

HEMISPHERE HIGHLIGHTS

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UPCOMING EVENTS

Tuesday, December 1
8:30 a.m. - 3:00 p.m.Conference: "Indigenous
Politics in the Andean
Region: Present State and
Future Outlook"

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Headlines

Concerns over drug violence in Ciudad Juárez led businessmen from **Mexico** to appeal to the United Nations. Officials in **Mexico** are concerned about a possible outbreak of dengue fever. **Haiti** picks its sixth prime minister since 2004. Overcrowded shelters for flood victims in **El Salvador** have officials fretting an epidemic. A controversial ruling by the Supreme Court will permit Daniel Ortega to run for another term as president in **Nicaragua**. **Peru** has accused Chile of espionage after its arrest of an alleged spy. A drought in **Venezuela** has exposed deficiencies in its infrastructure leading to shortages of water and electricity. **Chile** has authorized the duty-free sale of liquid natural gas to Argentina and other Latin American countries. Mapuche leaders in the south of **Chile** have proposed a plan to increase socioeconomic development in Araucanía.

NORTH AMERICA

Mexico

On November 11, local manufacturing entrepreneurs stated their intent to ask the Mexican government and the Inter-American Human Rights Commission to formally request the United Nations' peacekeeping assistance to reduce drug-related violence in Ciudad Juárez. The coalition of business representatives argues that extortions and robberies have significantly affected industry's operations in the area where almost 6,000 businesses have already closed. This year homicides in Ciudad Juárez amount to 1,986 through October, in a city of only 1.5 million people. This represents a third of all murders committed in Mexico, making it the highest murder rate in the country. In response to the business group claim, President Felipe Calderón said that Mexico would not accept any foreign intervention in the country, insisting that the task undertaken by the army against drug trafficking has been appropriate. President Calderón has deployed more than 45,000 federal troops throughout Mexico since taking office in 2006, where only 5,000 are concentrated in Ciudad Juárez. Ciudad Juárez is one of the most important economic centers of Mexico and the second-largest U.S.-Mexico trading point. Increasing violence not only affects the lives of the city's population, but also increases

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economic instability: disrupting business growth and scaring off foreign investment. This could represent a destabilizing factor to the Mexican economy and its manufacturing sector—a sector that represents a large portion of Mexico’s GDP. The business group’s initiative to stop drug-related violence not only tries to protect its profitability, but also aims to disrupt a possible vicious circle: as more businesses close, the more unemployment rises, possibly driving up even more violence. *Despite the importance of industry to the overall economy of Mexico, it is unlikely that any serious consideration will be given to the groups’ request to bring UN Peacekeepers to Ciudad Juárez. Regardless of the spiral violence and the need for even more security, the opposing stance of the Mexican government will ultimately define the outcome of the claim.*
David Angel

Mexico

In addition to intense focus on the resurgent threat of H1N1 in the country, officials in Mexico announced 55 confirmed cases of dengue fever and speculate that as many as 105,000 people in the country may be infected. This worrisome statistic was revealed shortly after a number of states in the country—namely, Veracruz, Guerrero, Queretaro, Hidalgo, Sinaloa, Tabasco, Chiapas, Oaxaca, Colima, Yucatan, and Michoacán—announced dengue fever alerts. Veracruz alone has reported a 50 percent jump in cases from last year. Dengue is a particularly devastating mosquito-borne disease that is second only to malaria in terms of its impact on global health. It is carried predominantly by the *Aedes aegypti* mosquito and affects both rural and urban populations. The symptoms are many—severe headaches, muscle and joint pains, fever, rash, gastritis, nausea, vomiting,

