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FEATURED Q&A

What Has Peru's Castillo Achieved in His First 100 Days?



Peruvian President Pedro Castillo marked 100 days in office earlier this month. // File Photo: Peruvian Government.

Q Peruvian President Pedro Castillo this month marked his 100th day in office. While Castillo ran under the banner of the Marxist Perú Libre party, he is seemingly distancing himself from the Peruvian far left, with his last known meeting with the party taking place on Oct. 6, when he swore in his new cabinet, including a more moderate prime minister. What has Castillo accomplished in his first hundred days, and how much stability can be expected during the rest of his five-year term? Why has Castillo distanced himself from Perú Libre, and will his actions calm fears of extremism? To what extent is his distance from the party resulting in new coalitions in Peru's Congress, and in what ways could a shift in legislative dynamics affect Castillo's ability to enact his agenda?

A Jose E. Gonzales, managing partner at GCG Advisors: "The mere fact that President Pedro Castillo has been able to maneuver Peru's troubled political waters, allowing him to gain two legislative votes of confidence for his two cabinets, is perhaps his main accomplishment in his first 100 days in office as there is little to show in actual public policy. President Castillo was greatly underestimated, and he has proved that he does have political instinct and talent, and even more so considering that he went from being a barely known union leader from Puña in Chota, Cajamarca as the candidate of a borrowed political party, to becoming the president of Peru in less than seven months. Resetting his first cabinet and getting rid of clumsy ministers is evidence of the pragmatism and roughness that are required in the cutthroat business of Peruvian politics. Those skills, however,

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Venezuela's Ruling Party Claims Victory in Local Elections

Venezuela's ruling Socialist Party claimed victory in Sunday's local elections. Critics have said the vote was rigged in the ruling party's favor.

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BUSINESS

Peru Eyes Closure of Two Hochschild Mines, Company's Shares Dive

Peru's government is seeking to close two mines belonging to Hochschild Mining.

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POLITICAL

Kast, Boric Head to Second Round in Chile

Conservative former lawmaker José Antonio Kast and leftist former student protest leader Gabriel Boric emerged Sunday as the top vote getters in the first round of Chile's presidential election and will face each other in a December runoff.

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Kast // File Photo: Kast Campaign.

POLITICAL NEWS

Kast, Boric Head to Chile Presidential Runoff Election

Conservative former lawmaker José Antonio Kast and leftist legislator and former student protest leader Gabriel Boric emerged Sunday as the top vote getters in the first round of Chile's presidential election, the Associated Press reported. However, no candidate received the needed majority of the votes to win the election outright, so the two candidates will face each other in a polarizing second round on Dec. 19. Kast, who has a history of defending Chile's former military dictatorship, won 28

“We don't want to go down the path of Venezuela and Cuba.”

— José Antonio Kast

percent of the votes, while Boric finished the first round with 26 percent, the wire service reported. In a speech late Sunday to supporters, Kast portrayed the election as a choice between “communism and liberty,” and he criticized Boric, saying he is a puppet of Chile's Communist Party and that he would pardon “terrorists,” the AP reported. “We don't want to go down the path of Venezuela and Cuba,” Kast told supporters. “We want a developed country, which is what we were aiming to become until we were stopped brutally by violence and the pandemic.” Meantime, Boric urged his supporters to sway people who had backed other candidates. “Our crusade is for hope to defeat fear,” said Boric, the AP reported. “Our duty today is to convince others that we offer the best path to a more fair country.” Economist Franco Parisi narrowly finished third, with 12.8 percent of the vote, while center-right candidate Sebastián Sichel finished fourth, with 12.79 percent. Sichel told supporters that in the runoff, he would not vote for “the candidate from the left,” referring to Boric. Center-left candidate Yasna Provoste finished fifth with

11.61 percent. Provoste told her supporters that she could not take a neutral stance in the face of a “fascist spirit that Kast represents,” the AP reported. Both Kast and Boric face serious challenges if elected, Kathleen Barclay, a former president of the American Chamber of Commerce in Chile, told the Advisor in a [Q&A](#) published Nov. 17. “Both candidates' programs raise questions of fiscal responsibility with the potential for social unrest if they are unable to generate governability,” said Barclay.

