

UNDERSTANDING THE OUTSIDER APPROACH

by

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ABSTRACT

This paper aims to conceptualize “outsider” as an approach to gaining power as well as to provide a language with which we can discuss outsiders. It begins with an argument for how outsiders pose a threat to liberal democracy. In order to explore understand how outsiders come to power, the case studies of Alberto Fujimori’s 1990 election in Peru and Hugo Cháavez’s 1998 election in Venezuela are examined in depth. The descriptions of how they were able to win sheds light on the dynamics of the outsider approach and what factors make such an approach electorally competitive. The paper concludes with observations on these factors and an outlook for possible policy. My argument and my research evolved throughout the course of writing this thesis. At first, the preoccupation of my research focused on the case studies, but upon finding a lack of language and research to use in describing the outsiders, my research endeavor focused on the task of providing a language and case studies. While the focus bifurcated, I hope that both areas of research complement each other.

Chapter 1

OUTSIDERS: INDICATOR AND HARBINGER OF DEMOCRATIC DECAY?

The Persistent Attraction of Outsiders

Outsiders are a recurring feature in Latin American Politics.¹ In several cases—especially throughout the Andean region (Bolivia, Peru, Ecuador, Colombia and Venezuela)—voters have sided with outsiders against some of the most well-established (and least established) party systems in Latin America. At times the citizens were well aware of the risk an outsider posed, yet still voted for him. Outsiders may have been unqualified, unsafe and even unheard of, but they've also been winning. Why?

Much has been written on Latin America's love affair with populism since it has reemerged throughout the region's tortuous history as a sort of dysfunctional form of representation. For good reason populism has been defined, analyzed, theorized and conceptualized in numerous ways. Yet outsiders have not. In this paper, I hope to conceptualize outsiders not unlike we conceptualize populists. In the same way scholars have defined populism, I hope to define outsiders; in other words being an outsider and being a populist isn't really all that different. Democracy—which is about more than just voting and rights, but also about citizenship, participation², liberty, stability, inclusion and progress—is threatened by outsiders. If we can identify and understand outsiders, then we can generate a discussion on what they mean for democracy, what their role in the system is, and what to do about them, if anything. This is a discussion that I see absent in Latin American comparative literature.

Definitions

Outsider status, like populism, is not defined by policies, but rather by strategy. An outsider is defined as someone whose approach to gaining and exercising power includes 1) being unaffiliated with traditional parties (even by defection); 2) “the politics of anti-politics”: blaming traditional parties for many of the country’s problems; 3) the politics of confrontation: a political discourse or mentality that divides the world between ‘us’ and ‘them’; and 4) the intent to transform the system by displacing traditional parties and institutionalizing their own movement.³

Obviously, this definition goes beyond defining outsiders as merely political alternatives to traditional political power groups (a relational definition). This definition includes an element of our definition of populism (see below) and doesn’t conceptualize “outsiderness” only as a relation to traditional parties but primarily as an approach (a strategy definition). Figure 1.1 illustrates the spectrum of “outsiderness.” Clearly, there is a grey zone where it is difficult to determine whether a candidate’s outsiderness will have consolidating or deleterious effects on democracy. On the green side of the spectrum (where a candidate is better described as a reformer), this outsider approach is defined as more a relation to some traditional power grouping (“outside traditional parties” or, in the case of America, a “Washington Outsider”). On the red parts of the spectrum, the four characteristics of the definition above are present but it is their intensity that determines their relative position (closer to the relational side or closer to the populist outsider). It should also be noted that a politician’s position on this spectrum is rarely static. Both Chávez and Fujimori would have been positioned at various points on the same spectrum at different times throughout their tenures. Fujimori especially shifted towards the populist outsider end of the spectrum during his tenure.

Figure 1.2 illustrates where some of the politicians discussed in this paper might fall on the spectrum if analyzed based on our definition of “outsiderness” (albeit somewhat subjectively, I admit). To provide some sense of scale (if not an example of a more benign outsider in a non-Latin American context), I also tried to position former American vice presidential candidate Sarah Palin. A self-described “Washington Outsider” and “maverick” (a word Rafael Correa also used to describe himself), Palin ran using an American style outsider campaign.

Figure 1.1 The Outsider Spectrum

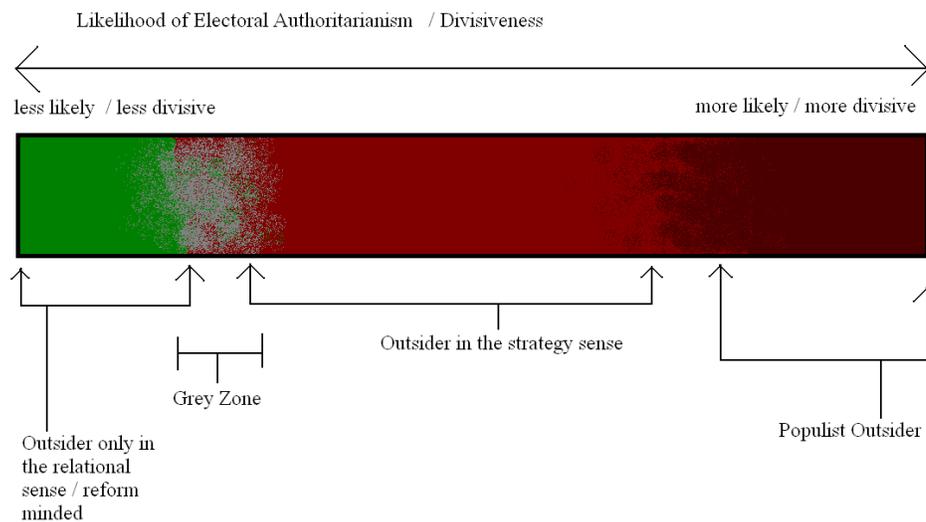
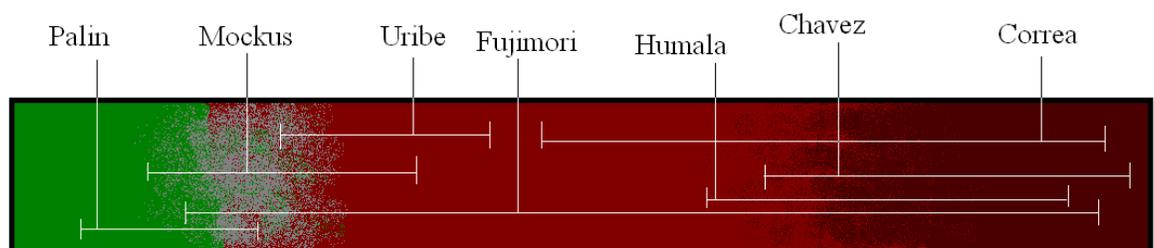


Figure 1.2 Where Might These Politicians Be Situated?



Traditional Parties are parties that 1) are perceived to be a controlling and powerful party; OR 1) have had representation greater than 20% in the lower chamber through multiple recent election cycles; 2) have had presidential candidates that have received more than 20% of the popular vote in recent elections, and 3) have not been regularly or systematically excluded recently.

I will blend Carrión's and Weyland's conceptualizations of populism to construct a working definition.⁴ For our intents and purposes populism is an approach to gaining and exercising power⁵ that includes "1) a style of leadership that is highly personalistic; 2) an unmediated or poorly institutionalized leader / mass relationship that privileges mechanisms of direct democracy rather than representative democracy; 3) a political discourse or mentality that divides the world between 'us' and 'them'; and 4) a general distrust of institutional checks and balances that would limit the power of the leader."⁶ Sometimes populists are marked by economically short sighted policies.

