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FEATURED Q&A

Will Bolivia's Next Election Put an End to Political Unrest?



MAS party candidate Luis Arce (center) campaigned in Cochabamba last week. // Photo: Arce campaign via Twitter.

Qinterim Bolivian President Jeanine Áñez on Sept. 17 withdrew from the country's upcoming presidential election, saying she wanted to unify opposition against Luis Arce, the candidate of former President Evo Morales' MAS party. How will Áñez's withdrawal affect the race? What issues are Bolivian voters most concerned about? Will the Oct. 18 election, a redo of the country's flawed October 2019 presidential election, raise or lower Bolivia's level of political instability?

AIván Rebollo, managing partner of TerraNova Strategic Partners and president of the Bolivian American Chamber of Commerce: "President Áñez's withdrawal from the race was long overdue. Her popularity was severely damaged when she reneged on her early pledge to serve only as a caretaker, announcing that she would run in the presidential election, alienating centrist voters. Her controversial policies backfired, galvanizing opposition from the country's Indigenous majority and hindering her ability to effectively govern. However, the Covid pandemic and its ensuing economic crisis were determining factors in her decision to withdraw. With her exit, there are now just two viable conservative candidates (Mesa and Camacho), severely curtailing Luis Arce's chance of a first-round victory. One can assume that the most pressing issues to the average Bolivian voter would include: how the government will continue to confront the pandemic, school reopenings and economic reactivation (employment and basic services). The persistent issues of weak governance, political volatility, crippled public institutions and economic hardship will plague whoever wins the Oct. 18 election."

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TODAY'S NEWS

POLITICAL

Covid-19 Death Rates Reportedly Falling in Region

Latin America, which has been hit hard by the coronavirus pandemic, is seeing falling rates of new reported cases and deaths from Covid-19.

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BUSINESS

Guyana, Exxon Sign Deal to Develop Payara Offshore Oil Field

Guyana's government and U.S.-based oil major ExxonMobil have signed an agreement for the development of the offshore Payara oil field.

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POLITICAL

Nicaragua Eyes Legislation to Clamp Down on Journalists

Nicaragua's National Assembly, which President Daniel Ortega's Sandinista Party controls, is considering legislation that would place new restrictions on journalists working in the country.

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Ortega // File Photo: Nicaraguan Government.

POLITICAL NEWS

Covid-19 Death Rates Reportedly Falling in Latin America

Latin America, one of the regions hit hardest by the coronavirus pandemic, is seeing a slowdown in new cases and deaths from Covid-19, The Wall Street Journal reported Friday. Across the region, the novel coronavirus has killed more than 300,000 people since the pandemic began, with its economic effects plunging millions back into poverty and wiping out years of economic and social gains in the region. However, slowdowns in new cases and deaths are leading to cautious hope from experts, the newspaper reported. Brazil has among the highest reported daily death tolls from Covid-19 in the world, at more than 700, but the country has experienced a nearly 40 percent drop in deaths from the disease since July and a more than 40 percent decline in new cases since then, The Wall Street Journal reported. Mexico's number of reported Covid-19 deaths peaked at more than 800 in June, but it has recorded fewer than 600 deaths a day for the past six weeks. Since August, Colombia's new cases have declined approximately 40 percent, and its daily number of deaths has fallen by half during that time. "Across the region we've seen a high level of deaths and cases since the end of May but these numbers are now slowly starting to fall," Eliseu Waldman, an epidemiologist at the University of São Paulo, told The Wall Street Journal. Brazil has the world's third-highest number of reported cases of Covid-19, at more than 4.9 million, behind the United States and India, according to Johns Hopkins University. Brazil also has the second-highest reported death toll from the disease, at more than 146,000, after only the United States. Several world leaders, including Latin American heads of state, are among those who have contracted Covid-19. In Latin America, the presidents of Brazil, Honduras, Guatemala and Bolivia have tested positive for the disease. On Friday, Guatemala's government said President Alejandro Giammattei

has nearly recovered from Covid-19, Reuters reported. Giammattei has described himself as a high-risk patient because of pre-existing medical conditions and his excess body weight. On Friday, Giammattei wished U.S. President Donald Trump, who tested positive for the disease last week, a speedy recovery. [Editor's note: See related [Q&A](#) in the Sept. 8 issue of the Advisor.]

Nicaragua Eying Legislation to Clamp Down on Journalists

Nicaragua's National Assembly is considering legislation that would place new restrictions on journalists, The Washington Post reported Sunday. One measure would require journalists who work for foreign media companies to register with Nicaragua's government as foreign agents and refrain from "intervening in questions, activities or matters of internal politics," the newspaper reported. Another piece of legislation would set jail sentences of as long as four years for people using a computer to spread "false and/or misrepresented information which causes alarm." Opponents of the measures say the government of President Daniel Ortega, whose party holds a majority in the National Assembly, could use the measures to target anyone writing anything unfavorable to the government. A vote could come as early as this week. [Editor's note: See related [Q&A](#) in the Sept. 16 issue of the Advisor.]

