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FEATURED Q&A

How Well Did Solís Handle Costa Rica's Teachers' Strike?

Q Costa Rican teachers on May 5 began a strike over delayed salaries just three days before President Luis Guillermo Solís took office. The new administration spent much of its early days negotiating to bring an end to strike, which lasted more than three weeks. How did Solís handle the situation, and what has been the popular response? How did the strike affect Solís' momentum coming into office and his ability to focus on other aspects of his platform, including anti-corruption and infrastructure investments?

A Kevin Casas-Zamora, secretary for political affairs at the Organization of American States and former vice president of Costa Rica: "The teachers' strike was unnecessarily long and its results paltry. As Jorge Vargas, a national columnist, put it, Costa Rican children were kept out of classrooms for a full month, and the Ministry of Education opened a counter where teachers could bring complaints about their paychecks. The strike was mostly intended as a show of force before the incoming administration, a display whose motives had little to do with education. It was a warning of what Solís can expect if he dares to touch upon one of the critical factors behind the country's growing fiscal imbalance, namely the public sector's multi-layered compensation system, in which the cost of bonuses paid on top of regular salaries is spiraling out of control. Public sector unions have vowed to fight tooth and nail against any change to the status quo. The president managed to put an end to the strike, but not without giving first worrying signs of inconsistency. Just before being sworn in, Solís had publicly supported the strikers, a tone that turned decidedly less friendly when he took charge and the strike dragged on. Other decisions made by Solís display a similar pattern of inconsistency, including a reversal of his promise to close down the state's discredited intelligence agency and the surprising

Continued on page 4

São Paulo Subway Strike Averted as World Cup Begins

A strike by São Paulo subway workers that had threatened to disrupt today's start of the World Cup was averted as workers voted to remain at work. The union's president, Altino Prazeres, did not rule out another strike vote during the tournament. See story on page 2.

File Photo: Sindicato dos Metroviários de São Paulo.

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NEWS BRIEFS

Cuban Police Detain Four Pro-Democracy Activists

Cuban police on Wednesday detained four pro-democracy activists and at least 40 other dissidents, the *Miami Herald* reported. Most of the dissidents were freed before the end of the day, but the incidents renewed criticism that Raúl Castro's government has been turning toward harsher and more violent means of silencing dissent. Rights activist Elizardo Sánchez's Cuban Committee for Human Rights and National Reconciliation has recorded 3,821 political arrests during this year's first four months, a record figure.

Argentina, Brazil Modify Vehicle Trade Agreement

Argentina and Brazil have agreed to modify a bilateral vehicle trade accord and extend it for one year, Bloomberg News reported Wednesday. Under the terms of the agreement, for every $1.50 in exports that Brazil sends to Argentina, it must import $1 in order for both countries to receive tax exemptions, a decrease from the current agreement's level of $1.95. The accord aims to boost trade between the neighboring economies.

Colombia's Ecopetrol Buying Naphtha, Ultra-Low Sulfur Diesel

Colombian state oil company **Ecopetrol** will be shipped six cargo loads of naphtha and ultra-low sulfur diesel this month from **Trafigura** and **Atlantic Trading & Marketing** after awarding tenders to the companies last month, Reuters reported, citing export data. Colombia has boosted fuel imports since the Cartagena refinery began an expansion in March. Ecopetrol did not announce the amount it is paying for the shipments.

