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## FEATURED Q&A

# Will Ecuadoreans Support Amending the Constitution?



Ecuadorian President Lenín Moreno is pushing constitutional changes that include setting term limits for elected officials. // File Photo: Ecuadorean Government.

**Q** Ecuadorian President Lenín Moreno on Oct. 2 announced he will be pushing forward with a national referendum on amendments to the country's Constitution, including setting term limits for elected officials and enacting lifetime bans on individuals and companies found guilty of graft from holding office or contracting with the government. How much popular support exists for Moreno's proposed amendments, and to what extent might he face popular pushback or political resistance in his efforts to enact them? Why has Moreno chosen these issues to address at the constitutional level, and why now? Would his proposed changes benefit the country?

**A** Ramiro Crespo, president of Analytica Securities in Quito: "Respected pollster Cedatos reports that Ecuadoreans overwhelmingly support being consulted by their new president. The core issues of reinstating term limits and changing the control over top judicial and regulatory officials reflect the main constitutional objections many voters have with the system that Moreno inherited from his authoritarian predecessor, Rafael Correa. Setting term limits has the lowest appeal among voters, a worrying fact that reflects strong remaining support for Correa among about a third of those polled. Nonetheless, a large majority of voters do appear firmly willing to support Moreno. Regarding who taps top authorities, the wording of the proposal is problematic, because it gives Moreno discretionary power in naming these authorities 'temporarily,' and Moreno has already made a very poor choice in picking María Alejandra Vicuña as acting vice president while

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## TODAY'S NEWS

### POLITICAL

## U.S. Condemns Venezuela Vote as Neither Free Nor Fair

The State Department said Sunday's regional elections in Venezuela, in which supporters of President Nicolás Maduro won a majority of governor's offices in contrast to polls that predicted opposition victories, were manipulated.

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### BUSINESS

## JBS Pulls Plans for IPO of Processed Food Unit

The Brazilian meatpacker had planned an initial public offering in the United States of processed food unit JBS Foods International. The company gave no new timetable for the IPO.

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### POLITICAL

## Mexico's Attorney General Resigns

Attorney General Raúl Cervantes stepped down under pressure, in a victory to a coalition of social groups that have demanded a prosecutor with more autonomy.

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Cervantes // File Photo: Mexican Government.

## POLITICAL NEWS

## U.S. Condemns Venezuela Vote as Neither Free Nor Fair

The U.S. government on Monday condemned Venezuela's regional elections on Sunday as neither free nor fair, Reuters reported. The South American country's National Electoral Council on Sunday night said that supporters of President Nicolás Maduro had won at least 17 of the 23 governor's offices that were up for grabs. However, the U.S. State Department said the Maduro government engaged in a series of maneuvers, such as manipulating ballot papers and moving polling stations in order to manipulate the vote. "We condemn the lack of free and fair elections yesterday in Venezuela," State Department spokeswoman Heather Nauert said Monday. "The voice of the Venezuelan people was not heard." Nauert added that "our previously stated concerns were unfortunately realized," saying that the election was marked

by a "lack of independent, credible international observers; lack of technical audit for the National Electoral Council's tabulation; last minute changes to polling station locations without public notice; manipulation of ballot layouts; and limited availability of voting machines in opposition neighborhoods." Nauert added that the United States would "bring the full weight of American economic and diplomatic power to bear in support of the Venezuelan people as they seek to restore their democracy." Venezuela's opposition Democratic Unity Roundtable coalition has also refused to recognize the results announced Sunday, but Maduro's United Socialist Party has denied there was fraud.

## Mexico's Attorney General Resigns

Mexican Attorney General Raúl Cervantes resigned on Monday in a move that may pave the way to an overhaul of the country's judicial system, The Wall Street Journal reported. Cervantes has been under fire since his ap-

## NEWS BRIEFS

## Shootouts Leave at Least 11 Dead in Mexico's Tamaulipas State

A series of shootouts have left at least 11 people dead in Mexico's northern Tamaulipas State, authorities said Monday, the Associated Press reported. The gun battles took place in the border city of Reynosa and the nearby town of Rio Bravo and started late Sunday. After the shootouts, police found 13 improvised armored vehicles, which are typically used by drug gangs in Tamaulipas. In the past, Reynosa has been the scene of turf battles between factions of the Gulf cartel.

## High Interest Leads Peru to Push Back Auction for Copper Project

Peru state bidding agency Proinversión on Monday pushed back the date of the auction for the \$2 billion Michiquillay copper mining project, located in Peru's northern Cajamarca region, due to increased investor interest in the project, Mining.com reported. More than 20 companies have expressed interest, so the bidding agency rescheduled the auction that was set for next month to instead take place in December, in order to give interested companies more time to submit offers, Proinversión said in a statement. Companies have until Nov. 2 to sign up for the tender. A contract for the project will be awarded on Dec. 20.