Venezuela's Ruling Party Claims Victory in Local Elections

Venezuela's ruling party claimed sweeping victories in the country's local elections on Sunday, in which the top opposition parties participated for the first time in almost four years, The Washington Post reported. Political allies of President Nicolás Maduro won 20 out of the 23 gubernatorial offices up for election, according to preliminary results from Venezuela's electoral council. The vote, which critics have said was rigged in the ruling party's favor, had one of the country's lowest turnout rates of the past two decades, at around 41.8 percent. Maduro celebrated the victories in a speech early this morning, describing his party as “a determining force in the history of this beautiful country called Venezuela.” The main opposition coalition reversed its years-long boycott of electoral processes that they allege are neither free nor fair, participating in hopes of coalescing a disillusioned base and redefining leadership of the fragile opposition movement, The Washington Post reported. However, the opposition seemed to emerge quite weak from the vote. “The objective sought by the moderate opposition in promoting participation in regional elections was to validate parties and leaders to promote changes in the opposition itself,” Luis Vicente León, president of Caracas-based pollster Datanalysis, wrote on Twitter after the vote. “It is clear that this very negative result does not achieve that goal,” he added. [Editor's note: See related [Q&A](#) in the Aug. 20 issue of the Advisor.]

NEWS BRIEFS

Haitian Gang Releases Two of 17 Missionaries Detained Since October

Two of the 17 members of a U.S. missionary group who were kidnapped in Haiti in October are safe and “in good spirits” after their release, the Christian Aid Ministries church organization said in a statement Sunday, the Associated Press reported. The statement did not detail the names of those released, why they were freed or other information. The missionaries, including five children, and their Haitian driver were captured by the 400 Mawozo gang on Oct. 16. The gang has reportedly demanded \$1 million per person for their freedom.

Nicaragua Says It Will Withdraw From OAS

The government of Nicaraguan President Daniel Ortega said Friday that it will withdraw the country from the Organization of American States, the Associated Press reported. In a news conference, Nicaraguan Foreign Minister Denis Moncada said he sent an “official communication” to OAS Secretary General Luis Almagro, citing “repeated acts of meddling” in Nicaragua. The OAS General Assembly last week condemned Nicaragua's Nov. 7 presidential election, saying it was “not free, fair or transparent.”

El Salvador's President Vows to Build 'Bitcoin City' at Base of Volcano

Salvadoran President Nayib Bukele on Saturday announced that his government would build a so-called Bitcoin City at the base of the Conchagua volcano in southeastern El Salvador, the Associated Press reported. Bukele said a bond offering entirely in Bitcoin would happen next year, and two months after financing is ready, construction would begin. The president said the new city would have no property, income or municipal taxes.

BUSINESS NEWS

Peru Seeks to Close Two Hochschild Mines, Shares Dive

London-based Hochschild Mining's market value nearly halved today following reports that Peru will no longer approve additional mining or exploration activities in an area where two of the company's mines are located, the Financial Times reported. Peruvian Prime Minister Mirtha Vásquez said four mines that have been



Vásquez // File Photo: Peruvian Government.

at the root of community-led protests in the southern Ayacucho region over environmental concerns will be closed as soon as possible, MarketWatch reported. Hochschild owns two of the mines. Shares in the FTSE 250 company were down 47 percent in morning trading. Hochschild said today that it would "vigorously defend its position" and that its mines operated under the "highest environmental standards," the Financial Times reported. Analysts at Bank of America said the two mines represent 70 percent of the company's earnings before income, taxes, depreciation and amortization, or EBITDA, MarketWatch reported. "While the company will likely dispute this decision, we don't see equity outperforming until the dispute is resolved," the analysts said. The company's Inmaculada mine has produced 174,734 gold equivalent ounces this year, while the Pallanquita mine's output so far has been of 3.5 million silver equivalent ounces. The administration's announcement is the latest move straining relations between the government of President Pedro Castillo and Peru's mining industry. [Editor's note: See related [Q&A](#) in the Aug. 23 issue of the Advisor.]

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are not necessarily enough to develop a functional and dynamic government that will face, no matter what it does—short of appointing a cabinet composed of conservatives or radicals—fierce opposition from the extreme right and left that might want to see him removed from office. As far as politics are concerned, President Castillo is so far proving that he is a tolerant reformist rather than the radical he was supposed to be, demonstrating in the process his limited knowledge and skill in running the presidency. Fortunately for him and the country, a moderate and centrist coalition in the legislative branch has chosen not to rattle the precarious equilibrium."

