



Photo by Andre Deak

Piqueteros burn tires during a 2001 protest in Buenos Aires.

DEMOCRACY

# Economic Roots for Unstable Regimes

by Belén Fernández Milmanda

Latin America’s young democracies present an interesting puzzle: while their party systems display high levels of instability, their political regimes have proven to be much more stable than expected. Unlike in the past, social unrest has not led to military intervention. Despite the meltdown of their representative institutions, Latin American societies have dealt with their crises within the limits of democracy. In other words, the crisis of the party system has not translated into a crisis of the democratic regimes.

This puzzle can be illustrated with survey data from Latinobarómetro. In 2011, while 58 per-cent of Latin American citizens thought that democracies were preferable to dictatorships, only 22 percent of them trusted political parties. When asked about their partisan identity, only 44 percent of respondents felt attached to a specific party. Unsurprisingly, electoral volatility is

very high in Latin America and has been increasing in recent years. Electoral volatility measures the difference in votes that parties gain in different elections. In other words, it evaluates the ability of political parties to retain social support over time. According to 2010 data from the Latin American Public Opinion Project, average electoral volatility in Latin America was 26.8 percent. However, this high overall score conceals important differences between countries. In fact, while some countries such as Honduras and Chile presented volatility indexes lower than 10 percent, other countries such as Bolivia, Venezuela, and Peru showed scores above 40 percent. Although the general picture in Latin America is one of partisan de-alignment and low institutionalization, two very different stories can be told depending on which countries we look at. One group — Argentina, Bolivia, Ecuador, and Venezuela — has seen its party systems collapse, with the popular

vote switching massively to new outsider figures, while other countries (like Brazil, Chile, and Uruguay) have experienced party system consolidation. Looking at these cases raises the question: How can we explain this variation in the trajectories of Latin American democracies?

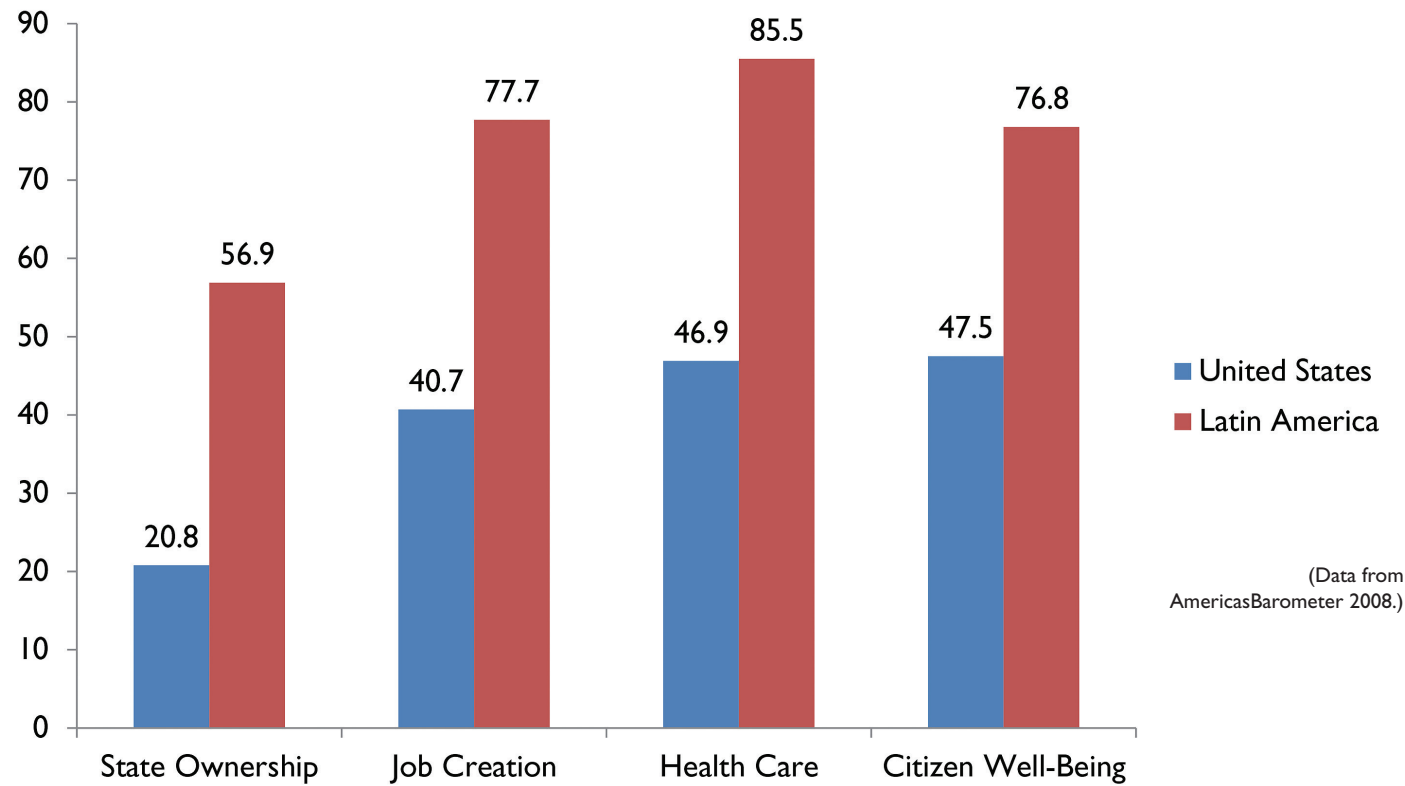
Kenneth Roberts, a professor of Government at Cornell University, argues that the answer lies in Latin America’s period of market reforms. While all countries in Latin America adopted significant market reforms in the 1980s and 90s, the impact of those reforms on the political system varied greatly across countries. Inspired by the work of political scientists David and Ruth Collier and their conception of critical junctures, Roberts maintains that the process of market reforms was both an economic and a political watershed in the region. The way in which this shift from a state-led to a market-led development model was implemented had long-term consequences for the region’s political systems. These consequences can be seen in: (a) the relative stability of the political system after the implementation of market reforms; (b) how political opposition to market liberalization was expressed; and (c) the nature of the shift to the left that followed the implementation of market reforms. The key factors shaping these different political outcomes were: (a) the partisan identities of those in charge of implementing market reforms; and (b) the existence of a leftist opposition to reform. In other words, the extent

