

# ELECTION YEAR 2006: LATIN AMERICA AT THE CROSSROADS?

ed.

Pavína Springerová

Lenka Špičánová

Jan Němec



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## **ELECTION YEAR 2006: LATIN AMERICA AT THE CROSSROADS?**

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**Designed by** Side2

**Printed by** BCS, s. r. o.

**Association for International Affairs (AMO)**

Žitná 27

110 00 Praha 1

Tel./fax: +420 224 813 460

info@amo.cz

www.amo.cz

© AMO 2008

ISBN: 978-80-87092-03-3

This book was written within the „Specific Research“ grant project  
No. 2109/03/2007, Faculty of Arts, University of Hradec Králové.

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# INTRODUCTION

**Pavína Springerová**

**Lenka Špičanová**

**Jan Němec**

Latin America has only exceptionally enjoyed such intensive interest as in 2006, the year of a series of presidential elections that took place there. Within the short period of fourteen months, from January 2005 to December 2006,<sup>1</sup> they took place in twelve Latin American countries and in nine of them simultaneously, or in that period parliamentary elections were held as well.<sup>2</sup> Presidents were elected in Bolivia, Brazil, Chile, Ecuador, Haiti, Honduras, Costa Rica, Columbia, Mexico, Nicaragua, Peru and Venezuela. In recent decades, such a concentration of elections occurred in Latin America only in 1989 and 1994. In those years presidential elections took place in nine (1989) or eight (1994) countries (Zovatto 2007: 1). The year 2006, however, was indisputably the most intensive election era from the beginning of the third wave of democratization (Mainwaring, Hagopian 2005), which started in Latin America in the late 1970s and culminated during the next decade.<sup>3</sup>

The presented book aims at providing an analytical view of select Latin American elections in 2006. Another motive for writing the book was the fact that an unusually long (though not quite consistent) series of left-wing candidates' triumph started, which since the end of 2005 evoked many contradictions and often much simplified conclusions and responses. At first sight it might appear, and it is often presented like that, that this period was a great failure of rightist and centrist policies. A second look however, already will warn against this simplifying interpretation of the results of presidential elections in Latin America. When speaking of Latin America as a whole, in the first place we must have in mind its enormous structural heterogeneity: economic, political and social.<sup>4</sup> With this socio-economic variety are connected the ideological and political differences of the newly elected left-wing candidates – their ideological differences are often stronger than their similarities. As we said above, the year 2006 cannot be interpreted merely as an overwhelming victory of the Left because there are many new aspects and indications which show the relevant strength of a central and rightist policy (see e.g. the win of Álvaro Uribe in Columbia and of Felipe Calderón in Mexico).

We will attempt to look at the transformation of the political map of Latin America in a complex way. The structure of this work is adapted to it and so the introductory part deals with the historical context of the development of Latin American

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1 In this book the period is restricted to the time from December 2005 to December 2006, which eliminates Honduras from our analysis because the presidential elections there took place in November 2005.

2 In 2003 and 2004 only 13 % of the population of Latin American went to presidential elections, while in 2006 the percentage was 85 % (Zovatto 2007: 1 and 11).

3 Until 1990 practically all countries had a government elected in competitive elections (Mainwaring, Hagopian 2005: 1).

4 For more details see Zovatto 2007: 2–3.

countries. The next eight case studies represent the whole range of new regimes – from radical nationalist-populist regimes,<sup>5</sup> through the Left of the social-democratic variety<sup>6</sup> to the success of the Right.<sup>7</sup> In the selection of the case studies, three basic criteria were applied: time coincidence, geographical representation, and relevance of the countries to their political and economic position in the region and the specific features of each political system, as they were revealed in the elections (for the survey of elections see Table 1). Each case study concentrates on an analysis of the pre-electoral situation, introduces the main political figures, analyses the course of the electoral contest and last but not least examines the causes of the electoral results in particular countries. The final part is a synthesis of the thoughts on the course and impact of the elections and on the power and weakness of the regional integration, it contemplates other alternatives and outlines the solutions offered by the present-day distribution of political power.

As regards time specification, we analyse presidential elections held between December 2005 and the end of the year 2006.<sup>8</sup> In the complex analysis, the three most important players in the Latin American region cannot be missing – Brazil, Mexico and Chile. The elections in these three countries were carefully watched. In Brazil, the president in office, Luis Inácio Lula da Silva, contested the social-democratic<sup>9</sup> rival Geraldo Alckmin and the question was whether Lula succeeds in defending the enormous gains from the 2002 elections, when in the second round he obtained more than 60 % of votes. In Mexico, the rightist candidate Felipe Calderón<sup>10</sup> encountered the candidate of the leftist coalition *Por el Bien de Todos*, Andrés Manuel López Obrador. In Chile it was necessary to count with the possibility that the rightist coalition *Alianza por Chile* may get rid of its post-Pinochet shadow and defeat the *Concertación* coalition, ruling since the fall of the Chile dictator, but in the end this did not take place because of the controversies within the coalition.

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5 In this case it is mainly Venezuela, Bolivia, Ecuador and Nicaragua.

6 It is mainly Chile and Brazil.

7 Here we have in mind Mexico (from the countries analysed by us). In addition to Mexico, rightist or centrist parties also won in Honduras (November 2005) and in Columbia (May 2006). See Zovatto 2007: 10.

8 From this period only the elections in Costa Rica, Haiti and Columbia are left out.

9 In Brazil, the nominal social democracy (Party of the Brazilian Social Democracy, Partido da Social Democracia Brasileira), for which G. Alckmin was the candidate, is a neo-liberal and so rather a middle-rightist party. A similar deviation from the traditional conception of social democracy can be found, due to the specific local historical development, also in the party system of Portugal.

10 Felipe Calderón represented PAN (Party of National Action, Partido Acción Nacional), the first party to succeed in defeating, after more than seventy years, the presidential candidate of PRI (Institutionally Revolutionary Party, Partido Revolucionario Institucional), when in 2000 the PAN candidate Vicente Fox won.

**Table 1 Survey of all presidential elections in chronological order from December 2005 to December 2006**

Country	Election date	Winner/candidates advancing to the 2nd round
Chile – first round	11 December 2005	Michelle Bachelet, Sebastián Piñera
Bolivia	18 December 2005	Evo Morales
Chile – second round	15 January 2006	Michelle Bachelet
Costa Rica	5 February 2006	Oscar Arias Sánchez
Haiti	7 February 2006	René Préval
Peru – first round	9 April 2006	Ollanta Humala, Alan García
Peru – second round	4 June 2006	Alan García
Columbia	28 May 2006	Álvaro Uribe
Mexico	2 July 2006	Felipe Calderón
Brazil – first round	1 October 2006	Lula da Silva, Geraldo Alckmin
Ecuador – first round	15 October 2006	Álvaro Noboa, Rafael Correa
Brazil – second round	29 October 2006	Lula da Silva
Ecuador – second round	26 November 2006	Rafael Correa
Nicaragua	5 November 2006	Daniel Ortega
Venezuela	3 December 2006	Hugo Chávez

Source: information provided by the web pages of the national electoral organs

From the aspect of the specificity of the regime we cannot omit two nationalist-populist countries – Venezuela and more recently Bolivia, which since the arrival of Morales try to come closer to the alternative of Chavez’s Bolivarian socialism, with its heavy admixture of *indigenism*. Correa’s victorious drive in Ecuador can be linked with the two regimes, too. From the aspect of geography we chose two states from *Cono Sur* (Brazil<sup>11</sup> and Chile), four countries from the Andes (Peru, Bolivia, Ecuador and Venezuela), and two Central American countries (Mexico, Nicaragua). From the aspect of ideology, in the book are presented all political and ideological streams which during the period under study achieved a victory. Except for Mexico and Columbia, which is not dealt with in this book, the whole twelve months were marked by the victory of the Left. However, as it was suggested above, it is necessary to emphasize the difference between the victory of radical politicians, who can be regarded as inheritors of the historical Latin American populism, and, the

11 The region Cono Sur usually includes the following Brazilian states: Río Grande del Sur, Santa Catarina, Paraná and São Paulo.

victory of the modern Left,<sup>12</sup> inspired by the European Social Democratic model. The first type is a closed Left, nationalistic, based on populism, demagoguery, radicalism, which even has a revolutionary character, exploits social tension and the polarization of social problems, lack of education in the native population, and other Latin American ailments, the removal of which it promises. The prize to be paid for this “treatment”, however, can be too high. The moderate Left of the Social Democratic variety originally had radical roots too, but now it stresses gradual reforms, avoids confrontation, is being open and represents no threat to democratic development.

Presidential elections brought most interesting results. The first special feature is the election of several controversial politicians. In two cases after they came to power, in their previous presidential terms they brought their country to the brink of economic or political disaster (Alan García in Peru, Daniel Ortega in Nicaragua). The top executive offices were won or kept by old visionaries (Evo Morales in Bolivia, Hugo Chávez in Venezuela), at the same time, however, supporters of the modern Left were able to assert themselves, in Chile it was even a woman (Michelle Bachelet). Last but not least, it should be emphasized that in the period under study even the Right was a winner – Felipe Calderón in Mexico (though this victory was very close and was disputed by the defeated party).

Another important aspect is connected with the often mentioned thesis of the radicalization of leftist policy in Latin America. This statement, however, can be made relative by the defeat of two radical politicians – in Peru the ultranationalist Ollanta Humala<sup>13</sup> and in Mexico López Obrador. The elections and the defeat of Humala and Obrador made some analysts or even politicians claim that Latin America is not turning to the Left but to the moderate Centre and to democracy (Arias 2006<sup>14</sup>, Zovatto 2007: 10–11).

The results of the presidential elections, however, show fairly clearly an increase in regional splitting. While in Brazil and Mexico the North – South split prevails, in Bolivia it is the West – East division, and in Ecuador and Peru the division follows the geographical zones coast – mountains – lowlands or rain forest. The

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12 Jorge Castañeda calls these two leftist visions revanchism and modernism (for more details see Castañeda 2006).

13 Humala won in the first round of the presidential elections with a gain of more than 30% of votes (ONPE).

14 The president of Costa Rica, Oscar Arias, says in his article: “*The governments of most South American and all Central American nations are strikingly moderate, a radical change from the ideological polarization I encountered when I was first elected president 20 years ago.*” He does not give up his idea of a Latin American shift towards moderation and democracy even after the victory of Morales, which he interprets as a product of pure and free elections. The victory of Morales is in his view in harmony with the trend toward the Left, while the Indian ethnic represents a shift toward democracy (Arias 2006).

role of the growth of indigenous movements is important as well; this *indigenism* is the strongest in countries with a large share of Indian population – in Peru, Bolivia and Ecuador.

## OUTLINE OF THE HISTORICAL BACKGROUND

The contemporary situation in Latin American countries has very deep roots that reach back to the Spanish and Portuguese colonial era, when the foundations were laid for the inequality in social and economic relations, the consequences of which are being felt to this day. The post-colonial development, however, except for political independence, failed to bring positive fruits to the regions. The new states were politically unstable, in economy they got under the influence of British capital, and American political and economic interference (especially in the Caribbean) restricted the autonomous development of many countries.

In an examination of the development in Latin American countries it is necessary to consider the effect of structural political and economic aspects, including the existence of particular cultural and social stereotypes, which have a long-term effect on the formation of the individual systems. Among the burning problems of Latin American society, there has always been the unsolved land reform, exclusion of indigenous population from economy and politics, social exclusion linked with great poverty, the non-existent or very weak middle class, the dominance of elite political parties, etc. Latin American politics also suffer by such long-term problems as political militarism, populism, civil wars, struggles with guerrillas and drug cartels.

In the days of the return of democracy to Latin America (especially in the 1980<sup>s</sup>), specialists asked many questions and had various doubts about the democratic potential and the chance of maintaining democratic institutions in the countries with prevailing poor social and economic situation. The democratizing countries faced numerous challenges, important enough to raise fears about the next development. In fact, however, many states, in spite of their great problems, managed to preserve the democratic direction. Even the so-called unexpected democracies succeeded in this, e.g. Bolivia, one of the poorest countries in the subcontinent.<sup>15</sup> In some countries, however, democracy finally had to bow under the pressure of political

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15 The concept “unexpected democracy” is used by Mainwaring and Hagopian in connection with the establishment of democratic or semi-democratic regimes in those countries that suffered by great structural difficulties – for instance the consequences of a civil war, ethnic splitting, unjust redistribution of land, etc. The transition to democracy or its taking root seemed therefore highly unlikely in those countries, e.g. in Bolivia, Salvador and Guatemala (Mainwaring, Hagopian 2005).

and economic failures, when the governments failed in securing economic growth and cutting the poverty rate, and often faced the increasing pressure of civic violence. In several cases, mass protests, interventions of the army in political affairs or legislature led to the removal of presidents from office – e.g. in Brazil (1992), Ecuador (1997), Argentina (2001), Bolivia (2003) (Mainwaring, Hagopian 2005: 2). Nonetheless, it can be argued that from 1978 on experts observed and increasingly respected the surprising but continual process of democratization which was only sporadically disturbed. In spite of these problems it remains an interesting fact that Latin America is the only region of the world which combines a democratically elected government (with the exception of Cuba) with a high degree of poverty and socio-economic inequality (Zovatto 2007: 2).<sup>16</sup>

A fundamental prescription offering treatment to Latin American economies was provided in the 1980s by neo-liberalism,<sup>17</sup> which began to gain ground by the removal of barriers to the movement of capital and the subsequent increase in investments from abroad, the abolition of custom duties, and rapid privatization. At the same time, however, these radical measures brought about a reduction of state expenditure, for example in the social area. The goal of the neo-liberal economic policy was the creation of a prospering, in many countries as yet minimal or non-existent middle class. In countries with backward technology and with heavy debts, a poor system of education, and an infrastructure of inferior quality, this neo-liberalism failed, however.<sup>18</sup> Although in many countries the macro-economic indexes told of a positive development, the lower classes became increasingly impoverished. Especially, the deepening of the economic and social differences, a high unemployment rate and a great number of people living under the poverty line,<sup>19</sup> the omnipresent corruption, clientelism, and concentration of power in the hands of the small elites are often regarded as major impulses for the increase in the preferences of leftist political parties.

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16 The annual report *Panorama Social* published by CEPAL (La Comisión Económica para América Latina y El Caribe) says that the percentage of poverty in Latin American countries decreases: while in 1980 in Latin America 40.5 % were poor, in 2006 the figure was 36.5 %, but in absolute numbers it is the reverse because the number of the poor rose from 136 million in 1981 to 195 million 26 years later (Couffignal 2007: 245; CEPAL).

17 Especially at the turn of the 1980s and 1990s Latin American economies abandon the protectionism and accept the principles of the open market but simultaneously they have to resist the consequences of their huge debts and high inflation (Couffignal 2007: 243).

18 Naturally there are also inner risks of the neo-liberalism itself – e.g. the departure of profits to the country of the foreign investor.

19 The UN report of 2005 points out that Latin America and sub-Saharan Africa are among the regions most severely hit by economic inequality and poverty. From the total number of 550 million of the population, 100 million live on less than one dollar per day and with no access to health care and education (Painter 2005).

The rising popularity and the electoral success of left-wing political parties in Latin America cannot be of course judged from the economic perspective only and at the same time the simplified statement cannot be accepted that the Left wins in those countries which are economically and socially much worse off. From a more long-term aspect, an important role was also played by the major transformation of the geopolitical position of the whole region. With the termination of the cold war and the split-up of the Soviet Union, Latin America no longer could be seen as a possible bridgehead of communism and a region that should be defended at any cost against the onset of leftist regimes. Leftist parties got rid of this stigma and began to develop in a standard way without taking a special attitude to this or that great power and ideology. With this is connected the consolidation of democracy, especially plurality and competition of political parties in regular elections, which after the period of dictatorships and military regimes in Latin America finally took root and opened the road to power to leftist subjects as well.

At present one should ask whether the success of left-wing parties (often linked with radical rhetoric) can become a distinctive and more permanent feature of the future development or whether it is only a matter of the momentary distribution of power and a reaction to the social and economic problems. Another question is whether the rise of the radical Left can be a threat to the democratic character of some Latin American political systems or even a menace to regional security. Recent experience shows that radical leftist political elites have some anti-democratic potential available. The strengthening of these trends is often linked with the so-called Chávez effect, due to which the president of Venezuela to some degree intervened with the electoral contests in Mexico, Peru, Nicaragua and Bolivia.<sup>20</sup>

In conclusion it can be said that the 2006 elections emphasized many questionable aspects of Latin American politics, brought many challenges and some positive information. Among the long-term questionable aspects of Latin American democracies is indisputably the co-existence of a strong presidential system with the prevailing multipartism, or the difficult coexistence of presidents with the legislative, and the difficulty in obtaining support for the government in parliament.<sup>21</sup> Presidential contests on one hand are the indisputable success of the leftist candidates, on the other hand one should notice other (though at this time partial) aspects of the development – the victory of right-wing candidates in Mexico and Columbia, good electoral results of the central-rightist Alckmin in Brazil, and the

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20 Let us remind you only that in the case of Mexico and Peru the intervention by Chávez did more harm than good to the leftist or radical candidates, at least from the voters' point of view.

21 Presidents mostly have no parliamentary majority available, except for in four countries (Venezuela, Bolivia, Chile and Columbia), in the case of Bolivia it is only a majority in the Chamber of Deputies and in the case of Chile the whole centrist-leftist coalition plays the decisive role.

victory of the businessman Noboa in the first round of the presidential elections in Ecuador.

Among the assets of the wave of elections is the preservation of democracy, here we have in mind especially the electoral democracy, when all the elections except for Mexico took place without any incidents. Opinion polls also reveal that satisfaction with the democratic system is on an increase among people,<sup>22</sup> which in combination with the positive macro-economic development creates favourable conditions for a more durable political and economic stability in Latin America. Worth noticing is also the high voter attendance (except in Mexico and Columbia), which is largely due to the compulsory voting prescribed by law.<sup>23</sup> Among the great challenges to the whole region is clearly the rise of populism (no matter whether leftist or rightist), which to some degree has replaced the threats of coups or Army intervention in politics, threats that had lasted for many decades.

Thus it is with suspense that we watch the course of the future electoral term, when we shall see how much the newly elected, mainly leftist politicians, keep their pre-election promises and especially, by what means they try to remain in power. Only a prolonged observation will enable an assessment of the contemporary “turn toward the Left” found in Latin America.

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22 For more details see *Latinobarómetro* 2006.

23 In four countries only – Mexico, Venezuela, Columbia and Nicaragua – there is no compulsory voting (for more details see Couffignal 2007: 242).

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# WINNERS AND LOSERS: A HISTORIAN'S VIEW OF LATIN AMERICAN DEMOCRACY AND ELECTIONS

Jan Klíma

*Con libertad no ofendo ni temo.*

Artigas

The history of the Latin American continent acquired special features by melting European, American Indian and African political culture.<sup>1</sup> Thus, very different opinions concerning political superstructures entrusted by governing local communities and emerging new nations were juxtaposed to struggle in human minds and in practical social life. After the colonial period had terminated, the development of free Latin America was very unequal and uneven, altering times of glory with periods of decadence.<sup>2</sup> Political leadership was supposed to contribute to progress and reconciliation; the governmental practice was in reality, however, a frequent obstacle to welfare and success. As the new Latin American states adopted a republican system based on regular elections, democracy seems to have had a good chance to become firmly rooted in Latin American nations during two centuries. No doubt, special geographical, social, racial, cultural and other conditions have given Latin American democracy a particular shape.<sup>3</sup>

Contemporary problems affecting the continent from Mexico through Central and South America to Chile and Argentina show that new dangers emerge<sup>4</sup> before old problems are solved satisfactorily. Within this context, democratic elections are a response to and a repercussion of the most urgent questions as well as a proof of national capacities to solve stringent problems. A series of elections organized between 2005 and 2007 in almost all Latin American republics offered different results, but also some general tendencies and currents. A historical approach enables these facts to be explained more profoundly. That is why this paper aims at reviewing some of the main political opinions which have influenced the Latin American democracy.

The newest events have their roots in the past. The democratic concept was born in the most educated and intelligent brains during the wars of independence. When contemplating the future of his continent in his famous *Carta de Jamaica (Letter from Jamaica)*, Simón Bolívar presupposes that “the American provinces are struggling for their emancipation and, in the end, they shall win; some of them will constitute federative republics in a regular way...” For his Great Colombia, the Libertador<sup>5</sup> designs “a legislative body elected in a free manner” (Romañach

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1 Relations between indigenous, European and African population in Latin America are usually described from the demographic or cultural/linguistic points of view. Studies on the political culture strata are extremely rare; however, they are indispensable for explaining particularities of political life.

2 Oscillation of glory and decay during the two last centuries is perfectly described, as far as Czech literature is concerned, in the work of Jiří Chalupa (1999), cited also below.

3 Many studies, papers and works deal with the important position of Latin America in world politics of the 20<sup>th</sup> century, e.g. Atkins (1977), Boersner (1982), Lindenberg (1982) etc.

4 The globalization pressures exerted by supranational corporations are probably the most crucial question of contemporary Latin America. For a review, see e.g. Tomeš et al. (2007: 278–284).

5 In the Czech language, a biography of the Libertador was published by J. Klíma (2007) within the full context of the South American liberation wars.

Pérez 1979: 302–303).<sup>6</sup> The federalist leader of the Uruguay people's resistance José Gervasio Artigas stipulates in his Instructions of the Year XIII a division of the legislative, executive and judicial power, requiring a republican constitution which would be capable to ensure “a free government of devotion, justice, moderation and industry” (Romañach Pérez 1979: 326–327).<sup>7</sup> More and more proofs could be accumulated to demonstrate the political maturity of the new Latin American nations at the moment of birth of this large continent. It was the Age of Enlightenment and the North American and then the French Revolution which oriented the Spanish-speaking America toward republican democracy and the electoral concept of temporary power from the first moments of its independent existence.

Nevertheless, the continental-wide exhaustion after the wars for independence along with pressures of the external world deformed Latin American political life. The power of democratic vote suffered defeat under the circumstances of *caciquismo*, when army or militia officers monopolized the political decision-making power jointly with the most powerful landowners (*hacenderos*). The democratic decision-making also was endangered by the widespread political *clientelism*, under which voter's opinion depended on the will of a regional or national superior.

However, within the specific conditions of the 19<sup>th</sup> century, it is necessary to defend some apparently undemocratic principles. Whereas the depravities of the *caciquismo* limited democracy in many Latin American countries, the dictatorial regime of José Gaspar Rodríguez de Francia in Paraguay, between 1811 and 1840, made full use of the dictatorship and forced the country into isolation to recover and concentrate all forces of the new nation during civil wars waged beyond the national territory.<sup>8</sup> Another type of dependence turned out to be relatively favorable for the new nations. During the entire 19<sup>th</sup> century, Latin American countries were highly dependent on Great Britain, which meant that the economic, financial and political dependence limited the proper political independence of local representations. Chile can be mentioned as an example: between 1860 and 1875, 58 % of all Chile exportations were directed to England, importations from the same country amounted 41 % (Polišenský et al. 1979: 320). However, this kind of dependence, paradoxically, guaranteed a relative stability of countries which were formerly ruined by civil wars or armed contentions of political groups. On this basis, Chile was

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6 See also Bolívar (1940).

7 More in Artigas (1971). On federalist republicanism of Artigas, see AA.VV. (1952).

8 According to the historian Creydt from Paraguay, “*Francia's dictatorship had two aspects: partly, it was the power directed against reactionary and anti-national forces, and, on the other hand, it expressed the incapacity of the emerged rural bourgeoisie to govern in a direct way.*” (Díaz de Arce 1967: 43).

able to win the First and the Second Pacific War, becoming more powerful and independent in regard to its decision-making at the beginning of the 20<sup>th</sup> century.

The strong position of vigorous personalities (derived probably from previous *precursors* -predecessors and liberation struggle leaders) along with the necessity of having a powerful leader heading the little informed masses of population gave rise to the semi-dictatorial system of government in many countries. This kind of *caudillismo* demonstrated its disadvantages for example during long-term wars among La Plata provinces. For its frequent brutality and anti-humanity, the government usurped by local *caudillos* was severely condemned by Domingo Faustino Sarmiento in his *Civilización y barbarie: Vida de Juan Facundo Quiroga*.<sup>9</sup> The semi-dictatorial system of power called *cesarismo democrático* also limited the real democratic rights. After the Panama case, i.e. events from the independence of Panama in 1903 to opening the Panama Canal in 1914, the influence of the USA substituted previous external primacy of Great Britain in whole Latin America, especially in Central and eastern South America. When identifying the *cesarismo democrático* with the regime of Juan Vicente Gómez in Venezuela (1905–1935), foundations of the system can be explained as the necessity of strengthening the central power<sup>10</sup> by a military build-up and enhancements in other sectors, which are able to solve the discrepancy between strong external influences and the hitherto weak Venezuelan regionalism. At the beginning of the 20<sup>th</sup> century, economic interests of the USA became perspicuous in support of those Latin American countries and governments which could guarantee economic profit to U.S. companies and trusts. The democracy itself remained a secondary question to be adopted or rejected by local political parties and governments.

Local varieties of the republican system became quite different in the 20<sup>th</sup> century. The *batllismo* in Uruguay (fair democracy of José Batlle y Ordóñez, 1903–1907, 1911–1915) was the result of the internal political maturity, whereas the regime of General José Félix Uriburu (1930–1932) in Argentina<sup>11</sup> combined coup d'état methods with electorate support. Some regimes were influenced between the two world wars also by the fascist or nationalist and traditional authoritarian model adopted frequently in Europe of that time. This can be demonstrated by the Brazilian New State.<sup>12</sup>

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9 The social and political motivation of D. F. Sarmiento's works was duly and clearly emphasized in basic literature studies like *History of Spanish American Literatures* by Enrique Anderson Imbert – Czech edition: (Imbert 1966: 128–130).

10 Economic motives of the J. V. Gómez' regime were clearly described by many historians, see e.g. (Martínez Amengual 1967: 51–55).

11 For the whole context, see the aforementioned *History of Argentina, Uruguay and Chile* by Jiří Chalupa.

12 More details can be found in Klíma (1998, 2003)

The social question along with the new world order inspired some Latin American political currents to create an authentic version of the most convenient local political system called *americanismo*. Through dramatic electoral competition between the Labor Party (*Partido Laborista*) and the Democratic Union (*Unión Democrática*), the Peronist block won in Argentina in February 1946. Juan Domingo Perón, “defender of Mother Country and of the poor” (*defensor de la Patria y de los pobres*), gave the electoral right to Argentinean women. His newly formed political party based on nationalism (*Partido Unificado de la Revolución Nacional*) became a broad front destined to support the personal dictatorship of the supreme ruler of the country. It is typical for Latin American circumstances that *Peronismo* was overthrown not by elections, but by an upheaval of generals (the general Eduardo Lonardi, leader of the so-called *Revolución Libertadora*, was in charge of the provisional government in 1955).

The cold war made the power of the democratic vote weaker, particularly in Central America. The government of Jacobo Arbenz Guzmán was overthrown by a foreign invasion and, finally, by a coup d'état in 1954. The little democratic semi-military and semi-dictatorial government of Fulgencio Batista in Cuba provoked the uprising of Fidel Castro, and was forced to yield in 1959 to *barbudos*, a governmental system which offered no alternatives.

In relation to dictatorial regimes existing on the Iberian Peninsula, Latin American countries confirmed its democratic essence until the mid-1960s. Let us mention the case of personalities persecuted by the Portuguese political police during the Salazar's dictatorship. The life-saving emigration of Henrique Carlos Galvão and Humberto Delgado<sup>13</sup> was organized by the Brazilian (Lins 1960) and Argentinean embassies in Lisbon. Spanish and Portuguese democratic groups and liberal organizations found complete freedom for their activities in almost whole Latin America. Such circumstances changed abruptly when military regimes entered the political scene.

Although the Cold War in Europe culminated between the years 1949 and 1956, conflicts between East and West provoked the biggest tension in Latin America between the years 1964 and 1985. Incessant coups in Bolivia were a product of internal weakness and the death of Ernesto “Che” Guevara, in 1967, which demonstrated the incapacity of the revolutionary solution. Other continental conflicts were inspired by the Cold War “defense of the western hemisphere”. The crisis of Latin American democracy culminated in the 1960s (military regime in Brazil in 1964), 1970s (*pinchetazo* in Chile 1973) and 1980s. All components of continental communities resorted to violence; the highest peak of banditry, municipal guerrilla

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13 For details, see Delgado and Figueiredo (1991) and Delgado and Pacheco (1995).

warfare type *tupamaros*, numerous regional leftist guerrilla groups like *sendero luminoso*, cruelty of military governments like the Argentine junta and sharpening of wars against oppositional armed movements (Columbia, El Salvador), these all threw doubts on the bases of continental democracy.<sup>14</sup>

The Brazilian case (a military right-wing regime under successive governments in 1964–1985) shows very well how narrow the limits of the Latin American democracy were during the global “balance of fear”. Assumption of military power was accompanied by an extreme limitation of number of political parties. In addition to the governmental party ARENA (*Aliança para a Renovação Nacional*), activities of one sole party with moderately oppositionist features called MDB (*Movimento Democrático Brasileiro*) were allowed (Klíma 2003: 157–175). Persecution of real forces of popular opposition reached tragic proportions. To give only one example, the black leader of one guerrilla detachment in the South of the state of Pará Oswaldo Orlando da Costa called Osvaldão was assassinated in 1974. To announce his death in an evident manner, soldiers hanged legs of the dead body from a helicopter, showing then the hanging dead corpse from the air to peasants in the region; after that, Oswaldo’s head was cut off (Aquino et al. 1998: 106). Similar crimes were frequently committed in Argentina, many “missing” opponents but also innocent persons were thrown, with their belly cut open, from helicopters to sharks. During the rivalry between East and West, this was justified as legitimate struggle for democracy.

The transformation of the world order following the fall of the Soviet system brought positive changes into Latin America, too. In 1989, the dictator Alfredo Stroessner from Paraguay abdicated, leaving the most important question, i.e. land ownership, in extremely unfair conditions. After the fall of military governments in Argentina, Brazil, Uruguay and other Latin American countries, continental democracy reacquired its high value. It was only since this moment that the elections have had the power to decide effectively the political future of countries. That is why the study of recent electoral processes is justified and of big use. Two main questions can be asked here: Has the democracy of our times made the ideological spectrum narrower or broader? Is the Latin American democracy demonstrated by elections really independent and fully comparable to European and/or North American democracy?

In our opinion, it is very useful to make such comparison, but exclusively on the basis of individual analysis; generalizing the whole continental situation would be of little use. Large dimensions, specific traditions and remaining problems make

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14 Threats derived from social disquiet as well as the Latin American internal conflicts represent an important part of all manuals dedicated to world security during the last decades of the 20<sup>th</sup> century. One example of such political science compendia can be (Kulašik et al 2002).

Latin America too complicated for simple generalizations, even though they are so popular in political science. There are extreme differences among regions, between the continental and insular Central America, between South American mountains and lowlands, among federal provinces or states within big countries like Brazil, Argentina or Venezuela. It would be useless to extend the Francis Fukuyama's optimism (*The End of History?*) – in the sense of celebrating the final victory of the Anglo-Saxon democracy – to the giant dimensions of the Latin American continent with its different population groups, different cultures, unevenly distributed natural sources and with the too deep gap between the rich and poor (*descamisados*).

When observing and studying the large and ever more densely populated continent, let us think and deliberate carefully and reservedly about the newest tendencies manifested by election results. There are cases of continuity, there are common currents, but, above all, there are specific problems to be solved in each country within possibilities given by the contemporary world order.

The victory of Tabaré Vázquez in Uruguay, in 2004, made it clear that the successive Latin American cycle of elections shall be enriched by new political parties; *blancos* and *colorados*, very traditional in the República Oriental del Uruguay, were overshadowed by the new Broad Front (*Frente Amplio*), which won in the second round with 40.11 % of votes.<sup>15</sup> On the other hand, sympathy to well-trying and experienced candidates inspired voters in Peru to return Alan García Pérez, a nominee of the traditional *Partido Aprista Peruano* (president in 1985–1990 and a competent opponent of inflation, corruption and the *Sendero Luminoso*), to the presidential office in his country in 2006. The same was decided by voters in Columbia by reelecting Álvaro Uribe Vélez, leader of the “patriotic” party without clear ideological features and called *Primero Colombia* (Columbia First), also in 2006. Rafael Correa with his incidental *Alianza PAÍS* also sought a firm basis among patriotic currents in Ecuador. Inclination to the leftist programs has been documented by the victory of Juan Evo Morales Ayma in Bolivia leading his *Movimiento al Socialismo*, in December 2005. The same inclination was demonstrated by victories of Daniel Ortega in Nicaragua and Luíz Inácio “Lula” da Silva in Brazil, in 2006, as well as by the reelection of Hugo Chávez in Venezuela.<sup>16</sup> Within the central-leftist space, Michelle Bachelet, member of the *Partido Socialista*, won the presidential election in Chile, and Cristina Fernández de Kirchner, won recently presidential election in Argentina. Two last cases also confirm the growing role of women in high Latin American politics, the same being more visible at lower

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15 Data have been taken from Internet sources.

16 It is interesting to compare the contemporary political evolution in Venezuela with ancient studies which predicted leftist tendencies: e.g. (AA.VV. 1983).

levels: e.g. three women have assumed governor posts in various Brazilian federal states. The Argentinean elections also brought to light that the decision of contemporary electors can be based many times on political currents which are traditional in a given country – the *Kirchnerismo* being explained as a certain continuation of previous *Peronismo*.

More details are to be analyzed; there will be more elections to study with the termination of the recent “superelectoral” period (Paraguay in 2008). Nevertheless, it certainly will be difficult to make definitive conclusions concerning the Latin American political scene. Some tendencies seem to be evident: inclination toward central-leftist but strictly democratic currents, patriotic solution of local problems and, rarely, remaining lack of clarity in ideological orientation concerning both politicians and electorate (Ecuador). The main result of election campaigns of last years consists in maturity, decision-making independence and growing self-pride of Latin America.

Therefore, although blood is still being shed in last regional or local conflicts with social character, although the danger of dictatorship remains, and although new dangers connected with globalization emerge, today’s Latin America prefers democracy and reasonable solutions. In the near future, stronger reinforcement of independent decision-making in the whole Latin America can be expected, for the benefit of Latin Americans. So, Latin American nations and the democratic procedures are the winners of the latest period of continental elections. Dictatorial regimes and authoritarian or military governments can be considered as losers. No analysis can show in a definitive way, of course, whether positive evolution of these days will continue; the worst of all alternatives is the repetition of the historical cycle of continental rises and falls. The globalized world including Central Europe is responsible for strengthening affirmative democratic leaning of Latin America toward peace, reconciliation and progress.

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# STATESMEN IN UNIFORMS: SEVERAL NOTES ABOUT MILITARISM IN POLITICS IN THE MODERN HISTORY OF THE LATIN AMERICA

**Jiří Chalupa**

*Ce-Kung asked his minister about government. The minister replied: A government needs three things – enough food provisions, enough weapons and military equipment, and confidence of people in its rulers. Ce-Kung then asked: And if it were necessary to abandon two of these three things? The minister said: Be it military equipment and food. Death has always been the faith of all, but if people have no confidence in their rulers, then there is no means how the state can survive.*

**Confucius**

I do not feel as a prognostic so I do not know if Evo Morales, the president of Bolivia, will win his big war about national reserves of natural gas or if he will really proceed with the promised land reform that will in reality – not only on paper – improve lives of hundreds of thousands Bolivian lacklands. Neither do I know if Venezuela will come to see Hugo Chávez, the seemingly omnipresent advocate of “Socialism for XXI century”, become its life-long ruler. As a historian, I can only present, instead of predicting future events or making strident political analyses of the most ardent actual news, a contemplation about eras, events and phenomena that preceded the presence and the future. It is certainly not – compared with futurologist’s views – such a thrilling adventure, but hopefully it is not utterly unimportant. To understand the recent history, even partially, can be useful when people are gathering the inner strength to try to carry out – even based on new electoral results – a positive change. It might increase the probability that they will avoid death-ends and future disappointments and disillusiones. In the course of the past two centuries, Latin America has seen more than enough of them.

One notorious phenomenon infamously marking the modern history of most of the countries of Latin America are common, intense and generally negative interventions of military structures into political, social and even economic events.<sup>1</sup> Regrettably, their outcomes are usually easier to characterize by numbers of casualties resulting from different forms of violence than in percents of GDP growth. Looking for answers for the question why power and politics (and vice versa) have so magically been attracting whole generations of soldiers in Latin America, it is necessary to take at least a short look back at the period following the end of wars of independence. The founders of new independent Latin American states – Miranda, Bolívar, San Martín, Sucre, O’Higgins, Iturbide – were mostly professional soldiers, the Founding Father of Paraguay, Doctor Francia, an educated lawyer and a theologian, is more like an exception confirming the rule. This is a striking contrast with the great leaders of movements for independence of some European nations in the 19<sup>th</sup> Century, for instance the Italian earl Camillio Cavour, who disgusted left the army very early and gained political experience as the mayor of Grinzane for about twenty years, or the “Iron Chancellor” Otto von Bismarck, in fact a life-long state official and a professional statesman respecting on one hand the *Junkers* of Prussia and their military mentality, on the other hand expressing his skepticism about the usability of uniformed individuals while forming a state. It has been confirmed in many cases in Latin America, that brave and without doubt militarily talented he-

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1 In my opinion the most interesting texts are Rouquié 1984; Stepan 1988; and Mainwaring and Valenzuela 1998. The author of this essay described the roots of political militarism in Latin America in a more detailed manner in the following works: Chalupa 2000a; Chalupa 2003 (in Czech).

roes of yesterday desperately fail facing the challenge not to destroy and liquidate (Spanish colonial rule), but to build and develop (effective administrative structure of new states).

To found a functioning state bureaucracy, revive a post-colonial economy and found reliable markets for domestic economic production, draft constitutions and enact necessary laws was a mission of historical proportions, indeed a task extremely complex and difficult for which many generals, despite their good will, were simply not prepared well enough. For instance, it is possible to mention the founder of Chile, Bernardo O'Higgins, who after the utter destruction of his plans to create a new and model Chilean society had to leave his homeland. But even his successors in uniforms (e.g. general Ramón Freire) did not fare better, and some of his experiments – for example federalizing Chile according to the US model – jeopardized the very existence of the Chilean state.<sup>2</sup> Eventually, Chileans were lucky to discover a true statesman in the person of Diego Portales, who was able to lay foundations of a relatively successful Chilean state. But not every Latin American country found “its own Portales” and the consequences of long periods with generals in charge were sometimes fairly disastrous.

However, uniforms continued to appear in politics. Many traditional caudillos from the 19<sup>th</sup> century were soldiers, sometimes by occupation, almost always by their way of thinking and acting, for example Rosas, the great dictator of La Plata. And in the second half of the 19<sup>th</sup> century, when the slowly modernizing Latin American countries (or more precisely their bourgeois political strata equipped with the latest products of western technological progress, such as repeating rifles, railways or telegraph) began to deal with classical rural “riders of the past”, they could not manage without armies and often their own uniforms. These still had an almost magical symbolic meaning, as can be seen in a typical letter, which was written by a future Argentinean president Domingo Faustino Sarmiento and addressed to the then-incumbent president (and a general!) Bartolomé Mitre. The letter said: “Make me a general!” (Floria and García Belsunce 1988: 24). The uniform did not lose its political value and attractiveness even in the 20<sup>th</sup> century: Perón, Stroessner, Trujillo, Anastasio Somoza, Chávez, the enumeration of uniformed Latin American rulers could go on and on. A uniform is often used even by those who otherwise do not have much in common with the military. For example the great Cuban Comandante, who has been rather an adventurer and conquistador than a military person. More than 25 years ago Castro declared: “When Gillette razor blades are imported to Cuba, I'll shave my beard” (Mottin 1980: 109). He has never said anything about getting rid of his uniform, though. The role of soldiers

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2 For more details see Chalupa 2006: 42–47.

in society was significantly strengthened also by relatively numerous armed conflicts during the 19<sup>th</sup> and the first third of the 20<sup>th</sup> century. Ongoing violence – some of these conflicts, such as the war of Triple alliance against Paraguay (1865–70), were really drastic – projected itself into political life and as late as in the 1960s the slogan of Chilean revolutionaries was “a gun instead of a vote” (Rubio 1988: 39). Professional soldiers have always been responsive to such appeals and so their resolute response did not take long. In too many places and too many times in Latin America, physical liquidation of a dissenting opponent became the norm of ideological disputes. As Paul Johnson points out, already during the wars of independence the word *exterminio* (extermination) occurred too often in both warring camps (Johnson 1992: 578). The wars were indeed extraordinarily destructive and brutal, civilian population probably suffered proportionally more than populations on the other side of the Atlantic during the Napoleonic wars. It is characteristic that the main protagonist of American massacres, Simon Bolívar himself, was so disgusted by the situation – not only by the wars themselves, but also by the following chaotic and disintegrating development of the continent – that he bitterly exclaimed: “*America cannot be ruled. He, who sows the seeds of revolution, plows in the sea... A host of tyrants will arise from my grave...and will drown all in the carnage of civil wars...*” (Madariaga 1952: 647). As time showed soon afterwards, it was in many aspects a surprisingly fairly realistic prophecy.

One of the reasons why the public opinion viewed from time to time soldiers as potential political saviors was, and frequently still is, ubiquitous corruption. Corruption was partly inherited after the rule of Bourbon viceroys, partly developed in the period after gaining independence, when Darwinian confusion and general anarchy was dominant almost everywhere, rather than professional and serious state bureaucracies. In Uruguay alone there were some forty military uprisings and anti-governmental rebellions in the years 1830–1904.<sup>3</sup> And as late as in 1836, Antonio Díaz characterized the country in *El Universal* as “a wasteland covered with bloody ruins” (Barrios Pintos 1968: 36). There was usually no space, nor energy, nor interest to fight in such an atmosphere against cronyism and bribes, it were problems concerning the very existence of the new states that had to be solved. The states eventually survived, but so did corruption, which, unregulated, frequently grew into hideous proportions. This is why in the 1950s Chilean general Carlos Ibáñez del Campo chose a big broom as the main symbol of his presidential campaign, with which he promised to sweep corruption and nepotism out of the country (Frías Valenzuela 1986: 446). Unfortunately, he did not keep his promise so one of the symbols of the turn of the 21<sup>st</sup> century in Latin America is the mysterious

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3 For more details see Chalupa 1999: 271 et sequentes.

and dark person of the boss of Peruvian secret services and a close aid to president Fujimori, Vladimir Montesinos, who resembled characters from the novels of Mario Puzo. Many people, no doubt that rather naively, began to convince themselves that professional soldiers would be somehow more resilient to the seduction of corruption. However, reality has shown many times that this is mere wishful thinking. A big sobering moment came in the wake of charges from recent years against the former Chilean dictator Pinochet, who for a relatively long time was considered, at least in right-wing circles, to be an incorruptible and nepotism-fighting man. First, the investigation committee of the US Senate discovered Pinochet's accounts in the Riggs bank, a financial institution investigated several times for money laundering. Then Judge Sergio Muñoz initiated an investigation of the former dictator after an accusation from the Council of the Defense of the State of tax evasion and illegal financial operations. The last strike came in August 2006, when the former director of the secret service DINA (and a former friend of Pinochet's) Manuel Contreras accused Pinochet of making personal profit by participating in trade with narcotics. Major Carlos Herrera Jiménez, a former agent of the military intelligence, testified during an interrogation conducted by the state attorney Héctor Barros that during his stay in Uruguay he had personally met Eugenio Berríos, a chemist working for DINA. Berríos told him that he had been ordered to produce cocaine that among his closest co-workers was Marco Antonio Pinochet, dictator's son. Thus Herrera Jiménez confirmed a testimony of Manuel Contreras, who claimed that the drug production was carried out in military chemical laboratories in Talagante and the order initiating the whole operation was issued by Augusto Pinochet himself. According to Chilean justice, who discovered several secret foreign bank accounts, Augusto Pinochet's wealth is estimated to be roughly 27 million dollars, the origin of which remains unknown.<sup>4</sup>

The foundations for political instability and consequent military interventions on the political stage were without doubt laid also by a gradual economic collapse of undiversified post-colonial Latin American economies. It heralded itself already in the inter-war period by a sharp drop in prices of agricultural commodities and raw materials and it culminated after WW2 by an economic decline of the subcontinent towards the threshold of the Third World. Virtually all (and probably too late) attempts to industrialize and economically diversify regularly ended by failure and disappointment. Gradually, financial complications joined in, when many Latin American governments tried to maintain a relatively good standard of living

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4 Information gathered by the author for an epilogue to the book Vial 2007, which, however, eventually did not appear in the final version, as decided by the publishing house Prostor – which can be viewed as typical for the perception of right-wing dictatorships in current Czech society.

of at least certain parts of the population by becoming internationally hopelessly indebted. Endless economic and financial crises with civilian politicians unable to face them became an invitation for generals and colonels, who were not going to perform miracles as executive heads either, but it was usually too late for protests, because repressive methods were, as the time passed, mastered perfectly by Latin American soldiers.

Another reason why even in the course of the 20<sup>th</sup> century political posts in Latin America were occupied so often by soldiers may be the need of relatively new countries to have an authority supported by some sort of tradition and “objective” legitimacy, not being a part of classical party structures and often also acting in a patriarchic style. It is apparently not a coincidence that Pinochet was sometimes referred to as Augusto I, it was quite likely that there was something more hidden behind the obvious irony. In the beginning of the 20<sup>th</sup> Century, there were only three republics in Europe, whereas there was no existing monarchy any longer in Latin America. However, the person of the president, or the center of the executive, did not enjoy sufficient respect in Latin America, unlike its counterpart in the United States.

In the 20<sup>th</sup> century, the specific Latin American cocktail of power – a combination of uniform, simple and comprehensible (at least at first sight) ideology, and energetic politics with tangible achievements – became very popular. Latin America in its populist guise offered to the whole world breath-taking spectacles, such as Argentinean Peronism at the turn of 1940s.<sup>5</sup> Although even Western European nations like to be ruled from time to time by a patriarchic general with heroic past – e.g. general De Gaulle and the French Fifth Republic – the Peronist symbiosis of an army officer, a union leader, an activist, an authoritarian politician and the “Father“ of Argentinean workers in one person was an extraordinarily fascinating show for the Old Continent.<sup>6</sup> However, it is true that it is probably more appropriate to make a distinction here between the Romance and Anglo-Saxon world,

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5 For more on Peronism see Chalupa 1996; Chalupa 1998a and 1998b (in Czech).

6 And simultaneously a very puzzling one: facing Perón's ideological and political juggling, historians and political scientists over time defined peronism as Christian socialism, national socialism, demagogic dictatorship, plebiscitary presidential system, fascism for a developing country, state socialism, non-Marxist collectivism, worker democracy or national capitalism (enumeration see Ciria 1971: 11). More recently, Adam Anderle adds the label of „bonapartist populism“, see Anderle 1998: 605. The fact is that when reading Twenty basic truths of Peronism (formulated by Perón himself in 1950) and finding formulations, such as: “1. *The true democracy is a system where the government does what the people wants and it defends one interest only, the interest of the people.* 2. *Peronism is by its nature popular. Other political currents are anti-popular and therefore not Peronist.* 6. *For a Peronist, there is nothing better than another Peronist.*” cited from Iturrieta 1990: 41. It seems that a serious and convincing analysis of “justicialism” is practically impossible.

rather than between Europe and Latin America. Exalted histrionics and dramatic balcony scenes after all represent a style link between Mussolini, Perón, Castro or Berlusconi, they would hardly find audience in, let's say, Great Britain.