Political News

Subway Strike Averted, But Labor Dispute Hits Airports as Cup Begins

A subway strike in São Paulo that could have disrupted today's start of the World Cup was averted late Wednesday as rapid transit workers voted against continuing their work stoppage, the Associated Press reported. The subway workers suspended a five-day strike on Monday, but had threatened to walk off the job again today as the soccer tournament kicks off in Brazil. Last week, the strike snarled traffic in São Paulo, ensnaring motorists including executives of FIFA, soccer's international governing body, who had arrived in advance of the tournament. Altino Prazeres, the president of the union representing subway employees, said the workers decided to hold off on the work stoppage. "We thought that right now it's better to wait," said Prazeres. "We get the feeling that maybe we aren't as prepared for a full confrontation with police on the day the World Cup starts." Prazeres added that union members would march this morning to demand the reinstatement of 42 rapid transit workers who had been fired during the strike. Tens of thousands of fans are expected to use São Paulo's subway system to get to Arena Corinthians, where Brazil will play Croatia in today's opening match of the World Cup. While labor tensions eased in São Paulo, airport workers in Rio de Janeiro voted to strike starting at midnight. The 24-hour work stoppage will keep 20 percent of airport workers off the job at Galeão international airport and the Santos Dumont airport, which handles domestic flights, a union representative told the AP. An order from a labor court has threatened to fine unions if their staffing levels declined below 80 percent of normal levels. Clerks at check-in counters, baggage handlers and janitorial staff have been demanding pay increases of at least 5.6 percent for several months. Labor tensions also rose in the northern city of Natal, where the U.S. soccer team will play its first game against Ghana on Monday. Bus drivers in Natal have been demanding a 16 percent pay raise and voted to stay off the job on Thursday. Anti-government protests have been happening across Brazil in recent days as residents demonstrate against the costs of hosting the World Cup. In a televised address on Tuesday, President Dilma Rousseff said Brazil was ready to host the tournament and dismissed the notion that the government's expenditures related to the Cup diverted investments in health and education. [Editor's note: See related Q&A in Wednesday's *Advisor*.]

Rousseff

File Photo: Brazilian Government.

Venezuela Issues Arrest Warrants for Three Opposition Figures

Venezuela's attorney general has issued warrants for the arrests of three prominent opposition figures, saying they are wanted for questioning in connection with an alleged plot to assassinate President Nicolás Maduro, BBC News reported Wednesday. The three people wanted are Diego Arria, a former presidential candidate and U.N. ambassador;

> "Groups outside the law have violent political plans."
>
> — ***Luisa Ortega***

Pedro Burelli, a former external director of state oil company **PDVSA**; and Ricardo Koesling, an attorney who has been a prominent critic of the government. The three have not been charged with participating in the alleged assassination plot, but they failed to provide testimony as ordered for the investigation, said the attorney general's office. "Groups outside the law have violent political plans," said Attorney General Luisa Ortega. The government may ask Interpol to issue international arrest warrants for Arria, Burelli and Koesling because they may be outside of Venezuela, Ortega added. Another

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opposition leader, former lawmaker Maria Corina Machado, stands accused of being the alleged plot's organizer. In a posting on Twitter, Machado scoffed at the allegation, calling it "infamy." Massive anti-government protests have occurred in Venezuela in recent months amid frustrations about high rates of crime and inflation as well as shortages of food staples and other basic products.

Economic News

Argentina Eyes New Incentives for Oil and Gas Industry

The government of Argentine President Cristina Fernández de Kirchner plans to propose new incentives for companies to invest in the country's oil and gas industry in an effort to increase output and lower energy imports, *The Wall Street Journal* reported Tuesday. Fernández plans to meet with governors from oil-producing provinces on June 16 in order to finalize legislation that would provide the incentives, unnamed people familiar with the plans told the newspaper. Fernández and provincial leaders reached agreement on Monday about the basics of the proposals, which unify taxes and royalties that city and provincial governments impose on producers. The changes would also reduce the minimum investment amounts required to send dividends out of the country and would lower the amount required to export as much as 20 percent of output tax-free. The incentives also would ease restrictions for equipment imports. Production is declining at almost all of Argentina's oil and gas companies with the exception of state-owned **YPF**, Fernández's cabinet chief, Jorge Capitanich, said Tuesday. "Argentina needs to create a sustainable legislative framework to promote investment," he said.

Fernández

File Photo: Argentine Government.

Capitol Hill Watch

A Look at U.S. Congressional Activity on Latin America

Representatives Urge State Department Action on Human Rights in Honduras

One hundred eight members of the House of Representatives signed a letter submitted to Secretary of State John Kerry on May 28, urging the State Department to take action to address concerns about increasing human rights violations in Honduras, *The New York Times* reported. In the letter, the members of Congress, led by Rep. Jan Schakowsky (D.-Ill.) expressed concern that the government of President Juan Orlando Hernández has "adopted policies that threaten to make the human rights situation even worse" through militarizing the police force and using army for domestic law enforcement. Lawmakers highlighted worries about "ongoing death-squad style killings by Honduran police" and noted that "Independent media and human rights organizations continue to report that vulnerable groups, including members of the LGBT community and indigenous and campesino activists, are being targeted and killed." The letter also criticized the use of force and tear gas to disperse an opposition protest at the Honduran Congress in mid-May and expressed concern "that last year's election in Honduras was not free."

