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## FEATURED Q&A

# Will Monday's Vote Lead to Major Changes in Canada?



Canadian Prime Minister Justin Trudeau's Liberal Party lost the majority it gained in 2015 but held on to enough seats to form a minority government. // File Photo: Facebook site of Justin Trudeau.

**Q Canadian Prime Minister Justin Trudeau and his Liberal Party held on to just enough seats to secure a minority government in Monday's federal election. The Liberals won 157 seats, a loss of 20 seats, while the opposition Conservatives won 121 seats, a gain of 26. What implications do the results have for Canada's next government? What were the most important factors driving voters' preferences this election? How different will Trudeau's second term be from his first, and what can Latin America and the Caribbean expect from Canada in the period ahead?**

**A Kenneth Frankel, president of the Canadian Council for the Americas and senior policy advisor at Blue Star Strategies:** "Monday's election results put flesh on the bones of deepening regional cleavages and separate social and economic realities. That Prime Minister Justin Trudeau won re-election given the constant stream of attacks on his personal judgment, credibility and ethical behavior, and his clumsy responses, is a political accomplishment. But with his majority control of Parliament reduced to a minority, Trudeau is about to undertake a vastly different exercise in governance. He must now juggle the daily challenges of balancing disparate party and stakeholder demands on, among other matters, precisely the seemingly intractable issue that has divided Canada's regions and that remains a centerpiece of his platform: climate change. Trudeau was elected four years ago in part because he pledged to reverse Canada's well-deserved image as a climate change pariah. He did, but the irony is that in trying to

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### Uruguayans Protest Proposed Security Reform

Uruguayans have been demonstrating by the thousands against a proposed security reform that would allow the military to intervene in public security, among other measures.

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### Brazil's BNDES Halting Amazon Fund Projects

Brazilian state development bank BNDES is halting new projects for an Amazon protection fund until the government finishes talks with the donors, which include Germany and Norway.

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### POLITICAL

### Bolivia's Morales Claims Victory in Disputed Election

Bolivian President Evo Morales claimed victory in the country's election, saying he had won outright in the first round. He also declared a "state of emergency" amid violent protests.

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Morales // Photo: Bolivian Government.

## POLITICAL NEWS

## Bolivia's Morales Claims Victory in Disputed Election

In his first public appearance since Sunday's disputed election, Bolivian President Evo Morales on Wednesday claimed victory and said he was declaring a "state of emergency" amid the violent protests that have followed the vote, The New York Times reported. Morales, who has been Bolivia's president since 2006, characterized the protests against him as a coup attempt backed by foreign powers. "I want the world to know that until now we have stood by patiently to avoid violence," he told reporters. The country has been convulsed in protests since Monday when election officials released an updated tally of the vote showing that Morales led his opponent, former President Carlos Mesa, by just over 10 percentage points, the margin required for an outright first-round victory. The update was a reversal from a vote tally late Sunday that showed Morales with less than a 10-percentage-point lead, meaning the race would go to a runoff. On Wednesday, with nearly 98 percent of the ballots counted,

Morales had 46.76 percent of the vote, exactly 10 percentage points ahead of Mesa, The New York Times reported. Also on Wednesday, union leaders and activists called for a strike in protest of what they say is an attempt by Morales to steal the election. Morales urged his supporters to demonstrate in order to defend his win, The Wall Street Journal reported. "To

**“To the people of Bolivia, brothers and sisters, let's organize, stand up and defend democracy.”**

— Evo Morales

the people of Bolivia, brothers and sisters, let's organize, stand up and defend democracy," he said. On Wednesday, an Organization of American States-led election observation mission urged Bolivian election authorities to hold a runoff regardless of the margin between Morales and Mesa in the first round. The observers expressed "deep concern and surprise at the drastic and hard-to-explain change in the trend of the preliminary results," The Wall Street Journal reported. [Editor's note: See related [Q&A](#) in Wednesday's Advisor.]

## NEWS BRIEFS

## Number of Venezuelan Refugees Expected to Exceed 5 Mn: Officials

The exodus of Venezuelans is set to surpass 5 million people, United Nations and European Union officials said Wednesday, Reuters reported. The number of Venezuelans fleeing the country's economic turmoil is nearly 5,000 people per day, according to Eduardo Stein, joint special representative of the U.N. refugee and migration agencies. Some 4.5 million Venezuelans have left the country since 2015, according to official figures, but more are increasingly using illegal crossing points because they lack identification, Stein said.

