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FEATURED Q&A

Does Sunday's Close Election Mean Trouble for El Salvador?

Q El Salvador's electoral court yesterday declared leftist Salvador Sánchez Cerén the winner of the country's razor-close presidential election. Runner-up Norman Quijano, however, can still appeal and has threatened to take the dispute to El Salvador's Supreme Court if necessary. How long will the dispute over the contested election drag on? What will the close election mean for El Salvador's next president and his ability to govern? Does the election dispute indicate El Salvador is in for a period of political polarization and dysfunction ahead? What are the biggest challenges facing the next president?

A Ricardo Cevallos, partner at BLP Abogados in El Salvador: "The dispute over the contested election, under the electoral code, cannot take long. If Arena decides to take every alternative to challenge the elections, it could take longer; but it should not take longer than June 1 because the newly elected president must take office then. Arena must consider the importance of their decision on the country's institutions. Respecting the election results, if there is no strong evidence to challenge them, would make the party stronger with its voters. A close election like this one, when combined with the first round, sends messages to everyone. We continue to be a highly polarized two-party country. Arena continues to have a strong position with its traditional followers, but also with those who fear extreme left-wing control of the country. In addition, there is no room for third-party presidential candidates and probably will not be in the near future. FMLN has probably reached its maximum number of voters, and in order to obtain more votes in the future, it will have to do things right in the eyes of the electorate. Due to this close election, the next president, aside from the challenges that the country is facing, will also have to deal with having the support of only half of the voters in the country. The new president's

Continued on page 3

Eighty Percent of Colombian Drugs Reach U.S.: General

Eighty percent of the illegal Colombian drugs headed to the United States reach their destination, Gen. John Kelly, head of the U.S. Southern Command, told members of Congress on Thursday. Kelly said the military lacks enough resources in the area. See story on page 2.

File Photo: U.S. Department of Defense.

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NEWS BRIEFS

Ecuador, Honduras Restore Diplomatic Ties

After cutting ties more than four years ago, Ecuador and Honduras announced the full normalization of diplomatic relations Thursday, Agence France-Presse reported. Ecuador severed relations over the 2009 coup that ousted leftist Honduran president Manuel Zelaya, an ally of Ecuadorean President Rafael Correa. With the recent election of Juan Orlando Hernández in Honduras, Correa said Thursday that "any vestige of this constitutional breach has disappeared," according to the report.

Chile's Central Bank Cuts Key Interest Rate by Quarter Point

Chile's central bank on Thursday cut its key interest rate by 25 basis points in a move to spur economic growth, Reuters reported. Bank officials added that they may make more rate reductions, depending on "domestic and external macroeconomic conditions and its implications on the inflationary outlook." With the latest cut, the bank has now lowered the rate by 100 basis points since October, to 4 percent. Chile's economy expanded 1.4 percent in January from the year earlier, the slowest pace in four years, Bloomberg News reported.

United Nations Names Brazilian Head of Haiti Mission

U.N. Secretary General Ban Ki-moon on Thursday named a Brazilian military commander, Lt. Gen. José Luiz Jaborandy Jr., the head of Minustah, the United Nations peacekeeping mission in Haiti, the *Miami Herald* reported. Countries who have contributed troops to the mission are to meet today to discuss a plan to reduce the size of the force.

Political News

Eighty Percent of Colombian Drugs Reach U.S.: Southcom Head

About 80 percent of the Colombian drugs destined for the United States reach their destination, the top U.S. military commander for the region told a congressional committee on Thursday, the Associated Press reported. Gen. John Kelly, head of the U.S. Southern Command, told the Senate Armed Services Committee that he doesn't have enough ships and other resources to interdict more than 20 percent of the drugs headed from Colombia to the United States. Kelly told the committee that intelligence efforts give him "very good clarity" on drug traffickers who are transporting drugs from the South American country through the Caribbean Sea and to the United States, but he added that the majority of the drugs get through. "I simply sit and watch it go by," said Kelly. "And because of service cuts, I don't expect to get any immediate relief in terms of assets to work with in this region of the world." Kelly told the senators that he would be able to stop more narcotics being sent to the United States if he had more ships that could be used as helicopter bases. Authorities generally use helicopters in the area to stop small boats carrying drugs. The United States has had a goal of cutting the amount of drugs coming from Latin America to the United States by 40 percent. Kelly added that he has about half the number of planes he needs for surveillance and uses planes including Navy P-3 Orions for surveillance. The amount of drugs being transported from the Dominican Republic and Puerto Rico has been on the increase, Kelly said. He added that drugs moving from Puerto Rico to the mainland United States are especially difficult to stop because packages can easily be shipped without customs restrictions from Puerto Rico, a U.S. territory, through the mail.