A phenomenon worth noting is also the substantial fragility of power elites in Latin America. From the first years after gaining independence onwards, political life in the new Latin American countries was marked by high instability – often even chaos – and simultaneous frequent and intensive violence. Let's take as an example the region of La Plata in the period 1810–1870: out of 18 caudillos who in the aforementioned years ruled Argentinean provinces, nine died violently and three had to save their bare lives by fleeing abroad.<sup>7</sup> Gradually, the situation in La Plata and elsewhere got calmed down; however, up to now it has not reached European standards. And it is not necessary to go far to the past to use as an example the anti-Allende coup in 1973, during which the head of state was killed and presidential palace was turned into ruins by shelling and bombardment. Let's remind us a far more recent phenomenon, the dramatic political career of Hugo Chávez, who tried to violently overthrow the then-incumbent Perez government and was incarcerated. In December 1998 he won an election and became head of state, in June 2002 anti-Chávez riots resulted in some twenty killed and hundreds of wounded. Revolting officers threatened Chávez to attack the Miraflores presidential palace with heavy artillery if he did not resign. In the early morning of April 12<sup>th</sup>, 2002, Chávez was arrested by rebels, held prisoner at a military base and subsequently interned on the island of La Orchila. 48 hours later he was rescued by a special comando and reinstated as president.<sup>8</sup> Similar scenes in the western civilization can be found nowadays only in thriller movies. Since the second half of the 19th century, governments in Western Europe have been able to base their positions on mass political parties with a more or less reliable electorate and simultaneously on large, at least partially professionalized, bureaucracies. What is more, since the end of the WW2 they also have been able to rely on a political environment characterized by high respect for rules of democratic politics and for election results, even for very surprising ones. In Latin America these standards have not been fully reached yet, so politics finds itself frequently in a vicious circle, where governments fearing a possible hostile uprising get closer to military representative, which sometimes ultimately leads to a military coup.

It is remarkable that in the 1960s military interventions into political life transformed. Military dictatorships from 1960s to 1980s represent a wholly new phenomenon in the history of Latin American authoritarian regimes. They are no lon-

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7 For more details see Chalupa 2000b.

8 An interesting and scholarly look at Chávez's rises and falls can be found in *Gott 2005*.

ger traditional Bonapartist tyrannies of one general or colonel, but rather corporative governments, drawing quite a large support from important sectors of the society. These “juntist” dictatorships (Brazil, Argentina, Chile, and Uruguay) are by historians often referred to as “bureaucratically corporative” (Carmagnani 1998: 689). Former ephemeral military governments usually filled political vacuum in an extraordinary crisis situation, they were created ad hoc and were relatively fast and without big repercussions replaced by other political forces (of course, exceptions can be found, such as Argentinean Rosism). Conversely, bureaucratically corporative juntas had far more ambitious plans – to modernize their countries economically and socially through brutal social engineering and to impose a long-term status quo in the political sphere, based on determined anti-communism and unscrupulous suppression of leftist and in general all rebellious individuals and groups. A mortally dangerous symbiosis of uniformed and “civilian” politicians was born, with civilian politicians relying more on “solutions by force” in the form of military coups rather than on election campaigns and political programs.<sup>9</sup> The Pinochet dictatorship can exemplify the close relation between military and socio-economical civilian elites of Chilean society. The military, represented by the junta, served first as an armed fist of a violent change (liquidation of a leftist president-reformer and his cabinet, disintegration of political parties and unions, termination of constitutionality and state of law in general), then it played a role of a merciless tool of oppression, which guaranteed order and discipline. Even though numerous generals and colonels were nominal heads of certain industrial companies or state institutions, the real people in charge were usually technocratic civilian managers. The tip of an iceberg was represented here by the famous Friedman’s Chicago boys, preachers of determined neo-liberalism, such as Álvaro Bardón, Pablo Barahona or Sergio de Castro.<sup>10</sup> A parallel with Spanish technocrats from Opus Dei administering – fairly skillfully – “Franco’s economic miracle” in the 1960s is possible to draw. This was a creation of a symbiotic power structure which was more viable – and also durable – than rather isolated military actions in previous periods that had not had serious consequences. This is, after all, proven by the fierce struggle for the legacy of the Pinochet dictatorship that has been present in recent Chilean history for almost 20 years now and that sharply divides Chilean society.<sup>11</sup> In the process of transforming soldiers from occasional political interventionists into determined social engineers, a substantial role was played by the so-called Doctrine of national

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9 I would like to mention the most interesting works out of the today already relatively rich literature on the subject: Davis 1994; Pion-Berlin 1997; Oppenheim 1993; Castiglione 1992.

10 A brilliant analysis of the Pinochet model of governance is offered in Huneeus 2002.

11 For more details on the assessment of Pinochet’s legacy see Chalupa 2007: 675–678.

security (*Doctrina de Seguridad Nacional*), produced by the anti-communist hysteria that was seizing North American politics and society in the atmosphere of a sharply bipolar world of the Cold War. A terrible idea that the nation itself might represent a threat for national security emerged facing the growing power and influence of the Soviet bloc. Latin American soldiers were taught this idea in a special schooling center for military officers in Fort Gullick in Panama (*Escuela Militar Estadounidense de las Américas*).<sup>12</sup> Approximately 50 000 Latin American officers went through this intensive ideological training (seminars on “special interrogation techniques” or lectures on the methodology of violent repression were not missing either) in the years 1949–1984 (when the academy was moved to Fort Benning in Georgia). Here they were reassured – with increased intensity after the triumph of the Castro revolution in Cuba – in their conviction that the world of traditional values is in mortal danger from various communist conspirators.<sup>13</sup>

At a conference of Latin American intelligence services in 1987 in Argentina the Chilean delegation introduced its view that all grave problems plaguing the Latin American continent – various types of diversionary and revolutionary movements, trade with narcotics and even sexual promiscuity and homosexuality – are attributable to a world-wide organized conspiracy of international communism, allegedly devised already in the interwar period by the Italian communist leader Antonio Gramsci, with financial and ideological help from Jewish Zionists (Malamud 1992: 151). It is obvious that such an apocalyptic threat had to be faced by every possible means, including torture, murders and mass usage of the most brutal state terror. If the very existence of a state was at stake, even the most basic human rights had to be put aside. With an inspiration from practical methods of French commanders during the colonial wars in Indochina and Algeria, the result was a drastic *mélange* of incredibly brutal repression, which e.g. in Argentina and Chile in the 1970s and 1980s culminated by mass perpetrations of all conceivable crimes against humanity.<sup>14</sup> However, last two decades have brought certain hope in this aspect. Demilitarization of Latin American politics is in progress (even though slowly in some cases), elections are won by personalities who will hopefully push soldiers back to their barracks and training fields. Michelle Bachelet Jeria, the new Chilean president (January 2006) and the first woman to hold that post, symbolizes probably best this new promising politics and societal dynamics. In January 2002 she was put in charge of the Ministry of Defense by a socialist president Ricardo Lagos

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12 More on this subject e.g. Arriagada Herrera 1986.

13 For more information on training of this type see for example Pardo 1993: 497.

14 It is depressing indeed to read documents of Chilean and Argentinean investigation committees: *Informe de la Comisión Nacional de Verdad y Reconciliación* 1991; *Nunca más. Informe de la Comisión Nacional sobre la Desaparición de Personas* 1987; or to read works such as Calveiro 1995.

to become the first female Defense Minister in Latin American history. When the divorced doctor with three kids, a convinced socialist and a declared atheist was taking her office, many predicted a catastrophe. Especially since Bachelet herself represents to a large extent one of the victims of the recent dictatorship. Her father, a coworker of president Allende, was held prisoner for several months by the junta and in March 1974 died after being tortured. Michelle and her mother spent several weeks in the infamous “investigation center” of the DINA service, where they both experienced several harsh interrogations. Despite all this, the future president managed well her extraordinarily contentious job and soldiers stayed relatively calm, even though many of them probably grinded their teeth. It is for such promising recent events why I think that texts about the militarization of Latin American politics will soon become solely historical literature.

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# MEXICO 2006 ELECTIONS: A DEMOCRATIC CONSOLIDATION?

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This chapter was written within the GAČR grant project “Non-democratic regimes and their transformation in Lusophone and Hispanic countries” (No. 407/06/0169). I thank Mgr. Lenka Dušková and Daniel Esparza, M. A. for their valuable comments.

## INTRODUCTION

The second democratic elections took place on July 2 2006. The attention was focused on the election of a new president. Five presidential candidates participated, but the main struggle for power developed between the leftist candidate, Andrés Manuel López Obrador, and the rightist candidate, Felipe Calderón. Both candidates presented distinct projects of the country development. López Obrador offered a shift in the neo-liberal policies, being implemented since the outbreak of the economic crisis in 1982, towards a more redistributive economic model focused on the poverty reduction and solution of social inequality. On the contrary, his main rival Felipe Calderón proposed a continuation of the past policies since they are the only way towards more competitive economics which would help to resolve the social problems. In contrast to the 2000 elections, which were about the survival of the PRI hegemonic regime, the main themes of the current elections were the economic and social policies.

The contest had begun several years ago with the rise of López Obrador's political star. López Obrador was actually considered to be a future winner at least until the midst of the electoral campaign when Felipe Calderón caught up with López Obrador. The competition between them was hard with the final results very close. Despite of the world-wide recognition of the Mexican electoral institutions the leftist candidate and his followers refused to accept the results. This brought a real peril to the Mexican democracy. How was it possible that the leftist candidate happened to question the credibility of the electoral institutions? Why did he evoke the spirit of the past by claiming that an electoral fraud had been committed against him? Why did the Left decided to behave as an antisystemic force?

This paper describes the course of the electoral process and the evolution of the post-electoral conflict. It covers a period from 2004, when López Obrador appeared to be a possible presidential candidate, to December 2006, when Felipe Calderón assumed the presidential office. First, special attention is dedicated to the evolution of the electoral institutions in order to highlight their importance for the consolidation of democracy. Then the paper presents the presidential candidates with the focus on the candidates from the PAN, the PRD and the PRI since they were the only ones who had a real chance to win. The main affairs that contributed to the post-electoral conflict will be described. I consider these the most important: the break-up of the political pact concerning the election of IFE (Federal Electoral Institute) councilmen in 2003 which excluded the Left; the efforts to prevent López Obrador's participation in 2006 elections by the PAN and the PRI (especially the *desafuero* in 2005); the negative electoral cam-

paign and violation of electoral law committed by all political parties. These factors help to partially explain the refusal of the electoral results by López Obrador. They reinforced his perception of a “dirty war” waged against him in effort to preclude him to gain a power. The strategy of mass mobilizations in support of his claims, which followed after July 2, was nothing new since he had already led two mass mobilizations which questioned the electoral results on the state level. However, that happened during the time of the PRI government. Today, Mexico is considered to be at least an electoral democracy and it has deepened the democratization process. These elections showed how far the Mexican political parties are committed to democracy and its institutions. Some obstacles for the consolidation of democracy became more evident: the attitude of the political actors who are still not fully committed to democracy and conflictive relations among them.

## MEXICAN ELECTORAL INSTITUTIONS

During the transition from the hegemonic-party regime with the PRI as a ruling party to democracy in 1977–2000, two special electoral institutions were established with the aim to prevent electoral frauds and to enhance the transparency of the electoral process. These issues became more salient in the 1980s. Since 1968, the hegemonic position of the PRI had gradually deteriorated, but the economic crisis that broke out in 1982 had a decisive impact on the party position in the society.<sup>1</sup> The opposition parties, especially the PAN, had begun to attract more voters. Thus elections became more competitive. The ruling party was forced to commit electoral frauds more often. The infamous fraudulent presidential election of 1988 destroyed the regime’s legitimacy. The PRI retained the presidency, but it had lost the two-thirds majority in the Chamber of Deputies so it had to start to cooperate with the opposition parties – concretely with the PAN. The leftist PRD which was established in 1989 was suppressed by the PRI until the mid-1990s.<sup>2</sup>

This situation created space for the carriage of the PAN demand for more transparent elections. The elite bargaining between the PRI and the PAN during the Carlos Salinas presidency (1988–1994) led to the establishment of the Federal Electoral Institute (IFE, Instituto Federal Electoral) and the Electoral Tribunal of the Federal Judiciary (TEPJF, Tribunal Electoral del Poder Judicial de la Federación). The 1989–1990 and 1993–1994 reforms directly touched the role of both institu-

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1 Before 1982 the PRI could count with the mass support. It had always gained the elections by huge margins so it had not been forced to commit an electoral fraud (Magaloni 2006: 5–6).

2 The mean was the non-recognition of the PRDs’ victories in the electoral races on sub-national level.

tions.<sup>3</sup> The PRD did not participate in these negotiations and voted against the electoral reforms. It was a part of the party “anti-system” strategy based on the non-cooperation with the PRI or with the PAN. The PRD tactic comprehended the street protests in the first place. In 1994, the PRI–PAN–PRD relation began to change slightly as a consequence of the outbreak of the violence in the country. On the 1<sup>st</sup> of January 1994 the EZLN rose up in Chiapas, causing general fear about the possible spread of the war in Mexico.<sup>4</sup> The PRI sought, for the first time, to commit the PRD to the electoral process and involve it to the system. New electoral reforms were negotiated<sup>5</sup> and as a result the 1994 elections are considered to be one of the cleanest in the country history.

However, the break-up of the economic crisis in the end of 1994 forced all three parties to negotiate another electoral reform. After 18 months negotiations, the 1996 electoral reform saw the light. The remaining bits of the PRI’s control over the electoral process were eliminated and the rules of the game became the same for everybody. The IFE gained full autonomy and TEPJF decisions became binding.<sup>6</sup> The PRD changed attitudes towards the regime from the confrontational one to a constructive one. The consequences followed soon: the PRI lost the absolute majority in the Chamber of Deputies and two-thirds majority in the Senate in 1997 Congress election. In the same year, Cuauhtémoc Cárdenas (PRD) was elected the mayor of Mexico City. Finally the PRI lost the presidency in 2000 general elections and yielded peacefully power to opposition candidate, Vicente Fox (PAN). The PRD also recognised the electoral results and did not blame the electoral institutions for its weak performance (Eisenstadt 2004: 231). The central role of the electoral institutions in the process of democratization is widely acknowledged. In Mexico and abroad they are considered to be professional, impartial and the real guarantees of objective electoral results.

From this short review, we reach several conclusions. The first is that the electoral institutions are perceived as the guardians of the Mexican democracy. They

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3 The PAN enabled the maintenance of the PRI in power, but in exchange it obtained the establishment of the special electoral institutions. Nonetheless, the PRI had kept the influence over the electoral process until 1996 electoral reform (Magaloni 2006: 243; Eisenstadt 2004: 45).

4 During that year two top politician of the PRI were assassinated – Luis Donaldo Colosio, a presidential candidate, and Francisco Ruiz Massieu, a secretary general of the PRI.

5 They brought more independence to the IFE, the national and foreign electoral observers were allowed to be present at the electoral process and the types of electoral frauds were more specified. (Magaloni 2006: 243–244; Eisenstadt 2004: 48).

6 The so called governability clause was abolished; new rules for the election of the senators and a direct election of the Mexico City mayor were introduced. The reform tackled also the rules of the party registration, of the mass media access and of the party financing (the private financing was restricted). (Eisenstad 2004: 51, 66).

give credibility to the electoral process. The second conclusion can be a part of the explanation of 2006 post-electoral conflict. It is that the electoral institutions are primarily a creation of the PAN since this party proposed them and bargained over them with the PRI and not of the PRD (Eisenstadt 2004: 32). The attitude of the PAN and the PRD to the electoral institutions thus can be different, especially if the PRD believes that the concerted rules were broken.

## CANDIDATES AND PROGRAMS

Five candidates participated; Andrés Manuel López Obrador, a candidate of the leftist coalition, *Por el Bien de Todos* (The Coalition for the Good of All)<sup>7</sup>; Felipe Calderón Hinojosa from the PAN; Roberto Madrazo Pintado from the Alliance for Mexico<sup>8</sup>; Patricia Mercado Castro of the Alternativa<sup>9</sup>; and Roberto Campa Cifrián from the PANAL<sup>10</sup>. Compared to 2000 elections, in 2006 the key issue was the strategy of country's future development. The 2000 elections were in the first place about the “yes” or “no” to the PRI- regime. According to the analysis of voters' structure in 2000 presidential election, up to 66 % of constituency picked up Vicente Fox (PAN) because they saw him as a change (Klesner 2001: 109). The 2006 elections were more about the programs and policy proposals. The results showed that no project had the support of the majority. In the next section, I will briefly describe the candidates and their key proposals with special attention to the program of López Obrador and Calderón.

Andrés Manuel López Obrador became widely known as the mayor of Mexico City (2000–2005).<sup>11</sup> In office, he targeted the problem of poverty by promotion of public work projects and social programmes.<sup>12</sup> He presented himself as an “ordinary man” fully pursuing his job.<sup>13</sup> The opposition labelled him as populist and

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7 The members were the PRD, the Labour Party (Partido de Trabajo, PT) and the Convergencia.

8 It was a coalition of the PRI and the Ecologist Green Party of Mexico (Partido Verde Ecologista de México, PVEM).

9 Social Democratic and Farmer Alternative (Alternativa Socialdemócrata y Campesina).

10 Party of New Alliance (Partido Nueva Alianza).

11 He was well-known politician even before. As a one of the founders of the PRD he fought for the PRD's victories at municipal and state level during the oppression by the PRI. From 1996 to 1999 he was a president of the PRD and in 2000 he won the election for a mayor of capital (jefe de gobierno) (Trayectoria Política 2007).

12 The public work project targets especially the traffic problems. He initiated a variety of social programs focused on the poor, problematic young groups, pensioners and the handicap.

13 His appearance as an ordinary working man, wearing common clothes, driving common car was something new in Mexican politics where the majority of politician and high official generally shows their wealth (Grayson 2005: 26).

demagogic (Chappell 2004: 151). Although he was criticised for boosting the capital debt, the citizens positively evaluated his job.<sup>14</sup> In August 2005 he was chosen to be a presidential candidate who founded the fourth nomination of the PRD's guru Cuauhtémoc Cárdenas.

The main slogan of his campaign *Por el bien de todos, primeros los pobres* (For the Good of Everybody, First the Poor) already signalled what would be López Obrador's main topics: fight against poverty, marginalization and social exclusion. His electoral program was aimed at those who did not profit from the neo-liberal reforms implemented by the PRI and the PAN governments. López Obrador presented himself as a candidate of the "forgotten ones" – poor people, marginalized, handicapped, indigenous people. The poverty was, in his view, the key cause of many Mexican problems like criminality, drug trafficking and the emigration to the United States. The solution was to provide jobs, improve education and living standards which supposed a huge spending in these areas. He promised free education, free access to public health, salary increase above the inflation rate, increasing of housing construction and infrastructure. Particularly the construction and big public works were perceived as job generating factors. He dedicated special attention to the settlement of the Chiapas conflict. He proposed to settle peace with the EZLN by accomplishing the San Andrés Accords from 1996, which the Mexican governments refused to ratify.<sup>15</sup> The other distinctive theme was the corruption combat. Some promises sounded pure populist, for example: the cancellation of payment of pensions to ex-presidents, reduction by half of President's salary, the change of presidential residence from luxury Los Pinos to National Palace which is in the capital main square (Zócalo). Finally, in mid-term of the presidential mandate (after three years) the president should be called to account by general plebiscite which decides if the president would continue in his office or not (Andrés Manuel López Obrador s.d.).

Felipe Calderón (PAN), the winning candidate, was closely tied to the traditional PAN-wing (panistas) in comparison to Vicente Fox who represented the newcomers (*neo-panistas*). He had a long party trajectory already as his family members were PAN sympathizers. In the PAN he served as the party president and as a leader of party caucus in the Chamber of Deputies (Klesner 2007a: 3). Yet, he had only limited executive experience, since he had been an Energy Minister in the Fox Government for a mere seven months. Prior to that, he was Director of Banobras just

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14 He was elected by 38.4% of votes in March 2000, but in November 2005 when he left the office, his work was evaluated positively by 84.9% of capital inhabitants (Consulta Mitofsky 2005: 4).

15 He also promised to recognize indigenous autonomy in the Constitution, the rights to occupied land and natural resources and increase of social spending on social project for these communities.

eight months. In the primaries the PAN selected him in a thought race with the Fox candidate the Interior Minister Santiago Creel Miranda.

In his proposals, he stressed the economic growth revival by attraction of foreign investments, flexible labour market, promotion of technologic innovation, support of small and medium-firms and promotion of regional development. Sustainable economic growth, social programs and the support of education were seen as the key for the solution of poverty and social inequity. As in the case of López Obrador, one of the most significant topics was to fight against the corruption under the slogan *manos limpias* (clean hands). The appealing themes were promises to secure a state of law and public safety, protection of environment and responsible foreign policy (Calderón s.d.). He attracted especially those who profited from the neo-liberal reforms and were content with the performance of the Fox government.

Above all, the central issue of the electoral campaign was the economic and social policy. In these issues we see a real division between the Left and the Right. Comparing both programs, López Obrador's project offered a social, but not socialist, model of development based on the social spending, Keynesian economics<sup>16</sup> and state-ownership of key sectors (e.g. energy). He criticised the neo-liberal reforms pursued since 1980s and highlighted their failure to reduce social inequity and poverty (Klesner 2007b: 27). He did not propose a radical change; nonetheless a fear existed about his possible radical policies being in power. The PAN was able to capitalize and spread this latent fear as we will see below. On the other hand, F. Calderón presented the continuation of the neo-liberal project based on the deepening of the reforms started by the Fox government and attraction of foreign investments. He embodied everything what was already achieved, the continuation of known policies and practices. The economic growth achieved in the second-half of the Fox government played in his favour (Moreno 2007: 16).

The third in the polls was Roberto Madrazo, a candidate of the Alliance for Mexico. He represented the old guard, dubbed as the dinosaurs, of the PRI and the malpractices namely corruption and electoral frauds.<sup>17</sup> His political program was a cocktail of everything without unifying elements or clear line, lacking concrete promises which differentiate him from Calderón and López Obrador. In general, he put job creating, support of education, health, alimentation and housing as his priorities. He also stressed the problems of insecurity and organized crime (Madrazo 2006; Langston 2007: 22).

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16 López Obrador and his team formulated economic proposals which they named "Mexican New Deal". Franklin Delano Roosevelt served as an example politician for López Obrador (Roig-Franzia 2006: 18).

17 For example in 1994 he won the gubernatorial election in Tabasco against López Obrador by overcoming a limit on campaign-finance. His administration of this southern state was marked by high levels of corruption (Chappell 2004: 151).

One of his disadvantages in the contest, besides his bad reputation, was the division—inside the PRI and the corruption scandals (e.g. the cases of Montiel and Marín)<sup>18</sup>. Although losing the presidency in 2000, the party had not disintegrated, as many predicted, since on the contrary it regained positions on the state and federal level. Nevertheless, before 2006 elections two confronting factions became more visible: “old-guard” wing around R. Madrazo and “reformist” wing around Elba Esther Gordillo<sup>19</sup>. She informally supported the creation of the PANAL outside the PRI which nominated Roberto Campa Cifrián a presidential candidate. During the campaign some politician from the PRI exit from the party or publicly announced that they would not vote for Madrazo (Langston 2007: 22–23).<sup>20</sup> Another presidential candidate was Patricia Mercado Castro from the Alternativa who was the fourth female candidate for the presidency.

## PRE-ELECTORAL SITUATION

The electoral campaign had already begun at least two years before 2006. As López Obrador was very popular during his mayorship, it was clear that he would try to become the country’s president. He appeared as a new strong figure of the Left, who could successfully substitute the veteran Cárdenas. A mediocre performance of Vicente Fox government and the tensions between him and the president were the breeding-ground for his campaign. In 2000 Fox promised a change after seventy-one year rule of the PRI, however he did not fulfill his promises. Writing in Foreign Affairs, Enrique Krauze evaluated the Fox’s office as average. “*As president, Fox has not done any major damage [...], but he has not done enough real good either*” (Krauze 2006). But we can find harsher evaluation: “*It was an inert government, with many errors because of the lack of vision, of vocation and of political talent. Fox was a candidate who had never known to be a president, a man who had fooled away a historical opportunity.*” (CIDAC 2006d: 5). Most salient problems remained – especially poverty, unemployment and the rise of the organized crime. It seemed that two decades of neo-liberal politics did have a little in reducing the wealth gap in the county. Fox was considered a popular politician, but not efficient.

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18 Arturo Montiel, ex-governor of Estado de México, was accused of taking bribes. Mario Marín, a governor of Puebla, was charged with the manipulation of judicial system (NDI 2006a: 4).

19 One of significant personalities of national teachers’ union, head of deputy’s club and supporter of cooperation with the Fox Government, while Madrazo was advocating zero toleration. She was expelled from the party.

20 In March 2006 27 legislators exit the party complaining on the excessive control of internal party processes by Madrazo. In May one of the most important PRI leaders Manuel Barlett called the PRI sympathizers to vote for the PRD since Madrazo was third in the polls (Langston 2007: 23; NDI 2006a: 4).

Hereto I would like to stress two important events that contributed to the rise of tensions among political parties, especially between the PAN and the PRD, before the very beginning of the electoral campaign. First, it was the election of the IFE councilmen in 2003. The nine members of General Council were approved by the majority of the PAN, the PRI and the PVEM in the Chamber of Deputies without the consent of the PRD. The PRD took it as a break-up of the rules according to which the councilmen should be selected by the consent of the three most important parties. According to the Left – what happened was an imposition of pro-PAN and pro-PRI agents. In my view, the failed compromise had a great negative impact on the PRD confidence in the IFE which raised doubts about the impartiality of this institution in the minds of the Left (Lawson 2007: 46; Garduño 2003).

Second, the videoscandals and the “El Encino” affair from 2004–2005 created an impression of the intention to prevent López Obrador from the participation in 2006 elections. The videos, launched in first half of 2004, showed the close collaborators of López Obrador in the town-hall of Mexico City taking bribes and gambling public money in Las Vegas. According to López Obrador, the opposition launched these videos to discredit him. In the “El Encino” affair<sup>21</sup>, the PAN and the PRI tried to prevent López Obrador from running for presidency by stripping him of immunity (the “desafuero”) in the Chamber of Deputies. However, the cronyism between the Attorney General and the executive was evident. It seemed that the real motive is not so much a protection of justice, but prevention of López Obrador candidacy at any cost. This instigated pro-Obrador mass rallies in Mexico City which pushed Fox to grant a pardon to AMLO. The Mayor’s “victory” in the case turned him to an unexceptionable leader of the PRD and the strongest candidate for the presidency. The derived effect was the reinforcement of López Obrador conception of a complot against him (Moreno 2007: 15; Lawson 2007: 46).

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21 López Obrador did not obey the judicial decision which had ordered the city’s administration to stop a construction of a drive-way to a hospital. The way went through private land called “El Encino”, which had been expropriated. The original owner sued Mexico City government and obtained judicial order banning further construction until the dispute was settled (La Jornada 2005).

## ELECTORAL CAMPAIGN

The official electoral campaign began on January 19, 2006, full of the attacks among the candidates. The PAN exploited a latent fear of López Obrador's radicalism. In March, it launched the spots that portrayed the leftist candidate as a "danger to the Mexican society" and as a "Mexican Hugo Chávez". The IFE ruled to withdraw them because of the spreading defamation about the leftist candidate. But the final decision was taken in May after two months of being in the air and "doing the trick". Calderón finally withdrew them claiming that they had already run their course (NDI 2006c: 4–5; NDI 2006b: 1–2). In the eyes of López Obrador and his team, it was only a confirmation of a dirty war against him. On the other hand, in his meetings López Obrador ridiculed Fox, who was still popular, by calling him a *chachalaca*.

Other violations of electoral law occurred, especially those which prohibit the involvement of third parties on behalf of the candidates. President Fox both directly and indirectly supported Felipe Calderón. In the television the government-paid spots were broadcasted presenting the successes of the Fox administration which prompted the voters to opt for the continuity (Moreno 2007: 16). The IFE asked Fox to stop supporting Calderón after which some of the TV spots were finally dropped. In spite of this, president Fox continued to be accused from the engagement on behalf of Felipe Calderón during the electoral race (NDI 2006a: 2; NDI 2006c: 1–2). It is possible that the Fox involvement positively influenced the support for F. Calderón although it is difficult to measure it. He was criticized in the final decision of the TEPJF for the violation of electoral law, but the electoral tribunal found that he could not influence the final results. The Business Coordinating Council (Consejo Coordinador Empresarial, CCE) also publicly supported Calderón by launching spots against López Obrador (Alianza Cívica 2006: 8).

A new instrument – the electoral debate – was introduced to the electoral campaign. However, only two of them took place in the end of April and at the beginning of June. And especially the first one had an important impact on the voter's preferences. At the beginning there was a López Obrador's decision to participate only in the second debate. He bet on the traditional means of electoral campaigns: mass rallies and direct contact with the voters. He also wanted to show that he would not stoop to the level of the other candidates (Klesner 2007a: 3). Nonetheless, this decision finally appeared to be a serious mistake in his electoral strategy. The non-participation in the first debate offered possibility to the other candidates to openly criticise him. Felipe Calderón fully capitalized it presenting

his project of the Mexican future. After the first debate we can see a break in the preferences for Calderón who caught up with López Obrador.

Until then the position of López Obrador was unshakeable. He was considered to be a future winner since the Calderón and Madrazo stood far behind him in voters' preferences. In February 2004 the leftist candidate had the support of 35 % of voters compared with 26 % for the PAN candidate and 22 % for the PRI candidate. In February 2005 he continued to be supported by 36 % compared with 27 % for the PAN candidate and 24 % for the PRI candidate. In February 2006 34 % of the voters voted him compared with 28 % for Calderón and 27 % for Madrazo (CIDAC 2006: 8). However, after the first debate support of Calderón rose up to 37 % compared to 33 % of López Obrador (CIDAC 2006c: 8). Since it was clear that one of them would be the winner and the PRI candidate would remain on the third place.

## ELECTORAL RESULTS AND VOTER STRUCTURE

On the July 2 Mexicans voted for the new president, deputies and senators. The importance of the presidential elections overlapped the congressional ones. The tensions rose with the IFE's decision not to publicise the results made by the quick count since the margin between the two contenders was below 1 %. Therefore both Calderón and López Obrador proclaimed their victories at that night. IFE made the final results public on July 6. According to the district by district count, F. Calderón had won with 35.89 % (15 000 284 votes) and the second remained López Obrador with 35.31 % (14 756 350 votes). The third was R. Madrazo with 22.26 % (9 301 441 votes), Patricia Mercado (PASC) with 2.7 % (1 128 850 votes) and Roberto Campa (PANAL, Partido Nueva Alianza) with 0.96 % (401 804 votes). The difference between the winner and the second place was only 0.58 %, 243 934 votes. The participation was 58.55 % and it was the first time Mexicans living abroad were allowed to vote by mail (30 271 ballots). The international observers confirmed the impartiality and the transparency of the electoral process. Some incidents appeared but were not generalized<sup>22</sup> (IFE 2006a; IFE 2006b). In the congressional elections the PAN has 206 deputies and 52 senators, the PRD 125 and 30 senators, the PRI 104 and 32 senators, the PVEM 19 deputies and 6 senators, the PT 16 deputies and 2 senators, the Convergencia 17 and 5 senators, the PANAL 9 deputies and one sen-

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22 According to the Alianza Cívica its observers found the violation of the vote in 10.66 % of 1 942 districts where they were presented. It is the highest number of reported incidents. The violations of electoral law was attributed firstly to the PRI and its Alliance for Mexico (73.11 %), followed by the Coalition for the Good of All (12.61 %) and the PAN (10.92 %). According to the European Union mission the elections were transparent and professionally organized (Alianza Cívica 2006: 39; NDI 2006d: 4).

ator and the PASC 4 deputies (El Universal 2006a). The continuation of the divided government was confirmed.

Looking at the vote determinants, region seems to be the most important one (Klesner 2007b: 29). Analyzing the preferences on the state-level, a great difference appeared between the northern and western states (for the PAN) and central and southern states (for the PRD). A more detailed analysis based on the municipal level revealed a more complex picture. In the northern states the competition was held between the PAN and the PRI, while in the southern states it was between the PRD and the PRI. A clear pro-PRD region is only Mexico City where the PRD has governed since 1997. The comparison of the preferences for the first and second place in the states reveals the same picture (Cayeros s.d.: 8; Klesner 2007b: 29–30).

It was believed that the socio-economic status would play an important role in voters' support since López Obrador's campaign was focused on the lower classes. However, a clear influence was not proved. Both candidates were able to get significant support across the social groups. Felipe Calderón gained more votes among the upper and upper-middle classes: 54.2% among the upper class and 43.5% among the upper-middle class compared with 25.9% and 29.9% respectively for López Obrador. However, this did not mean that López Obrador would primarily gain among the lower classes. Both candidates gained almost the same support among the lower-middle class (34.9% for Calderón and 34% for López Obrador) and lower class (26.4% for Calderón and 33% for López Obrador) (Consulta Mitofsky 2006: 6).

## THE POST-ELECTORAL CONFLICT

The negative campaign highly marked the atmosphere of the elections. Various accusations among the contenders appeared from the corruption to the possibility of electoral fraud before the very elections. Since the beginning of the campaign the concerns for the respect of electoral institutions and the final results appeared. This proved true. Immediately after the final announcement of the results by the IFE, the PRD refused to recognise them.

The only legal possibility of the PRD to reverse the results was the decision of the TEPJF. The Coalition for the Good of All thus presented legal complaints to the electoral tribunal. Interestingly, it complained over the presidential elections; but not over the congressional ones. The main arguments were: the irregularities in the

final vote count.<sup>23</sup> and the illegitimacy of the elections since the electoral campaign was unfair<sup>24</sup>. Finally, it accused Felipe Calderón from the abuse of social programs. On this basis, the Left demanded a new recount of all ballots. It established a precedent in Mexican electoral history and as such it could be decided only by the electoral tribunal.<sup>25</sup>

In support of these claims López Obrador convoked mass rallies to Mexico City. In late July 41 campaments were established paralyzing the normal life in the metropolis until September. The aim of the mass mobilization was to create a pressure on the electoral tribunal to rule in favour of the leftist demands. The main slogan was “vote-by-vote, ballot box-by-ballot box”. In the meetings López Obrador spread suspicion regarding electoral fraud and constantly expressed his distrust of the electoral institutions. He intended to persuade the citizens about the repetition of the fraudulent 1988 presidential elections and evoked the spirit of that time. To the contrary, the PAN and the PRI recognised the results, refused the recount of all votes and expressed their trust of the electoral institutions (Klesner 2007a: 4; NDI 2006d: 5–6). The Mexican society was at that time deeply divided between those demanding the total recount and those trusting in the final results. Serious concern existed for the future of democracy in Mexico.

Finally, the TEPJF decided to open 11 839 electoral packets which corresponded with 9.07 % of polling stations in 149 electoral districts (from 300) in 24 states. It found a total recount ungrounded since the Coalition was not able to present claims in all electoral districts. 81 080 votes for Felipe Calderón and 76 897 for López Obrador were annulled.<sup>26</sup> The difference of votes remained the same (0.58 %) so as the first and the second place (El Universal 2006b; NDI 2006d: 6–7). Upon this result the TEPJF stated in the final judgment from September 5 that although some irregularities happened they had not been decisive for the electoral results. The main

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23 This included the manipulation of the PREP (Preliminary Electoral Results Programme) by the IFE in order to show Calderón's leadership during the electoral night. The district-by-district count was conducted in a hurry and thus it was not done carefully. Many violations of counts appeared at approximately 50 000 polling stations. The number of invalid votes rose up compared to 2000 elections. The old methods of electoral fraud (“a la antigüita”) were detected as ballotstuffing, voter coercion and ballot-burning (NDI 2006d: 5; Lupa Ciudadana s. d.).

24 First, the Left complain over the intervention of president Fox and the CCE and over the violations of negative campaign restrictions by the PAN. According to the Coalition the IFE prejudiced López Obrador during the electoral campaign since it was slow in the rule over the recall of the defamatory spots against him (Lupa Ciudadana s.d.; El Universal 2006c).

25 The TEPJF had already decided to cancel two elections on basis of the irregularities which emerged on the electoral day. It was the case of governor election in Tabasco in 2000 and in Colima in 2003. In both cases the PRD presented the claims and were found just. Since 1996 the TEPJF annulled 33 elections in federal, state and municipal level (NDI 2006d: 6; El Universal 2006c).

26 Roberto Madrazo lost 63 114 votes, Patricia Mercado 5 962 and Roberto Campa 2 743.

critique of the tribunal was focused on the electoral campaign. Above all the PAN and the CCE were criticized for the invective spots against the leftist candidate. The tribunal considered them illegal, but at same time without a significant effect on the final results. The involvement of president Vicente Fox was also condemned, the tribunal considered it as a risk for the validity of the elections. Nevertheless the president maintained himself within the letter of electoral law (NDI 2006d: 7). Based on these findings the tribunal validated the elections and proclaimed Felipe Calderón the winner.

Analyzing the use of social program, a Mexican NGO Alianza Cívica found out, that 10.1 % polled affirmed that the program was used for the electoral ends.<sup>27</sup> Only in 6 % a vote buying appeared<sup>28</sup> and in 7 % a voter coercion<sup>29</sup>. The main beneficiary was the PRI, followed by the PAN and the PRD. Taking into account the PRI results, the impact of these practices was low. Moreover, the electoral results also showed that in the poorest municipalities, which benefited from the social program *Oportunidades* launched by Fox, a majority voted for the PRD (Alianza Cívica 2006: 20–26; Milenio 2006).<sup>30</sup> Therefore this accusation was also found ungrounded.

In spite of the tribunal verdict, López Obrador continued in the civil resistance. The decision of electoral tribunal was also not trustworthy enough for him and his followers. Moreover, he called for the creation of parallel institutions. A National Democratic Convention was convoked for the September 16, a symbolic day when the fight for the independence started. Here López Obrador was elected a “legitimate president” by acclamation. The “inauguration” ceremony was held on the November 20, the day of the outbreak of the Mexican revolution. In the Congress the leftist deputies and senators has also adopted an obstructive strategy towards the government. On the December 1, they tried to prevent Calderón to take an oath in the Congress which is indispensable for the assumption of the office.

The Left started to behave as an anti-systemic force, a role which had already played at the beginning of the 1990s. However, its adversary is the democratic government and not the authoritarian one. The issues of Mexican presidentialism became evident again. Who loses, loses everything since it is impossible to involve the leader of the opposition into the political system. López Obrador as a presiden-

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27 Alianza Cívica monitored federal social programs as *Oportunidades*, *Seguro Popular*, *Procampo* and *Programa de Empleo Temporal* in 23 Mexican states.

28 The vote buying was detected especially in the states México, Sinaloa, Veracruz and Guerrero (Alianza Cívica 2006: 24)

29 The coercion of vote was found above all in the states Chiapas and Oaxaca (Alianza Cívica 2006: 26).

30 From 100 poorest municipalities in 76 won López Obrador, in 18 Roberto Madrazo and in 6 Felipe Calderón (Milenio 2006).

tial candidate could not become a deputy or senator and constitute the “shadow cabinet” in the Congress. That could partially push him to adopt this anti-systemic tactic.

However, after the refusal of the final tribunal judgment many began to divert from the support of López Obrador movement since it was considered that López Obrador exceeded the limits and began to endanger the Mexican democracy. Thus the concerns over the emergence of a new social movement were not confirmed. Some prominent leaders of the PRD declared the cooperation with Calderón government. Among them, were Amalia García of Zacatecas, a former party president, and Lázaro Cárdenas, the governor of Michoacán (Klesner 2007a: 5–6; Lawson 2007: 47). Another positive sign was the adoption of new electoral reform which could bring more confidence among the political actors.

## CONCLUSIONS

The Mexican elections in 2006 showed that the country is still in the process of democratic consolidation. Even after a successful transition to democracy, a whole democratization process can be easily undermined and reversed. Many conditions positively and negatively influence this process. Mexico has a great advantage in comparison with some other Latin-American countries in that the political elite was able to agree rules of game, embodied in the electoral law, and established two special institutions which guarantee the observance of the rules and manage a possible conflict. However, the 2006 elections showed that this is not enough. First, the importance of the attitude of the political actors towards democracy and second the relations among the political actors for the consolidation of democracy became evident.

With respect to the first point, all parties showed that they are not fully committed to the democratic rules of game. The PRD refused to accept neither the final results nor the judgement of the electoral tribunal. However, a democratic party must assume the consequences of the electoral process and accept the decisions of judicial power even if they are contrary to its interests as in 2000 with Al Gore, who, despite the doubts about the electoral process, accepted the tribunal decision in favour of George W. Bush. On the other hand the PAN as the founder of the electoral institutions violated electoral law by the negative defamatory campaign and by the intervention of third parties (president Fox) on its behalf. This significantly contributed to the polarization of the political elite and society. The PRI as the ex-ruling party still did not get rid of its authoritarian past and nominated the symbol of all malpractices as its presidential candidate. The debacle of Roberto Madrazo was satisfying since it symbolized a refusal of the non-democratic practices.

With respect to the second point, the relations between the Left (the PRD and its allies) and the Right (the PAN with the support of the part of the PRI) are more conflictive than cooperative which hardens the democratization process. I refer especially to the intention of the PAN and the PRI to prevent the leftist candidate from the participation in the electoral process, the mass mobilization and creation of parallel government by López Obrador after the elections and to the obstructive attitude of the PRD in the Congress. However, a positive sign for the deepening of the democracy is the adoption of a new electoral reform by all most important parties. It can become a new pillar of trust among them.

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# PRESIDENTIAL ELECTIONS IN PERU: „THE SECOND CHANCE“ FOR THE MODERATE LEFT

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This chapter was written within the GAČR grant project “Non-democratic regimes and their transformation in Lusophone and Hispanic countries” (No. 407/06/0169).

This chapter deals with presidential elections in Peru in 2006, analysing them from the aspect of domestic politics as well as the contemporary Latin American trends. First it will focus on the specific features of the Left in Peru and the causes of its rise. Then it will outline the pre-electoral situation in Peru in 2006 and introduce the principal candidates and political parties which nominated them for the presidential contest. Attention will be turned especially to the two strongest leftist candidates, Alan García and Ollanta Humala, who in the first round of the elections (April 2006) eliminated the most important representative of the Right, Lourdes Flores, and then contested each other in the decisive second round (June 2006). Next comes a comparison of their programmes, strategies and preferences, including the possible consequences brought about by their eventual win. The chapter will further analyse the course of the electoral contest and the results from both rounds, with an emphasis on the distribution of support in each region and the causes of success or failure of each candidate. In conclusion, the first few months of the government of the victorious candidate, Alan García, will be assessed, with concentration on the initial conditions under which he entered office and the problems he faced and will probably continue facing during his presidential term.

## **SPECIFIC FEATURES OF THE PERUVIAN LEFT AND THE CAUSES OF ITS RISE**

The rise of the left, seen in Peru and in many more Latin American countries, has a number of causes. Beside the domestic political development of the states, each with its own specific features, an important role was played by the gradual consolidation of democratic political systems in Latin America, including the political parties. Most of them belong to the modern Left of the Social Democratic type and represent standard political subjects. Their rise to power is not seen ideologically, their policy is moderate and nearer to the political centre rather than to the genuine Left. It should be also emphasised that this leftist orientation, to some degree, is natural for Latin America. The reasons are the social structure of the population, the demographic development, and economic factors. E.g. a strong enough and prosperous middle class does not exist, there are problems of urbanisation and the rise of poverty districts („barriadas“),<sup>1</sup> high unemployment rate, the number of people living under the poverty line, lack of education, etc.

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1 In Peru between 1940 and 1972 the ratio of urban population rose from 35 % to 60 % and in 2000 it increased to 72 % (Kenney 2003, 1219).

The turn toward the Left was also due to the failure of the neo-liberal economic reforms, which in the second half of the 1980s and in the 1990s were carried out by rightist and centrist governments, often under the pressure of the USA, IMF and the World Bank. They had a heavy impact especially on the lower classes. The slowing down of economic growth and the intensification of economic and social differences due to corruption scandals and clientelism in the highest political spheres contributed greatly to the increase in preferences for leftist political parties. When you add the traditional Latin American ideological naivety and inclination to accept manipulation and simplified solutions, we get conditions that play into the hands of populist and radical leaders. The 2006 presidential elections, in which the representative of the nationalist-populist political party successfully fought his way to the second round, can prove that. Before an analysis of the elections starts, however, it is necessary to outline the development and describe the principal features of the Peruvian political system because without it being seen in a wider context, the contemporary events cannot be really understood.

During the 20<sup>th</sup> century, the political system of Peru underwent several phases, the character of which is reflected in the formation and consolidation of political parties. Although these phases were much different, they shared several elements: the chronic economic and political instability, alternation of governments, militarisation of politics, populist rhetoric, and the strong role of leaders coming either from the military or the civic sphere:<sup>2</sup> Basically, five principle stages can be distinguished: 1) populism and the rise of mass parties (1919–1968); 2) reformist military governments (1968–1980); 3) civilian democratic governments (1980–1992); 4) auto-coup and installation of “direct democracy” (1992–2000); 5) return of the democratic government (2000–now).<sup>3</sup>

One of the most modern moments in Peruvian politics and the formation of the party system before the coming of military juntas was the activity of the American

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2 Between 1914 and 1984 only one civilian person, Manuel Prada, managed to finish his presidential term (1939–1945, 1956–1962). In 20<sup>th</sup> century Peruvian political history, like in many other Latin American countries, the following pattern is repeated: installation of a new government – populist measures – economic / political crisis – coup d’etat. (Palmer 2000, 234)

3 At the head of reformist military governments were Generals Juan Velasco Alvarado (1968–1975) and Francisco Morales Bermúdez (1975–1980). Civilian presidents in the subsequent period were Fernando Belaúnde Terry (1980–1985), Alan García Pérez (1985–1990), and briefly Alberto Fujimori (1990–1992), who in 1992 carried out the so-called auto-coup and established a de facto authoritarian government (dismissed the Congress, suspended the Constitution and revised it so as to enable him to hold the presidential office for two more five-year terms in succession). The enforced resignation of Alberto Fujimori after the non-regular presidential elections in 2000 and the subsequent victory of Alejandro Toledo in the 2001 presidential elections meant a return to the democratic form of government. For more details see Kenney 2003.

Popular Revolutionary Alliance (APRA, Alianza Popular Revolucionaria Americana) – political parties founded in 1924 by Victor Raúl Haya de la Torre. Initially, the leftist APRA had continental ambitions.<sup>4</sup> It gradually developed a wide base of support, especially in the lower social class, and in the Peruvian elections was regularly winning 30–35 % of votes.<sup>5</sup> It became a mass political party of the Social Democratic type, with a very good organisation, and its activity prevented a more radical political alternative being introduced in the country.

In an effort to win a greater share of political power, APRA was willing to cooperate with the conservative president Manuel Prado (1956–1962). This showed the party's considerable political and ideological flexibility and readiness for compromises.<sup>6</sup> Its shift to the right, however, made room in the left part of the political spectrum, which soon began to be filled by orthodox Marxist groups.<sup>7</sup> In 1962 APRA won the elections, which was unacceptable for the military circles in Peru. In a coup d'état the military junta seized power and held it for several months.<sup>8</sup> However, it kept its promise to allow presidential elections in 1963, in which the winner was the candidate of the Popular Action (AP, Acción Popular), Fernando Belaúnde Terry.<sup>9</sup> The enormous problems in Peruvian economy terminated his term prematurely.<sup>10</sup> In 1968, by a bloodless army coup the military regime was established, which survived in Peru until 1980.

After the departure of the military from peak politics, the plurality and competition of political parties was renewed, bringing a new wave of foundation of parties.

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4 Haya de la Torre emphasised especially a struggle against imperialism, Pan-American solidarity, and indigenism (more active involvement of Indian population in economy and politics and improvement of their position), but rejected orthodox Marxism. (Palmer 2000, 234, McClintock 1989, 343)

5 In the 1931 presidential elections it won 31 %, in 1962 33 %, and two years later 34 %. In the elections to the Constituent Assembly in 1978 APRA gained 35 % of votes. (Kenney 2003, 1219)

6 APRA returned to the left-wing programme only after the death of Haya de la Torre (1979) and after the arrival of Alan García Pérez as the head of the party (1982).

7 The growth of the Left was later connected with the failure of the reformist policy of the military governments (1968–1980) and made itself fully felt in the elections to the Constituent Assembly in 1978, in which the coalition of Marxist parties, the United Left (IU, Izquierda Unida), gained 29 % of votes. (McClintock 1989, 351)

8 The military junta then faced an increase in social tension and discontent of the Indian population, calling especially for an agrarian reform. This critical situation speeded up the activation of radical leftist groups. For greater details see Springerová, Špičanová 2006.