Using Levitsky's and Way's definition, a democracy must have at least the four following qualities: "1) Executives and legislatures are chosen through elections that are open, free, and fair; 2) virtually all adults possess the right to vote; 3) political rights and civil liberties, including freedom of the press, freedom of association, and freedom to criticize the government without reprisal, are broadly protected; and 4) elected authorities possess real authority to govern, in that they are not subject to the tutelary control of military or clerical leaders."⁷

There are a number of phrases and titles that describe different sorts of hybrid regimes (regimes that demonstrate both democratic and authoritarian elements). For our intents and purposes, I primarily refer to illiberal democracy (aka

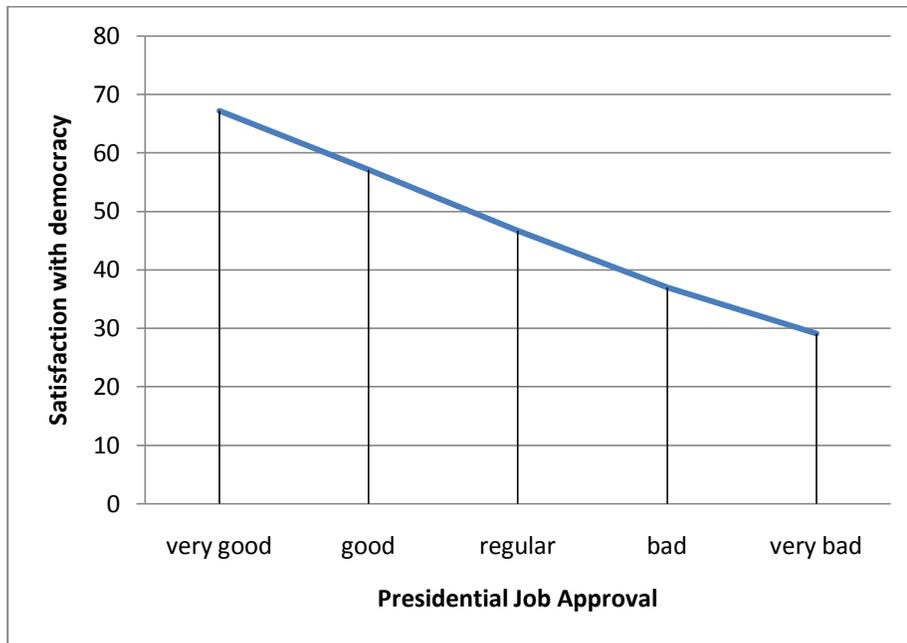
democradura or hard democracy) using Fareed Zakaria's definition. Illiberal democracy is a *pseudodemocracy* where, although some of the procedural aspects of democracy exist, civil liberties and some basic freedoms are not fully realized.⁸

The concept of "electoral authoritarianism" is essential to understand as the rise of certain outsiders has advanced the rise of electoral authoritarianism. Combining Schedler's, McClintock's, Levitsky's and Way's descriptions, electoral authoritarianism can be defined as a situation where incumbents increasingly disenfranchise opposition, routinely violate the formal norms of institutions, disrespect democracy and the rule of law and fail to meet the minimum standard for democracy even while procedural components of democracy exist.⁹

Why Focus on Outsider Presidents?

Surely, there are a number of organs that constitute a democracy; however, the executive is the most visible and powerful division in government (in most of Latin America, at least) with the ability to steer the country's direction. More importantly, however, is that levels of satisfaction with democracy are correlated with presidential job approval. This could indicate that if citizens are happy with their president, they are more satisfied with democracy as a whole. Figure 1.2 illustrates this correlation.¹⁰ Latin America is also the continent of presidential systems. As Juan Linz and Francis Fukuyama et al point out, the nature of presidentialism has inherent weaknesses such as the rise of "personality Politics" which enables inexperienced outsiders.¹¹ So the nature of Latin American presidential systems is directly correlated to the discussion on outsiders.

Figure 1.3 Empirical Correlation Between Satisfaction With Democracy and Presidential Approval Rating



Why Outsiders?

Political outsiders are often manifestations of something broken within a political system. When some part of the system malfunctions or underperforms outsiders swoop in to offer the electorate something that was missing. Outsiders are not necessarily intrinsically malevolent, but they have been frequently destabilizing. Their emergence should be disquieting, if only because they can indicate serious dissatisfaction with the existing political options.¹² There are different types of outsiders. Outsiders in the strictly relational sense (see definitions) can be benign and reform minded. Outsiders in the strategy sense (see definitions) are more precarious. The most hazardous, the most electorally competitive, and independent of the strategy outsider types is the populist outsider.¹³ As Kenneth Roberts describes, populist outsiders lack partisan ties, accountability and experience.¹⁴ Populist outsiders usually

gain traction by criticizing the powers that be and often by denouncing the system as a whole. Often they depict themselves as a foil to traditional politicians or as saviors of the nation who must remake the system for the benefit of “the people”. Their anti-system message often resonates with dispirited or underrepresented electorates.

This paper explores how such outsiders, and more specifically populist outsiders, are able to win presidencies. I hope to give insight into the factors and circumstance that cause and contribute to such a repudiation of political options. To do this I examine two case studies: Alberto Fujimori’s 1990 electoral success in Peru and Hugo Chávez’s 1998 electoral success in Venezuela. I attempt to offer a comprehensive explanation of how Alberto Fujimori in Peru and Hugo Chávez in Venezuela were able to secure electoral victories. Most scholarly work focuses on their transformative tenures and controversial measures but thorough explanations of their ascent to power, beyond generalized and lacking rationalizations, are scarcely proffered.

Why Chávez and Fujimori?

Although political outsiders have had considerable degrees of success throughout the entire Andean region, Peru and Venezuela are the only countries in the region that have experienced a complete party system collapse¹⁵, that is, in systems where political parties are absolutely vital for democratic politics, they completely decomposed.¹⁶ Non-coincidentally, both Peru and Venezuela register extremely low levels of confidence in institutions. I chose Fujimori and Chávez, first, because their presidencies were (and in the case of Chávez, continues to be) extraordinarily transformative. Second, because their presidencies have been similarly authoritarian; they have both taken comparable measures to marginalize opposition, flout democratic

niceties such as check and balances, badger freedom of speech, and dismember their governments and rewrite their constitution all to aggrandize their executive powers and deliver the changes that they see as necessary. While their actual policies and ideological orientations could hardly be more opposed, their political maneuvers to exercise control bare striking resemblances. Third, they were both entirely unqualified for the job in that they both had no electoral or apposite experience. Fujimori was an obscure university rector—an agronomist and, for some time, a TV host—who ran for the presidency only to attain publicity for a senate campaign. Hugo Chávez was a career military lieutenant colonel who organized a clandestine cabal of disgruntled lower-level military men and then attempted a *golpe del estado* (coup d'état) in 1992 against the government of Carlos Andrés Pérez. Fourth, at times their rhetoric and style was comparable in that they both ran anti-system campaigns that capitalized on the country's disenchantment with the previous administrations. Fifth, they both found their base of support in mostly unorganized, underrepresented, urban, poor, informal and frustrated citizens. Finally, lastly and most importantly, despite all the obvious reasons why the electorate shouldn't be attracted to them, people voted for them in huge percentages. In other words, despite everything, the electorate saw something in these candidates. Fujimori and Chávez were the response to a demand.

Why should we be skeptical of outsiders?

Common to many outsiders is their “anti-system” rhetoric. An outsider's mistrust of traditional politicians is often reckless: not based on any specific or objective performance criteria, but questioning the very legitimacy of political institutions and the laws and customs by which they operate.¹⁷ Such wide-ranging and disgruntled condemnation might resonate well with a dispirited electorate but it goads

discontent with government and threatens democratic culture. This is not to say that outsider anti-system rhetoric is baseless or fictitious; on the contrary, it often denounces real problems—such as corruption and crime—or it at least contains grains of truth. However, the manner in which the rhetoric is expressed seeks to delegitimize rather than reform and seeks to strike emotional chords and arouse frustration over encouraging collective sensible solutions. The result is often indiscriminate hostility and cynicism towards traditional politics, government and even democracy rather than a desire to reform and ameliorate the political system. It might convenience an outsider to further the notion that “the system is broken” but it weakens democratic values when citizens are primed to instinctively regard politics as futile or politicians as corrupt. When outsiders use this sort of rhetoric as a political tool to garner support or to consolidate power, it is done at the expense of stable democracy. This “effect”—using reduced confidence in and negative attitudes towards political institutions as a mechanism to gain support—is often referred to as “anti-politics.”

