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THEDIALOGUE

FEATURED Q&A

Will Haiti's Next Leader Win Office Legitimately?

Government-backed candidate Jovenel Moïse was the top vote-getter in the first round of Haiti's presidential election, electoral authorities announced earlier this month. // File Photo: Moïse Campaign.

Q Violence broke out on more than one occasion in Port-au-Prince in recent weeks as demonstrators, some wielding guns and machetes, protested Haiti's Oct. 25 presidential elections, accusing President Michel Martelly's government of fraud. Earlier this month, electoral officials announced that government-backed candidate Jovenel Moïse and former state construction chief Jude Célestin would advance to a December runoff, a decision that has drawn legal challenges. Is Haiti's electoral process fair enough for Haitians and the international community to have confidence that the country's next president will be elected legitimately? If the race is ultimately between Moïse and Célestin, which candidate has the edge? What are the most pressing concerns facing Haiti's next leader?

A James Morrell, executive director of the Haiti Democracy Project: "This election began with two strikes against it. First, the United States vetoed the nomination of Haiti's most neutral and incorruptible electoral administrator in favor of someone who had manipulated the 2010 count. Second, this substitute commissioner debased the electoral process by striking from the candidate list all the competent modernizers who would have won and by opening the voter rolls to criminals. With the list thus degraded, the electoral commission then allowed an imperfect but accurately counted election among those who remained on the list. President Martelly's name-brand candidates having been eliminated by the above selection process, it was assumed that the opposition candidates could waltz in. But the political unknown nominated as stand-in for Martelly proved to be a surprisingly

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Macri Wins Argentine Presidency

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Colombia to Release 30 FARC Rebels

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A toxic wave of mud unleashed by a deadly storage dam failure at a Samarco iron mine has reached the Atlantic Ocean in southeast Brazil, traveling 650 kilometers down the Rio Doce in 16 days.

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Eduardo Bahia, Samarco's CFO. // File Photo: Samarco.

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POLITICAL NEWS

Macri Wins Argentine Presidency by 3%

Conservative front-runner Mauricio Macri won Argentina's presidential runoff election Sunday, defeating ruling party-backed candidate Daniel Scioli by 3 percentage points with 51.4 percent of the vote, Clarín reported. With more than 99 percent of ballots counted, the former mayor of Buenos Aires won 4 million more votes Sunday than he did in the first round of polling last month. Scioli conceded the race late Sunday, phoning Macri to congratulate him. Voter support for Macri was especially high in Córdoba, Santa Fe and Mendoza. With 20 days to build his cabinet, Macri is expected to court the backing of lawmakers loyal to centrist Sergio Massa, who placed third in the first round of the presidential election last month. Analysts are describing Sunday's vote in historic terms. Macri, 56, was elected in the first runoff election in Argentina's history, and he becomes only the third non-Peronist candidate to win the presidency since military rule ended in 1983.

Macri celebrates victory. // Photo: Telam.

"This is a huge shift for Argentine politics," Juan Cruz Diaz, the head of consulting firm Cefeidas Group in Buenos Aires, told Reuters. "For years the opposition, controlled by an unsuccessful Radical Party, claimed it was impossible to govern with Peronism in opposition. Macri has a big opportunity to prove that wrong." While Macri lacks a majority in Congress, his "Let's Change" alliance now controls Buenos Aires province as well as the capital city. Addressing supporters Sunday night, Macri promised to work to "unite Argentines" and have "good relations with all countries of the world." That vision stands in contrast to the outgoing administration of President Cristina Fernández de Kirchner, which clashed with local agricultural groups, powerful media companies and frequently with the United States, with which it has had chilly relations. Although Kirchner enjoyed years of economic expansion, Macri faces a difficult landscape marked by slow growth, a high fiscal deficit, dwindling monetary reserves, capital controls that have set the stage for a potential devaluation and inflation rates, according to private analysts, exceeding 25 percent. Markets have responded positively to polls in recent weeks suggesting business-friendly Macri would win the election and put an end to 12 years of heterodox economic policy. Argentina's benchmark Merval Index has jumped 25 percent since the end of October to record highs, the Financial Times reported. Moody's Investors Service last week said Argentina's credit rating could inch up from its current junk status at Caa1.

