Indonesia Investments

‘Will the US Election Results Impact on Indonesia?’

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10 NOVEMBER 2020

Van Der Schaar Investments B.V.
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Update – 10 November 2020

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Preface

In addition to our reports, Indonesia Investments sends updates on key economic, political or social developments to our subscribers to make sure that our subscribers do not miss out on vital information. The topics in these updates will be discussed in more detail (and in an updated form) in our forthcoming report.

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Trump or Biden in the White House? Will It Matter for Indonesia?

The 2020 United States (US) presidential election, held on 3 November 2020, was a fascinating one. The battle between incumbent US President Donald Trump and his rival Joe Biden (the Democratic Party’s candidate) was so close that election night ended without a clear winner. For those who favor one candidate over the other, it was (and is) an emotional roller coaster. For Indonesia Investments, which takes a neutral stance in the election, it is simply a fascinating course of events.

In fact, for a while, live vote counting results reported by The Associated Press made developments look very similar to the 2016 US presidential election when Trump defeated Hillary Clinton despite the fact that the latter could rely on more popular votes. While Trump was behind in terms of electoral votes in his race against Biden (based on calls made by a consensus of media outlets), Trump seemed to have a 2-4 percent edge in the key remaining states – Wisconsin, Michigan, Pennsylvania, and Georgia – after around 75-85 percent of the votes in these states had been counted.
If in line with expectations (based on the live vote counting results) these four states would indeed go to Trump, then the victory would be his. Moreover (based on our experience in covering elections in Indonesia), when 70-75 percent of the votes have been counted, there are usually no significant shifts anymore. At most, a 1-2 percent difference can be undone. This is why – in the later stages of the unofficial vote count – we started to expect Trump would be awarded another term in the Oval Office.

Remarkably, however, the four abovementioned states where the incumbent had a (seemingly safe) 2-4 percent lead in The Associated Press’ live count, went to Biden in the very last stages of the counting process. If this had happened in one state only, it would be remarkable but acceptable. When it happens in four states at the same time, then – from Trump’s perspective – we can certainly understand the difficulty of accepting this course of events, particularly because (based on various reports in US media) it were the postal votes that managed to swing the outcome into Biden’s favor in these four states.

This is unfortunate because over the past century, many analysts and scholars argue that postal voting is vulnerable to fraud. That is also the reason why many countries limited postal voting (for example by only allowing those nationals who live abroad to vote by mail). However, over the past couple of decades, an increasing number of countries have eased such limits on postal voting. For example, by allowing those

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2 https://en.wikipedia.org/wiki/Postal_voting
who are old, sick, and disabled to vote by mail. This is particularly relevant now the world is battling the COVID-19 pandemic. And another reason why countries seem increasingly open-minded to postal voting is that evidence suggests it leads to higher turnout (which should in fact strengthen democracy).

It is also important to emphasize here that – although postal voting is indeed more vulnerable to fraud –, it would remain extremely difficult to succeed in coordinated, large-scale postal voting fraud. In fact, if that occurred, it should be relatively easy to detect such massive postal voting fraud.

That is why we are not concerned about the state of US democracy. It is unusual to see four states swing to Biden in the very last stages of the counting process when it were the postal votes that were being counted (implying that for some reason Biden supporters were more willing to vote by mail). However, not only would it be very hard to pull off postal voting fraud (going undetected) on such a large-scale, it should also be fairly easy to be detected during an investigation.
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JULY 2020 – 1ST EDITION

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