BUSINESS NEWS

Guyana, Exxon Sign Deal to Develop Payara Oil Field

Guyana has signed a deal with U.S. oil giant ExxonMobil for the development of the Payara offshore field, the company announced last week in a statement. Exxon said it had made its final investment decision to proceed with

NEWS BRIEFS

At Least Six Killed as Tropical Storm Gamma Hits Mexico's Yucatán

At least six people were killed, and thousands had to evacuate, in southeastern Mexico as Tropical Storm Gamma hit the Yucatán Peninsula with winds that nearly reached hurricane levels in Tabasco and Chiapas states, authorities said Sunday, the Associated Press reported. Mexico's civil defense agency said that four of the deaths were caused by a landslide in Chiapas, while the other two deaths were registered in Tabasco, where water dragged away one person, and another drowned.

Guatemala Halts Caravan, Returns Thousands of Honduran Migrants

Authorities in Guatemala said Saturday that they have sent more than 3,000 Honduran migrants back to their home country, halting most of a caravan of migrants that had been heading north toward the United States, Reuters reported. Thousands of Hondurans had entered Guatemala from Honduras last Thursday, pushing past Guatemalan troops. As of Saturday, more than 3,500 migrants had "opted to return," Guatemala's government said.

A.M. Best Removes Barbados' Ocean Re From Under Review

A.M. Best on Friday affirmed its financial strength rating of A- and its long-term issuer credit rating of a- of the Barbados-based Ocean International Reinsurance Company, also removing it from under review. The agency's outlook for the ratings is stable. A.M. Best cited Ocean's Re's "balance sheet strength, which A.M. Best categorizes as strongest, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management" as the reasons behind the ratings.

the development after receiving government approvals. Payara, the third project in the Stabroek oil block, is expected to produce as many as 220,000 barrels of crude per day after starting operations in 2024, Exxon said. The \$9 billion investment "will target an estimated resource base of about 600 million oil-equivalent barrels" and is set to include 10 drill centers and as much as 41 wells, the company added. "ExxonMobil is committed to building on the capabilities from our Liza Phase 1 and 2 offshore developments as we sanction the Payara field and responsibly develop Guyana's natural resources," Liam Masson, president of ExxonMobil Upstream Oil & Gas Company, said in the statement. "We continue to prioritize high-potential prospects in close proximity to discoveries and maximize value for our partners, which includes the people of Guyana." The project is the "single largest investment in the history of Guyana," according to Natural Resources Minister Vickram Bharrat, the Caribbean Media Corporation reported. Guyana is expected to benefit with 7.4 trillion Guyanese dollars (around \$35.4 billion) in government revenue, Bharrat added.

ECONOMIC NEWS

Colombia's Mining Future Is Metals, Oil Still Crucial: Mesa

Colombia's mining future lies in metals and not coal, though developing oil and gas projects, including nonconventional deposits, will continue to be key, said Mines and Energy Minister Diego Mesa, Reuters reported Friday. In an interview with the wire service last week, Mesa said the coronavirus pandemic has intensified problems with the coal sector, forcing Colombia, the world's fifth-largest coal exporter, to evaluate ways in which it can quickly boost its mining industry. "Metals are the big opportunity for Colombia because they're the mineral with the greatest demand," Mesa said, adding that the Andean nation is "practically unexplored" in terms of gold, copper and nickel mining. He

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The recent ratings downgrade, primarily due to weaker foreign exchange earnings, has Bolivia in its first formal recession since the 1980s—which is another hurdle that the new president will have to quickly deal with. Bolivia is a very hard country to lead under normal circumstances, but in these times of Covid and post-Evo, governing will be extremely challenging to whomever is victorious, including the MAS candidate."

A **Kathryn Ledebur, director of the Andean Information Network in Cochabamba:** "A Sept. 16 poll projected a first-round win for Luis Arce, with 36 percent. Carlos Mesa fell far behind with 13 percent. Áñez, with only 7 percent, fell to fourth, after Camacho. Her decision to withdraw and block a first-round MAS victory should have little impact on the final outcome. If Arce does not win in the first round, the most likely scenario is for all the opposition parties to ally against MAS in the runoff. In that case, the outcome is unclear. Although Mesa projected a more moderate stance in the October 2019 elections, he has done little to denounce human rights violations, unconstitutional actions and repeated cases of corruption during Áñez's

said mining concessions cover just 3 percent of the country's territory and that mining operations are present in less than 1 percent. However, Mesa pointed out that developing nonconventional energy deposits will be key for Colombia's economy. "Fossil fuels remain absolutely essential for the economic development of the country," Mesa said. Adding, "It's irresponsible to think that in the short- to medium-term Colombia can simply do without fossil fuels." The development of nonconventional deposits has been delayed in the country due to controversy regarding the use of hydraulic fracturing, or fracking. According to critics, fracking's negative environmental impacts, including threats to health and water climate, do not offset the gains it could bring and could instead add to the global climate crisis, Reu-

interim government. A Mesa presidency could mark a return to brokered democracy (1982-2004), when parties without clear political affinities divided up ministries and government institutions, leading to gridlock. Arce states that his victory would return the country to sound macroeconomic policies, allowing it to pull out of the acute economic