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and diarrhea. The fever usually lasts for five days and can be highly debilitating, although with proper treatment the mortality rate is only one in a thousand. If the hemorrhagic strain of dengue (DHF) is contracted however, the symptoms and mortality rate are much worse. Internal bleeding, bruises, and

dehydration are common, and if left untreated, the mortality rate can be as high as 20 percent. Even with treatment, an estimated 2.5 percent will die. Heavy rains in some areas of the country, leaving behind pools of stagnant

water, are to blame for the rise of up to 50 percent on the previous year in the number of cases, and federal and state authorities are beginning new campaigns to fumigate these areas. More worryingly, it seems that the mosquito that carries the disease, the *Aedes aegypti*, has generated a resistance to insecticides that makes these fumigation efforts less effective. *The Mexican states and federal authorities are dedicating millions of dollars to try to step up prevention efforts and treatment programs for the infected. Mexican authorities reacted vigorously to the spread of H1N1 and also appear to be strategizing appropriately to contain dengue.*
Duncan Wood

CARIBBEAN

Haiti

Lawmakers overwhelmingly gave final approval to Jean-Max Bellerive as Haiti’s new prime minister on November 10, 2009, making him the sixth person to hold the post since 2004 in this politically unstable nation. Bellerive was nominated by President René Preval after the Senate ousted Michele Pierre-Louis in a nine-hour session

that also dissolved the country's cabinet. In a 29–18 vote against Pierre-Louis, most of the opposition came from the president's own LESPWA party. Some senators alleged that Prime Minister Pierre Louis had not disbursed \$197 million in storm recovery aid in a timely fashion. However, this was but a superficial rationale for a more complex political move. Unlike the events of 2008, where it took President Preval almost five months to replace his prime minister, the transition to a new government was swift. This was a relief to those who predicted that these events would result in even greater political instability that would further dampen the international community's efforts to stimulate foreign investment to this impoverished country. Pierre-Louis's removal was also embarrassing in that two weeks before her ouster, the UN special envoy to Haiti, former U.S. president William Clinton, had hosted a meeting in Port au Prince that brought over 500 private investors to explore new opportunities to support economic development opportunities in Haiti. At the root of these recent events lies a more complex political agenda. Just two days after the new prime minister's ratification, the Provisional Electoral Council (CEP) set nationwide elections for 99 deputies and 11 senators for February 28, 2010. The CEP also provided political parties with a narrow window to register for the election. The fast scheduling of elections suggests that President Preval and his party, LESPWA, which dominates the parliament and the CEP, have another agenda. It leaves open the question of whether exiled president Jean Bertrand Aristide's Lavalas Party (FL) will be admitted or excluded from this next national election. The party's exclusion in the last legislative election this year resulted in very low voter turnout. Some suggest that Preval's goal before he leaves office in February 2011 is to change the 1987 Constitution. This charter, which has caused interminable political headaches for Haiti's governance, requires major revisions to help move the country to a more viable electoral system and a means to recognize the growing importance of the Diaspora in national politics. *By holding legislative elections in February 2010 but then delaying the run-off period, Preval will provide his party the time and space needed to pursue changes in the constitution that would be ratified if his LESPWA*

coalition wins big in 2010. Given the urgent need to streamline the constitution to help Haiti achieve more effective governance, Preval's measures—from allowing a change in prime ministers to shortening the timeline for party registration—may be useful if in the end there is progress in Haiti. Haiti remains fragile, so the risks are great, but the gains could be just what are needed to move this country forward.

Johanna Mendelson Forman

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CENTRAL AMERICA

El Salvador

El Salvador flood victims overcrowded shelters throughout the country, increasing the risk of a health epidemic, which the Ministry of Health is fighting to prevent. Generated by residual storms following Hurricane Ida, unprecedented rains in El Salvador in early November caused severe damage throughout the country and left several hundred dead and missing. Shortly after assessing the damage, President Mauricio Funes issued a state of emergency to facilitate the effort to assist the more than 14,000 people displaced by the storms. The

