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FEATURED Q&A

Who Has the Edge in Chile's Presidential Race?



Senator Alejandro Guillier and former President Sebastián Piñera (L-R) face off on Dec. 17 in the second round of Chile's presidential election. // File Photo: Guillier, Piñera Campaigns.

Q Conservative presidential candidate Sebastián Piñera, who led Chile from 2010 to 2014, on Dec. 17 will face off against center-leftist Alejandro Guillier in a runoff that polls suggest will be very close. Who will win and why? Will Guillier, if elected, pursue economic or social policies that differ sharply from those of the current administration of centrist President Michelle Bachelet? How would a second Piñera presidency compare to his first?

A Robert Funk, professor of political science in the Institute of Public Policy at the University of Chile: "The spectacular failure of public opinion polls to predict both the leftist Frente Amplio's strong showing and Sebastián Piñera's uninspiring result in the Nov. 19 first round vote make predicting the results of the upcoming runoff almost impossible, although the latest polls show Piñera and Senator Alejandro Guillier essentially tied. The winner will be determined by who turns up on election day, and that, in turn, will be determined by who more successfully manages to mobilize his respective base. To do so, both candidates are making this stage of the election about who hates the other side more, making for a pretty negative campaign. That aside, Guillier appears to have the momentum, as Piñera has made some errors (such as raising doubts about the integrity of the first round) and has not yet made the traditional second-round shift to the center. Piñera may not be wrong in this: the center appears to have disappeared from Chilean politics. A look at the congressional elections, also held on Nov. 19, which elected 23 senators and the entire Chamber of Deputies, reflects a more diverse but also more polarized Chile. In the new

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TODAY'S NEWS

POLITICAL

Honduran Officials to Recount Nearly 5,000 Ballot Boxes

Election officials announced they would conduct the partial recount of the Nov. 26 presidential election after meeting Thursday with the top U.S. diplomat in Honduras and an OAS representative.

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ECONOMIC

Venezuela's Inflation Hits Quadruple Digits

Consumer prices in Venezuela rose 1,369 percent between January and November, according to figures released by the opposition-led National Assembly.

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POLITICAL

Former Argentine President Indicted on Treason Charge

A judge sought the arrest of former Argentine President Cristina Fernández de Kirchner, who is accused of covering up Iran's possible role in the 1994 bombing of a Jewish center in Buenos Aires.

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Fernández // File Photo: Argentine Government.

POLITICAL NEWS

Judge Seeks Arrest of Former Argentine President Fernández

An Argentine federal judge on Thursday indicted former President Cristina Fernández de Kirchner on treason charges and asked the country's Senate to strip her of her immunity and allow her arrest, The New York Times reported. Fernández, who was president from 2007 to 2015, is accused of covering up Iran's possible role in the 1994 bombing of a Jewish community center in Buenos Aires, which killed 85 people. On Sunday, Fernández is to begin her term as a senator, through which she has immunity from detention but not prosecution. A Senate committee will have 60 days to decide whether to strip her of her immunity from arrest, and the full Senate would have as long as 180 days to vote on it. Judge Claudio Bonadio's request that Fernández be arrested would then have to be approved by two-thirds of the senators present. Bonadio, who in addition to treason, indicted the former president on charges of aggravated concealment and obstruction of justice, argued that if she remained free, she could "hinder judicial actions as well as the discovery of the truth." The allegations that Fernández covered up Iran's possible involvement in the Jewish center bombing received international attention in January 2015 when the prosecutor who initially made the allegations, Alberto Nisman, was found dead of bullet wounds in the bathroom of his apartment in Buenos Aires. Authorities classified his death as a suicide, but an official who has investigated the case said it appeared to be a homicide, Reuters reported. Nisman's body was found just hours before he was scheduled to brief members of Congress on the case of the Jewish center bombing. A year ago, an Argentine appeals court ordered the reopening of the investigation surrounding Nisman's death. After her indictment on the treason, concealment and obstruction charges Thursday, Fernández denied wrongdoing. "It is an invented case about facts that did not

exist," she said. Fernández said the charges were politically motivated and part of an effort by President Mauricio Macri to create a "smoke screen" to distract voters from controversial labor and pension reforms, The New York Times reported. Bonadio also indicted Héctor Timerman, who served as Fernández's foreign minister and ordered that he be confined to house arrest, Reuters reported. The wire service was unable to immediately reach Timerman's lawyer for comment.