House Holds Hearing on U.S.-Mexico Relationship

At nearly three-hour hearing held by the House Committee on Foreign Affairs on May 20 about the future of U.S.-Mexico relations, lawmakers discussed violence in Mexico and debated the positives and negatives of legalizing some drugs, EFE reported. Rep. Dana Rohrabacher (R-Calif.) asked if it would weaken drug cartels more to remove their profit by legalizing currently illicit drugs instead of spending millions of dollars on fighting drug trafficking and consumption, to which William Brownfield, the assistant secretary for the Bureau of International Narcotics and Law Enforcement Affairs, responded that he would not advise implementing policies that could increase the availability of currently illegal drugs. Rohrabacher responded that he had not seen evidence that legalization would increase the number of drug users. At the hearing, State Department officials praised cooperation between Mexico and the United States in the areas of drug trafficking and economic and trade integration.

Engel, Salmon Propose Legislation to Review Drug Policy

Rep. Eliot Engel (D-N.Y.), the ranking Democrat on the House Foreign Affairs Committee, and Rep. Matt Salmon (R-Ariz.), the chairman of the Foreign Affairs Subcommittee on the Western Hemisphere, on May 9 introduced legislation aimed at reducing drug trafficking in the Western Hemisphere. Representatives Albio Sires (D-N.J.), Ileana Ros-Lehtinen (R-Fla.) and Beto O'Rourke (D-Tex.) also sponsored the Western Hemisphere Drug Policy Commission Act of 2014, which would create an independent commission to evaluate current U.S. policies and programs regarding illicit drug supply reduction and interdiction and make recommendations for future policy. The Western Hemisphere Drug Policy Commission would be comprised of 10 members, two each appointed by the president, the speaker of the House, the House minority leader, the Senate majority leader and the Senate minority leader, and would be required to submit its recommendations for U.S. drug policy 12 months after its first meeting.

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Featured Q&A

Continued from page 1

ruling to allow the Ministry of Finance to settle and condone debts derived from tax evasion, which appears difficult to square with the president's avowed intention to tighten the screws on the tax collection front. Most of all, the first few weeks have yielded preciously little in terms of substantive decisions to reshape the political agenda. At a minimum, the teachers' strike evinced an administration with limited political bandwidth and difficulties to keep the initiative while solving the inevitable conflicts that come with being in government. True, it's the early days, the days, that is, when any administration can better define the terms of the political debate."

A Ronald Alfaro-Redondo, political scientist at the Programa Estado de la Nación in San José, Costa Rica: "Luis Guillermo Solís, the new Costa Rican president and the first one coming from a political party—Partido Acción Ciudadana—other than the traditional Liberación Nacional and Partido Unidad Social Cristiana, may be remembered, among other things, not only for winning a runoff election by landslide after appearing below the margins in many electoral surveys, but also because he has been the only one with no 'honeymoon' period after facing a teachers' union strike that started three days before coming into power. After several years of relatively peaceful relations between teachers and education authorities, the teachers denounced delays in their salaries, a critical enough issue for mobilizing the most organized and biggest union in the nation. The conflict started with the teachers as the strongest actor, demanding quick solutions and with public approval very much on their side. The government handled the situation by looking for alternatives, negotiating multiple times with union leaders and giving explanations to them, but in a clearly disadvantageous condition: the lack of key information regarding how the bureaucratic apparatus in the Ministry of Education works. After rejecting at least two proposals the government offered to partially solve the conflict, internal disputes among the unions started to emerge, polarizing leaders' positions. Popular support for teachers' actions turned rapidly into mistrust benefiting the government's decisions, including its demand the teachers return to work. Almost one month later, the conflict ended, leaving Solis' government almost intact and implementing what it had already offered, whereas teachers' unions obtained some benefits, though at a higher political cost: they became weaker, divided and popularly discredited."

A Víctor Borge González, general manager of Borge y Asociados in San José, Costa Rica: "During the first weeks, the striking teachers had significant popular support because of the importance of the demand. It was not the best welcome for a government that said in its campaign that it supports the teachers' demands and that has members who are close to the unions. This sympathy from the government seems to have helped to control the calls for a general strike and permit government officials to negotiate. President Solís had asked since the beginning for some time to gather information related to the country's current situation. This speech and good communication by the government in its first month helped to control attacks from the media and other sectors. The public seems to be giving the new government time to make the changes promised during the campaign; it is a matter of time to see if this new government has the tools to solve Costa Rica's needs."

The Advisor *welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.*

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