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Funes government has responded by establishing more than 100 shelters throughout the country. Julio Armero, representing the Ministry of Health, expressed concern that overcrowding and a recent cold front will cause a series of epidemic among recently displaced victims. As a result, the Ministry of Health dispatched about 400 health professionals to establish 73 health centers to treat victims in various areas, particularly the most devastated departments of La Paz, San Vicente, San Salvador, and La Libertad. The diseases under watch at shelters are dengue, diarrhea, respiratory infections, malaria, food poisoning, and skin conditions. Epidemiologists are also concerned about protecting food supplies from contamination and containing the spread of N1H1. The food at shelters is vulnerable to rodents’ urine, which can cause leptospirosis—a bacterial disease characterized by a skin rash and flu-like symptoms. Thus far in El Salvador, reports indicate that there are seven dead because of dengue, 5,210 people with general illnesses, 83 people with hemorrhages, and 800 people confirmed ill with N1H1. The Ministry of Health has given priority to protecting food supplies in order to prevent the spread of disease in shelters. *Though these short-term initiatives demonstrate the Funes administration’s attention to the health crisis resulting from the flooding, it is crucial that the focus be directed back to long-term rural and urban planning to discourage villages from forming*

near flood-prone areas and take other measures aimed at lessening the impact of future storms.
Roxanna Vigil

Nicaragua

On October 19, the Constitutional Chamber of Nicaragua’s Supreme Court declared “inapplicable” a constitutional article that limits the number and sequence of reelection bids for the current president and a large group of Sandinista mayors. Article 147 of the 1987 Nicaraguan Constitution bans consecutive terms and limits the head of state to a total of two terms. President Ortega, who already served one term as president in the 1980s, would be ineligible to run for president again after the completion of his mandate in 2011. Unable to obtain enough votes in Congress for a constitutional reform, Ortega pursued the issue judicially by filing a motion with the Constitutional Chamber of the Supreme Court, in which the majority of judges are members of his Sandinista party. On October 19, six Sandinista judges unanimously decided the constitutional ban on reelection no longer applied. On November 15, Magistrate Sergio Cuarezma, a Supreme Court justice and a member of the Liberal Constitutionalist Party, claimed that he and other

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liberal judges that oppose Ortega and an amendment to term limits were never summoned to the meeting. Furthermore, three of the six judges were summoned as replacements when opposition magistrates, including Cuarezma, did not attend. After the ruling, President Ortega said the ruling is written in stone and cannot be appealed. Rafael Solís, vice president of the Supreme Court, clarified the ruling, stating that it applies only to Ortega and 109 Sandinista mayors who filed an injunction seeking an exemption from constitutional term limits. Any opposition candidates seeking reelection will be required to file their own petitions. Opposition parties denounced the ruling as illegal, and the U.S. Department of State released a press statement declaring it as “part of a larger pattern of questionable and irregular governmental actions...that threatens to undermine the foundations of Nicaraguan democracy.” In response to the U.S. position, Ortega supporters attacked and vandalized the U.S. Embassy in Managua and chased and hurled firecrackers at the U.S. ambassador to Nicaragua Robert J. Callahan. Sandinistas have also attacked Ortega opponents this month during rallies in protest of the election ruling and in response to the one-year anniversary, November 9, of the 2008 municipal elections in

which widespread electoral fraud was suspected. Since the 1980s, *in an attempt to deepen democracy and prevent any return to authoritarianism, many states limited presidential mandates to only one term. However, in the last four years, a number of states including Colombia, Ecuador and Bolivia have extended their term limits, with Venezuela eliminating them entirely. While altering term limits is a growing regional trend, the route taken by Ortega to achieve this goal stands out for its brashness.*
Zachary L. Bedard

