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FEATURED Q&A

Would New Term Limits in Peru Help Curb Corruption?



Peruvian President Martín Vizcarra is seeking a referendum that includes proposals he is pushing to fight corruption. // File Photo: Peruvian Government.

Q Peruvian President Martín Vizcarra on July 28 called on the opposition-run Congress to advance plans for a referendum that would include term limits for legislators, among a series of other proposals to reform the country's political and judicial systems in the wake of corruption and influence peddling scandals. Is unchecked congressional re-election a big factor in Latin America's struggle with corruption, and are term limits effective in curbing it? How well have term limits for legislators worked in other Latin American countries? What other factors have been allowing corruption to continue in the Americas?

A Samuel Rotta Castilla, executive director of Proética, the Peruvian chapter of Transparency International: "There is no evidence that suggests that limiting congressional re-election by itself can reduce political corruption in Congress. In Latin America, according to Transparency International's 2017 Global Corruption Barometer, half of the population believes that every lawmaker, or almost every lawmaker, in their country is corrupt. The exception is Uruguay, where that percentage is below 20 percent. As almost all other Latin American countries, congressional re-election in Uruguay is not prohibited nor limited. By contrast, in Mexico, where immediate re-election is not allowed, the perception of corruption reaches 56 percent. Sixty-four percent of Peruvians share this opinion. With the discontent that such a perception generates, it is to be expected that measures that limit or prohibit re-election have popular support. However, if a discussion

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TODAY'S NEWS

POLITICAL

Brazil's Workers' Party Taps Lula as its Candidate

Brazil's Workers' Party registered former President Luiz Inácio Lula da Silva as its candidate in this October's presidential election. Lula is the front-runner in opinion polls, but he is jailed and may be barred from running.

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BUSINESS

Brazil's JBS Eyes Higher Prices to Offset Costs

Executives at the meatpacking company said it must raise prices by 7 percent at Seara, its processed food division, in order to make up for the increase in grain costs.

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POLITICAL

Abdo Benítez Takes Office in Paraguay

Mario Abdo Benítez, 46, was sworn in as Paraguay's president. In his inaugural address, he vowed to fight corruption and reduce poverty in the South American country.

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Abdo Benítez. // Photo: Paraguayan Government.

POLITICAL NEWS

Abdo Benítez Sworn in as Paraguay's President

Mario Abdo Benítez was sworn in Wednesday as Paraguay's president, vowing in his inaugural address to fight poverty and corruption, ABC Color reported. Seven heads of state were among the guests at the inauguration at which Abdo began a five-year term. Among them was Taiwanese President Tsai Ing-wen. Paraguay is among the few countries to have diplomatic relations with Taiwan. A former senator and member of the conservative Colorado party, Abdo, 46, said he would work to boost the economy and improve life for Paraguayans. "Paraguay will continue to grow, but we need more inclusive economic growth, to get our people out of extreme poverty, to reduce unemployment," he said, Reuters reported. More than a quarter of Paraguayans live in poverty, according to the World Bank. Abdo campaigned on promises to continue the business-friendly policies of his predecessor, Horacio Cartes, but he also said his government will seek to increase state revenues through more aggressive tax policies. Cartes, also of the Colorado party, is a former tobacco and soft-drink executive

who oversaw one of Latin America's highest economic growth rates during his five-year term. In his inaugural address, Abdo also said he would work to improve judicial transparency and fight corruption. "We are going to build an independent and courageous justice so that impunity ends," he said, UPI reported. Abdo also urged Paraguayans to "look to the future and not remain stuck in the past," the Associated Press reported. Abdo has sought to play down fears that he would return to the heavy-handed tactics of former dictator Alfredo Stroessner, whose private secretary was Abdo's father. Abdo narrowly won the country's April 22 presidential election, defeating liberal candidate Efraín Alegre by less than four percentage points.

Workers' Party Registers Brazil's Lula as its Candidate

Brazil's Workers' Party on Wednesday registered former President Luiz Inácio Lula da Silva as its presidential candidate ahead of the Oct. 7 election, with Fernando Haddad, former mayor of São Paulo, as his vice presidential running mate, Folha de S.Paulo reported. Lula's candidacy was expected, as the Worker's Party had repeatedly said he would run, but the

NEWS BRIEFS

U.S., Mexico Setting up Joint Anti-Drug Team to Fight Opioids

U.S. and Mexican law enforcement authorities will set up a joint team to combat drug cartels bringing opioids into the United States, the Associated Press reported Wednesday. The Chicago-based team will be part of a wider strategy to prevent overdose deaths, which have sharply increased in recent years, sparking a health crisis in the United States. Mexican President-elect Andrés Manuel López Obrador has previously said he would reverse the country's hard-line strategy against drug cartels. His team did not immediately respond to the AP's request for comment.

