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FEATURED Q&A

What Challenges Await Costa Rica's Next President?



Rodrigo Chaves, an economist and former finance minister, was elected Costa Rica's president on Sunday. // File Photo: Costa Rican Government.

Q **Rodrigo Chaves, an economist and former finance minister, defeated former President José María Figueres in Sunday's presidential runoff election in Costa Rica. Chaves, who ran as an anti-establishment maverick, has criticized Costa Rica's traditional political parties and has vowed to bypass the Legislative Assembly by holding public referendums. To what can Chaves attribute his victory, and what will be the main challenges he faces after he takes office May 8? What are Chaves' main policy objectives, and will he succeed in getting them implemented? What does the 57 percent voter turnout, low by Costa Rican standards, say about Chaves' popularity and mandate to govern?**

A **Carlos Denton, executive director at CID/Gallup:** "During the six months that Rodrigo Chaves spent as Costa Rica's finance minister, he discovered an entrenched and very expensive public bureaucracy that made change for the better almost impossible. The government spends 50 percent of its annual budget on salaries; this is double what any member of the Organization for Economic Cooperation and Development allocates for this purpose, and much of this in recent years has been paid out using borrowed money. During his presidential campaign, Chaves offered to streamline government and to reduce government monopolies in the energy sector. If well-organized public-sector workers oppose his actions, he has promised to use the referendum mechanism laid out in the Constitution to achieve his goals. His political party only has 10 legislators in the 57-member Legislative Assembly, and cobbling together a working majority may be difficult on

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TODAY'S NEWS

POLITICAL

Death Toll Rises to 20 in Ecuador Prison Riot

At least 20 people were killed when violence broke out among gang members at the El Turi prison near Cuenca in southern Ecuador, officials said Monday.

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POLITICAL

Castillo Imposes Curfew in Lima Amid Protests

Peruvian President Pedro Castillo imposed a curfew today in Lima, barring residents from leaving their homes, in an effort to curb violent protests over the rising prices of fuel and fertilizer.

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BUSINESS

Pires Withdraws as Petrobras CEO Nominee

Energy consultant Adriano Pires withdrew from consideration as the nominee to become chief executive officer of Brazilian state oil company Petrobras. Pires' withdrawal followed the withdrawal of Rodolfo Landim who had been tapped to chair Petrobras.

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Pires // File Photo: LinkedIn.

POLITICAL NEWS

Death Toll Rises to 20 in Ecuador Prison Riot

The death toll rose to 20 in a prison riot that happened early Sunday in Ecuador, authorities in the Andean country said Monday, adding that they had retaken control of the facility, CNN reported. Fighting broke out among inmates at the El Turi prison, near the city of Cuenca in southern Ecuador, over a leadership dispute among members of a gang known as The Wolves, Gen. Carlos Cabrera, who commands Ecuador's national police, told reporters Monday. At least 11 others were injured in the melee, CNN en Español reported. Violence has plagued Ecuadorean prisons in recent years. Last year, 316 people were killed in fighting in the country's prisons, Reuters reported. The country's prisons house approximately 35,000 people and are about 15 percent overcrowded, the wire service reported. "At this time the El Turi center is under control, but it's relative because the institution remains definitively weak," Ecuadorean Interior Minister Patricio Carrillo told a local radio station, Reuters reported. "I don't think this is just about bad relations and interior rancor, there are huge economic interests," he added. Authorities dispatched some 1,000 members of the country's security forces in order to retake control of the prison, Carrillo said, adding that inmates will be moved to different parts of the facility in order to prevent disputes among gang members.

Peru's Castillo Imposes Curfew Amid Violent Protests

Peruvian President Pedro Castillo late Monday imposed a curfew for today in Lima, barring people from leaving their homes amid violent protests over the rising costs of fuel and fertilizer, Reuters reported. "The cabinet has agreed to declare a ban on the mobility of

citizens from 2 a.m. through 11:59 p.m. of Tuesday, April 5 to protect the fundamental rights of all people," Castillo said in a nationwide address shortly before midnight. Protests over the rising fuel and fertilizer prices, pushed up by the war in Ukraine, have gone on in Peru for two weeks and have become increasingly violent. At least four people have been killed in the protests, according to Peru's government. Last week, farmers and truckers blocked some roads heading into Lima, and protesters on Monday set fire to toll booths and clashed with police officers in the southern city of Ica, Reuters reported.

