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FEATURED Q&A

Will the Winner of Bolivia's Election Be Seen as Legitimate?



Since Sunday's presidential election, Bolivians have taken to the streets in protest, accusing President Evo Morales of trying to steal the election. // Photo: ABI.

Q Violent protests erupted Monday night across Bolivia amid confusion over the results of Sunday's presidential election. After nearly 24 hours without updates, the Supreme Electoral Tribunal, or TSE, said that, with about 95 percent of the votes counted, incumbent President Evo Morales led with 46.8 percent to main rival Carlos Mesa's 36.7 percent. Morales barely reached the 10-point difference needed to avoid a runoff, with the opposition and international observers expressing concern about the counting process. As of this morning, Morales was just a fraction of a percentage point below the threshold for winning the election outright. Was the election free and fair? What will it take to restore calm? What do the results imply for Bolivia's legislature and the country's governability in the coming years?

A Raúl Peñaranda U., director of news portal Brújula Digital: "The current Bolivian government put most of the members of the Supreme Electoral Tribunal in their positions, and those members are now accused of committing fraud in favor of President Evo Morales. They are accused of making Morales' margin of victory over Carlos Mesa just over 10 percent in order to avoid a runoff. On Sunday night, those same members of the electoral body inexplicably suspended the transmission of the results with 83 percent of the vote counted when Morales was leading with 45 percent to Mesa's 38 percent, a margin of just seven percentage points. After a 24-hour interruption, the difference increased just enough to avoid a second round (in which Mesa has a better chance of winning). To avoid a runoff, a presidential candidate must get at least 51 percent of the vote or 40 percent with a

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TODAY'S NEWS

ECONOMIC

Brazilian Senate Approves Pension Reform Package

Brazil's Senate approved a landmark pension reform, following similar action in July by the Chamber of Deputies.

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BUSINESS

Rosneft Crucial to Maduro's Survival: Abrams

Russian state oil company Rosneft is "central" to the survival of Venezuelan President Nicolás Maduro's government, said the special U.S. representative to the Andean nation, Elliott Abrams.

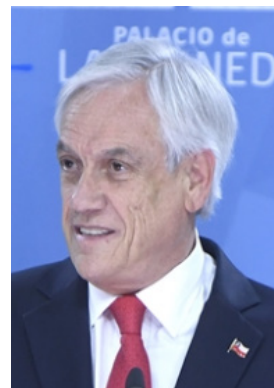
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POLITICAL

Chile's Piñera Offers Reforms to Quell Protests

Chilean President Sebastián Piñera proposed a package of economic reforms and apologized for what he called his government's "shortsightedness" as protests over low pensions, income inequality and other issues continued for a fifth day.

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Piñera // Photo: Chilean Government.

POLITICAL NEWS

Chile's Piñera Offers Reforms as Protests Rage for Fifth Day

In a televised address Tuesday, Chilean President Sebastián Piñera apologized for what he called his government's "shortsightedness" and offered a package of economic reforms aimed at defusing violent protests that continued into a fifth consecutive day, the Financial Times reported. The demonstrations began last Friday in Santiago as a student protest against a subway fare hike. But the protest escalated as Chileans took to the streets in cities and towns across the country, demonstrating against low wages, rising prices, poor health care services, income inequality and low pensions, The New York Times reported. In his televised address Tuesday, Piñera said his government and those of his predecessors have failed to recognize the widespread anger about inequality in the country, which has been seen as a regional economic success. "I acknowledge this, and I ask for forgiveness for this shortsightedness," said Piñera. At least 15 people have been killed in the protests, and about half of the country's 16 regions were under an emergency decree on Tuesday, the Associated Press reported. Some areas were also under a military curfew for the first time, apart from natural disasters, since Chile returned to democracy in 1990. Many of the demonstrations have been peaceful, but other protesters have attacked and looted subway stations, supermarkets, buses, government offices, banks and pharmacies, The New York Times reported. The reforms Piñera proposed on Tuesday include an immediate 20 percent increase in government-subsidized pensions, new insurance programs to assist Chileans with medication and catastrophic illnesses, a guaranteed monthly minimum income of \$483, the scrapping of a planned 9.2 percent hike in electricity prices and a new tax bracket of 40 percent for people earning more than \$11,000 monthly. Additionally, Piñera proposed pay cuts for members of Congress and the highest-paid public officials. Piñera also said there should

be new term limits and a reduction in the number of legislators in Congress. The package of reforms would require congressional approval in order to take effect, the Financial Times reported. Quinn Markwith, an analyst at Capital Economics, said that, according to Chile's finance minister, the measures Piñera announced would cost \$1.2 billion, or 4 percent of the country's gross domestic product. "That estimate seems quite plausible to us," said Markwith. "The key thing in this context is that Chile's public finances are quite strong, and so they can afford this without causing bond yields to rise." Piñera's proposals failed to satisfy some of his government's critics, however. Demonstrators have voiced discontent not just about salaries and prices, but also about what they say is a lack of legitimacy in Chile's institutions, as well as graft in politics and business, The New York Times reported. Chile's leaders have also failed to protect people on the margins of the economy, protesters say. Claudia Mix, a legislator and member of the leftist Frente Amplio party, called Piñera's proposals "stingy," adding in a tweet that "Chile needs a new social pact with greater political and social democracy."