U.S. Defense Secretary Vows Closer Cooperation With Argentina

U.S. Defense Secretary James Mattis on Wednesday said the United States will work on a closer "military-to-military relationship" with Argentina, after a meeting with his Argentine counterpart, the Associated Press reported. Mattis' visit to Argentina is the first by a U.S. defense minister in 13 years. "We have come back to the road we should never have left," Argentine Defense Minister Óscar Aguad told Mattis, the AP reported. Mattis is also visiting Chile and Colombia this week.

Ex-Colombian Anti-Graft Director Pleads Guilty to Laundering

A former Colombian anti-corruption director and a Colombian lawyer on Wednesday pleaded guilty in U.S. federal court to charges of conspiring to launder money in order to promote bribery, The Wall Street Journal reported. The ex-official, Luis Gustavo Moreno Rivera, was accused of sending the attorney, Leonardo Luis Pinilla Gómez, to meet a former Colombian governor to offer to obstruct a graft probe.

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about substantial aspects of corruption does not proceed, then corrupt individuals will find a way to adapt themselves to any established limit. Corruption scandals in the last few months involving lawmakers in Peru demonstrate specific factors that could be changed, such as weak policies regarding conflicts of interest; an ethics commission dominated by politics; soft sanctions that do little to dissuade, and which are often not applied; a lack of transparency in administrative decisions; and an internal control body that is subject to political pressures. Moreover, there are weak mechanisms on immunity that, in practice, have been used

to ensure the impunity of lawmakers and in turn feed the perception of corruption."

A **Julio Carrión, associate chair of the political science and international department at the University of Delaware:** "The most recent Barometer of the Americas survey, conducted in 2016-17, shows that 27 percent of Peruvians consider corruption to be their country's most important problem, a dramatic uptick from the 10 percent registered in 2014. This figure is the highest in the region and highlights the political potency of this issue. Not surprisingly, the daily

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former president has been jailed since April, serving a 12-year sentence on corruption and bribery charges. Also on Wednesday, Brazilian Attorney General Raquel Dodge filed a request to the electoral court to bar Lula's candidacy, saying the former president "is not eligible" to run, EFE reported. The country's electoral code prohibits candidates whose criminal convictions have been upheld on appeal, which is Lula's case, Reuters reported. Brazil's electoral court is set to make a final decision regarding the viability of Lula's candidacy by mid-September, with Supreme Court Justice Luis Roberto Barroso handling the case. The Workers' Party is expected to use all possible appeals to delay the court's ruling. Despite the legal uncertainty, polls have consistently showed Lula as the front-runner, with about one-third of Brazilians saying they would vote for him if he is allowed to run. [Editor's note: See [Q&A](#) on Brazil's presidential race in the Aug. 10 issue of the Latin America Advisor.]

BUSINESS NEWS

Brazil's JBS Eyes Higher Prices to Offset Rising Costs

Brazilian food company JBS needs to raise prices by 7 percent at Seara, its processed food division, to make up for the increase in grain costs in the South American country, company executives said Wednesday, Reuters reported. The spike in local corn prices drove the company to import the commodity from Argentina to use as feed for its meat processing plants in Brazil. Seara had already hiked prices in the second quarter of this year, but "what we've done so far was not enough" to "pass through higher feed costs," said Wesley Batista Filho, chief executive of JBS' South America operations and member of the company's founding family, in a call to discuss the company's earnings, Reuters reported. The company suffered a net loss of 827 million reais, or \$212.7 million, in the second quarter, which was larger than expected, due to the weeks-long truckers' strike in June and increases in currency-related

THE DIALOGUE CONTINUES

What Will a New Constitution Mean for Cuba?

Q Cuba's National Assembly on July 22 approved the draft of a new constitution that would recognize private property, reorganize the government by creating the position of prime minister and also pave the way for possible recognition of same-sex marriage as well as other economic, social and political changes. The constitution is expected to be discussed in public meetings and voted on in a national referendum in a process that could take months. What are the most significant changes in the new draft constitution, and to what extent would it modernize the country? How much would Cuba's communist system change under the proposed constitution? Will the new charter succeed in attracting foreign investment to Cuba?