BUSINESS NEWS

Nominee for Chief Executive of Brazil's Petrobras Withdraws

Brazilian President Jair Bolsonaro's pick to lead state-run oil company Petrobras withdrew his nomination on Monday, Reuters reported. Bolsonaro had tapped academic and energy consultant Adriano Pires to take over as CEO, and his rejection of the job is the latest blow to the government's succession plans for the company. "It became clear to me that I could not reconcile my work as a consultant with the presidency of Petrobras ... I realized that unfortunately I am not able to do it in such a short time," Pires said in his resignation letter sent to Bento Albuquerque, Brazil's mines and energy minister. "That is why, Minister, I am obliged to decline such an honorable invitation," Pires added. His decision to turn down the CEO position came just a day after soccer magnate Rodolfo Landim declined an offer to take over the chair position of Petrobras' board, according to the Reuters report. Bolsonaro had tapped Pires to take over as top executive after dismissing CEO Joaquim Silva e Luna on March 28 over his decision to raise prices on gasoline and diesel, and bring them more in line with global market rates. But Pires has made public his support for such a policy: "I have been publicly defending the importance

NEWS BRIEFS

Ex-Colombian Soldier Accused in Moïse's Killing Pleads Not Guilty in U.S.

Mario Palacios, a former Colombian soldier, pleaded not guilty in U.S. federal court in Miami on Monday to charges connected to the assassination last July of Haitian President Jovenel Moïse, Reuters reported. U.S. federal prosecutors accuse Palacios of participating in a plan that originally intended to kidnap Moïse but then evolved to kill him. "He is simply a soldier who was taken from Colombia to Haiti," Palacios' attorney, Alfredo Izaguirre, told reporters. "This was orchestrated by other people."

Hundreds of Ukrainian Refugees Arrive in Mexico, Wait to Enter United States

Some 400 Ukrainian refugees arrived over the weekend in Mexico through airports in Mexico City and Cancún and were transferred to Tijuana where they are waiting to enter the United States, Reuters reported Monday, citing a migration official. Approximately 30 percent of the refugees are children, said the official, Enrique Lucero, Tijuana's migration affairs director. As of Sunday, approximately 1,700 Ukrainian refugees have arrived in Tijuana in the weeks following Russia's invasion of the country, said Lucero.

Mexican Opposition Parties Threaten to Scuttle Proposed Power Reforms

A group of Mexican opposition parties threatened Monday to vote against President Andrés Manuel López Obrador's proposed power sector reforms, Reuters reported. The Institutional Revolutionary Party, or PRI, complained that López Obrador is refusing to engage in negotiations about the reforms. "It is a categorical 'no' to the regressive reform that has been presented without willingness to move even a comma," said PRI leader Alejandro Moreno.

of market rules and increased competition, in favor of consumers and society, the country's growth and investment incentives," he said in his resignation letter.

Guyana Allows Exxon to Develop Fourth Oil Field

Guyana's government has allowed oil major ExxonMobil to develop a fourth offshore oil and gas field, the \$10 billion Yellowtail Project, the company said Monday in a statement. At the same time, Exxon announced that it has made a final investment decision on the project, which it aims to produce as many as 250,000 barrels of oil per day. "Yellowtail's development further demonstrates the successful partnership between ExxonMobil and Guyana and helps provide the world with another reliable source of energy to meet future demands and ensure a secure energy transition," Liam Mallon, the president of ExxonMobil Upstream Company, said in a statement. Yellowtail will "provide the world with another reliable source of energy to meet future demand and ensure a secure energy transition," he added. The new project is expected to begin operations in 2025. The approval of the Yellowtail project adds to Exxon's Liza One, Liza Two and Payara fields, the Associated Press reported. The Yellowtail project will include six drill centers, as many as 26 production wells and 25 injection wells, Exxon said. The company, along with its partners Hess Corp. and CNOOC, began production in Guyana in 2019 and since then the consortium has discovered more than 10 billion barrels of recoverable oil, Exxon said. Guyana's approval of the project comes amid debate between Exxon and several environmental and other groups over whether enough insurance is in place in case a spill happens, the Associated Press reported. Vincent Adams, a former Guyanese environmental chief, has said Exxon must be required to have adequate insurance. However, the company has said it has at least \$2 billion on standby, along with "financial capacity to meet our responsibilities for an adverse event," the AP reported.

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these kinds of issues. The referendum, only used once to ratify CAFTA, Costa Rica's Free Trade Agreement with the United States and the other Central American countries, can be convened by a sitting president with only tax-related issues as allowed topics. Chaves won the presidency in an election where 43 percent of eligible voters did not go to the polls. This is the highest in history. Most observers believe that the extremely negative campaign (in which both the winner and his opponent participated) drove voters away from both sides. The hope is that wounds will heal quickly."

