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## **A “Left Turn” in Latin America?**

*Hector E. Schamis* ■ *Eduardo Posada-Carbó*

*Arturo Valenzuela & Lucía Dammert* ■ *Cynthia McClintock*

*Matthew Cleary* ■ *Christopher Sabatini & Eric Farnsworth*

## **Governance and Development**

*Kemal Derviş*

## **History Repeats Itself in Pakistan**

*Husain Haqqani*

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*Valerie Bunce & Sharon Wolchik* on Electoral Revolutions

*Vitali Silitski* on the Belarus Election

*Karen Kramer/Steven A. Cook* on Arab Political Pacts

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## **On Constitutional Courts**

*Donald L. Horowitz*

## A “Left Turn” in Latin America?

# POPULISM, SOCIALISM, AND DEMOCRATIC INSTITUTIONS

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Just as in the 1990s, when specialists on Latin America acknowledged the emergence of a “new right,” today they are coming to terms with the rise of reinvigorated left-wing politics. Influential publications such as *Foreign Affairs* and the *Economist*, as well as a host of academic venues, have focused on Latin America’s current swing of the pendulum. Understanding the meaning of this change and assessing its implications for the future of democracy have become priorities for observers and practitioners alike.

Yet while all left-wing parties in Latin America invoke the aspiration for a more egalitarian capitalism and a more inclusive political system—among other issues that define the left—the political landscape is far more diverse than their similar discourse may suggest and analysts have so far been able to capture. In fact, current debates on governments that generally qualify as left of center have for the most part not gone beyond broad references to at most two brands of leftist politics, reiterating familiar discussions regarding the factors that have historically shaped progressive agendas in the region.

For example, a recent, widely read essay by the Mexican academic and diplomat Jorge Castañeda categorizes one type of left as having first sprung from communism and the Bolshevik Revolution, later identifying itself with Fidel Castro’s Cuban Revolution. Leninist in its ideological and organization roots, this left has somewhat unexpectedly turned toward pragmatism and moderation in recent years, adhering firmly to democratic institutions. The other type of left, meanwhile, draws freely on nationalist and populist symbols from the past. This left

appeals to the poor, but through inflammatory rhetoric and redistributionist programs financed by fiscal expansion. Government spending booms during periods of largesse, only to contract dramatically when relative prices worsen and impose new macroeconomic constraints. Democracy suffers in these contexts, for the political process is reduced to a mere by-product of economic cycles, while broad discretionary powers in the hands of a personalistic leader erode the polity's institutions.<sup>1</sup>

Although Castañeda's distinction between two types of left is a step in the right direction, further differentiation is needed to account for the various lefts that have emerged in Latin America's recent past. We need more fine-grained characterizations and more precise classifications of the cases, not just for the sake of taxonomical consistency but also to map out complexities that a typology of two is unable to capture. This can also help us to avoid the mistake of classifying our observations on the basis of concepts that have far less meaning today than they did fifty years ago, when socialism and populism each put forward a vision of the future—of a classless society in the former case, and of autarkic industrialization in the latter—that could capture the imaginations of vast sectors of society. To be sure, progressive politics in Latin America will inevitably draw from the historical legacies of socialism and populism. The tenuous, inorganic, and amorphous manner in which these legacies now find expression, however, suggests that they can hardly inform useful analytical categories today.

If anything, the left in this part of the world often looks like a mish-mash of *postsocialism* and *postpopulism*. For example, how do we classify the Workers' Party of Brazil (PT)? Although hardly Bolshevik (yet officially a socialist formation), it is a party that emerged from the ashes of labor-based traditions associated with President Getúlio Vargas (1930–45; 1950–54). Yet the PT's fiscal discipline since taking office in 2003 means that it cannot be considered populist. What is the significance of the word populism—in Venezuela and elsewhere, and with or without Hugo Chávez's "Bolivarian socialism"—in the absence of that mainstay of Latin American populist political economy, import-substituting industrialization? How do we make sense of "left-wing populist" Néstor Kirchner of Argentina, a president elected by the same Peronist party that had earlier catapulted "right-wing populist" Carlos Menem to power?