Kenneth Roberts convincingly argues that the “populist outsider strategy... is intrinsically problematic as a mode of democratic governance.”¹⁸ He explains that once outsiders win the election, they can no longer capitalize on their outsider status. Accordingly, they must rely on performance, personal appeal, and targeted patronage because they are relatively isolated being in a political arena with little institutional support. Performance, no matter how illustrious, suffers from the “law of diminishing returns” over time.¹⁹ Personal appeal, no matter how mythic, is still a weak form of legitimacy and also diminishes over time. Patronage is often a misuse of public resources. In this sense, outsiders, once in power, are considerably fragile because they lack institutional reinforcement and what they rely for support on

is unreliable. Roberts also says that their mass constituencies are often not “organizationally encapsulated” and such a lack of partisan organization leaves outsiders less accountable and their voters who are unattached to the party. Cognizant of their fragility and weak-accountability, they often adopt a short-term “profit while we can” mentality and/or resort to increasingly autocratic measures to secure their position. Kirk Hawkins echoes this sentiment when he wrote that the outsider populist discourse and the belief by outsiders that they represent the will of the people could lead to an “anything goes” mentality.²⁰ Outsiders might promise economic salvation, social justice, security, to be the voice of “the people” and a chicken in every pot, but because they tend to rely on personality, centralization, clientelism and patronage, and disenfranchising opposition, they often end up exacerbating the problems they pledged to solve.²¹

I would argue that once in power their rhetoric shifts focus to become less “anti-system” and less “anti-establishment” and more “anti-opposition.” They make enemies within the government to scapegoat and enemies within the citizenry to indict with “subversion” or “opposition.” This amounts to political posturing—transferring accountability to others while sustaining power. The documentary “The Hugo Chavez Show” demonstrates how President Chávez uses his weekly TV broadcast to grill his ministers in front of millions of viewers. The show is a display of the decision making process; it displays Chávez making good decisions while his ministers blunder. This spectacle is a mechanism for Chávez to emerge as competent and to shift any blame away from him. It is a means to burnish his image weekly and to do so directly to the voters. In this sense it is a method to maintain control.²²

This distinctive brand of outsider populism—marked by movements to remake the country through rewriting the constitution to expand executive power, eliminating term limits, ignoring democratic standards, and often by poor economic policy and strained foreign policy—uses referendums and popular support to legitimize the process. It is not unique to Peru and Venezuela but emblematic of a wider trend. It is most visible in the Andean nations but we’ve seen such political maneuvers throughout Latin America. Honduras recently experienced a deep political crisis when deposed President Manuel Zelaya holed up in the Brazilian embassy after his attempt to rewrite the constitution triggered a court-sanctioned arrest turned military coup.²³ “Ecuador’s Chávez,” the populist outsider Rafael Correa, dissolved congress, rewrote the constitution, used his mob of supporters and litigation to get his way, intimidated opponents from his bully pulpit, severely suppressed the media, and, perhaps most overtly, fired a congressman who spoke out against the president’s enlarged executive powers and ignored the supreme court that told Correa to reinstate the congressman.²⁴

But not all “outsiders” are created equal. Obviously, there is an enormous difference between Chávez and his outsider arch-nemesis, Colombian President Álvaro Uribe. Uribe, a conservative and American-ally, was the mayor of Medellín and later the Governor of Antioquia. In 2002—when, on an average day, 80 people were murdered and over a thousand fled their homes, and kidnappings and disappearances were seemingly ubiquitous, Uribe came to power on a platform of dealing with insurgent violence; he has since achieved tangible, albeit imperfect, success as such metrics of insecurity have declined significantly²⁵; his popularity in the polls reflects said success.²⁶ With the backing of congress, his supporters sought

an amendment that would allow him to run in 2010. The Courts ruled against the amendment and Uribe complied with the ruling.²⁷ From a non-traditional party and being confrontational as ever, Uribe is still an outsider, just not an authoritarian. Despite being divisive he still respected the norms and rules of institutions and posed only a minor threat of electoral authoritarianism (See figure 1.1).

Outsiders furthest to the right on our spectrum are doubly dangerous because they often enjoy the legitimate support of the people. Referendums and plebiscites are misused as mechanisms of legitimacy for illiberal democracy. However, as Larry Diamond wrote: “the fact that a ruler has considerable popular support does not make him or her democratic.”²⁸ In 2005, the same year that Chávez passed a series of regulations that suffocated free speech, 65% of Venezuelans approved of his administration according to the Latinobarometer.²⁹ Also in 2005, Chávez was able to secure total political control after winning every seat in the national assembly following a boycott of congressional elections by major opposition.³⁰

Outsiders more to the right on our spectrum are also dangerous because their plodding suffocation of democratic niceties can rarely be described as blatant and incontrovertible. Jorge Santistevan, Peru’s Ombudsman during the Fujimori years, explained such democratic repression as “the blurring, not the rupture, of the rule of law.”³¹ Sometimes populist outsiders act dramatically with sweeping mandates; but what critics or opposition may deem undemocratic is described by supporters as necessary for the sake of security, social justice, development or even democracy. Moreover, it isn’t easy to contest undemocratic maneuvers when they appear to be backed by the will of the people.

Strategic outsiders represent a true threat to the future of democracy in Latin America. It is no wonder that Michael Reid describes the battle for Latin America's soul to be between conservative and liberal democrats against populist authoritarians.³² A recent article the Economist read: "Latin America's political divide is not between left and right, it is between democracy and autocracy."³³ I believe the relationship between outsiders and electoral authoritarianism, populism, "anti-politics," illiberal democracy and hyper-presidentialism, a relationship that uses direct democracy for legitimacy, is too apparent to ignore.

It is this apparent relationship that demands a greater understanding. Using two quintessential case studies, I hope to explain how these outsiders were able to rise from obscurity to the presidency. I hope to examine important factors that influence outsider electoral appeal. To underscore the continued importance of the discussion on outsiders, I will briefly present three outsiders that we need to monitor in upcoming elections. Finally, and perhaps most importantly, I hope to answer whether we can or should create policy to inhibit the rise of populist outsiders.

Methodology

I studied the literature that pertains to outsiders in Latin America—from books to journal articles to newspapers. I also searched a number of media sources, including original interviews and documentaries. I scoured the databases and e-journals that our library enjoys access to. I drew heavily, where I could, on quantitative data available. I was able to access a variety of information and statistics from CEPAL, the IMF, World Bank, IADB and USAID. I also was able to search other quantitative databases, such as the world Values Survey, datanalysis, Latinobarometro, and Transparency International. I also used survey data which

captures prevailing opinion such as Vanderbilt University's Latin American Public Opinion Project (LAPOP). Lastly, I looked at quantitative data available from the countries themselves—from their central banks to their census and social data institutions.

¹ I hope it is obvious that I am alluding to Julio Carrión's "The Persistent Attraction of Populism in the Andes" in the section title and my first sentence. Much of the concepts in the paragraphs that follow are taken from this same piece. I do this in an attempt to establish a parallel between the populist strategy and the outsider approach.

² Maxwell A. Cameron. "El estado de la democracia en los andes: Introducción a un número temático de la Revista de Ciencia Política." *Revista de Ciencia Política*. Vol. 30. No. 1. 2010.

³ There are other characteristics that are common to outsiders but shouldn't be included in our definition. For example, sometimes the outsider has tried to work within traditional parties but was unsuccessful or defected (Fujimori tried to work for APRA). Sometimes an outsider uses a party more as an electoral vehicle rather than a representative body (but not always as the MAS party in Bolivia show us). Sometimes the outsider's support is like a cult of personality.

⁴ See: Julio Carrión "The Persistent Attraction of Populism in the Andes"

Also: Kurt Weyland. "Classifying a Contested Concept: Populism in the Study of Latin American Politics." *Comparative Politics*. 2001. 34: 1-22.

Also: Gary Goertz. "Social Science Concepts: A User's Guide" Princeton and Oxford. Princeton University Press.

⁵ ^ Kurt Weyland.

⁶ ^ Julio Carrión.