to which a country’s party system was aligned around the process of market liberalization explains the different paths that Latin American political systems took. The contrasting trajectories of Argentina and Brazil illustrate this argument well.

In Argentina, the party conducting the shift to market-led development — the Peronists, a labor-based party — had historically supported a strong state. Its conversion to neoliberalism had a de-aligning effect on Argentina’s political system. The Peronist Party took over the right of the ideological space, marginalizing existing conservative parties. On the other side of the cleavage, Argentina’s left had long been weak, and as a result, opposition to market reforms could not be channeled through partisan entities, at least during the period in which the reforms were being implemented. When the consequences of neoliberalism on the Argentine economy and labor market became evident, the political opposition to them was headed by the *piqueteros*, a very disruptive movement of the unemployed. Social mobilization against neoliberal adjustment increased hand-in-hand with economic hardships and ultimately led, in 2001 to the meltdown of the entire party system. Once again, it was a transformation within the Peronist party that put an end to the political crisis, inaugurating Argentina’s left turn. Responding to the social backlash against neoliberalism, Nestor and Cristina Kirchner’s

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Perceptions of the government’s economic role and responsibilities in Latin America and the United States.





governments adopted a series of heterodox economic policies leaning toward a state-led development model.

In Brazil, market reforms were implemented by a center-right alliance, led by the Partido da Social Democracia Brasileira (Brazilian Social Democratic Party, PSDB) and contested electorally by the leftist Partido dos Trabalhadores (Workers Party, PT). Therefore, in contrast to Argentina, opposition to market reforms had a partisan expression. Campaigning against neoliberalism, the PT’s leader, Luiz Inácio Lula da Silva, a former union leader, tried to channel social discontent with market reforms in his first four bids for the presidency. His win in 2002 began Brazil’s move to the left, which was less radical than that of Argentina. Although Lula adopted a more redistributive social policy than his predecessor Fernando Henrique Cardoso, he continued with Cardoso’s orthodox macro-economic policy.

In sum, the political effects of neoliberalism varied widely in Latin America depending on the political orientation of the government implementing the market reforms. Roberts identifies two main patterns. On the one hand, “bait-and-switch” reforms adopted by populist or leftist leaders created a legacy of electoral volatility that led to the demise of historic conservative parties and the outflanking of traditional populist parties by more

radical outsiders. In the long run, the shift to the left in these countries was more radical, characterized by a dramatic turn towards a state-led economy. In contrast, market reforms that were adopted by conservative leaders and opposed by a major leftist rival led to stable patterns of electoral competition and reinforced existing party systems. In these countries, the left turn was milder, with leftist governments sticking to economic orthodoxy.

Roberts’ analysis invites us to evaluate the long-term effects of market reforms beyond the economic realm. The way in which the shift to a market economy was implemented was not only important for its effect on the economic development and social structure of Latin American countries but also for its impact on the political systems of these young democracies. Fifteen years after their implementation, market reforms still shape political life in Latin America.

Kenneth Roberts is a professor of Government at Cornell University. He spoke for CLAS on February 28, 2013.

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VIDEO AVAILABLE AT CLAS.BERKELEY.EDU

A woman carries a fake pig at a protest.



Photo by Virebia.



Photo by Martín Iglesias.

A woman holds a sign saying “‘This’ is democracy?” during a protest in Argentina.

DEMOCRACY

Building a Better Citizen

by Oscar Oszlak (with Ingrid Baumann)

The study of democratization in Latin America has undergone several phases. Originally, scholars tried to explain what variables trigger the transition from authoritarian to democratic regimes. Then, as democracy was re-established in most countries of the region, the consolidation of these regimes became the focus of analysis, especially the circumstances that could produce a return to authoritarianism. This new interest led to a focus on the quality of the established democracies, and several adjectives began to be added to the term “democracy” to qualify its distinctive nature. “Delegative,” “restrictive,” “exclusionary,” “limited,” and “low intensity,” are just a few descriptors among dozens of terms. Even though all types meet the accepted standards of democracy in procedural terms, they are far from being full-fledged democracies.

In any case, most of the research has examined the quality of democracy from the point of view of the regime,

observing the rules of the game and the management styles imposed by the government. Very few studies have been concerned with the quality of democracy from the perspective of the citizens, looking at their perceptions, attitudes, and behavior with regard to the political framework in which they live. From this angle, the question becomes: How democratic are the citizens? Or even better: Can a democracy exist if citizens are not entirely democratic?

In this article, I reflect upon these questions, drawing from the preliminary results of an ongoing research project dealing with the quality of democracy in Argentina. Guillermo O’Donnell has characterized the Argentine regime as “delegative,” meaning that, once elected, presidents feel that they are entitled to govern as they see fit. He also characterized Argentina as a country with “brown areas,” namely territorially based systems of domination

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