The study of today's lefts opens a useful window on the polities of Latin America and their uneven democratic systems, but the challenge is to identify stable and consistent criteria that will allow us to tell one type of left from another. This entails using conceptual instruments within their proper historical contexts, since concepts removed from their original place and time of birth tend to lose their explanatory power. Notions such as a Leninist and a populist left (or populist right,

for that matter) in Latin America perform more of a metaphorical function today, much as do categorizations that speak of a “fascist” right (typically applied to the far right regardless of location) or a “Maoist” left (often applied to peasant mobilization across the developing world).

Accordingly, we should examine the left’s record by means of more proximate factors. I thus identify a variety of lefts by using as my analytical basis of division the character of the party system, which can range from institutionalized and well-functioning to disjointed or even collapsed. Looking at the operation of party systems offers a deeper insight into the left and the quality of democracy more generally, for what is often predicated about the different lefts is also valid for parties of the right and the center. That is, in countries where the left is moderate, prone to parliamentary compromise, and respectful of institutions, so tend to be the other parties. Conversely, wherever the left disregards the rule of law, curtails the independence of the media, and ignores the other branches of government, so does the right.

A related question, then, is why the region’s party systems have developed so erratically since the democratic transitions of the 1980s. I tackle this question by examining the path-dependency of the democratization process, the behavior of political elites, and the economic policies that have either ameliorated or magnified the effects of economic cycles. While accounting for the multiple types of left, these three factors also illuminate important differences in the operation of party systems and the uneven performance of democratic polities in Latin America.

### **Institutionalized Party Politics**

Regardless of whether the left or the right is in power, institutionalized party politics promotes moderation and mutual accommodation, and with them democratic stability. Some Latin American countries have reached that neighborhood, while others have not. The factors that have allowed some countries to arrive at a democratic polity based on a stable party system also explain the behavior of the parties of the left.

Chile’s redemocratization since the late 1980s is a case in point. From the outset, that process has had a strong institutional basis owing to the constitution that General Augusto Pinochet’s military regime enacted via a plebiscite in 1980. This document included a formula and a schedule to guide the termination of military rule, calling for a 1988 plebiscite that would either keep Pinochet as president for another eight years or lead to 1989 national elections and the beginning of a democratic transition. This confronted the opposition parties with a choice: perpetuate the stalemate that dated back to the overthrow of President Salvador Allende in September 1973, or be part of the political process under the military regime’s rules, which entailed the possibility that

voters might legitimize the very dictatorship that the opposition had been contesting for more than fifteen years. Initially, only a handful of leaders from the Christian Democratic Party favored the latter option, but they managed to persuade their own rank-and-file as well as their counterparts in the Socialist Party.

In the end, participation paid off. The parties of the center-left, clustered together as the *Concertación*, prevailed in both the October 1988 plebiscite and the December 1989 general election. Chile returned to democratic rule with the start of Patricio Aylwin's presidency in March 1990. Despite doubts and mistrust, the Pinochet government transferred power to the new democratic government, as mandated by the constitution that the military regime itself had written. That transfer process was itself an exception, for rarely do autocratic regimes establish norms that specify, well in advance and with great detail, when and how the regime will abandon power.

Seen in retrospect, therefore, the military regime was constrained by the very constitutional framework that had granted it power. The 1980 constitution turned out to be a blessing in disguise. It not only reduced the uncertainty of the transition, but also—by remedying the longstanding problem of presidents elected with a popular-vote minority and by requiring larger congressional majorities to pass legislation—removed instabilities that had troubled the previous institutional order. Chile's experience reinforced centripetal tendencies, deepening and enriching a learning process that had already been under way.

