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LADB Staff

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## Uruguayan Governing Party Hopeful for October Elections

by LADB Staff

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Six months ahead of general elections scheduled for the last Sunday in October and 60 days before the June 28 primaries when the different parties must choose their respective presidential candidates, the progressive Uruguayan government is consolidating its image. As a result, the governing Frente Amplio (FA), which, throughout the term of Partido Socialista (PS) President Tabare Vazquez, has led in voter-preference polls, is showing for the first time a majority that would give it a first-round victory, without need for a runoff.

The economy continues showing good signs amid the global crisis, and, after a brief period in which the opposition seemed to be gaining ground (see NotiSur, 2009-03-20), the government retook the political initiative and energetically took up two FA campaign promises that Vazquez had skirted until now: the right of consular vote for the hundreds of thousands of Uruguayans who left the country for political or economic exile and the annulment of a law that guarantees impunity to military and police accused of committing crimes against humanity during the 1973-1985 dictatorship.

### *President and administration get high marks*

In January and February, both the president and the government had unprecedented high approval ratings for an administration in its last year in office. In March, for the third consecutive month, a poll by British firm Equipos MORI (Market and Opinion Research International) showed President Vazquez with a 61% approval rating and his administration with 53%. For the second consecutive month, the FA had a 44% voter-intention rating, one point higher than all opposition parties combined.

For Equipos MORI analysts, the repetition of the numbers could indicate a trend that might change only if there were an extraordinary event, which no one expects. In the same vein, sociologist Eduardo Gonzalez, director of Cifra, the most prestigious Uruguayan consulting firm, said that, although the Constitution requires that the party with the most votes have at least 50% plus one of votes cast to avoid a runoff, common sense indicates that, if the numbers seen so far continue and hold in October, there should not be a runoff because the FA would have more votes than the rest of the opposition combined.

The Equipos MORI and Cifra polls showed exactly the same results. Good economic numbers help election outlook For the government, and consequently for the FA, the good political news was accompanied by good economic news. Minister of Economy Alvaro Garcia released the 2008 economic data and predicted that, in 2009, the economy would grow less than in the previous six years but still enough to continue navigating with a certain calm in the global-crisis waters. "With the influence of exports and pushed by the dynamism of investment and domestic consumption, in 2008 the economy grew 8.9%, which shows that we have successfully resisted the impact of the international crisis," said Garcia to opposition newspaper El Pais.

In 2008, growth declined in the last quarter. In the fourth quarter, GDP grew only 0.8%, but, "in the context of the global economy, it is one of the best performances that can be seen, in comparison with other emerging and Latin American countries as well as with developed countries," said Central Bank president Mario Bergara. In the last quarter of 2008, countries including the US and Brazil saw their GDP drop. "We must remain alert, but this shows the positive behavior of our economy within a strongly recessive international context," added Bergara. The statistics did not arrive alone.

In mid-March, JP Morgan bank recommended that its clients buy Uruguayan global debt bonds, which they consider "risk-free bonds," as a "safe harbor," and it praised the "discipline" and "adaptability" of the economic policies of the country in the face of external attacks. In its report Outlook and Strategy for Emerging Markets, JP Morgan said that, for the fourth consecutive month, Uruguayan debt bonds had a "superior" performance on the bank's index of global bonds.

During the same period, the European Union (EU) gave strong support to Uruguayan rice producers, the only ones in the world who have opposed the use of transgenic seeds and the devastating technology that accompanies cultivation of genetically modified organisms (GMOs). After the EU rejected US producers for mixing transgenic rice in their product, Uruguay placed its entire rice export in the European market.

### *President makes successful trip to China*

March also closed with good economic news. At the end of a week-long visit to China by Vazquez and an important group of business leaders, the president listed the achievements: a commitment for investments to develop the naval industry; an agreement to double the amount of Uruguayan wool bought by the Chinese textile industry; an agreement for a second investment by Chinese automotive company Chery to make a new model in Uruguay and experiment with vehicles that use alternative fuels (Chery is already making a low-cost car); Chinatex and Sdic signed the first commitments to buy soy and wood; various Chinese companies showed an interest in investing in the chemical and mining industries, especially in limestone deposits; the main Chinese oil companies (China National Petroleum Corporation, Sinopec, and Sinochem) sent technicians to evaluate possible exploitation on the Uruguayan continental shelf.

Despite the enormous possibilities opened up with the trip to China, the best news came from Portugal. Amid the full-blown crisis, the company Portucel ratified the decision to increase its investment in a cellulose-paste plant. This would be a US\$4 billion investment, the largest in the country's history. As an indication of the size of this figure in the context of the Uruguayan economy, in 2008, GDP was about US\$25 billion, meaning the Portuguese investment is equivalent to almost 16% of GDP. The announcement was accompanied by great praise.

"Despite the global debacle, we have decided to confirm and increase our investments in Uruguay, because of the economy's sound finances, the legal security that it offers, and the political-institutional stability that characterizes the present administration," said a spokesperson for the Portuguese company. In this context of success for the government and FA, and with negative opinion polls, the opposition seems unable to find its place and is counting on the Vazquez administration's political and economic failure.

Sen. Jorge Larranaga, one of the two presidential precandidates for the Partido Blanco, has opted for the dangerous road of apocalyptic warnings. In a country that just 24 years ago emerged from the bloodiest dictatorship in its history, Larranaga proposed militarizing the police forces to combat crime. Earlier, he had talked about implementing a "zero tolerance" policy regarding repression. His principal advisor, former economy minister Javier de Haedo, was quoted in the daily newspaper El Pais telling a group of business leaders, "Uruguay has already entered into recession." To the astonishment of his audience, he repeated the statement. No one supported his claims. For governing party Sen. Eleuterio Fernandez Huidobro, "The Partido Blanco is playing with fire."

### *FA takes up long neglected issues*

Despite its comfortable majority in Congress, in these four years the FA government could not pull together the two-thirds majority needed to amend the Constitution to give the right to vote to the more than 600,000 Uruguayans living abroad and thus make good on a key campaign promise. The opposition refused to pass the legislation because it feared that the emigre vote would help keep the progressive coalition in power.

With its legislative majority, however, the FA did open up the possibility that, in October, along with the presidential election, a plebiscite would be held to amend the Constitution and definitively establish the consular vote. There are two ways to convoke a plebiscite with the approval of two-fifths of the legislature or by collecting the signatures of at least 10% of registered voters.

Until now, the FA had also been unable to mobilize its members to obtain the 250,000 signatures needed for a popular consultation to annul the law guaranteeing impunity to members of the military who violated human rights. Finally, on April 10, FA president Jorge Brovetto affixed his signature. With that gesture, he gave the final push so that in October Uruguayans can also express their opinion regarding the future of those who kidnapped, tortured, assassinated, and disappeared people.

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