A Abraham F. Lowenthal, founding director of the Inter-American Dialogue, the Wilson Center's Latin American Program and the Pacific Council on International Policy:

"I can offer a brief anecdote to contextualize and underline the significance of Ted Piccone's observation in the Aug. 3 issue of the Advisor that the most important point about the proposed Cuban constitution is that real power will remain with the Communist Party of Cuba, a point reinforced by Bill LeoGrande's comment. In June 1975, I accompanied Professor Samuel P. Huntington on a several-day visit to Cuba, invited by the island's authorities to conduct a series of interviews and discussions with high-level Cuban officials, including Carlos

charges, the company said in a statement on Tuesday. JBS also said that trade tensions between the United States and China, but also potential Mexican tariffs, have driven down pork sales in Asia and Mexico, causing a 6.3

Rafael Rodríguez, first vice president, and Blas Roca, a member of the Party's Central Committee and principal drafter of the new Cuban constitution of that era, which had just been presented. We were given the text of the constitution in the evening and had been invited to discuss it with Roca over coffee the next morning. After introductory comments, Roca asked for our impressions and questions. Huntington mentioned that he had never previously visited Cuba and indeed had relatively little experience in Latin America, but that as a professor of comparative politics he had studied many constitutions. Drawing on that experience, he said that his primary impression of the new Cuban constitution was that it provided restraints and checks on the power of government branches and organizations, but not on the Communist Party of Cuba, 'which is where real power lies, I think.' Roca paused, chuckled softly, smiled and said (in Spanish), 'Very intelligent. That's right,' making no attempt to counter Huntington's astute critique. On several subsequent trips to Cuba in the 1970s and 1980s, I recounted this story—up until Roca's response—and asked a series of Cuban interlocutors how they thought Roca had answered. Not once were any of my Cuban interlocutors willing to hazard a guess."

EDITOR'S NOTE: The comment above is a continuation of the [Q&A](#) published in the Aug. 3 issue of the Advisor.

percent drop in JBS' U.S. pork section's net revenue. However, the company said strong demand for beef in the United States helped offset the company's overall results, the wire service reported.

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leaking of audio recordings documenting the corruption in the judiciary has produced important changes in the country's political dynamics. Suddenly, Martín Vizcarra, who many saw merely as a caretaker president, has gained the political initiative to put the congressional majority, controlled by the Fujimorista Fuerza Popular, on the defensive. But at this point, there is no guarantee that

“There is no guarantee that the referendum will be held nor that it will contain all the questions Vizcarra wants.”

— Julio Carrión

the referendum will be held nor that it will contain all the questions Vizcarra wants. Presidents do not have the constitutional authority to convoke a referendum, and therefore Vizcarra must negotiate with the Fujimorista majority for its approval. Prohibiting re-election of legislators is a crowd-pleaser, but the Mexican experience clearly shows that term limits are no barrier to corruption. It is unlikely that the Fujimoristas would agree to include this question, but public support for banning re-election is overwhelming. Fuerza Popular is floating other questions that Vizcarra did not initially consider, probably with the intention of diluting the referendum itself. The problem of corruption in the judicial branch is pervasive, and Vizcarra's proposal to reform the National Council of the Magistrature is a necessary—albeit insufficient—first step to get the job done. The initiative for a serious judicial reform was undertaken during Valentín Paniagua's transitional government, but unfortunately the Toledo administration all but abandoned it. Peru's political class has a new opportunity to tackle the reform and failure to do so could have far-reaching political consequences.”

A Francisco Durand, professor of political science at the Catholic University of Peru: “Peru is currently divided between the APRA-Fujimorista alliance that controls Congress, and a loose opposition block, where Vizcarra is trying to take the lead with the support of various democratic and leftist forces. In the midst of a corruption scandal generated by leaks revealing the presence of mafias in a judicial system supported by the dominant congressional alliance, Vizcarra is proposing five referendum questions to amend the 1993 Fujimorista Constitution, limiting the changes to the political system and leaving the economic system untouched. The proposal for term limits basically extends to Congress a rule already in place for local and regional governments, taking advantage of Congress' unpopularity (8 percent approval rating). This may help reduce corruption and ineffective legislative capabilities if combined with the creation of a bicameral Congress. Yet, the main problem is rampant corruption in all branches of government, from the local to national level, unchecked by a rigged and politically opportunistic judicial system. If crime is not punished, and it is possible to buy judges in most courts, which is what the audio leaks reveal, the chances of curbing corruption are small. So, the challenge is to provide a constitutional formula led by a coalition of ethical and professional forces that can use this window of opportunities and rely on popular dissatisfaction to craft a major political reform. The APRA-Fujimorista coalition will delay the referendums and try to slow the reforms that will pass through a Congress they control. If the reforms fail, Vizcarra may be forced later on to close the Congress and call for a constitutional convention, a formula the center-left favors, but one that generates fears among economic conservatives, who still support the president.”

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

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