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FEATURED Q&A

What Factors Are Shaping Colombia's Presidential Race?

Q On Feb. 4, President Juan Manuel Santos fired Colombia's army intelligence chief amid allegations that an elite military unit spied on government officials engaged in peace talks with the FARC rebels, but Santos later softened his tone, saying the intelligence activities may have been legitimate. Meanwhile, a recent Ipsos Napoleón Franco poll showed that Santos was the leading candidate ahead of the country's May election in which he is seeking a second term. While Santos garnered 25 percent support in the poll, half of those surveyed said they were either undecided or planned to cast blank ballots. What do the lukewarm poll results mean for Santos' re-election bid? What does the spying scandal say about the military's relationship with the executive branch? Will the spying scandal affect the peace talks, and how will the way the talks unfold affect the election?

A Fernando Cepeda Ulloa, professor of political science at Universidad de los Andes in Bogotá and a former Colombian interior minister: "The presidential candidates are in a holding pattern. We must wait for the results of the congressional elections on March 9. Why? By deciding to head the list of Senate candidates for his Centro Democrático party, former President Álvaro Uribe has presidentialized the elections. If Uribe has significant success, that would change the dynamic of the May 25 presidential election. If he fails, Santos' re-election is more than guaranteed. Regarding the spying allegations, the inspector general of the army will deliver a report on Feb. 14. The attorney general has said it has found no evidence of interceptions of the negotiators in Havana. The scandal has already deflated somewhat. Associations of retired officers have expressed their deep displeasure with the episode and the way that both the media and government handled it. The FARC

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Venezuela Student Protests Turn Deadly; Both Sides Point Fingers

At least two people were killed Wednesday during an anti-government rally at the Venezuelan attorney general's office. Both were shot in the head. The government has banned street protests this week. A judge has issued a warrant to arrest opposition leader Leopoldo López. See story on page 2.

Photo: Voluntad Popular.

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NEWS BRIEFS

Apache Sells Argentine Assets to YPF for $800 Million

Houston-based **Apache Corporation** on Wednesday announced an agreement to sell all of its operations in Argentina to state-held **YPF** for $800 million plus the assumption of $52 million of bank debt. YPF has paid a $50 million deposit on the transaction, which is expected to be completed in the next 30 days, Apache said in a press release. At year-end 2013, Apache had estimated reserves in the country of 540 billion cubic feet of natural gas equivalent.

Brazilians Cite Health as Biggest Problem Facing the Nation: Poll

A new national poll indicates that Brazilians prioritize healthcare as their biggest concern today, *O Globo* reported Wednesday. Fifty-eight percent of respondents cited healthcare as the main problem facing the country. Public safety and violence appeared second, cited by 39 percent, followed by drugs, 33 percent, education, 31 percent, and corruption, with 27 percent. Inflation, job creation, taxes and wages each had 10 percent. The **CNI/Ibope** poll was conducted between Nov. 23 and Dec. 2 with 15,414 interviews.

Bolivia to Export Natural Gas to Brazilian Thermoelectric Plant

Bolivia's state-owned oil and gas company, **YPFB,** and Brazil's **Petrobras** have signed an agreement that will see Bolivia export excess natural gas, 2.24 million cubic meters per day, to the Cuiabá thermoelectric plant in Brazil, EFE reported Wednesday. Exports will begin on Saturday and last for 20 days, during which time the companies said they will analyze the possibility of a long-term contract.

Political News

Venezuela Student Protests Turn Deadly; Both Sides Point Fingers

At least two people were killed Wednesday during a student rally against the government at the headquarters of the Venezuelan attorney general's office in downtown Caracas, *El Universal* reported. Both were shot in the head. Bassil Alejandro Dacosta and Neyder Arellano Sierra died in a local hospital, although it remains unclear if they were protestors or government supporters, with the government claiming at least one of the dead students as its own supporter. At about 1:00 pm local time, the student "Youth Day" march departed from Plaza Venezuela, in northeast Caracas, and headed for the Attorney General's office. Leaders of the group, largely made up of university students, asked for a meeting with Attorney General Luisa Ortega, and when that did not occur, some began to throw rocks at the building, Bloomberg News reported. Leopoldo López, an opposition figure banned by the government from running for office, was at the scene, *El Universal* reported. Twenty-three people were injured and more than two dozen arrested. At least four police vehicles were burned and some government offices vandalized in violence throughout the day, Reuters reported. Opposition leaders said 50,000 people were in the streets, and that the protests had spread around the country. The death count may climb. Al Jazeera reported late Wednesday that two more people were killed in addition to one police officer. Venezuelan President Nicolás Maduro has banned street demonstrations for the rest of the week. "I'm not going to allow anyone to go out and march Thursday or Friday," Maduro said, adding that he ordered his education and interior ministers to hold talks with students, Bloomberg News reported. The situation remains volatile today. "The conditions on all fronts are deteriorating rapidly. Anything can happen," Michael Shifter, president of the Inter-American Dialogue, told Bloomberg News. A caracas judge late Wednesday ordered the arrest of Leopoldo López on charges of conspiracy, incitement to crime, public intimidation, setting fire to public buildings, property damage, murder and terrorism, *El Universal* reported. López said video at the scene will show the truth.