SOUTH AMERICA

Peru

Relations between Peru and Chile have been seriously strained in the wake of an alleged espionage case. Peruvian authorities recently arrested a noncommissioned officer (NCO) of the Peruvian Air Force formerly assigned to Peru’s embassy in Santiago for allegedly selling sensitive military information to Chile. According to Peruvian media accounts, the intelligence arms of the Peruvian Air Force and National Police conducted counterintelligence operations that uncovered e-mail exchanges between the Peruvian NCO, Víctor Ariza Mendoza, and Chilean agents in which the latter solicit information related to Peru’s defense network. The text of these e-mails (allegedly de-encrypted) were subsequently obtained and published by the leading Lima daily El Comercio. Ariza has confessed to spying for Chile. The story broke in the media while Peruvian president Alan García and his Chilean counterpart Michelle Bachelet attended a meeting of APEC countries in Singapore, prompting García to cut short his visit and return to Peru to deal with the issue. García and other high government officials have issued a number of strong statements, accusing Chile of “repulsive acts” by “dictatorial, Pinochet-like” elements. For its part, the Chilean government denied that it engages in espionage, and President Bachelet rejected Peru’s charges as “offensive.” Peruvian foreign minister García Belaúnde asserted

“PERUVIAN FOREIGN MINISTER GARCÍA BELAÚNDE ASSERTED THAT PERU WOULD PROVIDE CHILE—THROUGH DIPLOMATIC CHANNELS—WITH EVIDENCE TO SUPPORT ITS CLAIMS AND WARNED THAT BILATERAL RELATIONS WOULD SUFFER IF CHILE DOES NOT CONDUCT A FULL INVESTIGATION OF THE MATTER AND PUNISH THOSE RESPONSIBLE.”

that Peru would provide Chile—through diplomatic channels—with evidence to support its claims and warned that bilateral relations would suffer if Chile does not conduct a full investigation of the matter and punish those responsible. *The Ariza incident has exacerbated the already rising tension between Chile and Peru in the wake of Salitre 2009 military exercise conducted by Chile with a scenario that originally involved a military attack from a northern country. Peru's discontent over Salitre 2009 was in the process of being smoothed over when this incident occurred, setting the bilateral relationship back further still.*
Clement Carrington

Venezuela

Venezuela has begun rationing water and electricity across the country in response to widespread shortages. Over the past several months, demands on the capacity of Venezuelan water and electric supplies have increased rapidly, coming to a head in the beginning of November when the government introduced a rationing strategy. Well below average rainfall across Venezuela as a result of the El Niño weather phenomenon has been a major contributing factor, reducing the amount of water flowing through the country's largest hydroelectric dam—which produces about 60 percent of its energy—by a tenth. The Chávez government asserts that the drought has been exacerbated by overconsumption of resources, particularly by the upper classes. Critics of the Chavez administration and independent experts, however, argue that though the current drought is linked to El Niño, it also exposes underlying problems in Venezuelan infrastructure. They claim that only one fourth of the money budgeted toward power production is properly spent, and since the completion of the nationalization of the industry in 2007, six national blackouts have occurred. The government has taken a variety of different measures to try to reduce demand and boost production. Beginning November 4, Chávez mandated a 20 percent reduction in electric power use by the public sector, banned imports of products deemed inefficient

in their power use, and stated that, in the future, private industry should produce its own power. In addition, the government invested \$413 million bolívares in 34 stop-gap repair and upgrade projects designed to boost production by 1,474 megawatts by

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the end of December. Chávez has also encouraged the Venezuelan people to save resources, extolling the virtues of a three-minute shower and disparaging those who waste water by having pools and other such luxuries. Despite these actions, recent polls reveal a significant drop in popularity for the president and an association of the executive with the mismanagement of the power and water sectors. *Although the immediate crisis will likely end with the drought, long-term problems with the power production infrastructure will remain and will require significant attention, financing, and political sacrifice—namely, the removal of price controls on utilities—to repair.*
Timothy Stackhouse