In a country with a history of growing ideological polarization that had exploded into violence in the 1970s, the survival of democracy also depended on the resocialization of the political elite. The new institutional incentives facilitated this process. It was telling that somebody like Alejandro Foxley, minister of finance from 1990 to 1995 and foreign minister today, recognized early in the first democratic government that the constitutional rules left by Pinochet had “somewhat ironically fostered a more democratic system,” for they forced major actors into compromise rather than confrontation and, by “avoiding populism,” increased “economic governability.”<sup>2</sup>

Consequently, since 1990 Chile has embraced the goal of poverty alleviation along with those of macroeconomic discipline and export orientation, avoiding the exogenous shocks that have hit the region over the last decade and a half. The typical portrayal of Chile as Latin America's “champion of neoliberalism” misses how pragmatic, if not counter to the mainstream and heterodox, the country's economic policies have actually been—from the emphasis on a competitive exchange rate to a free-trade agreement with the United States, from the tight regulation of the banking sector to the fine-tuning of interest rates, and from restrictions on capital flows to the creation of a fund to cushion the economy against fluctuations in the world price of copper (Chile's key

export and always a state-owned resource). Such policies have flowed from a setting in which congressional bargaining has prevailed over street politics and compromise over executive discretion. Progressive politics in Chile is a matter not of sweeping transformations but of piecemeal reforms. The center-left Concertación, built around the Christian Democrats and the Socialists, has governed since 1990 and turned the country into a model of democratic capitalism and stable party politics in the region.

Although owing more to the behavioral dispositions of the political elite than to institutional incentives, strong centripetal tendencies have also developed lately in Brazil. Since the PT took office in 2002 under President Luiz Inácio (“Lula”) da Silva, these tendencies have become all the more noticeable and indeed remarkable, if one takes into account how fragmented Brazil’s party system is and how strongly the country’s constitution exacerbates political competition at the local level. The fractured party system is the legacy of two decades of authoritarian rule that ended in a top-down, protracted fashion and left behind slow-evolving parties created by the military regime itself. The excessively decentralized, hyperfederal constitution is a product of the primacy of territorial politics and the unwavering capacity of subnational interest groups to impose constraints upon the center.

The fragmented party system, the constitutional framework, and the weight of a populist past that tended to deepen labor-capital and urban-rural cleavages made for fragile parliamentary coalitions and overly strong incentives for pork. Brazilian politics became a zero-sum game that often paralyzed the policy-making process and left the country open to prolonged macroeconomic distress, made worse by unfriendly external conditions going back to the 1980s. Indebtedness, inflation, and volatile cycles of boom and bust—the archetypal features of Latin American macroeconomics—beset Brazil during its period of democratic transition. It was as late as 1994 that then-finance minister Fernando Henrique Cardoso implemented a successful stabilization program, laying the basis for his election and then reelection to the presidency in 1994 and 1998. Initially, the “Plano Real” paid off, but after five years of real exchange-rate appreciation the policy had become unsustainable. A sharp devaluation and deep recession kicked in just as Cardoso’s second term began in January 1999.

Yet the lessons of earlier mistakes had sunk in, and Brazil would not return to the troubled legislative processes of the past. As president, Cardoso had managed to organize coherent and consistent legislative support. He successfully changed the terms of the relationship between the central government and the states, particularly in such crucial areas as fiscal policy and domestic-debt management. The currency-devaluation crisis of early 1999 was the litmus test of this new relationship, a test that the government certainly passed. As of that moment, a more

flexible exchange-rate regime came into being (Brazil's Central Bank stopped pegging the value of the real to the U.S. dollar) and the banking sector was reorganized. Stability returned relatively soon, and the economy recovered its competitiveness.

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*Under Lula's balanced leadership, Brazilian democracy appears to have finally entered the era of institutionalized party politics.*

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It was in this context that Lula won a close October 2002 election over Cardoso's handpicked successor, José Serra of the Brazilian Social Democratic Party. Twenty-two years after its creation, and after compiling a record of successful municipal and state administrations across the country, the PT had finally made it to national office. Coming as it did in the wake of the Argentine collapse and debt

default of 2001–2002, the rise of a leftist union leader to the presidency of Latin America's largest country made economic and financial elites nervous. The challenge was serious, but Brazil's top political leaders rose to it. Appearing together with their respective economic policy-making teams, sitting president Cardoso and president-elect Lula allayed fears by agreeing clearly and publicly on such crucial terms of the transition as the need to maintain macroeconomic discipline, to deploy a consensual strategy in negotiations with the country's creditors and the IMF, and to strengthen democratic practices and institutions.