> "I simply sit and watch it go by."
>
> *— Gen. John Kelly*

Venezuela's Maduro Steps up Security Amid Latest Unrest

Venezuelan President Nicolás Maduro has ordered increased security in areas that have been hit by the worst violence amid the anti-government protests that have been occurring for a month, the Associated Press reported Thursday. Maduro made the decision in a meeting with his security cabinet, Communications Minister Delcy Rodríguez said in a posting on Twitter. Maduro said Thursday that authorities had arrested six people in connection with a rash of deadly violence in the city of Valencia. Shootings Wednesday in the central city left three people dead—a university student, a National Guard captain and a man painting his house. "We have proceeded to search the places (in Valencia) where these bandits were hidden and we have six prisoners," Maduro said in a phone call that was broadcast on state television. Though Maduro did not provide any details on the people arrested, he said that searches by the National Guard turned up "weapons, C-4 [plastic explosives], bombs." The unrest has left at least 25 people dead since the current wave of protests began on Feb. 12, the government has said. However, Venezuelan state prosecutor Luisa Ortega Diaz said Thursday that there have been 28 fatalities. The head of Venezuela's Strategic Operational Command, Maj. Gen. Vladimir Padrino López, said Thursday on state television that the military would continue working to secure areas in Valencia. "We're designing new methods to deal with this attach," said Padrino López. "It's already converting into an armed terrorist insurgency." Assailants with high-caliber weapons attacked members of the judicial police on Thursday, he added, without mentioning

Maduro

File Photo: Venezuelan Government.

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any casualties. Government supporters and opponents have blamed each other for the violence. Valencia's mayor, Miguel Cocchiola, a member of the opposition, said witnesses saw pro-government troops known as "colectivos" involved in violence in the city. There are "videos, proof" to back up the witness' accounts, he said. The fatalities on Wednesday included university student Jesús Enrique Acosta, 22, and Guillermo Sánchez, 42, who were fatally shot a Valencia working-class neighborhood, La Isabelica. Residents in the area have suffered high unemployment rates after some businesses were forced to close amid Venezuela's flagging economy. In Washington on Thursday, U.S. Secretary of State John Kerry told members of a congressional committee that, "We are trying to find a way to get the Maduro government to engage with their citizens, to treat them respectfully, to end this terror campaign against his own people and to begin to, hopefully, respect human rights in an appropriate way," the AP reported. However, Marine Gen. John Kelly, head of the U.S. Southern Command, said the situation in Venezuela is crumbling. " It is a situation that is obviously just coming apart in front us, and unless there is some type of a miracle that either the opposition or the Maduro government pulls out, they are going down catastrophically in terms of economy, in terms of democracy," said Kelly.

Company News

Carrefour Eyeing Sale of Stake in Brazilian Unit

French retailer **Carrefour** is considering the sale of a stake in its Brazilian unit, which could raise as much as 5 billion reais ($2.1 billion), Reuters reported Thursday citing an unnamed person with direct knowledge of the matter. Potential bidders for the stake could include a sovereign wealth fund and Brazilian tycoon Abilio Diniz. Carrefour believes a private placement would be preferable to an initial public offering, the source, who requested anonymity due to the private nature of the talks, told Reuters.

Featured Q&A

Continued from page 1

maneuverability will be lessened by the opposition, by the close margin win and by the make-up of Congress as it stands today. It is going to be extremely difficult, in light of Sunday's elections, for the party that wins the presidential election to control Congress next year, unless the new president does everything extremely well between now and then."