## Brazilian Senate Gives Final Approval to Pension Reform

Brazil's Senate on Wednesday gave its final approval to the country's landmark pension reform, sending it to President Jair Bolsonaro, Reuters reported. The Senate had approved the bulk of the reform the day before. The measure aims to save some 800 billion reais (\$197 billion) over the next decade through changes including raising the retirement age and boosting workers' pension contributions.

## Co-Head of Colombia's Central Bank Expects Inflation to Ease

The co-head of Colombia's central bank, José Antonio Ocampo, said Wednesday that he estimates that inflation in Colombia will ease in the coming months but will remain above the 3 percent target by year-end, Reuters reported. Annual inflation in September reached 3.82 percent, higher than the 3.75 percent expected, according to a Reuters poll. Colombia's central bank has kept interest rates at 4.25 percent since April of last year, with analysts expecting it to remain the same through the end of the year.

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balance competing business and economic interests, including those of Western Canada, he ended up upsetting more people than he pleased. Sixty-five percent of the country's vote went to parties that back climate change initiatives, and almost half of that amount went to parties that advocate much more aggressive measures than Trudeau has enacted. And so, for those of you looking for flash points, consider how Trudeau will manage the demands of his coalition partners for more aggressive climate change measures under threat of further alienating Western Canada. Unfortunately, the campaign glossed over Canada's serious challenges in a world undergoing paradigm shifts. The good news for those heartened by Canada's higher profile in the hemisphere

under Trudeau (such as, prominence in the Lima Group, expanded ties with the Pacific Alliance and other potential trade alliances, as well as development support anchored in promoting women), Canada's policy won't shift."

**A** **Edgar J. Dosman, professor emeritus at the Department of Politics at York University:** "Justin Trudeau, prime minister since 2015, was re-elected on Monday, but his Liberal Party failed to win a majority in Parliament and gained only 33 percent of the popular vote. Trudeau will need support from one or more of the smaller parties (a resurgent separatist Bloc Québécois, the social democratic NDP and Green) for effective

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## Uruguayans Protest Proposed Security Reform

Thousands of Uruguayans are demonstrating against a proposed security reform that is on the ballot on Sunday, when they will also elect the country's next president, *El Economista* reported Wednesday. Demonstrators took to the streets earlier this week to march against a proposed reform that would, among other things, allow the military to intervene in public security. Demonstrations have been largely peaceful and "hyper-organized," Nicolás Saldías, a senior researcher at the Wilson Center, told *Americas Quarterly*. Presidential candidate Daniel Martínez told reporters that the march was a "display of the civic commitment of young people," according to the report. His coalition helped organize the event. Opposition candidate Jorge Larrañaga proposed the controversial security reform, *El Economista* reported. [Editor's note: See related [Q&A](#) in the Oct. 7 issue of the Advisor.]

### ECONOMIC NEWS

## Brazil's Development Bank Halting New Amazon Projects

Brazilian state development bank BNDES announced it is halting new projects for an Amazon rain forest preservation fund until the government concludes negotiations with its donors, which include Germany and Norway, *Bloomberg News* reported Wednesday. The 1.8 billion real (\$446 million) Amazon Fund, which BNDES manages, finances projects aimed at prevention, monitoring and the fight against deforestation in the rain forest. Norway and Germany froze their contributions in protest of the surge in fires raging across the Amazon region in August and President Jair Bolsonaro's response. [Editor's note: See related [Q&A](#) in the Sept. 12 issue of the Advisor.]

## COMINGS & GOINGS

### Sousa Named President of Cargill in Brazil

Minnesota-based agriculture giant Cargill announced on Oct. 16 that Paulo Sousa will be taking over the company's operations in Brazil starting Dec. 16, *Reuters* reported. Sousa will replace Luiz Pretti, who has served as president of Cargill in Brazil for eight of his 15 years at the firm, according to a company statement. Sousa, who is set to keep his position as head of Cargill's South American agricultural commodities division, which he has led since 2016, joined the company in 1990. Since then, he has worked in several units, including grain origination and risk management areas, and he established Cargill's Brazilian logistics management group. Pretti will continue to work in roles outside the company in the South American country, including as chairman of the Amcham Brazil board and as a member of the board of Alvean Sugar, a trading joint venture between Cargill and Copersucar, according to the report.

