

## LATIN AMERICAN DEMOCRACIES BREAKING THE LEFT-WING TIDE OR ELECTORAL ALTERNATION WITH A PLEBISCITARIAN FLAVOR?

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As we entered the new millennium, a left-wing electoral wave swept over Latin America. The 1998 election of Hugo Chávez in Venezuela was followed by the election of left-wing presidents in Argentina, Uruguay, Chile, Brazil, Bolivia, Paraguay, Ecuador, Nicaragua, El Salvador, and Guatemala. Larger countries, such as Colombia, Mexico, and Peru, which did not have left-wing administrations, were notable exceptions to this millennial rule. During the 1990s, Latin America had experienced a different political wave, with the region's new democracies adopting neoliberal market reforms at the urging of the International Monetary Fund, the World Bank, and the U.S. Treasury (the crucial institutions forming the so-called "Washington Consensus"). By the 2000s, these policies were increasingly replaced by state intervention, an expansion of redistributive social policies, and, in many countries, a foreign policy less friendly to the United States.

Accompanying this political turn to the Left was a commodity boom, which benefited the region by increasing the prices of its natural resource exports, which provided revenues to facilitate redistributive policies. However, with the decline of commodity prices, the conditions that favored the election and often reelection of left-wing governments were altered. Last year's elections in Venezuela and Argentina were emblematic of that change. In both countries, weak economic conditions led governments to monetize their growing fiscal deficits to keep public expenditures up—resulting in high inflation—and to establish exchange rate policies that generated further distortions in economic activity. Consequently, by the end of last year, the governments led by Hugo Chávez's successor Nicolas Maduro in Venezuela and by Cristina Kirchner in Argentina faced electoral defeats. In Venezuela, the opposition won a legislative majority and in Argentina, a center-right president was elected. Even

though right-wing presidents had been elected and sometimes even replaced left-wing presidents earlier in the 2000s, the left-wing coalitions governing these two countries had been in power for seventeen and twelve years, respectively, thus making these elections particularly significant.

Do these recent elections signal a political turning point breaking with the immediate past or simply electoral alternation in a context where economic performance is a crucial determinant of the vote? In this essay, I argue that these elections show a strong pattern of economic voting in the region—less salient in Central America but highly pronounced elsewhere—and that they probably reflect the continuation of a plebiscitarian style that has long characterized both right- and left-wing administrations in many Latin American countries. Since electoral support in Latin America is often subject to economic conditions beyond presidential control, many Latin American presidents have attempted to build support quickly by concentrating executive power and providing fast responses to voters' immediate concerns. Unfortunately, this plebiscitarian political style fails to strengthen the rule of law in these relatively young democracies.

### IT'S THE ECONOMY, STUPID!

Scholars have widely studied the importance of economic performance in influencing electoral behavior in Latin America.<sup>1</sup> The recent history of the region largely explains this effect. Latin America has been subjected to strong swings in both economic policy and performance in the last half century. Therefore, its citizens pay enormous attention to economic performance when making political decisions. The influence of economic voting is only tempered when issues related to public security, such as rising criminality or the emergence of guerrillas, take the central stage.

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To understand economic voting in Latin America, it is important to remember that democratization proceeded simultaneously with the economic recession triggered by the 1982 debt crisis. At that time, many major Latin American countries faced low commodity prices for their exports and high interest rates driven by the effort of the U.S. Federal Reserve to curb inflation in the United States. In response, these countries defaulted on their external debt, capital flows to the region dried up, and governments' inability to apply counter-cyclical policies brought Latin America into its worst recession since the Great Depression. Economic malaise served as a driver for political change in the region, eroding the legitimacy of many Latin American military regimes and allowing democratization to spread from country to country. As these new democratic governments were elected under dire economic conditions, economic performance has been a vital factor explaining electoral results ever since.

The importance of economic voting is particularly dramatic given the weight of external forces on economic outcomes in the region. The prices of commodities and the cost of credit are determined outside Latin America and have had a sharp effect on economic performance since democratization. When commodity prices are high, Latin American exporters of natural resources benefit from booming economies, while the downturn of these cycles generates domestic economic malaise.<sup>2</sup>

The first wave of democratic presidents faced dire economic circumstances and extremely high levels of inflation, which brought many Latin American citizens to accept adjustment policies and market-oriented reforms that promised to bring macroeconomic stability in the 1990s. In most cases, these policies curbed inflation and facilitated access to international credit. Interestingly, in some cases, the presidents adopting these policies had been elected on left-wing or populist platforms that opposed economic adjustment, yet as they arrived to office amidst hyperinflation, severe fiscal deficits, and no access to capital markets, these presidents shifted gears and adopted neoliberal policies. These policy turnarounds weakened presidents' responsiveness to electoral mandates by voters. However, when economic performance improved, voters rewarded even policy switchers such as Peru's Alberto Fujimori