A Douglas Farah, president of IBI Consultants and senior associate in the Americas Program at the Center for Strategic and International Studies: "Sunday's very close election results, with the FMLN now the declared winner, present the nation's two main parties, which fought each other in a bloody civil war, with the most significant challenge to the democratic process since the signing of the 1992 peace accords. The elections show how deeply polarized the nation is, and the traditional tactics of each side to try to delegitimize and demonize whatever the other side does or says are now underway. This is dangerous, given the history of political violence in the country and current levels of violence. In the best case scenario, President-elect Salvador Sánchez Cerén will face the extremely difficult tasks of trying to lower violence, deal with the enormous and complex problems of gangs and restart economic growth with a very large sector of the opposition that will not only seek to block his initiatives but will question his legitimacy at every turn. Ironically, Arena lost, and ended up in a much stronger position than most initially thought possible. By running such a competitive campaign after the disastrous first round, Arena remained a weakened but still important political force. The FMLN, by coming so close to a first round victory and then barely eking out second round win, enters the process in a weakened position. The FMLN poured tens of millions of dollars of outside resources into the campaign, in addition to having all the advantages of an incumbent administration, and won by the narrowest of margins. This is an unfortunate formula for gridlock and recrimination rather than problem solving."

A Christine Wade, associate professor of political science and international studies at Washington College in Chestertown, Md.: "Prior to election day, the FMLN's Salvador Sánchez Cerén led Arena's Norman Quijano in the polls by double-digits. Given the closeness of Sunday's results (about 6,600 votes in favor of the FMLN), it's unsurprising that they would be contested. It was perfectly reasonable (if not obligatory) for Quijano and Arena to seek a recount, but some demands exceeded the legal remedies provided by the electoral code and post-election rhetoric has been unconstructive—if not reckless—at times. Unsubstantiated accusations of fraud, demanding the nullification of the elections, calling on the military to defend democracy, the suggestion of creating a parallel government—these things merely served to reinforce the polarizing nature of Arena's fear campaign and could potentially undermine respect for democratic institutions. The recount was transparent, in accordance with the law, performed in the presence of international observers and even broadcast live on the TSE Web site. Arena's will eventually abide by the results, but the polarization generated by the elections could challenge the new administration. Party polarization has been and remains an

> "Party polarization has been and remains an impediment to governance."
>
> *— Christine Wade*

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Featured Q&A

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impediment to governance. The failure to overcome it will prevent the next administration from effectively addressing the country's serious problems. Public insecurity, narco-trafficking and organized crime, economic stagnation, corruption, poverty and inequality—this is what awaits the new administration. While the parties have different ideas about how to best address these problems, they must work together to find solutions. Sánchez Cerén has already sent messages of unity to Arena and the business sector, but whether they can put aside their differences remains to be seen."

Joydeep Mukherji, senior director of Latin American Sovereign Ratings at Standard & Poor's in New York: "Regardless of the outcome, the new administration is likely to show continuity and pragmatism in economic policies. Much of the country's policy framework is anchored in international commitments (such as free-trade agreements) and reflects important policy decisions undertaken by previous governments (such as dollarization) that are difficult to reverse. Moreover, the new president will have to work with the current Congress until legislative elections in 2015, which likely means cooperating with smaller parties like GANA to pass ordinary laws. The biggest challenge facing the new president is how to govern a country that is almost evenly divided politically, and reduce the level of distrust and polarization. His ability to work with the Congress, as well as the private sector, will be a key factor. Much depends on the ability of leaders of both parties to avoid four more years of bitter conflict and agree upon a minimal common agenda to address the country's economic problems, focusing on economic growth and creating more jobs. GDP growth has been around 1.5 percent during the last five years on average, falling from nearly 6 percent in the 1990s, and around 2.3 percent in the early years of this century. The declining long-term trend in growth is a serious problem, and has contributed to large budget deficits, higher government debt, and weakening sovereign creditworthiness. The poor growth record is in large part due to the bitter political legacy of the civil war, which persists more than two decades later. El Salvador needs statesmanship to move ahead."

The Advisor *welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.*

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