Chile

The Chilean government issued a decree in November that authorizes duty-free sale as a transit commodity of natural gas from its new liquefied natural gas (LNG) import facilities to Argentina and other countries in Latin America. While no product is currently being delivered, Chilean officials claimed that gas sales to Argentina could commence as early as next year. A regasification plant located at Quintero (V Region) north of Valparaíso has been in operation for three months. The Quintero operation is Latin America's first land-based LNG terminal. A second land-based regasification facility located in the northern port of Mejillones is due to begin operation in the first half of 2010. The Mejillones plant, a joint partnership of Suez Energy International and the Chilean national copper company (Codelco), is intended to supply gas for mining operations and electrical generation in the energy-starved north of Chile. The two projects at their first stage of operation have a joint production capability of some 15.5 million cubic meters a day, but with a planned future capability well above that level. LNG for the Chilean plants will come from Trinidad and Tobago, Qatar, Equatorial Guinea, Egypt, and other sources. According to Chilean newspapers, Uruguay has also expressed interest in receiving natural gas from Chile. The move to LNG by Chile underscores an important trend toward a diversification of energy sources in the Southern Cone of Latin America. *Chile's decision to construct the LNG terminals stemmed from the severe restrictions on natural gas imports from Argentina imposed by that country in 2004, making the prospect of shipments of gas in the other direction something of an irony. Another irony is the location of the second LNG terminal in Mejillones, the proposed site of a liquefaction plant from which natural gas piped in from Bolivia would have been shipped to Mexico and the United States under a plan developed by a consortium of private companies during the short-lived second presidency of Gonzalo Sánchez de Lozada in 2003.*

This project was torpedoed by protests ("No" al gas) led by Evo Morales that eventually toppled Sánchez de Lozada. Bolivia's potential to become a natural gas "hub" in the Southern Cone subsequently evaporated when the resource nationalism that has gripped Bolivia since 2003 resulted in a series of ill-advised policy decisions that have choked off foreign investment and undermined a very promising energy relationship with Brazil and Argentina. Spurred by Bolivia's unreliability as a supplier, Brazil has placed two LNG floating import terminals in operation, and Argentina appears to have scrapped its plans to strongly increase natural gas imports from Bolivia and has also opened a floating LNG operation. Prices for imported LNG into Brazil and Argentina are reportedly competitive with piped gas from Bolivia. The flexibility of LNG, combined with Brazil's favorable outlook as an oil and gas producer, is reshaping the energy matrix in southern South America.
Peter DeShazo

Chile

Amidst the backdrop of increasing tension between the Chilean state and the Mapuche, a group of Mapuche leaders presented the Chilean government with "Plan Araucanía," a six-point proposal aimed at increasing socioeconomic

A RECENT STUDY CONDUCTED BY A SÃO PAULO BUSINESS SCHOOL REPORTED THE OLYMPICS AND THE WORLD CUP, WHICH BRAZIL WILL HOST IN 2014, WILL INJECT MORE THAN US\$50 BILLION THROUGH 2027 AND CREATE 120,000 NEW JOBS ANNUALLY THROUGH 2016.

development in Araucanía, Chile's 9th region.

The Mapuche, Chile's largest indigenous group with a population of roughly 650,000, have been involved in an ongoing effort with the government of Chile seeking the return of ancestral lands, which are mainly located south of the Bío-Bío River. Araucanía is one of the country's poorest regions, where low levels of investment have not allowed the Mapuche to share in Chile's growth of the past 20 years. "Plan Araucanía" attempts to address many of the underlying factors that have played a part in the region's low level of development. The plan's six points represent a diverse view of Mapuche needs, among them a call for multicultural education, the creation of a development agency that would receive funds from the Inter-American Development Bank, and increasing the Mapuches' access to credit so they can invest and diversify production in areas such as fruits and vegetables. Both the Chilean government and the Mapuche leaders expressed satisfaction with the recent meeting over the proposal, with both sides highlighting the ability to find common ground in the ongoing dispute. Recently, there have been increasing attacks on freight trucks and buses by members of a militant Mapuche group, the Coordinadora Arauco Malleco (CAM), likely carried out with hopes of drawing more attention to continued poverty in the Mapuche region as the elections near. Following the recent shooting deaths of two Mapuche activists during confrontations with police, "Plan Araucanía" likely represents as much a plan for socioeconomic development as a means to improve relations between the Mapuche and the central government. *While the leading political candidates remain largely quiet on the indigenous issue, it remains to be seen whether the impending presidential change will bring increased cooperation between the Mapuche and the Chilean government.*

Michael Graybeal

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