and Argentina's Carlos Menem with reelection.<sup>3</sup>

Economic conditions were also associated with the wave of elections of left-wing presidents in the new millennium. A succession of financial crises in emerging markets (Korea, Russia, Brazil) in 1997 and 1998 affected capital inflows, which, along with a decline in commodity prices, spread economic distress through Latin America. Many incumbent governments that had adopted neoliberal policies faced widespread criticism. In many subsequent elections, voter dissatisfaction brought democratic alternation toward more left-wing options in the new millennium.<sup>4</sup> As commodity prices started to shoot up with the emergent demand generated by China and India in the dawn of the 2000s, the elected left-wing presidents encountered material resources to deliver left-wing policies. Hence, this time around—and in contrast to the 1990s—when populists were elected to office, they were not forced to switch policies and implement neoliberal reforms. Instead, they could pursue redistributive policies financed by the influx of extra resources gained through higher commodity export profits.<sup>5</sup>

There was variation in political style across left-wing Latin American presidents, some of which were more moderate and others more radical, especially in denouncing the United States. There was also a great deal of variation across left-wing policies regarding the degree of state intervention in markets and levels of fiscal discipline.<sup>6</sup> Yet all of them expanded their social policies to reach their poorest citizens, especially those in the large informal sector that characterizes the region. Their main policy innovation was the implementation of conditional cash transfer programs, or "CCTs." These programs provided cash transfers to low-income families under the condition that they send their children to school, have them inoculated, and provide them with routine healthcare checkups. (There was variation among countries on whether conditionality was required and whether sanctions were levied against those who failed to meet these requirements.) In addition to these relatively cheap social policies, left-wing governments oversaw an expansion of public social services, including non-contributory pensions and education. In consequence, although Latin America remained the most unequal region of the world in the first decade of the 2000s, inequality and poverty declined during this period.<sup>7</sup>

Economic patterns of voting continued throughout the decade. The influx of resources in the new millennium facilitated not only the consolidation of left-wing political coalitions but also the subsequent reelection of their leaders, who had often originally emerged as political outsiders. Hugo Chávez, Daniel Ortega, Evo Morales, Rafael Correa, Luiz I. “Lula” Da Silva (and his successor Dilma Rousseff), and Cristina Fernandez de Kirchner were reelected immediately, whereas Tabaré Vazquez and Michelle Bachelet returned after a term out of office as their countries’ constitutions banned immediate reelection. As in earlier decades, incumbents facing good economic conditions were often reelected. As economic conditions declined, so did the luck of incumbents, and problems like corruption (which may have been ignored before) became more politically salient. For example, in Brazil, political corruption and public spending on pharaonic projects fueled mass protests and deeply eroded the popularity of President Dilma Rousseff. Perhaps more significantly, incumbent left-wing governments in Venezuela and Argentina—two countries facing substantial economic crises—faced electoral defeats in 2015.

#### POPULISM AS A POLITICAL STYLE: CONTINUITIES BETWEEN LEFT- AND RIGHT-WING PRESIDENTS

It is remarkable that, in spite of the cycles generated by commodity prices, one can observe strong similarities in political style among left- and right-wing presidents in Latin America. In particular, I want to address the definition of the term “populist” not as a particular set of economic and social policies but rather as a style of leadership. The “radical” left-wing leaders of the 2000s, such as Venezuela’s Hugo Chávez, Bolivia’s Evo Morales, and Argentina’s Cristina Kirchner, have been labeled as “populist” in contrast with the more moderate leadership of Chile’s Michelle Bachelet or Uruguay’s Tabaré Vazquez. However, the term “neopopulism” had also been used to describe the political style of neoliberal leaders, such as Carlos Menem in Argentina and Alberto Fujimori in Peru during the 1990s, given their popularity with voters and their self-definition as “men of the people.”<sup>8</sup> Many leaders adopting both left- and right-wing policies in Latin America have exhibited strong but charismatic leadership—a key element of the political style of populism.

Many leaders from different sides of the ideological spectrum have also shared a similar style of governance. Guillermo O’Donnell’s definition of “delegative democracy” is a crucial concept that helps account for similarities in governance between leaders whose policy trajectories suggest different ideological preferences.<sup>9</sup> O’Donnell refers to a presidential style that concentrates power in the executive and neglects what he labeled “horizontal accountability”—the check and balances generated by the division of power among different political institutions. Presidents embodying O’Donnell’s conception of delegative democracy resort to issuing decrees (the Latin American equivalent of U.S. executive orders) to bypass the legislature and pay utmost attention to voters and public opinion when making decisions. In doing so, they hope to bolster their legitimacy through what he called “vertical accountability” between voters and elected officials. That is, these presidents have a plebiscitarian style of legitimacy based on the mandate given by the voters who elected them but who can only express their will in a new election every fixed number of years. Although plebiscitarianism can be detrimental to the rule of law, as explored below, it is important to note that this governing style is intimately connected with leaders’ desires to serve constituents’ interests and thereby win reelection. As such, we see the continuation of the plebiscitarian style even among leaders with vastly different political beliefs and agendas.