A Francisco Chacón-González, former Costa Rican congressman of the National Liberation Party (PLN) and former minister of communications: "With an abstention rate of 43 percent—slightly higher than in the first round, and high by Costa Rican standards—Rodrigo Chaves won comfortably against former President José María Figueres in a very contentious and polarized election. Without a consolidated party or team, with only two years of having returned to the country after 30 years of working abroad and with just 185 days of government experience, Chaves managed to convince the electorate that his anti-establishment and anti-corruption proposal was the best option to face the high unemployment and low economic growth that the country has been suffering for several years, aggravated by the pandemic. His triumph reflects the electorate's weariness of traditional parties—including the PAC, which governed the country for the last eight years—and the rejection of Figueres, who in the past had been accused of receiving unjustified payments from a major government contractor, although formal charges were never filed. With only 10 of 57 deputies in the Legislative Assembly, Chaves will be forced to negotiate with the opposition parties a legislative agenda that will allow him to carry out his electoral proposal, while he will have to focus on

forming his cabinet by resorting to figures outside his party, in order to reactivate the economy, generate employment and reduce the high cost of living. In his acceptance speech on election night, Chaves showed a conciliatory tone—far from the incendiary language of the campaign—and pledged to govern respecting dialogue, the Constitution and the laws."

A Eugenia Aguirre, researcher at the University of Costa Rica: "Chaves' victory is a win for views that embrace social exclusion. It was also a rejection of traditional political parties. Deep down, Chaves' rhetoric was based on anti-politics. His main challenges begin at the political level, first, rebuilding bridges with social sectors and different political groups after a highly confrontational campaign. Chaves will have to govern with a small legislative representation and with a political party that lacks

“Most of Chaves' promises would require legislative approval.”

— Eugenia Aguirre

officials trained for the purpose of assuming the work of government. Therefore, it will be understood that he will resort to a technocratic-meritocratic logic to appoint his teams with the limitations that this may imply in terms of political capability. The new government's main objectives will revolve around reducing the cost of living, eradicating corruption and improving public services, all within the framework of the necessary macroeconomic balances. Most of Chaves' promises would require legislative approval. Another urgent matter is the negotiation with the IMF to obtain the remaining disbursements that the outgoing government agreed upon with the lender. Regarding the low electoral participation, Chaves must be

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prudent as president as only 28.7 percent of the electorate voted for him. He did not win by a substantive margin of votes, and it will consequently be a challenge for him to win public support and sustain it throughout his term.”

A **Bruce Wilson, professor of political science at the University of Central Florida:** “Sunday’s runoff election revealed both the best and worst of contemporary Costa Rican democracy. On the best side, the Tribunal Supremo de Elecciones gave a master class in how to organize and run the fairest, freest elections in the hemisphere. After the polls closed and the results became clear, there were no street protests, no accusations of ‘stolen’ elections, no lawsuits contesting the result, and the losing candidate conceded quickly, accepting the legitimacy of the process. On the bad side, the quality of the two candidates contesting the runoff required Costa Ricans to choose between two very flawed candidates. The eventual winner, Chaves, is a political neophyte who was previously investigated and demoted from his job at the World Bank amid sexual harassment accusations and is currently being investigated in connection with illegal election funding schemes. The other candidate, José María Figueres was implicated, but not prosecuted, in a major corruption scandal after he finished his first term in office. Chaves ran as an anti-establishment outsider and promised to bypass the Legislative Assembly, where his party holds few seats, and instead use referendums to change laws. This is an unrealistic, laughably ill-informed, unworkable governance strategy. Referendums in Costa Rica are limited by law to one per year, and they generally take years to organize and execute. Additionally, successful referendums still require the Legislative Assembly to act to change the law, and the law clearly prohibits such votes on many policy issues that Chaves seeks to change, such as state

pensions. Also, the Constitutional Chamber of the Supreme Court has set limits on what issues can appear in a referendum.”

A **Tatiana Benavides-Santos, Atlanta-based international consultant:** “Rodrigo Chaves’ victory is, among other issues, the result of citizens’ discontent with the traditional political class and political institutions’ performance, along with the perception that governments govern for powerful groups and for their own benefit. They found in Chaves’ discourse the opportunity for a change in the way of doing politics and look to him to be the game changer in the fight against inequality. But those aspects also made abstentionism the other winner of the competition. Demographic changes have made it difficult for parties to read the new scope of citizens’ interests. Nine out of 10 Costa Ricans do not currently feel identified with any party. The disconnect between the urban and high-tech part of the country, which benefits from centralized government policies and global market hyper-connectivity, and the periphery where there are higher levels of poverty and inequality and where state institutions deliver less, has made citizens lose confidence in voting as a mechanism to improve their lives. Chaves has proposed a reduction in the size of government, and he has pledged to reactivate economic growth and reduce unemployment, as well as to fight ‘corrupted elites’ and shake the structures of privilege. However, his government will have limited power in the Legislative Assembly, having only 10 legislative representatives. He and his recently created party, the PPSD, were incapable of making any electoral alliances on the way to the runoff. Opposition parties avoided risking their political capital with an unknown candidate. Besides, Chaves’ support might not last. A major reason for his victory was rejection of Figueres rather than strong backing for Chaves as a candidate, and that support could evaporate quickly.”

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