9 Belaúnde Terry founded AP in 1956 as a subject that should fill the space between the pro-oligarchic rightist groups and the Marxists. Belaúnde promoted the “Inca model of the state”, giving as an example its centralist planning and the inclination of Indians toward collective work. He tried to link this Incaism with a modern Social Democratic conception. (Roedl 2003, 82)

10 The period of economic prosperity ended in 1967. The boom in export of fishing industry products stopped, the mining of mineral resources slowed down, the foreign debt grew, and the rising inflation led, in September 1967, to the 40 % devaluation of currency. (Skidmore, Smith 1992, 213)

The first impulse was the election to the Constituent Assembly in 1978 and then the presidential and parliamentary elections in 1980. In this period four parties held the most important position and determined the character of the Peruvian party system for several decades. Among them were APRA, AP, Christian Popular Party (PPC, Partido Popular Cristiano), and United Left (IU, Izquierda Unida). Until 1990, they together won more than 90 % of votes both in parliamentary and presidential elections.<sup>11</sup> During the unsuccessful governments of Fernando Belaúnde Terry (AP) and Alan García Pérez (APRA), however, the party system was unable to achieve sufficient consolidation. These governments could not prevent a disastrous economic decline,<sup>12</sup> an enormous rise in corruption and social tension, which together with the terror waged by the Shining Path brought the country to the verge of a civil war. This grim situation was naturally reflected in the results of parliamentary and presidential elections in 1990, which brought a complete success to the candidates of alternative political parties. In most cases they were unknown persons (the outsiders), with no permanent links to politics and to parties with a solid base of voters and a complex programme. In the presidential elections two men advanced to the second round: Vargas Llosa, a representative of the Movement of Liberty (Movimiento Libertad), and Alberto Fujimori, heading a new political party, Change 90 (Cambio 90). These two together gained in the first round 62 % of votes. In parliamentary elections the traditional parties were a little better off, still the 66 % they gained was much less than what they achieved in the preceding elections in 1985 (94 %). (Kenney 2003, 1214)

During the government of Alberto Fujimori the party system definitively collapsed. The marginalisation of traditional political parties which had a well functioning organisation structure and close links to Peruvian society, was finished after Fujimori's „auto-coup“ in 1992 and the subsequent parliamentary elections, boycotted by these parties in protest against the president's illegitimate activities.<sup>13</sup> In 1995 the traditional political parties gained only 7 % of votes in the presidential and 15 % in the parliamentary elections.<sup>14</sup> (Taylor 2007, 6) The Congress was de facto occupied with little known, inexperienced politicians, remaining loyal to Fujimori's regime. Five years later (2000), PPC and IU even lost the claim to be registered for elections, while the surviving APRA and AP achieved less than 2 % of

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11 In the 1980 presidential elections these parties together gained 96 % of votes and five years later 97 %. (Taylor 2007, 4)

12 During García's term (1985–1990) the yearly inflation was as high as 5,000 %. (Béjar 2006, 81)

13 In the elections only PPC took part, gaining in the new single-chamber Congress only eight seats out of eighty. (Taylor 2007, 6)

14 APRA, which in the 1990 presidential elections still gained 22 %, in 1995 only gained 4 % of votes. (Taylor 2007, 6)

votes in presidential and 8% in parliamentary elections. (Kenney 2003, 1216) Only the enforced resignation of Alberto Fujimori (2000) and the holding of new elections in 2001 brought a “return” of traditional political parties and politicians. The leader of AP, Valentín Paniagua,<sup>15</sup> successfully held the office of the provisional president during the transitional period 2000–2001. The three strongest candidates in the first round of presidential elections in 2001 represented traditional political parties. Alejandro Toledo (Perú Posible) was supported by AP, Lourdes Flores was the candidate for the coalition National Unity (UN, Unidad Nacional), in which her PPC was represented, and APRA sent into the battle for the presidential post its leader Alan García.<sup>16</sup> In parliamentary elections the traditional parties were successful, too. APRA gained 20% of valid votes (2000 – 5.5%) and become the second strongest political subject in Congress (28 seats). AP gained 3 seats and the two oldest Peruvian parties thus took nearly one quarter of parliamentary seats.<sup>17</sup> Although there were speculations about a renaissance of traditional parties and politicians and a partial restoration of the party system of the 1980s, only the 2006 elections were to establish whether it really was a long-term trend.

## PRESIDENTIAL ELECTIONS IN 2006

In June 2006, the second round of closely watched presidential elections took place, in which two leftist candidates were contestants<sup>18</sup> – a representative of the Social Democratic left (with a strong centralist leaning), Alan García Pérez (APRA, Partido Aprista Peruano)<sup>19</sup> and a representative of the radical Nationalist Peruvian Party, Ollanta Humala (PNP, Partido Nacionalista Peruano). In spite of the not very positive experience with the government of Alan García in the second half of the 1980s, the people in Peru in the end preferred this candidate and thus chose the more moderate of two left variants. What preceded the final count of votes, what circumstances accompanied and influenced the electoral contest or what strategy was chosen by each candidate for the presidential post? These issues will be discussed in the next part of the paper.

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15 In 2006 he took part in the first round of the presidential elections with the gain of 5.75% of valid votes. (ONPE)

16 Alejandro Toledo gained 36.51%, Alan García 25.77% and Lourdes Flores 24.30% of valid votes. (ONPE)

17 Some of the 17 seats acquired by UN, were gained by the members of PPC. (Kenney 2003, 1235)

18 In the first round of the presidential elections, held in April 2006, it was a Lourdes Flores – a representative of the conservative Right – who competed with the two candidates.

19 The abbreviation of the political party remains preserved according to the original name *Alianza Popular Revolucionaria Americana*.

## Pre-election situation

The presidential and parliamentary elections in 2001 and the move of Alejandro Toledo to the head of the country meant a return to the democratic form of government, including the restoration of free political competition and the pluralism of political parties. In the party system in Peru, the representative place was again taken by the traditional parties of the 1980s (APRA and AP) and their representatives. The 2006 elections followed up on that trend, though the pre-election situation was in some aspects different.

The presidential candidates in 2006 no longer enjoyed the advantage which Alejandro Toledo had in 2001. His candidature and the subsequent election to presidency was seen as a definitive full-stop after Fujimori's authoritarian regime and at the same time a break-through in the monopoly of presidents from the "white" Peruvian elites.<sup>20</sup> Besides, one more important fact should be pointed out – the previous governments and their representatives, no matter whether it was Alberto Fujimori (2000), Alan García (1990) or Fernando Belaúnde Terry (1985), left the scene because of a complete loss of support, most often due to the deep political and economic crisis, unsuccessful reforms, corruption scandals or the futile struggle with the guerillas.<sup>21</sup>

Alejandro Toledo did not meet the Peruvian voters' expectations either and his popularity (especially among the poor) dropped markedly.<sup>22</sup> Toledo's government failed in the carrying through of most of the promised reforms, one of the reasons being that they were not passed by Congress, where the government did not have the majority. It did not carry through, e.g. the decentralisation of state administration,<sup>23</sup> it did not meet the electoral promise to try to cut unemployment by producing new jobs and job opportunities, it failed in the proclaimed struggle against poverty<sup>24</sup>, etc. The government's rule was accompanied by corruption scandals. Last but not least, Alejandro Toledo lost the support inside his own party, Perú Posible, which de facto broke up and in 2006 could not even nominate a presidential candidate.<sup>25</sup> In spite of all this, Alejandro Toledo succeeded in maintaining the economic and political sta-

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20 Alejandro Toledo in 2001 enjoyed a wide support from Peruvian voters across all social levels.

21 The most critical situation was in the 1980s and the early 1990s, when the activity of the Maoist-orientated Shining Path and the pro-Cuban Revolutionary movement Túpac Amaru culminated.

22 According to the poll surveys, Toledo's support in the middle of his term was less than 10%, obtained mainly from the upper class. (Vargas León 2007, 222)

23 Most of the regional governments were in the hands of aprists.

24 Although during Toledo's term poverty dropped by 5%, improvement was only in the coast regions, while the situation in the mountains and the primeval forests in the interior of the country remains tragic. In general, more than 50% of the population of Peru live below the poverty line. (Taylor 2007, 19)

25 Perú Posible only closely crossed a 4% threshold, when it obtained 4.1% of votes and two seats in Congress. (ONPE)

bility and his support in the last few months of his term even increased considerably.<sup>26</sup> New candidates thus had to fight for preferences not only among themselves but also with the unprecedented support of the departing government, which understandably influenced the election campaign. (Vargas León 2007, 222)

### **Presidential candidates, their strategies and programmes**

From the twenty candidates chosen in the intra-party primaries between October and December 2005, the main percentage of preferences was collected by three: Ollanta Humala Tasso, Alan García Pérez and Lourdes Flores Nano.

Lourdes Flores, the representative of the conservative PPC, was an unsuccessful candidate already in 2001, for the rightist coalition National Unity (UN, *Unidad Nacional*). Her support came mainly from the upper class and from businessmen and so she was called the “candidate of the rich” or “candidate of the bankers”.<sup>27</sup> Regionally she received her greatest support in Lima and other big cities. Although representing the Right, she tried to give the impression that she would be able to make changes and she promised putting emphasis on social issues and the interests of all groups of society. In the end, however, she could not convince the lower levels of the population.

Alan García (APRA), like Lourdes Flores, sought the presidential post already in 2001. He lost in the second round to Alejandro Toledo and became the principal opposition leader. Systematically he consolidated his power inside APRA, consolidated its position in the party system of Peru and was getting ready for the next election. His strategy before the 2006 election was much influenced by the effort to “repair” his disastrous presidency in 1985–1990. The fact that his name was linked to one of the worst periods in modern history of Peru was a great handicap among the voters and at the same time his opponent’s weapon in the pre-election campaign. Alan García tried to divert the attention from the past by severely criticising Toledo’s government and the favourite of the first round, Lourdes Flores. Moreover, he had to react to the radical programme and the rhetoric of his rival on the Left and so his campaign, especially in the first round, was heavily populist. He concentrated mainly on social issues – he pledged to protect social rights (especially the right to work and education) and to defend the interests of lower and middle classes.<sup>28</sup>

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26 In the spring of 2006, Toledo’s support was 45 % in Lima and 33 % nationwide. A positive role in this development was certainly played by favourable economic indexes. The growth of economy ranged around 4.5 % and inflation did not exceed 10 %. (Vargas León 2007, 221)

27 One of their candidates to vice-presidency was Arturo Woodman, who is linked with the largest group of businessmen in Peru – *el Grupo Romeo*. (Vargas León 2007, 223)

28 Alan García e.g. promised a cut in state expenditure and salaries of state officials, keeping the eight-hours of work, payment for overtime work, etc. (Vargas León 2007, 223)

Ollanta Humala campaigned in presidential elections for the first time. He was nominated by a coalition comprised of Humala's National Peruvian Party (PNP, Partido Nacionalista Peruano) and the Union for Peru (UPP, Unión por el Perú).<sup>29</sup> Ollanta Humala had hardly any political experience. As a retired soldier he only had had a short career in the diplomatic service. His campaign was clearly negativistic – based on an uncompromising rejection of the policy of the previous governments and a severe criticism of the counter-candidates. Among his themes was the elimination of corruption and poverty, moderation of social differences and emphasis on the carrying through of Peruvian national interests. The radical nationalism and his close link to the extremist Movement of Ethnocacerists – Ollanta Humala made no secret of it – produced great apprehension both in some groups of the population and abroad.

The Ethnocacerists are headed by Humala's brothers Antauro and Ulises.<sup>30</sup> The programme of this militarist organisation can be called, and this is no exaggeration, xenophobic or even racist. The Ethnocacerists present themselves as patriots, defenders of the indigenous population and Peruvian interests. They make use of the traditional Latin American caudillism, that is an orientation toward strong charismatic leaders (often from the Army), who appear on the stage especially in the days of governmental crises, corruption scandals and unpopular economic reforms. They appeal for a purification of the society and for the introduction of the capital punishment for people guilty of high treason or of corruption. The principal idea, which became the spine of ethnocacerism, is the conflict between the „cobrizos“ and the „blancos“, that is between the Indians and the whites, which permeates the whole society and produces a strong social tension.<sup>31</sup>

The Humala brothers first became known in 2000, when Antauro and Ollanta unsuccessfully tried to bring down the authoritarian regime of Alberto Fujimori.<sup>32</sup> They both were arrested but soon after their imprisonment Fujimori's government fell and Ollanta Humala was rehabilitated and „compensated for“ by an appointment to the post of the military attaché in France and then in South Korea. Five years later (in January 2005), the Humala brothers appeared on the front pages of the

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29 Unión por el Peru was founded in 1994 by Javier Pérez de Cuéllar, the former General Secretary of the UN (1982–1991), who in 1995 was the presidential candidate against Alberto Fujimori.

30 Ulises Humala was also a presidential candidate in 2006 (for the party Avanza País), but received only 0.17 % of votes. (ONPE)

31 Ethnocacerists were inspired by Nazi ideology and symbols. In their activities they wear military uniforms and use a flag, where on the red field instead of the swastica is the Inca cross „chakana“; the golden eagle of the Reich is replaced by the condor of the Andes (Kiernan 2005).

32 It was an armed attack against the mines in Toquepala (the Tacna region), led by Antauro and Ollanta Humala. They demanded the sentencing and imprisonment of the former head of the secret service, Vladimiro Montesinos, and the resignation of Alberto Fujimori.

newspapers again. This time it was the couple Antauro and Ulises, who with several scores of armed people raided the office of the police station in Andahuaylas. They demanded an immediate resignation of President Alejandro Toledo, and proclaimed his rule corrupt and incapable of improving the situation of impoverished Indians. In the terrorist action, which was liquidated within several days by Peruvian police units, six people lost their lives (Kiernan 2005). Ollanta Humala disassociated himself from the activity of his brothers but during the election campaign admitted the chance of appointing Antauro Humala the Minister of Defence if he himself wins the presidential elections.

Another potential hazard was Humala's very friendly relation with Hugo Chávez and Evo Morales and his sympathy for the so-called Bolivarian Revolution (*revolución bolivariana*), part of which was an integration of the countries in the Andes, with the aim of restoring the extent and power of the Inca Empire. Humala several times spoke in this sense, asking at least for an integration of Peru and Bolivia, and declaring territorial demands versus Chile. In domestic politics, his first presidential step would probably be an attempt at changing the Constitution, the introduction of capital punishment, and nationalisation of key industries and the mining industry.<sup>33</sup>

### **Analysis of the electoral results**

The expected "winners" of the first round of the presidential elections, which took place on 9 April 2006, were Ollanta Humala and Lourdes Flores. As late as November 2005, Lourdes Flores had a 10% head start on Humala, who received greatest support in the mountainous central regions (*sierra central*) and in southern provinces.<sup>34</sup> On the other hand, Alan García enjoyed greatest support along the coast, in the north of the country. At the beginning of 2006, the campaigns of Lourdes Flores and Ollanta Humala became increasingly polarised. Alan García directed his attacks mainly against Lourdes Flores (his attacks at Ollanta Humala in the first round were less marked).

A role in the pre-election campaign was also played by the presence of Alberto Fujimori in the neighbouring Chile, from where he announced his intention to be

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33 Ollanta Humala regards the Constitution as illegal ("Fujimori's Constitution" of 1993 continued to be valid) and too liberal. He demands increased state interference in economy and planned advantages for the domestic capital. He strongly opposes globalisation and the power of supranational corporations – in Peru one of the most powerful are Newmont and Yanacocha (gold), Repsol and Pluspetrol (natural gas).

34 In favour of Ollanta Humala and Lourdes Flores spoke both the assumed percentage of support and the fact that as late as at the beginning of 2006, 62% of voters refused to give their vote to the apristic candidate. (Vargas León 2007, 225)

a presidential candidate. Ollanta Humala was the only one from the three strongest candidates who clearly dissociated himself from the former president and required his being handed over to Peru and standing trial there. Opinion polls showed him as the most capable fighter against corruption. Although opposed by the media,<sup>35</sup> his preferences began to grow. Simultaneously, Alan García began to get more votes, while the support of Lourdes Flores rather stagnated and in some regions even mildly dropped. (Vargas León 2007, 225) The relatively even preliminary results and the great percentage of undecided voters<sup>36</sup> meant that the sequence of the candidates remained uncertain until the final count of the votes. Finally the script of 2001 was repeated, when Alan García at the last moment overtook Lourdes Flores and advanced to the second round with Alejandro Toledo.<sup>37</sup> This time García's rival was Ollanta Humala, winning 30.62 %. Alan García won 24.32 % and Lourdes Flores 23.81 % (see Table 1). (ONPE)

The first round of the presidential elections took place together with the Congress elections, in which seven political parties passed the 4 % threshold. The sequence of the three strongest parties in parliamentary and presidential elections was not different, but the gains of APRA and UPP were much more even (see Table 2), which meant that the future president, irrespective of the party, would not have the needed majority in Congress.

**Table 1 Results of the first round of presidential elections (9 April 2006)**

Political party (candidate's name)	Number of valid votes	% of valid votes
Unión por el Perú (Ollanta Humala)	3,758,258	30.63
Partido Aprista Peruano (Alan García)	2,985,858	24.32
Unidad Nacional (Lourdes Flores)	2,923,280	23.81

Source: ONPE

35 The media criticised Ollanta Humala especially for his military past and his share in the severe actions against civilians during the anti-terrorist campaign, opened by Alberto Fujimori after 1990. As unacceptable was also thought the candidate's narrow link with the activities of his brothers. No less criticised were many members of Humala's pre-electoral team, advisers and candidates to Congress, and Humala's friendly relations with Hugo Chávez. (Vargas León 2007, 225–226)

36 Two months before the elections, the undecided voters were 42 % and one week before the elections 26 %. (Vargas León 2007, 226)

37 In the first round of presidential elections, held in 2001, Alejandro Toledo gained 36.51 % of votes, Alan García 25.77 % and Lourdes Flores 24.30 %.

**Table 2 Results of parliamentary elections (9 April 2006)**

Political party	Number of valid votes	% of valid votes
Unión por el Perú	2,274,797	21.15
Partido Aprista Peruano	2,213,623	20.59
Unidad Nacional	1,648,717	15.33

Source: ONPE

Alan García entered the second round of the presidential elections, held on June 4, 2006, with a 10 % head start on Ollanta Humala. Most voters who had voted for the defeated candidate in the first round, now crossed to Alan García. He mainly concentrated himself on the rightist adherents of Lourdes Flores, which manifested itself in a distinctly milder and more conservative line. He also tried to differentiate himself from Ollanta Humala, who continued in his confrontational spirit and radical rhetoric. Besides being in disfavour with the media, Humala suffered by the "support" received from Hugo Chávez, who rudely attacked Alan García. Most of the voters when asked about it (75 %) disapproved of these attacks. (Vargas León 2007, 226) Alan García finally defeated Ollanta Humala by more than 5 % and gained 52.63 % of valid votes. Ollanta Humala with 47.38 % votes was the loser (see Table 3).

**Table 3 Results of the second round of presidential elections (4 June 2006)**

Political party (candidate's name)	Number of valid votes	% of valid votes
Partido Aprista Peruano (Alan García)	6,965,017	52.63
Unión por el Perú (Ollanta Humala)	6,270,080	47.38

Source: ONPE

From the aspect of electoral geography, Alan García won in the provinces along the coast (including Lima) and in the north of the country, whereas Ollanta Humala was supported by the central and southern regions and the territory of the primeval forest.<sup>38</sup> While in the first round UPP won in 146 provinces (obtaining more than 40 % in 100 of them), APRA won in 40 provinces (gaining more than 40 % in

<sup>38</sup> Peru's territory is divided into 25 regions (departamentos), 195 provinces (provincias) and 1831 districts (distritos).

only 13), and UN won in five of the remaining nine provinces. In the second round, APRA won the most densely populated provinces on the coast, and thus secured its final victory. Only two of the nine provinces which in the first round voted for other parties, now gave, in a majority, their support to UPP, whereas the rest of the provinces inclined toward APRA. In a single province the support passed from aprists to UPP, while UPP lost seven provinces to aprists. (Vargas León 2007, 227–228)

An interesting fact is that the provinces which in 2001 supported Alejandro Toledo, in 2006 supported Ollanta Humala and thus expressed clearly their mistrust of Alan García and a demand for a change in the behaviour of political elites. The change was represented formerly by Toledo and now by Humala. Another long-term trend confirmed by the 2006 election was manifested on the level of districts (distritos). It is the so-called class voting or voting reflecting the socio-economic stratification of the Peruvian population and the degree of poverty.<sup>39</sup> The overwhelming majority of the poorest districts supported Ollanta Humala,<sup>40</sup> whereas in the richest district the winner in the first round was Lourdes Flores (in the second round Alan García). Poor and medium poor districts preferred the apristic candidate. (Vargas León 2007, 229)

## **OUTLINE OF THE POST-ELECTION SITUATION – PERSPECTIVES OF THE NEW GOVERNMENT**

Alan García entered his office with the knowledge of several essential facts. First he had to bear in mind that his support only comes from the voters in the first round. Those who arrived additionally, in the second round, by their “negative vote” chose to give priority to the “lesser evil”. In many regions he failed to obtain a majority even in the second round and in the future he is likely to face problems there. On the other hand, he started his term with the promising support of 63 % spread across all socio-economic groups, which implies that he aroused hopes even among some supporters of Ollanta Humala. (Vargas León 2007, 231)

In late July 2006 Alan García published his “Message to the Nation” (Mensaje a la Nación). He promised economic and fiscal stability and a realistic policy in the public sector (e.g. restriction of government expenditure, cuts in salaries of the president and congressmen, limitations in foreign travel, and the like). However, he did not

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39 The degree of poverty is measured according to several criteria, e.g. the percentage of people with no access to drinking water and electricity, percentage of illiterate women, etc. Each district is divided into five categories: 1 – the poorest, 5 – the least poor (the richest). (Vargas León 2007, 231)

40 Here mainly belong the southern mountainous regions, where income per head in the rural areas is less than one dollar per day and illiteracy reaches 70 %. (Taylor 2007, 19)

mention the expected demands for the handing over of Alberto Fujimori to court for investigation and punishment of the corruption in his term of office. Nor did he talk much about tax reform and revision of contracts with foreign investors (except in gas extraction) (Vargas León 2007, 230–231). This restraint is ascribed to the narrow link between the president and the leadership of APRA, the businessmen (including mining companies), and repressive elements in the Peruvian Army. (Béjar 2006, 81)

García's steps in the first months of his term were aimed at acquiring the reputation of a reasonable politician, who had learnt from his mistakes and is now able to rule the country in an effective way. He confirmed his pragmatic attitude especially in economy, where he continued in the successful economic policy of the previous governments and appointed experienced specialists to important posts.<sup>41</sup> So far Alan García has not carried out any vital reforms or structural changes,<sup>42</sup> which is due, among other things, to the fact that he lacked the necessary majority in Congress. His policy of fiscal stability and minimal state interference in economy is for the time being supported even by the centrist-rightist parliamentary parties (Unidad Nacional, Frente de Centro, Alianza por el Futuro). In the future, however, this fact could paralyse the effectiveness of García's government as it happened in the case of his predecessor, Alejandro Toledo.

For the time being, Alan García does not face such a strong political and social opposition as Alejandro Toledo, but there is a potential of resistance to his government, especially on a regional level, in the interior of the country. In an effort to weaken this threat he seeks a way how to limit the functioning of non-governmental organisations which organise protests (particularly against foreign investors). For instance he eliminated the work of the National Decentralisation Council, the members of which are representatives of regional governments and of communities on the level of provinces and districts. This step greatly contributed to the defeat of aprists in regional and municipal elections, held in November 2006.<sup>43</sup>

García's government has also earned criticism because of not explaining a longer-term conception of its policy. It especially concerns the not very clear intention of linking the restriction of state expenditure on one hand and investments into pro-

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41 Some of these economists even come from right-wing conservative circles – e.g. Julio Velarde, chosen by Alan García for the post of the head of the Central Bank, was an economic adviser of Lourdes Flores. Finance Minister Luis Carranza is regarded as one of the most conservative economists in the country. (Angus Reid Global Monitor)

42 The president has so far come up only with partial and often very controversial proposals – e.g. renewal of the bicameralism and introduction of capital punishment for terrorist acts and crimes committed against children.

43 APRA only won in two regions, which is a disastrous result when compared to the previous election, when it won in 22 regions. (Vargas León 2007, 234)

grammes in support of education, new job opportunities, improvement of the infrastructure, and reducing social differences on the other hand. Experts also point out the danger of dependence of Peruvian economy on export of raw materials (copper, gold, uranium, etc.), the price of which fluctuates in the world markets. There are of course many more burning questions,<sup>44</sup> and Alan García and his government will have to deal with them and prove that he did not receive the “second chance” from his voters in vain.

## CONCLUSION

The 2006 presidential election in Peru, although preceded by an unusually fierce, populist and negative campaign, was no threat to the democratic development of the country. In fact, the winner of the election continues with the moderate centrist policy of the preceding government. Yet the voters in Peru clearly showed their wish to change the governmental policy, so much so that a large percentage gave their vote to the representative of the radical nationalist-populist party, Ollanta Humala, who was only defeated in the second round of the elections. On one hand the elections confirmed the at least partial renewal of the strong position of professional politicians and traditional political parties (unambiguously this holds for only one of them – APRA) with a solid structure and a voting base. On the other hand the elections revealed the persisting instability, vulnerability and fragmentation of the party system in Peru and a still considerable support for the outsiders, who exploit the fact that voters are discontent with the existing policy and thus with their populist and radical rhetoric they can gain enough (“protest”) votes without offering a complex political programme and a clear conception of governmental policy. These individualistic politicians and political subjects on which they are based, after a single electoral term mostly lose the support and disappear from the political scene. In the case of Ollanta Humala and his PNP, however, a more permanent political relevance can be expected.

Due to the political, economic and social problems which Peru is facing, it is possible that Humala’s activity in opposition is a mere interlude, necessary for him to draw fresh strength and gain new supporters. If Alan García does not meet the expectations of his voters, who above all expect further economic growth, a drop in unemployment, improvement in the living standard, and unhesitating anti-corruption measures, the next development in Peru could “copy” the Bolivian scenario. Evo Morales “waited” for his victory for one election term and his success in 2005

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44 There is also increased tension and danger of unrest in the mining areas, where the employees of the mining companies demand higher pay and better working conditions. (Angus Reid Global Monitor)

was the stronger. The prospects of a future cooperation of Ollanta Humala, Evo Morales and Hugo Chávez would then become a really serious reason for fears, especially in connection with the probable economic and political destabilisation in the region and the persisting blockage of regional integration and of economic cooperation between the two American subcontinents.

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# CHILEAN PRESIDENTIAL ELECTIONS 2006: THE LAST WIN OF THE LEFT?

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This chapter was written within the GAČR grant project “Non-democratic regimes and their transformation in Lusophone and Hispanic countries” (No. 407/06/0169).

## PRE-ELECTION SITUATION

Chile belongs to economically and politically most developed countries in Latin America. For this reason, the presidential elections at the turn of years 2005 and 2006 got proper look out not only inside the country but also from abroad. Departing socialist president Ricardo Lagos achieved a decrease of poverty to 20 % of population. He also maintained economic growth and a high rating of his work in the office (see Table 1). The main reason for his success was acceptance of free market economy during a time of high value of copper, the main export commodity of Chile. However, it was also a danger for the Chilean economy in the time of copper devaluation.

Table 1: Economic and political indicators of Chile in years 1999–2005

	1999	2000	2001	2002	2003	2004	2005
Growth of GDP (in %)	-0.8	4.5	3.4	2.2	3.7	6.1	6.3
Unemployment (%)	9.7	9.2	9.2	9.0	8.5	8.8	8.1
President's support (in %) *)	28.0	49.0	44.0	41.0	47.0	61.0	59.0

Source: Gamboa and Segovia from Alenda and Gutiérrez 2007: 96

Note: \*) Percentage of voters agreeing with president's politics. Year 1999 belongs to president Aylwin, years 2000–2005 to president Lagos.

There had been some constitutional changes dealing with presidential office before the last elections. At first, the presidential incumbency was shortened from six to four years, but the possibility to be only one term in office in row was kept. The institute of life-long senators was canceled and, at third, presidential and parliamentary elections were synchronized to take place in same time. As far as president's functions are concerned they are standard as in any presidential system – the president is head of executive branch, nominates ministers, and invokes National Congress etc. A candidate for president can be Chilean born citizen older than 40 years with the right to elect.

Selection of candidates is a very important event at both sides of party spectrum. Governmental centre-left coalition, *Concertación*<sup>1</sup>, is composed of Christian

1 Whole title is Coalition of Parties for Democracy (*Concertación de Partidos por la Democracia*) but abbreviation *Concertación* is usually used.

Democrats<sup>2</sup>, Democrats<sup>3</sup>, Socialists<sup>4</sup> and Social Democrats<sup>5</sup> that started with two candidates: Soledad Alvear for Christian Democrats and Michelle Bachelet for Socialists<sup>6</sup>. Both women were in President Lagos' administration, but they were eased out of their posts in year 2004 to help out in municipal elections. This led to huge success of governmental coalition in these elections.

After Michelle Bachelet proved by achieving higher confidence of voters and having better chances beating candidate of right parties<sup>7</sup>, Soledad Alvear, the PDC chairwoman, withdrew her candidacy and stated support to her rival. Primaries on 31<sup>st</sup> July, 2005 confirmed Michelle Bachelet as candidate of governmental coalition.

While the leftist campaign began with two candidates and ended with one, the exact opposite scenario occurred on the right. Originally, the candidate, Joaquín Lavín from Independent Democratic Union<sup>8</sup> of the right coalition, *Alianza por Chile*, was the unsuccessful rival of President Lagos in recent elections. However at 25<sup>th</sup> September, 2005 Sebastián Piñera from National Renewal<sup>9</sup> declared himself the better candidate. Disputes between candidates and parties led to a situation that both Joaquín Lavín and Sebastián Piñera were confirmed by their parties as presidential candidates.<sup>10</sup>

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2 Christian Democrat Party (*Partido Demócrata Cristiano de Chile*, PDC) have its roots in 1930s when it separated from the Conservative party. Presently is member of Christian Democrats party family and according to number of representatives and senators is main party of governmental coalition.

3 Party for Democracy (*Partido por la Democracia*, PPD) is centre-left party of social-democratic type, presently second party of governmental coalition.

4 Socialist Party (*Partido Socialista de Chile*, PSC) have its roots in periods before the military dictatorship. Presidents Allende and Lagos were members of the PSC.

5 Social Democrat Radical Party (*Partido Radical Socialdemócrata*, PRS) is the smallest party of the coalition with social-democratic alignment and some liberal elements in programatics.

6 She has support not only from her homeparty PSC but also PPD has stated her support.

7 It is necessary to note that 2000 elections that were won by Socialist Ricardo Lagos were first elections since fall of dictatorship with two rounds. Therefore governmental coalition sought for candidate that is able to defeat strengthening Chilean rights.

8 *Unión Demócrata Independiente* (UDI) has its roots in 1960s. In this period it was composed mainly of students protesting against Allende's government. Presently is conservative-liberal party with some Christian democratic elements in programatics. This party is known with lukewarm attitude towards coping with period of military regime.

9 *Renovación Nacional* (RN) – the second party of right coalition – originated during military period but during referendum about Pinochet's continuance in office it separated from pro-general block and advocated free elections. Presently it is centre-right party with liberal economic and conservative social programatics.

10 In simultaneous parliamentary elections, however, both parties ran in coalition.

According to survey of MORI Chile from September 2005 Chilean voters thought following as most important questions of forthcoming elections:

- consolidation of democracy was most important for 27 % of all voters – it was the highest priority for 37 % from those voters who had declared to support Michelle Bachelet, 21 % from Sebastián Piñera's supporters and 17 % from Joaquín Lavín's supporters;
- to restrain and try General Pinochet was highest priority for 11 % – Bachelet's supporters 13 %, Piñera's 6 % and Lavín's 4 %;
- acceptance of free market 9 % – Bachelet 6 %, Piñera 10 %, Lavín 10 %;
- and economic growth 6 % – Bachelet 5 %, Piñera 10 % and Lavín 5 % (Alenda and Gutiérrez 2007: 123).

We deduce from this summary that Michelle Bachelet's left voters focused on democracy and its consolidation in Chile which included judging the former military regime's representatives and right voters focused much more in economic problems inclining to neo-liberal policies. Other important themes were social equality, or reducing of social inequality, reform of educational system as an instrument for economic development, democratic control of army and reducing of crime rate.

## CHARACTERISTICS OF MAIN ELECTION PARTICIPANTS

Verónica Michelle Bachelet Jeria, born 29<sup>th</sup> September, 1951, is divorced mother of three children. In Chilean politics, she acts as symbol of country's progress from its past with divorce becoming legalised since 2005. Her father, an Air Force general, stated his loyalty to Allende's government. After the military coup, he was arrested, tortured and died in prison from a heart attack. She and her mother were also arrested and tortured, but they survived and arrived in exile – first in Australia and later in the East Germany in 1975.

Bachelet acted in Lagos' administration first as the Minister of Health, and then as the Defence Secretary. Although in her second office, she had to work with people who had killed her father, she managed to reduce general animosities between army and politicians. In her election agenda, she wanted primarily to follow in work of President Lagos – she wasn't augury of any fundamental changes in governmental politics. She was a guarantee to support free market and liberal economics as her predecessor and IMF with emphasis on reducing of social differences.

Miguel Juan Sebastián Piñera Echenique, born 1<sup>st</sup> December, 1949, is the third wealthiest man in Chile. He is an owner of TV *Chilevisión* or Chilean airlines. He obtained doctorate from Harvard University and was primarily connected with centrist PDC. This influenced his campaign in which he was tempting centre voters unsatisfied with Bachelet's candidacy for governmental coalition. Tempting centre voters made him also to disavow Lavín's much more rightist politics. He still classifies himself as a conservative, but he didn't want to be connected to forces that were backing up Lavín and supported Pinochet in 1989 referendum for his stay in the office.

He wanted to join Colombian President Alvaro Uribe and create a rightist counter coalition to oppose leftist and populist movements and politicians in the region in case of his win.<sup>11</sup> The campaign and program of the former senator Piñera was too oriented on crime rate, but his rhetoric was less aggressive and spoke about economics too. His program was neo-liberal: simplification of entrepreneurial environment, full disestablishment of economics, lower employer protection, state of law etc. Still his position was very difficult in the face of left-right stratification of society and voters. This situation was very hard to succeed for the centre candidate. Because of Lavín's parallel candidacy and his programmatic, we must claim Piñera as at least centre-right candidate if not centrist.

Only because of Joaquín José Lavín Infante, born 23<sup>rd</sup> October, 1953, the name of the former dictator was heard because he worked for Pinochet's regime. He studied in the USA under the world-known economist Milton Friedman, became Dean of Concepción University and entered his name in public awareness as one of the so-called "Chicago Boys" – the neo-liberal economists working for military regime. This conservative candidate is connected to religious organization, Opus Dei. Until the public announcement of his candidacy, he was the mayor of the capital, Santiago de Chile and previously its politically rightist borough Las Condes.

Lavín set up his candidacy with only the program of "iron hand" ("*mano dura*") directed against the high crime rate. He criticized other candidates, particularly Bachelet, for their softness in this matter. However Lavín's position was weaker, too, because of another candidate from the same segment of party spectrum.

Last but not least is Tomás René Hirsch Goldschmidt, born 19<sup>th</sup> July, 1956, for leftist coalition *Juntos Podemos Más* (Together We Can Do More, JPM). Hirsch was member of Humanist Party, *Partido Humanista*, PH, and candidate of leftist coalition which was further made by the Communist Party, *Partido Comunista de Chile*, PCCh, and other minor left parties.

Most of the agendas were consistent for all candidates. They wanted to support smaller business; lower rate of unemployment which was at time of elections

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11 However, Alvaro Uribe stated support to all candidates in Chilean elections.

around 8%; establish social programs to balance social differences between richer and poorer regions, but without change of contemporary Chilean economical model of free market; to improve relationships with neighbors, especially Bolivia and Peru; and decrease crime rate. So from this array of programs, Lavín was veering with his “iron hand” monothematic against the crime rate campaign and Hirsch who wanted higher degree of redistribution from free market economy. Another ambition common to all candidates was termination of the general service affected by the death of 44 soldiers of which most of them were young recruits in snow storm, in the Andes.

## ANALYSIS OF ELECTIONS

Yet in September 2005, just four months before elections, Michelle Bachelet had a high lead of 49%. She had lost it, dropping to 39% the week before elections because of weak performance in TV debates and a self-assured campaign that had counted her win ahead. Her 10% meltdown benefited the behalf of both right candidates, but most of all Tomás Hirsch who was without any real chance for election as he had had 8% of support just before the elections (September 2005: 3%).

Many experts interpreted this decrease of support as a slight warning from voters that they were not satisfied with Bachelet’s campaign, but with intent to vote for her in the second round of elections. In elections, the leftist candidate won in middle and lower classes, but most of all among women. Despite higher classes, Sebastián Piñera had strengthened himself with governmental PDC’s supporters that were not approving of Bachelet’s candidacy for the left coalition.

An important person that could persuade around 1.8 millions of undecided voters for the benefit of *Concertación* was President Lagos. He denounced both right candidates for having a “demagogy festival”. Piñera alleged that Bachelet had been using her influence with governmental administration for her campaign. In return, she responded that Piñera had been buying his support from his wealth. One of Piñera’s problems was that he had to confront attacks from post-Pinochet right wing that thought his confrontation with dictatorship was far too radical since he designated Pinochet the worst President of Chile.

Chileans didn’t take their freedom lightly as indicated by high elections participation. In the first round, no candidates were elected after Bachelet gained 46% of votes, Piñera 26%, Lavín 23% and Hirsch 5% (see Table 2). Many analysts and Socialists stated that the first round was not only about presidential election, but also about of the leader of right – Piñera won this election.

**Table 2: The first round of Chilean presidential election (11<sup>th</sup> December, 2005) results**

Candidate	Votes	% of valid votes	% of all votes
Michelle Bachelet ( <i>Concertación</i> )	3 190 691	5.96	
Sebastián Piñera (RN)	1 763 694	25.41	
Joaquín Lavín (UDI)	1 612 608	23.23	
Tomás Hirsch (JPM)	375 048	5.40	
Valid votes	6 942 041	100.00	96.32
Mutilated votes	180 485		2.50
Empty votes	84 752		1.18
Votes total	7 207 278		100.00
Voters	8 220 897		
Participation	87.67 %		

Source: <http://www.elecciones.gov.cl>

**Table 3: Chilean parliamentary election (11<sup>th</sup> December, 2005) results**

	Chamber of Deputies		Senate <sup>1)</sup>		
	% of votes	Mandates	% of votes 2005	Mandates 2005	Mandates total
<b>C</b>	<b>51.78</b>	<b>65</b>	<b>55.74</b>	<b>11</b>	<b>20</b>
PDC	20.81	20	29.65	5	7
PPD	15.45	21	10.74	1	3
PSC	9.98	15	12.12	4	8
PRS	3.54	7	2.44	1	2
indep.	2.00	2	0.79	0	0
<b>AC</b>	<b>38.70</b>	<b>54</b>	<b>37.26</b>	<b>8</b>	<b>17</b>
UDI	22.34	33	21.56	5	9
RN	14.13	19	10.80	3	8
indep.	2.23	2	4.90	0	0
<b>others</b>	<b>9.52</b>	<b>1</b>	<b>7.00</b>	<b>1</b>	<b>1</b>
<b>total</b>	<b>100.00</b>	<b>120</b>	<b>100</b>	<b>20</b>	<b>38</b>

Source: <http://www.elecciones.gov.cl>

Note: <sup>1)</sup> 20 out of 38 senators were elected in year 2005.

In simultaneous parliamentary elections of Chamber of Deputies, a third of Senate won the governmental coalition majority for the first time since fall of military regime. This could have important influence on the second round of presidential election because it was less likely that voters would elect president and legislative from different coalition of parties.

The second round of presidential election took place on 15th January, 2006, but the coalitions already began formulating after the first round. Lavín supported Piñera to become his chief of campaign for the second round. Many of Lavín's voters from the poor in the first round were hesitating to give votes to the millionaire Piñera. Some former representatives of PDC joined to support right candidate.

Michelle Bachelet had to persuade her voters of that she was the opposite to rightist Piñera and could ensure the wealth of President Lagos' administration as well as fix other problems. The communist were hesitating to support her, forcing her to define her main purpose of her second round campaign in this manner. Her attention turned to programs of both candidates. Bachelet advocated equal rights for women; extensive revision of system of pensions; creation of the ministry for public security; broader cooperation and involvement of Chile in Latin American region; constitutional recognition of Mapuche aborigines and tighter environmental legislation.

The right-wing candidate, Piñera, promised to create 100 000 working positions in his first year in office and 1 000 000 during his entire incumbency. He also allocate 12 000 new policemen in streets to fight with high crime rate. He insisted on liberal politics of free market with a sensitive social role of state. In foreign politics, he wanted to orient Chile first toward the USA and EU to become an economic gateway for the entire Latin American region.

Michelle Bachelet won the second round with 87 % participation (see Table 4). She became seventh woman at the head of Latin American country, but the first who had not won the position due to her family connections. She became the first woman Chilean president. Her victory was endorsed through the identification with the most Chilean women which was not surprising. Chilean women usually voted much more for right-wing politicians, but they identified with her as an ordinary woman with ordinary problems. Two conditions were important for her win. First, the votes from Lavín's first round voters helped her because Piñera, as man of money, was unacceptable for them and secondly, the votes from the poor voters for whom she was as one of them. She used this in her campaign motto: "I'm with you" (*Estoy contigo*).

Secondly, Chileans gave the *Concertación* coalition the first historical majority in both chambers of National Congress. So they didn't want to elect a president from the other block. And thirdly, the ideological and personal connection of the

right to the dictatorship was problematic for the majority of Chilean society. They stood against Piñera and his proponents which helped to Bachelet.

Whereas Bachelet was successful in north and central provinces with localized middle class society, Piñera won in central provinces with the right with its relatively military regime supporters. In the second round, he bettered himself in south provinces where he gained votes from Lavín’s supporters. Lavín’s failure to be successful derived from the monothematism of his campaign to fight against crime. It gave him the votes of urban voters, but not of rural voters.

**Table 4: The second round of Chilean presidential elections (15<sup>th</sup> January, 2005) results**

Candidate	Votes	% of valid votes	% of all votes
Michelle Bachelet ( <i>Concertación</i> )	3 723 019	53.50	
Sebastián Piñera (RN)	3 236 394	46.50	
Valid votes	6 959 413	100.00	97.17
Mutilated votes	154 972		2.16
Empty votes	47 960		0.67
Votes total	7 162 345		100.00
Voters	8 220 897		
Participation	87.12 %		

Source: <http://www.elecciones.gov.cl>

## OUTLINE OF POST-ELECTION SITUATION

Santiago Piñera immediately recognized his defeat after the election, expressing that right stays constructive opposition. Bachelet’s election elicited positive reaction in the White House that lauded Chileans for “strong devotion to democracy”. Local newspapers designated the election of a woman to the presidential office who was so much in contrast to the Chilean society as “historical cornerstone”.

Michelle Bachelet took an oath in presidential palace La Moneda on 11<sup>th</sup> March, 2006. She kept her promise and nominated 10 men and 10 women to her administration. Significantly, women were not shunted to minor offices, but they “gained control” of Chilean economy. With the exception of the Ministry of Finance, women took over leadership in the Ministry of Economy, Development and Reconstruction, Housing, National Property, Mining and Planning and Secretary of Defense. The Socialist president kept parties in proportion with her administrative with 7 minis-

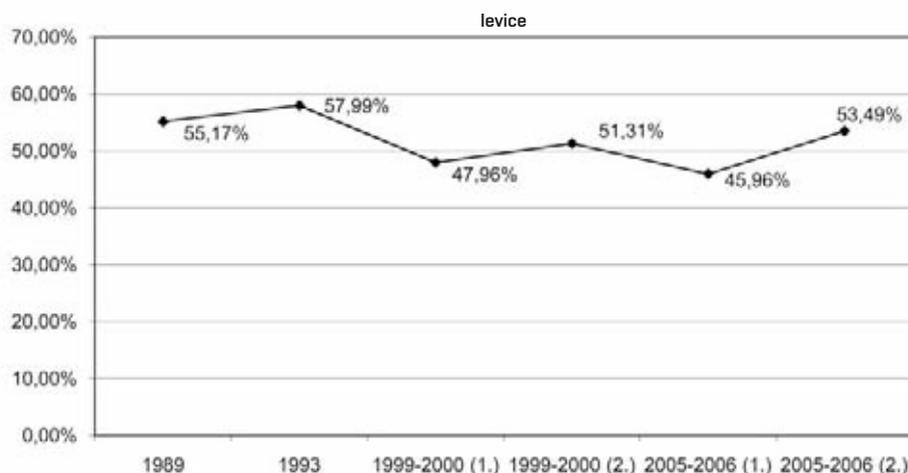
ters for PDC, 9 for both socialistic parties, 3 independents and 1 for social democrats. She also managed to mix old and new political faces, fulfilling another promise.

Some changes occurred in the presidential administration recently. In July 2006, the Ministers of Interior, Education and Economy were changed, and in March 2007, the Ministers of Transportation, Justice and Defense Secretary. Moreover, the presidential chief of staff, who is also a member of the cabinet, left the cabinet and two new ministries were created: Ministry of Energy and Environment. These changes broke original gender balance of Chilean government; now the presidential administration is formed with 13 men and 9 women.

Bachelet's election has its importance not only in region, but also inside the country. It seems that Chile moved forward in its own social consolidation. Bachelet idealized the common woman of her country and as a person she overcame own past and personal pain to have a greater chance to be much more "reconciliation president" than Ricardo Lagos since the population could easily identify with her.

Although the left-wing coalition managed to gain the president's office four times successively, there are trends that signalize it may lose the office in 2009 presidential elections. Graph 1 illustrates that the support for left candidates is sinking, especially in the first round of last two presidential elections. The second rounds are not so unambiguous. In light of the other problems within the coalition, corruption and financial scandals of PPD, centrist inclination of PDC, it is important if Concertación would hold its majority in the National Congress so that voters could support its candidate in the second round of presidential elections.

Graph 1: Support of Concertación's candidates in presidential elections 1989–2006

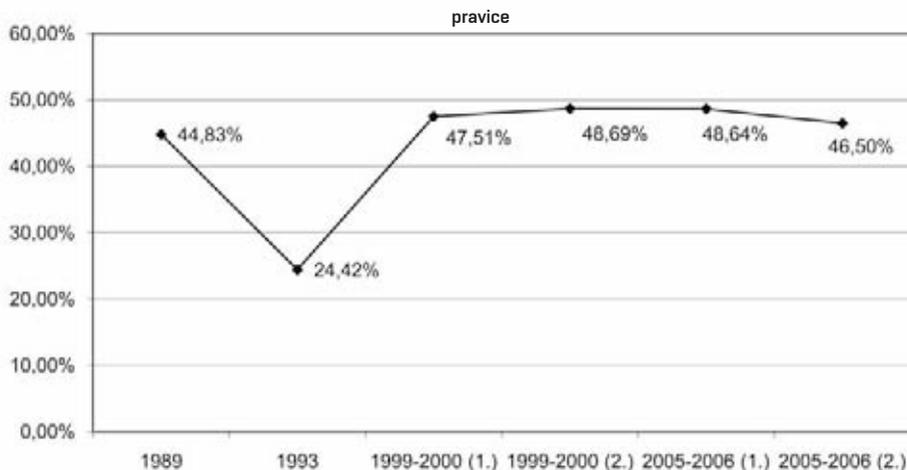


Source: the author

The Chilean right is of no less important influence for election results. Until this election, the post-Pinochet wing, which was ideologically and personally connected to military regime, dominated there. In light of Piñera's win as right-wing candidate with his denouncement of dictatorship and connections to PDC and some measure of its support, it is likely that a new right under his leadership will rise again that will push back the post-Pinochet right wing. These trends are supported by two PPD politicians who left their party in May 2007 and founded a new centrist party Chile First (*Chile Primero*) that does not refuse cooperation with *Alianza por Chile*.

The possibility of win of right-wing candidate is much stronger in the 2009 election considering the upward trend for right candidates for presidential office (see Graph 2), especially after the first round of the last election where both candidates of the right gained together more support than Michelle Bachelet (48.64 % vs. 45.96 %). Similarly within the left coalition was such a win conditional for the *Alianza por Chile* in parliamentary elections. In view of the instability of results in these elections (see Graph 3) it is questionable whether Chilean voters undergo election of president and legislative from different political blocks.

