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## FEATURED Q&A

# Is Mexico Making Progress on Fighting Graft?



Mexico's Congress must approve implementing legislation in order for anti-corruption reforms passed last year to take effect. // File Photo: Kiewiev via Creative Commons.

**Q** On Jan. 27, Transparency International released its annual corruption perceptions index for 2015, ranking Mexico 95 out of all 168 analyzed. The country was the worst rated for corruption of all OECD member states, with a score of 35 out of 100—with zero meaning a country is “highly corrupt,” and a 100 meaning it is “very clean.” Last year, Mexico approved anticorruption reforms, and has set a deadline to approve implementing legislation before the end of the upcoming legislative session, which lasts until May. Is Pena Nieto’s administration addressing the right issues in order to more effectively curb corruption? What kinds of changes need to be made to existing legislation and to public institutions in order for real progress to be made on this front? In the coming year, will Mexico be more aggressive in its efforts to control corruption?

**A** Thomas P. O’Brien, partner and chair of the Litigation Department at Paul Hastings, LLP: “The success of the recent legislation will depend entirely on whether and to what extent the underlying enforcement authorities are given the autonomy and authority needed to effectively investigate and prosecute misconduct. The legislation passed last year creates the National Anti-Corruption System, which has the power to investigate and punish corrupt officials at all levels of the government. However, until the Mexican Congress passes the follow up legislation necessary to the operation of the NAS, the system will remain largely symbolic. The Congress only has a one-year period to approve this legislation. It will be important to ensure that this system receives the financial support and resources that

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## TODAY'S NEWS

### POLITICAL

## Colombia's FARC Vows to Stop Recruiting Minors Younger Than 18

The rebel group made the announcement in Havana where the guerrillas and the government are looking to conclude their peace talks.

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### BUSINESS

## U.S. Bancorp Likely to Sell Stake in Elavon do Brasil

Citigroup is already in talks to sell its 49 percent stake in the credit-card processing venture. U.S. Bancorp holds the other 51 percent.

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### ECONOMIC

## Venezuela to Ration Power to Shopping Malls

The move comes as Venezuela is grappling with a drought that has crippled hydroelectric plants. Energy Minister Luis Motta said the power rationing would only happen on weekdays.

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Motta // File Photo: Venezuelan Government.

## POLITICAL NEWS

## FARC Vows to Stop Recruiting Minors Younger Than 18

The Revolutionary Armed Forces of Colombia, or FARC, rebels on Wednesday set 18 as the minimum age for recruits into their ranks, BBC News reported. Last year, the rebels said they would stop recruiting minors younger than 17 and would discharge children under 15. Colombia's military has said that it has captured FARC fighters as young as 13. The rebels have said in the past that its youngest members were the children of rebels or joined the group after the deaths of their parents. The FARC released the statement that it would stop recruiting minors younger than 18 just weeks before a March deadline that the rebels and Colombia's government set last year for concluding the peace talks, which started in November 2012. "With an eye toward moving forward as quickly as possible toward the end of the armed conflict, today we announce to the country our decision to end the incorporation of minors 18 years of age," the rebels said in a communique read in Havana, where the talks have been taking place. At the same time, the rebels called on President Juan Manuel Santos to end compulsory military service, saying "the massive incorporation of young people into the armed forces remains ongoing," EFE reported.

## ECONOMIC NEWS

## Venezuela Begins Rationing Power to Shopping Malls

Venezuelan President Nicolás Maduro's government, in an effort to cope with a severe drought that is crippling its hydroelectric plants, began a power rationing program that will force 100 shopping malls to close for hours on weekdays, unless they can find a way to produce

their own electricity, The Wall Street Journal reported Wednesday. The three-month plan will require malls to close from 1 to 3 p.m., and then again from 7 to 9 p.m., on weekdays, according to the Electricity Ministry. Business owners have protested the mandate, saying the plan will cripple an already struggling economy. "This is completely unworkable," Jorge Puerta,

**This is completely unworkable."**

— Jorge Puerta

a restaurant so-owner in the high-end Altamira Village shopping area in Caracas, told the newspaper. "We can't just turn off the fridges for half a day." Electricity Minister Luis Motta said on state television Wednesday that the government would not apply the power cuts to weekends, and that the government was not limiting business hours. "We're just asking for self-generation," he said.

