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FEATURED Q&A

What Can Chileans Expect From Piñera's Return?



Sebastián Piñera, who was Chile's president from 2010 to 2014, is to return to the presidency in March after winning the country's runoff election on Sunday. // File Photo: Piñera Campaign.

Q Former Chilean President Sebastián Piñera on Sunday defeated his opponent Alejandro Guillier in the country's presidential runoff election. To what can Piñera attribute his victory? How well will he be able to work with the country's Congress in order to advance his agenda? What policy proposals can Chileans expect of Piñera, and what will be the main differences from the outgoing administration of President Michelle Bachelet?

A Peter M. Siavelis, professor and chair of the Politics and International Affairs Department at Wake Forest University: "Much has been made of the victory of conservative Sebastián Piñera as part of a wider regional rightward trend in countries like Argentina, Brazil and Paraguay. This is a misinterpretation of Chile's political moment. Center-left candidates garnered 42 percent in the November first-round presidential vote, and Piñera lacks a majority in Congress. Rather than a shift to the right, Chile is more significantly bucking a wider worldwide trend of electing protest candidates. Though he tacked to the right for the second round to pick up the votes of far-right candidate José Antonio Kast, Piñera is a moderate, and Chileans have opted for moderation and gradual reform over protest and populism. This is a surprising result, given how deeply the country is divided and how animated protests against the privatized health, education and social security systems have been. This presents a scenario of likely gradual reform and more of the same. Piñera lacks congressional support for a transformational legislative agenda, and he understands that this is not what Chileans want. What is more significant about this election is the

Continued on page 3

TODAY'S NEWS

POLITICAL

Lawmaker Says VP Should Rule if Peru's Kuczynski is Ousted

An opposition lawmaker said her party will not also seek the ouster of the country's vice president if President Pedro Pablo Kuczynski is removed from office.

Page 2

ECONOMIC

Argentine Congress OKs Pension Reform

The controversial measure has led to violent protests and a general strike.

Page 3

POLITICAL

OAS Says it Can't Validate Honduras Election Results

The Organization of American States said it could not validate the result of Honduras' Nov. 26 presidential election. The country's electoral court on Sunday declared incumbent President Juan Orlando Hernández the winner, but the OAS said the vote was marred by irregularities.

Page 2



Hernández // File Photo: Honduran Government.

POLITICAL NEWS

Peruvian Opposition Lawmaker Wants VP to Rule if PPK Ousted

A Peruvian opposition lawmaker said Monday that Vice President Martín Vizcarra should govern if President Pedro Pablo Kuczynski is ousted, denying claims that her party would seek to topple Vizcarra, Reuters reported. A vote on ousting Kuczynski, widely known as PPK, is scheduled in Peru's opposition-run Congress

“We’re thinking about what’s best for the country. We’re not trying to find fault in anyone.”

— Luz Salgado

on Thursday. “If [Vizcarra] does his job well and assumes the role that history is offering to him, he’ll have our corresponding support,” said the opposition lawmaker, Luz Salgado of the Popular Force party. “We’re thinking about what’s best for the country. We’re not trying to find fault in anyone.” The president has repeatedly said there was nothing improper about recently revealed business ties between him and Brazilian construction firm Odebrecht, which has admitted to paying some \$800 million in bribes to officials in several countries in exchange for government contracts. Documents sent to Peru’s Congress last week showed that Odebrecht paid \$782,000 to Westfield Capital, a company owned by Kuczynski, a decade ago. Most of the payments were made when Kuczynski was serving as economy minister and prime minister, but Kuczynski has said he did not have a role in managing the firm when the payments were made. If Kuczynski is ousted and Vizcarra fills out the rest of his term, which lasts until 2021, no major policy changes would be expected, Reuters reported. The political turmoil is already having an effect on investments

in the Andean nation, the wire service reported. “It’s going to have an important impact on the economy. Investments are going to be delayed,” said Carlos Galvez, the chief financial officer of Peruvian mining company Buenaventura. Kuczynski has described the efforts by Popular Force to oust him as an attack on the country’s institutions and has criticized his own party for not allowing him time to defend himself. Housing Minister Carlos Bruce blasted the effort to impeach Kuczynski in comments to reporters on Monday. “We look like a banana republic. Without a proper procedure, Congress is just usurping the presidency,” he said. A new presidential election would be called only if Kuczynski is ousted and both Vizcarra and Second Vice President Mercedes Aráoz leave office before the expiration of the current presidential term in 2021. Aráoz ruled out that possibility on Sunday in an interview with Reuters.