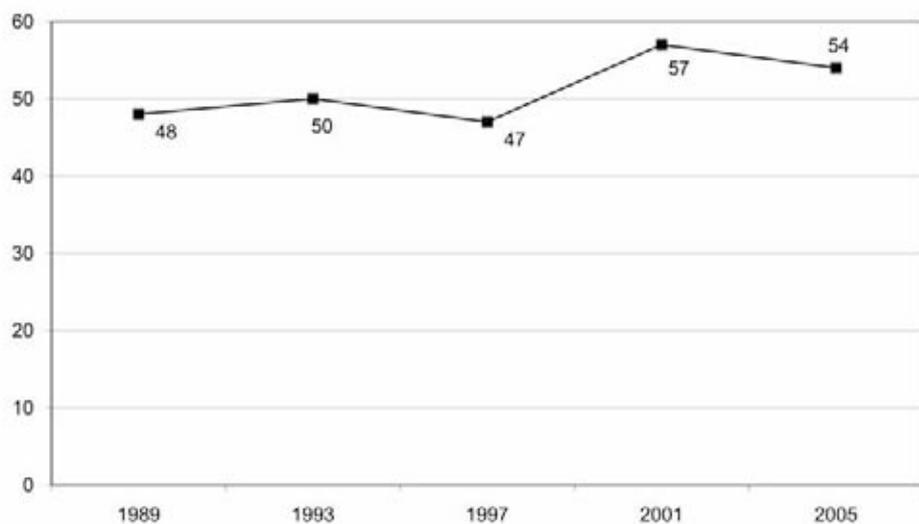
Graph 2: Support of right-wing candidates in presidential elections 1989–2006



Source: the author

Note: In 1989 elections Hernán Büchi (29.40%) and Francisco Errázuriz (15.43%) were right-wing candidates, first for Democracy and Progress (Democracia y Progreso, DP; predecessor of *Alianza*) and second for nowadays inactive Progressive Union of the Centrist Center (Union del Centro Centro Progresista, UCCP). In year 1993 Arturo Alessandri candidate as independent but with support of UDI and RN. Joaquin Lavín was a rival of Ricardo Lagos in turn of years 1999 and 2000.

Graph 3: Incumbencies for right-wing parties in parliamentary elections 1989–2005



Source: the author

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# BRAZIL: "MID-TERM" EXECUTIVE ELECTIONS 2006 AND CONTINUOUS FRAGMENTATION OF THE PARTY SYSTEM

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This chapter has been worked out within the framework of the Research Plan "Governance in context of globalised economy and society" of the Faculty of International Relations, University of Economics, Prague, No. MSM6138439909.

Since 1988, when the Constitutional Assembly approved the new democratic Constitution of the Brazilian Federative Republic, Brazilian voters had five opportunities to choose by a direct vote the head of their state and government. However, it was only in 2002 when electors conferred government liability on the hitherto opposition, enabling thus a real alternation of power-holders.

Interestingly, in all of the post-1988 presidential elections, the Brazilian president Luiz Inácio Lula da Silva, who ran for his second term in the 2006 ballot, took part. Starting with the privileged position of the incumbent and keeping advantage of high rates of popular approval (see Figure 1 and 2), Lula was seen as a definite favorite of the October voting. Despite the “certainty” with which Lula was about to succeed in the re-election, which most of opinion polls suggested, several surprising turnovers that are worth mentioning occurred.

Simultaneously with the presidential election, Brazilians voted for the Chamber of Deputies, the lower house of the National Congress, but this time they also had to renew one third of the upper parliamentary house, the Senate. Finally, in consequence of the federative form of the Brazilian constitutional order, Brazilian electors also selected holders of the executive and legislative power in respective federal states.

In virtue of the analytical logic, two types of elections are distinguished: elections to executive posts (i.e. presidential and gubernatorial elections) and legislative elections (i.e. to the National Congress). In respect to the emphasis on the national political arena, the elections to legislative assemblies of respective federal states are omitted.

## EXECUTIVE ELECTIONS

According to the Constitution of 1988, holders of executive posts can occupy them during one four-year term, and since the Constitutional Reform of 1997, they can try one re-election. The electoral calendar is precisely defined by law. The first round of the executive elections occurs on the first Sunday in October of electoral year so that in 2006 it was the 1<sup>st</sup> of October with congressional elections. In case that no candidate receives more than 50% of valid votes, the second round takes place on the last Sunday of the same month which was the 29<sup>th</sup> of October in 2006 elections. Only two candidates compete in the second round where a simple majority of valid votes is required.

Brazilian legislation regulates also the electoral campaign. By the end of June of the electoral year, all candidatures must be formalized. Since that moment, media coverage of politicians is put under control and adjusted in order not to privileged the incumbents. Moreover, outgoings from public resources are restricted,

constraining thus spending motivated by elections. Finally, holders of executive posts who present their candidature to another elected function that is different from the one actually occupied, such as a governor running for presidency or senator, must resign. These arrangements were designed partly to limit electoral abuses of executive powers and accompanying public resources and partly to align as much as possible the electoral competition.

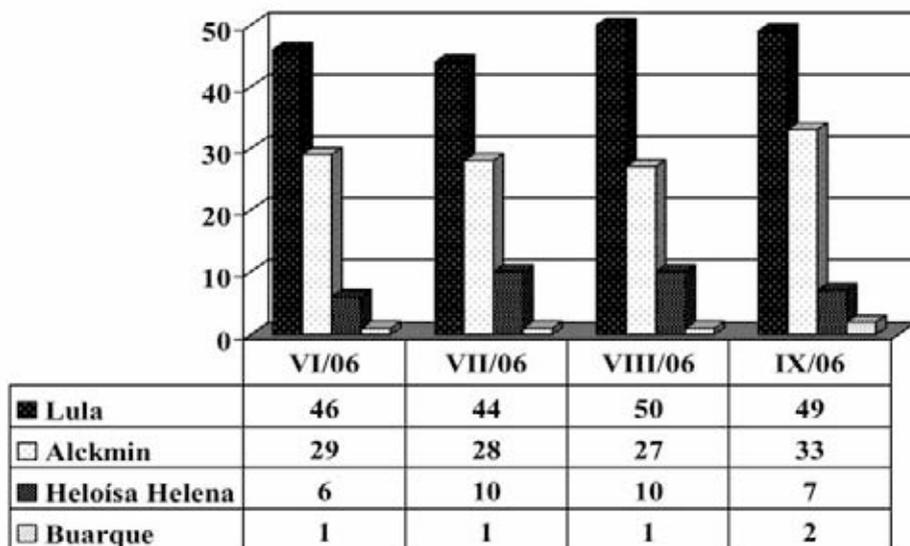
### **Presidential elections**

In 2006, seven candidates ran for presidency; however, only four of them were identified by opinion polls as relevant for the campaign. Besides the incumbent Lula (the Workers' Party – PT) and the principal opposition candidate Geraldo Alckmin (Party of the Brazilian Social Democracy – PSDB), two PT dissidents, Heloísa Helena (Party Socialism and Liberty – PSOL) and Cristovam Buarque (Democratic Labour Party – PDT) were given major visibility in media and took part in TV debates of presidential candidates. According to most of the opinion polls, President Lula was unbeatable favorite of the contest. The only doubt was whether he would succeed in the first round with more than 50% of valid votes or undergo the second round. In this respect, the electoral performance of two competing ex-PT exponents was important: they could take off an important portion of votes from Lula, thus complicating his re-election (see Figure 1 illustrating electoral preferences of principal candidates since June 2006, e.g. since official candidatures have been declared).

The opposition's hopes for the second round were not mere wishful thinking. In the Figure 2, the electoral preferences of both principal candidates, Lula and Alckmin, converged very closely at the end of the year 2005. What was the source of such a significant down-thrust of Lula and growth of Alckmin?

Two factors are commonly mentioned (see Renno 2006; Neto et al. 2007). Firstly, the financial stabilization and economic conjuncture contributed to the valorization of the real, the Brazilian currency in relation to the US dollar. This sensible shift in exchange rate prejudiced the powerful exporting sector of the Brazilian economy. Given the non-interventionist policy of both the government and the Central Bank, Brazilian exporters were advised to deal with the aggravation of their position on the international market on their own. For this reason, the government was widely criticized and the President Lula saw his popularity decreasing. Paradoxically, representatives of Brazilian exporting sector leaned toward the opposition candidate, Alckmin, from the political party, which had been the principal defender of non-intervention into the economy from part of the state since 1990s. Evidently, the position of exporters was rather punitive towards Lula, rather than supportive for political alternative represented by Alckmin's candidature.

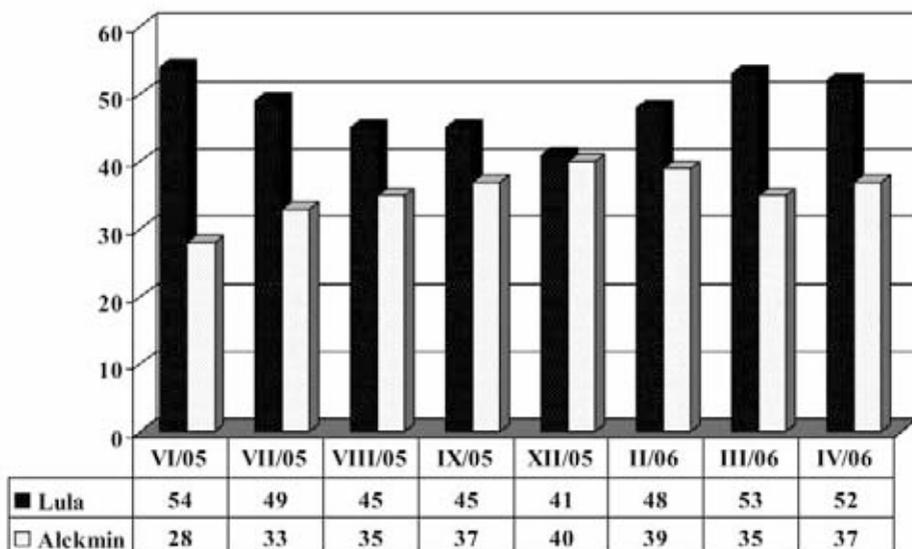
Figure 1: Electoral preferences of principal presidential candidates (in %)



Source: Opinion polls of Datafolha, available at: <http://www.datafolha.com.br>

Secondly, corruption affairs involving many of Lula’s close collaborators and exponents of his Workers’ Party wasted the carefully constructed image of the only “taintless” political party with “different party ethics” (Banford et al. 2003: 21–22). The “mensalão” affair, which exploded in June 2005, destroyed this image completely. The alleged existence of a complex scheme of congressmen taking bribes from the government proved to be real and investigative mechanisms of the Congress were put in motion. In sequence, several “minor” corruption affairs were revealed. The initial incapacity of the President to deal unambiguously with the problem cost a great deal of a political support, with electoral preferences reaching the bedrock in December 2005. Again, this slump was punitive with a sense of growing disillusionment among the populace. Geraldo Alckmin and his party, which was part of government during 1990s and had faced similar corruption affairs, could hardly rely upon electoral success based on a criticism of government’s corruption practices. As Figure 2 illustrates, Lula soon recovered his position, especially by means of active demonstration of government’s successes. From electorate’s point of view, it did not matter whether these successes were appropriated by Lula justly or not.

Figure 2: Electoral preferences of Lula and Alckmin during the pre-campaign (in %)



Source: Opinion polls of Datafolha, available at: <http://www.datafolha.com.br>

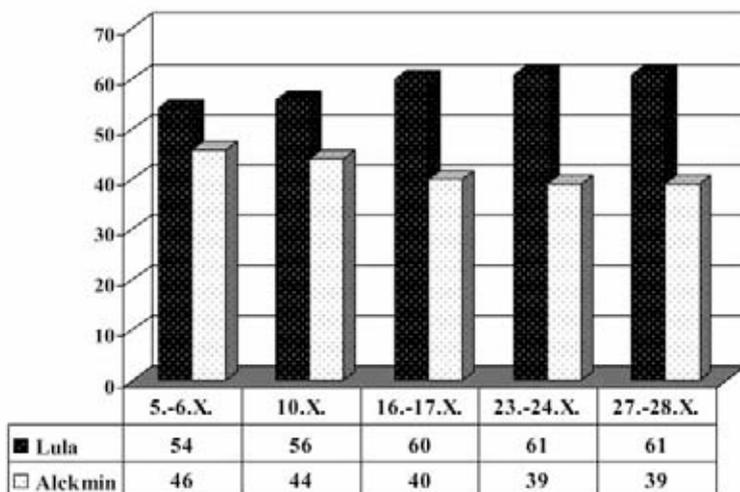
However limited was the effect of obstacles on Lula's road to easy re-election, they obviously contributed to the final – and rather surprising – increase in electoral outcome of Geraldo Alckmin in the first round, giving him the opportunity to face Lula in the second round. In the first round, Lula obtained 48.61 % of valid votes, while Alckmin succeeded with 41.64 % (see Table 1).

The period between the first and the second round was naturally filled with intensified electoral campaign of both parts. The surprisingly narrow margin of the first round electoral results forced Lula to recast his tactic. During the first round campaign, soothed by his expressed lead in opinion polls, Lula rejected participation in TV debates with other presidential candidates. During the second round campaign, Lula and Alckmin encountered each other in four TV discussions. The discussed topics did not vary from that of the first round: corruption, economic policy, development. However, as opinion polls indicated (see Figure 3), Lula scored better.

On the other hand, both candidates tried to gain explicit support of presidential candidates that did not qualified for the second round (Cristina 2006), namely Heloísa Helena who gained 6.85 % of valid votes and Cristovam Buarque who had 2.64 %. As these candidates were left-leaning, naturally their voters preferred Lula, especially since Heloísa Helena presents herself even more radical than Lula.

However, Heloísa Helena declared her personal intention to vote in blank, for neither of the two candidates. Cristovam Buarque considered a pronouncement of explicit support to one of the candidates to be in the competence of his political party PDT. Finally, the central bodies of the PDT decided to grant official support neither to Lula nor to Alckmin (Salvador, 2006). Nevertheless, despite decisions of the political parties' national bodies, alliances of local interest were frequent (Nunes 2006). Most of them, of course, were in favor of actual government and President Lula.

Figure 3: Electoral preferences of Lula and Alckmin between the 1<sup>st</sup> and the 2<sup>nd</sup> round (in %)



Source: Opinion polls of Datafolha, available at: <http://www.datafolha.com.br>

The final results of presidential elections did not surprise anyone. Lula won with 60.83 % of valid votes and Alckmin claimed 39.17 %. Evidently, Alckmin did not only not convince undecided electors, but he also even lost a significant portion of voters that supported him in the first round; from 39 968 369 votes garnered in the first round he dropped to 37 543 178, losing more the 2 million. As far as Heloísa Helena's appeal to vote in blank is concerned, it obviously was of no effect. The portion of blank votes decreased from 2.73 to 1.32 %. The abstention varied a bit between the rounds, reaching 16.75 % during the first round and 18.99 % in the second round. It is necessary to remind that participation on elections is obligatory in Brazil.

## Gubernatorial elections

Brazilian federation consists of 26 federal states and the Federal District. These 27 units have their own executive and legislative bodies, governors and Legislative Assemblies or Legislative Chamber in the case of the Federal District. Similarly with the president and federal deputies, they are elected for four-year term, but governors have a possibility of one immediate re-election. Contrary to presidential elections where de facto bipartisan or bipolar competition occurs, the electoral map of statal elections is more varicolored. Usually around seven political parties succeed with their candidates. None of these parties can be seen as dominant on the statal level (see Table 1).

Table 1: Number of governors elected in 2006 and 2002, by political party

Political Party	Number of governors elected in 2006	Number of governors elected in 2002
<b>PMDB</b>	6	9
PSDB	6	4
<b>PT</b>	5	3
<b>PSB</b>	3	4
<b>PDT</b>	3	1
PPS	2	2
DEM/PFL	1	3
<b>PP</b>	1	0
PSL	0	1

Source: Own calculation based on data from the Supreme Electoral Court (Tribunal Superior Eleitoral), available at: <http://www.tse.gov.br>

Note: In bold letters are political parties that joined Lula's government after his re-election.

In principle a common feature of gubernatorial and presidential elections, what was significant was a high share of re-elected governors. Of 18 incumbents that run for their second mandate, only four did not succeed. Moreover, nine of the 14 re-elected incumbents had already won in the first round. In only 9 cases of 27, we can speak about alteration in power by an opposition candidate.

Concerning the distribution of gubernatorial victories with respect to government–opposition “cleavage”, interestingly, we do not observe a significant overlap of presidential and gubernatorial preferences. In some cases gubernatorial candi-

dates from a political party in opposition to the preferred presidential candidate were elected as found in the northeastern states, Alagoas and Paraíba, where president Lula won with significant margin; but the candidates for governor from the PSDB, the party of Geraldo Alckmin, succeeded (Jakob et al. 2007).

In addition, statal alliances often differed from the national one, based on personal affinities and local electoral conditions. For example, during the second round in state Maranhão, Lula declared his support to Roseana Sarney, who was a candidate on governor from the PFL. The PFL officially backed Geraldo Alckmin. In reciprocation, Sarney appealed on electors to vote for Lula. However, national representation of PT, Lula's party, officially took the part with the other candidate, Jackson Lagos from the PDT (Freire 2006). Evidently, the alliance game in gubernatorial elections is very complex and difficult to predict by considering only programmatic and ideological proximity of candidates.

In conclusion, regarding the impact of gubernatorial elections on the general governability, after the polls Lula managed to build an alliance with 18 of 27 newly (re)elected governors (see Table 1). This gives him rather significant support both within the framework of the executive power distribution and towards the legislative body, the National Congress.

## LEGISLATIVE ELECTIONS

Departing from the presidential elections where the *de facto* bipolar face-off is usual via gubernatorial elections with their specific alliances, we come to the congressional ballot. Here, the situation is even more complicated.

Firstly, in consequence of the applied electoral systems, both elections to the Chamber of Deputies and to the Senate are highly personalized. Thus, party discipline, already on its minimal level, is weakened.

Secondly, constituencies for legislative elections are identical with individual federal states. This makes parliamentary factions to be centred rather on the pertinence to the determinate constituency/state than to the given party affiliation. Moreover, governors exercise a significant influence on federal deputies elected in "their" state by means of broad disposition with public finances on the statal level.

Thirdly, the number of mandates elected to the Chamber of Deputies varies in accordance to the population of respective state, but it cannot be less than 8 and no more than 70 deputies per state. This constitutional regulation was adopted during the period of military rule in order to bestow more weight to less populated states, which are usually underdeveloped in economic and social terms, thus more dependent on financial transfers from federal budget. In addition, the representation of

progressive groups from the self-sustaining state São Paulo was limited. The composition of the Chamber of Deputies is supposed to be proportional, in contrast to the Senate where every state has equal number of senators. But, as a result of legal limits mentioned above, in respect to the political currents' representation, the Chamber of Deputies is slightly deviated to favor the government. In fact, this disproportion facilitates governability (see Samuels, in Avritzer and Anastasia 2006: 137–141).

We now focus especially on the composition of both houses of the National Congress. The deepening fragmentation or atomization of political power within the legislative body has controversial consequences. On one hand, it weakens political parties as institutions in general, and poses a significant threat to the quality of representative democracy. On the other hand, the atomization enables executive power to push through its legislative projects without having to face an inevitable strong opposition resulting in a probable deadlock that is an inherent threat of presidential systems (see Mainwaring 1993). Probably, this is the principal reason why no proposal for political reform has so far succeeded, despite a sixty-year discussion (Fleischer 2004).

### **Chamber of Deputies**

The electoral system to the Chamber of Deputies is proportional with open candidate lists. The voters order candidates presented on the list freely according to their preference. This system may be seen as the “initial sin” in respect to the functionality of the lower house. The sinister consequence of the adopted electoral system is twofold. On one hand, this system leads to highly personalized electoral campaign which in addition concentrates not only on inter-partisan competition, but also on the intra-partisan one. Thus, the already weak structure of political parties as institutions is being undermined. On the other hand, the absence of election threshold, which mandates the prerequisite of the minimum percentage of votes that party has to obtain to become eligible for a parliamentary seats distribution, creates favorable setting for party system fragmentation. This proportional system enables the entry of excessive quantity of political parties to the Chamber, especially in big constituencies, where a significant number of mandates is distributed (see Table 2).

Table 2: Average number of political parties entering the Chamber of Deputies, by constituency size, 1994–2006

Constituency size number of seats elected in the constituency (federal state code)	Average number of successful political parties in respective electoral year			
	1994	1998	2002	2006
70 (SP)	12	12	13	16
53 (MG)	11	10	13	14
46 (RJ)	13	11	14	18
39 (BA)	11	9	10	11
31 (RS)	9	8	10	11
30 (PR)	9	7	9	9
25 (PE)	7	8	9	12
22 (CE)	6	7	8	8
18 (MA)	6	8	8	10
17 (GO, PA – average)	8	7	6.5	7
16 (SC)	5	6	5	6
12 (PB)	7	6	8	6
10 (ES, PI – average)	5	5	6.5	6.5
9 (AL)	8	8	6	6
8 (AC, AM, AP, DF, MS, MT, RN, RO, RR, SE, TO - average)	4.6	5.2	5.4	6.3
Brazil (average parties per constituency)	6.6	6.8	8.8	9.8

Source: Own calculation based on data from the Chamber of Deputies (for 1998–2006), available at: <http://www.camara.gov.br/internet/deputado/bancadaeleicao.asp> and The Supreme Electoral Court (for 1994 election), available at: <http://www.tse.gov.br>

Note: In brackets we use official codes of federal units.

We can interpret Table 2 as follows: As expected, the bigger constituency, the higher number of political parties are elected. What deserves our attention here is the steadily increasing fragmentation of the Chamber in respect of political parties represented by their totals, 18 parties in 1998, 19 in 2002, and 21 in 2006 on entering the Chamber and on the level of individual constituencies. In fact, in all of the constituencies with exception of five minor states, electoral behavior lead to an increased number of political parties entering the Chamber of Deputies. Similarly, we can register a gradual and steady growth of the correlation coefficient constructed upon data presented above (see Table 3).

**Table 3: Correlation between the constituency size and the number of political parties entering the Chamber of Deputies, 1994–2006**

elections	1994	1998	2002	2006
correlation coefficient	0,856845	0,859063	0,900342	0,904435

Source: See Table 2.

Naturally, correlation does not imply causation, but given the proportional open-list electoral system, this one-way move in the intensity of correlation can support our supposition of ongoing personalization of elections to the Chamber of Deputies and a prevailing progressive trend of the irrelevance of partisan affiliation of the candidates from the perspective of voters.

However alarming the number of political parties represented in the Chamber of Deputies may be, their number is of little importance for the functionality of the parliamentary house and for interactions between the legislative and executive powers, the parliament and government. For this reason, we focus on the relative weight of political parties that are represented in the Chamber. Table 4 offers data for elections 1998–2006. For every election we mention here the number of seats elected in October of respective electoral year and the number of seats occupied at the beginning of a new legislature, i.e. at the beginning of the oncoming year. Within the group called “Others”, we included parties which gained less than 10 seats in 2006 elections.

As we can see, considering the principal actors, the Brazilian party system is relatively stable. During at least three electoral circles, the list of leading political parties remained unchanged. Moreover, parties like the PMDB, PSDB, PT, and PFL (which became in 2007 the “Democrats” – DEM), PP/PPB, PSB, PDT or PTB belong to “traditional” political parties that were active since the party system reform from 1979. Beyond all doubts, we cannot speak about reconstruction or decomposition of the party system during late 1980s and 1990s as was the case of some other Latin American countries in consequence of neopopulist governments with significant “antiorganizational stance” (Weyland 2001: 16) such as Venezuela with Carlos Andrés Pérez, Ecuador with Abdalá Bucaram or Peru with Alberto Fujimori. Therefore, the impeachment of Fernando Collor in 1992, the only Brazilian president with clear tendency to neopopulism, can be also interpreted as a proof of political parties’ virtual strength face to face eventual threat to their very position in the political system.

**Table 4: Seats elected and occupied in the Chamber of Deputies, by party, 1998–2006**

political party	1998		2002		2006	
	elected (18 parties)	occupied (18 parties)	elected (19 parties)	occupied (16 parties)	elected (21 parties)	occupied (20 parties)
PMDB	83	84	75	70	89	90
PT	59	59	91	91	83	83
PSDB	99	99	70	63	66	64
PFL	105	105	84	76	65	62
PP (PPB)	60	60	49	43	41	41
PSB	18	18	22	28	27	28
PDT	25	25	21	18	24	23
PR (PL)	12	12	26	34	23	34
PPS	3	3	15	21	22	17
PTB	31	31	26	41	22	21
PCdoB	7	7	12	12	13	13
PV	1	1	5	6	13	13
Others	10	9	17	10	25	24

Source: Own calculation based on data from the Chamber of Deputies, available at: <http://www.camara.gov.br/internet/deputado/bancadaeleicao.asp>

Note: Parties are ordered according to the electoral performance in 2006. Where appropriate, we use former abbreviation in brackets.

However, the stable configuration of principal political parties does not connote that the proportion of electoral results remains also unaltered. Besides the natural changes in an electoral achievement of individual parties according to shifts in voters' preferences, in the last decade we can register certain development to an ever larger effective number of relevant parties within the system, measured by the Laakso/Taagepera index (Laakso and Taagepera 1979). This indicator takes into account the number of political parties and their relative strength measured by the quantity of seats achieved (see Table 5).

**Table 5: Effective number of relevant parties, elections to the Chamber of Deputies, 1986–2006**

	1986	1990	1994	1998	2002	2006
<b>Brazil</b>	<b>2.9</b>	<b>9.0</b>	<b>8.2</b>	<b>7.2</b>	<b>8.5</b>	<b>9.3</b>
“Top 3”	5.0 (RJ)	7.4 (MG)	9.9 (RJ)	7.5 (AL)	9.5 (RJ)	10.3 (RJ)
constituencies	3.6 (SP)	7.4 (SP)	8.0 (MT)	7.1 (SP)	8.6 (MG)	9.3 (MG)
	2.0 (MG)	4.9 (RJ)	7.5 (AL)	6.7 (RJ)	7.8 (SP)	9.3 (PE)
“Bottom 3”	1.6 (AM)	2.1 (ES)	2.5 (AC)	2.9 (RR)	3.8 (PI)	4.6 (AC)
constituencies	1.6 (PA)	1.9 (AC)	2.4 (PB)	2.5 (RN)	3.5 (BA)	4.2 (ES)
	1.4 (PN)	1.2 (RO)	2.2 (RN)	1.7 (CE)	3.2 (AM)	3.6 (TO)

Source: Calculation for 1986–2002 adopted from Kinzo (2004: 32), 2006 own calculation based on data data from the Chamber of Deputies, available at: <http://www.camara.gov.br/internet/deputado/bancadaeleicao.asp>

Note: Effective number of relevant parties  $ENP = \frac{1}{\sum (s_i)^2}$ , where  $s_i$  stands for quantity of seats obtained by an individual party in the determinate ballot.

The change between 1986 and 1990 represented by overwhelming increase in the effective number of relevant parties from 2.9 to 9.0 can be easily explained by the virtual overthrow of artificial bipartisan arrangement created by the military regime. If in 1986, we speak about the “founding elections” for the Brazilian democratization process, it means that the poll assumed character of a referendum against the authoritarian rule. In 1990 voters had to decide in which way the society would proceed, especially in the social and economic policies. Naturally, there were plenty of competing alternative projects and rival political groups.

During 1990s, we observe a slight decline in the Laakso/Taagepera index which can be interpreted as a result of the firm coalition strategy adopted by the presidential candidate, Fernando Henrique Cardoso, in 1994 and 1998. The alliance of the right-of-centre parties – the PSDB, PFL, PP, PTB, and in some others also in the centrist PMDB – was contracted to back Cardoso in his candidature. Lately his center-right coalition governments faced a keen opposition of the leftist part of the political spectrum that was gradually dominated by the PT which was cooperating with PDT, PSB, PCdoB and PPS (Power 1998). The conduct of neoliberal reforms and the leftist opposition of principle against these reforms lead to certain repair of bipolar dimension of the electoral competition, thus strengthening the position of principal parties on both sides.

The reverse tendency was recorded in 2002 and 2006. The gradual rise in the effective number of relevant parties was likely a consequence of the Cardoso coalition break-up in 2002 elections and a different strategy adopted by the President Lula during his first term. Despite the anticipated victory of the leftist coalition's presidential candidate, these parties were not able to gain a majority in the Chamber of Deputies. Thus, with respect to difficult negotiations with centrist and centre-right parties, such as the PMDB and PTB, about a long-term coalition, Lula opted for the strategy of timely *ad hoc* cooperation in accordance with a legislative action at issue. This made the division government–opposition more blurred and from the electors' point of view, political parties even less profiled.

The “Top 3” and “Bottom 3” rows in the Table 4 were included to enrich the picture of electoral rules' effects, in this case of the constituency size on the party system. As we can see, in the “Top 3” section, i.e. three constituencies that reached the highest Laakso/Taagepera index, the presence of the three biggest constituencies São Paulo (SP), Minas Gerais (MG) and Rio de Janeiro (RJ) (see Table 2) is frequent; however, in 1994, two minor constituencies Alagoas (AL) and Mato Grosso (MT) appear in the same section. On the other hand, the fourth biggest constituency Bahia (BA) scored in “Bottom 3” section, i.e. among the three constituencies with lowest effective number of relevant parties. Evidently, as cases of Rio de Janeiro (the only state that appear among “Top 3” constituencies in all of the analyzed elections) and Bahia suggest, local specificities should not be neglected.

## Senate

The Senate, the upper house of the Brazilian National Congress, was designed to represent interests of individual federal states. In other words, it is a house of regional representation. Therefore, every state and the Federal District elect three senators. They are elected for eight-year term, every four years alternatively one- or two-thirds are renewed, which means that in every state one or two senator posts are at stake. In 2006, one-third of the senator seats were disputed. In contrast to the Chamber of Deputies elections, the simple majority system, the so-called “first-past-the-post” system, is used.

In general, given the equal representation of all units of the federation, fostering the influence of less populated and less developed states in social and economic terms, the Senate tends to be more conservative. This can be deduced from the longstanding expressed results of two traditional parties PMDB and PFL, which have their roots in the two only legal parties of the military dictatorship period. Another party that regularly achieves significant portion of seats in the Senate, the PSDB was created from a secessionist group of the PMDB. These three parties sup-

ported the Cardoso governments. Since 2003, PFL and PSDB constitute a part of the oppositionist bloc to the Lula government. In the Table 6 we can see political parties' performance in the last three Senate elections.

**Table 6: Percentage of seats elected to the Senate, by party, 1998–2006**

Party	1998	2002	2006
PFL	18.5	25.9	22.2
PSDB	14.8	14.8	18.5
PMDB	44.4	16.7	14.8
PTB	–	3.7	11.1
PT	11.1	18.5	7.4
PP/PPB	7.4	1.9	3.7
PSB	3.7	5.6	3.7
PDT	–	7.4	3.7
PL	–	3.7	3.7
PPS	–	1.9	3.7
PCdoB	–	–	3.7
PRTB	–	–	3.7
Laakso/Taagepera index	3.7	6.1	8.0

Source: Own calculation based on data from the Supreme Electoral Court (Tribunal Superior Eleitoral), available at: <http://www.tse.gov.br>

In this table, we observe the gradual augmentation in the quantity of political parties which managed to elect their candidates – from six to twelve within eight years. The same can be examined concerning the number of relevant parties entering the Senate at the occasion of respective election, demonstrated by the Laakso/Taagepera index. Evidently, the Brazilian Senate is a good illustrative case of the situation, where a simple majority electoral system does not automatically tend to create a prevalence of two parties, or bipolar competition.

Taking into account the virtual competence symmetry of both houses of the National Congress, such composition – rather conservative and less fragmented than is the case of the Chamber of Deputies – attributes to the Senate the role of a stabilising and moderating actor within the political system.

## CONCLUDING REMARKS

Apart from what has been referred, from the analytical point of view, the Brazilian electoral process offers some other interesting opportunities for a political research:

- Given the overwhelming media coverage the incumbents have and their privileged access to public resources distribution by virtue of constitutional reform of 1997 that made re-election to executive posts possible for a one subsequent four-year term, the hypothesis of the *de facto* eight-year presidential or gubernatorial term with “mid-term” confirmative or recall election should be tested.
- The principal leftist, long-time oppositionist leader, Luiz Inácio Lula da Silva, participated in all of the post-dictatorial direct presidential elections. Since 1989, Lula gradually increased his electoral results. By changing his electoral campaign strategy from radicalism to moderation, he finally won in 2002. Within the framework of democratic, fair and regular elections, such a series of a candidate’s electoral record is unique. Through this, we can examine a case of gradual imposition of a new political group, its struggle for dominance on respective part of the political spectrum and its accommodation to the mainstream electoral preferences.
- Since 1990s, the presidential elections in Brazil assumed the character of the left–right struggle with PT and PSDB, respectively, representing the core parties of the two poles. It is questionable whether the bipolar situation can be deemed a stable and long-term condition of political competition or a result of the coincidental participation of outstanding leaders, Lula and Cardoso, at both sides of the political spectrum.
- For more than five decades, the open-list proportional system which was adopted for the elections to the Chamber of Deputies is being applied with slightly specified modifications during the military rule. This should be explored, possibly providing important insights to the general analysis of electoral systems’ effects on the system of political parties (see Nicolau 2006).
- The Brazilian system of political parties reveals serious difficulties in consolidation of its elements: 1.) political parties as institutions and 2.) solidification of at least mid-term alliances based on programmatic and ideological proximities. Electoral coalitions are rather unpredictable and frequently based on personal affinities of candidates.

In special regard to results of 2006 elections, we can expect a relative empowerment of the Lula government’s position towards the National Congress. Lula’s expressive electoral performance with a victory with more than 60 % of valid votes

awarded him a renewed and strengthened legitimacy. However, the weakening of political parties' cohesion and their diminishing share of seats provides government with a broad field for manoeuvring while it seeks support for its legislative projects.

For many reasons, the 2010 elections will be more attractive for observers and more decisive for continuing political development than the 2006 elections. In compliance with the Constitution, Lula will be prohibited to run for the third term. After two decades, a new presidential candidate must appear from the left. We can also expect another severe struggle for the candidature at the opposite side of the Brazilian political spectrum as in 2002 and 2006. Brazil is likely to enter a new political era after the Cardoso neoliberal and Lula post-neoliberal decades which were tightly interdependent.

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# VENEZUELAN PRESIDENTIAL ELECTION 2006: SIN NOVEDADES

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This chapter was written within the GAČR grant project “Non-democratic regimes and their transformation in Lusophone and Hispanic countries” (No. 407/06/0169).

For many years, Venezuela was correctly considered being one of the few successful democracies in Latin America, along with Costa Rica, that managed to escape a disastrous cycle of coups, failed re-democratizations and new coups, and became almost a model to follow. This democratic regime was born after the fall of the military dictatorship of Marcos Pérez Jiménez. Known as the Punto Fijo democracy, it was named for the pact signed by all relevant political parties in October 1958, and later joined by other important societal actors, including labor and business organizations, Catholic Church etc. It managed to maintain a peculiar “tutelary democracy”, based on the mutual agreements and pacts.

The pacts bound the signatories to respect the integrity of elections as the only way to obtain or lose political power and to seek a common solution for agreements on all key issues including the usage of potential petroleum revenues and future of the oil industry coming nationalization through consensus. Through the pacts, the signatories pledged to de-personalize major political struggles and share political patronage with implicit consensus on the exclusion of other ambitious political actors: military, radical pro-Cuban left, ambitious political “outsiders.” (Karl Lynn 1987)

In the words of Daniel H. Levine and Brian F. Crisp, “*Key political forces essentially agreed to disagree, setting difficult and potentially explosive issues aside to concentrate on more manageable areas where limited, ‘technical’ solutions could be found.*” (Levine, Crisp 1999: 127).

Juan Carlos Rey called this political arrangement “sistema populista de conciliación” (Rey 1983: 62). The most stable important pillars were two main political parties, AD<sup>1</sup> and Copei<sup>2</sup>. Both parties managed to control an absolute majority of the electorate and their share of total votes never fell below 75 % during the years, 1973–1988, in the golden era of the nearly perfect bipartism. The all-embracing party rule in Venezuela was perhaps as strong as in Austria. According to one investigation, in 1973 26 % of Venezuelans declared themselves as members of some political party. Only Austrian citizens overcome this proportion (Molina Vega, Pérez Baralt 1993: 223).

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1 Acción Democrática was founded in 1941 as a kind of social democratic party, with quite populist discourse. The party kept the Venezuelan presidency in the years 1945–1948, 1959–1964, 1964–1969, 1974–1979, 1984–1989, 1989–1993, with Rómulo Betancourt and Rómulo Gallegos, Rómulo Betancourt, Raúl Leoni, Carlos Andrés Pérez, Jaime Lusinchi, and Carlos Andrés Pérez respectively.

2 Comité de Organización Política Electoral Independiente was founded in the 1946 by Christian oriented intellectuals and politicians, and later became one of the few important Latin American explicitly Social Christian parties. Copei held the presidency in the years 1969–1974, 1979–1984, with Rafael Caldera and Luís Herrera Campíns respectively.

This peculiar kind of *partyarchy*<sup>3</sup> (Coppedge 1994: 2) enjoyed considerable support from below, particularly in times of relative abundance of easily gained petrodollars of the seventies. People went en masse to the polls with the regular participation reaching more than 80 % of the registered voters, a surprisingly high level that was not due only to the rarely enforced obligatory voting. However, this participation had not been based on a supposedly close emotional relationship between citizens and their representatives. Venezuelans “*generally view political parties as patronage machines designed to serve the particular interests of their members and followers rather than as communities organized around a given program or ideology*” (Blank 1973: 59).

However, in the Venezuelan case we can speak about a very highly institutionalized party system in comparison to other Latin American states<sup>4</sup> (Mainwaring, Scully 1995). The stability of political institutions should have contributed to the easier carriage of the structural reforms that were seen as a necessary condition in the face of the declining oil prices during the eighties and the subsequent fiscal crisis that weakened the economic basis of the state and party-driven patronage system. But the results of adjustment policies and their failure were quite unexpected. The Punto Fijo tutelary democracy did not survive these negative social and political consequences.

## THE COLLAPSE OF VENEZUELAN PARTY SYSTEM AND THE EMERGENCE OF HUGO CHÁVEZ

The political hegemony of established political parties in Venezuela (see table in annex) was seriously weakened in the late eighties by several factors. Among them, the ever more striking visible cases of corruption and administrative incompetence that became obvious in the shared consciousness of profound deterioration of the economy. The last Punto Fijo government, presided by Carlos Andrés Pérez (AD), implemented a neo-liberal economic package, *El Gran Viraje* program, which faced the fiscal deficit exceeding 9 % of the GDP and the largest current account deficit in the history of Venezuela.

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3 This term was used for the description of Venezuelan party system by Michael Coppedge, who sustained that Venezuela has represented “*the most extreme case of pathological kind of political control*”. Partyarchy in his definition means “*the government of the people, by the parties, for the parties*”.

4 The emphasis on the level of institutionalization is the most important contribution of the seminal collective work edited by Scott Mainwaring a Timothy R. Scully, and is measured by such variables as the index of electoral volatility, somewhat stable parties roots in society, their importance in the process of the legitimate assignment of the government members, and the solidity of their party organizations. Even in the middle of the nineties, Venezuela still seemed to fit the definition of a highly institutionalized party system.

This neo-liberal turn was virtually shocking. Carlos Andrés Pérez had not made public anything of some future neo-liberal policies during his campaigning. For the program, he could count neither the support of the loyal system opposition (Copei and MAS<sup>5</sup>), nor his own support of AD whose strong Labor Bureau expected the new president to remain untouched by the powerful Venezuelan state and industries influence, particularly the PDVSA, the state owned oil company, and the services and bureaucracy controlled by him, including the centralized and “pragmatic” political parties. The program of massive privatizations, economic openings, and subsidies eliminations that were once channeled from the petro-state into private companies that produced basic staples to maintain low prices did not win any broader social consensus with their replacement of direct cash transfers to the poorest stratum of the society, thereby bypassing the once famous Venezuelan middle class.

In February 1989, the public anger erupted in several days of rioting and plundering in all major urban centers, particularly the Caracas shantytowns (*barrios*), after the announcement of the shocking program. Quelling this mass mobilization, first since the early sixties, took a heavy toll, numbering several hundred persons that were killed by inexperienced recruits or by secret police death squads whose members took advantage of the widespread turmoil and squared their accounts with some “dangerous leftist agitators”. These events, known as *caracazo*, were the greatest explanation for the failure of political backing of market reform in Venezuela, sharply contrasting with the long popular support for Fujimori’s or Menem’s policies. The reaction was due partly to the government’s little effort to garner support for its adjustment policies in the early phase (Weyland 2002: 119).

Pérez, who behaved as others neo-liberal and populists – a phenomenon best described by Kenneth Roberts and Kurt Weyland – in the context of “organizationally saturated polities”, tended to adopt anti-organizational tactics by appealing to those people who distrust the established organizations; thereby weakening and undermining parties apparatus (Weyland 2001: 14–15). These tactics were welcomed by neo-liberal economists and technocrats with their adversarial positions to many established institutions and associations with their paradoxically positive evaluation of strengthening the executive branch that was necessary to impose structural adjustment (Weyland 1999: 382). The parties were among the most threatened and odious organizations, but the Punto Fijo consensus died long before the Chávez’s entry on the political scene.

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<sup>5</sup> Movimiento al Socialismo has been the third most important Venezuelan political party, although was never part of any Punto Fijo government, and has behaved as a permanent, but moderate, opposition force. Founded in the 1971, as consequence of a series of splits in the Communist Party of Venezuela (PCV), the party has been led by such personalities as Teodoro Petkoff or Pompeyo Márquez.

In Venezuela neo-liberal political and economical strategy did not succeed although “*according to the most prominent explanations of the political conditions for structural adjustment, Venezuela should have been among the most likely cases for successful market reform*” (Roberts 2003: 250).

The deep political crisis of the nineties can be seen as a crisis resulting from the expectations which were raised by the rapid economic development in the seventies and fuelled by the common view of Venezuela being the “richest country in the world” – a belief expressed by 82 percent of the population according to a survey conducted as late as in August 2000 (Naím 2001). This myth of the Venezuelan petro-state had come in conflict with widespread poverty and growing violence during the Pérez and Caldera presidencies.

Michael Coppedge summarizes the feeling of a common people in Venezuela: “*Venezuela is wealthy, oil-exporting country; the government’s duty is to share this wealth fairly with all of us; I’m not getting my share, and neither are those around me; therefore, the party politicians who run the state for the past thirty years must be wasting and stealing the money*” (Coppedge 2003: 173).

The decomposition of the party system accelerated after two attempted military coups in 1992 and Carlos Andrés Pérez’s suspension from office in May 1993, which had been precipitated by charges of misuse of the public funds. AD and COPEI made their last important agreement. The senators selected one of their own, Ramón J. Velásquez, a famous historian, to serve as an interim president.

The unwelcome entry of the army into politics was the clearest sign of the disintegration of the Venezuelan democracy. The Venezuelan military had been one of the least politicized in Latin America as it lacked an elaborated project for national salvation or reconstruction. Nevertheless, from the late seventies onward, there had appeared several conspiracy cells within the armed forces with ties to former guerrilla combatants including Douglas Bravo. One of these secret groups, with Hugo Chávez among its leaders, was elaborating a vague program of national renovation that was based on an interpretation of Bolívar’s political thought and his supposedly “forgotten” or “betrayed” legacy. In addition, some sectors of the Venezuelan Left made several appeals for the military to enter the political scene (Irwin 2000). Alarmed by the reputation of the army during the suppression of the 1989 riots that was seen as the dirty work on behalf of a corrupt political class and felt as collective shame, the middle ranks of the officer corps felt misused by the president and by the “genocide regime” (Harnecker 2002).

In 1992, two military uprisings resulted from this discontent, demonstrating the daily deterioration of Venezuelan politics, which made the officers participating in the events very popular personalities. The Punto Fijo political class reacted partly

with disgust and strict condemnation and partly with public support for *golpistas* with Rafael Caldera the outstanding figure in professing the comprehension for rebels. Caldera, the nearly eighty-year-old founder of COPEI, was an active politician since the thirties. A symbol of *puntofijismo*, he was at that time in conflict with the leadership of his party, by criticizing the neo-liberal turn of the government. He left COPEI, his political child to run as an anti-party candidate with strong anti-establishment appeal, which allowed him to capitalize on hostilities toward the party institutions.

According to the public opinion polls following the coup attempt of February 1992, 41 % polled thought that the parties should disappear; 46 % rejected any president from AD, 35 % from COPEI and 22 % from MAS (Alvarez 1996: 138–140). The most popular figures, known by their hostility toward the party system, welcomed the military intervention (Arturo Uslar Pietri, Rafael Caldera and José Vicente Rangel). Because of these anti-partisan sentiments, Caldera won the presidential elections but only with 30.45 % of the votes. The elections were marked by widespread apathy with 40 % voter absence. The joint share of AD and COPEI votes fell below 50 % with only 45 %. In 1988, their presidential candidates received nearly 93 % of the valid votes (Molina Vega, Pérez Baralt 1996: 216).

The collapse of Venezuelan parties was reconfirmed at the polls in the 1998 when all the major presidential candidates ran as “independents.” They presented themselves as outsiders, claiming historical breaks from their respective parties. Public opinion surveys favoured Irene Sáez, a former beauty queen, until her acceptance of COPEI party support. This proved to be her fatal miscalculation. Just prior to the voting, AD and COPEI abandoned their nominees to support another independent candidate, Enrique Salas Römer. These circumstances could only make the final victory easier for the charismatic Hugo Chávez who secured the majority of the votes: 3 673 665 (56.20 %) despite the absent voters reached almost 40 % of the electorate (Molina Vega, Pérez Baralt 1999: 37).

## HUGO CHÁVEZ AND HIS POLITICAL PROJECT

Chávez came to power backed by the alliance of several political parties that assembled in the coalition Patriotic Pole. The coalition was formed by thirteen parties, including MAS that would soon join the opposition camp. Initially, he enjoyed support from diverse sectors of society, including some from the former *puntofijistas*; but with his gradual radicalization and growing presence of leaders with military roots in important offices, the coalition weakened – a trend that continues until recently.

The relevantly stable party organizations, which are part of Chávez's coalition, are his own Fifth Republic Movement (*Movimiento Quinta República* – MVR); Fatherland for All (*Patria Para Todos* – PPT);<sup>6</sup> Communist Party; and PODEMOS – a splinter group from MAS. But these political organizations are only a part of broader *chavista* camp, which is formed by a network of many formal and informal organizations, movements and groups, with varying degrees of organizational stability and durability that are occasionally established ad hoc. Formed chiefly through self-organization of inhabitants from the *barrios*, the poorest parts of the urban centers, or in countryside, these grass-roots movements often dislike anything that seem to be “party” or formal “old-fashioned” politics. They claim to be a real expression of the participatory grassroots democracy. Their courageous activities were crucial during the short-lived coup against the government (Ellner 2006; Ramírez 2007). The military is seen as another source of *chavista* force and personnel.

With this multi-dimensional support, Chávez completely rewrote the rules of Venezuelan politics. In 1999, he organized a referendum, which authorized elections for a Constituent Assembly. He won the elections and achieved approval of the new document. On July 31, 2000, Venezuela held other mega-elections for president, governors and mayors, including the new unicameral National Assembly.<sup>7</sup> Traditional parties declined to contest the presidency! Shortly afterwards, Chávez tried to implement a vague program of social and economic change which was labelled first as the “Bolivarian Revolution,” and then the “21st Century Socialism”.

The opposition reacted with strikes, then an unsuccessful coup. Other waves of strikes followed with a call to remove president in 2004 resulted with a failed recall referendum. The winner in the very controversial referendum, Chávez obtained another victory in regional and municipal elections in 2004 and 2005. Elections for the National Assembly on December 2005 were attended only by *chavistas* due to the unsubstantiated allegations of a governmental fraud, launched by desperate opposition. Through this “strategy” Chávez easily gained the control of the legislative body.

Too many highly recognized influences exist regarding his political thinking – beginning with innumerable allusions to Simón Bolívar and running through military presidents like Torrijos or Velasco, and ending with Fidel Castro – to describe and explain Chávez's political project and to define what authors call “Chávez's

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6 PPT is a majority faction of the La Causa Radical, one of the anti-establishment parties that sprung in the late eighties, and became one of the most successful challengers to the established parties. The rest of the party, keeping the name LCR, supported Irene Sáez and today it stands in opposition to Chávez.