The results will be hotly contested, and protracted post-electoral conflict appears likely..."

— Kathryn Ledebur

crisis brought on by the pandemic and made worse by mismanagement under Áñez. The results will be hotly contested, and protracted post-electoral conflict appears likely, exacerbated by the presence of violent anti-MAS para-state groups connected to the Bolivian right. Acute voter suppression also appears likely. Initial plans for electoral observation have been dramatically reduced, ostensibly due to the pandemic. The OAS delegation will have the same leadership as its controversial 2019 observation mission.

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ters reported. However, Mesa said contracts for fracking pilot projects are expected by the end of this year, adding that drilling could start as soon as 2021. "Any economic activity has an impact on the environment," Mesa said. "We want to be sure exploitation of these resources can be done in a responsible way." Colombia in June cut its outlook on oil production for this year to between 820,000 barrels per day (bpd) and 850,000 bpd. The country's energy ministry said last week that oil production in August fell to approximately 742,000 bpd, a 15 percent decrease as compared to the same month last year, Dinero reported. As compared to July, oil production in August was up 0.97 percent. In the first eight months of the year, average oil production was 794,330 bpd, a 10.57 percent decline, year-on-year.

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The European Union, which initially announced approximately 90 observers, will only send five or six observers."

A **Miguel Centellas, Croft instructional assistant professor of sociology and international studies at the University of Mississippi:** "As an interim president who came to power under dubious circumstances, Jeanine Áñez should never have campaigned for the Bolivian presidency. Her recent withdrawal from the race is a welcome sign and will likely alleviate tensions. But it also introduces additional problems. Áñez withdrew after the ballots were printed and candidate inscription deadlines closed. So, the electoral court has annulled her entire slate of candidates and will count votes for her Juntos alliance as spoiled ballots. While most voters will likely do what Áñez hopes and shift their votes to Carlos Mesa (the leading anti-MAS candidate), many will not. Additionally, many prominent and competent political figures who have spent more than

Luis Arce ... is likely to win a plurality but not secure enough votes to avoid a runoff."

— Miguel Centellas

a decade trying to build a party apparatus are now left entirely out of the process. The most recent polls suggest that Luis Arce (the MAS candidate) is likely to win a plurality but not secure enough votes to avoid a runoff against former President Carlos Mesa and his Comunidad Ciudadana coalition. This means Bolivia will face its first-ever presidential runoff election and may very well see a president elected without a legislative majority. If Carlos Mesa wins, he will face a MAS legislative plurality and have to

shepherd a loose coalition. That scenario is very reminiscent of Mesa's brief presidency following the forced resignation of Gonzalo Sánchez de Lozada in 2003. Then, Mesa threatened numerous times to resign, and finally did so, setting off a succession crisis. Let's hope Mesa (and others) have learned from that experience."

A **Holly Sonneland, editorial manager at AS/COA Online:** "Áñez said she was dropping her bid because she didn't want the anti-MAS vote to be so fractured that MAS wins. But she's yet to endorse a candidate, and her supporters could easily go toward the center to Carlos Mesa or toward the right, most likely to Luis Fernando Camacho. She says she intends to support the candidate with the better shot at beating MAS' Luis Arce, arguably Mesa, but she's closer to Camacho ideologically. Her administration's actions, meanwhile, continue to polarize the electorate. The economy and jobs are Bolivians' top concerns (53 percent), followed by the health crisis (21 percent) and corruption (20 percent), according to a CELAG poll released Oct. 2. By the end of September, Bolivia saw only the earliest signs of the new cases curve flattening and had the world's fourth-highest rate of deaths per capita at 70 per 100,000 people, according to Johns Hopkins University. Much will depend on how much Bolivian voters personally identify with a candidate and party, or if they are disaffected by the personalities but can muster enough enthusiasm for a candidate they see as providing a stable transition. More than 40 percent of those polled said they've yet to decide on a candidate. The Oct. 18 election is a critical exercise in Bolivia's democracy. Political stability will depend much on whether voters see the process as valid and secure, and if leading candidates and party leaders accept results and instruct their supporters to do so as well."

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