⁷ Steven Levitsky and Lucan Way. "Elections Without Democracy: The Rise of Competitive Authoritarianism." *Journal of Democracy*. Vol. 13 No. 2. April 2002.

⁸ Zakaria, Fareed. "The Rise of Illiberal Democracy." *Foreign Affairs* 76.6 (1997): 22-43. Web. 11 Feb 2010. <<http://www.jstor.org/stable/20048274?cookieSet=1>>.

(It is no wonder that Zakaria mentions Peru in the first paragraph of this article that was published in 1997.)

⁹ Cynthia McClintock. "Electoral Authoritarian versus partially democratic regimes: The Case of the Fujimori government and the 2000 election." In Carrión (ed.) *The Fujimori Legacy*. Penn State University Press.

¹⁰ Orlando J. Perez, "Measuring Democratic Political Culture." *Latin American Democracy: Emerging Reality of Endangered Species?* Routledge 2009.

¹¹ Juan Linz. "The Perils of Presidentialism." *The Journal of Democracy*. Winter 1990: 51-69.

See also: Francis Fukuyama, et al. "Facing the Perils of Presidentialism." *The Journal of Democracy*. Vol 16. No.2. April 2005.

¹² Scott Mainwaring, *The Crisis of Democratic Representation in the Andes* (Stanford University Press, 2006)

¹³ For a in-depth discussion on the various types of outsiders please: Kenneth Roberts, "Do Parties Matter?," *The Fujimori Legacy*, ed. Julio Carrión Penn State University Press, 2006

¹⁴ Roberts 89.

¹⁵ For our intents and purposes "complete party system collapse" should be understood using the definition in Mainwaring 21. This definition reads that a party system collapse is "a situation in which new parties gain more than 45 percent of the votes over the course of two consecutive lower-chamber elections. For operational purposes, 'new parties' are those that won less than 5 percent of the lower-chamber vote in the previous election and did not have candidates for national public office in any election prior to that." They are the only two countries in all of Latin America to

experience such a collapse. Italy in 1993 is the only other experience of such a defined and profound collapse.

¹⁶ Jana Morgan. "Partisanship during the collapse of Venezuela's party system."

¹⁷ The syntax of this sentence and the thought line of the few sentences that follow were taken from a paragraph in the following excerpt: Jeffrey Scheuer. "Media, Literacy, and Democratic Citizenship." in *Citizenship Now*. Jon Ford & Majorie Ford. Pearson Education. 2004. Pg 182.

¹⁸ Kenneth Roberts. "Do Parties Matter?" *The Fujimori Legacy*. Ed. Julio Carrión. Penn State University Press. 2006. P. 92

¹⁹ The phrase "law of diminishing returns" is Kenneth Roberts', not my own. His argument was based on a work by Kurt Weyland.

²⁰ Kirk Hawkins. "Populism in Venezuela: The Rise of Chavismo." Pg. 1140.

²¹ Taggart, Paul. (2000) *Populism*. Philadelphia: Open University Press. IN: Malloy, J.M. (1977) *Authoritarianism and corporatism in Latin America: the modal patten*, in J.M. Malloy (ed) *Authoritarianism and Corporatism in Latin America*. Pittsburgh: University of Pittsburgh Press.

²² "The Hugo Chavez Show" PBS Frontline. 2008.

²³ "Zelaya Swaps Exile for Embassy." *The Economist*. September 24, 2009.

²⁴ Mary Anastasia O'Grady. "Ecuador's Chávez." *The Wall Street Journal*. April 12, 2010.

²⁵ "Safer, but still not safe." *The Economist*. April 8, 2010.

²⁶ "La Popularidad de Uribe: la evolución de la percepción que se tiene del presidente." *La Semana*. 13 de Febrero, 2006.

²⁷ Chris Kraul and Jenny Carolina Gonzalez. "Colombian Court Rules Out Any Uribe Bid For Third Term." *The Los Angeles Times*. February 27, 2010.

"Colombian Judges Deny Alvaro Uribe Third Term Poll." *BBC*. February 27, 2010.

²⁸ Larry Diamond. "The Spirit of Democracy." Pg. 83

²⁹ LatinoBarometro Report, 2005: 1995-2005. "A Decade of Public Opinion."
Corporacion LatinoBarometro.
http://www.latinobarometro.org/uploads/media/2005_02.pdf

³⁰ Associated Press. December 5, 2005.

"A Firmer Grip on Power." *The Economist*. Feb 16, 2009.

³¹ "The Andean Autocrats Dig in for the Long Haul." *The Economist*. Feb. 3, 2000.

³² Michael Reid. "Forgotten Continent."

"The Battle For Latin America's Soul" *The Economist*. May 18th 2006.

³³ "Honduras defies the world." *The Economist* 5 Dec 2009: 16-18. Print.

Chapter 2

“UN PRESIDENTE COMO TÚ”

Prelude to Fujimorismo

In March of 1989, Alberto Fujimori—an obscure university rector—was one of five minor presidential candidates who together aggregated at most 1% in voter preference in public opinion polls. But a few weeks later in the general election on April 8th he came formidably close to frontrunner Mario Vargas Llosa who outspent Fujimori on media advertising twenty-fold.³⁴ Fujimori won the runoff election to become president. His “fujishock”³⁵ capped inflation and attracted foreign investment. His anti-insurgent campaign is credited with uprooting terrorism and decapitating its leadership. Not to mention he built roads, schools and clinics in poor communities.³⁶ A nonetheless divisive leader, Fujimori is infamous for his *autogolpe* (self-coup), during which he shut down the opposition-led congress, ostensibly to surmount partisan divide and address the country’s crises. Following this widely condemned maneuver, he gained control of and clamped down on the media and aggrandized power through a form of technocratic authoritarianism. He enjoyed popular support; a referendum that would have upheld constitutional term limits failed and Fujimori was able to win a third term. It all ended in dazzling disgrace, however, as videos surfaced of Fujimori’s de-facto chief of the National Security Service, Vladimiro Montesinos, doling out millions in bribes. As Fujimori sought asylum in Japan, over 800 people were being investigated for corruption and abuse charges. Many of Fujimori’s cronies, from the former attorney-general to former ministers, found themselves behind bars.³⁷

Recently Fujimori reappeared in world news headlines as he sat trial on a range of charges. This article will focus on how Fujimori triumphed in the 1990 elections and rose from obscurity to the highest office in a matter of weeks. This article will explore the context preceding and during the election and eight important factors that played a role in Fujimori's election.

Background: Insurrectionary Violence

To understand how Alberto Fujimori won the election it is perhaps best to begin in 1980—a decade before Fujimori took office. Peru had just returned to civilian rule after 12 years of military dictatorship of General Juan Velasco Alvarado's, who had ousted President Fernando Beláunde in 1968, and Fernando Morales Bermúdez who had disposed Alvarado in 1975. The day before the election Abimael Guzman, then leader of the Sendero Luminoso (Shining Path—a Maoist terrorist organization), waged war on the Peruvian state, initiating “the most intense, extensive and prolonged episode of violence in the entire history of the Republic.”³⁸ This conflict would take the lives of 69,820 people from 1980-2000, making it more deadly than any other conflict Peru experienced in its 182 years of independence.³⁹ Guzman, a professor of philosophy, founded the Maoist guerilla movement which sought to embark on an armed struggle to eventually impose their own sort of cultural revolution, dictatorship of the proletariat and ultimately communism.⁴⁰