It is no exaggeration, therefore, to say that Lula's PT government marks a watershed in Brazilian democracy. Originally socialist, the PT embodies a novel and pioneering form of leftist politics. Though it has roots in the populist traditions of working-class politics in São Paulo, the PT embraces true bottom-up decision-making methods that are also a far cry from the traditional leftist practice of democratic centralism. As in the much-discussed experiment with participatory budgeting in the city of Porto Alegre, the party leadership relies on the input of local-level councils whose deliberations and votes, funneled up to state and national leadership, shape the party's agenda. This consultation process also includes a variety of social movements, most notably the often-radical Landless Rural Workers' Movement (MST)—the world's largest movement of the rural poor—which since its founding in 1984 has pushed for a deepening of agrarian reform.<sup>3</sup> While generally responsive to the MST, the PT leadership has nonetheless remained firmly within its role of governing party, playing an evenhanded game of parliamentary give-and-take. Under Lula's balanced leadership, Brazilian democracy appears to have finally entered the era of institutionalized party politics.

The same can be said of Uruguayan democracy, but with significant additions. With the November 2004 victory of Tabaré Vázquez of the left-of-center Frente Amplio coalition, the century-old two-party sys-

tem of the Blancos and Colorados gave way to multipartism. The outstanding characteristic of this sea change is that it took place within a context of peace and stability. There was nothing like the sort of political crisis that frequently accompanies (if it does not trigger) such a party-system transformation. Furthermore, the main group within the governing coalition and largest congressional bloc happens to be “Espacio 609,” created and led by former Tupamaro guerrillas of the 1970s. The presence of José Mujica—a Tupamaro cadre who spent fourteen years in jail—as president of the Senate and third in the line of presidential succession closes the most traumatic period of Uruguayan history. A stable democratic system based on robust and effective party politics is now firmly in place.

### **Disjointed Party Politics**

In disjointed party systems, incentives for parliamentary negotiation tend to be weak. Taking political disputes to the streets is routine, and the executive branch enjoys ample room for autonomous action. The economic cycle typically drives the political process. When prices are favorable and the economy is growing, the incumbent chief executive rides high, often circumventing established institutional routines and concentrating power in the office of the president. The basic traits of the typically strong Latin American presidential system gain extra force, leading to a “superpresidency” whether a leftist or a rightist is in office. When the wheel turns, with prices falling and growth waning while an angry opposition nurses its accumulated grievances, instability frequently follows and the superpresident becomes an embattled (and sometimes a former) president.

Argentina is a case in point, made so by the deterioration of its party system since the democratic transition of 1983. In 1989, reeling under the effects of the debt crisis and hyperinflation, the incumbent Radical Party lost office to Peronist Carlos Menem. Fighting inflation was a priority for the new government, which tackled the task by fixing the Argentine peso to the U.S. dollar under a currency board. By 1992, the stabilization measures were yielding results. As the terms of trade were improving and foreign investment was beginning to return, Menem that year embarked on a comprehensive privatization program. As he had done with the stabilization package, he carried out privatization by using his executive-decree authority and granting broad policy-making powers to his economy minister. The distribution of state-owned assets among private actors was also a political tool, an effective rent-seeking mechanism to garner support among the country’s most powerful economic elites.

With economic recovery under way and broad discretionary powers in his hands, Menem next packed the Supreme Court and engineered a



constitutional change that permitted him to run for a second term. Part of his strategy was to shift the balance of power within the state to favor the executive branch over the judiciary and the legislature. Menem's maneuvering generated resentment, not only among opposition groups but also among members of his own party, who grew bitter at his antics and his preference for political appointees recruited from conservative groups outside the Peronist party structure. In the end he was reelected, but it was a pyrrhic victory given the damage that it inflicted upon the party system and such fundamental principles as separation of powers and checks and balances.

