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FEATURED Q&A

Who Has the Upper Hand Ahead of Uruguay's Runoff?

Q Former Uruguayan President Tabaré Vázquez of the ruling Broad Front coalition and National Party candidate Luis Lacalle Pou emerged Sunday as the top vote-getters in Uruguay's presidential election and will head to a runoff on Nov. 30. What factors will influence the election between now and the second round, and who has the momentum? What do the results of Sunday's legislative races mean for Uruguay's next president?

A Rosario Queirolo, associate professor in the Department of Social and Political Sciences at the Universidad Católica del Uruguay: "The momentum is in Frente Amplio's hands. Following the preliminary results, the governing party has 47.9 percent of the votes, while the National Party has 31 percent. In spite of the fact that Pedro Bordaberry, the leader of the Colorado Party, explicitly expressed his support for the National Party, the sum of the votes for the two parties reaches less than 44 percent. The gap with respect to Frente Amplio's share of the vote is around 4 points. Although the second round is still one month away, this difference is difficult to overcome. It is highly probable that most of those who voted for the Colorado Party in the first round would support Lacalle Pou, but surely not all. In addition, voters of minor parties such as the Independent Party are ideologically closer to Vázquez than Lacalle Pou. It seems more plausible that Vázquez will have the advantage in capturing these votes. Finally, those who voted blank or null in the first round, a quite difficult electorate to persuade, will tend to vote null or blank again in a more polarized election. In conclusion, Vázquez is the clear favorite for the second round. Sunday's legislative election also gave the congressional majority to the Frente Amplio. If Vázquez finally wins in the runoff, he will govern with the support of his party, a comfortable political scenario for his second presidency."

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Santos to Seek European Help With Post-Conflict Initiatives

During a six-nation tour of Europe next week, Colombian President Juan Manuel Santos will seek funding for initiatives to help Colombia transition to peace, should the government reach peace accords with leftist rebels. See story on page 3.

File Photo: City of Valledupar.

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NEWS BRIEFS

Mexican Authorities Arrest Four in Students' Disappearance

Mexican authorities said Monday that they have arrested four members of the Guerreros Unidos drug gang in connection with the kidnapping of 43 students who disappeared last month from the town of Iguala, Reuters reported. "Today we now have those who organized the disappearance of these youths," Mexican Attorney General Jesús Murillo Karam said. The attorney general said today that testimony from two arrested gang members led to a suspected mass grave site in the town of Cocula near Iguala, BBC News reported. Another mass grave was found earlier this month, but DNA tests could not confirm that any of the bodies belonged to the students.

Venezuela's Maduro to Conduct 'Purge' of Country's Police Force

Venezuelan President Nicolás Maduro said Monday that he will conduct a "purge" of the country's police force after determining that some officers in the pay of criminals took part in the murder of governing party lawmaker Robert Serra and his partner María Herrera earlier this month, BBC News reported. "We need a revolution of the police force here in Venezuela, and I will carry it out without delay, without excuses," the president said, adding that he will today announce members of a commission to carry out the reform.

Moro Named as New CEO of Endesa Chile

Valter Moro will become the new chief executive officer of energy firm **Endesa Chile**, Reuters reported Monday, citing parent company **Enel**. Moro is replacing Joaquín Galindo, who is moving to a different position within Enel.

Political News

Markets Will Calm as Brazil Works for Growth: Rousseff

Financial markets in Brazil will become calm as the government works to spur economic growth, newly re-elected President Dilma Rousseff said in her first televised interview since winning another term in office, Bloomberg News reported Monday. Rousseff narrowly defeated her challenger, Senator Aécio Neves, in Sunday's runoff, sending the country's stock market down 3 percent at the close Monday to a six-month low, according to *The Wall Street Journal*. The country's currency also lost 1.9 percent against the dollar, and the value of state-owned energy company **Petrobras** declined by more than a tenth. "The correct way to do things is to open up dialogue," Rousseff told the "Jornal da Record" news program, Bloomberg News reported. "We expect the market to calm down. It will calm down." During Rousseff's administration, Latin America's largest economy has posted slower growth than under any other Brazilian president in more than 20 years. Still, Rousseff's government has been able to maintain record-low unemployment. Brazil also entered a recession in the second quarter and has experienced above-target inflation. Rousseff said she does not plan to introduce new measures right away to calm investors' fears. She added that she will announce new economic policies by the end of the year, however.

Rousseff

File Photo: Brazilian Government.