When Beláunde was re-elected the next day as a candidate of the Acción Popular (AP) party his administration faced a number of seemingly intractable problems. From the beginning, he was criticized for not dealing with Sendero Luminoso appropriately. In mid-1982, leading Peruvians regarded Sendero Luminoso as less of a threat to overthrowing the government than the military (who had been left

out of the counter-insurgency campaign at this point and who were divided on their responsibility to defend the country). It was a growing concern that the fledgling democracy with weak institutions was susceptible to yet another military coup; meanwhile the police came under scrutiny from human rights groups for their cruel tactics.⁴¹ An additional insurgency group, the Movimiento Revolucionario Túpac Amaru (MRTA) would form in the early 80s; while threatening indeed, it was less doctrinaire and dangerous than Sendero Luminoso.⁴² Later, when the military was officially charged with combating the guerillas, the extreme response by the military and police was not only resented by innocent civilians caught in the cross-fire, but offered the Sendero Luminoso only more impetus to commit terrible acts of terrorism.⁴³⁴⁴ The insurrectionary violence presented a crisis that was inherited by Beláunde's successor, Alan Garcia of the sixty-year old Alianza Popular Revolucionaria Americana (APRA) party, in the first handover of power from one constitutionally elected president to another since 1945.⁴⁵ Despite increasing investment in the Andean Sierra to confront underlying causes of the insurgency, creating a commission to negotiate with rebels and other measures meant to "crack down," the fresh approach was met with frustration as the rebels expanded their operations.⁴⁶ The security situation was abysmal; between terrorist-caused black-outs in the capital city, routine human rights atrocities by both sides, and a crumbling social-structure, the country was in shambles.⁴⁷ Peru under Garcia was fast earning pariah status in the international community; in 1989 Peru lead the world as the worst perpetrator of forced disappearances for the third year running.⁴⁸

Poor Economics

“By a continuing process of inflation, government can confiscate... an important part of the wealth of their citizens.”

-John Maynard Keynes

Another crisis afflicted Peru during Alan Garcia’s presidency: inflation. Inflation was an economic disaster that “brought hunger, mass unemployment, and a rash of company bankruptcies,”⁴⁹ not to mention frequent strikes that encumbered public services. It seemed the only business that was booming at the time was cocaine trafficking. The drug trade was but one of the country’s informal industries (even if an illegal one); the informal sector represented an enormous and growing part of Peru’s economy and society during this time. Garcia’s populist deficit spending expanded the economy initially only to generate “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.”⁵⁰ Beláunde’s neoliberal economic strategy along with an IMF stabilization plan failed for a variety of reasons, but Garcia’s heterodox economic policies fared still worse. By the end of Alan Garcia’s presidential term annual inflation rate had reach over 7,000%.⁵¹ Per capita income in 1985 had shrunk to its 1965 level. Figure 2.1 illustrates the extent to which real wages had plummeted by the end of Garcia’s term; they were less than half their level in 1980. Likewise, Figure 2.2 displays the declining levels of investment in Peru during the same time; private investment was less than half its 1980 level. The dual crises raised alarms, once again, about the possibility of a coup.⁵² Alan Garcia, the once popular, energetic, optimistic and charismatic leader, dismally shrunk to the confines of his Lima palace rarely emerging after having offered to resign multiple times amid plunging public approval rates.⁵³

Figure 2.1 Index of Real Wages

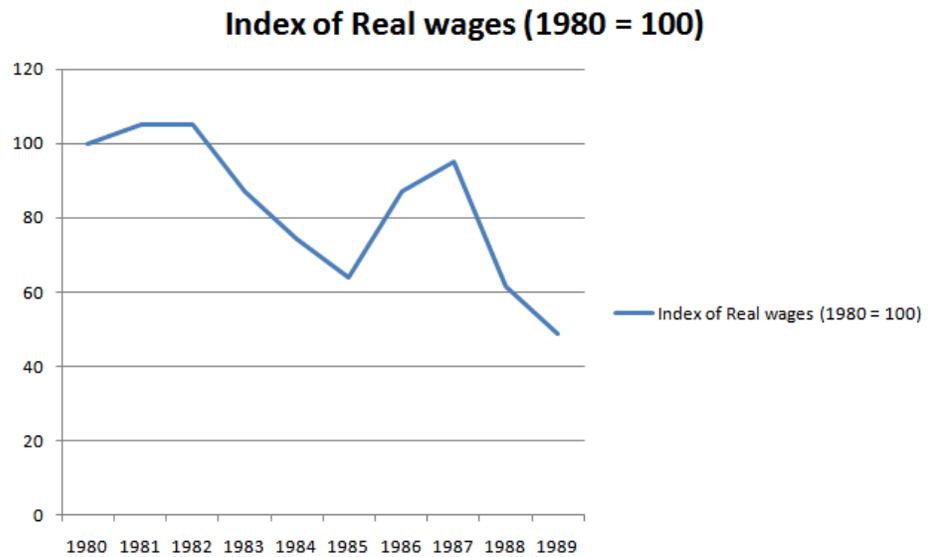
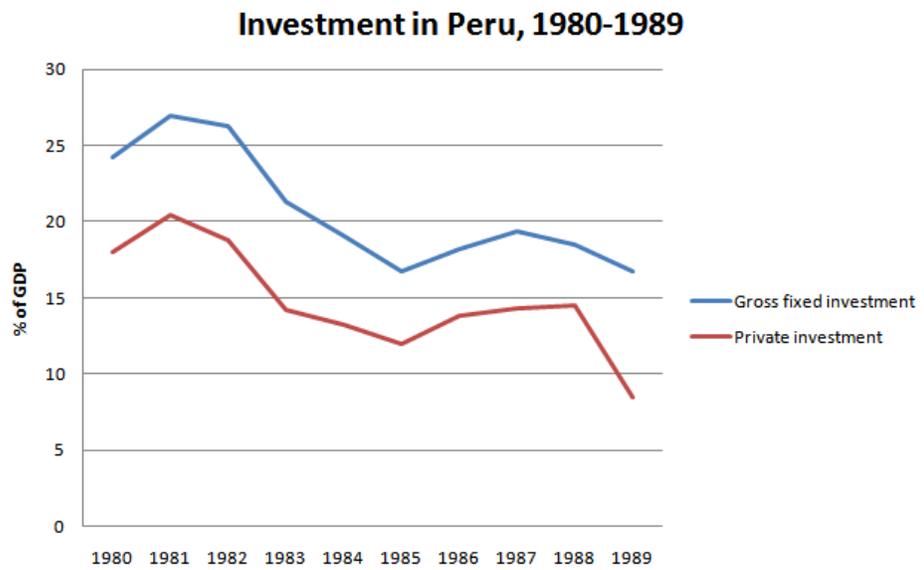


Figure 2.2 Investment in Peru, 1980-1989

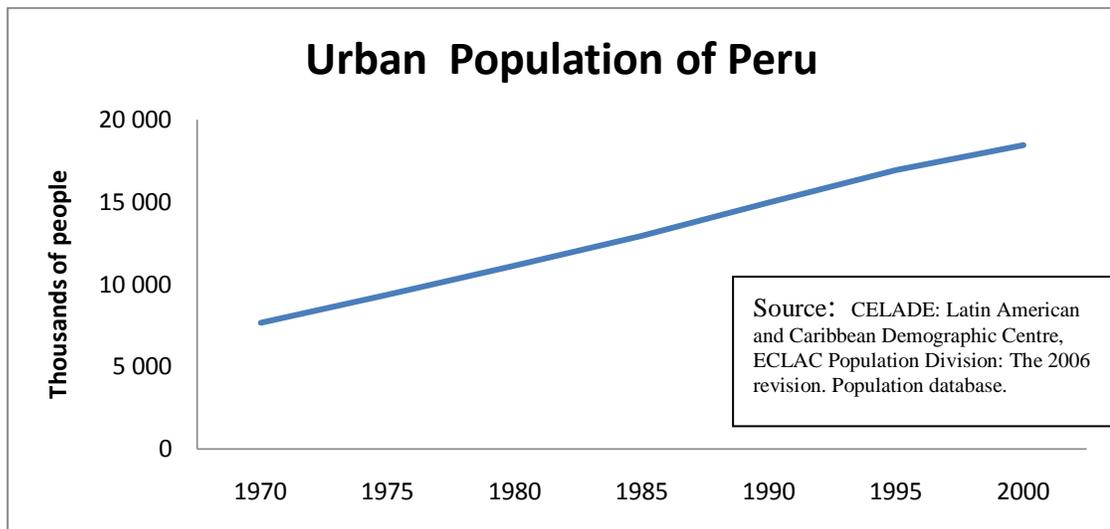


Source for Table 1 & 2: Pastor, Manuel & Wise, Carol. "Peruvian Economic Policy in the 1980s: From Orthodoxy to Heterodoxy and back." Working paper 161. May 1991. <http://www.nd.edu/~kellogg/publications/workpapers/WPS/161.pdf>