7 Chávez's only significant challenger was his former ally, Lieutenant Colonel Francisco Arias Cárdenas, who garnered one-third of the total vote.

regime.” On the other hand, Chávez has been always blamed for sympathies with rightist dictator, Pérez Jiménez, or for contacts with Norberto Ceresole, the leading Latin-American anti-Semite and advocate of military dictatorships

In quite tentative conclusion, Chávez represents organic version of populism<sup>8</sup>, with a strong social reformist tendencies that “*challenges traditional elites*”. He “*sharply polarizes the socio-political landscape*” with “*mass organization [...] promoted as a counterweight to elite power structures*” (Roberts 2006: 234). An important aspect of Chávez’s version of old vintage populism is his military-fashioned discourse and practice, leading analysts to use the term “*populismo verde oliva*” for describing his political phenomenon (Arenas 2004: 43). Those who emphasize socialist elements of Chávez’s project, which is supposed to be implemented within the democratic framework, compare his policies with those of Salvador Allende in tropical context, or explain them using the gramscian concept of hegemony.

Yet Chávez’s government can be defined as a kind of democratic regime with strong “*delegative tendencies*” in the sense of O’Donnell’s “*delegative democracy*”. Democracies of this type contain strong incentives for majoritarian logic of conflict resolution and for personalism. Ianni’s definition of the “*populist democracy*” in contrast to “*populist dictatorship*” could be applied. Such democracy is characterized by Ianni as a system of “*exclusion of non-populist forces*”, based on “*the unequal opportunities of access to a power*”, with opposition rights limited almost only to a “*free expression*”, in which the government ignore the voices of dissent, or try co-opt them onto, and where is present strong predomination of the political identity “*leader-people-state*” (Ianni 1975: 143). Presidential regime is, of course, the best institutional arrangement for such a political style.

By refusing to acknowledge the democratic character of the Venezuelan government, Chávez’s critics could categorize it as “*competitive authoritarianism*”, employed by Levitsky and Way, and applied on the regimes “*in which formal democratic institutions are widely viewed as the primary means of gaining power, but in which fraud, civil liberties violations, and abuse of state and media so skew the playing field that the regime cannot be labeled democratic*”. Such regimes are “*competitive, in that democratic institutions are not façades: opposition forces can use legal channels to seriously contest and occasionally win power; but they are authoritarian in that opposition forces are handicapped by a highly uneven [...] playing field*”, thus the competition is “*real but unfair*” (Levitsky, Way 2007).

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8 Organic populism is one of the four basic types of Latin-American populism defined by Kenneth M. Roberts. The others are labour, partisan, and electoral populism (Roberts 2006).

## OPPOSITION

Hardly comparable to other cases of such political earthquakes, except Italy and perhaps Peru, with the latter having weakly institutionalized “inchoate” party system (Dietz, Myers 2007), the collapse of political parties in Venezuela led to a complete reconfiguration of the party system. The two main *puntofijista* parties, AD and COPEI, virtually disappeared from the political game. The former fell to barely 5 % at the beginning of 2005 and the latter teetered on the brink of extinction. (Myers 2007: 2008). New party organizations emerged. The most important, *Primero Justicia* (Justice First – PJ), one of the few neo-liberal parties in the contemporary Venezuelan history, situated itself in the political center. The party lacks wide societal and regional support with its core voters concentrated in the upper-middle class neighborhoods of Eastern Caracas. The other post-Punto Fijo political party, *Un Nuevo Tiempo* (The New Time – UNT), was founded in the late nineties in the oil rich state of Zulia as regional vehicle of the AD dissidents. The party maintained its regional identity until the 2006 presidential elections. Both the PJ and UNT lack networks of members or volunteers that are comparable to the several pro-governmental groups. Their leaders are not well-known to a wider public.

Still in existence, AD, COPEI and MAS, the La Causa Radical with a handful of other parties such as the historical “extreme left movement” *Bandera Roja*, Red Flag, cooperate with the newcomers, *Primero Justicia* and *Un Nuevo Tiempo*, in their difficult task to oppose the new elite without offering any compensation or benefit sharing. But political parties are still very unpopular among the Venezuelans, regardless of their ideology and social status. *Partidos* do not excite confidence. Thus, many other civil society organizations (and “civil society” organizations) engage in political activities. SUMATE (Join Up) surpasses all of them in the influence, vehemence, and financial resources derived from the National Endowment for Democracy and USAID. USAID provided funding for the anti-Chavista opposition from 2001 to 2006 with some 20 million dollars (Calvo Ospira 2007: 9). In its own words, SUMATE main task is to “*promote, defend, facilitate, and back the political rights*”, especially by “*analysis of voter registration, planning and execution of parallel vote*” (Súmate. Quiénes Somos). SUMATE served in many occasions as a de facto leader of the opposition, urging it to unite the forces etc.

Another highly important factor in the Venezuelan politics is the powerful private media. Led by private TV channels, their activities sometimes substituted the efforts made by discredited professional politicians. The implication of these channels in the coup on April 11, 2002 against Chávez was the peak of their political action.

At the beginning of the Chávez mandate, his government faced the challenge of the strong middle-class labour federation (CTV) that was linked in the past with the AD and to a lesser degree with COPEI, and the business interest organization FEDECAMARAS. Another semi-oppositional force is the clergy because of the increasing animosity with the Church that led to a virtual rupture of Chávez with the Catholic hierarchy.

In general, Venezuelan opposition suffered from disunity and constant alterations and turn-overs in strategies. At the beginning, the parties were in the shadow of the non-party organizations. The real leaders of the anti-governmental activities were CTV, FEDECAMARAS, PDVSA – the state oil enterprise – and the mass media. This early stage of the Venezuelan political imbroglio became one of the hegemony of the anti-politics with the emphasis placed on the mass mobilization and strikes with an attempted coup d'état following the logic of the total war. The anti-politics of this time was based on the hysterically expressed assumption that Chávez pretended the construction of some “socialist tyranny” and that within this context, there has been no standard political strategy and discussion possible. The opposition, discredited internationally by its participation in organized, planned and badly carried out overthrow of Chávez, and economically exhausted after a fruitless two month strike from December 2002 to February 2003 changed this “practice”. The second stage was marked by the supremacy of SUMATE, whose objective was to defeat Chávez in recall referendum.<sup>9</sup> Political parties under their umbrella organization, the Democratic Coordinator (DC), signed accords with government representatives. Under the auspices of the OAS, the leaders seemed to be quite optimistic about the possibility to remove the president from his office. This strategy combined elements of politics with the moralist anti-political appeals, accusing the government and the National Electoral Council of forging a fraud. The effects of the strategy were rather confusing for the oppositional or potentially oppositional electorate, creating a climate of distrust in which any voting was considered as being useless. To the dismay of DC, the referendum, held on August 15, 2004, showed that Chávez maintained his support, gaining some 5 800 629 votes about 59.25 % while 3 989 008 votes or approximately 40.74 % wished him to go. Though partici-

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9 The possibility of mid-term recall referendum for all elected officials was introduced to into Venezuelan law in 1999 under the new Constitution. Under its provisions, an elected official can be subjected to a recall referendum if a petition gathers signatures from 20 % of the corresponding electorate. When a number of voters equal to or greater than the number of those who elected the official vote in favour of the recall, provided that a number of voters equal to or greater than 25 % of the total number of registered voters vote in the recall referendum, the official's mandate shall be deemed revoked and immediate action shall be taken to fill the permanent vacancy as provided for by this Constitution and by law.

pation increased, reaching almost 70 % of the electorate, still an important sector did not accept the calls of urgency, made by the desperate DC, seeding suspicions about the fairness of the process. Refusal to accept the results, despite of their approval by OAS and international observers, led directly to adoption of the strategy of abstentions in the eve of the parliamentary elections, held on December 2005. The National Assembly thus easily became the *chavista* domain.

The third strategy opened up by anti-governmental camp before the presidential elections of 2006 resuscitated an unmistakably political approach, demonstrated by the certain resurgence of political parties as the real actors of the political struggle, and by their distance from “civil society” and moralizing maniqueism. Parties overcame the fear of themselves and of their general unpopularity, and began to fulfill their function in the democratic politics. They did not hesitate to challenge president Chávez in the electoral process, despite of their obviously disadvantageous position.

## PRESIDENTIAL ELECTION OF 2006

Venezuelan presidential elections of 2006 occurred within a political environment with clear government advantages. Many government advantages stemmed from the very character of the Venezuelan society with its economical structure. Venezuela has one of the most compact societies in Latin America, lacking any marked regional<sup>10</sup>, racial, or linguistic cleavage that could create strong, deeply-rooted political identities or loyalties. The only significant split is between the rich and the poor. The comparative compactness of the country, makes implementation of any centralized political project easier, and provides ideal conditions for populist mobilizations, because the governor, having once acquired the central power, does not have to search for balance among deeply entrenched diverse interests.

The Venezuelan economy is heavily dependent on the oil exports. There is not any economical sector or actor that could compete with the powerful Venezuelan state which has been the owner of PDVSA since the 1976. Since Hugo Chávez’s accession to power in 1998, oil prices have grown in a steady manner, from some 13 USD per barrel to 50–60 USD in 2006. This provided abundant resources for his government to spend in several social programs, missions in the Bolivarian-military discourse, aimed at improvement in the living conditions of the poorest sectors. With the economical growth between 2005–2006 by 9.3 % and 9.6 % respectively, the number of the people living in poverty decreased, although not as much as ex-

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10 In the past, the Andean region presented some differences, but his specific position was every time less politically expressed during the second half of the last century.

pected, and the country almost attained status on the High Human Development Index (Human Development Report 2007/2008).

Since 2004, Chávez has governed in a more stabilized environment; thus he governed without a threat of strikes or potential coups. After the 2005 Legislative elections, he held the most important power centers firmly in his hands, controlling 21 of 23 state governances, and 282 of 335 municipalities. Notwithstanding the charges of corruption made by the public against several office holders and alarmingly high levels of criminality, Chávez's personal charisma through his well-targeted public discourses and diversified sources of support made him the unquestionable favourite of the polls. Since the 1998 election, Chávez used the tactic of mass mobilization, claiming that the country is passing through a continuing process of deep change so to present his government's work as being incomplete, thereby allowing him to ask society to permit him to continue and complete the revolutionary program.

During the electoral campaign, Chávez depicted the opposition as an instrument of the U.S. government, suggesting that the real adversary was George Bush with his "puppet allies". According to the Campaign Plan, elaborated in January 2006 by his *Comando Táctico Nacional*, the "general objective" of the Chávez electoral campaign was the conquest of at least 10 million votes (Movimiento Quinta República 2006). To achieve this statistically improbable objective, he had to improve his image within the middle and upper-middle class by going beyond his most loyal electorate (Romero Jiménez 2006). For his ambitious future intentions, he needed as many votes as possible and to defeat the high abstention rates that had reduced the impact of his earlier victories.

Above all, the opposition had to decide if it would take part in the polls. Then it needed to find one candidate viable as a symbol of its unity. Rejecting the useless strategy of absentee voters and attacks on the impartiality of the electoral power, and looking for a single candidate, thus reducing the role of SUMATE, the parties recovered as the political vehicles. An outstanding figure, Teodoro Petkoff, who represented a less antagonistic figure within the *anti-chavista* block, represented this switch in the strategy. He had been criticizing the anti-political tendencies and sterile proposals of his colleagues. Petkoff had been long aware of past mistakes. His main idea has been the search for compromise between moderate forces from both sides within the opposition and government; thereby isolating the extremists to carry out "progressive reformist" policies (López Ortega 2004: 152–160). Petkoff with Julio Borges from PJ was one the leading figures that challenged Chávez.

In the summer of 2006, the decision was made to launch the candidature of Manuel Rosales, governor of the oil rich state of Zulia. Rosales was willing to move the opposition to the political centre and managed the regional government's bud-

get. Rosales, a former AD cadre and supporter of the 2002 coup, accepted the assistance of Petkoff. In September, he launched the easily recognizable program with the dominant theme of the debit card, *Mi Negra*, through which he would distribute the petro-dollars to the poorest families. The amounts were calculated between 280 and 465 US dollars, depending on the prices of petroleum. The campaign began officially on August 1 with one question, “Will Chávez continue, or not?”.

All the opinion polls published in the course of campaign showed the incumbent president as an obvious favourite, being in advance of some 20 %, with few exceptions that anticipated what Rosales called “technical standoff”. But even under these favourable circumstances, Chávez had to change the strategy to make his appeals more palatable to the upper classes. The first phase of his electoral propaganda had been dominated by references to the “21st Century Socialism” and attacks on the opposition, but the polarizing rhetoric softened by October and the symbol of *amor* was added to those of the revolution. Still Chávez did not hesitate to publicise his plans for impending changes in the Constitution, including the possibility of permanent re-election of the incumbent president.

Rosales’ response to the government’s efforts to gain 10 million votes was the motto of “26 million Venezuelans”. He attacked the government’s failures in the spheres of public security, health care and for misappropriating petroleum revenues in the projects of generous, but politically motivated foreign aid at the expense of the Venezuelan citizens. Conscious of the public fears caused by the past oppositional campaigns that had depicted Chávez as a new totalitarian dictator capable of anything and by the intimidation that had come from the Chávez administration (like *Lista Tascón*)<sup>11</sup>, Rosales had to make clear that it was worth voting.

Although the political game in Venezuela polarized to two extreme points since the turn of the century, resulting from the plurality voting system, there was a third challenger to Hugo Chávez<sup>12</sup>. The candidature of a famous comedy actor, Benjamín Rausseo, was not just a diversionary one since Rausseo could reduce the number of votes for Rosales. Rausseo registered himself for the polls. He enjoyed considerable attention until his withdrawal which was announced two weeks prior to the elections. Upon withdrawal, he refused to support publicly the opposition although most of his criticisms and proposals were directed against Chávez.

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11 It was named after Luis Tascón, National Assembly Deputy and *chavista*, who had published on his website the Tascon List, a list of almost three million Venezuelans who signed a petition in favour of the recall referendum in August 2004. According to both *chavistas* and supporters of the opposition, the list was exploited for political reasons; people from both political camps were either hired, or fired, based on whether their name appeared on the list, or not.

12 There were more formal “candidates”, 22 at the beginning, but most of them left the contest at the early stages.

The government campaign exploited its control of the state finances. There were many public works inaugurations. The Brazilian President Lula expressed his hope for another Chávez's victory at the opening of new bridge over Orinoco. The public work inaugurations made the contest quite unequal. The European Union Election Observation Mission to Venezuela cited the same abuses of institutional propaganda by Rosales; but "to a much lesser extent". This European Union Mission also received "*numerous complaints regarding pressure being exerted on public servants to vote in favour of President Hugo Chavez or to subscribe to manifestoes that supported his candidature, allegedly financed with State resources*" (Final Report 2006). The most significant of them occurred when Rafael Ramirez, the Minister of Energy and Oil, insisted that employees of the State oil company are obliged to support the revolutionary process because the PDVSA has to be "red". Chávez added he expected the same of the armed forces, suggesting those who do not like his policies should go somewhere else, like Miami (López Maya, Lander 2007: 13).

There has always been intense discussion about the role of mass media regarding their politicization in Venezuela. Aggressive in the first years of Chávez's presidency, the private TV stations had been losing their pugnacity after repeated defeats of the opposition and threats from Chávez. The public channel, VTV, has been strongly pro-governmental. It dedicated 86 % of the time of all pre-electoral information to the positive coverage of Chávez's activities; but 70 % of the time to Rosales was negative. In contrast, Globovisión, the influential private channel, presented Chávez's activities rather negatively, but only one percent regarding Rosales was negative. Rosales dominated 65 % of the coverage. Print media seemed more balanced. In general, the mass-media were much more favourable to the incumbent (Correa 2007).

On December 3, 2006, the final election results confirmed general expectations. Chávez was re-elected with 7 309 080 votes or approximately 62.84 % of the votes. Rosales obtained 4 845 480 votes, constituting 41.66 %. The impact of this victory was augmented by a very high voter turnout of 74.69 % of the eligible voters (CNE 2006). Chávez won in all states, including the Rosales's home state of Zulia, where Chávez took 51.4 % of the votes with a narrow margin over Rosales with 48.5 %. The elections confirmed the insignificance of regional differences in Venezuelan political life. The more pronounced support for Chávez in the smaller towns and in the countryside where inhabitants gained a lot with the social and educational *misiones* was the only interesting trend in territorial distribution. Surely easier pressure and checks can be made on people in rural areas to enforce political agendas. The repeated refutation of *chavismo* by the upper class was confirmed once again. In the wealthy districts of Caracas – Baruta, Chacao, El Hatillo – Rosales won with almost 80 % of the votes

In contrast to past electoral process, the most important aspect was that the opposition accepted its defeat and did not impugn the results. International observers confirmed the competitive character of the presidential contest, although they criticized some aspects. However, these diversions from fair competition have been a part of the political environment since the early crafting of Venezuelan democracy.

## CONCLUSION

Doubtless, the Chávez's victory was quite easy, but relatively fair. Despite the well-confirmed allegations about the authoritarian features of the Venezuelan president, anti-democratic and hyper-majoritarian affinities, abuses and verbal attacks against the opposition, these authoritarian traces have not achieved such a level that would allow us to put Venezuela among some diminished types of authoritarian regime. By Sartori's terms, the Venezuelan situation is "subcompetitive" in contrast to many analysts who prefer the label "non competitive." In contrast to Przeworski's emphasis on "ex-ante uncertainty", interpreted as "*some positive probability that at least one member of the incumbent coalition will lose*" (Przeworski et al. 2000: 16–17), as a key aspect of real contest, Sartori does not exclude the "ex-ante certainty" from the democratic framework. The political situation is sub-competitive when a candidate is so strong that the adversaries are certain of his victory, yet leaving a possibility that the imbalance of power shall change, and the active participation in the electoral process will be worth again (Sartori 1999: 257).

# ANNEX

Table: National, Congressional, Regional, and Local Election Results (Venezuela: 1988–2005)

Year	Election Type	Winner/Party Vote	Punto Fijo Reg. Ruling Parties	Anti Punto Fijo Parties	Abstention
1988 Dec	Presidential	Pérez/AD 53 %	94 %	6 %	18 %
	Legislative	AD 43 %	74 %	27 %	18 %
1989 Dec	Regional/Local	AD 40 %	71 %	39 %	55 %
1992 Dec	Regional/Local	Copei 42 %	78 %	32 %	60 %
1993 Dec	Congressional	AD 24 %	46 %	54 %	40 %
	Presidential	Caldera/CN/MAS 31 %	46 %	54 %	40 %
1995 Dec	Regional/Local	AD 35 %	56 %	44 %	55 %
1998 Dec	Presidential	Chávez/MVR 56 %	11 %	91 %	36 %
1998 Nov	Congressional	AD 25 %	37 %	63 %	46 %
2000 Jul	Presidential	Chávez/MVR 59 %	0 %	100 %	44 %
	National Assembly seats	MVR 46 %	21 %	79 %	44 %
2000 Dec	Municipal Councils seats	MVR 39 %	28 %	72 %	76 %
2004 Oct	Governors seats	MVR/allies 21 (of 23)	9 %	91 %	55 %
	Mayors seats	MVR/allies 238 (of 335)	29 %	71 %	55 %
2005 Aug	Municipal Councils seats	MVR/allies 1911 (of 2389)	17 %	80 %	68 %

Source: Myers 2007: 286.

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# PRESIDENTIAL ELECTIONS IN BOLIVIA 2005: „ELECCIÓN DE COMBATE“

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This chapter was written within the GAČR grant project “Non-democratic regimes and their transformation in Lusophone and Hispanic countries” (No. 407/06/0169).

# GENERAL CHARACTERIZATION OF THE POLITICAL SYSTEM

Bolivia is a country which became known mainly because of the notorious lack of stability of its governments, a large number of coups<sup>1</sup> and immense poverty of its population.<sup>2</sup> In the second half of the 20<sup>th</sup> century Bolivia did not take a prominent stance between South American countries, but with the commencement of Evo Morales into the president's office at the end of 2005 the situation changed. Before we deal with the elections and the rise of Morales, it is necessary to analyse the events which significantly influenced the way to the ballot boxes, the course and the results of the voting.

Bolivia faces many typical Latin American problems, among them being for instance the unequal distribution of wealth, low literacy, etc. On the other hand Bolivia faces many specific or historical challenges, such as the high percentage of the native population, the historical loss of access to the sea, etc. One of the distinctive features of the political system in Bolivia is that there has always been a traditional perception of political subjects as highly privileged and exclusive groups. Political participation in Bolivia has long been an exclusive matter of the creole oligarchic minority, or the army. Since achieving independence in 1825 until nearly the middle of the 20<sup>th</sup> century, elite parties arose backed mainly by the silver or tin lobbies or powerful latifundia owners. Access of native masses to the redistribution of wealth and share in power was during the existence of independent Bolivia, which was limited as a matter of principle.

This South American land-locked state underwent a long rule of military representatives (1964–1982), then for a short period the middle-leftist Democratic and Popular Unity (UDP, *Unidad Democrática y Popular*) came to power but only the elections held three years later (in 1985) established a more solid base for the political democratic system, which included three especially important political subjects: National Revolutionary Movement (MNR, *Movimiento Nacionalista Revolucionario*)<sup>3</sup>, National Democratic Action (ADN, *Acción Democrática Nacio-*

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1 Here it should be noted that Bolivia also underwent fairly long periods of civilian governments, the first civilian stage being between 1880 a 1930 and the second between 1952 and 1964 (Mayorga 2005: 151).

2 Bolivia, according to the GDP and GNP values, is the poorest country of South America. According to the data from the World Bank, the GNP in 2006 was 1100 USD per head (World Bank 2007).

3 MNR was founded as the first mass political party in Bolivia in 1940 and represents the principal political party of Bolivia in the second half of the 20<sup>th</sup> century. MNR initially was a left-wing pro-reform party but especially in connection with the radical neo-liberal policy of President Gonzalo Sánchez de Lozada, heavily supported by the USA, in the 90s it shifted toward the right of the political spectrum.

*nalista*)<sup>4</sup> and Movement of the Revolutionary Left (MIR, *Movimiento de Izquierda Revolucionaria*). These three subjects formed the basis of a moderate multiparty system of Bolivia, which respected (in spite of many obstacles) the principles of representative democracy and market economy (Mayorga 2005: 154). Only the election contest of 2005 brought a radical change in development. In this text we are going to follow especially this rupture (*ruptura*) and its impact on the functioning and form of the political system of the country.

## PRE-ELECTION SITUATION

Premature presidential elections, held in Bolivia on 18 December 2005, were a response to the economic and social crisis which de facto affected the whole region. The considerable deterioration of the economic situation of Bolivia meant a complete discrediting of neo-liberal economic principles connected with meeting the principles of market economy, lowering of social expenditure, deregulation of prices and influx of foreign capital.

Social tension became more intensive already during the rule of the former dictator Hugo Banzer,<sup>5</sup> who was elected president by the Congress of Bolivia in 1997.<sup>6</sup> In April 2000 the situation came to a head in connection with the mass resistance of the population to the privatization of the water distribution in the Cochabamba by the supranational company Bechtel.<sup>7</sup> Also there were great pressure actions by the *cocaleros* (growers of coca) in the regions Yungas and Chapare, and protests were held at Altiplano, headed by the peasant leader and chairman of the CSUTCB (*Confederación Sindical Única de Trabajadores Campesinos de Bolivia*, Unitary Syndical Confederation of Peasant Workers of Bolivia), Felipe

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4 ADN became the principal support of the former military dictator Hugo Banzer. Banzer founded ADN as a party associating conservative sectors of Bolivian society immediately after he made possible, with his departure from the post of president (1978), a transition to civilian government. ADN was to serve Banzer as a political tool to re-gain power in the elections. It is of interest that the former Bolivian dictator became president again in 1997, when in the second round of presidential elections he was elected by the Congress of Bolivia (Springerová 2007).

5 He was at the head of the military government in 1971–78.

6 When the presidential candidate does not achieve absolute majority in the first round, in the second round the president will be chosen by a Congress vote from the two strongest candidates of the first round.

7 The Bechtel Corporation, based in San Francisco in the USA, realizes various construction projects in more than 140 countries of the world, in Bolivia its sister organization International Water was to carry out the privatization of the water supply, which would inordinately raise the living expenses of the Bolivians. The intention of the government and the company thus brought about a wave of violent protests.

Quispe.<sup>8</sup> Last but not least, the weakening of Banzer's government<sup>9</sup> was due to a powerful strike wave of police, miners, students and other groups, which turned into a blockade paralyzing the whole of Bolivia.

## 2002 ELECTIONS – THE BEGINNING OF THE END OF “TRADITIONAL” PARTIES

The presidential elections in 2002 were a kind of prologue to the elections held three years later. The winner of the first round of the presidential contest was Gonzalo Sánchez de Lozada (MNR), second by a mere 721 votes before the third Manfred Reyes Villa (NFR, *Nueva Fuerza Republicana*, New Republican Force) was the leader of the coca growers Evo Morales (MAS, *Movimiento al Socialismo*, Movement toward Socialism), whose name thus appears for the first time in a significant way in the election results.<sup>10</sup> In the second round the Bolivian Congress elected Sánchez de Lozada, who after less than ten years again stood at the head of the country. The elections proved the lasting support of traditional political parties (MNR, MIR, ADN),<sup>11</sup> which were alternately in power since the 1985 elections, at the same time they pointed out the decline of subjects based on long-term criticism of neo-liberalism, such as Condepa (*Conciencia de Patria*, Conscience of the Fatherland) and UCS (*Unidad Cívica Solidaridad*, Civic Union of Solidarity). Thus logically there appears space for addressing the wide discontent masses of urban and rural native population, which radically rejected the neo-liberal policy promoted by the parties which were in power during the preceding 17 years.

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8 Quispe headed the CSUTCB from 1998, but in 2003 CSUTCB suffered a split. Part of the trade unionists linked to the MAS founded their own trade union, which has the majority, led by a MAS senator, Roman Loayza. The other peasant confederation is led by Quispe and works under the influence of the MIP (Herve do Alto 2005).

9 Banzer in the summer of 2001 resigned, for reasons of health, from presidency and his mandate was finished by the then vice-president Jorge Quiroga.

10 For election results see <http://www.cne.org.bo>.

11 The so-called traditional parties (MNR, MIR, ADN) controlled the Bolivian political system from 1985, and despite considerable differences in their development, the original ideology, etc., it can be said that in the economic policy of these subjects there was de facto no major difference, each promoted the neo-liberal economic doctrine. Ideologically, MNR was approximately midway between the more rightist ADN and the more leftist MIR (for more details see Singer, Morrison 2004: 174).

**Table: Results of the most successful candidates of the first round of the presidential elections in 2002**

Candidate's name	party	%	votes
Gonzalo Sánchez de Lozada	MNR	22.5	624126
Evo Morales	MAS	20.9	581884
Manfred Reyes Villa	NFR	20.9	581163
Jaime Paz Zamora	MIR	16.3	453375
Felipe Quispe	MIP	6.1	169239
Turnout 71.9 %			

Source: <http://www.cne.org.bo/>

## HOT YEAR 2003

Immediately after the elections it came out that the support of MNR and its coalition government,<sup>12</sup> was not standing on a solid base. The president was soon unable to settle the increasing problems. September 2003 brought a series of fierce and violent protests, which resulted in the resignation of de Lozada and the escape of the “American lackey”, as de Lozada was called by many Bolivians, to Miami. The clear catalyst of these protests was the resistance against the plans of de Lozada’s government to sell the Bolivian gas to the USA via the ports in Chile. “The battle for gas” was a very sensitive theme in Bolivia, for two reasons. First, it was unthinkable for the Bolivians to export their national wealth through the country of the much hated Chile, which in the Pacific War (1879–1884) had cut Bolivia’s access to the sea. And second, among wide poor masses a strong anti-Americanism had taken root, linked with the failure of neo-liberal economic reforms supported by the USA and the IMF. This hatred grew in proportion to the size of American money spent on a coca fields eradication programme. The unrest in 2003 significantly disturbed the party system – it led to a severe weakening of governmental subjects and a rocket increase in the decline of MAS, the presidency went to Vice-president Carlos Mesa, who pledged to hold a referendum on the energy policy of

<sup>12</sup> The position of de Lozada’s government in 2002 differed a lot from the position of his administration in 1993, when the MNR had a comfortable majority in the Congress and controlled the government, nine years later the MNR had to share the government posts with the MIR and in the Congress de Lozada could count on less than one third of the representatives. Another difference was in the economic and social situation. While in 1993 de Lozada took over the government under relatively good economic conditions, in 2002 the situation became much worse and radical. The government of Sánchez de Lozada very soon lost any support and legitimacy (Romero Ballivián 2007: 40).

the country,<sup>13</sup> to create the Constituent Assembly, and to change the legislation of the sources of energy (gas, oil). Mesa, however, was unable to resist for a long time the strong pressure especially in connection with the discussion of the legislation concerning energy sources, and was soon replaced as President by the chairman of the Supreme Court, Eduardo Rodríguez, whose non-partisan government tried to remain neutral (Romero Ballivián 2007: 42–43).

## PRESIDENTIAL ELECTIONS IN 2005 – “RUPTURA RADICAL”

### The main participants in the elections

The premature elections in December<sup>14</sup> brought a radical transformation of Bolivia. In the elections, most of the relevant (traditional or new) political subjects (MAS, MIP, MNR, Podemos, UN) took part. Still, especially the parties on which the Bolivian political system in the previous two decades was based were hit by a deep crisis. In this election, the traditional political parties chose a different tactic and many of them, before the elections, underwent a significant transformation. MNR sent to the election contest a surprisingly inexperienced descendant of a Japanese family, Michiaki Nagatani, who had no real chance of success.

MIR, knowing its limitations, especially geographical, chose a different tactic and concentrated itself on the elections of prefects in each region. The MIR chairman, Jaime Paz Zamora, was the candidate for the post of the prefect of the Tarija department.<sup>15</sup> In the elections to the Chamber of Senators and the Chamber of Deputies, the MIR candidates were on the lists of the new subject, Podemos („We can“), which is an acronym standing for *Poder Democrático y Social* (Social and Democratic Power). Still, the centre-right Podemos is new in its name only, be-

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13 The referendum took place, without any major conflicts, in July 2004, the people answered five questions about the energy policy of Bolivia, which referred to the possibility of the restoration of state control of energy sources and exportation of gas. For the exact version of the question see :

[http://www.cne.org.bo/proces\\_electoral/referendum04/boletapreg.html](http://www.cne.org.bo/proces_electoral/referendum04/boletapreg.html);  
for the results see [http://www.cne.org.bo/proces\\_electoral/ref2004.aspx](http://www.cne.org.bo/proces_electoral/ref2004.aspx).

14 On this day both the presidential elections and the elections of deputies and senators of the National Congress of Bolivia were held and for the first time in history the people within the process of decentralisation, elected the prefects as the main representatives of the departments.

15 A similar tactic was chosen by NFR, whose chairman Reyes Villa ran for the post of the prefect in Cochabamba. Into the presidential contest NFR sent as its candidate the nationalistic soldier Gildo Angulo, but he had neither a financial nor a logistic support from his party, which concentrated itself on regional elections. In the elections, Gildo Angulo finally took up an anti-liberal position, which was in contrast to the activity of the NFR in the days of the government of Sánchez de Lozada (Romero Ballivián 2007: 44 and 47).

cause basically it develops the ADN policy<sup>16</sup> and at the same time provides room for politicians of the other parties bound up with the previous two decades, that is MIR, MNR and NFR. The main representative and presidential candidate of Podemos was Jorge Quiroga, who was at the head of Bolivia already in 2001–2002. Another participant, who is partly linked with the development of traditional parties, was the businessman and former member of the MIR, Samuel Doria Medina, who in 2004 founded his own party – National Unity (UN, *Unidad Nacional*).

In the presidential contest, the Pachakuti Indigenous Movement (MIP, *Movimiento Indígena Pachakuti*) also took place, nominating its chairman Felipe Quispe.<sup>17</sup> MIP associates the discontent, strongly ethnic (especially Aymara) agricultural sector of Bolivian Altiplano. Last but not least, in the presidential elections, the MAS chairman Evo Morales<sup>18</sup> was involved. Along with Morales went the vice-presidential candidate Álvaro García Linera,<sup>19</sup> who had supplied the ideology for Morales's programme.

### **Campaign and the main themes of the elections**

Since the elections were premature, the pre-election campaign was relatively short and hectic, the parties did not have much opportunity to prepare themselves for the electoral battle. The election campaign was intensive especially in the media, while in towns television and radio had the greatest impact, in rural areas the traditional way of addressing voters prevailed. The campaign was accompanied by some problems, for almost one month it was paralyzed by a dispute about the allocation of deputy mandates, when Santa Cruz refused to agree that the distribution of mandates should correspond to the 1992 census (Santa Cruz demanded a rise in

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16 Quiroga by founding Podemos brought back to life the policy of the ADN, which in the 2002 elections obtained only 3.4% of votes, and simultaneously he made an effort to disentangle himself from Bánzer's dictatorial heritage linked with the ADN.

17 Felipe Quispe is the founder of the Tupac Katari Guerrilla Army (EGTK, *Ejército Guerrillero Tupac Katari*). This Bolivian indigenous guerrilla was active in the early 1990s, had about 100 members, especially in Altiplano and the Chapare region. EGTK members believed that Bolivia should be returned to its pre-colonial status, in terms of its form of government, economic system and social structure (MIPT Terrorism Knowledge Base).

18 Morales lived from 1980 in the traditional coca growing region – in Chapare, next he went through the de facto whole trade union structure of *cocaleros* and became the best-known figure in MAS. In 1997 he became a parliamentary deputy but at the beginning of 2002 was expelled from the Chamber on account of his activity involving anti-government protests against the coca eradication programmes (Singer, Morrison 2004: 175).

19 Álvaro García Linera is a left-wing intellectual (sociologist, mathematician), who was a member of EGTK, and then spent five years in prison. Linera is the author of the project of the Andes-Amazonian capitalism, which is to become an economic model for Bolivia (see Linera 2006). For an interesting interview with Linera see Álvarez 2005.

the mandates at the cost of western departments). The Constitutional Court finally decided that there should be a change based on the census of 2001.<sup>20</sup>

The pre-election strategy and disputes focused around two central themes – a model of the economic development of the country and the political regeneration (Romero Ballivián 2007: 45 and 48; see Herve do Alto 2006). In the situation when the nationalisation of energy sources had the overwhelming support (nearly 78 %) of the population, no candidate could afford to openly support the neo-liberal economic principles and except for MNR nobody ignored the term “nationalisation”. Still, it is possible to define clearly the two contesting long-term visions of development. The first vision was that of the defenders of the economic policy of the last two decades, protected contracts with foreign firms, appealed for the signing of the treaty on free trade area with the USA, backed foreign investments. Among the supporters of this trend is first and foremost Quiroga and his coalition Podemos, still even Quiroga, realizing the tense social situation, promised changes in social policy and redistribution of finances coming from gas. The second vision fought for an active role of the state in economic and social issues, distrusting free market principles and demanding nationalisation of the sources of energy (Romero Ballivián 2007: 45). The most prominent follower of this plan and the most radical critic of the previous neo-liberal policy, which allegedly backed up foreign interests and interests of elites, was Morales. In his view, neoliberalism weakened the country, producing corruption and impoverishment, bringing greater inequality and social exclusion to Bolivians.<sup>21</sup>

Regarding the second issue, all candidates expressed their support for political reconstruction, that is a certain regeneration of political representatives and elites. In this issue, Morales and MAS had an unequivocal advantage because MAS offered quite new faces, which had never before been involved in politics and were not affected by politics. Morales himself symbolized a change by being first, a candidate of Amerindian (Aymara) origin, and second, was without a university education. Until then, the majority of the Bolivian political elite, including the presidents, had received education abroad, particularly in the USA.<sup>22</sup> Also Podemos promised a political change and a different way of government but especially after

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20 The Constitutional Court decided to raise the number of mandates for Santa Cruz by 3, for Cochabamba by 1, while La Paz lost two, Oruro and Potosí one each. At the same time, the chairman of the Constitutional Court Rodríguez decided to move the election date forward by two weeks to 18 December 2005 (Romero Ballivián 2007: 48).

21 Critical opinions of the neo-liberal economic policy and the MAS vision can be found in *Programa De Gobierno 2006–2010 Bolivia Digna Soberana y Productiva Para Vivir Bien* (see [http://www.masbolivia.net/Programa\\_Gobierno\\_MAS-IPSP\\_2005.pdf](http://www.masbolivia.net/Programa_Gobierno_MAS-IPSP_2005.pdf))

22 For example Gonzalo Sánchez de Lozada, Jorge Quiroga or Samuel Doria Medina studied in the USA.

their list of candidates appeared in public, with many politicians linked with the previous governments (MIR, MNR or NFR), Podemos (like UN) faced much criticism from the public and the media. At the beginning of the election campaign, Quiroga had a certain head-start in opinion polls but after revealing the candidates lists he lost this advantage in favour of Morales. It can be said that the presidential elections in 2005 brought a real transformation of the Bolivian political system, both in politics and in the generations, because none of the first four presidential candidates reached fifty years of age. This alternation of generations appeared, except for Podemos, in parliamentary elections as well (Romero Ballivián 2007: 45 and 48).

An important profiling theme of the Aymara leader Morales was the integration of the previously excluded indigenous masses into political life. MAS presented itself as a party that will for the first time enable the indigenous sector to rule, and this sector was not defined in terms of class but ethnicity (Romero Ballivián 2007: 46). Last but not least, Morales' pre-election rhetoric brought attacks at American imperialism, especially in connection with the American effort at eradication of coca fields; Morales demanded full legalization of coca cultivation.<sup>23</sup> The requirement to establish the Constituent Assembly was shared by the two main players in the 2005 elections, by MAS as well as Podemos.<sup>24</sup>

### **Results – historical and the unprecedented victory of MAS**

The election results (see the table below) brought some fundamental information, which will be analysed in further detail in the subsequent parts of the text.

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23 At the time of the elections the laws of Bolivia allowed coca cultivation for traditional use (chewing, coca tea and so on) on the area of 12.000 hectares, though US reports said that in 2004 it was 24.000 hectares of fields (BBC 2005).

24 Still the ideas of Morales and Quiroga about the new constitution were greatly different. Quiroga, for instance, wanted to introduce autonomy for departments, direct presidential elections even in the second round, etc. (Romero Ballivián 2007: 46).

Table: Results of the presidential elections in 2005

candidate	party	votes	%	comparison of gains
				2002 and 2005
Juan Evo Morales Ayma	MAS	1 544 374	53.7	+ 30,3
Jorge Fernando "Tuto" Quiroga Ramírez	Podemos	821 745	28.6	–
Samuel Jorge Doria Medina Auza	UN	224 090	7.8	–
Michiaki Nagatani Morishita	MNR	185 859	6.4	- 14,9
Felipe Quispe Huanca	MIP	61 948	2.1	- 4
Gildo Angulo Cabrera	NFR	19 667	0.7	- 18,8
Eliceo Rodríguez Pari	Frepab	8 737	0.3	–
Néstor García Rojas	USTB	7 381	0.2	–
Turnout		3 102 417	85	+ 12,5

Source: Corte Nacional Electoral (see <http://www.cne.org.bo/sirenacomp/index.aspx>)

The results of the presidential elections are distinguished by the following features:

- 1/ sharp rise in voter participation;<sup>25</sup>
- 2/ historically overwhelming victory of MAS and development of two territorial blocks;
- 3/ collapse of traditional parties;
- 4/ marginal role of other political subjects and the unostentatious birth of UN.

Ad 1/ The unusual increase in voter turnout (85 % is the highest in the last 25 years) may at first sight appear impressive but a closer look reveals that the increase is closely linked especially with the reform of the Election Act and the removal of "dead souls" existing for many years in the election lists.<sup>26</sup>

25 High election participation is of course also the result of the compulsory voting law, specified in article 219 of the Constitution, which literally says: "*Suffrage constitutes the foundation of the representative democratic regime and it is based on the universal, direct and equal, individual and secret, free and obligatory vote*". Original version: „*El sufragio constituye la base del régimen democrático representativo y se funda en el voto universal, directo e igual, individual y secreto, libre y obligatorio*" (Constitución Política del Estado).

26 In 1991 the electoral register was formed, which brought a significant advance in the organization of elections. This system, however, lacked the "cleaning" mechanism, reflecting the drop in population (numerous emigrants and deceased people), which in the election results led to an artificial abstention and increasing inaccuracy of this register. In 2004 Congress launched a reform of the Election Act in the sense that people who will not vote in the nearest subsequent elections will be struck from the register (which brought about the elimination of hundreds of thousands of "dead souls"). The people, who

Ad 2/ Morales' gain of an absolute majority was unprecedented, besides he obtained 30 % more votes than in the previous elections; the 25 % head-start before the second Quiroga is also gigantic. The historical victory of MAS was mainly due to the support in the departments La Paz, Oruro, Potosí, Cochabamba and Chuquisaca. Podemos won in the departments Pando, Beni, Santa Cruz and Tarija (in the so-called region of the rich half-moon, with the greatest support for the decentralisation of the state).<sup>27</sup> Election results led to the formation of two territorial blocks (see the map below).

It might seem that the two territorial blocks are of a similar size but statistically MAS has an enormous advantage because the greatest concentration of voters is in western and central Bolivia, where Morales triumphed.<sup>28</sup> Besides, these regions were much more active in the elections than the rest of the country and represented the strongest political protest movement that took place in recent years, which resulted in the resignation of two presidents. MAS clearly dominated in Altiplano (in the surroundings of the cities La Paz, Oruro) and in the mining regions (around Potosí), where voter participation reached as high as 90 %. Morales also predominated in the rural areas closely linked with coca cultivation, especially the peasant region around Cochabamba and the Yungas area. In general, MAS obtained support especially among the impoverished Aymara and Qechua populations. It can be said that the higher living standard, the fewer votes for MAS and vice versa (for more details see Romero Ballivián 2007: 55–56).

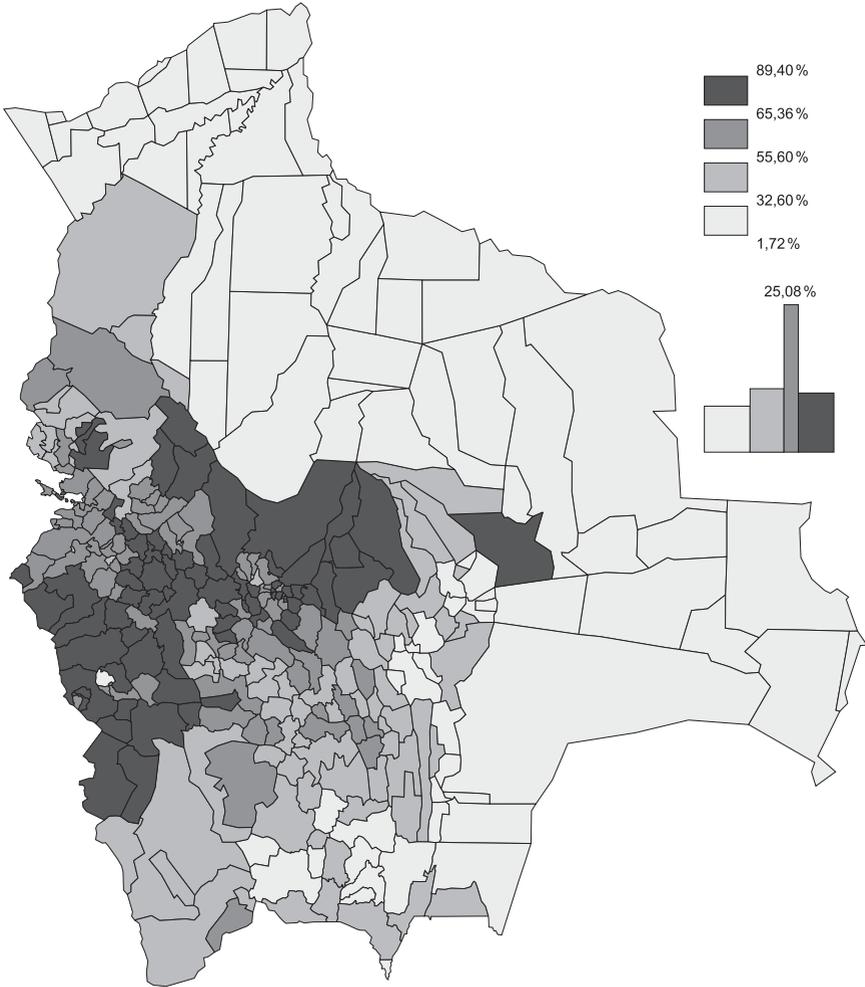
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for some reason did not vote in the general elections in 2004 and wanted to take part in the 2005 elections, could be re-registered without any penalisation. Of course, many people did not re-register and then demanded the voting right in December 2005 (Corte Nacional Electoral; Romero Ballivián 2007: 50–51).

27 The principal link of the Bolivian “rich half-moon” is the resistance to the centralisation policy of the Movement towards Socialism. These regions, abounding, among other things, in gas, minerals and high-quality farming production, require a stronger regional autonomy and a greater share of profit from their natural resources. Yet this attempt at strengthening the autonomy was rejected in the referendum of July 2006, when the poorer parts of Bolivia refused to agree with it. The opposition forces became unified and in September 2006 the representatives of the most important center-right groups and the representatives of civic committees of the more prosperous departments signed a treaty in which they pledged a common attitude against Morales' policy.

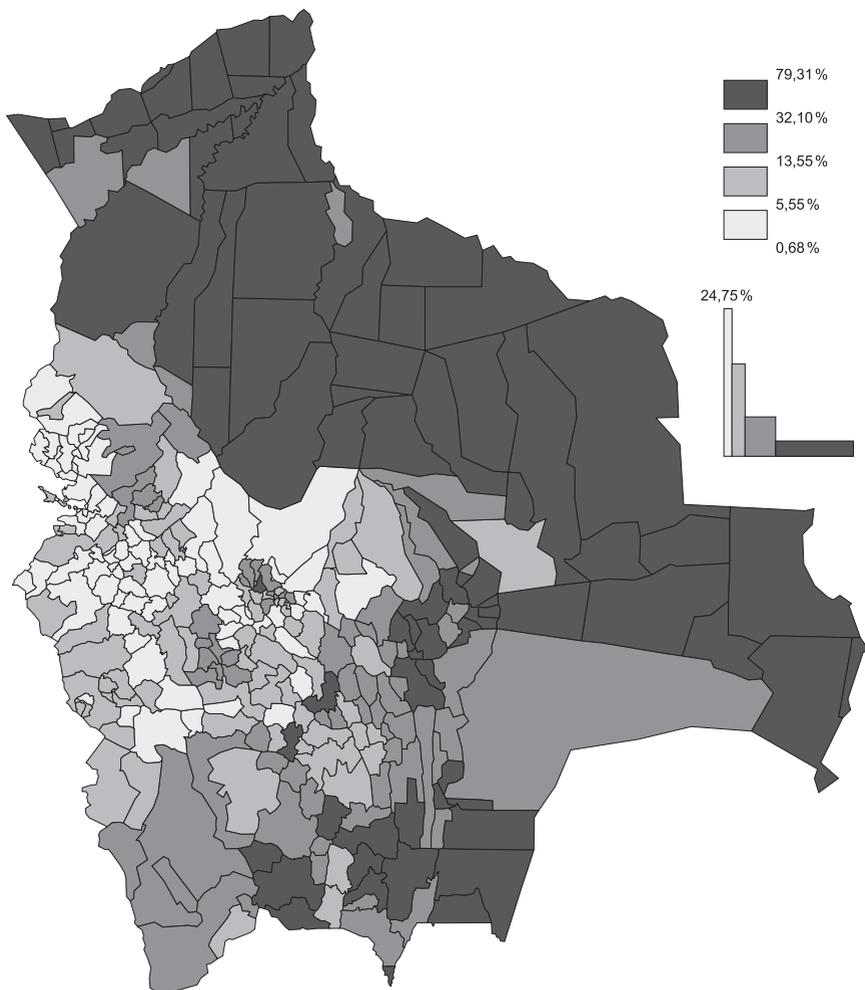
28 For instance in the election circuit No. 15 in La Paz 121,000 voters were registered, as against No. 67 in Pando with 5,000 voters only (Singer 2007: 203).

Map: Presidential Elections 2005 Results of MAS



Source: Romero Ballivián, Salvador. 2006. „El tablero reordenado: Análisis de la Elección Presidencial 2005”. 51.

