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## FEATURED Q&A

# Why Has Colombia's President Become So Unpopular?



Earlier this month, Iván Duque marked his first year in office as Colombia's president. // File Photo: Colombian Government.

**Q** This month, Colombian President Iván Duque began his second year in office with an approval rating of less than 40 percent. In recent weeks, Duque has faced economic challenges, including the peso's slide to an all-time low against the U.S. dollar, as well as political demands, such as protests and calls for action amid the killings of hundreds of social activists over the past few years. How effective has Duque been in his first year in office? How well is he working with the country's Congress and international partners? What should be Duque's top priorities moving ahead?

**A** Arlene B. Tickner, director of research at the School of Political Science, Government and International Relations at Universidad del Rosario in Bogotá: "Iván Duque has juggled two related pressures: to distance himself from his predecessor, Juan Manuel Santos, and to conform to the positions of his party and political boss, ex-president Álvaro Uribe. Both have led to a foreign policy that lacks direction and clarity. At the same time that the Duque administration has made use of the 'peace dividend' inherited from Santos to promote Colombian interests abroad, its antagonism toward the peace accord signed with the FARC in 2016, in particular in relation to the transitional justice system, has troubled relations with the United Nations and the European Union. The government's unwillingness to recognize the systematic nature of killings of social leaders and ex-combatants, and its aggressive reaction to a New York Times report on the risks of current military doctrine inducing 'false positives,' have also created

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## TODAY'S NEWS

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## U.S., Venezuela Confirm Months of Secret Talks

U.S. President Donald Trump and Venezuelan President Nicolás Maduro said the countries have been engaged in dialogue.

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## U.S. Plans to Double Financing in Western Hemisphere

The financing is planned through a new agency, the U.S. International Development Finance Corporation.

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### BUSINESS

## Mexico Eyes More Charges Against Ex-Pemex Chief

Mexican authorities are planning to file more criminal charges against Emilio Lozoya, the former head of state oil company Pemex. Lozoya has already been accused of receiving more than \$12 million in bribes from Brazilian construction conglomerate Odebrecht and Mexican steelmaker Ahmsa.

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Lozoya // File Photo: Notimex.

## POLITICAL NEWS

## U.S., Venezuela Confirm Months of Secret Talks

U.S. President Donald Trump and Venezuelan President Nicolás Maduro on Tuesday confirmed that the two nations have been engaged in talks, The Guardian reported. “We’re talking to various representatives of Venezuela,” Trump told reporters. “I don’t want to say who, but we are talking at a very high level.” In a televised address on Tuesday night, Maduro also confirmed the talks. “I confirm that for months there have been contacts between senior officials from Donald Trump’s government and from the Bolivarian government over which I preside—with my express and direct permission,” said Maduro. The statements from Trump and Maduro followed media reports in the United States that the leader of Venezuela’s powerful pro-government Constituent Assembly, Diosdado Cabello, had engaged in talks with White House officials. Maduro has been fighting to maintain his grip on power since January, when opposition leader Juan Guaidó declared himself the country’s president and was recognized as such by the United States and dozens of other countries.

## ECONOMIC NEWS

## U.S. Plans to Double Financing in Western Hemisphere to \$12 Bn

The United States has created a new agency to promote development around the world, with a focus on Latin America, the Associated Press reported Tuesday. The U.S. International Development Finance Corporation, or DFC, will start operating Oct. 1, according to David Bohigian, the acting president and CEO of the Overseas Private Investment Corporation, or OPIC. The United States plans to double its financing in the Western Hemisphere to \$12 billion, according to the report. Altogether, the DFC will have the authority to make limited equity investments of as much as \$60 billion, as well as provide loans, loan guarantees and political risk insurance. “DFC will help countries sidestep opaque and unsustainable debt traps being laid by Beijing throughout the developing world and help more American businesses invest in emerging markets, including many places that are of key strategic importance to the United States,” according to a statement on OPIC’s website. Chinese state banks have financed \$14 billion in development projects in Latin America since President Donald Trump

## NEWS BRIEFS

## Former Honduran First Lady Convicted of Embezzlement

A Honduran court on Tuesday convicted former First Lady Rose Elena Bonilla of embezzling approximately \$600,000 in public funds during the presidency of her husband, Porfirio Lobo, the Associated Press reported. Bonilla is to be sentenced Aug. 28 and faces up to 87 years in prison. Lobo vowed an appeal.