Informales en los Conos

All of this was occurring in the context of a rapidly changing society. Rural populations migrated to the coast and urban centers in search for better opportunities and relative prosperity.⁵⁴ Figure 2.3 quantifies the rapidly expanding urban population in Peru during this time. The decade preceding Fujimori's 1990 victory, the urban population increased by more than 34% and the proportion of people living in urban areas steadily rose. Thanks to improved health and nutrition, Peru was going through its demographic transition. Numerous demographic, social, educational, and labor indicators were evolving. Partly because urbanization was not accompanied by a level of industrialization needed to employ the expanded urban populations, new needs and demands surfaced in the barrios of cities. Informality, in business and other areas such as living arrangements, became ordinary.⁵⁵ Barriadas and pueblos jóvenes—the shantytowns and informal hillside housing—crowded the landscape. The populations of the *conos* (informal neighborhoods situated on the three cone ridges that extend into the desert surrounding Lima) were swelling as residents lacked property titles and basic services were seldom provided. The *conos* were cultural melting pots that generated new styles and social arrangements, organizational systems, informal networks and the base of a different institutionality.⁵⁶ The *conos* voted for political outsiders and would become important voting blocks for Alberto Fujimori.⁵⁷ “Informalization” played an important role in the election; any successful candidate would need to appeal to the *informales*. The *conos* and traditionally poorer areas were Fujimori's base in the 1990 election.⁵⁸

Figure 2.3 The Rising Urban Population of Peru



Contributing Factors

All of the above embodied the various challenges and changes that arose in Peru preceding the election of Alberto Fujimori, the description of which offers essential context in understanding how an unknown agronomist could capture the presidency. Alberto Fujimori—el chinito—entered the political spectrum vying to become a senator and ran for president as a ploy to garner more exposure and recognition. Peruvian law allocated free television time for all presidential candidates; hence, originally, his bid for the presidency was a publicity stunt. Political support and spotlight were his aims and his grassroots campaign, unusual Japanese ancestry, unexpected covert backing, and populist rhetoric abruptly gained him both and more.

The election process was a convoluted and complex affair, the intricacies of which will not be vetted in this article, but Fujimori's surprise victory can be attributed in varying degree to a combination of eight main factors that are: 1) The failure of the party system 2) Peruvian electoral rules and procedures 3) Mario

Vargas Llosa's image and Fujimori's ability to exploit class-based politics 4) Llosa's divisive platform 5) Other presidential candidate's strategic errors and campaign problems 6) Surreptitious support by Alan Garcia 7) Fujimori's rhetoric and personalistic campaigning style 8) Fujimori's grassroots sponsorships.

Party Disintegration

The failure of institutionalized parties to respond, adapt, compromise, and manage themselves ushered in electoral authoritarianism. Effective institutionalized parties are elemental to quality democracy. They function "as a means to encapsulate voters and mobilize electoral support,"⁵⁹ while making political leaders accountable to an organization and to the constituency they represent. But after Garcia's decision to nationalize the banks (a decision that caused Mario Vargas Llosa and economist Hernando de Soto to throw themselves into the campaign race in vehement opposition) parties experienced a polarization.⁶⁰ A crisis of governability was expected as the victory of either extreme would have been an invitation to division, disenfranchisement, and political disagreement. However, the party elites polarized—not the people the parties were meant to represent necessarily; as the political center widened and was left vacant, political outsider Fujimori stepped in to fill it. The parties had become intransigent and incompetent as Kenneth Roberts described:

"Peruvian party elites were unaccountable and unresponsive to social demands, routinely ignoring their electoral mandates, exercising autocratic authority over their party organizations, and adopting uncompromising positions that prevented them from developing consensual solutions to the nation's deepening crisis."⁶¹

Political decisions lacked consensus and the political system remained exclusive. In fact, a study found that the most relevant explanation for why people in Peru participated in insurgent groups was the perception of being alienated from the political system.⁶² Clearly, problems of governance seem to compound themselves; poor representation and state failure contributed to insurgent violence which made it all the more difficult for the state to function and for parties to represent.

Being that parties still had a number of firm associations at this time, it was poor representation that acted as the catalyst—not the cause—of party decomposition. It was the complete lack of governability and the decade of dual crisis that dissolved the people’s ties with the parties. People, especially those in the new demographics of a changing society that demanded more, felt no party allegiance after being perennial victims of political failure, escalating violence, poverty, inflation and absent development. The deterioration of governance under Garcia crumbled the public’s confidence in political institutions.⁶³ Unmoored by crisis and perceptions that the party didn’t speak for them, people—especially *informales* and those in the center—reevaluated their loyalty and became available potential voters for a fresh politician who could appeal to them. Figure 2.4 shows this movement away from party affiliation.

In the end *informales* voted for Alberto Fujimori’s Cambio 90 party because they supposed it to be a more “representative vehicle” for their interests.⁶⁴ During a study, when asked why they voted for Cambio 90, the most common responses among a small sample of *informales* was “because their leaders know our problems” and “Because with them we will be represented.”⁶⁵ Figure 2.5 illustrates that before the early 90’s traditional parties decreased in popularity, parties collapsed

in the early 90s, and by the end of Fujimori's regime they were seemingly obsolete. Unfortunately, Cambio 90 had no real organization or substance; it was just a vehicle for Fujimori to attain office and when the party had exhausted its utility it was disposed of.

Figure 2.4 Party identification in Peru.

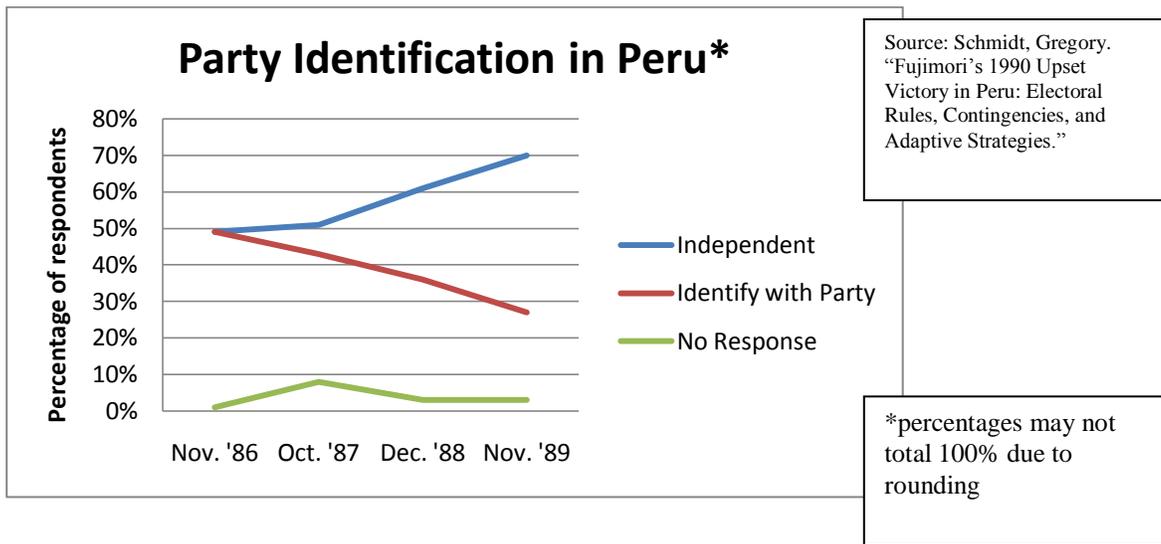
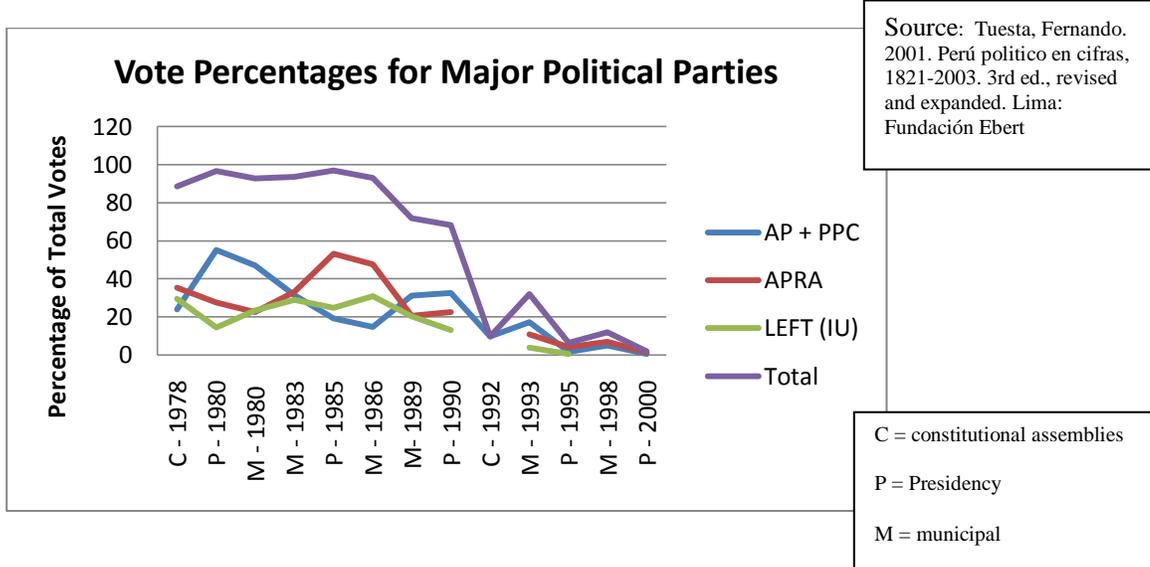