ECONOMIC NEWS

Brazil's Senate Passes Landmark Pension Reform Package

Brazil's Senate on Tuesday approved a long-awaited pension reform, a victory for the government of President Jair Bolsonaro that paves the way for his economic team to introduce more reforms, the Financial Times reported. On a vote of 60-19, senators passed the revised reform, which is estimated to save the government some 899 billion reais (\$196 billion) over 10 years. It needed just 49 votes to pass. The lower chamber of Congress approved the reform in July. Although the government originally wanted the legislation to save more than 1 trillion reais, and several lawmakers watered it down before the first vote

NEWS BRIEFS

Mexico's Senate Approves Health Law Changes to Combat Obesity

Mexico's Senate on Tuesday approved changes to the country's health law requiring warning labels on processed foods with high levels of sugar, saturated fat, sodium and calories, in a bid to reduce Mexico's obesity crisis, the Associated Press reported. Three United Nations agencies had called on Mexico to implement such measures "to address a national emergency of excess weight and obesity." Mexico is among the countries with the highest obesity levels in the world, BBC news reported.

Colombian Gov't Awards \$2.2 Billion in Wind, Solar Projects

Colombia has awarded contracts for wind and solar projects valued at about \$2.2 billion, the government said on Tuesday, in a continued effort to boost renewable energy generation in the Andean nation, Reuters reported. Seven generators won eight contracts, five for wind projects and three for solar. "This is the start of a revolution because it allows us to diversify our electric grid," Energy Minister María Fernanda Suárez said in a statement. The winning companies are yet to be announced.

Peru's Credicorp Taps Rivera as New CEO for Pacífico Seguros

The board of Peru's Credicorp on Tuesday accepted the resignation of Álvaro Correa as chief executive officer of its insurance subsidiary, Pacífico Seguros, and replaced him with new CEO César Rivera, Credicorp said in a statement. Rivera has been serving as Pacífico's deputy CEO. Correa will continue to oversee Pacífico's insurance and pensions as well as its investment banking and wealth management credit lines, Credicorp said.

in the Senate, Economy Minister Paulo Guedes said that “we are very happy with the result,” the Financial Times reported. “We are on track for other reforms,” he added. Politicians across Brazil’s political spectrum hailed the overhaul, which has been in the works for decades, as “historic.” Bolsonaro, who is in Asia, celebrated the approval. “Congratulations Brazilian people! This victory, which paves the way for our country to finally take off, is yours! Brazil is ours! GREAT DAY!” he wrote on Twitter. Although voting on the bill’s last four amendments was delayed until today, the legislation is expected to be formally enacted in the coming weeks. The reform raises the retirement age for men to 65 and women to 62, and blocks loopholes that allowed many workers to retire as early as in their late 40s, The Wall Street Journal reported. Brazil’s Ibovespa stock index reached a new high on Tuesday on news that the pension reform was on track to be approved.

BUSINESS NEWS

Russia’s Rosneft ‘Central’ to Maduro’s Survival: Abrams

Russian state oil company Rosneft is “central” to the survival of Venezuelan President Nicolás Maduro’s government, said special U.S. representative for Venezuela Elliott Abrams, the Financial Times reported today. Rosneft, he said, plays a crucial role in trading the South American country’s crude oil and arranging financing in light of tightening U.S. economic sanctions that aim to squeeze Maduro’s coffers and pressure him to step down. “Rosneft is really central to the regime’s survival,” Abrams said. “It is buying the oil that is produced, it is helping sell that oil, it is helping arrange financing. Rosneft is really key here,” he added. Moscow says its relationship with the Maduro government is pragmatic. When asked why the administration of U.S. President Donald Trump had not imposed sanctions on Rosneft, Abrams said punitive measures against the company needed to be considered in a broader context.