Featured Q&A

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A Graciana del Castillo, managing director of Macroeconomics Advisory Group: "Once again, Uruguay's elections were indicative of the stability, political maturity and strong democratic tradition of the country. Preliminary results that give the ruling Broad Front roughly 47 percent of the votes—as compared to 31 percent for the National Party and 13 percent for the Colorado Party—practically guarantee that Tabaré Vázquez will be once again president of Uruguay. However, the Independent Party of Pablo Mieres, with 3 percent of the votes, could play a decisive role in the second round as well as in forming parliamentary majorities. The most likely scenario is that Vázquez will be re-elected. The electorate would be rewarding him for a good presidency and for the high investment and inclusive growth that brought many people out of poverty and improved their lives and livelihoods. His party's performance record was continued under President Mujica, but the new government will face a more challenging international and regional environment ahead. Luis Lacalle Pou ran an effective campaign 'on the positive,' as he defined it, and his list for the Senate seems to have attracted one of the highest number of individual votes, so he has become an important political leader to reckon with in the future, which will force the Broad Front to empower younger leaders going forward. Lacalle Pou brought into the debate the deterioration in education and security, two of the main issues of concern for the population at large on which the next president will have to act fast and boldly. Continuation of the same policies expecting a different result is no longer possible."

A Enrique Puricelli, independent management consultant in Montevideo and Buenos Aires: "Contrary to expectations, the Frente Amplio (Broad Front) carried the election by a larger margin than all pollsters had projected. With this result, 47 percent of the votes, they are one step away from retaining their majority in the General Assembly and have practically assured their triumph in the next round of balloting. The accompanying referen-

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Brazil's tax police needs to be simplified, she said. Rousseff also said she will take her time in naming cabinet members, including a replacement for Finance Minister Guido Mantega, who has said he plans to step down this year.

Colombia's Santos to Seek Europe's Help for Post-Conflict

Colombian President Juan Manuel Santos will seek money from European nations to help Colombia adjust should the government succeed in reaching peace accords with leftist rebels, Agence France-Presse reported Monday. In an interview with the wire service, Santos said he will make the appeal next week during a six-country tour of Europe. "It's the oldest conflict in the Western world," Santos said of the five-decade armed conflict. "If we manage to secure peace, it will have an impact far beyond Colombia's borders." Santos said he will seek money to help Colombia transition to peace, including from foreign investors to fund economic initiatives to help demobilized rebels re-enter society and find jobs.

Economic News

Mexico, United States Reach Agreement on Sugar Imports

Mexican and U.S. officials on Monday reached an agreement that will avert potentially high duties on imports of Mexican sugar to the United States, calming a dispute that could have spiraled into a trade war between the two countries, Reuters reported. The agreement was reached just hours before U.S. regulators were due to impose the duties on the Mexican imports. The draft deal calls for preventing imports from being concentrated during certain months, limiting the amount of refined sugar that is exported to the United States and establishing minimum price mechanisms for the sweetener. The spat began when sugar producers in the United States filed a claim in March that cheap sugar from Mexico was flooding the protected U.S. market.

Countdown to Brazil's Election

A Series of Views and Analysis from David Fleischer

A Close Finish Results in Four More Years for Dilma

BRASÍLIA—On Sunday, Brazilians returned to the polls for the second-round runoff elections—for president and governors in 14 states. Because Brazil now has four time zones, the presidential election tally was released after 8 p.m. Brasília time. However, the results of the gubernatorial elections were released before 8 p.m.

The campaign leading up to the runoff had a much hyped up ending. On Friday, *Veja* magazine published a bombastic cover story, which revealed some of the recent plea bargaining testimony by the money changer Alberto Youssef to the Federal Police in Curitiba. Youssef has been in a Federal Police lock-up since March.

Youssef said "The Planalto knew everything" [about the Petrobras corruption scandal]. The police interrogator then asked, "Who in the Planalto?" And Youssef replied, "Lula and Dilma." However, Youssef offered no concrete proof to back up his statement (so far), but the insinuation was headlined in *Veja*'s eight-page story.

That Friday evening, TV Globo conducted the last live presidential debate at 10:30 p.m. Because the *Veja* story "broke" on the Internet on Thursday evening, Dilma's campaign had enough time to reorganize her last television commercials on Friday and incorporate a tirade against the magazine's last-minute attempt to influence the election. As might be expected, Aécio Neves' opening question in the debate was about the *Veja* story.