Figure 2.5 Over time, voters don't back traditional parties



Roberts goes on to describe how political parties became a political liability rather than a mechanism to represent the people and win elections. Because parties were delegitimized, political leaders sought to disaffiliate with traditional parties in the following 3 ways: 1) defection—when leaders break away from party to pursue a more independent path. 2) front-person or “free agent”—when a leader is recognized beyond partisan politics and uses a party that is too feeble to nominate a viable candidate. 3) Populist outsider—when someone without distinction or experience postures himself as a voice for “the people.”⁶⁶ The election race was stacked with politicians trying to disassociate themselves with any pejorative qualities the parties had. Alfonso Barrantes—former mayor of Lima—was a model of defection. Mario Vargas Llosa typified a front-person running for a newly constructed coalition of parties (FREDEMO) while Alberto Fujimori epitomized a populist outsider. As the candidates wanted to disassociate themselves with traditional politics, “it was the very lack of big names that resulted in our [Cambio 90’s] appeal” remarked Victor Paredes, the party’s top legislative candidate who served as a dean at the Agrarian University.⁶⁷

Rules of the Game

Peruvian electoral rules and procedures changed the incentives for politicians in the general election and enticed some voters to back a candidate that they actually hoped to lose. Peruvian law mandated that for a candidate to win the presidency in the general election, among other criteria, he would have to achieve a majority of *all* votes cast—including void and blank ballots. This elevated the hurdle for victory to nearly unachievable heights. Accordingly, many of the other candidates who couldn’t dream of being a frontrunner jockeyed for 2nd place—a more feasible

success—to then build stronger support for the runoff. This makes the election considerably more unpredictable as a political unknown could “peak” at exactly the right time to then faceoff in the runoff election. In his extensive analysis of the election proceedings, Gregory Schmidt wrote,

“A majority runoff format discourages alliances before the first round because candidates have an incentive to try for second place...[it] increase[s] uncertainty and complicate[s] voter choice...there is an incentive for dark horse candidates, who may draw critical support away from major contenders and sometimes even make the second round...It would have been virtually impossible for an outsider to have overtaken Vargas Llosa in a one round plurality election.”⁶⁸

Shugart and Carey expressed a similar sentiment: “by 1990 the majority runoff rules encouraged two ‘outsiders’ to enter the first round as challengers to the established party system. With a decisive plurality election, such a proliferation would have been far less likely.”⁶⁹ Furthermore, the article in Peruvian law that allots media time for any presidential candidate further enables an outsider to gain momentum in an otherwise obscure candidacy. That along with the article that provides simultaneous campaigns in the legislature and executive branch allows political outsiders to move into the legislature more easily with support from his presidential campaign. This was the explicit intention of Fujimori who had first attempted to run on the APRA ticket but was denied because of his unknown status.⁷⁰ Moreover, this election format can change people’s incentives in how they vote in the first round. There is significant evidence to suggest that many Peruvians voted for Fujimori as an alternative to Alva Castro of APRA, who, if he had made it to the runoff, would have surely been defeated by Llosa.⁷¹

Image Is Everything

Mario Vargas Llosa's image was irreconcilably sullied in the eyes of the mestizo majority; many regarded Llosa as representing not the median voter but rather the *pitucos* (wealthy, elite, lighter-skinned, and stereotypically condescending and arrogant Peruvian class).⁷² Llosa did not ameliorate this perception when he proposed to "Europeanize" Peru or conversed in French at a press conference on April 8, 1990 following the general election.⁷³ Llosa came to signify western values. Ironically, despite the fact that Fujimori looked nothing like the average Peruvian, he came to embody the struggle of the common person who felt underrepresented as Mark Malloch Brown (who would later be United Nations Deputy Secretary General in 2006) remarked:

"Fujimori became a dark-skinned Peruvian who had taken on the light skinned and aristocratic Vargas Llosa. He may have been first-generation Peruvian, but in the war of images he represented the polyglot Peru that had been exploited and marginalized by the European interlopers that Vargas Llosa symbolized."⁷⁴

Fujimori capitalized on these apparent brands and took nearly every opportunity to reinforce them; his rhetoric became heavily laden with an "Us vs. Them" mentality⁷⁵, criticisms of Llosa's controversial "shock" economic policy proposals and class-based pandering. Schmidt observed, "Fujimori aggressively attacked the novelist's links to the established conservative parties, brought up "shock" at every opportunity, and used explicit racial and class appeals to polarize the contest, thus reducing the FREDEMO candidate's chances of winning back some centrist independents."⁷⁶ FREDEMO's advertising blitz only seemed to have encouraged Llosa's increasingly elitist image. His party virtually monopolized media exposure, but the confusing litany of white-faced aristocratic pituco-looking

congressional candidates omnipresent in FREDEMO's political ads seems to have distanced the party from the median voter. To no avail, Llosa pleaded with his party congressional candidates to stop advertising. Finally, Llosa had an esoteric and intellectual way of communicating his proposals which distanced himself from the average voter and ultimately reinforced a negative perception by the electorate.

Unpopular Austerity

If Mario Vargas Llosa's divisive platform and views did not provoke people's negative perception of him, then they certainly did nothing to moderate that image. Polls taken by APOYO indicate that most voters in Peru situate themselves very near the center of the scale that represents the political spectrum (5.4 on a 1 – 10 left to right scale; 5.5 would be the statistical mean). Other surveys from APOYO reveal that voters perceived Llosa as 8.5 and Fujimori a 5.3 on that same scale.⁷⁷ The point is that Llosa's policy proposal was too far right to attract the median voter and Fujimori was able to position himself with vague rhetoric at the center of the political spectrum to appeal to a vast underrepresented assembly. Llosa unequivocally sponsored a neoliberal agenda and "shock therapy" that would include inflation-stabilization, trade liberalization, backing for private entrepreneurs and foreign direct investment (FDI), privatization, removal of subsidies and price-controls, tax-reform, and elimination of job-security legislation.⁷⁸ Llosa rebuffed the possibility of an acuerdo nacional (national pact) among various stakeholders, actors and parties. His policies alienated trade unions as well as the many businesses (informal and formal) not competitive enough to survive without protection, not to mention the many—mostly poor—that would lose out from his policies. To them, all he could reassure was: "The cost will be very high...but if the people decide to pay this cost, they will

back me with their vote.”⁷⁹ Predictably, this didn’t court any voters. The Wall Street Journal remarked on Llosa’s proposals: “In a country where one out of three persons lives hand-to-mouth, belt-tightening sounds cruelly absurd.”⁸⁰ His policies proved an invitation to waves of criticism from all other parties in the race—inevitably damaging his campaign. With Llosa doing practically nothing to appeal to the median voter, he was effectively isolated on the far right of the political spectrum.