OAS Says it Can’t Validate Honduras Election Results

Protesters blocked highways and smaller roads across Honduras on Monday, after the Organization of American of American States said it could not validate the results of the country’s Nov. 26 presidential election, in which incumbent President Juan Orlando Hernández was declared the winner on Sunday, following numerous delays in the count, deadly protests and allegations of fraud, The Wall Street Journal reported. OAS Secretary General Luis Almagro has called on Honduran officials to hold a new election and has cited “irregularities and deficiencies” in the voting process. The vote count showed “deliberate human intrusions in the computer system” during the tally as well as “intentional elimination of digital traces,” said Almagro. The OAS, which sent observers to Honduras for the election, said “improbable” levels of voting in some locations rendered it “impossible to determine the winner with the necessary certainty.” Challenger Salvador Nasralla, who was ahead in the count when partial results were first released after the election, is

NEWS BRIEFS

Two Ex-Ford Executives Face Trial for Alleged Crimes During ‘Dirty War’

Two former executives of automaker Ford are on trial in Argentina for their alleged role in helping the Argentine military kidnap and torture its workers during the 1976-1983 military dictatorship, Deutsche Welle reported today. Former Ford factory director Pedro Muller and former security manager Héctor Francisco Jesús Sibilla are due in San Martín Federal Criminal Court outside Buenos Aires today, according to Argentina’s Telam news agency. According to the prosecution, the men provided names, identification numbers, pictures and home addresses to military officials, who then kidnapped and tortured 24 factory employees and union members.

Vista Oil & Gas Shareholders Approve Capital Increase

Shareholders of Mexican energy investment firm Vista Oil & Gas on Monday approved the issuance of 100 million ordinary shares, which will provide a capital increase to the company, Vista disclosed to Mexico’s stock exchange, Reuters reported. Vista did not put a value on the shares. It recently completed a \$650 million initial public offering on Mexico’s stock exchange in August. The firm is Mexico’s first publicly traded oil company.

Petrobras, Modec to Build New Oil Platform

Brazilian state oil company Petrobras has reached a deal with Japan’s Modec to build and operate a platform for oil production in Brazil’s Libra block, Petrobras said Monday, Reuters reported. Modec said it would operate the platform for 22 years. Petrobras did not disclose the cost of the platform. The unit will process as much as 180,000 barrels per day of oil and 12 million cubic meters of gas.

claiming that he won and flew to Washington to take his case to Almagro and U.S. officials. Meantime in Honduras, soldiers and police clashed with Nasralla's supporters who burned tires in the streets. Some businesses, banks and schools were closed in Tegucigalpa and other cities. Hernández, whose sister was killed Saturday in a helicopter crash, has not commented on Almagro's call for a new vote.

Rosselló Calls for Review of Hurricane Deaths in Puerto Rico

Puerto Rico Governor Ricardo Rosselló on Monday called for a recount and review of the certified deaths that occurred on the island since Hurricane Maria struck in September, The Washington Post reported. The official death count from the storm is 64, but officials over the past several weeks have been investigating cases in which news organizations or relatives of the deceased have said the stories of how individuals died do not match up with the official record. Power loss has led to deaths across the island, especially inside hospitals and nursing homes, where individuals rely on medical equipment, medicine and treatment to stay alive, and often electricity is needed in order to provide the appropriate medical care. The Puerto Rican government has also document four suicides and several other deaths related to a bacterial outbreak in the aftermath of the hurricane. Rosselló on Monday said the government "cannot base any official fatality related to the hurricane count on statistical analysis." "Every life is more than a number, and every death must have a name and vital information attached to it, as well as an accurate accounting of the facts related to their passing," he added. Puerto Rico's secretary for public safety, however, has dismissed media reports that question the accuracy of the death count. He said his department followed the law as best it could under the given circumstances, and that his department has investigated certain cases and added individuals to its death count. There is "no agenda to minimize...but to do it diligently," he said.