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10-percentage-point margin. Two rapid-count systems also showed a difference of about five percentage points between Morales and Mesa, which led many to believe a second round would be assured. Therefore, the new result, with 95 percent of the votes counted, generated such outrage that there was violence in various parts of the country. This included fires at electoral offices and at the ruling party’s headquarters. If an outright victory by Morales is confirmed, citizens will become even more inflamed. If Morales manages to secure a fourth term, he will have to govern with an opposition Chamber of Deputies, as the opposition factions will together have a majority. A tie in the Senate, with 18 members on each side, might mean paralysis. Additionally, Morales must bear the weight of illegitimacy—not only for the irregularities of this election, but also for having gone against the result of the 2016 referendum in which voters rejected allowing Morales to run for another term this year.”

A **Christina Ewig, professor of public affairs and faculty director of the Center on Women, Gender and Public Policy at the Humphrey School of Public Affairs at the University of Minnesota:** “There are grave concerns about the fairness of Bolivia’s election on Sunday. The OAS noted that the campaign was unfair due to Evo Morales’ use of government resources to support his campaign. And, of greater concern is the sudden change in election results. On Sunday night, the TSE stopped updating its website at 83.76 percent of the preliminary count—when results pointed to a runoff. Suspecting fraud, opposition supporters surrounded departmental counting sites in an effort to guard the vote, and rival Carlos Mesa voiced skepticism. When reporting resumed 24 hours later—incorporating rural votes which are a traditional MAS stronghold—Morales appeared to have won in the first round, by a mere tenth of a percent. News of this razor-thin victory led to swift,

and at times violent, protests on both sides—opposition supporters claiming fraud and Morales supporters defending the win. The TSE results are different from both the quick count by Viacencia (a private firm that the TSE authorized to perform a parallel count) and the independent count by the University Mayor de San Andrés and the Jubileo Foundation—both of which indicated a second round. Finally, this turnabout occurred in a context marked by distrust in government institutions and in the Morales government’s democratic commitment, given the questionable constitutionality of his fourth run for president. Boiling below the surface of the current conflict are two contrasting views of democracy. While the opposition views Morales as an increasingly authoritarian leader, MAS supporters fear that the political and social inclusion of indigenous and other groups previously excluded from Bolivian politics could be reversed with a return of elite politicians like Mesa. Even with a first-round win for Morales, the new legislature will likely be polarized with the MAS winning a lower number of seats than the two-thirds it has historically achieved. This divided outcome will necessitate political negotiation. Yet, the current protests bode for even deeper polarization in the coming days, and in turn, will make governability very difficult, at least in the short term.”

A **Daniel E. Moreno, executive director of Ciudadanía, Comunidad de Estudios Sociales y Acción Pública in Cochabamba, Bolivia:** “The election was free, with no restrictions limiting participation of any candidates or voters. There were some denunciations of candidates being unable to campaign in some rural areas controlled by the unions that are part of MAS, but they don’t seem to have had an impact on the overall results. The TSE fairly administered the election. During the campaign, the TSE failed to sanction what many believed to be the misuse of public funds and resources in

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the MAS campaign, which used many more resources than any other political party. The lack of confidence in the TSE, if it isn't solved by convincing explanations, will mark the future of Bolivian democracy both in the face of a possible runoff election and in the face of the upcoming department and

“**The election was free, with no restrictions limiting participation of any candidates or voters.**”

— Daniel E. Moreno

municipal elections. Regardless of the ultimate result, the winner will have to establish alliances with other political forces in order to govern. No single party has control of the legislature, and while MAS is close to having the majority in both chambers, it will face the need to negotiate with other parties in order to approve some legislation. If Mesa is elected president, his party's negotiation skills will have to be able to win over some MAS lawmakers if it wants to govern. In either case, this election means that decisions will not be made by a single hegemonic party, as has been the case over the last 10 years, but rather as a result of political negotiations.”

A **Gonzalo Mendieta, partner at Mendieta Romero & Asociados law firm in Bolivia:** “Except for the detention in Santa Cruz of more than 100 militants from an opposition alliance, elections were held peacefully and freely. However, Evo Morales openly used the

state machinery to further his campaign. It was not exactly a fair competition. A second round could reduce the current political stress. However, to get there, confidence in the electoral tribunal must first be restored. The present electoral authorities seem irreversibly discredited. Second, government hardliners are either sure Morales won or simply fear a second round. A deal is urgently needed at least to make the electoral counting process more reliable with neutral international aid. To that end, replacement of members of the electoral tribunal might also be needed, as odd as that may look in the middle of an electoral process. If this impasse is ultimately solved, a divided government may impair any president's governability in the coming years. This is either because he may not control Congress or simply because a strong social coalition will be out of reach for any of the contenders. The winner runs the risk of ending up as

“**The present electoral authorities seem irreversibly discredited.**”

— Gonzalo Mendieta

a mere placeholder, unable to craft lasting alliances with Bolivian power politics players and focused more on his short-term survival. Besides, neither Morales nor Mesa appears to have the muscle to cope with needed economic measures, which though not imminent, loom on the horizon.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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