By the second half of the 1990s, external conditions were again changing—this time for the worse. The Mexican currency devaluation of 1995, the continual appreciation of the U.S. dollar, and the devaluation of the Brazilian real in 1999 could only add up to bad news. It was time for a change, but the peg of the peso to the dollar was a straightjacket against countercyclical monetary policy, and Menem had become wholly identified with price and exchange-rate stability. Moreover, with growing public expectations of zero inflation, voter preferences regarding the trade-off between full employment and low inflation had begun to shift decidedly in favor of the latter, evincing a higher tolerance for recession. That is how Fernando de la Rúa of the center-left Alianza coalition saw things while running for president in 1999. He promised to keep the currency board and to continue servicing the swelling debt, much of which was subject to skyrocketing interest rates.

Problems were compounded by the way De la Rúa exercised power. First he pushed his coalition partner aside, which led to the resignations of his vice-president and a prominent cabinet member. Then he turned his back on his own party, gathering around himself a “friends and family” inner circle of unelected, nonpartisan advisors, several of whom had no previous political experience. Lastly, he appointed none other than Domingo Cavallo, once Menem's economic czar and the architect of peso-to-dollar currency stabilization, to a ministerial post with extraordinary powers over economic policy, further ignoring the political parties and marginalizing Congress. In December 2001, after four years of recession and with unemployment around 20 percent, a government freeze on bank accounts sent people into the streets. Rallies, food riots, and looting spread across the country. With democratic institutions lying seriously wounded, the economic emergency turned into a grave political crisis and the president resigned. De la Rúa fell in the same way that he had governed, cut off from the average citizen, severed from political society, and estranged from his own party.<sup>4</sup> In January 2002, after devaluing the currency and defaulting on its debt, Argentina plunged into its worst economic crisis ever.

The story comes full circle with Néstor Kirchner, a left-of-center Peronist governor from a small province who won election to the presi-

dency in April 2003, succeeding a transitional administration led by Eduardo Duhalde. Thanks to the stability that Duhalde had managed to recover, Kirchner found more auspicious domestic and international economic conditions. Argentina restructured its debt, obtaining an unprecedented reduction of 70 percent, and improved its fiscal condition. At the same time, prices for its major exports began to rise again. With a competitive exchange rate, it acquired a large trade surplus that has spurred three consecutive years of rapid growth and mounting foreign exchange. Riding the boom, Kirchner has also found opportunities to accumulate power, especially since he did well in the October 2005 midterm elections. He has since sacked all independent-minded members of his cabinet (most notably Roberto Lavagna, the architect of the economic recovery), exploited his weakened opposition by coopting leaders from other parties, played on regional and factional divisions, and blatantly employed fiscal resources to grease the wheels of Peronist party politics. Moreover, he has flirted with unconstitutionality by extracting from Congress extraordinary powers to make unilateral decisions regarding such critical matters as foreign-debt negotiations and the budgetary process.

Kirchner's politics could be seen as reflected in "Menem's mirror"—the image is transposed from left to right, but otherwise the picture is identical. Whether democratic procedures are circumvented, twisted, and violated "to quickly achieve market efficiency and enter the First World," as in Menem's narrative, or in pursuit of "social justice and independence from the U.S. and the IMF," as Kirchner puts it, makes little difference. Disjointed party systems tend to weaken the legislature, tilting the balance of power in favor of the executive whether the left or the right is in office.

In Peru as well, democratization has failed to go together with the development of robust and stable party politics. The events leading to the June 2006 comeback win of former president Alan García and his left-wing American Popular Revolutionary Alliance (APRA) form no exception. To understand the multiple challenges posed by a party system unable to reproduce basic democratic routines, one must start with García's first presidency. It lasted from 1985 to 1990 and was by all accounts—including his own—a colossal failure.<sup>5</sup> Fiscal expansion generated an initial boom, but it was soon followed by raging inflation, massive disinvestment, and deep recession. In response, García repudiated Peru's foreign debt and nationalized the banks, thus ending up internationally isolated and in conflict with domestic business interests. As all this was occurring, the poverty rate was soaring and the violence of the Shining Path guerrillas was on the rise in the cities and the countryside alike.