## Bitcoin Conference to Be Held Today in Colombia

Colombia's second conference this year on Bitcoin and related technologies is planned for today, Bitcoin News reported. The organizers of Colombia's first conference on the cryptocurrencies had expected about 300 attendees, and more than double that number attended, the site reported. Today's conference is to be held at the Pontificia Universidad Javeriana in Bogotá.

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Jorge Glas is in jail. Flanking measures like asking voters to approve clearer environmental limits on oil and mining production, as well as the move to end the statute of limitations on sex crimes against minors, appeal to popular sentiment and should do no damage. A tougher stance on corruption may or may not help—the road to cleaning up Ecuador will sadly be long and complicated."

**A** **Maria Velez de Berliner, president of Latin Intelligence Corporation:** "Moreno has three years to leave a legacy, preferably embedded in the Constitution, hence the referendum. Having Jaime Nebot's public support for a 'yes' on the seven referendum questions enhances Moreno's chances of approval. But there is a possible 'no' vote on two questions related to two things: 1) people and companies found guilty of graft. Corruption in the judiciary is endemic in Ec-

uador. Foreigners and foreign corporations are usually more likely to be found guilty of graft than locals and their corporations. Foreigners are believed to have deep pockets and goodwill to lose. Excluding a few politically expedient cases, locals are not; they know how to work the judiciary's 'coima' system. Therefore, it seems Ecuadoreans are unlikely to vote against a tax-free source of income that expedites transactions. 2) The proposed annulment of the law against land speculation. Those who belong to powerful industrial groups will likely vote for the law's annulment. They claim the law killed 50 percent of Ecuador's construction industry. Countering their 'yes' vote there is a relatively large number of possible 'no' voters, because the law enabled them to buy real estate at non-speculative prices. They seem unlikely to give up this benefit. Moreno chose politically viable issues, not the ones Ecuador has a pressing need to resolve to

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pointment as attorney general last year due to his close ties to President Enrique Peña Nieto and his longtime membership in the ruling PRI political party. Cervantes made the surprise announcement during a hearing in the Senate. "This is not about names. This is about building better institutions," he said. His resignation could clear the path to naming an independent prosecutor who would have a nine-year term and who cannot be fired by the president. The naming of a new independent prosecutor is seen as key to overhauling the country's judicial system, where a mere 3 percent of crimes are investigated, and the justice system is seen as being highly politicized. A spokesman for Peña Nieto declined to comment on Cervantes' resignation. Though the position of independent prosecutor has been in place since 2014, the enabling legislation to name that prosecutor has not been passed, and no prosecutor has been named to the position. It is not immediately clear whether Peña Nieto will name a new attorney general in the coming days. The head of legal and international affairs at the attorney general's office will serve as interim attorney general, a government official said.

## BUSINESS NEWS

### Brazil's JBS Pulls Plans for U.S. IPO of Processed Food Unit

Brazilian meatpacker JBS has withdrawn plans for a \$500 million initial public offering for a U.S. processed food subsidiary called JBS Foods International, Reuters reported Monday, citing a company filing with the U.S. Securities and Exchange Commission on Friday. Neither the subsidiary nor its parent JBS gave a new timetable for the IPO. The companies first announced plans for a U.S. offering last December. The withdrawal of the IPO came six months after a spate of corruption and food safety scandals at the meatpacker rocked Brazil and curbed investor demand. The decision is a setback to the Batista family, which owns 42 percent of JBS, and members of which have been implicated in the corruption scandal.

## TECHNOLOGY BRIEFS

### Amazon to Expand in Brazil Beyond Book Selling

U.S.-based online retailer Amazon is planning to expand in Brazil beyond selling books, Bloomberg News reported Oct. 13. Local newspaper Valor Econômico said the company will begin selling electronics in the country as early as this week, and that it will be adding additional products by year-end. In early October, Bloomberg News reported that the company had begun recruiting for several new positions in Brazil, leading to a slump in the shares of Brazilian retailers. Brazilian retail stocks fell on Friday after a BTG analyst said Amazon already had a substantial market share in the country's e-commerce sector just by selling books and operating a marketplace in Brazil.

### Softtek Partnering With Microsoft in Cloud Solutions

Global IT services provider Softtek announced Friday that it had partnered with Microsoft to offer its cloud solutions through Microsoft's Azure platform, providing machine learning, big data, artificial intelligence, data analytics and Internet of Things solutions to users. The partnership will help "promote change in the way [the companies] integrate people, data and processes into secure and intelligent digital platforms," said César Cernuda, the president of Microsoft Latin America. The technologies provided are aimed at helping organizations in the key areas of involving customers, engaging employees, optimizing processes and transforming products, Softtek said in a statement.