Colombia to Release 30 FARC Rebels in Goodwill Gesture

Colombia's government on Sunday said it would release 30 members of the Revolutionary Armed Forces of Colombia rebel group as a goodwill gesture in difficult peace talks, El Tiempo reported. None of those pardoned in the group of FARC guerrillas have felony convictions, according to the report. "It's a first group, starting a process of reintegration," the government said in a press release. The government of Juan Manuel Santos also said it is looking into the health status of another 106 prisoners, according to the report. Santos announced Friday that he had dispatched his brother, Enrique Santos, as his "personal messenger" to meet with guerrilla leader Timoleón Jiménez, or Timochenko, in Havana. Talks are due to conclude by March next year. President Santos has suggested that deadline is non-negotiable, pegging his presidency to the success of the talks. Santos said in an interview last week he will face "major political problems" if the Colombian people reject a peace agree-

NEWS BRIEFS

Jamaica Unemployment Rate Falls to 3-Year Low

Jamaica's unemployment rate has fallen to its lowest level in three years, the Jamaica Observer reported Sunday. The Statistical Institute of Jamaica, or STATIN, found in its latest Labor Force Survey that the number of people employed, as of last July, rose to 1.14 million on the island, bringing the unemployment rate to 13.1 percent, the lowest quarterly figure recorded since July 2012. The data also showed a decline in youth unemployment, with the biggest increases in jobs recorded in the real estate, hotel and restaurant sectors.

IDB Approves $300 Mn Loan for Dominican Republic Social Services

The Inter-American Development Bank on Friday approved a $300 million loan to help the Dominican Republic reform its social security system and improve health care spending. The Washington-based multilateral lender said the loan will help control evasion, establish a registry of elderly people living in extreme poverty and develop a plan to provide financial education to citizens. The loan will also be used to help enact the country's law creating the National Health Service as an autonomous public entity.

Venezuelan Opposition Reports Gunfire on Candidates

Venezuela's opposition Democratic Unity coalition said on Sunday that shots were fired at one of its campaign caravans in a poor neighborhood of Caracas, Reuters reported. Miguel Pizarro, who is seeking re-election to Parliament in the Dec. 6 vote, said he and supporters were confronted by heavily-armed men wearing the logo of the ruling Socialist Party who opened fire in the Petare neighborhood. No injuries were reported.

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ment being negotiated with the rebel group, BBC News reported.

ECONOMIC NEWS

Mexico Q3 Growth Fastest in Two Years

Mexico's National Statistics Institute said Friday that the country's gross domestic product increased a relatively strong 0.8 percent in the third quarter, seasonally adjusted from the second quarter, which is a gain of 2.6 percent as compared to the third quarter of 2014, The Wall Street Journal reported. The expansion from the second quarter was the fastest in two years. "The economy continues to be well managed, the policy mix conventional and unquestionably market-friendly, and there are no signs of major domestic or external macro imbalances," Goldman Sachs analyst Alberto Ramos told clients in a research note circulated Friday. Ramos expects a slight acceleration of real GDP growth in 2016 with low inflation.

BUSINESS NEWS

Toxic Mud From Samarco Dam Burst Reaches Ocean

A toxic wave of mud unleashed by a deadly storage dam failure on Nov. 5 has reached the Atlantic Ocean in southeast Brazil, O Estado de São Paulo reported Sunday. The mud, laden with heavy metals and other waste from the Samarco iron ore mine some 650 kilometers up the Rio Doce, took 16 days to reach the ocean, where it is expected to disperse over an area of 9 square kilometers, threatening wildlife in the area such as rare nesting sea turtles, according to the report. Containment buoys placed at the mouth of the river have failed to fully capture the mud, state-run news agency Agência Brasil reported Sunday. "According to analysis carried out this morning, the efficiency of barriers installed in protected areas came to be up to 80 percent if we compare the turbidity of the water within the estuary to the main channel of the river," Samarco said. Brazil's environment minister, Izabella Teixeira, has described the spill as the worst environmental disaster in the country's history, estimating it will take 30 years to clean up the Doce basin, Australian news outlet ABC reported Sunday. "Our current environmental laws are insufficient to deal with an accident of this magnitude," Teixeira said last week. The water supply to more than 200,000 people has been tainted by the spill. The mudslide following the initial dam burst killed 12 and destroyed an entire town. At least a dozen people are still missing. The clean-up could cost more than $1 billion, according to a Deutsche Bank estimate, while environmental advocates say the costs could reach $27 billion. Facing some $260 million in immediate fines, the owners of Samarco, Australia's BHP Billiton and Brazil's Vale, hope to restart operations at the site. Samarco's chief financial officer, Eduardo Bahia, said on Friday that humanitarian support was still the company's primary focus, but executives were beginning to work on salvaging the assets in the hope that operations will resume, Bloomberg News reported. Bahia added that insurance claims would cover some of the costs stemming from the incident.