As a result, by 1990 democracy was in shambles. The traditional political parties were so discredited that the two main electoral con-

tenders were outsiders Mario Vargas Llosa, the country's most prominent writer, and Alberto Fujimori, a little-known agronomist. Fujimori and his newly created Cambio 90 won the contest and governed with the goal of eradicating the Shining Path—an end accomplished through state-terrorist methods—and recovering stability, investment, and growth, which the new president achieved through a corruption-ridden privatization and reform program. In 1992, Fujimori staged a self-coup, closed Congress, and rewrote the constitution. He had managed to start a third term when his autocratic rule began to come under challenge in the late 1990s. Alejandro Toledo, another relative outsider (this time with an indigenous ethnic background and a Stanford doctorate) lost to Fujimori at the polls in April 2000 and later led protests against him. In November 2000, with his administration unraveling amid corruption scandals, Fujimori fled into Japanese exile. Toledo and his own new party, Perú Posible, won the next election in June 2001.

Marred by scandals and internal disputes, the Toledo presidency came to an end with the election of June 2006. The runoff pitted García against former army officer and coup plotter Ollanta Humala, a political newcomer running under the banner of the Union for Peru (UPP). From the outset, the contest was influenced by the explicit intervention of Venezuela's Hugo Chávez, who sided with, and according to some observers even financed, Humala's campaign. Casting himself as a moderate social democrat in the mold of Chile's Ricardo Lagos and Michelle Bachelet, García eked out a narrow win. The problems that he faces are monumental—poverty, ethnic divisions, and regional inequalities. What will make his task all the more challenging is the dysfunctional institutional setting within which he will have to work. With Congress fragmented, García will have a hard time reaching much-needed parliamentary accords—a daunting prospect in light of the ephemeral character of Peru's political parties and the volatility of the party system as a whole.

### **The Petro-Left**

Democracy does not fare well in oil-producing countries, at least not in the long term. Oil-export revenues spur an appreciation of the exchange rate that hurts the competitiveness of the manufacturing sector and crowds out investment. Because of this, not only do countries rich in oil grow slowly but they do so in unbalanced ways, which create intense regional and sectoral cleavages, and through sharp cycles associated with price and exchange-rate fluctuations, which foster instability. More often than not, the political economy of oil engenders a patrimonial system of domination—a polity in which extensive clientelistic networks seek control of the resource in order to distribute its proceeds among insiders. This tends to produce a “sparse” state that is unable to

define and enforce rights, centralize the means of administration, or collect revenue efficiently. In such a setting the left side of the political spectrum can all too easily become a peculiar “petro-left,” just as the right becomes a “petro-right.” Oil distorts the entire political and economic picture, whether in a collapsed party system such as Venezuela’s or a disjointed and fragmented one such as Bolivia’s.

Oil was the cornerstone of the Venezuelan political arrangement after 1958. The so-called Pact of Punto Fijo, signed by the relevant political and economic actors after years of military rule, institutionalized a power-sharing democracy under which the center-left Democratic Action (AD) party and the center-right Social Christian Party (known as COPEI) built the dominant political machine. Through the 1960s and 1970s, while most of Latin America was under authoritarian rule, in Venezuela oil paid democracy’s bills.<sup>6</sup> The problem, however, was that oil could do so only as long as prices remained high. When they began to dip around 1983, unprecedented fiscal constraints exposed the nature of the arrangement—a system of collusion among politicians of both parties who doled out the oil windfall to their cronies while largely ignoring the demands of the urban poor. In February 1989, long-simmering discontent burst into violence during the so-called Caracazo, a series of riots against the structural-adjustment program of then-president Carlos Andrés Pérez that left a death toll estimated at between one and three thousand.

While the Caracazo signaled the demise of “puntofijismo,”<sup>7</sup> the system’s death certificate was signed by a pair of 1992 coup attempts, followed by Pérez’s impeachment and removal from office the next year. Lieutenant-Colonel Hugo Chávez, a coup leader who had risen to prominence by condemning AD and COPEI as arrogant and corrupt, capitalized on the crisis. His ardent rhetoric resonated with the shantytown dwellers who turned out in unprecedented numbers for the 1998 election. With both parties virtually disbanded, Chávez ran and won with 56 percent of the vote. “Chavismo” had begun.