ECONOMIC NEWS

Argentine Congress Passes Controversial Pension Reform Bill

Argentina's Congress this morning approved a pension reform bill that has led to violent protests and a general strike, the Associated Press reported. The lower house approved the measure on a vote of 128-116 following 12 hours of debate. The Senate has already given its approval. The measure will change the formula for how pension benefits are calculated so that they are based on inflation instead

of wage growth and tax contributions. The change is part of President Mauricio Macri's push to reduce the country's deficit and attract foreign investment. Critics of the bill say it will cut pension and retirement payments, as well as aid for some poor families. Protesters on Monday marched to the Congress building in Buenos Aires in opposition to the measure. Demonstrators threw rocks, bottles and gasoline bombs, and police responded with tear gas, rubber bullets and water cannons, BBC News reported. About 150 people were injured and 60 were arrested during clashes with police, the Associated Press reported. Argentina's largest union also called for a 24-hour general strike in response to the legislation's approval, which will ground hundreds of flights.

FEATURED Q&A / Continued from page 1

complete transformation of the competitive dynamic of coalitions, given the adoption of a new, more permissive proportional legislative electoral system. Chile is likely returning to the pre-authoritarian pattern of competition between three coalitions of the center, left and right, signaling the reappearance of the pre-authoritarian conundrum of having to craft coalitions in Congress to govern. It is unlikely that Piñera will be able to do this, and Chile will likely be little transformed at the end of these four years, leaving many Chileans equally dissatisfied as they are today."

A **Guillermo Holzmann, professor at the University of Valparaíso in Chile and CEO of Analytyka Consulting:** "The campaigns for the second round emphasized polarization as a strategy for increasing participation and establishing differences between the candidates. Without a doubt, this goal was achieved. The abstention rate fell, and the candidates adapted their strategies to consolidate electoral support on the left and right. While Guillier was seen as a continuance of Bachelet's policies, Piñera emphasized a 'social right' that is more sensitive to citizens' rights, assuring that social rights would not be affected during his presidency.

This reduced doubts surrounding Piñera and satisfied the demands of voters who seek results and reasonable certainties with

“Piñera emphasized a 'social right' that is more sensitive to citizens' rights.”

— Guillermo Holzmann

respect to their future well-being. In the end, the percentage of voters were pragmatic, and non-ideological, in casting their ballots. Piñera should exercise political management that allows him to establish a platform for dialogue and negotiation with a marked opposition in two sectors: one that declares itself as a constructive opposition, and the other, which is expressing a desire to confront Piñera's governing style. The political experience of his government will be the first sign of what route he will follow. The second will be expressed in his design to negotiate the central aims of his government, which include modifications to Bachelet's reforms, the maintenance of acquired social rights

Continued on page 4

FEATURED Q&A / Continued from page 3

and obtaining financing for everything associated with the country's economic growth. It will entail different and simultaneous management styles, which will be Piñera's challenge in his first 100 days in office."

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: "In an earlier Q&A, I expressed the opinion that Piñera had the advantage in the second round and that Guillier would be hard-pressed to attract enough votes on the left to make up the difference. That appears to have been the case. While Piñera won additional votes in the political center and among independents, Guillier failed to get enough traction with youthful protest voters who supported the leftist Broad Front in the first round. Piñera's wide margin of victory, however, owed less to ideological preference than to his greater appeal among voters on job creation, economic growth, and crime and to dissatisfaction with the status quo. He won in every region except the far south and scored surprisingly well in working class neighborhoods of Santiago. To see the result as a ringing endorsement of the right and

a rejection of the left would be a mistake. With a divided Congress, Piñera must attract support from the center-left to advance legislation while facing potentially divisive factionalism between right and center-right elements in his own coalition. Uncharacter-

“To see the result as a ringing endorsement of the right and a rejection of the left would be a mistake.”

— Peter DeShazo

istically, more Chileans voted in the second round than the first, and expectations for change are running high. The challenge for Piñera is to build public support and political consensus around social and economic policies that promote sustained development but also address the concerns of less advantaged Chileans. This will require a policy vision that transcends traditional thinking on the Chilean right."

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Peruvian Politics Under Strain

An Inter-American Dialogue Discussion with Alberto Vergara Professor, Universidad del Pacifico

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