Map: Presidential Elections 2005 Results of Podemos



Source: Romero Ballivián, Salvador. 2006. „El tablero reordenado: Análisis de la Elección Presidencial 2005”. 60.

Ad 3/ The three parties that were at the head of the government from 1985 on, struggled with a progressive loss of voting support,<sup>29</sup> due to its rising lack of ability to address small peasants and the native population of Bolivia. The only traditional subject to enter the 2005 presidential elections on its own, was MNR. The movement finished the fourth, with historically the worst gain, 6.4 %. MNR only succeeded in regions with relatively good party structure and apparatus, and won support mainly in regions with predomination of traditional elite, which is characterized by using Spanish in communication and in regions with a higher living standard. These regions are mostly farming (latifundia) areas, with prevailing cattle rearing and lumbering, and are not afflicted by an influx of interior migrants. And yet Nagatani failed completely in mobilizing the whole traditional electorate of MNR and lost a great deal as against the Podemos candidate (Romero Ballivián 2007: 64).

Ad 4/ In 2002 MIP achieved a record electoral gain, mainly due to the strong position in La Paz and surrounding Altiplano, where Quispe's party with the support of Aymara people occupied the second place, right after Morales.<sup>30</sup> Still, three years later the support of MIP dropped considerably. Quispe, due to an inadequate party structure and the rising strength of MAS failed to mobilize his voters again and MIP left the political scene.

UN entered the elections with an effort to break the polarization and create a central power between MAS and Podemos. The final result was relatively modest, UN was the third but with a very small gain. While the support for MAS and Podemos is territorially homogenous, for UN this does not hold. In general it can be said that the UN leader, Samuel Doria Medina, was rather successful in towns, where a campaign was going on with the assistance of the media and where he obtained support mainly from the wealthy population. The young party lacked especially a well organized party structure, which would be able to address rural population.

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29 MNR, MIR and ADN in 1985 gained 64 %, in 1993 54 % and in 2002 39 %, three years later the forces were regrouped and the trio Podemos, MNR and UN kept the total of 39 % voters supporting them.

30 In 2002 Quispe in Altiplano organized mass anti-government protests, thanks to which MIP gained an immense support in this area. From 2004, however, the active role is taken over by MAS, which pushes MIP out of the trade union positions (see note No 10) and offers greater opportunity to its voters thanks to a wider support within the whole country. De facto all main points of the MIP programme (with a marked ethnic tinge) were adopted by MAS and Quispe had nothing else to offer.

## Reasons of the MAS victory and the failure of Podemos

The victory of MAS clearly had political and socio-economic reasons. When we focus on politics, the Morales party represented a personification of political regeneration – it has never taken part of any government nor has stood at the head of the Congress and at the same time it presented itself as a victim of the existing political system. From the socio-economic aspect, MAS benefited from its position of being a critic of neo-liberalism, which from 1985 determined the economic direction of Bolivia. MAS created an alternative of this model, based on nationalisation of energy sources, on economic nationalism, anti-American and anti-imperialist policy. Morales efficiently exploited his leading position in trade unions to extend influence out of the typical MAS base. Among *cocaleros* Morales won popularity in particular through his promise of legalizing the cultivation of coca. The party also profited from the absence of other leftist protest groups, and managed to address their voters and take over the role of the only correct (though radical) alternative of the existing system.<sup>31</sup>

Quiroga's almost 29% gain under certain circumstances could be seen as success but not in the case of the rivalry with MAS. In the elections Quiroga defended the fundamental principles on which Bolivia stood in the last two decades – the necessity of arrival and protection of foreign investments, the importance of market for the development of national economy, decentralisation of the state, etc. He tried to address especially the conservative sectors of Bolivian society, in the effort at blocking the strong social movement. At the same time Quiroga spoke of the need for a political change. Much greater success was achieved by Podemos in its first (especially economic) pledge than in the second (political) pledge. Quiroga was more popular among Spanish-speaking people living in conservative and less urbanized regions of the more prosperous north and east. Podemos, however, failed in persuading the people about his vision of political change, in particular because of his candidate lists containing names closely linked with traditional politics. The rejection of Podemos is clear especially in La Paz (gain 27%) and in El Alto (gain 13%), whereas in farming areas and in Altiplano his results were still worse. Podemos inherited from ADN the incapability of building political cadres and network in Altiplano and the impoverished valleys. Quiroga and his Podemos came out of the election as the main heir to the party system called “democracia pactada” (ADN, MNR and MIR) (for more details see Romero Ballivián 2007: 58–61 and Herve do Alto 2006). Quiroga's source was especially the former voting base of ADN, at the same time he made use of the decline of MNR and MIR, still, due to competition from UN he did not manage to concentrate all votes of these groups (from the 2002 elections).

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31 While before 2005 the protest votes were shared by several parties (2002 MAS and NFR, 1997 Condepa and UCS, etc.), in 2005 MAS became the only aspirant to the gain of protest votes.

## CONCLUSION

The elections in 2005 represented a radical milestone in the formation of the political and economic development of the country. The presidential elections meant again (like in 1985) a profound transformation of preferences of Bolivian voters and a change of the political course of the country. The elections brought several remarkable results – the record number of voters<sup>32</sup> and a record percentage win of the victorious party. The overwhelming success of Morales is interesting not only as the gain of an absolute majority but also as a sign of increasing antagonism between groups of the population. The increasing polarization of Bolivian society is based on several disputes of principle: centralisation vs. decentralisation; nationalisation, agrarian reform vs. protection and influx of foreign investments, neo-liberal economic principles; Aymara and Quechua people speaking Indian languages vs. whites speaking Spanish; poor farming and mining regions (west) vs. the more prosperous regions (east) and finally MAS vs. Podemos. Thus it can be said that in Bolivia an obvious accumulation of political, regional, economic, social and ethnic opposition takes place, which polarizes the country into two clearly delimited and hardly reconcilable blocs.

The direction started with the 2005 elections which was confirmed by the elections for the constitutional assembly and the results of the referendum on autonomy.<sup>33</sup> Both events, which took place in July 2006, confirmed the erosion of the legitimacy of traditional parties that have been losing their position and it seems unlikely that they could recover the relevant part of their electoral gains. At present it cannot address the voters and it can be expected that especially the young generation will rather incline toward the subjects connected with the new political cycle.

On the other hand, MAS faces a difficult challenge, to defend its electoral gain, which will not be easy in the complex socio-economic conditions of impoverished Bolivia. Morales' nationalisation of key industry – energy, the radical agricultural

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32 The second most successful party, as regards electoral gain, in the period after the return to democracy, was UDP, with the gain of 34 % in 1980. Both victories were achieved by left-wing subjects, which had especially the support of farmers, miners, residents of poor urban areas and the middle class. Naturally, UDP in some regions had to share its gain with MNR. MAS, however, left no room for MNR (Romero Ballivián 2007: 69).

33 MAS won the elections for the Constituent Assembly with 135 mandates out of 255. Podemos gained 60 and UN 12 seats. In the referendum proposing the widening of autonomy rights, the more prosperous departments of the "rich half-moon" in Bolivia failed because the poorer regions such as Chuquisaca, Cochabamba, La Paz, Oruro and Potosí voted against it.

reform and the constitution that is being prepared by the Constituent Assembly,<sup>34</sup> represents fundamental interference with the existing social and economic structure of the country, increases social tension, polarizes the country and raises many more questions. It will be also interesting to observe the development of the party system, which in the 2005 elections underwent a severe blow and completely changed its structure. Only the results of the next elections will show whether the direction started in 2005 and heading toward a concentration of votes into two polarized political subjects will be confirmed or whether the party system in Bolivia will pass through a further qualitative development and offer a completely new denouement.

## LIST OF ABBREVIATIONS

ADN, <i>Acción Democrática Nacionalista</i>	National Democratic Action
Condepa, <i>Conciencia de Patria</i>	Conscience of the Fatherland
CSUTCB, <i>Confederación Sindical Única de Trabajadores Campesinos de Bolivia</i>	Unitary Syndical Confederation of Peasant Workers of Bolivia
EGTK, <i>Ejército Guerrillero Tupac Katari</i>	Tupac Katari Guerrilla Army
MAS, <i>Movimiento al Socialismo</i>	Movement toward Socialism
MIP, <i>Movimiento Indígena Pachakuti</i>	Pachakuti Indigenous Movement
MIR, <i>Movimiento de Izquierda Revolucionaria</i>	Movement of the Revolutionary Left
MNR, <i>Movimiento Nacionalista Revolucionario</i>	National Revolutionary Movement
NFR, <i>Nueva Fuerza Republicana</i>	New Republican Force
Podemos, <i>Poder Democrático y Social</i>	Social and Democratic Power
UDP, <i>Unidad Democrática y Popular</i>	Democratic and Popular Unity
UCS, <i>Unidad Cívica Solidaridad</i>	Civic Union of Solidarity
UN, <i>Unidad Nacional</i>	National Unity

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34 For more details about the constitutional development and the constitutional twists and turns in Bolivia see Domingo 1994.

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# THE 2006 ECUADORIAN ELECTIONS: A RADICAL SHIFT TO THE LEFT?

**Petr Somogyi**

This chapter was written within the GAČR grant project “Non-democratic regimes and their transformation in Lusophone and Hispanic countries” (No. 407/06/0169).

In 2006, Ecuador joined the list of Latin-American countries where a more or less leftist politician won the presidential election. Ecuador, despite having different specific features, joined Venezuela and Bolivia, at least in the sense of the “technology of the change” in which the newly elected constitutional president pushes through a referendum shortly after his electoral victory if the country needs a new constitution. If he obtains the support of the citizens, the new election comes shortly thereafter to a constituent assembly which is supposed to draw the rules of the political game for the future. After the 2006 elections in Ecuador, the main player in this process became Rafael Correa Delgado, a 44 year old economist, widely considered to be a leftist. Ecuador thus reached the most serious crossroads of its modern history since 1979 when the last era of military rule came to an end and the country returned to a democratic civilian government. The main purpose of this text is to briefly discuss the background of this development and the specifics of the path to power of the new president.

After 1979, a political system developed in Ecuador which showed some enduring features, but was very far from being stable (Conaghan 1987: 145–146). Political life was dominated by four political parties, two on the right (Partido Social Cristiano, PSC, and Democracia Popular, DP) and two on the left (Izquierda democrática, ID, and Partido Roldista Ecuatoriano, PRE).<sup>1</sup> These parties dominated the unicameral legislature and governed until 1996 with more or less periodic alternations in the presidential palace of Carondelet. Their political position was however not strong enough to govern without the support of various small parties of different character. Since the constitution does not set the barriers to entering political competition very high in Ecuador, it is commonplace that a political subject can win only one seat and still have a presence in congress. Since 1979, one of the main characteristics of the Ecuadorian political system is the number of administrations which couldn't count on a majority in the legislative body. Since 1979, every party that delegated a candidate or supported the winning candidate in a presidential election had no majority in congress. Only in three cases of ten could the president (at least for some time) govern with a stable majority coalition in congress (Pachano 2007: 180).

The President of Ecuador is elected directly in a two round system where the top two candidates compete in the second round unless the winner of the first round obtains more than 50 % of the votes or at least 40 % and the second place candidate falls 10 % behind. This system generates many candidates in the first round. They need only the support of 1 % of the registered voters which today means around

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1 English translations are as follows: PSC – Social Christian Party, DP – Popular Democracy, ID – Democratic Left, PRE – Ecuadorian Roldosist Party.

90 000 signatures. The president usually is a member of one of the big political parties or a representative of its dissident factions.

Another important characteristic of the Ecuadorian political system is the very high fragmentation and weak basis of the political parties in society. The parties have no history and tradition. They operate more as client networks on a personal basis. Often the party is only a group of activists whose only main goal is to get their candidate to the presidential palace or to another top function. The regional character of the political group is also very important. Since colonial times, the country has been divided to two densely populated regions, the *Sierra*, the Andean highlands, and the *Costa*, the Pacific coast, with two centers, Quito and Guayaquil. The political party usually has a core territory which is crucial to electoral success if it is able to mobilize supporters not only in its own region, but also in others as well (Pachano 2007: 180).

Since 1996 the seemingly stable regime started to erode very quickly. Since the 1996 elections, each president failed to finish his mandate, being replaced with his vice-president or the head of the congress. However, the economic conditions of the nineties were very unfavourable for Ecuador. After the oil boom of the seventies, from which the military governments profited, less wealthy years followed in the eighties. The economic crisis was deepened by natural disasters like El Niño – and the economic therapy prescribed by the presidents of any part of the political spectra was very often entirely unsuccessful (Gerlach 2003: 88–90).

A political crisis soon followed shortly after the election of the charismatic, but rather eccentric chief of PRE, Abdalá Bucaram. Bucaram, a family member of Lebanese immigrants with longstanding tradition in politics, was the first of the clan who made it to the presidential palace. Often, his relatives were the main reason why the military decided to take an active part in the governing of the country. The Bucarams followed the very old and influential tradition of political populism in Ecuador.<sup>2</sup> Bucaram was incapable of fulfilling all the promises he made to his voters: Serious economic recession and the almost Byzantine corruption of the president's family forced him to look for support among the traditional entrepreneurial elite and to adopt austerity measures along neoliberal principles. The reforms touched the majority of the population. The Ecuadorians reacted very strongly that the government would enjoy no more of their support. After one year in office, the position of Bucaram was no longer acceptable. The president was removed on account of physical and mental incapacity.

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2 The main representative in the first half of the 20th century was José María Velasco Ibarra, with his probably world record of five presidential mandates during his long life (De la Torre 1997: 12–24).

Another cure for the economic crisis, once again strictly neoliberal, was the program of the president Jamil Mahuad, the former mayor of Quito since 1998. His government succumbed to a more severe economic crisis: the collapse of the Ecuadorian currency and subsequent dollarization, worsening the living conditions of traditionally extremely poor indigenous population which resulted in street riots in the beginning of 2000. The last step was an unsuccessful military coup (Gerlach 2003: 163–205).

One of the protagonists of this coup, Lucío Gutiérrez, later formed a new leftist, but slightly populist political party whose legitimacy was derived from an attempt to overthrow Mahuad. He formed a broad coalition, supported broadly by indigenous organizations<sup>3</sup> and in 2002 won the presidential elections. His foe, Álvaro Noboa, a banana tycoon and the richest man in the country, after financing the campaign of Bucaram four years earlier, founded his own political party: the populist and rightist Partido Renovador Institucional de Acción Nacional (PRIAN)<sup>4</sup>. Álvaro Noboa also challenged Mahuad in 1998 elections without success under the flag of PRE.

Just as Bucaram, Gutiérrez was similarly associated with hopes for change. His followers were recruited less from the supporters of the traditional political parties and social groups, but they were recruited more from the marginalized parts of the society which lacked political representation. On the other hand, he had no support in congress since the congressional elections in 2002 were dominated by the traditional parties. Very soon Gutiérrez's plans dissolved in the everyday struggles with traditional politicians. Gutiérrez abandoned all his plans for radical changes. He did not even alter the economic course of the country which had been the main focus of his campaign. The entire legitimacy of his movement had been derived from the struggle against neoliberal policy. In 2005, Gutiérrez was once again removed in the so-called "rebelión de los forajidos" after attempting to govern with all probable and improbable coalitions in congress. In the end, his followers that brought him to office abandoned him because he was "making friends" with old political parties.

Another key characteristic of the political situation in Ecuador is the ease to create a new political candidate that can gain power very quickly since the linkage between the voters and political parties is very weak as a result of the poor economic situations and unresolved social problems. We can identify the frustration from politicians and politics about "anti-politics". In the eyes of the public, politicians are guilty of bad government in the congress and presidential palace by intervening in the judicial branch through the supreme electoral and constitutional

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3 Political emancipation of the indigenous population of Ecuador has a long history with its roots in the 1940s (Gerlach 2003: 51–80).

4 English translation: Party for Institutional Renovation and National Action.

tribunal and by manipulating public funds. The corruption is widely denounced through the media. Altogether, this means that voters were and are likely to change their minds. Until 2002, the instability of the electorate was evident in the behavior they exhibited through frequently changing the party they supported, but usually to a traditional one. In fact, the political system was closed. In 2002, new players entered the political arena. This trend became stronger in the elections of 2006.

A relatively young politician from Guayaquil, Rafael Correa<sup>5</sup>, studied economics in Belgium and the USA. Correa worked for a Salesian mission in the Andes in the “other” region of Ecuador where he learned to speak some Quechua. As the financial minister, he obtained his first high political position in the government of president Palacios who succeeded Gutiérrez as his vice-president. After a couple of months, he resigned as a result of disagreement with the economic policy of the country. Correa stood against the free-trade agreement with the USA and cooperation with the IMF. He supported more national economic interests and integration with other Latin-American states, including Hugo Chavez’s Venezuela. A reason for his resignation is sometimes cited that he negotiated a trade of government bonds to Venezuela without the knowledge of president Palacios.<sup>6</sup>

In 2006, Correa launched his campaign (Recalde 2007: 20–25) with an economic program (Paz y Miño Cepeda 2007; Weisbrot et al. 2006) that was flavoured with some apprehension toward relations with the USA. In the polls, he emerged as one of the leaders very quickly. He used strong words against George W. Bush by promising to close down the American military base in Manta and by revising unfavourable contracts with American and other international companies to provide an adequate share of its natural resources for Ecuador. He spoke about not paying some of the debts of the country, but promised to renew the local currency and abandon the American dollar. In Ecuador, reforms along the principles of the Washington consensus were never successful and the main problem is poverty. Such a program like this would resonate in Ecuador. The main topic of the campaign was the end of the so-called “partidocracia”, the rule of the traditionally corrupt political parties, which, according to Correa, were responsible for everything bad in Ecuador. Since

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5 The official biography of Rafael Correa is available on his webpage (Personal web of Rafael Correa 2007).

6 In a letter to president Palacios from 22nd of August 2005 describes Correa the reasons of his resignation as follows: “*On account of the above, Mr. President, I have to tell you, with all due respect, that I do not understand your displeasure at international commitments allegedly entered into by me without your knowledge. I am afraid that the real problem is the strong pressure seeking to block any relationship with a brother country like Venezuela ... it was evident and even embarrassing the lack of executive support of the Ministry of Energy and Mines to advance the oil refining and direct gas trade projects with Venezuela. It should be pointed out that both operations, although largely beneficial for the country, are affecting the interests of local groups.*” (Correa 2005).

Correa thought that his adversary could be León Roldos of the ID in the second round, he concentrated mainly on political parties and not on economic oligarchy during the first phase of the campaign (Recalde 2007: 20–23).

In the end, Rafael Correa challenged Álvaro Noboa<sup>7</sup>, dubbed as the “eternal candidate” by the local media. For decades, Álvaro Noboa had been an influential personality of the Ecuadorian politics. He inherited a huge banana production enterprise to become one of the richest Ecuadorians<sup>8</sup>. He tried to intervene into politics through means of his money from the beginning of the nineties by financing campaigns of candidates from many political parties. Now for the third time, he entered the electoral struggle as the head of his own party, the PRIAN. In contrast to his previous campaigns, he took part in television debates with other candidates where he ignored the representatives of the traditional parties and his former allies. From the onset of the campaign, he attacked only Correa, labelling him as a communist, an agent of Castro and Chávez. He talked as a radical follower of the free market and free trade, suggesting not only to reduce the role of the state in the economy, but also other reforms, all directed by the congress. He refused any contacts with leftist regimes on the continent, presenting himself as a good Catholic who manages many humanitarian projects to take care of the poor and share his enormous wealth with them. During electoral meetings, he personally distributed laptops, medicine and a lot of money too. His main promise was to ensure a roof for every Ecuadorean (Recalde 2007: 23–25).

The political plan of Rafael Correa was a successful one. He founded a new political party, Alianza Patria Altiva y Soberana, Alianza PAIS (Alliance for Proud and Sovereign Homeland), which nominated only a single candidate for president, not candidates for congress. The core of his program was to organize a referendum concerning the country needed a new constitution. If it did, a constituent assembly would be elected according to the Bolivian or Venezuelan model. For Ecuador, the newly elected constituent assembly should be superior to the old congress (Paz y Miño Cepeda 2006).

The tactics were effective. Second in the first round after Noboa, Correa advanced to the final round. PRIAN was the winner of the congressional elections, but surprisingly in second place was PSP, the movement of Gutiérrez, now led by Lucio’s brother Gilmar who was successful in the presidential elections, too. All the traditional parties recorded a big failure.

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7 The official biography of Álvaro Noboa is available on his personal webpage (Personal web of Álvaro Noboa 2007).

8 According to the *Revista Vanguardia* 49/2006 Noboa paid in 2005 more than 17 millions of dollars for taxes, being far the richest candidate in these elections. Correa or the candidate of PSC, Cynthia Viteri, paid around 5 000 dollars.

**Table 1: First Round of the Presidential Elections, 15th of October 2006 (Tribunal Supremo Electoral 2006)**

Political party	Candidate	Votes in %	Total votes
PRIAN	Álvaro Noboa	26.83	1 464 251
PAIS	Rafael Correa	22.84	1 246 333
PSP	Gilmar Gutiérrez	17.42	950 895
ID/RED	León Roldos	14.84	809 754
PSC	Cynthia Viteri	9.63	525 728
Pachakutik	Luís Macas	2.19	119 577
PRE	Fernando Rosero	2.08	113 323
MRD	Marco Proaño Maya	1.42	77 655
MPD	Luís Villacis	1.33	72 762
CFP	Jaime Damerval	0.46	25 284
ATR	Marcelo Larrea Cabrera	0.43	23 233
MRPP	Lenín Torres	0.28	15 357
INA	Carlos Sagnay de la Bastida	0.25	13 455

Source: Tribunal Supremo Electoral 2006.

**Table 2: Elections to Congress of Ecuador, 15th of October 2006**

Political party	Seats in Congress
PRIAN	27
PSP	23
PSC	12
ID	10
PRE	6
Pachakutik	6
MPD (Movimiento Popular Democrático)	3
UDC (Unión demócrata Cristiana)	2
Others	11
Total (participation 63.5 %)	100

Source: Tribunal Supremo Electoral 2006.

In the second round, Correa was more skilful, obtaining 10 % more votes than Noboa. Sierra and Oriente belonged to Correa, the Pacific coast to Noboa. The main difference was that the support for Correa was more balanced through the country and that he was able to convince the voters of Gutiérrez's PSP. The campaign before the second round was very personal. Noboa played the card of "castrization" or "chavization" of Ecuador and tried to raise fear in the country. Correa pointed out some obscure outlines of his adversary's business such as the work of children and low salaries on his plantations etc.

**Table 3: Second Round of the Presidential Elections, 26 November, 2006**

Political party	Candidate for president/vice-president	Votes in %	Total votes
PAIS	Rafael Correa/Lenin Moreno	56.67	3 517 635
PRIAN	Álvaro Noboa/Vicente Taiano	43.33	2 689 418

Source: Tribunal Supremo Electoral 2006.

In the past elections, Álvaro Noboa never looked for allies in the second round, but he always relied on his own client networks. This time, Álvaro Noboa changed his strategy by trying to negotiate support with the traditional parties. This time, the public saw Noboa not as a new Jesus Christ who would feed the poor, but as a politician, no different from the others they opposed so they decided to give their vote to Correa (Recalde 2007: 24–25).

Noboa's party was the most powerful one in congress. The future very soon revealed that the victory was empty. In the first year of his mandate, Correa pushed through a referendum about the constituent assembly. (But his methods in the congressional struggle even involved the temporary ousting of some opposition deputies from the congress, all of whom voted against the referendum). After the positive result of the referendum, other elections followed. In 2007, when the constituent assembly was elected, Correa was the sole winner with his PAIS, which now has the single majority in the assembly. His party is now strong enough to dissolve the old congress. It will surely happen. The traditional parties suffered disastrous losses in this election (which is in fact a logical part of the discussed elections in 2006). PRIAN, the party of Noboa, also failed. The electoral participation was relatively high with approximately 60 % in the congressional and presidential elections and 70 % in the constituent assembly elections. In table 4 you can see the mentioned decline of the traditional political parties and the coming of the new parties. The last row of the table contains the data of the constituent assembly elections from 30th September 2007.

Table 4: Voting for traditional and new political parties since 1978.

	PSC	ID	DP	PRE	Total	PRIAN	PSP	PAIS	Total
1978	6.4	14.8			21.2				
1984	11.5	20.0	7.3	5.1	43.8				
1986	12.6	14.5	9.4	9.0	45.5				
1988	12.4	22.6	10.9	16.3	62.3				
1990	24.5	13.0	10.0	14.8	62.4				
1992	23.1	9.1	7.2	15.9	55.3				
1994	26.4	10.0	8.2	16.8	61.3				
1996	27.9	7.1	11.9	21.3	68.2				
1998	20.3	11.9	24.1	17.5	73.8				
2002	26.4	11.9	3.1	11.9	53.3	13.8	0.3		14.2
2006	14.9	8.3	2.3	7.2	32.7	27.6	17.9		45.6
2007	3.9	0.5	1.7	0.8	6.9	6.6	7.3	69.8	83.7

Source: Tribunal Supremo Electoral 2006; Pachano 2007: 184.

The political map of Ecuador changed greatly. This development suggests that in Ecuador, the Bolivian or Venezuelan model was used. We can find some differences. Rafael Correa is not a soldier like Chávez and not a trade unionist like Morales. He is a member of the white elite with elite education. In Latin America, this still means a lot. In this sense, he stands quite far from his possible allies on the left. He declares himself as a Christian leftist, not a Marxist. He is also an avid defender of Ecuadorian economic sovereignty, but in a country where US dollars are still used, it is quite difficult to cut off all existing ties. A good example can be found in one quote from the electoral campaign, when Correa reacted to an accusation that he stands too close to Chávez: “Chávez is my personal friend, but in my house, my friends aren’t in charge. I am.” (Llana Miller 2006).

The future of Ecuador can be seen from two points of view. The opposition says that the new president can misuse his power and strong position to move to a non-democratic and authoritarian government, paid by Venezuelan oil money. More reasonable is another option. It seems that the objective of president Correa is not to liquidate the Ecuadorean political system as a whole. He is trying to modify the distribution of political powers in the country, but the old political system may continue. This time with new actors and new accents which have not been present in Ecuador since 1979.

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# THE 2006 ELECTIONS IN NICARAGUA: DOES THE SANDINISTA RETURN TO POWER THREATEN NICARAGUA'S DEMOCRACY?

**Karel Kouba**

This chapter was written within the GAČR grant project "Non-democratic regimes and their transformation in Lusophone and Hispanic countries" (No. 407/06/0169).

Sixteen years after losing the 1990 elections, the Sandinista National Liberation Front (FSLN) led by former president Daniel Ortega was voted back into office in 2006. This case study attempts to explain what factors contributed to this historic event, and whether the Sandinista victory poses a threat to Nicaraguan democracy. The study identifies a major underlying problem of Nicaraguan politics, namely a deep polarization both at the level of the electorate and the level of the political parties. It argues that the patterns of political competition in Nicaragua cannot be viewed simply as a dual struggle between Sandinismo and anti-Sandinismo. Complex political developments have created a tripartite distribution of political spectrum, which characterizes the current political situation in Nicaragua. The results suggest that such polarization coupled with specific institutional settings can be both a blessing and a curse for Nicaraguan democracy.

The case study is divided into four sections. First, current Nicaraguan political situation is briefly set into a historical perspective and the main political actors are identified. Second, three main variables thought to contribute to the FSLN victory are described and the pre-electoral political situation is analyzed. The third section summarizes and examines the electoral results. The fourth section analyzes the post-electoral developments including a brief overview of Ortega's activities in terms of both domestic and foreign policies. The question whether FSLN's rise to power could threaten Nicaragua's democratic process is raised here. The concluding section summarizes the main argument and offers relevant suggestions.

## **POLITICAL SITUATION IN NICARAGUA**

Prior to 1979 Nicaragua had been governed by a ruthless sultanistic regime headed by the Somoza clan for over four decades. During the 1970s, several opposition forces joined under an umbrella organization National Patriotic Front which included liberal, Christian, trade union and Sandinista groups. This conglomerate of political groups dominated by FSLN leaders presided over a power transition from the Somoza regime. Mounting domestic and international pressure led to Somoza's resignation on June 17, 1979 after which the dictator fled the country, and the Sandinista troops got control of remaining territories including the capital city Managua.

Between 1979 and 1990 Nicaragua was governed by the revolutionary leftist FSLN which soon began to dominate over the formerly allied opposition forces. Notwithstanding the success of Somoza's overthrow, the new government faced many obstacles from the beginning. The unity of anti-Somocista opposition dissipated very soon. Furthermore, the election of Ronald Reagan to the American presi-

dency signified a dramatic reversal of the US policy towards the newly established FSLN regime. The Nicaraguan revolution became to be viewed through the Cold War lenses as a threat to the US hegemonic aspirations in Central America. The US began to train, supply and sponsor the anti-Sandinista rebels, known as Contras, helping to exacerbate a deadly civil war which plagued the country for the whole decade. The FSLN, which was heavily reliant on Soviet-provided weaponry and Cuban military advisers, attempted to carry out wide-ranging social and economic reforms. The Sandinistas performed limited nationalization while preserving some private property, tried to introduce some forms of participatory democracy or famously launched campaigns to eradicate illiteracy.

The FSLN tried to enhance its legitimacy by organizing elections in 1984 that were considered free and fair by many international observers, but result of which was not accepted by the US. By a 1987 constitution, the country established a viable framework for representative democracy and designed legislative-executive relationship on the basis of a strong presidential system. The 1990 elections which were governed by this constitution resulted in an unexpected victory of the opposition front (UNO) composed mainly of liberal groups and led by Violeta Barrios de Chamorro who became the first elected female president in Latin American history. The electoral loss of the FSLN could be explained partly by the end of the Cold War with the demise of Communism and popular exhaustion from a prolonged civil war, but also the perceived fear of direct American military intervention in the country which had a realistic basis in the 1989 US invasion of Panama. The FSLN conceded its defeat, leading to a transition to democracy.

Daniel Ortega had been a presidential candidate of the FSLN in all four elections that took place since 1990. In vain, he attempted to become president three times. Nevertheless, he scored surprisingly stable results in all three elections, obtaining 40.82 % of the vote in 1990, 37.75 % in 1996 and 42.3 % in 2001. The liberal government of Chamorro was replaced by a liberal president and former mayor of Managua Arnoldo Alemán in 1996. His party had been part of the UNO coalition but Alemán soon emerged as one of the leading critics of the Chamorro administration (Patterson 1997: 382). Nevertheless, his administration was generally seen as corrupt, unable to deal with the economic problems and populist in its promises (Metoyer 2001).<sup>1</sup>

The winner of the 2001 election, Enrique Bolaños attempted to make a change in the direction of the country. His top priority was a fight against corruption. One result of these efforts was the indictment and subsequent sentencing of former pre-

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1 Alemán for example promised in his campaign seven hectares of land to every landless peasant in case he wins.

sident Alemán to 20 years in prison for corruption charges.<sup>2</sup> Bolaños' fervor in combating corruption alienated the majority of his own party, the PLC, which maintained its loyalty to Alemán. Very few allies of Bolaños soon remained in the legislature, leaving the president to rely on ad-hoc agreements with the FSLN to pass legislation and initiate reforms (European Union 2007: 12). The popularity of Bolaños' government strongly diminished towards the end of his administration. Only 23 % of Nicaraguans approved of his government in 2006, the lowest such figure for all Latin American presidents (Corporación Latinobarómetro 2006: 76).

Despite 16 years of democratic government, Nicaragua remains the second poorest nation in the Western hemisphere, surpassed only by Haiti, with a GDP per capita of USD 908 in 2006 (IADB 2007). In 2001, almost half of Nicaraguans, 45.8 %, lived below the poverty line and 15.1 % lived in extreme poverty, according to World Bank report. Generally, the eradication of poverty has not been fast enough: only a negligible amount of 2.1 % fewer Nicaraguans lived in poverty in 2001 compared to 1998 (World Bank 2003). For these reasons, Nicaragua receives more official economic assistance from foreign countries and international organizations than any other American country. Nicaragua received 740 million USD in economic aid in 2006 (IADB 2007). These objective macroeconomic indicators closely correspond to subjective perceptions of Nicaraguans regarding their views on the state of Nicaragua's economy and politics.

The elections took place in a situation when the citizens of Nicaragua were more pessimistic about the prospects of their economy than any other nation in Latin America. According to a Latinobarometro survey only 6 % of the population believe that the economic situation is good or very good (Corporación Latinobarómetro 2006: 34). The Latin American average is 18 % with the highest figures were reported in Venezuela and Argentina with 43 % and 34 % respectively. Economic issues also constitute the major worry for Nicaraguans. The two most pressing and important problems identified in the overall Latin American surveys concerned the unemployment of 24 %, followed by the delinquency rate of 18 %. Nicaragua is an outlier in this regard since economic issues are overwhelmingly more important to Nicaraguans than criminality (Corporación Latinobarómetro 2006: 40). Full 37 % consider unemployment the most important problem while only 1 % considers it to be delinquency which is the lowest such figure in Latin America. In summary, a profound dissatisfaction of Nicaraguans with the shape of the economy and political situation characterized by personal conflicts created a favorable opportunity structure for Ortega's victory in the 2006 election.

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2 The sentence was later changed from prison sentence to house arrest which practically means that Alemán can freely move in whole Managua. Alemán was thus for example allowed to attend the inauguration ceremony of Daniel Ortega in January 2007.

## FACTORS LEADING TO FSLN VICTORY

Three major contextual factors facilitated the 2006 FSLN's victory apart from the aforementioned structural variables concerning social, political and economic situation in Nicaragua. These consist of the internal division within the rightist bloc, organizational and programmatic transformation of the FSLN, and the consequences electoral engineering agreed upon by the two major parties in 2000.

### **Internal division of the Right**

More Nicaraguans profess to stand politically on the Right than those who consider themselves to be on the Left. Furthermore, it is important to note that Nicaragua is the *most polarized* nation in all of Latin America in terms of the Left – Right political cleavage according to a 2006 Latinobarometro survey (Corporación Latino-barómetro 2006: 82). Respondents of the survey were asked to self-position themselves on a Left to Right scale of 1 to 10. The results reveal that 32 % of Nicaraguans position themselves on the Left while 43 % on the Right.<sup>3</sup> Thus only the remaining 25 % self-position themselves in the political center, the lowest figure in Latin America where the proportion of centrists is over 40 % in all but four Latin American countries.

If behavioral attitudes were a measure of political victory, then the rightist bloc should win the elections in Nicaragua. Nevertheless, this attitudinal polarization is not reflected in the party system. After the sentencing of former president Alemán for corruption, two liberal parties occupied the Right of the political spectrum. The Liberal Constitutionalist Party (PLC) maintains its loyalty to Arnoldo Alemán who is considered the unofficial head of the party. The Nicaraguan Liberal Alliance is led by an entrepreneur and former official of Bolaños' administration, Eduardo Montealegre. Although there were attempts at nominating a single candidate for both liberal parties in 2006, this cooperation did not materialize. Montealegre was offered to run for vice-president under a united list led by the PLC candidate José Rizo, but he turned this offer down (Domínguez 2006). This rightist division is but the last of a series of splintering within the liberal bloc since the 1990 transition. The inability of the liberals to achieve a unified position in the legislature in varying degrees also forced all three liberal presidents to negotiate legislative support for their initiatives with the FSLN. This further exacerbated tensions within the rightist bloc. The division of the Right electorate between two competing parties with similar popularity meant that the victory of Daniel Ortega was almost certain to happen.

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3 Responses ranging from 0 to 3 were coded as Left, 4 to 6 as Center and 7 to 10 as Right.

## Transformation of the FSLN

The FSLN has undergone far-reaching internal changes since 1990. Most of the charismatic leaders of the Sandinista movement have left the party over the course of 16 years. Some of them joined “true” Sandinista factions competing with the FSLN, some of them left politics altogether. Out for the original circle of nine top Sandinista leaders of the 1980s, only Daniel Ortega remained in the party. Ortega’s wife, Rosario Murillo, is one of the few original top Sandinistas who remained side by side Ortega. She became the official spokeswoman of the newly elected president and belongs to a handful of close political advisers to the president. As a gesture of reconciliation with his old enemies, Ortega chose Jaime Morales Carazo as his running mate for vice-presidency. Morales, a banker and entrepreneur in the 1970s, was an anti-Sandinista Contra leader in the 1980s whose property was expropriated by the Sandinista regime (El País 2007).

The most spectacular ideological reinventing occurred with respect to FSLN’s relations with the powerful Catholic Church. Ortega married his longtime fiancé Rosario Murillo in 2006 at a ceremony held by Ortega’s old enemy, the bishop Obando y Bravo, signifying a new start in the relationship. FSLN then changed its position on the issue of abortion, supporting a strict measure that imposes a punishment of up to 30 years in prison on carrying out abortions, even for those that were previously legal for health reasons. The Sandinistas voted for this measure, which belongs among the strictest in the world, at the last Congressional session prior to the 2006 elections. The intention was clearly to gain a part of the conservative electorate and approach the Catholic Church.

The tone of Ortega’s campaign was fervently populist to the extent that many of his promises could be outright dismissed as unrealistic. Two of them were to transform the presidential building, which constructed through a donation by Taiwan, into a kindergarten and to distribute 10 free chickens to every peasant. The campaign also featured changes at a symbolic level when FSLN changed its traditional revolutionary black and red colors for a more convenient rose color. The pragmatic and populist style of Daniel Ortega has caused many internal discontents within the Sandinista movement and splintered the party. One of these factions competed in the 2006 elections under the name Movement for the Sandinista Renovation (MRS). However, its charismatic leader Herty Lewites, who was 67, died unexpectedly of heart attack in July in midst of the campaign. Lewites, a former minister of the FSLN government from 1979 to 1990 and ex-mayor of Managua since 2000, occupied a third place at the polls at the time of his death. His sudden death might have helped to reunite the leftist electorate under the FSLN umbrella.

Programmatic and organizational reinventing of formerly Marxist parties is possible and credible if one takes into account the post-1989 evolution of some Central and Eastern European ex-Communist successor parties. In fact, some of them have championed liberal economic reforms in opposition to statist conservative right-wing parties. Most notably the Polish and Hungarian successor parties positioned themselves at the center-left of the political spectrum and became one of the pillars of the newly established democracies (Grzymała-Busse 2002, Orenstein 1998). The Central European experience obviously cannot provide a blueprint for the evolution of FSLN. It nevertheless points at the possibility that formerly Marxist parties can evolve towards being powerful forces of democratic consolidation, rather than obstacles to it.

The FSLN has changed from a revolutionary Marxist party in the 1980s to a left-ist populist party today. While its revolutionary legacy remains a strong source of political legitimacy, the party underwent dramatic internal changes in terms of organization, ideology and symbolism. On the other hand, it also became credible as a party that is both able and willing to compete in democratic elections. Although the party uses high doses of populism in its rhetoric and it resembled a one-man-party in the 2006 election, it is nonetheless a party that began to respect the democratic process. FSLN's organizational purpose changed from logic of revolutionary vanguard to logic of vote-maximization and power-maximization within a framework of pluralist political competition.

### **Bipartisan electoral engineering**

During the presidency of Alemán, the PLC reached a power-sharing deal with the FSLN regarding major constitutional reforms and partisan division of power. The 1999 negotiations between the two major parties became to be known simply and revealingly as “El Pacto”. These reforms that were eventually approved by the National Assembly in January 2000 solidified the power division between the two major parties and increased partisan control of many state institutions, including the Supreme Court and the Supreme Electoral Council. Although considered controversial in many respects by some analysts, NGOs and international organizations (European Union 2007: 12), these reforms nevertheless revealed the ability of once inimical political elites to solve their differences by consensus and compromise, rather than conflict.

The system of presidential election was manipulated by both parties in a way that would favor an election of a candidate from the two major parties. Under the 1987 constitution, a candidate needed to pass a 45 % threshold to be elected in the first round. This bar was lowered to 40 % in 2000. Furthermore, a clause was added

that allowed for an election in the first round of a candidate who receives more than 35 % and the runner-up only follows by a margin of more than 5 %. Not surprisingly, this clause was proposed and defended most heavily by the FSLN because of its conviction that it could not pass the 45 % threshold since its electoral support in the previous elections regularly oscillated only between 35 and 40 % (Alvarez, Vintró 2003). The president is elected for five year terms that are concurrent with the terms served by the deputies in the National Assembly.

The system of election to the unicameral National Assembly has not been characterized by so many changes, preserving mostly the spirit of the 1995 constitutional reform. According to the Constitution, 90 deputies are elected for rigid five year terms. 70 of these deputies are elected in the departments and the two autonomous regions while the remaining 20 deputies are elected from nationwide party lists. A closed list proportional electoral formula using a modified d'Hondt method is used at both levels. The 2000 reform weakened the position of smaller parties by introducing a rule that parties scoring 4 % or fewer votes in general elections will not be registered for another election (Alvarez, Vintró 2003). This rule aimed at maintaining the power division between the two major parties and reducing the number of parties present in the legislature. Unlike most other Latin American countries Nicaragua does not have a compulsory voting law – the only such country together with Colombia.

## ELECTORAL RESULTS

The 2006 electoral results confirmed a continuing tendency of decreased party system fragmentation (see Figure 1). Only four parties were elected in the National Assembly, one of which only received 5 seats. This tendency is a major change since the beginning of the 1990s when the party system was characterized by a strong fragmentation including many parties or independents (González 1991: 456). The FSLN presidential candidate, with 38 % of the votes, won by a margin of nearly 10 % over the runner up, Eduardo Montealegre of the ALN. Yet the vote difference between the second and the third candidates was marginal, only 1.19 % which was less than 30,000 votes. Combined, the rightist vote constitutes a stable majority. In the 90-seat National Assembly, the FSLN won full 38 seats, less than a majority, while the PLC obtained only 25 seats, which was substantially down from 52 in the previous election, and the ALN 22.

Figure 1: Results of the 2006 elections

Political Party	Candidate	Number of valid votes	Percentage share of valid votes	Seats won in legislative election <sup>*)</sup>
<b>Frete Sandinista de Liberación Nacional (FSLN)</b>	Daniel Ortega Saavedra	930,862	38.00 %	38 (37)
<b>Alianza Liberal Nicaragüense (ALN)</b>	Eduardo Montealegre Rivas	693,391	28.30 %	22 (N/A)
<b>Partido Liberal Constitucionalista (PLC)</b>	José Rizo Castellon	664,225	27.11 %	25 (52)
<b>Movimiento Renovador Sandinista (MRS)</b>	Edmundo Jarquín Calderon	154,224	6.30 %	5 (N/A)
<b>Alternativa por El Cambio (AC)</b>	Edén Atanacio Pastora Gomez	7,200	0.28 %	0 (0)
<b>Total Valid Votes</b>		2,449,901	100 %	

Source: Political Database of the Americas 2007, ElectionGuide 2007.

Note: \*) Seats gained in the previous 2001 elections in parentheses.

Ortega's election in the first round was secured by the constitutional clause that allowed for the election of a candidate who obtains more than 35 % with a 5 % minimal difference from the runner-up. Coincidence or not, the 2000 constitutional reform fulfilled its precise purpose: the election of Ortega to the presidency. Had the pre-2000 rules been applied to the 2006 electoral situation, none of the candidates would have won in the first round as no candidate passed the 45 % minimum for election in the first round. The results of the ensuing run-off between Ortega and Montealegre would have been hard to predict. Yet, rightist voters of the PLC would likely support the right-wing candidate Montealegre, minimizing the chances of Ortega's election.

Further insight into the electoral scenario may be gained by inquiring into the parties' success at the level of subnational units. Thus, it can be assessed how and

to what extent the dominant economic issue – high levels of poverty – influenced the vote for individual parties. The Pearson correlation coefficient is used to estimate the association between both variables.<sup>4</sup> The extreme poverty rate used here is an indicator of the proportion of the total population of a given region that are below the poverty line. The extreme poverty line for 1998 which served as a baseline here was 212 USD annual income (Government of Nicaragua 2001: 6). Persons with yearly consumption below this threshold are considered extremely poor.<sup>5</sup> The coefficients are summarized in Figure 5.

The results of this analysis are surprising in two important ways.<sup>6</sup> First, there is no correlation whatsoever between regional poverty rate and the vote for FSLN (correlation coefficient  $r = -0.08$ ). This finding is surprising because the FSLN has historically and ideologically defended the interests of the poor and of the working classes. Thus, we would have expected that FSLN would score far better in extremely poor regions and worse in more well-to-do regions. Yet, as can be seen in Figure 4 FSLN's electoral gain is almost constant given the regional poverty rate. Even though there is substantial variation in regional success of FSLN, this variation is not well explained by variation in objective socioeconomic conditions. This can be interpreted as further evidence of the ideological and programmatic transformation of the party because the populist orientation of the FSLN seems to appeal also to voters who have not been affected severely by economic hardships.

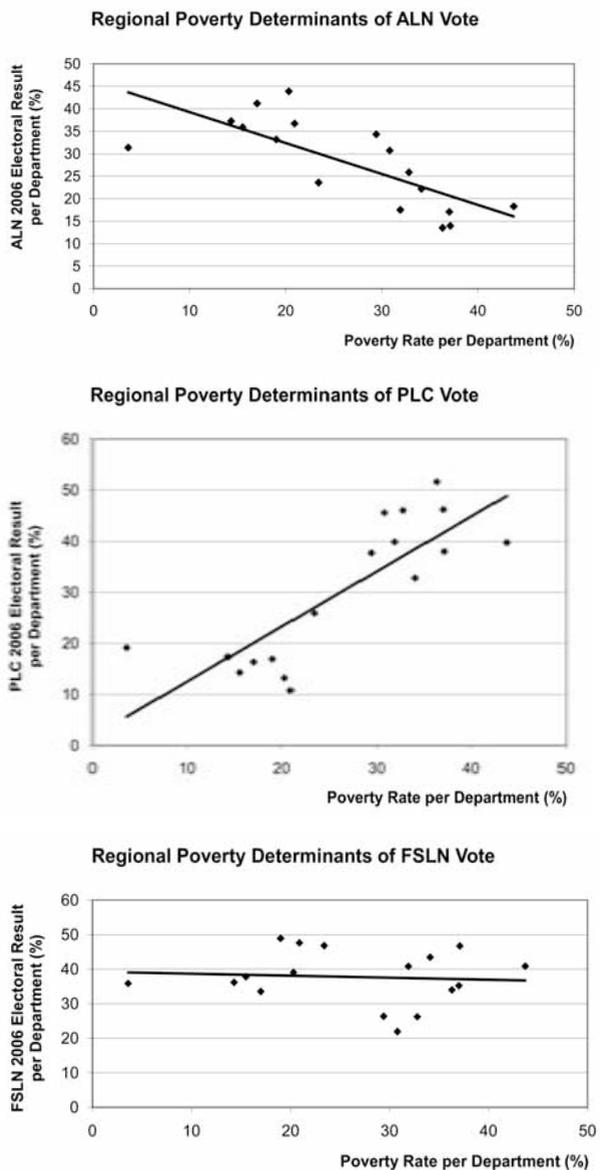
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4 This coefficient takes on values between  $-1$  and  $+1$ , where  $-1$  signifies a perfect negative association between two variables,  $0$  no association, and  $+1$  perfect positive association. Data on both variables (electoral results and percentage of extremely poor) are collected at the level of Nicaraguan counties which constitute 15 *departamentos* and 2 autonomous regions.

5 The county-level electoral data for all parties were compiled from the electoral database of the Nicaragua's Supreme Electoral Council (Supreme Electoral Council 2007). Only raw scores of the number of voters for individual parties are provided by this database. Percentage shares of vote for parties in all counties were calculated by the author.

6 It should be emphasized that individual-level inferences made from aggregate-level variables are unreliable and uncertain. This is referred to as the ecological fallacy problem. As such, this analysis which is based on aggregate level data should be considered only a preliminary inquiry. Yet, it is justified since no corresponding individual-level electoral surveys for Nicaragua are to the author's knowledge available.

Figures 2–4: Scatterplots of 2006 regional vote for parties plotted against regional poverty rates.



Source: Calculations and graphs performed in Microsoft Excel by the author. Based on data on Nicaragua's poverty rate (Government of Nicaragua 2001: 9) and official electoral results (Supreme Electoral Council 2007). See Appendix A for all variables.

Figure 5: Correlation coefficients between poverty rate and 2006 party electoral results in Nicaraguan counties (departamentos).