## BUSINESS NEWS

## U.S. Bancorp Eyes Sale of Stake in Elavon do Brasil

U.S. Bancorp is likely to sell its stake in Brazilian credit-card processing venture Elavon do Brasil, Reuters reported, citing two unnamed sources familiar with the matter. Citigroup has a 49 percent stake in the venture and has been in negotiations to sell it to Elo Participações, a holding company that Banco Bradesco and Banco do Brasil control. However, now that U.S. Bancorp is looking to sell its stake as well, Elo is likely to buy the entire company, one of the sources told Reuters. None of the sources said what price the company might fetch, and they added that Brazil's antitrust regulator, Cade, might slow or complicate any deal.

## NEWS BRIEFS

## Pope Arrives Friday in Mexico, Will Celebrate Mass at Border

Pope Francis arrives Friday in Mexico for a six-day visit that will conclude with a Mass at the country's border with the United States, The Wall Street Journal reported Tuesday. The Mass would be a highly symbolic act in which the pope, who has been outspoken in the past for migrants' rights, intends to show solidarity with migrants trying to cross the border. The service on Feb. 17 will be held in Ciudad Juárez, just 90 yards from the border.

## Peru Likely to Become World's Second-Largest Copper Producer

Peru is expected to surpass China as the world's second-largest producer of copper following the beginning of shipments from the Las Bambas mine, according to BMI Research, Bloomberg News reported Wednesday. Peru's copper output is expected to rise this year to 1.9 million tons, putting Peru after only Chile in production of the metal.

## CDC Sees Strongest Link Yet Between Zika, Microcephaly

The U.S. Centers for Disease Control identified the Zika virus in the tissue of two infants who died in Brazil from microcephaly, a condition in which a child is born with an abnormally small head, USA Today reported Wednesday. The discovery is the strongest link yet from the virus to the birth defect that has affected thousands of children in Brazil and other countries in the Western Hemisphere. CDC Director Tom Frieden told members of the House Foreign Affairs Committee that the discovery was the strongest evidence to date supporting the link between the two, but that it did not definitively prove that the virus causes the birth defect.

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it needs in order to be effective, as it will take some effort to permeate the day-to-day activities of Mexican officials. In any event, successful enforcement systems require independence from the political branches as well as clear authority to obtain records and testimony needed to investigate allegations of misconduct and prosecute those who violate the law. Until such a system has been authorized by the legislature and implemented, the NAS will lack the teeth necessary to truly fight corruption in Mexico."

**A** **Nicolás Mariscal, member of the Advisor board chairman of Grupo Marhnos in Mexico City:** "Mexico has various challenges to overcome in order to develop an inclusive economy, and corruption is one of them. This is intrinsically tied to the rule of law. In parallel, science and technology are advancing at a rapid rate, and their implementation will be vital to the improvement of transparency and to controlling corruption in accordance with the law. One must consider as well that the will to create action rather than words is just as important. It is at this intersection of will where corruption confronts the political framework and bureaucracy. For example, the '3 of 3' citizen initiative was voluntary last year, but this year the reform movement is looking to turn it into a law. '3 of 3' is focused on reconstructing public confidence through the commitment of the implementers and by making transactions, taxes and conflicts of interest transparent. This is easy to accomplish. The question is, why have only 367 officials supported this to date? For some, their duty is motivation enough and they do not require any additional benefit, but for others there is the rule of law. Recently, the idea has surged of linking compensation to officials enforcing anti-corruption laws, so that the benefits of controlling corruption outweigh the benefits of committing corrupt acts."

**A** **Rubén Olmos, managing partner of Global Nexus in Washington:** "As the Transparency International Report points out, one of the most urgent challenges that need attention in Mexico is combating corruption. To tackle this issue, President Enrique Peña Nieto enacted a constitutional reform regarding transparency and access to public information in 2014. On the other hand, progress regarding the implementation of the judicial reform in many of the states in Mexico has generated great advances in the professionalization of law enforcement in order to raise awareness and combat corruption in the judicial system. President Enrique Peña Nieto and his party have been working with various political forces to promote a constitutional reform that leads to the creation of a National Anti-Corruption System. This reform is aimed at building an autonomous body for the prevention, detection and punishment of corruption. This reform is a legislative priority in the current congressional session, since the secondary laws need to be discussed in order to properly implement this major tool to fight corruption. Similarly, Congress will discuss the creation of the Police Single Command, an institution that will have more direct control over the actions of the police. Nevertheless, in addition to these legal and practical changes, which are certainly a trend that will continue to consolidate over the current administration, it will be necessary to work on the development of mechanisms to promote citizen involvement, in order to achieve confidence in public institutions. It is also crucial to make public all the progress and advances made in this field in order to change the perception of corruption and opacity in the country."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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