## Mexico, U.S. Reach Deal to End Tomato Dispute

Mexican tomato producers and the U.S. government have reached an agreement to avoid an anti-dumping investigation, Mexican Economy Minister Graciela Márquez said today, ending a months-long tariff dispute between the two countries, Reuters reported. The Trump administration in May had slapped a 17.5 percent tariff on Mexican tomatoes after the two parties failed to renew an earlier agreement on anti-dumping. Under the new deal, most Mexican tomato exports into the United States will be subject to border inspections.

## Whistleblower Claims He Warned Philips of Suspicious Sales in Brazil

A former employee of Philips warned the health care company of suspicious sales of its medical equipment to the Brazilian government, and the firm allegedly failed to halt them, nearly a decade before an alleged bribery scheme was exposed in Philips’ Brazil operations last year, Reuters reported today. Claims of malfeasance were presented to the highest levels of the Dutch company as early as 2010, according to court records, internal documents and the former employee, José Israel Masiero Filho, who says he told superiors of the scheme and was later fired. Philips told Reuters that it is cooperating with Brazilian investigators and has tightened its internal controls in the country.

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tensions with human rights organizations and distanced key Democratic Party allies in the United States. The decision to eliminate terms such as ‘peace’ and ‘conflict’ from official discourse cloud this picture even further. Latin America has been one of Duque’s foreign policy priorities. And yet, attempts at exercising leadership within the Lima Group, created with an eye to resolving the Venezuelan crisis, and an open alliance with the secretary general of the OAS and the opposition led by Juan Guaidó to remove Nicolás Maduro from power, have not only failed, but ultimately disqualified Colombia as a legitimate participant in any negoti-

ated political transition in Venezuela. The government’s alliance with the Trump White House on Venezuela and illicit drugs has been equally problematic, mainly because Colombian and U.S. interests on these key issues are not necessarily the same.”



**Stephen Johnson, regional director for Latin America and the Caribbean at the International Republican Institute and former**

**deputy assistant secretary of defense for Western Hemisphere affairs:** “President Duque inherited a tough hand coming into office. Colombia was still polarized over

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took office, according to a database run by the Inter-American Dialogue and the Global China Initiative at Boston University's Global Development Policy Center.

## IMF in Talks With Argentina Amid Market Volatility

The International Monetary Fund is engaged in talks with Argentine officials amid the market turmoil that has roiled the South American country following business-friendly President Mauricio Macri's stunning defeat in the country's Aug. 11 primary election, the Financial Times reported Tuesday. "We are closely following recent developments in Argentina and are in ongoing dialogue with the authorities as they work on their policy plans to address the difficult situation that the country is facing," IMF spokesman Gerry Rice said in a tweet. Macri's government negotiated a \$57 billion loan from the IMF, the largest in the lender's history.

### BUSINESS NEWS

## Mexico Eyes More Charges Against Ex-Pemex Chief

Mexican authorities are preparing to file additional criminal charges against Emilio Lozoya, the former head of state oil company Pemex, as the government of President Andrés Manuel Obrador boosts anti-corruption efforts, The Wall Street Journal reported Tuesday. Lozoya has been at large since late May after being charged in two separate corruption investigations in connection with allegedly receiving more than \$12 million in bribes from Brazilian construction giant Odebrecht and Mexican steelmaker Altos Hornos de México, or Ahmsa, during his time at Pemex. Lozoya's location is unknown. Mexican investigators are now preparing to add charges in connection with his alleged involvement in a bribery scheme in

## THE DIALOGUE CONTINUES

### How Much Will a Stimulus Plan Aid Brazilian Workers?

**Q** **In an effort to boost Brazil's stagnant economy, the government announced July 24 that it will allow workers to collectively withdraw as much as \$8 billion from accounts that previously could only be used in the event of job loss, retirement or for the purchase of a home. The initiative may add as much as 0.35 percentage points to the country's GDP, said Economy Minister Paulo Guedes. Will the move have its intended effect on the economy? Will most of the money return to the economy in the form of consumer spending, or is it more likely that Brazilians will save it or use it to pay off debt? Is the government's decision to free up these funds a wise move?**

