

# Figueres: Foreign Investment Key for Haiti

By Larry Luxner

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SANTO DOMINGO – José María Figueres, who led Costa Rica from 1994 to 1998, is no stranger to challenges. As president, he brought Intel to the country and spearheaded the creation of a national cluster of high-tech exports, transforming the nation's economy.

But Costa Rica never faced the kind of overwhelming challenges now plaguing Haiti, the poorest nation in the Americas.

Cursed by dictatorship, rampant corruption, foreign interference and natural disasters throughout its long history, the hemisphere's first independent black republic suffered a catastrophe of biblical proportions Jan. 12, 2010 – the day a magnitude-7.0 earthquake struck Port-au-Prince, killing more than 200,000 people and leveling much of Haiti's capital city.

The quake devastated Haiti's economy, but Figueres thinks he can make a difference. Last month, the 56-year-old former politician was appointed to the eight-member Strategic Initiatives Committee of Haiti's recently created Presidential Advisory Council for Economic Growth and Investment (PACEGI). The council is co-chaired by former U.S. President Bill Clinton, the United Nations special envoy to Haiti, and Laurent Lamothe, a senior adviser to Haitian President Michel Martelly.

"I'm a firm believer that direct foreign investment plays a pivotal role in the development of small countries such as Haiti and Costa Rica," said Figueres, speaking to The Tico Times on the sidelines of the 12th Biarritz Forum, an annual gathering of European and Latin American leaders held this year in Santo Domingo, in the Dominican Republic.

The Oct. 13-14 event was attended by nearly 1,000 people from 18 countries and addressed by Martelly and Dominican President Leonél Fernández, as well as Figueres and fellow ex-presidents Antonio Saca of El Salvador; Martín Omar Torrijos of Panama; Vinicio Cerezo of Guatemala; Ernesto Samper of Colombia, and Juan Carlos Wasmosy of Paraguay.

Asked what led him to join the international effort to help rebuild Haiti's economy, Figueres explained: "For many years, I have been involved with a Spanish international organization called DARA, which specializes in measuring the impact of humanitarian policies, programs and projects, with the belief that if we don't measure what we do,



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*Helping Haiti: Ex-Costa Rican President José María Figueres speaks during an Oct. 13 forum in the Dominican Republic.*

we can't achieve progress," he said. "Through DARA's association with Haiti, we became aware of this effort led by President Martelly and his collaborators to pull together this investment council for Haiti."

The new panel, unveiled Sep. 8 in Port-au-Prince, aims to expand Haiti's economy by attracting foreign investment. Martelly says he wants to create 500,000 jobs over the next three years, and repeatedly tells audiences that "Haiti is open for business."

Figueres – a Harvard graduate who joined the World Economic Forum shortly after leaving the presidency and later became its CEO – said he's very impressed with the caliber and depth of experience of his colleagues on Haiti's Presidential Advisory Council. Besides Figueres, the 32-member board also includes the former leaders of Spain, Jamaica, Bolivia and Colombia, as well as bankers and executives with expertise in energy, media, tourism and real estate.

But Figueres warned that the road ahead is not going to be an easy one for Haiti, where an estimated 600,000 people are still living in makeshift tent cities nearly two years after the earthquake.

"There are three sources of funds to spur development," he explained. "One is indebtedness, and neither Costa Rica nor Haiti have much flexibility there. The second is investing our own savings, but being small countries, we're limited by the amount we can harness. And the third is by investing

the savings of the world, or foreign direct investment.

"One has to be able to create the climate to attract FDI. Beyond that, it's also important to recognize that when we compete for FDI, we don't compete with our neighbors, or those who are in our league. We compete with the rest of the world. So benchmarking ourselves with the best is not only a valuable exercise in terms of jump-starting our development, but is also a necessary condition for investment.

Asked which countries Haiti should emulate, Figueres immediately named three that have little in common with the struggling Caribbean nation: Singapore, Ireland and Israel.

"It's not going to happen overnight, but why not aspire to compete with the best?" he said. "Why not set our goals in that direction? Why not do things in such a way that over a period of time, we are recognized for those aspirations, and our brand begins to be associated with the brand of those countries?"

As president of Costa Rica, Figueres lured Intel to set up a giant \$300 million semiconductor assembly and test plant on the outskirts of San José – an operation that today accounts for 20 percent of Costa Rica's annual export earnings and 5 percent of its GDP.

Together with Nicholas Negroponte and Jeffrey Sachs, Figueres established the Digital Nations Program at MIT's Media Lab. He later helped create and lead the U.N.'s Information and Communication Technologies Task Force, first as special representative of the U.N. secretary-general, and later as chairman of the ICT Task Force.

What can Haiti learn from Costa Rica, we asked Figueres.

"Begin by establishing very clearly what our comparative advantages are, and building around those comparative advantages," he replied. "In the case of Haiti, nobody better than Haitians will know what they are. Another important element is to recognize from the outset that these strategies of national competitiveness are too important to be left in the hands of governments alone."

One of the strengths of the Strategic Initiatives Committee is the fact that it draws from the business, political, philanthropic and educational communities.

"We need to create investment strategies with the active participation of the business community and civil society. We need our universities to come out of their walls and participate, and of course we need govern-

ment," he said. "These initiatives should become state policy, not be aligned with one particular government."

One initiative Figueres isn't too happy about is Martelly's plan to reconstitute the Haitian Army, which was demobilized in 1995 and eventually replaced by the United Nations Stabilization Mission in Haiti (known by its French acronym, Minustah).

Minustah's current annual budget is \$793.5 million, up from \$570 million before the earthquake, and the mission currently has 12,242 uniformed personnel – nearly double the 6,940 it had back in October 2009. That includes 8,718 troops and 3,524 police officers. Minustah also employs 564 international civilian personnel, 1,338 local civilian staff and 231 U.N. volunteers throughout the Caribbean nation.

But Minustah has not been received warmly by many Haitians – to put it mildly – and its continued presence in the country remains a matter of enormous controversy.

A cholera outbreak that has killed some 6,000 people in a country that hadn't seen cholera in half a century is widely believed to have been brought to Haiti by Nepalese peacekeepers serving under the U.N. flag. And a recent incident involving four Uruguayan soldiers accused of raping a teenage boy enraged Haitians, sparking violent protests in Port-au-Prince.

Yet in Haiti, talk of reviving the army inevitably dredges up memories of the dictatorship of François "Baby Doc" Duvalier, who used the armed forces not to protect Haiti from external threats but to suppress internal dissent.

Figueres says that instead of reconstituting the army, President Martelly should follow the example of Costa Rica, which abolished its armed forces in 1948.

"My impression is that for a country like Haiti, with so many demands, to now begin to think of taking resources away from development to allocate to the building of an army makes no sense," said Figueres, a 1979 graduate of the U.S. Military Academy at West Point.

"The world today is about making friends, not enemies; establishing alliances, not differences. The wars we have to fight are the wars against malnutrition, disease and mediocre education," Figueres told us. "For that, we need an army of a different type. For smaller countries like Costa Rica and Haiti, and others in the region, the best proposition is: take care of personal safety issues with a good police force, and outsource your defense to the United States." ■

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