appeared alongside Finance Minister Álvaro Ricci in a virtual press conference in which the two insisted that the government had been transparent about the use of the budget assigned to the pandemic response. Giammattei pointed to an online tool administered by the finance ministry, which tracks projects implemented, while Ricci dismissed the figures cited in the criminal complaint against Giammattei, stating that a total of Q14.6bn was available to tackle the pandemic, money which he said was there but released in accordance with requests submitted for the funding of different programmes.

Bono Familia

Launched in May, Bono Familia consists of payments of up to Q1,000 per family and was expected to cover a total of 2m families over three months.

Bono Familia

While the government claimed on 17 August that so far 2.65m households were enrolled to receive Bono Familia, the previous month Paraíso Desigual, a citizens' platform, presented a report carried out with human rights NGO Oxfam and Pacto Ciudadano, a group comprising 100 civil-society groups, which highlighted concerns about the initiative. Presented on 16 July by researcher Úrsula Roldán, the report, which sampled 725 communities in 114 municipalities and 18 departments, revealed that non-impovertised families have been receiving the financial aid, fanning a "perception that it is not reaching the people who need it the most". Roldán stated that "there are no coincidences with poverty indicators in the country. Many households not considered to be impoverished were benefitting...we have 19 municipalities where the number of beneficiaries of the programme is more than double the number of households in conditions of poverty."

Suspending charter flights

On 13 August US Secretary of State Mike Pompeo announced he had requested that the US Department of Transportation (DOT) suspend private charter flights to all Cuban airports. He was clear it was intended to “target and cut the revenue the Cuban government earns from landing fees, stays in regime-owned hotels, and other travel-related income”. On 10 January the US State Department had announced the suspension of public charter flights between the US and all Cuban airports except Havana, while in October 2019 the US banned commercial flights to all Cuban cities other than Havana.

Feeling the pinch

The US government’s suspension last week of private charter flights to all airports in Cuba, including Havana (*see sidebar*), is just the latest blow for the Cuban administration led by President Miguel Díaz-Canel which is facing a triple crisis posed by the coronavirus (Covid-19) pandemic and its impact on the island’s crucial tourism sector, US sanctions, and the ongoing economic collapse of its key ally Venezuela. Indicative of these pressures, which are expected to shrink Cuba’s GDP by at least 8% this year on the latest forecast by the Economic Commission for Latin America and the Caribbean (Eclac), the Díaz-Canel government unveiled new measures which signal a further change in state policy.

Under the new measures, first announced on 16 July, as of 20 July new state-run shops began accepting US dollars for food, hygiene, and hardware products, rather than the two national currencies - the Cuban peso (CUP) and convertible peso (CUC) which was introduced in 1994 and is pegged to the US dollar. This follows a similar initiative in late 2019 which allowed the sale of household appliances in exchange for US dollars. President Díaz-Canel said the foreign exchange earned through these outlets would be fed into Cuba’s manufacturing sector, enabling the island to ramp up production and rely less on imports (which account for some 80% of what the nation consumes) that Cuba struggles to purchase with its own currency. In a further sign of the partial dollarisation of the economy and efforts to bring in more hard currency to address the liquidity crisis, on 16 July the government announced the elimination of a 10% tax on US dollar transactions (introduced in 2004).

The government has since signalled a further change in policy with regard to the fledgling non-state sector whose growth it appeared to stall last year with the introduction of new rules restricting the creation of non-agricultural cooperatives (CNAs) [\[WR-19-35\]](#). On 6 August Labour Minister Marta Elena Feito said the government was scrapping a list limiting the private sector to 123 permitted activities in order to “allow individuals to set up a far wider range of businesses” although Cubans must still apply for a license to work in the private sector, giving authorities a high degree of discretion over what is allowed.

Meanwhile, on 22 July, Trade Minister Rodrigo Malmierca announced that non state enterprises would be allowed to import and export goods although state enterprises would act as intermediaries. “We want to put all forms of management [state and private] on an equal footing; if we’re going to import, we’re not doing it for the sake of it, but rather we’ll import things that help us in production, in replenishing our supplies,” he said. Malmierca said the state would determine whether products could be exported, or if they were “necessary and important for the country”. Last month the government also announced that private restaurants would now be able to buy produce in bulk from a number of wholesale stores in order to allow for greater profit margins.

With uncertainty as to how the new rules are to operate in practice, however, the announcements, particularly pertaining to the currency changes, were met with complaints that they will exacerbate inequalities and favour Cubans with access to remittances, which in September the US Treasury Department capped at US\$1,000 per quarter. (According to the latest [2017] estimates from the US State Department, remittances from the US to Cuba were worth US\$3.5bn). Díaz-Canel appeared to acknowledge this anger, insisting that “measures must be applied which, in quotation marks, seem to favour few but, in the long run, they will help everyone”.

Quotes of the week

“Latin America and the Caribbean is distinguished by a historic fraternity, solidarity, and mutual friendship. This pandemic affects everyone, irrespective of political or ideological standpoints. It is a challenge that demands that the region set aside its differences and work for the common interest.”

Mexican Foreign Minister Marcelo Ebrard.

“The Bolivian people, beyond our differences, prefer democracy to dictatorship, dialogue to blockades.”

Bolivia's interim president Jeanine Áñez.

“I vote for a justice reform that de-politicises by changing the system of electing magistrates. The fight to defend the freedom of Colombia is an unrenounceable imperative.”

Colombia's former president Álvaro Uribe.

“Without justice, there is no democracy, without laws there is no security, without security there is no freedom, and without freedom there is no democracy.”

The new president of the Dominican Republic, Luis Abinader.

POSTSCRIPT

Elections coming thick and fast in Caribbean

The two Anglophone powerhouses of the Caribbean, and inveterate rivals, Trinidad & Tobago and Jamaica will hold elections within weeks of each other. Jamaica's Prime Minister Andrew Holness confirmed his intention to seek re-election for the ruling Jamaica Labour Party (JLP) last week. Holness, like Keith Rowley, who was sworn-in as Trinidad & Tobago's prime minister at the helm of the People's National Movement (PNM) on 19 August after a partial recount confirmed the party's re-election nine days earlier, has received plaudits for his government's handling of the coronavirus (Covid-19) pandemic. But unlike Rowley, Holness has re-opened the country to tourism in a bid to revive the economy, and there has been a steady uptick in Covid-19 infections, now in four figures. Delaying a general election risked these taking off, potentially damaging the JLP's re-election bid.

Holness and the JLP will bid for a second straight term on 3 September against the opposition People's National Party (PNP) led by Dr Peter Phillips, a former finance minister. Even by the standards of a snap election this will be a short political campaign, lasting barely two weeks. In 2016 the JLP won the general election by a wafer-thin margin, taking 32 constituencies to the PNP's 31, although the JLP has subsequently won a further two seats through by-elections.

The Holness government has not managed to bring down the number of annual homicides, which remain stubbornly above 1,200 per year, higher than under the PNP government of Portia Simpson-Miller (2012-2016). This in spite of the states of emergency (SOEs), first implemented in January 2018 and currently in place in six parishes and two police divisions, empowering the police and the military to search people and buildings, curtail business hours, and detain individuals without a warrant. Holness lifted the SOEs on 17 August ahead of the general election.

In his address to parliament announcing the snap election, which could have been held as late as June 2021, Holness focused instead on his government's success at keeping inflation and unemployment low, at least until the impact of the Covid-19 pandemic, which his government is so far seen as having handled well, although the coming months will provide significant economic, and most likely public health, challenges. Opinion surveys suggest that the JLP will hold on to power with an enlarged majority, but the PNP will target 10 marginal seats.

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