ECONOMIC NEWS

Venezuela's Inflation Rate Reaches Quadruple Digits

Venezuela's inflation rate has reached four digits, with consumer prices rising 1,369 percent between January and November, Reuters reported, citing the opposition-led National Assembly. The legislature started releasing its own inflation figures this year after President Nicolás Maduro's government stopped releasing them, and said prices rose 56.7 percent in November. The legislature estimated that



Maduro // File Photo: Venezuelan Government.

inflation would soar past 2,000 percent next year. "More hunger and misery is on the way for our already beaten-down population," said opposition lawmaker Ángel Alvarado. Economists generally consider hyperinflation to occur when the monthly inflation rate exceeds 50 percent for three months or annual rates stay above three digits for three years. Venezuela's central bank reported 180 percent inflation in 2015 and 240 percent inflation in 2016.

NEWS BRIEFS

Honduran Election Tribunal to Recount Nearly 5,000 Ballot Boxes

Honduran election officials said Thursday that they will recount 4,753 ballot boxes in the country's disputed Nov. 26 presidential election, Reuters reported. Allegations of fraud in the election, in which still no winner has been declared, has led to deadly protests in the Central American country.

Peruvian President Criticizes Raids on Opposition Party Offices

Peruvian President Pedro Pablo Kuczynski criticized authorities leading the corruption probe into Brazilian construction conglomerate Odebrecht, saying they went too far by raiding the offices of right-wing opposition party members who lead Congress, Reuters reported Thursday. On Thursday, prosecutors investigating whether Odebrecht helped finance the political campaigns of Peruvian politicians searched the offices of members of the opposition Popular Force party. Following the raids, party representatives accused the attorney general's office of political bias.

U.S., Colombian Officials Vow to Boost Efforts Against Drug Trafficking

U.S. and Colombian officials at a meeting in Cartagena on Thursday vowed to strengthen efforts against drug trafficking in the South American nation as it grapples with record high levels of coca production, the Associated Press reported. The meeting included U.S. Attorney General Jeff Sessions, who met with his Colombian counterpart, Néstor Martínez, and a delegation from Mexico. Three months ago, U.S. President Donald Trump threatened to decertify Colombia as a partner in the war on drugs unless the country reverses the rise in coca production within its borders.

BUSINESS NEWS

Ford Moving Electric Vehicle's Production to Mexico Plant

U.S. automaker Ford on Wednesday announced it will shift the production of an all-electric vehicle to Mexico, while adding 850 U.S. jobs by creating production jobs for an autonomous, or self-driving, car at its Flat Rock plant in Michigan, the Detroit Free Press reported Thursday. Ford said it wants to sell the self-driving car beginning in 2021. The move is a change in plans from what was announced last March, when the automaker said it would cancel plans to build a new \$1.6 billion plant in Mexico, instead adding production of both the electric vehicle and the hybrid autonomous vehicle at its Flat Rock plant. That plan had been formulated after U.S. President Donald Trump said he was considering withdrawing the United States from the North American Free Trade Agreement and criticized automakers for building vehicles in Mexico. A person familiar with the matter said the company expects to produce only 4,500 autonomous vehicles annually after 2021, while the newly announced plan expects 25,000 electric vehicles per year to be built in Mexico, the newspaper reported. Ford, which is headquartered in Dearborn, Mich., may be taking a risk by changing course and moving some production to Mexico, as the United States has not yet determined whether it will stay in NAFTA. If the agreement were to dissolve, the United States could impose a 2.5 percent tariff on the parts and fully assembled cars imported from Mexico, according to the director of the Center for Automotive Research's industry, labor and economics group. Ford sees value in producing electric cars in Mexico, however, because it will allow the company to take advantage of lower labor costs and will help improve the "fitness" of that business, said Sherif Marakby, Ford's vice president for autonomous vehicles and electrification, The New York Times reported. Electric vehicles are typically expensive to build and have a thin profit margin.

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session beginning in March, neither house will have a clear majority, with small parties, especially the much-diminished Christian Democratic Party, probably playing a pivotal role as a swing vote. This, plus the fact that the left and center-left are by no means a homogeneous bloc, mean that whoever wins the presidential runoff will have a hard time getting his legislative agenda through Congress. The new Congress also indicates how much Chile has changed. Young voters are rejecting traditional political parties, and the conventional left-right scale appears to mean less and less. These voters are less worried than were their parents about consensus and governability, and they are more impatient for social policy to catch up to the progress made on the economic front. The next president of Chile will have a far more challenging time than any of his predecessors."

A Peter DeShazo, visiting professor of Latin American, Latino and Caribbean Studies at Dartmouth College and former deputy assistant secretary of state for Western Hemisphere affairs: "Piñera has the advantage in the runoff. Despite his lower-than-expected numbers in the November vote, he has a more committed support base than Guillier, who to win must attract centrist Christian Democrats and a very large share of the some-25 percent of first-round votes that candidates on the left won. The key variable is the potential transferability of votes from the surprisingly strong candidate of the leftist Frente Amplio movement, Beatriz Sánchez, to Guillier. Frente Amplio leadership has taken an ambiguous position in the second round by officially withholding institutional endorsement of Guillier but with individuals expressing support for him or criticizing Piñera. With its anti-establishment orientation and youthful following, the Frente Amplio voter base may not be readily motivated to support Guillier. That puts him in the vulnerable position of having to move his

campaign abruptly leftward to court votes. Regardless of who wins, the new president will contend with growing citizen dissatisfaction with the social and economic status quo in Chile and with growing distrust of traditional politics. He will also inherit a divided Congress, putting a premium on negotiation and compromise in an environment where the political center is losing ground to both the left and right. What remains to be seen in the new reality of Chilean politics is the degree to which consensus-building across the political spectrum can be achieved."