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good campaigner with a positive message. He rushed ahead to grab the largest number of presidential votes. This has put the traditional political class, who thought they had it all wrapped up, into a tizzy, as reflected in the rancorous street demonstrations. Now, had the original upright commissioner blocked by the United States overseen this process, the commission would have the prestige to easily ride out these challenges. But the choice of the 2010 intriguer cast the electoral commission upon the sea of politics, where it is just one intriguing actor among many, and this could go anywhere in a place where allegiances shift with lightning speed. Whoever ends up on top will have impaired legitimacy and probity, implying another tough five years for the Haitians who have to live under such rulers. But if the United States can take away the lesson that it is better in Haiti just to have a free election and let the chips fall where they may, then the sacrifice of this year's election may not be totally in vain."

> **"It's imperative that an independent commission shed light on the mess."**
>
> **— Raymond Joseph**

Raymond A. Joseph, former ambassador of Haiti to the United States: "Despite denunciations by Haitian civil organizations of the Aug. 9 legislative elections which were marred in blood, the international community approved them, while suggesting the Provisional Electoral Council (CEP) do better next time. It's generally agreed that the Oct. 25 vote went smoothly. Based on exit polls, the Brazil-based Igarapé Institute said 82 percent of voters agreed with the statement 'As far as I can see, this election is fair, there is no fraud.' After the CEP released preliminary results on Nov. 5, the institute said nearly 90 percent disagreed with the previous statement. Only 6 percent said they voted for Jovenel Moïse, President Martelly's hand-picked candidate. This would have put him fourth among 54 presidential candidates. But the CEP placed him first with 32.81 percent of the vote and Jude Célestin at 25.27 percent. Meanwhile, the CEP refused the demand of seven leading presidential candidates who asked for an independent commission to verify the vote.

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Officially, however, the CEP acknowledged it detected 296 fraudulent presidential tally sheets that were supposedly set aside. Subsequently, that was revised to 490. The CEP and the government have lost credibility. It's imperative that an independent commission shed light on the mess. Haiti faces turmoil. Police dispersed a mammoth demonstration on Nov. 18 in Port-au-Prince with tear gas and rubber bullets. Senator Steven Benoit, a presidential candidate, bled from a shot that struck near his temple. Célestin affirms that he won't participate in a second round without a revision of the vote. Will the international community accept 'King Jovenel I?'"

Robert Maguire, professor at The George Washington University's Elliott School of International Affairs: "On Oct. 25, voters cast 1.5 million ballots for 54 candidates in the first round of the presidential election, a turnout of about 26 percent among Haiti's 5.8 million registered voters. Before the vote, election authorities distributed 915,675 accreditation passes to political party monitors allowing them to enter polling places and stand next to people as they voted. Monitors were among those voting in some cases, allegedly, multiple times. Others sold their credentials. Within this context, allegations of fraud surfaced immediately. They were reinforced when the announced results placed Martelly's candidate in the lead by a considerable margin, an outcome disputed last week in a report by the respected Brazilian Igarapé Institute. International actors, who injected themselves as arbiters of Haiti's 2010 presidential ballot, have thus far offered support of the 'peaceful' 2015 exercise. Does one simply accept fraud when it is peaceful? As Haiti once again descends toward chaos with increasingly large post-election protests, a dangerous game is being played, with no clear or easy path out of the crisis. Election officials have rejected requests by opposition candidates for an independent commission to verify preliminary results. Eight leading candidates are now united in opposition to what they consider an electoral charade. Logic suggests that should the scheduled runoff occur and the opposition remains united, it will win. Politics and elections in Haiti, however, are known for defying logic."

> **"Does one simply accept fraud when it is peaceful?"**
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> **— Robert Maguire**

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at **gkuleta@thedialogue.org**.

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Financial Services Advisor
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