When the vote tally was complete, President Dilma Rousseff was re-elected by 3.28-point margin with 51.64 percent of the valid vote. Neves received 48.36 percent, the best performance by a PSDB candidate since 2002. She won 15 states, and he won 12. With the exception of the states of Rio de Janeiro and Minas Gerais, this result produced an acute North-South division—Dilma won in the Northeast and North, while Neves won in the South, Southeast and Central-West regions. This division was also along a "rich-poor" regional division. The results of the 2010 election were similar.

Regarding the 14 runoff elections for governor, five states had reversals of the first round results. In the nine runoff elections in 2010, there were only two reversals. Including those 13 governors elected in the first round, the PMDB elected seven, the PT and PSDB elected five each, and the PSB had three. The PDT and PSD elected two governors each, and the PP, PCdoB, and PROS one each. Of the 18 governors who ran for re-election in 2014, 12 were re-elected. In these 2014 runoff elections, two states (Acre and Pará) were very close, with less than a three-point spread.

This was the first time the PCdoB (the Communist Party of Brazil) elected a governor. The only woman elected governor in 2014 was Suely Campos (PP) in Roraima. Ten days before the first round, she replaced her husband, Neudo Campos, who had his candidacy rejected by the election courts because he was deemed a ficha suja (had "dirty" court records). She led the first round and was elected with 54.85 percent of the second round valid vote.

David Fleischer is emeritus professor at the University of Brasília and editor of Brazil Focus.

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Featured Q&A

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dum to lower the age for juvenile courts was also lost, reinforcing the tolerant public safety policies maintained by the Uruguayan left. There is no doubt that the Broad Front carries nearly unstoppable momentum, and left-wing programs will be reinforced in Uruguay for the next five years. A very important issue is still awaiting the final count, and that is, who holds the majority in the Assembly. If the Broad Front relinquishes it, the minority Independent Party with modern left-wing tendencies will hold a strong bargaining position. This would be very healthy for democracy since it will force whoever is in government to continuously negotiate, strengthening the position of minorities and opposition."

Scott Morgenstern, associate professor of political science at the University of Pittsburgh: "In the first round of the Uruguayan elections, former president, Tabaré Vázquez of the Broad Front (Frente Amplio) faced a former president's son, Luis Lacalle Pou of the National Party (also known as the Blancos/Whites), as well as the son of a different former president from the Colorado (Red) Party. Vázquez won about 47 percent of the vote to Lacalle Pou's 32 percent. Given the large vote margin, Vázquez must be considered the frontrunner for the second round, but the Colorados are backing Lacalle Pou, and the independents have not indicated support for Vázquez. Whatever the result of the second round, Uruguayan politics will change dramatically, if no party has a majority in the legislature. The Broad Front has governed the country for the past 10 years with a small majority in both houses, but this time it will have the most seats, though perhaps not a majority. If Vázquez wins, he will be forced to build coalitions with one or more of the factions from the Blancos or Colorados, or perhaps with the small independent party that will have a few seats. If Lacalle Pou wins, he will face greater difficulties, since his party will have only about one-third of the Congress. Uruguay's parties are highly factionalized, which on the one hand may help Vázquez to peel off support from other parties. But this may hurt Lacalle Pou, since he will need solid support from both his party and the Colorados, plus a bit more. Historically, the factionalism has made this type of internal consensus very difficult to attain."

Francisco Panizza, associate professor of Latin American Politics in the Department of Government at the London School of Economics and Political Science: "A better electoral performance than predicted by the opinion polls has put Tabaré Vázquez, the candidate of the ruling Broad Front, on the brink of securing an historical third consecutive victory for his party. With about 99 percent of the votes counted at the time of writing, Vázquez has a commanding 47.8 percent to 31 percent lead over his nearest rival, the National Party candidate, Luis Lacalle Pou. What is even more relevant, the FA's candidate also has a 4 percentage point advantage over the aggregate vote of the two center-right parties (43.9 percent) that will be supporting Lacalle. Vázquez is also likely to receive the support of a majority of the voters from the smaller parties that together gathered around 5 percent of the vote. It is difficult to foresee any other outcome than a comfortable victory for Vázquez in November. It is difficult to know what, if anything, Lacalle Pou can do to reverse the result of the first round. After having their expectations increased by the opinion polls that hinted at a close electoral contest, his supporters are likely to feel deflated and demoralized."

> "It is difficult to foresee any other outcome than a comfortable victory for Vázquez in November."
>
> — ***Francisco Panizza***

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