### Swiss Re Taps Mueller to Head Reinsurance in Latin America

Global reinsurer Swiss Re has appointed Kaspar Mueller as president of reinsurance in Latin America, starting on Nov. 1, *Reinsurance News* reported Monday. Mueller currently serves as chief operating officer of reinsurance at Swiss Re. He started working with the company 13 years ago. He will replace Urs Baertschi, who was recently named chief executive officer of reinsurance for Europe, the Middle East and Africa. Mueller, who will be based in Miami, has previous experience in the Latin America region, having spent three years as regional head of strategy and operations for the United States, Canada and Latin America at Swiss Re. He also chaired the Swiss Re Brazil Supervisory Committee.

### Dunkin' Brands Gonzalez to Head Latin America, Caribbean Operations

Dunkin' Brands Group, the parent company of Dunkin' and Baskin-Robbins, last week named Francisco "Pancho" Gonzalez as its new regional vice president for Latin America and the Caribbean. Gonzalez spent more than 25 years working at McDonald's as both a franchisee and corporate executive. Most recently, he was senior vice president with responsibility for Central America, as well as managing director for McDonald's México.

### Barnes Begins Term as IAPA President

Christopher Barnes has started his term as president of the Inter American Press Association, or IAPA, *The Jamaica Gleaner* reported Oct. 7. Barnes, who is Jamaican, serves as the chief operating officer of the RJRGLEANER Communications Group and managing director of the media firm The Gleaner Company. Barnes had been elected vice president of the IAPA in 2018 and as president succeeds María Elvira Domínguez, the publisher of *El País* in Colombia. The press freedom advocacy group represents major media organizations, including more than 1,300 print publications, across the Americas and the Caribbean. It is headquartered in Miami.

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government. Andrew Scheer's Conservative Party won fewer seats than expected and remains the official opposition. It was a bitter, inward-looking campaign. Short-term promises and clichés dominated. Serious foreign policy alternatives were not debated. Latin American relations (except for Mexico) were largely ignored. Trudeau's victory signals continuity in Canada's overall foreign, defense and development policy, based in multilateralism, USMCA and free trade,

“**Trudeau's victory signals continuity in Canada's overall foreign, defense and development policy...**”

— Edgar J. Dosman

human rights and democracy. Combating climate change will deepen as a national priority; a robust immigration intake will continue. Trudeau's traditional progressive agenda has majority support, but his new government also faces serious challenges. This year's election has deepened regional cleavages. The Bloc Québécois won 34 of 78 seats in Quebec, while the Liberals were virtually shut out of oil-rich and politically powerful Alberta and Saskatchewan in Western Canada. The parochialism of this election campaign reflects Canada's new global vulnerability. The winding down of a stable U.S. relationship, the rise of China and protracted global and regional disorder are undermining the traditional foundations of Canadian external relations. Canadians face a tougher and more hostile world; the easy ride that Canada long enjoyed is over. Latin America and the Caribbean can therefore expect few new departures in Canada's existing regional programs. The goal of a Canada-Mercosur free trade agreement remains alive in Ottawa, and the Lima Group's ambitious initiative in democracy promotion in Venezuela may advise future caution. In

an already overloaded foreign policy agenda, the region remains a distant priority despite its crucial importance for Canada's future.”

**A** Charles Doran, professor of international relations and director of Canadian Studies at Johns Hopkins' School of Advanced International Studies: “Canadians do not vote for their leaders directly as in a democracy such as that of the United States. They vote for members of Parliament elected from their own locale (riding). If a party obtains enough members of Parliament, it wins. However, some interesting anomalies arise. For example, Trudeau and the Liberal Party had fewer votes than Scheer of the Conservative Party. Yet the Liberal Party won the election because it prevailed in more ridings than was true for the Conservatives. Similarly, the Liberal Party needed 170 seats to obtain a majority. It failed. Therefore, the Liberals will govern from a minority party position. Trudeau could easily face a loss of confidence vote in the House of Commons, thereby suffering a parliamentary defeat because of the defection of a few Liberal Party members. Yet party discipline is very strong in Canada. A few members of Parliament run as independent candidates, but such a campaign is very hard. For most party candidates, substantial party support in terms of money and institutional assistance is necessary to win. My prediction is that in terms of foreign policy, Trudeau is likely to proceed with care at least until after the U.S. election in November 2020. The Liberals probably hope for a victory by the Democratic Party, their soul mates. Despite the pending impeachment proceedings against Donald Trump, the U.S. president enjoys an approval rate of 41 percent. Canada may have a long wait for a Democratic Party victory.”

*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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