Once in power, Chávez opened a tumultuous chapter in Venezuelan history, one that is still being written and whose long-term implications remain unclear. What started as a genuine electoral victory gradually deteriorated into a simulacrum of democratic rule. In 1999, Chávez convened elections to choose a national constituent assembly. This body revised the 1961 constitution, mandating a switch from a bicameral to a unicameral national legislature, the removal of control over the army from the legislature’s hands, an extension of presidential tenure from five to six years, and authorization for the incumbent president to seek a consecutive second term. In a country that had become deeply divided while political parties had become irrelevant, conflict intensified. After being reelected under the newly amended constitution in July 2000, a weakened Chávez barely survived a two-day attempted

coup in April 2002. But survive he did, and then went on comfortably to defeat a recall referendum in August 2004. Subsequently, he packed the Supreme Court with 17 loyal justices, replacing five and adding a dozen new ones.

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Oil is the factor that explains how Chávez transformed himself so quickly from the damaged, almost ousted president of 2002 to the assertive figure of 2004 and after. As the price of crude has soared, Chávez's ambitions have become easier to finance. These include not only his comprehensive fiscal stimuli and far-reaching social programs, but also his new international persona—projecting himself as a regional leader, meddling in the domestic politics of Peru and Mexico, destabilizing the Andean Pact, entering Mercosur while challenging Brazil, and

ratcheting up his rhetoric against the United States and the Bush administration (even as most of Venezuela's offshore exploration remains contracted out to U.S. firms and all the country's oil continues to be refined in Louisiana). Chávez's rule represents an oil-funded, twenty-first century version of patrimonial domination. Along with the vague populist oratory and nebulous socialist goals come clearly undemocratic methods. The question is whether, with a shift in the price cycle, his "Bolivarian Revolution" will collapse just as the Punto Fijo arrangement did in the late 1980s and, if that happens, how much farther from stable and democratic party politics Venezuela will then be.

Although perhaps less prominently than in Venezuela, the traits of a petro-left are also visible in Bolivia. While party politics, however fragmented and disjointed, still plays more of a role there than in Venezuela, Bolivian democracy has deteriorated rapidly since President Gonzalo Sánchez de Lozada's term came to a premature end with his resignation in October 2003. With a mobilized labor movement and a divided party system, the Sánchez de Lozada administration suffered from defective circumstances at its very outset. When the June 2002 election had produced no candidate with the required majority, an agreement between the two traditional parties in Congress (known by their acronyms as MIR and MNR) had made Sánchez de Lozada president. The close runner-up, coca-growers' leader and Movement Toward Socialism (MAS) candidate Evo Morales, viewed the agreement as a behind-the-scenes conspiracy and usurpation. The fierce mass mobilizations that he and his allies sparked undermined the new president's legitimacy and doomed his administration from the outset.

After two interim presidents failed to restore stability, a December

2005 election gave Morales a solid 53.7 percent first-round victory and made him Bolivia's first president elected by a majority in more than two decades. Morales had rallied his base with such classic leftist issues as the rights of indigenous peoples, the end of restrictions on coca growing, and full state control over the hydrocarbon sector. It was not too surprising, then, that with the enthusiastic support of Fidel Castro and the ever-growing influence of Hugo Chávez, Morales nationalized Bolivia's oil and gas sector on May Day, 2006. With great fanfare and nationalistic fervor, Morales even ordered troops to occupy foreign-run oil and gas fields. Upon reviewing the event and its images, one cannot help remembering Lenin's great concern with "leftism," that "infantile disorder," especially given that one of the main casualties of the nationalization turned out to be Brazil's Petrobras, the state-owned oil company of a Latin American country governed by a socialist labor leader.

The leftward tide has divided Latin America more sharply than it has been at any time since the return of democracy two decades ago. Under Chávez's petro-financed foreign policy, the Andean Pact has been seriously damaged by Venezuela's departure, Mercosur's purpose has become uncertain with Venezuela's challenge to Brazil's leadership, and the worsening of relations between Bolivia and Brazil has made a chimera of the old hopes for regionwide energy integration. This suggests the need to come to terms with the multiple types of left that are in office today in Latin America, and to examine their differences in terms of stark contrasts among their respective countries' party systems as well as the uneven performance of their democratic institutions.