Political party	Pearson correlation coefficient
ALN	-0.75
PLC	0.82
FSLN	-0.08
AC	-0.48
MRS	-0.85

Source: Calculations performed in Microsoft Excel by the author. Based on data on Nicaragua's poverty rate (Government of Nicaragua 2001: 9) and official electoral results (Supreme Electoral Council 2007). Coefficients rounded to two units. See Appendix A for all variables.

A completely reverse situation occurs in respect to the two remaining significant parties, the ALN and the PLC, both of which profess to be right-wing. Not only do their votes' regional variation reveal strong correlation with poverty rates, but their respective correlation coefficients are of the opposite signs (See Figures 2 and 3). While the vote for ALN is strongly *negatively* correlated with the regional poverty rate ( $r = -0.75$ ), the vote for PLC is strongly *positively* correlated ( $r = 0.82$ ). Importantly, it is indeed intriguing that voters from one rightist party (PLC) are predominantly recruited from poor regions. Thus, it can be argued that the PLC competes with the FSLN for the *same voters*, that is, voters living in poverty. The correlation of the ALN vote and poverty levels is of the expected sign for a right-wing party.

Based on these results, it can be inferred that the electorates of both rightist parties constitute two different and non-overlapping social groups. Whereas voters in richer regions tend to vote for the ALN in higher numbers than in poorer regions, voters in poorer regions tend to vote for the PLC in higher numbers than in richer regions. This situation may indicate that there exists not only deep polarization on the Left – Right axis, but also there is a *deep polarization* within the rightist electorate. This analysis also strengthens the earlier claim that it is the shape of the economy and socioeconomic status that matters to the Nicaraguans and that perceptions of the state of the economy are a powerful determinant of voting behavior for two of the three largest parties. It also verifies that the electorate is deeply polarized on the Left-Right axis, and explores the possibility that a further deep socioeconomic cleavage lies within the rightist electorate.

# DOES THE SANDINISTA VICTORY PRESENT A THREAT TO DEMOCRACY?

Following Ortega's election to presidency, rather dim predictions of Nicaragua's prospects of democracy have preoccupied political commentators. These have included worries about the Marxist legacy of FSLN, attempts at confrontational politics vis-à-vis the United States and alignment with Hugo Chávez's Venezuela as well as a reversal of the direction of economic reforms. One year after the election, these worries can be partly assessed.

## Foreign policy reorientation

The conflict-ridden relationship between Ortega and the US administrations is not only a historical issue of the past but has had clear manifestations ever since the 1990 election. Prior to the 2001 election, the Bush administration attempted to influence the Nicaraguan election in favor of the anti-Sandinista candidate Enrique Bolaños. The Secretary of State Colin Powell issued a warning linking Daniel Ortega with terrorism and suggesting a possible withdrawal of US support or interference in case Ortega wins. Following the terrorist attacks of 9/11, fervent anti-terrorist statements could have contributed to the defeat of Mr. Ortega in the election. Complaints about US interference into Nicaragua's electoral process have been raised.

Potentially, the 2006 election could have caused even greater confrontation between Ortega and the US. Several senior figures that have risen to top in the second George W. Bush administration had been heavily involved in the Ronald Reagan's bellicose anti-Sandinista policy in the 1980s. Some of them were to a lesser or greater degree involved in the infamous Iran/Contra scandal that channeled funds from illegal weapon sales to Iran to Nicaraguan anti-Sandinista rebels, the Contras. Among the most prominent figures, the current US Secretary of Defense Robert Gates served as Deputy Director of Central Intelligence in the CIA during the Iran/Contra affair. Although not indicted for criminal investigation of the Iran/Contra scandal (Walsh 1993), Gates was in the position to investigate or stop the illegal activities carried out by the National Security Council's Lieutenant Colonel Oliver North.<sup>7</sup>

Another closely associated figure to the US support of the Contras is John Negroponte who currently serves as Deputy Secretary of State and is in part responsible

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7 In fact, Robert Gates might simply have willingly refused to know anything about the illegal involvement of Oliver North in the support of Contras, although he was in the position to know and to intervene. One of his subordinates, George Allen, later recalled a conversation with Gates, saying that he "didn't want to hear about Central America," and that he supported "Ollie [Oliver North] in other activities [...] but he has gone too far." (Walsh 1993: 232).

for the US foreign policy in Latin America. A renowned “cold warrior”, Negroponte served as ambassador to Honduras during the 1980s and his activities there were central to Reagan’s anti-Sandinista offensive. He helped word a secret 1983 presidential “finding” authorizing support for the Contras and his reports to the CIA director William Casey were key to undermining attempts at peace talks with the Nicaraguan Sandinista regime (Shane 2005). Finally, Oliver North, himself, visited Nicaragua prior to the 2006 election to campaign openly for the election of José Rizo, the PLC candidate. North, a key Reagan administration official, was involved in the secret arms deal with Iran, providing clandestine support of the Contra rebels. During his stay in Nicaragua in 2006, North threatened that the victory of Daniel Ortega would be “the end of Nicaragua” (Niman 2007: 19). It is unclear whether Mr. North’s pronouncements influenced the vote in any way. If they did, they could have contributed to a further splintering and polarization within the right-wing bloc, thus aiding the electoral victory of the FSLN.

A fierce opposition to Ortega on economic grounds was issued by the US Secretary of Commerce Carlos Gutierrez. Gutierrez warned Nicaraguans that victory of Ortega would be a “historical danger”. He stated that “[...] *with the Sandinista party we were not able to have neither business nor friendship*” (Alvarez 2006). His warnings were directed at the potential reversal of Nicaragua’s economic policy and at the possible cancellation and withdrawal of Nicaragua from CAFTA which had been severely criticized by Ortega for its neoliberal makeup.

If Ortega faced rejection from the United States, he compensated this by a warm welcome from Venezuela’s president Hugo Chávez and other populist leftist leaders in Latin America, and such figures as the Iranian president Mahmoud Ahmadinejad who was quick to visit Nicaragua as early as January 2007. Symbolically though, presidents Evo Morales of Bolivia and Hugo Chávez of Venezuela were the only heads of state to be present at Ortega’s inauguration ceremony in January 2007. Chávez was quick to announce several promises of economic aid to Nicaragua, including a grand project of building a highway that would connect the Atlantic coast worth 350 million USD and constructing a major refinery in Nicaragua. The refinery’s name will be *The Supreme Dream of Bolívar* (El Supremo Sueño de Bolívar), a reference to Augusto Sandino’s 1929 speech. None of these projects have been started to date and their future is uncertain. Ortega’s foreign policy has re-oriented Nicaragua towards closer cooperation with Latin American countries governed by populist leftist leaders, especially Venezuela. Nicaragua under Ortega was a fourth country, after Cuba, Venezuela and Bolivia, to join a loose international organization, the Bolivarian Alternative for the Americas (ALBA), created by Hugo Chávez to counterbalance the perceived hegemonic involvement of the US into Latin American affairs.

Also, Ortega's important speeches, at home and abroad, have been largely dedicated to folkloric criticisms of the US hegemonic political and economic power. At a September 2007 UN General Assembly session, Ortega said that the world is under "*the most impressive, huge dictatorship that has existed – the empire of North America. [...] An imperialist minority is imposing global capitalism to impoverish us all and impose apartheid against Latin American immigrants and against African immigrants.*" (cited from Betz 2007). In the same speech, Ortega defended Iran's right to acquire nuclear weapons and provided words of support for Fidel Castro's regime. In general, international appearances of Mr. Ortega have been characterized by an intimately close alignment with the policy line of Mr. Chávez, bearing some characteristics of subservience. At a November 2007 Ibero-American Summit held in Chile, Ortega was the only leader defending Hugo Chávez after his publicized squabble with the Spanish king Juan Carlos.

This new foreign policy orientation of Nicaragua has so far produced only very meager material results. Venezuelan economic aid has been limited to providing 32 small energy generators that use gas to produce electricity and to constructing a modern hospital in Managua worth 2.4 million USD. Although Chávez promised to administer all of the Nicaraguan oil consumption from Venezuela, only 70 million USD worth of oil, sold at world market prices, was provided by Venezuela. Nicaraguan consumption is worth 600 million USD a year (Relea 2007).

Notwithstanding Ortega's anti-neoliberal and *chavista* rhetoric, the Sandinista leader has repeatedly announced that he is 'obligated' to negotiate with the IMF given that his country lacks financial resources to fund the necessary development programs (La Jornada 2007). So far, Ortega's administration has not reversed the country's close cooperation with international economic organizations, and it is not expected to do so in the near future. Nicaragua remains to be a member of both CAFTA and ALBA. Furthermore, in a surprising move Ortega offered a deal to the US, the success of which might bolster his support at home and at the same time bring him nearer to the US. Ortega offered 651 Soviet-made Sam-7 missiles currently in the possession of the Nicaraguan military in exchange for helicopters and medical equipment (Meléndez 2007). Ortega hopes that the destruction of the missiles inherited from the 1980s revolutionary period will help reconciliation with the US. Refusal of the US to annihilate these nearly defunct missiles would add another argument to Mr. Ortega's arsenal of anti-imperialist rhetoric, leading to a win-win situation for Ortega.

Ortega's careful balancing between rhetoric and action can be linked directly to the massive polarization of Nicaraguans with respect to foreign issues. When asked in 2006 whether they hold a positive image of George Bush, 43 % of Nicaraguans

agreed with the statement, while only 31% agreed with the statement that they hold a positive image of Hugo Chávez (Corporación Latinobarómetro 2006: 91–93).<sup>8</sup> In sum, going too far in actions against the US and in favor of closer alignment with Chávez would further undermine legitimacy of the Sandinista government.

Despite the fact that current prominent US officials have shown strong anti-Sandinista sentiments in the past and the overall neoconservative outlook of the Bush administration, the US has not taken any action to subvert or punish the Sandinista government of Daniel Ortega. The US administration has officially expressed its respect for the results of internal democratic process in Nicaragua. Despite the much advertised reorientation of foreign policy towards Venezuela and some of the pariahs of the international community such as Iran, the results of this cooperation have so far been relatively meager. Nicaragua's cooperation with international finance organizations, including those that profess free trade and neoliberal policies remains uninterrupted, and Ortega has even made gestures of reconciliation with the US. Due to domestic concerns of legitimacy, economic necessity of cooperation with the international community, and given the fact of significant domestic polarization on foreign policy issues, Daniel Ortega will likely maintain a pragmatic line in actions coupled with ideological rhetoric.

### **Domestic performance of the FSLN**

While international activity of Ortega has been impressively visible considering the size and relative international importance of Nicaragua, the same cannot be said about domestic consequences of Ortega's election. Ortega fulfilled some of the populist promises he made in the electoral campaign, such as cutting by half the salaries of all ministers and officials, including himself, as early as January. The economic consequences cannot be assessed properly within this relatively short period of time. What is clear, however, is that no dramatic reversals of economic policies have been started and are unlikely in the future. Fears that Ortega would re-introduce harsh Soviet-style measures, such as nationalization, typical of the Sandinista government in the 1980s have been misguided. Ortega has also repeated his willingness to support foreign investment in Nicaragua. As noted earlier, Ortega feels obligated to comply with the IMF prescriptions and Nicaragua remains a member of the CAFTA.

A more spectacular initiative of the administration occurred with respect to a recent Ortega's proposal for a substantial overhaul of the constitutional system. Yet,

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<sup>8</sup> The survey asked respondents to rank their preference on a 1–10 scale (Corporación Latinobarómetro 2006: 91). The percentages provided apply to those respondents who ranked the two politicians between 7 and 10 points.

very unlike the Venezuelan constitutional engineering under Hugo Chávez which strengthened the powers of the executive, the direction of these changes are not supposed to strengthen the presidential powers, but govern through some sort of plebiscitarian democracy. Instead, Ortega favors a move towards parliamentary system. In an October 2007 speech, Ortega militated against presidential system that is in his view responsible for constitutional crises and political deadlocks between the legislature and the presidency. He invoked a dedication to strengthen democracy. The problem for him is that “[...] *in these countries, the tendency of the President is to act with the power of kings, with an absolute power, independently of what happens here in the Parliament.*” (Ortega 2007).

The idea of introducing parliamentary system has already gained support of the conservative Arnaldo Alemán and his PLC, possibly signifying an attempt at dividing the power between the two political leaders indefinitely. Some form of parliamentary system would also solve the thorny issue of no possibility of presidential re-election in Nicaragua, and thus, may seem a welcome development for Ortega. The possibility of accomplishing such wide ranging constitutional change is real. The PLC and FSLN possess together 63 deputies in the National Assembly while only a majority of 56 deputies is needed to a pass a constitutional amendment. The ALN with its 22 deputies could not block such revision because this would necessitate at least 37 deputies according to the constitution.

The concentration of power in the hands of the president and the tendency towards constitutional deadlock has indeed been a major concern in the debate about the merits of presidentialism (see Cheibub, Limongi 2002 for a review of the debate's arguments). Indeed, authoritarian tendencies towards an increased concentration of power in the president's hands have become a usual *modus operandi* of all democratically elected Nicaraguan presidents since 1990 (Anderson 2006: 142). All such efforts have nonetheless encountered severe opposition from other formal institutions, including the National Assembly, and important social groups. If socio-political polarization coupled with strong presidentialism constitutes a diagnosis of democratic crisis, then changing Nicaraguan institutional structure might present a viable solution.

## CONCLUSION

Based on this analysis, there are grounds to believe that Nicaraguan democracy is currently not under direct threat following the return of the Sandinista party to power. The *persistence* of democracy itself in a country plagued by endemic poverty and underdevelopment with a comparatively small middle class and with deep social polarization is a remarkable achievement. In defiance of major theories of

democratization, Nicaraguan democracy has survived without interruption since the first free elections in 1990. Nicaraguans have experienced peaceful transfers of power between previously inimical political competitors. The FSLN came to power due to an internal schism within the right-wing bloc and as a result of the power sharing constitutional agreement with one of these rightist parties and it was able to successfully transform itself into a vote-maximizing party. Within this context, the FSLN government was brought to power through democratic mechanisms which it accepted and will likely maintain. On the other hand, it is less clear whether Ortega's administration will be capable of offering efficient solutions to the country's pressing social and economic problems.

Institutionalist theory that criticizes the defects of presidentialism has long argued that strong presidentialism coupled with deep-seated social and political polarization constitutes a potential threat to democracy. For example, the institutional and social developments that led to the overthrow of Chilean democratic government in 1973 has served critics of presidentialism to document this point (see Valenzuela 1989 for a classic argument). Since both conditions are present in current Nicaragua it might be advisable to redesign the constitutional framework towards increasing the powers of the legislature. To date, the details of the proposed reforms are not known. Once they are public, they should be judged not only by their democratic merit, but also by the power motives espoused by their protagonists. It is not clear whether Ortega's support for establishing parliamentarism is a way towards allowing his re-election and foreseeing a tacit power-sharing deal with Alemán's liberals or a sincere attempt at unblocking the political process. It should also be noted that although there have been several such proposals in recent years in other Latin American countries, most notably Brazil and Argentina, none have moved away from presidentialism so far.

The deep polarization documented here at the level of the electorate and the political level can be viewed both as a curse and a blessing for Nicaragua's democracy. On the one hand, Ortega was elected by only a minority – 38 % of the vote. Therefore, his government does not enjoy a stable majority in the legislature and widespread popular legitimacy among the Nicaraguan voters. This situation might negatively affect the government's effectiveness and potentially escalate into a constitutional crisis. On the other hand, political polarization and pluralistic competition might serve to prevent Ortega from abusing his powers outside of the democratic framework. Rather than circumventing the democratic process, Ortega has a strong incentive to change the institutional mechanisms within a democratic framework. For this to happen, FSLN will need to rely on consensus, rather than conflict with other democratic parties.

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# APPENDIX A

## Regional poverty rates and electoral results

Department	PLC	FSLN	ALN	AC	MRS	Poverty rate (%)
Nueva Segovia	32.7869	43.4574	22.1715	0.1135	1.4707	34.1
Madriz	37.9851	46.7229	13.9744	0.1088	1.2088	37.1
Esteli	25.9079	46.8067	23.6032	0.1570	3.5252	23.4
Chinandega	10.7686	47.6216	36.7126	0.2244	4.6729	20.9
Leon	16.9306	48.9100	33.1734	0.2892	0.6968	19.0
Managua	19.1499	35.8753	31.3630	0.3950	13.2168	3.6
Masaya	17.3420	36.1948	37.2521	0.2614	8.9497	14.3
Carazo	14.3073	37.8122	35.8946	0.2736	11.7123	15.5
Granada	16.3448	33.5520	41.1875	0.3054	8.6104	17.0
Rivas	13.2092	39.0717	43.8814	0.1977	3.6400	20.3
Chontales	37.7116	26.3716	34.3224	0.1748	1.4197	29.4
Boaco	46.0316	26.2362	25.8771	0.2733	1.5817	32.8
Matalgalpa	39.8533	40.8108	17.5344	0.2486	1.5529	31.9
Jinotega	46.2013	35.2188	17.0907	0.2019	1.2872	37.0
Raan	39.7468	40.8650	18.3064	0.3178	0.7641	43.7
Raas	45.5613	21.9344	30.7144	0.2221	1.5679	30.8
Rio San Juan	51.6294	33.9883	13.5456	0.2412	0.5955	36.3



# FROM "OPEN REGIONALISM" TO THE UNION OF SOUTH AMERICAN NATIONS: CRISIS AND CHANGE IN LATIN AMERICAN REGIONAL INTEGRATION

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The author is grateful for the ideas and comments of Pavlína Springerová and Andrés Malamud.

At the beginning of the nineties, the Latin American regional integration processes started a new stage in its historical development. The Andean and Central American groups were reactivated; the Southern Cone established ambitious integration goals through the Southern Common Market or Mercosur; and Mexico separated itself of Latin American integration projects and rhetoric through a strategy of “South-North” economic integration with the United States and Canada. Fifteen years later, Latin American integration is in the midst of deep crisis and all across the region appears significant changes in the shape and rationale of regional integration.

This chapter analyses the Latin American integration processes through the period 1990–2005, highlighting its achievements and shortcomings. It’ll be argued that the adoption of the strategies and policies of “open regionalism” in these years identify the period as a coherent cycle of regional integration in Latin America. Therefore, the exhaustion of that model is one of the main causes of the current crisis of Latin American regional integration. Other major causes will be identified and elucidated – particularly the new wave of “South-North” free trade agreements of the present decade and the divergent position of the leftist governments and leaders that characterize the political landscape of Latin America in the second half of this decade. This chapter also analyses the new proposals of South American integration and the “South American Union of Nations” (Unasur) in its potential to articulate a common economic and political space and the obstacles that this initiative is now facing. A final section deals with the dilemmas and challenges for Latin American regional integration processes in the years to come.

## **NEW REGIONALISM AND OPEN REGIONALISM: THE RATIONALE AND STRATEGIES FOR LATIN AMERICAN INTEGRATION IN THE NINETIES**

Regional economic integration was a major component of the import-substitution development strategies advocated by Latin American structuralism in the modernization period that extends from the fifties to the crisis of the eighties. This development strategy provided the original rationale with the resulting features of economic integration in that period: a regional market with relatively high tariffs and a protectionist bias could support import-substitution industrialization, but at the same time it could provide a competitive environment and efficiency gains, overcoming the obstacles to industrialization that arises from the small size of national markets.

Different regional groups and proposals were founded on these grounds: the Central American Common Market (CACM) of 1960; the Latin American Free Trade

Association (ALALC), also of 1960; and the Andean Pact of 1969. However, only the CACM was truly successful. In spite of bilateral conflicts, such as the so-called “Football War” of 1969 between Honduras and El Salvador, the CACM gave impetus to the high rates of economic growth and industrial output of the small Central American economies until the arrival of the crisis of the eighties. In a marked contrast, the Andean Pact never achieved high rates of intraregional trade because the lack of complementarities of the Andean economies and the absence of physical infrastructure to connect the national and regional markets. The ALALC, defined as a free trade area comprising South America and Mexico, failed to achieve the commitments and schedules agreed about tariff reduction. It was substituted in 1980 by a more flexible and less demanding agreement, the Latin American Association of Integration (ALADI). Finally, these schemes all but collapsed in the economic crisis of the eighties, and this wave of “Old Regionalism” was abandoned in this decade.

From 1990 onwards, the appearance of the “New Regionalism” is recognized as one of the major features in the economic policies and the foreign policies of the Latin America countries in the post-Cold War Era. A number of endogenous and exogenous factors explain its origins and evolution.

In paying attention to the international context of the early nineties, what were the more relevant exogenous factors? First, with the end of the Cold War, the Latin American countries saw themselves free of the rigid alignments of the bipolar system, but at the same time they were confronted with their own economic vulnerability and the noticeable risk of being marginalized in the new “triadic” structure of the international system with three big economic poles in Western Europe, North America and the Asia-Pacific area, driving ahead the globalization process. The stalemate of the multilateral trade talks of the “Uruguay Round” of the GATT at the beginning of the nineties made this risk of marginalization more probable. The stalemate could have undermined the new export-led growth strategies of the “Washington Consensus” adopted by Latin America, because of the continuity of developed countries protectionism if these talks failed. In this context, regionalism was an obvious strategy to curtail these risks: it was hoped that this would increase the negotiating weight of developing countries, thereby increasing the market access in a regional basis. The United States also gave a strong policy signal with the launching of the “Americas Initiative” in June 1990 by the President George Bush (Sr.) with the proposal to create a hemispheric free trade area through bilateral or regional trade agreements. This proposal was a significant turning point, showing that the United States brought in a regionalist approach beyond its well-established multilateral stance towards trade negotiations.

A number of developments of the eighties in the political and security realms became the endogenous factors that drove to the New Regionalism of the post-Cold War era. With the quest for democratization in the whole of the region and the end of the military governments, foreign policy could be driven in more cooperative frameworks. The peace initiatives towards the Central American crisis engendered different regional and sub-regional processes of policy coordination, as the Contadora Group, the “Contadora Support” Group – later redefined as Rio Group – and the Esquipulas process. In the economic realm, as it has been said, the region embraced, sometimes reluctantly, the liberalization policies of the Washington Consensus, particularly in the fields of trade liberalization and the opening up to foreign investment. This shift paved the way to “open regionalism” – a new approach to regional integration based in low tariff protection.

The evolution of ideas and practices in the theories of regional integration, growth, competitiveness and trade was also an important factor in the emergence of New Regionalism. Particularly, a renewed emphasis was put on the dynamic effects of economic integration – among others, the increase in competitiveness and efficiency created by the reduction of transaction costs and economies of scale. The European Union’s experience with the design and implementation of the Single Market, which provided insights through documents such as the “Delors Plan,” the “Cecchini Report” regarding the Non-Europe costs or the “Monti Report” regarding the early economic effects of the Single Market, became quite influential in the design of the New Regionalist strategies of developing countries (Robson 1993; 1998: 277).

Finally, in the middle nineties, a certain convergence among rival economic paradigms was noticeable. On one side, the regional trade agreements (RTAs) of the “open regionalism” began to be considered compatible with the neo-liberal paradigm of the Washington Consensus, as stated by John Williamson (1998) in his so-called “Revised Consensus”. The World Bank, formerly favourable to unilateral liberalization, also accepted the RTAs as a way to foster trade liberalization (Burki et al. 1996). On the other side, the neo-structuralist economists of the United Nation’s Economic Commission for Latin America (ECLAC) developed a comprehensive approach to “open regionalism” as a strategy to encourage technological change and to increase productivity and competitiveness in front of the globalization process (CEPAL 1994).

Lastly, it’s important to mention that the Latin American “New Regionalism” of the nineties didn’t restrain itself to the economic realm; it had strong political rationale. The agendas of the regional institutions and bodies created in this period were widened to deal with foreign policy coordination, regional security matters, environment and immigration, and other regional issues where there were

converging national interests, the Nation-State were unable to act effectively. In other words, New Regionalism was considered a strategy to deal with the dynamics of globalization by supporting the Nation-States capabilities for governance in a regional space, in those fields in which there was increasing regional and global interdependences, and some national interests that were perceived and redefined as common interests (Hettne 2005). Therefore, New Regionalism could be seen as an embryonic form of “multilevel governance”. As it will be explained later, this meant a strained relationship with different trade-offs between the exercise of national sovereignty and the regional integration processes. As a result, a common feature of Latin American integration to date has been the predominance of the traditional concept of sovereignty and the rejection of supranational institutions in decision-making processes.

## **AN APPRAISAL OF THE NEW REGIONALISM IN LATIN AMERICA, 1990–2005**

From 1990, the Latin American countries defined a new “map” on regional integration that has remained stable for more than 15 years. This map reflected dissimilar strategies: México broke away from Latin America to follow a pragmatic North American route through the first “South-North” trade agreement of this period. Walking alone and reaching bilateral trade agreements was the particular option of Chile. Other countries opted for the “New Regionalism”, but four separate groups emerged from history, nearness, or other linkages. The Caribbean Countries, the Andean Group and Central America reactivated their integration schemes, and a new one appeared in South America. In 1989, CARICOM decided to start the process to establish a single market and economy. Between 1991 and 1993, the CACM became the Central American Integration System (SICA). Within a few years, SICA established a free trade area that recovered a significant level of intraregional trade and a wide institutional framework was created. The Andean Group was reactivated in 1991 and redefined as Andean Community of Nations (CAN) in 1996. Lastly, the Southern Common Market (Mercosur) was established in 1991 with the immediate aim to create a custom union.

It must be noted that the aim of this chapter isn’t to describe the evolution of each one of these groups in detail, but to focus in their main achievements and shortcomings in order to make a general appraisal of the outcomes of New Regionalism at the end of this period.

*Mercosur*: this group evolved rapidly from a number of early initiatives of integration between Argentina and Brazil at the end of the eighties, leaving behind

a number of bilateral conflicts with the old geopolitical rivalry between both countries- In 1991, the Treaty of Montevideo established Mercosur with the original four members – Argentina, Brazil, Paraguay and Uruguay.

In 1994, *Mercosur* gets legal personality with the Protocol of Ouro Preto. In 1995 the custom union, a stage towards the common market, was established with the sole exceptions of sugar and cars. The institutional development of Mercosur continued with the Protocol of Olivos of 2002, setting up the Standing Court of Review of Mercosur; the Commission of Permanent Representatives of Mercosur (CRPM) of 2003; and the Mercosur Parliament, who begin to work in 2007. A small regional fund to reduce asymmetries (FOCEM) was also created in 2004 which began to operate in 2007. Aside its democratic clause, it's important to remember that Mercosur has a relevant agenda in the social and labour fields.

However, Mercosur stalled economically and the custom union has been damaged due to the proliferation of unilateral measures adopted after the Brazilian crisis of 1998 with the devaluation of the real, and the following Argentinean crisis of 2001/2002 that brought a big devaluation of the peso. These crises weakened Mercosur, instead of creating an opportunity to strengthen of this group. Partly as a result of these measures, Intra-regional trade shrunk, but also as the result of the big increase of exports to Asian economies, making the regional market less appealing. The smaller members, Uruguay and Paraguay increasingly see themselves as losers of this integration process because of the protectionist and sometimes bullying attitudes of their two biggest partners. The institutional structure and the processes of decision-making continues to be marked by a inter-governmental design in which it's not clear for some of the member countries if the Mercosur norms are legally binding, unless a national law to internalize them is passed. Other problems remain: the issue of asymmetries isn't really solved. Bitter bilateral disputes had arisen between Argentina and Uruguay. The governments reacted with a strong nationalistic posture and looked outside Mercosur for a third party to mediate. Mercosur is losing its internal cohesion as a bloc. Paraguay and Uruguay are already assessing the possibility to look for bilateral trade agreements with the United States, putting aside the Mercosur disciplines. Lastly, the membership of Venezuela from 2006 is an additional factor of instability for this group.

*Andean Community of Nations (CAN)*: the Andean Group recovered from the crisis of the eighties with an ambitious program to re-establish a free trade area, and advance towards a custom union in agreement with the Barahona Act of 1991 and the successive decisions adopted in 1994 and 1995. Additionally, a number of trade agreements were signed between the CAN and Mercosur to create a South American free trade area in the years to come. The Trujillo Protocol of 1997 modi-

fied its institutional framework, setting up the CAN and the Andean System of Integration (SAI) with a General Secretary. Other decisions were taken to promote a reinforced co-operation in the fields of peace and security and free movement of persons. However, Peru did not participate in the whole of this process until the next decade. In the economic realm, the Andean Group never reached significant levels of intra-regional trade because the lack of economic complementarities and adequate transport connections. During this decade, the worst problems arrived: the program to create an Andean custom union was delayed with a number of decisions adopted between 2004 and 2007 and finally discarded in order to make feasible the negotiation of bilateral trade agreements between Ecuador, Colombia and Peru with the United States. Arguing that these agreements could mean the end of the CAN, Venezuela quit this group in 2006 to be a member of Mercosur. All those elements caused a deep crisis in the CAN and opened up a intense debate about the supposed benefits of a common external tariff. In practice, the crisis downgraded this group from a custom union to a more flexible free trade zone, but it's compatible with closer links with Mercosur and Chile. Specifically, Chile asked for the status of "associated member" with CAN in 2007.

*Central American Integration System (SICA)*: the Central American integration process collapsed in the eighties, but in 1990, member countries decided to adopt an "open regionalism" scheme to create a free trade area and later, a custom union. The main legal instruments which reformed this group were: the Protocol of Tegucigalpa of 1991 in the political realm; the Protocol of Guatemala of 1993 which renewed the economic framework for integration; the Social Integration Treaty of 1995; and the Treaty of Democratic Security also adopted in 1995.

The group recovered quickly achieving significant levels of intra-regional trade, but around 1997, the Central American integration stalled, making it noticeable that the commitment to the process of its members was very different. The institutional framework created was too complex and ineffective (CEPAL 1997) and some difficulties arose to harmonize national norms and to overcome a number of non-tariff barriers. Later, the Central American integration process adopted a pragmatic approach with different degrees of integration among countries and policy areas, and some countries guided the process with more demanding deals in fields like the custom union or the free movement of people.

From 2000, the Central American integration advanced again, with the support of external actors like the United States, who demands a common stance to negotiate a free trade agreement, and the European Union, who is asking for a completion of the custom union, and other commitments in order to sign a "Partnership agreement" including a bi-regional free trade area. SICA has achieved a share of

intra-regional trade higher than those of Mercosur or the Andean Community, particularly in manufactured products, and with a significant participation of small and medium enterprises (SMEs). In 2007, the custom union was almost completed and the member countries tried to reach a deal about concerning the distribution of tariff revenues. In December 2007, a new covenant about the custom union was agreed. Albeit the mood in Central America is optimistic about the future of SICA, several challenges remained: the institutional framework is dysfunctional and ineffective, partly because its inter-governmental nature; it's in an urgent need of a reform; there isn't legally binding norms, and frequently the member States don't feel themselves committed to apply the decisions commonly adopted.

With this background, what's the general balance of regional integration of the period 1990–2005? If intra-regional trade is taken as the indicator, it grew faster than total trade in the nineties in all the groups, although later this trend changed for the South American countries (see graphics 1 to 3 at the end of the chapter). The cumulative figures for Latin America as a whole show big increase – it multiplied by five from 1990 to 2005. The Regional market is more important today than in the past for manufacturing and SMEs and for goods with more added value (Devlin 1998: 27). However, despite the broad liberalization achieved in each regional group, intra-regional trade is a small share of the total. This share has been decreasing in the last years in Mercosur and the Andean Community. Its performance has been highly pro-cyclical, as could be seen in the “twin crisis” of Mercosur in 1998 and 2001/2002. A number of causes have been pointed out to explain this adverse evolution: lack of economic complementarities; deficiencies in transport infrastructure and physical integration; unilateral measures; macroeconomic instability and the impact of financial crisis; the effect of non-tariff barriers; and the strong growth of commodity exports to Asia, particularly from the Andean and South American countries.

As general conclusions, in first place it can be argued that it has been a regionalism “partial” and “selective”. Despite the widening of the agenda to different policy areas, trade liberalization has been the most important issue, but the results are mixed. Mercosur, CAN and SICA managed to establish free trade areas with a broad coverage in goods, but a number of exceptions and non-tariff barriers remain. Paying attention to custom unions, the results are mixed, and only Central America seems to accomplish this goal. In all the groups, the liberalization of services, public procurement or cross-border investment has been comparatively lesser. To a certain extent, more emphasis has been put on the policy areas that Jan Tinbergen called the “negative integration” agenda, focusing in the removal of barriers to free trade, rather than on the “positive integration” agenda, focusing in

the setting up of common policies and institution building. The governments have not been aware of the potential advantages of regional integration in fields like research and development (R+D), innovation, physical infrastructure, or energy, as suggested by (infrequent) examples as the interconnection of the electrical grid in Central America. This insufficiency is a prominent feature regarding the problem of social and territorial asymmetries and the absence of common mechanisms to ease the costs of adjustment. The social agenda, with the partial exception of Mercosur, has been weak.

Second, from the political perspective, Latin American regionalism can be considered “lite”. As said earlier, Latin American integration has been characterized by the primacy of inter-governmentalism and the entrenched rejection of supra-nationalism. That stance is founded in a deep-rooted nationalist political culture. The consequences are twofold: First, it means the lack of common legally binding rules, the weakness of the existing norms and dispute-settlement mechanisms, resulting with low effectiveness in the decision-making processes that are subject to the rule of unanimity. Another consequence is the refusal to build strong institutions and policies in the regional level. A common position in some Latin American governments is “we don’t want bureaucracies like the Brussels one”; but the reality of existing regional institutions suggests that worse situations exist such as not having them or not providing institutions with the powers to function competently.

But inter-governmentalism is more a symptom than a cause. An intergovernmental framework could be effective if there is a basic agreement for policy coordination, but frequently, priority is placed in domestic agendas, priorities and interests. The proliferation of institutions, bodies and decisions aggravates this problem and erodes the legitimacy and credibility of regional institutions. A revealing example can be found in a study commissioned by the Regional Program to Support Central American Integration (PAIRCA), funded by the European Commission. This study shows that in the last 20 years, there were 126 presidential meetings – about 6.3 per year. Furthermore, from 2000 to 2006 the average increased to 11 per year. In this last period, these meetings generated 247 presidential mandates; but 85 % of them have not precise terms and there isn’t any regional institution or body in charge in 25 % of them. Finally, only 54 % has been accomplished, although the figure rose to 92 % if the mandates in process are included (SG-SICA 2006).

Third, this regionalism has been “disperse”, subject to strong centrifugal forces. From the second half of the nineties, regional integration has been eroded by extra-regional commitments, particularly in trade. The main cause lies in the proliferation of trade talks – bilateral, inter-regional, multilateral and plurilateral. The uncertainty about the future of the WTO negotiations and the expectations opened

up by trading partners in other areas has encouraged this “multiple-level playing” by Latin American and Asia-Pacific countries, the United States and the European Union. Sometimes, the regional and extra-regional agendas with their commitments overlap, so they can be contradictory or excluding, particularly in issues as tariffs or origin rules. The resulting “spaghetti bowl”, in the words of Jagdish Bhagwati, weaken the internal cohesion of each group and it could jeopardize the process of harmonization of rules among different groups, particularly between CAN and Mercosur.

## **“SOUTH-NORTH” AGREEMENTS: PROS, CONS AND DILEMMAS FOR LATIN AMERICAN INTEGRATION**

From 2000, the number of agreements signed or in process of negotiation between Latin America and rich countries has increased. This is true particularly of the free trade agreements pursued by the US after the failure of the Free Trade Area of de Americas (FTAA), and the so-called “Partnership Agreements” proposed by the European Union. The pursuit of this so-called “South-North” economic integration agreements could be explained by several causes. First, both Central America and the Andean countries benefited of non-reciprocal preferences from the United States and the EU. However, the new rules of the WTO concerning regional non-reciprocal trade preferences, established its temporary nature and the requirement to replace them by general preferences of non-discriminatory character, or by reciprocal RTAs. Second, the uncertainty about the future of multilateral trade negotiations and the own regional integration schemes induced the opening up of bilateral or bi-regional trade talks, both for developed as developing countries. Third, these agreements could provide guaranteed market access for Latin American exports to the United States or the European Union, reducing the risk of changes in the current non-reciprocal preferences granted unilaterally by both export markets. Fourth, this “South-North” agreements have a broad coverage and deep liberalization commitments, well beyond the current multilateral talks. For this reason, sometimes they’re labelled as “WTO-plus” agreements. That means a set of legally binding norms wider and deeper than those created by the regional integration groups. This set of norms, consequently, generates more certainty and legal guarantees for investors. They also establish a more competitive market and therefore, greater incentives for competitiveness and efficiency.

However, all these perceived advantages must be balanced with the potential and actual costs of the “North-South” agreements for development. The agreements are located in the realm of international law; its legal effects are the equivalent of

an “external Constitution” for economic policy (Gill 1995, 1998). For this reason, these gains in certainty and confidence also imply a loss in autonomy in the design and implementation of development and economic policies. Furthermore, due the asymmetrical nature of the negotiations, the outcomes could be strongly unbalanced and biased towards the interests of the advanced economies. If the potential impact of liberalization and the related adjustments costs are neglected, Latin American countries could suffer a heavy price in terms of productive capacity and employment with increasing poverty, inequality and social exclusion. The supporters of free trade usually dismiss these dangers. However, after ten years of operation, some evaluations of NAFTA (Audley 2003; Hufbauer et al. 2003; Lederman et al. 2003; Kose et al. 2004; Reid 2006) clearly show that these outcomes have appeared because the agreement disregarded the asymmetries among partners. The United States government rejected by principle to fund any compensation package and the Mexican government scarcely carried out the minimal active policies needed to ease the costs of adjustment, to foster changing production patterns, and to promote competitiveness in the less productive sectors. NAFTA hasn’t generated the expected growth gains; the net increase of employment has been small; and the territorial differences of income between Northern, Central and Southern Mexico has increased. In conclusion, it may be argued that Mexico is better off with NAFTA than without it; but there isn’t enough reason to affirm that NAFTA is an agreement well suited to the development needs of Mexico. However, the problem is also that Mexico hasn’t had a comprehensive development policy, but uses NAFTA as a poor replacement.

Regarding regional integration groups, the North-South agreements raised a number of concerns. In the short term, the dynamics of bilateral negotiation with the United States has caused major division among the members of the Andean Community. Three countries, Colombia, Ecuador and Peru (although Ecuador backtracks afterwards), pushed for a decision to delay an Andean custom union and later they discarded this goal to make possible those bilateral free trade agreements. These RTAs provided the immediate excuse for the Venezuelan government to abandon in 2006 the Andean Community and to ask for membership to Mercosur – although this position was also the logic consequence of the strong stance of the government of President Chávez against the “neo-liberal character” of the Andean Community. In Central America, the situation had been quite different. The United States negotiated each bilateral agreement within a regional framework. This encouraged the settlement of common rules in fields like intellectual property rights or investment protection, but with some significant differences in tariffs that shall affect the completion of the Central American custom union. In a marked contrast, the

European Union demanded the deepening of regional integration in both groups to make feasible “bi-regional” free trade areas – particularly the creation of their promised custom unions as a requisite to start the negotiating round. In this respect, the European Union acted as an “external federator” of the Andean, Central American and Mercosur countries. However, the results have been limited. Lastly, only the Central American integration can be considered a success for the European “inter-regionalist” strategy (Sanahuja 2007).

In the long term, the deepening of economic integration through bilateral “South-North” free trade agreements raises deeper problems for the future of regional integration in Latin America. They will drive to discriminatory effects against intra-regional trade, eroding the economic incentives for regional integration. Additionally, as stated above, the coverage of the South-North agreements is wider than regional South-South agreements, providing stronger legal guarantees and dispute-settlement mechanisms and norms. However, this means that regional norms and mechanisms related to trade could be condemned as irrelevant, giving more significance to other dimensions in the realm of “positive” integration. In the short term, the regional integration groups will be pushed towards an adaptation of its norms, toward those established by the “North-South” agreements. This could foster the convergence of the different regional groups of the region, but in the long term, both kinds of agreements will not be compatible unless Latin American integration is re-defined and the main focus shifts from trade to other policy areas.

## **UNASUR AND THE SOUTH AMERICAN INTEGRATION: POTENTIAL AND DIFFICULTIES**

Paradoxically, the South American Union of Nations (*Unión Sudamericana de Naciones*, *Unasur* by its Spanish acronym) has emerged during the very moment in which Latin American integration has crossed the worst crisis from its rebirth around 1990. On one hand, this could be interpreted as a realisation of that crisis with the intent to overcome it by renewing the rationale, goals and agendas of regional integration. On other hand, it also reflected and widened the growing fracture between North American integration that was increasingly tied to Washington and the South American integration project launched under the leadership of Brazil. Unasur is at a great extent a Brazilian design, departing from the presumption that Mexico and Central America will be increasingly tied to the United States. Simultaneously, this project promotes these ties while it supports the leadership of Brazil by moving away Mexico, its sole potential rival in the region. As a scheme, CSN/Unasur is perceived able to satisfy different strategic interests of all his mem-

bers (Cardona 2006). Aside of the regional leadership, Unasur could give to Brazil wider markets for his manufactures; energy resources; better access to the ports and markets of the Pacific ocean; and more leverage in his global agenda. Chile sees in Unasur a regional framework to soothe the potential conflict with its bilateral relations with Argentina and Bolivia, and to obtain better provision of gas. For Bolivia, Unasur could be a regional anchor for stability, and to provide a regional market for its gas exports; to back and attract investments in infrastructure; and a way to improve the access to the Pacific ports of Chile. Peru could strengthen its role as a gate to the Pacific markets. Although with less interests at stake in Unasur, Ecuador and Colombia could diversify their foreign relations, which until now focused too much on the United States. Venezuela could develop its economic complementarities in energy with Brazil. It also sees Unasur as a tool to increase his regional influence.

Unasur departed from the South American Summitry process which began in 2000, but which was formally created in December 2004 in the III Presidential Summit of Cusco (Peru) as South American Community of Nations (*Comunidad Sudamericana de Naciones*, CSN by its Spanish acronym). Although the initial concept was to advance the convergence of South American integration schemes in a sub-regional free trade area, CSN was initiated with the aim to create a group with a strong political mission and with specific allusion to the European Union as a political reference for this group.

According to Cusco Declaration, the CSN is founded in three main components. The first is policy coordination in the field of foreign policy. The second is the creation of a South American free trade area made of the convergence of the Andean Community, Mercosur, Chile, Surinam and Guyana. This convergence results from the outcome of a number of trade agreements adopted under the rules of the Latin American Association of Integration (*Asociación Latinoamericana de Integración*, ALADI by its Spanish acronym). The third component is the Initiative for the Integration of Regional Infrastructure in South America (*Integración de la Infraestructura Regional de Sudamérica*, IIRSA by its Spanish acronym) which is a regional program from 2000 backed by the Inter American Development Bank (IADB) and the Andean Development Corporation. The program aims at the enhancement of the sub-regional transport networks, and the construction of a number of inter-oceanic haulage corridors in South America. IIRSA includes a total of 10 transport axes, and 350 projects already identified. This last element of transportation is very important for regional integration because it is the first time that physical infrastructure is planned with a regional perspective (Tanzi 2005: 10). In later summits, the agenda of CSN/Unasur has been enlarged with the integration of

energy infrastructure, the adequate treatment of regional asymmetries, and the financial cooperation through the creation of the *Banco del Sur*.

As it has been said, CSN/Unasur defines itself as a regional economic space with the aim to create a big South American free trade area. The mechanism chosen is a framework of ALADI agreements between the countries of the Andean Community and Mercosur. With the enforcement of these agreements, 80 % of trade between these two groups will be liberalized and the other 20 % will be freed up in the next 20 years. This strategy wisely preserves the valuable stock of trade liberalization achieved in the past by both regional groups. However, this liberalization process faces some important obstacles: the cyclical nature of trade flows between both regions; the chronic deficit of the Andean economies with its southern partners; and the regional asymmetries. The need to assure the convergence of rules between all the ALADI agreements already in operation is also important (Cienfuegos 2006; Comunidad Sudamericana de Naciones 2006).

Despite its broad and ambitious agenda, CSN/Unasur can be seen as an expression of the Latin American choice for a “lite” regionalism of intergovernmental nature. Until 2007, it lacks a constituent treaty or legal personality. In the political realm, there has not been an agreement to establish a small secretariat. The General Secretary of Unasur is yet to be established in Quito, Ecuador. Concerning trade, CSN/Unasur power of governance lies in the institutions that already exist, specifically the CAN and Mercosur ones. Additionally, CSN/Unasur supposes an important opportunity cost for the Group of Rio (GRIO). Unasur is considered both by Venezuela and Brazil to be better shaped than GRIO to satisfy their interests and international stance, but aside of an occasional Summit with Arab countries, both countries privileged bilateral or other mechanisms for it.

Perhaps, the main obstacle that CSN/Unasur has faced from its inception is the clash between the Brazilian and Venezuelan visions about the nature, contents and institutional design of this new regional group. The government of Venezuela has had partial support of the Bolivian and Ecuadorean governments in its vision of Unasur as the successor of CAN and Mercosur, and also the vision of Unasur as an alternative for the “neo-liberal” model underpinning both regional groups. On the contrary, the government of Brazil, with the support of the governments of Argentina, Chile, Peru, Colombia, and others, sees Unasur as a political umbrella for the South American integration schemes that already exists in the fields of trade, infrastructure, energy and financial cooperation.

This schism between Brazilian and Venezuelan interests comes out in the CSN summits. In the first Summit of 2005, President Hugo Chávez of Venezuela rejected the final declaration by arguing that CSN must replace CAN and Mercosur, there-

by preventing an agreement about the establishment of a regional free trade area in 2010. Finally, the main disputed issues were postponed. It was decided to establish a “strategic assessment committee” about the future of South American integration. The report of this committee was presented in the second CSN Summit at Cochabamba, Bolivia in December 2006. However, there was not discussed, and nothing was agreed about the institutional design or the future competences of CSN/ Unasur. In the first summit about energy at Isla Margarita, Venezuela in April 2007, a number of minor agreements were reached regarding replacing the name Unasur for CSN; the establishment of a General Secretary in Quito, Ecuador; and the appointment of Rodrigo Borja as General Secretary.

Despite these first steps to institutionalise Unasur, the disagreement about its future remains. Venezuela continues to pursue its own integration projects that include the People’s Integration Treaty (*Tratado Comercial de los Pueblos* or TCP) and the Bolivarian Alternative of the Americas (*Alternativa Bolivariana de las Américas* or ALBA). However, both projects lack economic substance beyond the exchange of oil and hydrocarbons at preferential prices. Some cooperation exists in programs of technical co-operation that involve Cuban doctors and teachers supported by Venezuelan petrol money. The TCP was subscribed as the trade instrument of ALBA in May 2006 by Bolivia, Cuba and Venezuela. The TCP rejects the principles of free trade, and therefore is based on a mechanism of government-led trade compensation. Therefore, it’s doubtful whether it could provide the economic gains in competitiveness to change of production patterns that the theory of integration predicts, and its geographic coverage is limited. Moreover, Bolivia and Nicaragua have adopted a pragmatic approach. Bolivia remains anchored in the CAN, but looks for deeper links with Mercosur while it is participating in the negotiations of the Andean countries with the European Union. The October 2006 agreements of the Bolivian government with foreign oil companies, including Petrobras, indicates closer links with Argentina and Brazil and furthers the pursuit of more autonomy in its energy model and foreign policy. Ecuador is also following an autonomous path in relation to ALBA and TCP. The government of Nicaragua shows a particular mix of radical rhetoric with a pragmatic foreign policy that tries to benefit from the oil largesse of Venezuela, but at the same time, tries to remain linked to the United States in CAFTA

Potential gains for integration exist because of the coexistence of countries with big energy reserves such as Bolivia and Venezuela that are offset with those countries with growing energy needs to sustain economic growth such as Brazil or Chile. (Sennes and Pedroti 2007). The costs of “non-integration” concerning energy could be huge, involving bilateral disputes caused by increasing energy demand that

could cause more uncertainty by the dependency on extra-regional suppliers or markets. Non-integration might result in the use of costlier or environmentally unfriendly alternatives, such as nuclear or hydro power energy, for countries with increasing energy needs; and less government revenues for gas-exporting states that need resources for social and productive policies.