The cases behind O’Donnell’s theorization were Argentina under Menem and Peru under Fujimori. O’Donnell identifies delegative democracy as originally emerging during the dire economic crises of the 1990s, which many Latin American presidents characterized as “emergencies” requiring the concentration of executive power and government by decree. However, his theory can be extended to many of the “radical” left-wing presidents of the 2000s, who also relied on the concentration of executive authority to build strong governing coalitions as minority presidents, and who later sustained such concentration with the control of legislative majorities. These legislative majorities routinely delegated legislative power to the president in Venezuela under Hugo Chávez (and until now under his successor Nicolas Maduro) as well as in Argentina under Nestor Kirchner and his wife and successor,

Cristina Fernandez de Kirchner. In these cases, Congress delegated legislative powers to the president rather than the president impinging upon legislative authority. However, the political outcomes of the two sets of cases were similar in that regulations were decided in the executive office without logrolling and negotiating to reach a consensus including the opinion of opposing political forces. While majority presidents were able to control Congress, minority presidents ruled by decree as an alternative to pushing their initiatives through the legislature. In both cases, the outcome is “fragile” regulation: since laws can be subsequently changed in the same way as they were implemented, the law is likely to be transient and unpredictable. Given the proclivity of many Latin American leaders toward plebiscitarian politics in recent decades, we should not be surprised to observe it among recently elected leaders irrespective of their ideological stances. Indeed, the first month of the recently elected Argentine center-right president Mauricio Macri—who has only a minority of legislators in both chambers of Congress—has already seen a flurry of presidential decrees making important policy changes without public debate.

The continuity of the plebiscitarian political style seems more prevalent in some Latin American countries, such as Argentina, Bolivia, and Ecuador, where parties are weakly institutionalized. In other countries, such as Uruguay and Chile, where presidents have continuously faced organized opposition parties, their political style tends to include more consensus-building. In these countries with more institutionalized party systems, this approach to politics has a long historical trajectory extending even before re-democratization took place in the 1980s. However, to this date we do not have an explanation for variation in party system institutionalization across Latin America countries, which would allow us to explain the conditions that encourage this leadership style to emerge more frequently.

#### CONCLUSION: PLEBISCITARIANISM AND THE LIMITS OF DEMOCRACY IN LATIN AMERICA

To conclude, I want to emphasize the fact that Latin America is a developing region with the highest number of democracies in the world and that democratization has expanded more quickly there

in recent decades than in any other prior historical period. However, economic volatility has made voters pay a lot of attention to economic performance. As such, recent left-wing electoral defeats in the region should be understood more as a normal electoral alternation than as a significant turning point away from the Left in Latin American politics. Since democratization swept through the region in the 1980s, elections have provided a meaningful alternation in power as well as ideologically different options in most countries of the region—even when political parties are not always characterized as programmatic.

It seems democracy is here to stay in Latin America. Not only is it working in terms of alternation in power, but socioeconomic inequality has been significantly reduced, women and indigenous groups have become increasingly represented in political institutions, and military coups have mostly become a specter of the past throughout the region. The prospects for greater democratic consolidation in Latin America have perhaps never been brighter. However, plebiscitarian presidentialism often has deleterious consequences for the rule of law and therefore democratic quality in Latin America. This is not a minor problem in a region where high socioeconomic inequality already generates incentives for the powerful to avoid compliance with the law and for the enforcement of laws to be biased by social class, gender, and/or ethnicity.

The consequences of this political style on the rule of law are meaningful even if we agree with the policies adopted by particular presidents. The concentration of executive authority to continuously change regulations and laws and the habit of ignoring the institutional constraints generated by the separation of powers dampens the quality of democracy. If citizens believe that laws are not going to last long, they will not invest in adapting their behavior to fulfill their commands. If citizens observe that rules do not apply equally to all because they are ignored by those in power, the perceived unfairness of laws will lead them to consider those laws illegitimate, further reducing their incentives for peaceful compliance. Moreover, if policy reforms are adopted without consensus, citizens will expect the next president of a different political coalition to bring a new round of reforms undoing whatever

the prior policies were set to establish. This policy volatility further damages the rule of law and makes interactions especially difficult for those who lack the power to avoid the negative effects of biased enforcement of laws, such as selectively applied sanctions for lack of compliance.<sup>10</sup> Indeed, this state of affairs has a long tradition in the region as epitomized by the phrase attributed to 1930s Brazilian President Getulio Vargas: “for my friends all, for my enemies the law.”

A major pending assignment in Latin America, then, is to improve the rule of law and guarantee democracies where every citizen is equal before the law both in terms of access to justice to redress grievances and the enforcement of rights and responsibilities. The tension created by elections is that majoritarian mandates are often used to confirm plebiscitarian leadership, although minority presidents have also chosen that political style when relying on decrees and concentrating executive power to build electoral majorities. Whereas some presidents with plebiscitarian tendencies have expanded access to new rights in the new millennium, their way of practicing politics has often eroded the rule of law in their home countries. This tension created by electoral incentives is a new challenge that Latin American citizens will have to solve under either left- or right-wing administrations.

### Works Cited

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