### **The Left and the Future of Democracy**

Populism as a political actor is history—we should perhaps drop the concept altogether. Once classic import-substituting industrialization ceased to be a feasible strategy—a result of the increasing market integration and financial openness that has come about since the mid-1970s—the economic incentives of the multiclass, urban coalitions that had sustained populism disappeared. Without material bases of support, populism's structural foundations vanished. Such strains of "populism" as have come to power since the transitions of the 1980s have been crude imitations of the original, capable of recreating its rhetoric and rituals but unable to reproduce its substance. Similarly, socialism is a thing of the past. Once state socialism disclosed its ugly face and its irrational economics, the system and its ideology collapsed together. Notions such as a classless society, central planning, and state ownership of the means of production lost meaning and traction, in Latin America and elsewhere.

Yet the essential progressive concerns of populism and socialism are

as alive as ever. Decades after the end of military rule, longstanding goals such as a welfare state, social justice and political inclusion, substantive equality and dignity for working people, and rights for disadvantaged groups remain unfulfilled and continue to spark mobilization. Political vehicles from the past, however, are no longer viable in their original form. The issues remain the same, but new strategies are needed to address and resolve them. Socialists have generally found a new script with relative ease, for they have had somewhere to look. Felipe González had already turned Spain into a model of social democracy by the mid-1980s. By the mid-1990s, even the Hungarian and Polish ex-communists were being elected to take their countries “back to Europe.”

Populist politicians, however, have been less successful in turning their mass movements into viable political parties. For the most part, these leaders have had difficulty finding a narrative that can contribute to democratic stability in a consistent manner. The specter of old-fashioned populism keeps coming back, perhaps as a witness to how incomplete the political incorporation of Latin America’s poor remains, and as a painful reminder that the region is still the world’s most unequal. The populist conundrum confronts Latin America with the familiar yet complex challenge of promoting substantive democratization while reinforcing the procedures that make up democracy itself. The need to accomplish both tasks continues to present thorny issues in a region where the very word “institution” has long been taken to mean little more than a bag of tricks that ruling elites use to deceive, exclude, and impoverish the people. Frequently, leaders who have pursued socially just ends have not felt compelled to do so through consensual means. In a sad irony, such leaders have ended up weakening the very rights and institutions that the poor and destitute so desperately need, further worsening the inequalities that the leaders were supposed to correct.

Righteousness, however, does not make a good recipe for a democratic society. If right-wing Carlos Menem deserves criticism for packing his country’s highest court, so does left-wing Hugo Chávez, regardless of their quite dissimilar goals. In a democracy, means are substantive and not merely formal, because rules are the only thing upon which contenders can always agree. Procedures are thus the glue that holds the polity together. This is the ultimate challenge for the left in Latin America today, to reconcile the substantive goals of inclusion and equality with the goals—the equally substantive goals, I emphasize—of robust procedures and institutions. There are countries in the region where this twin challenge has been addressed and even met. The common denominator in those success stories is the existence of a stable system of party politics and a decision-making process run not by executive discretion, but by legislative bargaining. Across the rest of Latin America, much remains to be done in this regard, but good examples stand near at hand. They must be imitated.

## NOTES

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3. Patrick Quirk, "The Power of Dignity: Emotions and the Struggle of Brazil's Landless Movement (MST)" (M.A. thesis, American University, Washington D.C., 2006).

4. Hector E. Schamis, "Argentina: Crisis and Democratic Consolidation," *Journal of Democracy* 13 (April 2002): 81–94.

5. Michael Shifter, "A Conversation with Alan Garcia," *Washington Post*, 4 June 2006, B2.

6. Terry Lynn Karl, "Petroleum and Political Pacts: The Transition to Democracy in Venezuela," in Guillermo O'Donnell, Philippe C. Schmitter, and Laurence Whitehead, eds., *Transitions from Authoritarian Rule: Latin America* (Baltimore: Johns Hopkins University Press, 1986).

7. For a comprehensive overview of "puntofijismo" and its aftermath, see Jennifer L. McCoy and David J. Myers, eds., *The Unraveling of Democracy in Venezuela* (Baltimore: Johns Hopkins University Press, 2004).