The energy crisis of 2001/2002 in Brazil and the disputes between Argentina and Chile in 2003/2004 regarding gas supplies are examples of these risks and costs. The agenda of a regional approach for energy integration includes three main issues: 1.) the planning and construction of the infrastructure needed to link reserves and consumers; 2.) the financing of these infrastructures; and 3.) the setting up of common regulatory arrangements with legal guarantees for governmental, public and private operators.

Energy integration became a central issue in the agenda of CSN/Unasur within the international context of increasing demand, instability in oil markets, the Iraq war, the risk of conflict in Iran, and growing concern for energy security. Within this context, oil nationalism is increasing elsewhere. Some producer countries try to use oil and gas as a development and foreign policy tool. This trend is present in South America with specific features. From 2000 to 2007, the developments in the geopolitical scenarios of South America show that national approaches became paramount; suboptimal outcomes and bilateral disputes are now a real risk. The South American countries have seen this issue with different combinations of nationalism and pragmatism. Chile, the most pragmatic, has seen in regional integration the best way for energy security, overcoming bilateral conflicts with Argentina and Bolivia. Brazil pursued a strategy of self-sufficiency and the consolidation of Petrobras as a regional player. The government of Venezuela has displayed a highly ideological strategy by trying to gain more autonomy from his main consumer, the United States, and by supporting its South American leadership and alliances. With these goals, Venezuela created devices as Petrocaribe and Petroamérica to create joint ventures with national oil companies and deliver it with preferential financing. Venezuela also pushed for a radical nationalization of foreign oil companies in Bolivia, including Petrobras, with the aim of getting a dominant position for the Venezuelan state oil company PDVSA (*Petróleos de Venezuela, Sociedad Anónima*) after the nationalization. The construction of the *Gran Gaseoducto del Sur*, a huge gas pipeline between Venezuela, Brazil and Argentina, was other important element in the Venezuelan geopolitical design to control the main gas reserves and markets of the region.

However, this design proved to be illusory. The agreements reached by the government of Bolivia with the foreign oil companies at the end of 2006 revised the position of Petrobras. These agreements also preserved the autonomy of the government

of Bolivia to pursue its own price arrangements with Argentina and Brazil. In retrospect, the Brazilian-Venezuelan agreement for the construction of the *Gaseoducto del Sur* could be interpreted as a strategy to coax Bolivia into a more cooperative stance towards Petrobras than a long-term energy alliance with Venezuela.<sup>1</sup> The energy co-operation between Brazil-Venezuela began to break apart when Brazil resented the influence of Venezuela in the events in Bolivia. The disagreements erupted bitterly in the Energy Summit of Isla Margarita in April 2007, when President Chávez disapproved the Brazilian preference for ethanol and biofuels. In 2007, Brazil announced new substantial offshore reserves in oil and gas at Tupí. This was followed by a quiet retreat by Petrobras of the joint venture in Venezuela at the Mariscal Sucre gas complex which may indicate the dissolution of the project *Gran Gasoducto del Sur*, if such a cooperative alliance had been feasible.

Other regional infrastructure projects also face obstacles in their implementation and reveal that emphasis has been put on interconnection, rather than on integration. The “South American gas ring” that could link the gas fields of Camisea (Peru) with the Mercosur countries and Chile, could be another political manoeuvre to restrain the Bolivian government. It’s not clear whether it will be cost-effective without Bolivian gas. Additionally, the lack of a common regulatory framework could inhibit potential investors.

Venezuela also promoted a new financial institution, the *Banco del Sur*, as an ambitious regional alternative to the International Monetary Fund (IMF) and the World Bank. The other partners, particularly Brazil, delayed and watered down the project. Based in a proposal by President Chávez of August 2004, the original initiative was a hybrid of a regional reserve fund to provide contingency loans in situations of financial crisis, and a development bank to finance big infrastructure projects. Resources could come from the reserves of the central banks of the member states, and the emission of bonds backed by their reserves. On December 9, 2007, after long negotiations, the Bank was formally created in Buenos Aires in a ceremony marked by the inauguration of Cristina Fernández de Kirchner as Argentina’s President. Important issues such as the statutes, the assets and the distribution of voting rights remained to be settled. Member countries agreed to extend a 60-day period to reach a final deal. At the end of the day, the credit of approximately 7,000 million dollars of the new institutions seemed to be nothing more than a modest credit institution to provide concessional loans. The mission and size of the new institution is very small and likely redundant when it is compared with the 67 billion in assets of the Inter-American Development Bank or the 10 billion of the Andean Finance Corporation.<sup>201</sup>

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1 “Gas ring. Chile’s search for reliable suppliers”, *The Economist*, 18th August 2005; “Energy in South America: The explosive nature of gas”, *The Economist*, 9th February 2006.

All those developments reveal the limits of the regional project of Venezuela. The main obstacle for launching Unasur as a viable project lies in the conflicting leaderships of both Brazil and Venezuela. Without a clear sense of direction, regional integration is difficult to promote. Neither the highly ideological vision of Venezuela, nor the “benevolent hegemonism” of Brazil can now provide it. Other countries lack the influence or determination to do it. Under the Kirchner government, Argentina is absorbed in its own internal problems, and Chile remains cornered in a peripheral position in the debates about South American Integration as a result of its distinctiveness.

In the long term, it's the leadership of Brazil the one that really matters. The conformation of the South American space owes much to the Brazilian driving. The Brazilian leadership, according to Sennes and Tomazini (2006: 44) has been characterized by the leading role of diplomacy and state actors. However, other private or semi-public entities such as the National Bank for Development (*Banco Nacional do Desenvolvimento*, BNDES) and Petrobras also have an important role in the region. Educated in a strong realist tradition, the different Brazilian governments and the diplomatic service remained committed to a nationalist vision of the national interests. Brazil is naturally inclined to use its heavy economic and political weight to pursue its own goals – regional and global – to minimize the costs and concessions. In avoiding deep commitments in trade, finance or foreign policy, Brazilian diplomacy has shown a preference for intergovernmentalism and for agreements with a low level of institutionalization. Brazil needs its South American and “Mercosurian” partners to pursue its global goals, to enhance negotiating power with the US and Europe and to strengthen its position within the multi-lateral talks. However, at the same time, it doesn't accept easily the costs of its leadership, particularly to the ones related to accepting common rules inside the bloc (Valladão 2007).

At the same time, Brazil has developed a benevolent and overestimated self-perception of its foreign policy and its relationship with its neighbours. But perceptions about this leadership are rather different within the region. By defending its interests without recognizing the existing asymmetries and the need to make political or economic concessions, Brazil's stance has annoyed its poorer partners in Mercosur and CSN/Unasur (Ayllón and Viola 2006). However, there're two events that could reveal changes in the Brazilian position. One is the participation of Brazil in regional transport networks such as the Santos-Arica inter-oceanic highway, and another is the embryonic Brazilian commitment with regional asymmetries such as the creation of the Structural Convergence Fund of Mercosur (*Fondo de Convergencia Estructural de Mercosur*, FOCEM) which is endowed with a small amount of 100 million of dollars. But South American integration demands more than this, and Brazil has economic

and political clout enough to assume the real costs of regional leadership. The challenge to design a basic agreement for the future of South American should integrate the legitimate interests of Brazil; yet give the political space and economic incentives sufficient for participation of other countries.

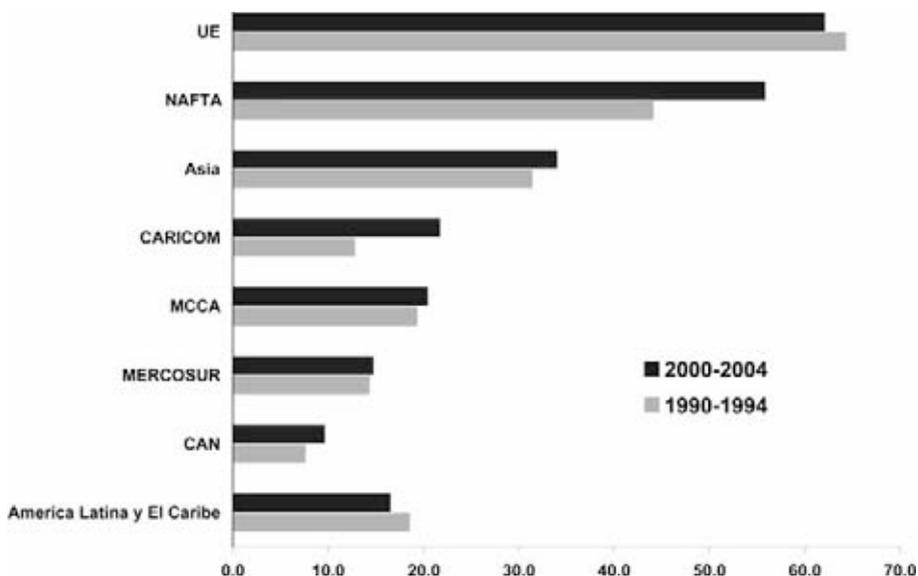
## CONCLUSIONS AND PERSPECTIVES

Although it's a common place to talk about the crisis of Latin American regional integration, this crisis is not terminal. It's more a crisis of the model of "open regionalism" of the nineties, than a crisis of regional integration as such. This crisis closed a stage of fifteen years of integration with trade liberalization at its core, but at the same time the crisis could facilitate the appearance of a new rationale and renewed strategies emphasizing the "positive" agenda of integration, focused on common policies in the field of energy and infrastructure, finance, and transport and communication networks

A relevant element in that crisis is the new wave of South-North Agreements with the United States and the European Union. In some cases, they represent a centrifugal force. For the long term, they aren't compatible with the current schemes of regional integration and its commitments to create custom unions and regional regulatory schemes. The South-North agreements raise difficult dilemmas: in front of them, Latin American integration needs to find new rationale, aims and policy agenda, or be condemned to irrelevance. The new agenda must be focused in common policies aimed with changing of production patterns to encourage competitiveness, helping countries to face the challenges of globalization, and providing economic and political stability with energy security and other regional public goods.

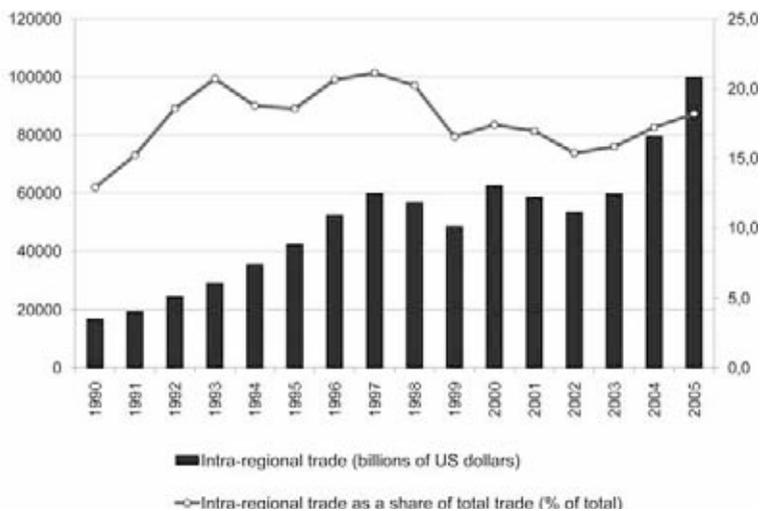
Indeed, the evolution of Unasur from 2005 reveals that a new agenda is emerging. A big potential exists in policy coordination in a number of fields, in energy integration and in the creation of regional transport networks. However, in some countries the vision and positions about Unasur are based on ideological voluntarism or a traditional agenda of national interests which makes it difficult to find a regional consensus about its design and priorities. The consolidation of Unasur is dependant on Brazil for constructive leadership in the region and a realistic adjustment of the Venezuelan regional goals. The convergence and harmonisation of rules between the CAN and Mercosur must be also ensured to provide Unasur with a sound economic foundation. The stakes are high: Unasur could be a relevant regional space to improve the South American strategies of development, social cohesion, democratic governance and international stance of South American countries, while it also provides South America a bigger role in the global system.

Graphic 1: Share of intra-regional trade in total trade



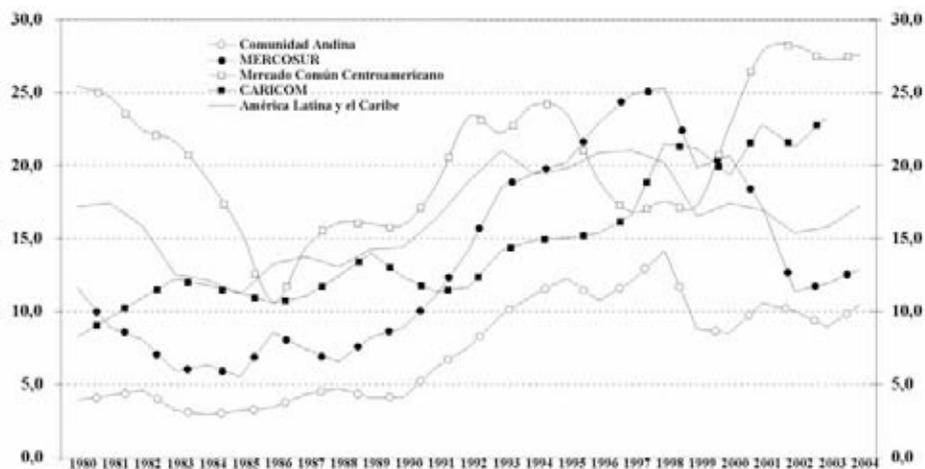
Source: ECLAC

Graphic 2: Latin America. Evolution of intra-regional trade, 1990–2005



Source: ECLAC

Graphic 3: Evolution of intra-regional trade, 1980–2004, % of total trade



Source: ECLAC

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# DRIFTING APART: OLD AND NEW CLEAVAGES IN LATIN AMERICA

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This text was prepared for delivery at the International Conference, "Election Year 2006: Latin America at the Crossroads (Again)?" University of Economics, Prague, November 23, 2007. I am extremely grateful to Alexandra Barahona de Brito for comments.

## INTRODUCTION

Over the last decades, Latin America has undergone a set of far reaching socio-political transformations. However, the nature and depth of these changes are frequently exaggerated or misinterpreted. In this article, I argue that the continuities have been as significant as the changes. To support this view, I first discuss three elements of continuity: nationalism, populism and an economic structure based on the export of primary goods, and secondly, three elements of change: the widespread introduction of democracy, the political mobilization of ethnic or indigenous identities, and the adoption of ever more disparate strategies of international insertion. The conclusions suggest that, given that there is a heterogeneous distribution of both the continuities and changes across countries, the prospects for the region are of increasing fragmentation and divergence.

## NATIONALISM

Over the last years, candidates on the left of the ideological spectrum have won the majority of presidential elections in Latin America. After a decade of policies favoring “capital,” various observers think that this turn toward a discourse that is more sensitive to the needs of the less fortunate is hardly surprising. However, it is becoming increasingly clear that this ideological reflux does not have just one variant, but at least two. On the one hand, there is a group of countries ruled by internationalist, social-democratic-like parties and, on the other, there is a cluster of governments that look rather nationalist-oriented than left-oriented, in regards that they vow to represent the whole people or the nation rather than class interests. Not coincidentally, the latter cases are characterized by a windfall of resource bonanza (Weyland 2007).

Examples of the first include Brazil, Chile and Uruguay. Examples of the second are Bolivia, Ecuador and Venezuela. In 2006, Peruvians had to choose between a social democratic option, represented by Alan García, and a nationalist, led by Ollanta Humala. The victory of one or the other was set to change the balance of power between these two versions of the Latin American left. In the months leading up to the election, public opinion shifted toward a positive reappraisal of the government of outgoing president Alejandro Toledo, and toward a less positive view of Bolivia and Venezuela, and one more closely identified with the United States. This “turn to the right” was partially the product of sustained economic growth, although the verbal incontinence of Humala and his family and interferences by Hugo Chávez also played a part. The result of the Peruvian elections dealt a harsh blow to the national-

ist bloc. The García victory made it quite clear that the Chávez-Morales axis and its capacity to exert a regional attraction had reached its limits. One should also not ignore the fact that policies such as those adopted in Venezuela and Bolivia are possible in countries exporting gas and petroleum, but not as applicable in countries that must generate wealth rather than pump it out from the underground.

As decided by Bolivian president Evo Morales, the nationalization of hydrocarbon reserves does not produce but rather reflects an important transformation. A few decades ago, the Latin American “curse” was “the deterioration of the terms of trade.” This meant that the natural resources that the region exported were always decreasing in value, while the industrial manufactured goods that it imported were increasingly more expensive. This is no longer the case: the “Bolivarian Revolution,” if such a thing can be said to exist, is based on high international oil and gas prices. Exporting commodities is, in the short run, an advantage. Over the long run, however, the reverse is true. What economists call “the resource curse” suggests that countries relying on a single predominant natural resource do not succeed in developing economically. Another historical fact is that having oil as leading source of national income is neither compatible with strong institutions nor with civil liberties. There are no known petro-democracies.<sup>1</sup>

The Morales shift is illustrative of another novelty. Anti-U.S. sentiment is still strong in South America, but the new imperialism is Brazilian and Spanish. When the Bolivian government decided to nationalize oil, it sent troops to surround the Petrobrás and Repsol-YPF offices. The companies accused of exploiting Bolivian resources and paying ruinous prices for them were not Exxon and Texaco. The victims of Bolivia’s “sovereign decision” (dixit Lula) are companies from two countries that are among its closest foreign friends. The *españoles, fuera* and *brasileiros, vão para casa* of today have replaced the *Yankee Go Home* of the past. Progressive governments, like those of Lula and Rodríguez Zapatero, are at a loss to figure out how their countries have become imperialist exploiters of the third world; but that is how the poor, whom they wish to help, perceive them.

Chávez’s influence was apparent in the nationalizing decision adopted by Morales. The irony is that, while Bolivia went ahead with policies that hurt the interests of companies of friendly countries, Venezuela continued to sell most of its oil to the U.S.

In Europe, nationalism promoted territorial concentration through the creation and consolidation of national states. In Latin America, where frontiers have been

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1 This is not to say that there are no democracies with oil, as is the case of Norway and the United Kingdom; but in these countries the economy is largely diversified and oil production and exports do not account for more-than-half the share of national production.

substantially stable for centuries, nationalist fervor does not contribute to the creation of new states but rather to separate existing ones, even if neighboring and friendly.

## POPULISM

Mussolini used to say that “governing the Italians is not difficult, it is useless.” There is a political concept lurking behind this ironic reference to the chaotic and rebellious spirit of Italians that can apply to other Latin peoples. The underlying notion is that if governing is useless, the institutions of government are useless as well.

Parliaments, elections and parties thus become unnecessary ornaments. Whoever is familiar with the history of fascism and its founding figure will be aware that fascists were not resigned to anarchy. What they stood for was not government but leadership. It was about directing the people toward the destiny laid out by the leader, not about negotiating agreements or establishing shared rules. Fascism was an extreme version of a broader phenomenon – populism – which can be defined as the strategy or political regime that postulates a direct, institutionally unmediated relationship between the leader and the masses (Weyland 2001).

Populism is being talked about in Latin America again because charismatic leaders are back. But the countries of the region can be differentiated according to how well they did during the liberalizing 1990s. On one side, there are those that grew and integrated efficiently with the global economy. Chile is the archetype, but Brazil is also in this group. Then there are those that obtained mediocre results, such as Mexico and Peru, and finally there are those that exhibit rather catastrophic records, such as Argentina and Venezuela.

It is oft repeated, with some impunity, that Latin America is “turning to the left.” But we need to be more precise. Both Chávez and Lula call themselves progressive, but their positions on the market economy, relations with the US, or Iranian nuclear power, are diametrically opposed. In addition, when it comes to institutions, their views are at the antipodes. Lula has vindicated the developmentalism of past military governments and maintained the economic policies of Fernando Henrique Cardoso. Chávez, by contrast, has changed the constitution, the flag and even the name of his country, rejecting the past and proclaiming a continental revolution. Few would accuse Lula of populism; both supporters and detractors say Chávez is one, be it to praise or to criticize him.

What is the difference between center-left and populism? This is not the place to enter into complicated conceptual debates, so it must suffice to consider the empirical evidence. Where one finds the former, the latter is generally absent –and vice

versa. Parties that govern in Bolivia, Ecuador and Venezuela are called populist, and, remarkably, these countries have no significant moderate, left-to-center parties. By contrast, few would apply the populist label to the center-left governments of Brazil, Chile and Uruguay, or to any of the main parties in the opposition. This suggests that populism is a feature of countries rather than parties and thus raises a question: what do the so-called populist countries have in common that sets them apart from the others? The answer is limited democracies or institutional instability over the past 15 years.

Put differently, the movements that are called populist, be it critically or apologetically, flourish in societies that have not been able to stabilize political institutions. In these cases, presidents are removed indistinctly by elections or mass protests. By contrast, in countries where governments change only according to institutionalized and routine processes, such as elections, there is virtually no discussion about populism.

Populism is thus re-emerging, but not solely in response to the failure of neo-liberal reforms but rather as a consequence of fragile government institutions. Despite differences in form, however, this political phenomenon is not new in the region: it may not be homogeneous but it is endemic.

## THE PRIMARY-EXPORTING ECONOMIC STRUCTURE

Conventional wisdom has it that the wealth of a country relates directly with its natural resources: the more oil, the more fertile land, gold mines or reserves of potable water a country possesses, the richer it will be; but conventional wisdom is wrong (Karl 1997).

In eighteenth century France, there emerged the physiocratic economic school of thought. The physiocrats believed that the only wealth-generating activity was agriculture, as opposed to mercantilism, which emphasized trade. These thinkers did not believe that the manufacturing sector, which we would call industrial today, could aggregate significant value to raw materials. Their view was that wealth came from the land. Surprisingly, three hundred years later, many people – among the general public now, if no longer among economists – still have a similar belief.

A comparative exercise suffices to demolish the argument that associates natural resource endowments with national wealth. Let us place in one column all countries in decreasing order of wealth, and then regroup them in another column, according to their resource endowments. Then let us compare them. According to the 2005 ranking of the World Bank, the ten wealthiest countries, measured according to gross per capita income, were Luxemburg, United States, Norway, Switzerland,

Ireland, Denmark, Austria, the United Kingdom, and Belgium. Let us now consider the ten countries with the highest oil reserves: Saudi Arabia, Canada, Iran, Iraq, Arab Emirates, Kuwait, Venezuela, Russia, Libya and Nigeria (Central Intelligence Agency 2007). Oil is conceivably the natural resource that is in most demand on the planet, but its distribution is concentrated in few hands. If the relationship between natural resources and the wealth of nations were positive, the two groups of countries listed above could be expected to overlap, at least partially. They do not.

It is true, nonetheless, that among the countries in the first group there are some strong oil exporters, as is the case of Norway. It is also true that among the countries in the second group, there are some developed nations, like Canada. But what is notable is that these countries developed before they discovered and exploited their great oil reserves.

Is there any explanation for the fact that the countries with the greatest natural resources have not been able to develop? The answer is yes: there are many such explanations. One of the main ones is the “Dutch disease”, so called because of the shock suffered by Holland during the second half of the twentieth century, when a natural gas export boom (following the discovery of gas in the Dutch seabed) caused the decline of its industrial sector instead of leading to increased growth rates. The reason for this is simple: the national currency appreciated a lot and very quickly as a result of the torrential inflow of foreign currency. Because of this, exports of other goods declined progressively and the socio-industrial tissue got hurt, increasing unemployment and its negative social effects.

In addition to the economic impact, the concentration of the main exportable resources tends to have political effects. The most frequent is state centralization of the distributive process, which makes it easier for governments to exercise control over – and liberate them from the control of – the governed. It is no coincidence that the ten wealthiest governments in the world are democratic, while only one among the ten that possess oil reserves is undisputedly so (see Freedom House 2007 for democracy, and World Bank 2007 for development).

The economic history of Latin America shows that the “central” countries have always viewed the continent as a favored source of primary materials. From the time of the Conquest, the age of gold and silver mines, through the era in which Latin America provided Europe with leather, wool, and cereals, the production of primary goods and their export to developed states has always ensured a position for the region in international markets that did not require the creation of greater value added. Today, what the region produces and what the world wants is not food but energy products. This fact changes the focus from one country to the next, but vulnerability persists given the volatility of commodity prices.

Chile, Bolivia and Venezuela are among the countries in the region that are most dependent on primary exports, but only the former has managed to stabilize its economy and politics through the institutional sterilization of exceeding cash-flow and the development of anti-cyclical policies. Bolivia is in the worst position, as it has failed to put in place any effective measure against external shocks and financial turmoil. This country is not an important political player on the Latin American scenario, but it is a key energy supplier in a region whose economic growth calls for increasing amounts of energy. Chile, the neighboring country with the greatest energy deficit, looks at the Bolivian instability without any capacity to intervene, given that Bolivians consider it a historical enemy. But, above all, Bolivia's unpredictability is a concern to Argentina and Brazil, for the same reason that Venezuela is a source of worry to the United States: not because it can export revolution, but more because it can cease to export energy – or otherwise causing turbulence in the energy market. The vulnerability of energy-producer countries thus spills over the region, propagating risk rather than wealth.

## **DEMOCRACY (AND NEW INSTABILITY)**

Until two decades ago, Latin American political crises used to end in military coups. This began to change in the 1980s, when democracy spread to the ten main countries of the subcontinent. From that time on, the Armed Forces have rarely caused or arbitrated political conflicts. But the crises have not abated: since 1989, at least twelve elected presidents have had to resign before ending their mandates. The novelty is that their succession has occurred within constitutional boundaries (Hochstetler 2006; Pérez Liñán 2007).

Government crises, which can end in the fall of executives or the dissolution of legislative assemblies, are a typical feature of parliamentary systems. In presidential systems, by contrast, legislators and presidents have fixed terms. Exceptional procedures, such as congressional impeachment, are necessary to remove them from office; or at least this is what constitutional theory tells us.

In the last decades, however, seven out of ten South American countries have had their presidents resign before the end of their mandates. Only Chile, Uruguay and Colombia have bucked this trend. The most unstable regimes have been those of Bolivia and Ecuador, with three presidents resigning in each country. But Argentina, Paraguay, Peru, Venezuela, and even Brazil have faced crises culminating in presidents stepping down.

What is it that stops democratically elected presidents from completing their mandates? Two reasons stand out: popular protest and parliamentary action. Pop-

ular protest, which features more or less violent street mobilization, is the detonating force for the fall of presidents. But the realignment of leaders and parties represented in congress often accompanies such protests.

The fact that governments are regularly based in the most populated cities amplifies the impact of popular protest on presidential instability. In Latin America, with the notable exception of Brazil, what predominates is the European tradition whereby the capital is the most important city, both demographically and historically. In newer countries like Australia, Canada, India, and the U.S., by contrast, the capital is a younger, less populated city. Consequently, mass street demonstrations can cause social commotion and security problems but they do not affect the political regime, since authorities reside elsewhere.

As regards the role of parliaments in presidential crises, the alternatives are more complex. In South America, the practice of forging government coalitions has shifted from being an exception to becoming the rule over the last two decades. Setting up coalitions calls for a balance between flexibility (to negotiate agreements and, if necessary, change partners) and stability (to build confidence and guarantee commitments). This means that political parties must survive over time and ensure the accountability of leaders. In a context where legislators are not accountable to party authorities or to electors, the potential for instability increases.

Despite the above, the frequency of presidential resignations does not mean that executives in South America have less power than they used to. On the contrary, presidential attributes, which are legislative initiative, veto powers, the ability to govern by decree, and the possibility for re-election, are greater than ever. Ephemeral is not the same as weak. Presidents are not necessarily more powerful. Their “staying power” is just shorter. Indeed, there may be a connection between the two phenomena. At some point, if the powers of the president are extremely self-perpetuating, it will appear to the body politic that extra constitutional means are the only ones that will oust him from power. So “reasonable” powers make for more constitutional rotation of power, while “unreasonable powers” promote extra-constitutional maneuvering to get rid what appear to be invincible presidents. Recovering the balance between concentration of power and stability is thus the new challenge facing many Latin American countries.

## **THE POLITICAL MOBILIZATION OF ETHNIC IDENTITIES**

Bolivia is the country that most closely fits the classic European stereotype regarding Latin America. It is rich in natural resources, poor in human development, political unstable, and has a population that is mostly “ethnic.” This description, which

does fit Bolivia, is far from representative of reality on the continent as a whole. It is in this context that one must examine the victory of Evo Morales, a new and not easily reproducible phenomenon.

There are twenty states in Latin America, of which only two have a majority of autochthonous population: Bolivia and Guatemala. In another two, Peru and Ecuador, about half the population is of indigenous origin. The only other country with a two digit percentage is Mexico, but fifteen percent of the Mexicans that are part of this demographic group are concentrated in the south of the country and therefore have little political weight – the symbolism of Chiapas and Subcomandante Marcos aside. This means that Bolivia is part of a very small group of countries in the region, and its unique nature becomes more pronounced when one considers that it is also among the poorest three countries on the continent, including Nicaragua and Haiti. This uniqueness becomes a paradox when one adds a third fact: that throughout its history, Upper Peru – the name of the country until Independence – was characterized by its wealth in natural resources that were most valuable at the time. It was a main supplier of gold, silver, then rubber, then salt, and then guano, later tin and copper, and now oil and gas. A paradox? Not really: more accurately, it is a classic example of the above referred “resource curse,” whereby the most probable indicator of underdevelopment for any country is the possession of vast quantities of exportable natural resources.

The Bolivian political system has been wracked by tensions from its inception, in the struggle between a white minority that has always controlled the exploitation of the exportable natural resources, and an indigenous majority that has been excluded from the benefits derived there from. Three factors have contributed to the persistence of this asymmetrical relationship: territorial concentration (both in terms of ethnicity and resources), the higher level of education and resources of the white minority, and the internal heterogeneity of indigenous groups. True, the 1952 Revolution did produce a measure of national (i.e. inter-ethnic) integration. However, the integrative impetus of that historical event has been winding down for some decades, so Bolivia is now becoming “more like Guatemala” – so to speak –, more oriented toward “ethnic” or “indigenous” politics. What nationalism prevented half a century ago is now happening, and it is taking place alongside a global rise in “ethnic politics,” or “indigenous rights politics”, by transnational advocacy networks.

The concentration of the main contemporary natural resource – hydrocarbons – in the eastern part of Bolivia has favored the Santa Cruz de la Sierra area, which was already the wealthiest region. This is also the place where the population of European origin is concentrated, a population that feels a level of scorn for the in-

digenous population that is little short of racist. This region is sometimes called the Texas of Bolivia, due to its independent spirit – probably fostered by years of profiting from cocaine.

As for the white elite, it has lost the capacity to control the state apparatus, although it has sustained its ability to stop the state from functioning properly. The *cruceño* minority maintains control over economic resources and relations with the world establishment, and threatens to secede if a hostile government threatens its interests from La Paz.

The heterogeneity of indigenous groups is the other face of the concentration of resources of the white minority. Divided between Quechua, Aymara and Guaraní peoples, neither these ethnic groups nor their leaders have managed to gain power peacefully, taking advantage of their majority status. The novelty that is the electoral victory of Morales thus symbolizes an overcoming, at least temporarily, of that fragmentation. In Ecuador, indigenous movements have also had a decisive impact on national politics, contributing to the fall of one president and the rise to power of another. It is likely that the political activation of this, until now latent, cleavage will also deepen the continental division: on one side will stand the countries with a significant native population; on the other, the rest. The political mobilization of ethnic cleavages will set the newly ethnic-oriented polities against two historical traditions: the European “class politics” model and the “national politics” model that has been the norm in Latin America so far (Amorim Neto 2007).

## **STRATEGIES OF GLOBAL INSERTION: TOWARD GREATER FRAGMENTATION?**

Simón Bolívar once regretted, “We tilled the sea” (*hemos arado en el mar*), thus expressing his frustration after years of fighting for independence in a region plagued by war and chaos. Pan-Americanism fell into disuse after the vain attempts of the Liberator to bring it to life in the continental congresses held in 1819 and 1826. Later, however, during the second half of the twentieth century, the “Latin American vocation” was re-baptized “regional integration” and embodied in organizations such as the Andean Community and the Mercosur. These are blocs that are plainly languishing, their power ebbing as a result of poor performance and their rational under attack by the very same who claim to represent Bolivarian ideals (Malamud 2005; Malamud and Castro 2007).

Studies of regional integration processes usually highlight the reversibility of this phenomenon. Success at one time does not ensure survival over the long term. On the contrary: the history of integration shows that the only bloc that managed to

get past the initial and easy stage of promises was the European Union. Elsewhere regional groups have proliferated but have attained neither significant depth nor international bargaining power. Indeed, in the majority of cases they languish for prolonged periods, but they do not die. This is a double edged observation, since lasting is not synonymous with working; the most probable outcome for any regional group is not extinction but lack of relevance.

The problem of irrelevance is that it is not easy to recognize. There are always hopes of recovery, partly out of intellectual inertia; and also, and above all, because there are always those interested in keeping the fiction alive.

In whose interest, for instance, is to affirm that the Mercosur or the Andean Community are alive and well, and only suffering from a passing crisis? First, there are the civil servants working in the foreign ministries and regional bodies and the diplomats responsible for the running of regional matters. Second, there are the political leaders who made regional integration an ideological banner in a battle against imperialism instead of a shared instrument for development. Finally, there are the academics who have studied the phenomenon. The interests of these three groups are legitimate, and it is likely that some believe their own arguments, but this does not validate the arguments.

The Mercosur, for instance, promotes itself as the fourth global bloc. However, this classification is based on a series of obfuscations and masks the enormity of the gap separating these countries from those of the developed world – and that is not all: the bloc has a gross product that is much inferior not only to that of the US, the European Union and Japan, but also of China or India.

But the most problematic contemporary feature of Latin America may not be the limited success of its processes of regional integration. The main challenge is to face increasingly divergent socio-economic tendencies, which tear these countries apart by making them growingly dissimilar rather than unfriendly. Indeed, while some societies are doing well others are growing poorer – in relative terms, though a few of them are also worsening in absolute terms. It is likely that by 2020 Chile will have become part of the group of most developed countries in the world, but other Latin American countries might follow Bolivia, Nicaragua and Haiti and be among those with sub-Saharan indicators in almost all areas.

In this context, the Bolivarian rhetoric obscures more than it reveals. Among the most successful countries are one that opted for sub-regional integration (i.e. Brazil), another that opted to integrate with the US (i.e. Mexico), and other that preferred to “go it alone” (i.e. Chile). There is no single recipe; but, were there to be one, it is very unlikely to be that used by countries like Venezuela, which have more than half of the population under the poverty line. It is true that some mea-

sure of fragmentation has always been a feature of Latin America, and that it is only the name “Latin America” and the discipline “Latin American studies” that lead us to expect a level of homogeneity that has never existed. The difference is that nowadays the forces of globalization are simultaneously attracting overachievers and pushing down underachievers, thus not only contributing to further fragmentation but also to locking in the winners and losers.

## **CONCLUSIONS: TOWARD GROWING DIVERGENCE**

Over the last fifty years, Europe has been undergoing a process of upward convergence, so that the countries of the continent have become ever more similar in terms of economic development and institutional quality; in Latin America, by contrast, the reverse is true. Both the elements of change and continuity examined here point toward divergence: some countries are consolidating their democratic regimes and growing at great speed, while others are sinking into anarchy and poverty, and sometimes violence. It is probable that there will be an accentuation of the tendency toward dispersion in the years to come, with the emergence of three recognizable groups: a smaller one, consisting of a handful of successful nations; another more numerous one, comprised of countries with a mediocre or erratic performance; and a handful of failed states to complete the trio.

A study undertaken before the Argentine collapse by the UN Economic Commission for Latin America (ECLA) projected two scenarios for the region: the optimistic one foresaw that 16 out of the 18 countries studied could reduce poverty by half by 2015 (CEPAL-IPEA-PNUD 2003). The other forecast, based on historical tendencies, predicted that only seven would meet this goal, while six would reduce poverty very slowly, and five would see it rise. Among the successful countries were Argentina and Uruguay; but after the 2001 debacle, these countries must be included in the list of those that have lost not just one but two decades of development. Can the panorama be this black? The answer is mixed: it depends on the country.

The failed countries of Latin America are those whose GDP and human development indicators are closest to African levels than to the regional average. In some cases, poverty is accompanied by political instability and even violence, given the incapacity of the state to guarantee public order. The clearest example of this is Haiti, although Bolivia, Ecuador and some Central American countries also present a dismal picture. Colombia could be included in this group, not because of its economic performance, which is not bad, but because of its inability to control the national territory and ensure the rule of law.

The erratic or mediocre performers are mostly in the Andes and Central America. Because of chronic instability and high levels of poverty and inequality, it is hard for these countries to reach a level of sustainable development, although they may achieve high rates of growth from time to time. For different reasons, Argentina is part of this group: its high potential and its favorable history have not been enough to prevent the kind of mismanagement that led to bankruptcy. Uruguay and Costa Rica are exceptional cases, since mediocre economic performance has not affected the correct functioning of political institutions.

The three most successful countries are Brazil, Chile and Mexico. Each has outlined a development model and strategy of global integration: Brazil has opted for strong export-led industrialization; Chile chose to adopt a strategy of unilateral liberalization and global insertion based on multiple bilateral treaties; Mexico went for an inevitable association with the U.S., with which it holds 85 percent of its foreign trade. It is feasible to hope that these countries will maintain their strategies which, at a differing pace, have permitted economic growth, the consolidation of democracy, and an increase in the quality of life of their citizens.

There is one other country with an uncertain future: Cuba. It is likely that its political regime will not survive long beyond the death of its founder. However, the impact of the death of Fidel Castro will depend on the strategies adopted by three key actors: his successors, the Cuban diaspora in exile, and the U.S. government. In the medium term, it is conceivable that a democratizing – albeit conflictive – process will take place in the context of an economy that may be increasingly focused and dependent on the U.S. But it is also true that the regime has shown great stubbornness and its leadership has been very clever about ensuring economic survival with consent and submission (Hoffmann and Whitehead 2007).

So, what can we expect of Latin America in years to come? In essence, divergence: while a handful of countries will continue along a path toward development and institutional consolidation, the great majority will get caught in the chronic cycle of ups and downs. Others – fewer – may fall into even deeper abysses of disorder and misery. Fortunately, two of the three most successful countries are the most populated ones in the continent, and their experience may either spill over or serve as a point of reference and stimulus for their neighbors in the long term.

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# CONCLUSION: LATIN AMERICA ON THE CROSSROAD?

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This chapter has been worked out within the framework of the Research Plan “Governance in context of globalised economy and society” of the Faculty of International Relations, University of Economics, Prague, No. MSM6138439909. I would like to thank Jan Němec from my department for his helpful comments.

There can be a generally accepted idea that Latin America is on a crossroad. The 2006 elections shifted almost the whole region to the left, although in some cases it was a mere confirmation of the previous development that had started a few years before, in others it was more or less a radical change. But even if one accepts the idea of the crossroad, there are a lot of questions we need to ask.

First, is the subcontinent just staying on the crossroad or is it passing it? That is, is there open space for different alternatives of development, or is there an alternative that has been chosen and the direction has been already decided?

Second, what type of the crossroad is Latin America on? Is it a crossroad on a highway from which is difficult to return back and choose another way, or is it just a small crossroad, where to return back means only to drive around a few blocks? Or is it a crossroad that leads to a blind alley?

Finally, can we speak about one crossroad or are there many different crossroads? That is, is the shift to the left is only a symptom but not a diagnosis of the processes that are going on in Latin America? The final question is the key one and in some sense has an impact on the answers to the previous ones.

I argue that although we can find common features and probably some common reasons for the shift to the left, it is not possible to speak about one crossroad. From the point of view of the character of the political system in most of the cases we even cannot speak about any crossroad. In fact, one common feature of all these processes<sup>1</sup> is the fact that all these changes occurred through more or less fair and competitive elections and there are only few cases where we can speculate that the democratic system might be at stake. So mostly, we can speak about policy change, not a system change.

On the other hand, we again witness a situation of a wave that strikes almost the whole Latin American region. This is a typical case, the shift of historical pendulum has accompanied the development in Latin America at least throughout the whole 20th century. This offers evidence about a still existing regional cross-connection, a to some extent common position of the region as a whole vis-à-vis external environment and global processes. At the same time, the partly different character of the change raises a questions what the basic factors that have impact on the development of individual countries are.

In this concluding chapter I would like to concentrate on what is important to focus on in further research to be able to get deeper understanding of the processes that are going on in Latin America. A comparison of particular countries and typology of the regimes with left-wing orientation needs an identification of key factors – both common and particular ones that are crucial for the shape of the regimes. In fact, instead of a conclusion based on the case studies published here, I offer an

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1 It is necessary to say that a rather “surprising” or, better to say, historically untypical feature of all these changes in Latin America.

opening of a discussion that could move our knowledge further. The individual chapters of this book form a solid base for such a discussion.

## EXTERNAL FACTORS<sup>2</sup>

External factors can be understood in a broad sense: how the processes of globalization influence the situation of particular Latin American countries and also what the impacts of the processes of regional integration on the development of particular countries are. Using a more narrow approach, the question can be posed how the neoliberal wave of the last third of the twentieth century has changed the social and economic structure of Latin American societies. Was the impact of the same character or are there important differences concerning revival of economy, social structure, fighting the poverty etc. in particular countries?

Another external factor can be connected with international relations and/or foreign policy. How strongly are the Latin American countries only objects of the international environment and to what degree are they able to become “independent” actors trying to gain special position in the region (regional integration) and/or in the world?<sup>3</sup>

All these are very important factors partly shaping the political space in which individual actors operate. Having difficulties of comparison in mind, we need to think about the basic criteria (hypotheses) by which we can identify the differences among particular regimes from this point of view.

- 1/ Basic changes of the social and economic structure over the last thirty years (poverty, middle class, social inclusion v. exclusion, foreign investments, budget etc.)<sup>4</sup>
- 2/ Analysis of the economic policy of left-wing regimes, which can be interpreted as an alternative to or a confirmation of the neoliberal approach (nationalization, privatization, character of the social policy etc.).
- 3/ Analysis of the examples of the real dependency – direct interference of “global actors”.<sup>5</sup>

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2 We cannot precisely make differences between external and internal factors as it is clear that there is a strong interconnection between them, but it is easier to derive the basic problems from this simplification.

3 The cases of Brazil and Venezuela are probably good examples of these “world” activities.

4 In this case it is not really clear whether these criteria can be considered as external factors. The reason to rank them as external is mainly because of the global economic environment and the pressure and recommendation of some important international organizations (WTO, IMF, UN Millennium goals, Washington consensus) that were crucial in the decision to adopt the neoliberal economic policy. The same can be applied to the following criteria (point 2).

5 E.g. the case of pre-election negative activities of foreign investors in 2002 Brazil.

- 4/ Attitude toward regional and supraregional (continental) integration (importance, criticism, position, role etc.)
- 5/ Attempts to extend beyond regional (continental) international activities (“third world countries”, ideological justification, position in important international negotiations etc.)

## INTERNAL FACTORS

While external factors help us to identify the different responses on global and international challenges of particular regimes that need not be directly connected with the type of left-wing regime, internal factors are probably more important for the identification of particular types and the explanation of the processes.

As it has been mentioned above, the shift to the left happened more or less through democratic procedures and in most cases democratic regimes were not at stake.<sup>6</sup> We can suppose that using democratic procedures and the level at which these procedures are evaluated as the “only game in town” (di Palma 1990; Linz, Stepan 1996) are connected with the historical experience of recent transitions to democracy. The other factor that can be important in such cases is whether the transition took the country out from right-wing authoritarianism (most of the cases) or left-wing authoritarianism.

When watching the new left-wing oriented regimes it is important to analyze to what extent these regimes are really “new”, how strongly the continuity or discontinuity with the previous patterns of left wing policy and proposed solutions (including methods of solutions) is present. Nevertheless, I do suppose that the key factors that can explain the different shapes of left-wing regimes are connected with three basic problems: institutional framework, political parties and party systems, and civil society. Each factor has different relevance in relation to the shape of left wing governments, but all three are important when performing an analysis of the stability of democracy and the probability of the system change.

Institutional framework is important in regard to the decision-making processes, possible conflicts of legitimacy, and prospects for consensus-seeking policy. In some cases principles of federalism can be important, mainly when thinking about the possibility of the formation of particular power-centers in the periphery of some states. This analysis is important to be able to see the possibility of irreversible systemic changes that can be done within the democratic framework.

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<sup>6</sup> This is the opposite case of unclear definition of what is internal and external factor. Surely, the acceptance of democratic procedures and principles of basic human and citizen rights is strongly connected with internal development but it is also dominant in global public discourse. Furthermore, observance of democratic rule of law makes the regime less vulnerable from external environment.

In fact, the same can be said when taking into consideration political parties. Not only the type of party system is important, but also the character of party organization, social base, forms of public mobilization, appeal to broader public. For the interpretation of the character of some of the left-wing regimes it is probably necessary to make this party analysis together with the character of civil society. Although the concept of civil society can have different interpretations, the key problem here is the “separation” or “independent” role of civil society vis-à-vis political society.

These are the basic criteria (hypothesis) that can be derived from these deliberations for comparisons of particular regimes:

- 1/ Transitions to democracy. The first question that is necessary to be analyzed is whether there was any substantial process of transition. What were the previous experiences with non-democratic regimes and what was their character? Can a hypothesis be formulated that in countries where there has been no experience with institutionalized authoritarian regime the temptation to leave a democratic regime can be stronger and the regime more radical?
- 2/ Can we find historical policy-patterns of the left-wing politics; are there traditional patterns in the present that only reproduce the past? Can we find some substantial follow-up with previous left-wing theories and movements both in models of government<sup>7</sup>, ideological “equipment”<sup>8</sup>, theoretical approaches (theory of dependency etc.), methods of political mobilization and/or methods of fight (focus theory)? Or are totally new aspects present?
- 3/ Institutional framework needs to concentrate mainly on the topics dealing with the character of legislative power (mono/bicameral parliament), electoral systems, “cohabitation” of executive and legislative power, etc. The criterion has to analyze the space for particular actors, efficiency of the government as well as the possibility of opposition for legal activities. Competing power centers in federal states can also have influence on stability and efficiency of the government. From this point of view there is an interesting possibility of conflicts between different cores (political v. socio-economic) that can be present in some countries.<sup>9</sup>

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7 Inspiration by socialism in Cuba, the regime of Allende in Chile, Sandinism of Nicaragua, the regime of Alan García in Peru (the latter two examples are interesting in that we can see personal continuity in relevant countries).

8 Surely, anti-Americanism would probably be found in all the countries, in fact, this is not the feature present only in left-wing regimes; nevertheless the rhetoric (and the practice) would probably be different in individual countries. Although we cannot omit this dimension of ideology, other features of ideological legitimacy will be more important.

9 Bolivia can probably serve as a typical case for such a problem.

- 4/ Party system matters in analysis of any regime, Sartori's (1999) typology can represent a base for comparisons. The specific attention is to be paid also to the ability to form policy alternatives in the framework of democratic regimes, the (non-) existence of the regional v. national party systems conflict. The character of political parties is also important. Can we witness in these countries a transformation from mass political parties to catch-all parties or cartel parties? What is the role of the phenomenon of movement-party connected with the political leader?
- 5/ The research on civil society needs to concentrate mainly on the ability to formulate specific problems of the society and to channel this agenda into politics. What are the grass-roots organizations like? What is the role of supranational NGOs and how do they reflect internal problems of particular societies? Is there a clear "separation" of the social and political sphere or are there attempts to use methods and organizational structure of the society present directly in the politics? This seems to be a very important question, mainly taking into consideration the tradition of Latin America. The key question here is whether particular interests in a pluralistic society are mediated toward politics or are directly represented in politics.<sup>10</sup>

To conclude, there is probably no fatal crossroad<sup>11</sup> for Latin America that could deeply influence the future development. On the other hand, the region remains a "laboratory" in which cleavages and conflicts typical for both developed and developing world in mutual interconnection are present. To be able to distinguish short-run processes and long-term tendencies, to be able to compare individual governments/regimes we need a deeper elaboration of the criteria for comparison and verification of hypotheses through case studies. This conclusion represents only the first step for the opening of a new discussion.

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10 Taking into consideration the historical tradition of Latin American with direct (that is even personal) representation of particular interests that led to oligarchic forms of democracy (in better case), the opposite tendency of public mobilization and the methods of the organization of civil society that are transformed into politics can have the same effects that go against the principles of representative democracy.

11 Such a crossroad could probably be found in the history of Latin America; I would mainly stress the second half of the 19th century, when the shape of further economic and political development was decided.

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Thanks to our main partner for his support.



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