**A** **lone Amorim, economist at the Brazilian Institute of Consumer Defense (IDEC):** "In IDEC's view, the release of these resources is a very timid move toward improving the economy and has a very limited scope due to the country's level of unemployment and rising household indebtedness. Part of the amount that will be made available will remain in the banking system to settle defaults and benefit the financial sector itself. The rest will go into consumption and

have an immediate effect, without improving the economy in the long run. In addition to being insufficient to address the problem of household indebtedness, the measures encourage workers to use their reserves for immediate and unplanned purposes, causing disorientation about the conditions for using FGTS resources in the future. An important point that led the government to revise the preliminary agenda was issues raised by representatives of the construction and real estate sectors. Currently, FGTS balances are being directed to housing construction programs, including the government's Minha Casa, Minha Vida (My House, My Life) program. Construction firms rely heavily on FGTS funds, and allowing withdrawals will generate new challenges for that sector. In general, the government's measures will favor the banking sector—either by withholding workers' resources to offset part of their family debt or by offering credit lines to provide earlier access to FGTS withdrawal amounts."

**EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Aug. 8 issue of the Advisor.**

which prosecutors say he received some \$2.8 million in bribes linked to Pemex's 2015 purchase of Grupo Fertilal, a fertilizer company, The Wall Street Journal reported, citing a person with knowledge of the investigation. The Finance Ministry's financial intelligence unit plans to file money laundering, bribery and embezzlement before Mexico's attorney general's office within several weeks, the source added. Fertilal, which a Pemex report released this year described as "technically bankrupt" at the time of acquisition, was allegedly bought about \$194 million above its real value. Lozoya, who

led Pemex from 2012 to 2016, has repeatedly denied wrongdoing. In an open letter published in June, the former Pemex CEO said he was a victim of "political persecution" and a "media campaign," adding that a warrant for his arrest had been irregular and illegal. "There has been a media persecution against me since 2017, in which I have been accused, judged and condemned, violating to my detriment the human rights enshrined in the Constitution," Lozoya wrote, Notimex reported. [Editor's note: See related Q&A in the June 7 issue of the Energy Advisor.]

## FEATURED Q&amp;A / Continued from page 2

the peace accord with the FARC guerrillas that his predecessor husbanded and then guided into a rocky implementation. Slightly more than half the country opposed it when President Santos' plebiscite was defeated in October 2016. Not much had changed when Duque won the presidency, which could have worked in his favor. However, the same sense of urgency that earlier helped President Uribe push through a war tax to confront a dire internal conflict evaporated over time. Duque's reformist agenda is now meeting resistance in Congress. These days, few Colombians are in the mood for sacrifices, and fewer still in big cities are aware of the tensions that remain in post-conflict zones and on Colombia's border with Venezuela. They understand there is a refugee crisis, but they don't see that Venezuela's mess could lead to another internal conflict. It would be nice if it stopped there. Venezuela is experiencing state collapse, leaving vast territories in the southern Orinoco mining belt in the hands of its own corrupt army officers, and Colombia's ELN guerrillas are now involved in illegal gold extraction. Not only is the ELN getting rich, but it is recruiting militants among young Venezuelan migrants fleeing famine and disease. A state failure next door, rising migration pressures and a rebounding guerrilla operating in two countries make for a regional conflict. A year from now, Duque's headaches could be much worse if he doesn't convince Colombians to confront these challenges now."

**A** **Martha Maya, director of projects for Latin America at the Institute for Integrated Transitions and former advisor for the Colombian government on the peace process:** "In terms of the implementation of the peace agreement with the FARC, over the last year Duque's administration has faced the enormous challenge of moving from opposition to government with poor results,

particularly in terms of security and stability in certain rural areas. Duque's first year was marred by a polarizing public debate that evokes the peace plebiscite campaign. He publicly avows support for the agreement in general statements while he actively undermines it in terms of specifics—particularly the transitional justice system, the

“**Duque's first year was marred by a polarizing public debate that evokes the peace plebiscite campaign.**”

— Martha Maya

approach to illicit crops and security, and the rural reform. His party argues that he was elected under the promise to radically modify the agreement, but it is unclear whether he agrees. The position that he has adopted toward Venezuela's crisis—refusing a negotiated solution—feeds security risks for Colombia that are exacerbated by the presence of the ELN. Despite the efforts of his administration to fulfill the commitments of the agreement, under his slogan 'Peace With Legality,' 57 percent of the required laws are pending, and the budget allocated is insufficient. Moving ahead, among the top priorities should be to adopt a comprehensive plan to address the problem of illicit drugs, to adopt a strong security policy to address the challenges of peace building and the vulnerability of communities and leaders, to push work on reparations for victims and the implementation regional development programs and to give the transitional justice system the opportunity to produce results."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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