### Brazil Launching Strategy for Internet of Things

The Brazilian government is launching a national strategy that will deal with the policies and action plan for Internet of Things, or IoT, technologies in the country, Brazil Tech reported Oct. 9. A strategy funded by Brazil's national development bank, or BNDES, was released in early October and identifies smart cities, health care, agribusiness and manufacturing as priority sectors for which the government should focus its policy creation and implementation efforts regarding the IoT. The policies will focus on the population's quality of life and sustainable development through technology and will be implemented between 2018 and 2022.

### Female-Targeted Ridesharing Sees Gains in Brazil

The market for ride-hailing apps aimed solely at women is growing in Brazil amid safety concerns in one of the biggest markets for Uber and other ride-hailing start-ups, Reuters reported Friday. One such app, FemiTaxi, has expanded to six Brazilian cities and is eyeing moves into other Latin American markets. It currently provides more than 20,000 rides per month in Brazil and employs some 1,000 drivers. Another competitor, LadyDriver, launched in São Paulo in March and plans to begin operations in Rio de Janeiro this month. The startup currently has more than 100,000 users and 8,000 drivers. The growing trend of female-only ridesharing in Brazil highlights concerns about public safety for female users of ride-hailing apps. Reports of sexually charged crimes, including attempted rape, have risen to the double digits in São Paulo State over the past year.

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help the country: poor health care and sub-standard education. The health care system is collapsing, or has already collapsed in rural and semi-rural areas. Only the wealthy have the resources to access in-country private health care or participate in medical tourism. Ecuador is graduating students who can neither read nor write critically, nor do basic math. Poor health care and sub-standard education combine to harm the country's overall competitiveness. If Moreno wants to leave a legacy that really counts, he needs to begin by solving these two issues."

**A** **Marc Becker, professor of history at Truman State University:** "Ecuador's upcoming referendum reflects an ongoing struggle for the heart of the ruling Alianza PAIS coalition. Some political scientists have criticized Ecuador as a plebiscite democracy, and it is not odd or unusual for Moreno to turn to this type of constitutional referendum to address these issues. It would appear that his decision to hold a referendum is a calculated political ploy to solidify his base of support. And, in fact, the issues that will appear on the ballot and the way they are phrased will appeal to most people. After all, who favors corruption, is opposed to holding the government accountable or supports sexual predators? Some of the questions represent conciliatory gestures to those on both Moreno's left and right. One of Correa's least popular actions in office was to commence drilling in the Yasuní National Park, where the Tagaeri and Taromenane live in voluntary isolation, and one question would expand the intangible zone that would protect them. Indigenous and environmental groups came into conflict with Correa over an expansion of mineral extraction, and another question would require mining endeavors to respect environmental and social laws. However, a proposal to rescind a capital gains law is a gesture to those to the right of Moreno. A larger issue, however, is whether these are the most fundamental and

pressing issues facing the country. None of these questions address the country's productive matrix or address larger philosophical issues, such as the rights of nature, as did the 2008 constitution."

**A** **Walter Spurrier, president of Grupo Spurrier and director of Weekly Analysis in Guayaquil, Ecuador:** "The most formidable opponent President Moreno faces is former President Correa, who is now in Belgium, his wife's country, and who expected Moreno to heed his orders. The ruling Alianza PAIS members in the National Assembly, oversight organizations and even members of Moreno's cabinet follow instructions that emanate from Brussels. They expect Correa to become president again in 2021, and Moreno wants to be his own man. He has allowed the investigation of former Correa officials for graft, based on evidence coming from abroad. Vice President Glas, Correa's right-hand man, is in jail. Moreno needs to quash any possible return of Correa. The referendum asks for the elimination of indefinite re-election. The same goes for the replacement of members of the Participation Council, an institution that elects the attorney general, comptroller and other heads of state institutions. The incumbents are on the receiving end of phone calls from Brussels. All other questions are fillers to encourage an across-the-board 'yes' vote. The referendum could not wait more, as the economy is likely to remain stagnant, and this would eventually erode Moreno's support. According to CMS, his pollster, the ban on indefinite re-election will win 75 percent to 22 percent, with the rest undecided. The referendum is to take place in February. Banning a Correa return strengthens Moreno, and Ecuador needs a president who can exercise his powers. He may accumulate excessive power when he takes control of the Participation Council and places his own people in the oversight institutions. But that is still better than to have them do Correa's bidding."

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