A Rossana Castiglioni, associate professor of political science at the Universidad Diego Portales in Chile: "There are three main reasons why it is impossible to predict the results of the election. First, this is the first time Chile is holding national elections under a new electoral system. Second, a new player, the Frente Amplio, emerged. Third, most of the Chilean electorate (some 54 percent) did not vote in the first round. As a result of these three factors, there is an enormous level of political uncertainty and an impossibility to offer reasonable predictions. In order to win the runoff, Alejandro Guillier needs to win the support of the Frente Amplio voters, something that is not easy to achieve, in part because Frente Amplio is internally divided, and in part because it is not a cohesive, disciplined political block. Guillier has defined himself as the heir of Bachelet's legacy, so he will probably try to pursue a path of economic and social policy continuity. Additionally, if elected, he will be unable to introduce radical changes, because he lacks control over the Congress. Piñera has the advantage of having a 'captive' right-wing vote. In this way, in order to win the incoming elections, he will have to move toward the center. As a result, a second Piñera government will probably reflect some of the policy preferences of the middle voter. Additionally, if elected, Piñera will have to deal with active social

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movements and political actors from the left, which will organize against a right-wing government from the very outset.”

A **Claudia Heiss, assistant professor at the University of Chile, researcher at the Center for Social Conflict and Cohesion Studies and member of the Observatory of the Constituent Process in Chile:**

“It is impossible to say who will win the runoff election. What is clear is that the triumphalism that characterized Sebastián Piñera’s campaign is now something of the past. Recent declarations about electoral fraud by the former front-runner may be a sign of desperation in front of a shortening distance to his contender. Piñera mentioned marked votes in the first round with the names of left-wing candidates Guillier and Beatriz Sánchez. These claims, apparently intended to motivate his supporters to monitor on-site the Dec. 17 runoff, backfired, prompting accusations of irresponsibility and leading Beatriz Sánchez to publicly endorse Guillier for the first time. The votes of the Frente Amplio are crucial for a Guillier triumph. The Frente Amplio voters seek, like Guillier’s Fuerza de la Mayoría party, a social-democratic project, but with a more reformist twist and with strong emphasis on citizen participation. Guillier named international commerce expert Osvaldo Rosales as chief of his campaign, sending a message of moderation and concern for growth and investment. After the November election, he has appealed to left-of-center voters by giving priority to changing the 1980 Pinochet Constitution and addressing the need to increase redistribution. At the same time, he has declared that he does not intend to implement new tax reforms. His message is one of continuity with the gradual reformism of President Michelle Bachelet. Piñera’s discourse, on the other hand, has made a sharp turn toward social policy. He recently endorsed the public provision of free educa-

tion, something rejected by right-wing allies like former presidential candidate Felipe Kast. A second Piñera presidency would probably be more centrist than the first.”

A **Guillermo Holzmann, professor at the University of Valparaíso, Chile and CEO of Analytika Consulting:**

“Both Piñera and Guillier’s proposals are based on economic growth, as a platform for development in the case of Piñera and as a continuation of Bachelet’s policies and a deepening of the rights and reforms in the case of Guillier. Piñera has the better chance of winning on Dec. 17, which means he will be seeking the votes of those who abstained in the first round of voting—around 6.5 million voters—and capturing the votes of those who chose the third electoral option, which has been associated with transparency, credibility, solidarity and justice. There is, thus, a confrontation between the proposals of conservative Piñera and progressive Guillier. This highlights an ideological inflection point that has polarized the campaigns and has delayed Piñera’s expected victory, though there is uncertainty as to whether he will win the second round, given the intensity of the campaigns. While Chile is not facing a crucial dilemma with respect to its future, the type of development the country will see and the future of its economy is at stake on Dec. 17. A second Piñera administration will face fragmentation among all political parties, as well as an opposition that demands transformations within the framework of President Michelle Bachelet’s reforms. The formulas for addressing the needs of education, health and pension reforms will be distinct. In Piñera’s case, the solutions will be centered on the free market, while for Guillier, he would focus on strengthening the role of the state. A second Piñera administration will have the challenge of assuming a realist and pragmatic stance in the face of intense dialogue and negotiation.”

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