A **Cynthia McClintock, professor of political science and international affairs at George Washington University:** "Political stability in Peru is a distant dream. While Castillo has parted with Vladimir Cerrón, the Cuba-educated, far-left founder of Perú Libre, Castillo's own agenda remains unclear. Castillo's first premier, a Cerrón ally, was replaced in part because he called for the nationalization of Camisea gas; subsequently, Castillo himself called for its nationalization. Castillo's new premier, Mirtha Vásquez, an environmentalist from another leftist party, stated that a new constitution is not a priority; yet, Castillo continues to highlight this goal. The most recent crisis was the army and air force commanders' charge that Castillo's defense minister had pressured them to promote unqualified officers for political reasons. Ultimately, the defense minister was replaced. Given the division within Perú Libre, Castillo can now be confident of less than 20 percent of the Congress' votes. Yet, rather than strengthening his relationship with Premier Vásquez and Verónica Mendoza's moderate left party (dubbed 'the caviars'), Castillo has moved closer to the group of teachers within Perú Libre and his teacher-union base. It is uncertain if Castillo can maintain support from the large centrist

parties, Acción Popular and Alianza para el Progreso. Many legislators hail from Peru's interior, and Castillo is not unpopular there; his message of social and economic inclusion resonates, and his policies—generous increases in cash transfer programs, public works and a 'second agrarian reform' with

“**Political stability in Peru is a distant dream.**”

— Cynthia McClintock

technical and financial assistance—are welcome. These policies have been facilitated by continuing success in Peru's vaccination effort and high minerals prices. However, the government's emphasis on the renegotiation of contracts with extractive companies has incentivized protest and unsettled investors; inflation is high. While Castillo apparently believes that his populist measures will enable his survival, his falling approval rating (to about 35 percent) and his weak position in Peru's Congress suggest trouble ahead."

A **Ursula Indacochea, director of the Judicial Independence Program at the Due Process of Law Foundation:** "The first 100 days of President Castillo's administration have been, without a doubt, eventful. In the face of his initial failure to put together a cabinet that would accommodate his various alliances, President Castillo finally achieved, through appointing Mirtha Vásquez as prime minister, a cabinet with a certain coherence, capable of functioning and of winning a vote of confidence of Congress. However, Castillo's government continues to be characterized by weak leadership and worrying silences of the president in moments of crisis (for example, in the face of the questionable retirements and promotions in the armed forces of people who did not meet requirements). In the face of bad decisions

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related to the appointment of some ministers, as well as evident setbacks in crucial policies such as the educational reform, the voice of the president, whose government now seems to be in survival mode, is missing. This does not mean that there are no successes and advances. Among them, it is worth highlighting the progress of the vaccination strategy against Covid-19, the reappointment of the central bank president, the appointment of an economy minister who has been leading an economic reactivation agenda and Castillo's approach to the most remote regions of the country. Another advance is the administration's distancing from the Perú Libre political party, which brought him to the presidency but had been hindering the adoption of decisions within the cabinet. While members of Congress last week presented a petition to oust the president, it is uncertain that this attempt will succeed. The coming days will test the government's political bargaining capacity to negotiate agreements that will guarantee its ability to govern."

A **Alfredo Torres, president of Ipsos Perú:** "After the first 100 days, President Castillo's approval rating significantly dropped in the monthly Ipsos/El Comercio poll, from 42 percent to 35 percent, while his disapproval rose from 48 percent to 57 percent. The tolerance of a sector of the citizenry of an inexperienced president has turned into disappointment. Public opinion recognizes some successes in Castillo's first 100 days: continued and expanded vaccination (51 percent support), the delivery of a voucher to vulnerable families (42 percent), the proposal of the massification of Cami-

sea gas (30 percent) and the continuity of Julio Velarde as central bank president (21 percent). A common element of these most valued successes is that they reflect the continuity of actions by previous governments. The biggest mistakes that citizens find in

“**The tolerance of a sector of the citizenry of an inexperienced president has turned into disappointment.**”

— Alfredo Torres

Castillo's management are the result of his decisions: the appointment of incapable officials (40 percent), the initial designation of the confrontational Guido Bellido as prime minister (38 percent) and the appointment of officials linked to extremist parties (32 percent). Bellido's replacement by Mirtha Vásquez was well received, but she does not seem to have much influence on Castillo so far, as he continues to build mistrust through his statements and decisions. If the government does not correct its course, toward a more professional leadership of the state, with honest and competent officials who understand that the state is not to be usufruct with a clientelist vision—in favor of informal transporters, extremist teachers, illegal coca growers and some friendly military officials—the government will continue to lose popular support and undermine its legitimacy."

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

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