> "I'm not going to allow anyone to go out and march Thursday or Friday."
>
> — *Nicolás Maduro*

El Salvador's Sánchez Cerén Leads By 10 Points in New Election Poll

El Salvador's leftist ruling party candidate, Salvador Sánchez Cerén, would win 55 percent of the vote compared to 45 percent for his conservative rival for president, Norman Quijano, if the elections were held today, according to a new poll, Reuters reported Wednesday. The **CID-Gallup** poll, which was carried out in interviews with 1,400 voters and has a margin of error of 2.7 percent, suggests Sánchez Cerén has maintained his margin ahead of Quijano, who surprised political observers with a poor showing in the Feb. 2 first-round vote. A third-party conservative candidate, former president Antonio Saca, captured only 11.4 percent support in the first round. The runoff is scheduled for March 9. [Editor's note: See recorded webcast of the Inter-American Dialogue's Feb. 7 event on the election outlook.]

Economic News

Uruguay Declares Agricultural Emergency in Face of Heavy Rains

Uruguay's government on Wednesday declared an agricultural emergency its southern regions following heavy rains, *El País* reported. Tabaré Aguerre, minister of livestock, agriculture and fisheries, said he has activated the Agriculture Emergency Fund, which will make funds and loans available primarily to horticulture and viticulture farmers. Rainfall can be espe-

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cially damaging to vineyards, which in Uruguay cultivate a special tannat grape for wines that have become increasingly valued for export. Montevideo, Uruguay's capital, has seen nearly 20 inches of rain since the beginning of January, AccuWeather reported. That is more than 500 percent of normal rainfall.

Brazil Regulator Proposes Increasing Consumer Electricity Rates

Brazil's power sector regulator, ANEEL, on Tuesday proposed increasing consumer rates by 4.6 percent this year to cover power subsidies, *O Estado de S. Paulo* reported. The government is expecting the Energy Development Account, which pays for energy-related social programs including subsidies for thermoelectric power in rural areas of the north and for poorer consumers, to have a deficit of 5.6 billion reais ($2.33 billion) this year. The deficit does not include the cost of paying to use more thermal energy to make up for a severe drought that has cut into hydroelectric production and reduced reservoirs in the midwest and southeast to their lowest levels since 2001.

Company News

MetLife Revenues Rise 28 Percent in Latin America

New York-based insurer **MetLife** said Wednesday its operating earnings for Latin America rose 17 percent last year to $173 million. Premiums, fees and other revenues in Latin America totaled $1.1 billion in 2013, up 28 percent (or 34 percent on a constant currency basis) compared to the year before. Total sales for the region increased 27 percent, driven largely by its Mexico group business, MetLife said. Its Latin America business grew slightly slower than other regions of the world for the company last year, however. For the full year 2013, MetLife operations worldwide reported operating earnings of $6.3 billion, up 11 percent over 2012, reflecting operating earnings growth of 13 percent in the Americas, 20 percent in Asia and 21 percent in Europe, Middle East and Africa.

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Featured Q&A

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took the opportunity to attack President Uribe as the enemy of peace and to raise the issue of trust, which is key to the negotiation process. All the candidates, including Uribe, proclaim their support for the ideal of peace. Uribe imposes conditions, punishment for crimes and no political eligibility."

Andrés Molano-Rojas, political analyst, professor of international relations at the Universidad del Rosario and academic director of the Observatorio de Política y Estrategia en América Latina (OPEAL) in Bogotá: "The presidential campaign in Colombia hasn't really started yet. Not all parties have nominated candidates, and vice-presidential running mates are not known. The polls have a limited value, therefore, although they reveal some interesting trends, such as the high percentage of undecided voters and those who support a blank vote. They also seem to suggest that Santos could have difficulty winning in the first round. There is majority support in the country for the peace process (although accompanied by a healthy skepticism and criticisms of specific points), and the progress of the conversations in Havana could have some impact on voters' behavior. The impression, however, is that the pace of the negotiation has slowed down, perhaps to remove it a bit from the political debate. In any case, it remains to be seen how these trends evolve and if the poll results ultimately translate into electoral results. As for the spying scandal, this is a complicated incident that still needs to be clarified. But in any case, it should not be interpreted as a symptom of a disturbance or fracture in civil-military relations, although some sectors of the armed forces—and society in general—have some reservations about the scope and possible consequences of the negotiation with the FARC. The peace process, in any case, can be considered more or less shielded from incidents like this."

Adam Isacson, senior associate for regional security policy at the Washington Office on Latin America: "Juan Manuel Santos remains the odds-on favorite, as he leads the polls by a large margin. This is not because he has captured the public's imagination or passions, but because he has most of the political establishment behind him and because, with three months to go, he does not face an opponent whom voters find more compelling. Even when down in the polls, Santos has deftly maintained broad support in his 'national unity' coalition. His only opponents have been backers of ex-President Álvaro Uribe and small left-of-center parties. Though it doesn't participate in electoral politics, Santos has endeavored to keep Colombia's powerful military 'in the tent' as well. Without military support, his banner initiative—ongoing peace talks with the FARC guerrillas—will fail. Many officers remain skeptical about the talks, as starkly illustrated by last week's revelations of an army intelligence unit's alleged spying on government negotiators. President Santos's abrupt change of tone about the scandal—from outrage on day one to an insistence that the army operation was 'totally legal' on day two—also signaled some shakiness in civil-military relations. Still, the revelations themselves are not affecting the dynamic at the peace table in Havana, where negotiators are on the third of six agenda items. More important is how Colombia's government will deal with the allegations. If it fails to hold military personnel accountable for illegal activity, the talks could suffer, as guerrillas question whether they are sitting at the table with those who hold actual power in today's Colombia."

The Advisor *welcomes responses to this Q&A. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with questions or comments.*

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