Disorganized Opposition

Fujimori rose from anonymity to the presidency partially thanks to the blunders of other candidates and their campaigns. The most evident misstep occurred in the FREDEMO camp when Llosa momentarily withdrew from the race amid ideological differences within the party.⁸¹ FREDEMO, a new-found coalition between the PPC, AP and ML, appeared disheveled as the three groups wrangled over strategy and differed on fundamental policy. AP had crafted clientelistic relationships through the oversized role of government in business while PPC sponsored various favorable incentives for private industries that exported and both parties stood to lose significant political capital with ML’s and Llosa’s neoliberal policies.⁸² The parties of the left, IS and IU, were incurably divided. IS and IU broke their alliance and nominated different candidates—Alfonso Barrantes and Henry Pease, respectively. As Schmidt describes, “there was little discernible difference between Barrantes and Pease” and voters saw the division as a “personal rivalry.” Pease’s IU campaign was underfunded hindered by his “stiff, professional style.”⁸³ Barrantes’ close ties with Alan Garcia were a liability during the election. Barrantes, who was clearly in second place from April of 1989 until January of 1990, became apathetic towards winning. He believed he would lack a governing coalition if elected and thus lost conviction and the determination to

win. Of the five major candidates, he would place last in the April 8th general election. Alva Castro of APRA was handicapped by running for the incumbent party. APRA was a severely damaged brand. Instead of trying to excommunicate himself from that image and be a candidate of change, he tried to appeal to APRA's loyal base—which represented a fourth of the electorate—and squeak by with a second place victory. Voters realized he would almost certainly lose against Llosa in a runoff and so for many looking forward to the runoff, a vote *not* in support of Castro was a vote against Llosa.

The Invisible Backing

Alan Garcia played a modest but important role in the 1990 election and surreptitiously assisted Fujimori in his victory. Garcia publically supported Castro of APRA but in the beginning secretly supported Barrantes because a Castro victory would make it all the more difficult for Garcia to regain control over APRA in later elections. Incensed with Barrantes' unenthusiastic candidacy and growing indifference, Garcia found a new candidate to clandestinely support: Fujimori. Schmidt describes the extent to which Garcia aided Fujimori:

“Through intermediaries in the SNI (Servicio Nacional de Intelegencia), García began to provide Fujimori with survey data, strategic advice, and assistance with speeches and publicity. *El Chinito* also received extensive, favorable coverage on the public radio and television network, in the government-owned newspapers, and in *Página Libre*, the tabloid controlled by the president's faction of APRA. Government ministries and regional development agencies gave Fujimori logistical support, while Cambio-90 poll monitors were trained by APRA...As the government, pro-García, and leftist press began to boost *el chinito*'s candidacy, his ratings soared.”⁸⁴

Although the conservative media caught on, they were unable to expose the extent to which Fujimori was being helped. Garcia's covert proxy support for Cambio-90 gave Fujimori the crucial logistical support and publicity that the outsider needed to ascend to second place in the general election.

The Candidate You'd Rather Have a Pisco Sour With

Alberto Fujimori's personalistic appeal and campaign rhetoric resonated with the median voter. The entirety of his message was intended to reach that median voter. Fujimori focused on appealing to the informal sector. He drove tractors through shantytowns (the so-called "fujimobile"); he dressed in traditional Peruvian clothes and indigenous garb; he played on his ancestry and donned Japanese robes; he danced before massive audiences to catchy campaign tunes often in the conos of Lima; he consumed popular traditional food and drink.⁸⁵ Fujimori said: "My entire campaign was organized so that my message would reach my social base: the informal sector and the marginalized."⁸⁶ There is sufficient evidence to say that, in general, the informal sector—a sizable portion of the electorate—perceived Cambio 90 as representing their interests better than FREDEMO. Fujimori branded himself as a fresh nonpolitician independent outsider and conveyed a simple (albeit ambiguous) slogan: "honesty, technology, and work." His appeal was owed to the façade, not to any substance or policy convictions as the substance of his message was too often ignored by mainstream media.⁸⁷

From Grassroots to Tsunami

In the 1990 run for election Alberto Fujimori had a brilliant grassroots campaign which undoubtedly facilitated his eventual victory. In cities, many taxis,

buses and drivers displayed advertising on their vehicles. Truck drivers also played a role in this grassroots campaign; they provided not only mobile advertising but contact with provincial and more remote areas. A huge base of support came from evangelical congregations which Fujimori used as audiences initially and foot soldiers later. Pastors were soon campaigning door-to-door, inserting politics into sermons, and pamphleteering as Cambio-90 fielded at least 49 pastors or members of evangelical churches as congressional candidates. Fujimori's running mate, Carlos García, not only was a former Baptist minister but served as president of the National Evangelical Council of Peru until mid-April 1990 after having directed the evangelical development agency World Vision. The Evangelical community was a fast growing block with well over fifty-five hundred parishes at the time of the 1990 election; Llosa, an agnostic, did not magnetize the religious vote like practicing Catholic Fujimori did.⁸⁸ However, Llosa eventually found an unlikely ally in the Catholic Church who feared the march of Evangelical Protestantism would eclipse their traditional majority; yet this movement did not nearly galvanize the same level of support that Fujimori won.⁸⁹ The subtle distribution of leaflets, calendars and election accouterment formed the groundwork for the nascent campaign. Fujimori's grassroots work blossomed into the "Fujimori tsunami" that would win Fujimori a second place finish in the general and a victory in the runoff.

³⁴ GREGORY SCHMIDT, "FUJIMORI'S 1990 UPSET VICTORY IN PERU: ELECTORAL RULES, CONTINGENCIES, AND ADAPTIVE STRATEGIES" *COMPARATIVE POLITICS* APRIL (1996): VOL. 28, NO. 3, PP. 321-354.

³⁵ Fujishock is the name given to Fujimori's extensive neoliberal Washington-consensus-style shock therapy

³⁶ "The question-marks over Peru's presidential vote." *Economist* 18 May 2000: Print.

³⁷ "Cleaning up: Accusations against Alberto Fujimori and his henchmen." *Economist* 30 Aug 2001: Print.

³⁸ La Comisión de la Verdad y Reconciliación, "General Conclusions" Final Report Part I, Section 1. <http://www.cverdad.org.pe/ingles/ifinal/conclusiones.php>.

³⁹ La Comisión de la Verdad y Reconciliación. Part I, Section 2.

⁴⁰ The Fall of Fujimori, dir. Ellen Perry. DVD, PBS. 2006.

⁴¹ Edward Schumacher, "Fear of an Army Takeover Grows in Peru," New York Times 30 Aug. 1982.

⁴² Martín Tanaka, "From Crisis to the Collapse of the Party Systems and Dilemmas of Democratic Representation: Peru and Venezuela," The Crisis of Democratic Representation in the Andes. Ed. Scott Mainwaring (Stanford University Press, 2006)

⁴³ Marlise Simons, "Peruvian Military Fights Terrorists with Terror," New York Times 2 Sept. 1982.

⁴⁴ Edward Schumacher, "Rebellion Brings New Fear to the Land of the Incas," New York Times 8 Sept. 1982.

⁴⁵ Neil E. Schlecht, Frommer's Peru. 2nd edition.

⁴⁶ Alan Riding, "Peru Cracks Down Again on Rebels of the Shining Path" New York Times 16 Nov. 1986.

⁴⁷ Alan Riding, "Peru Fights to Overcome Its Past," New York Times 14 May 1989.

⁴⁸ Gustavo Gorriti Ellenbogen, "Latin America's Internal Wars," Journal of Democracy Winter 1991. Volume 2, Number 1, Pg. 85-98.

⁴⁹ Alan Riding.

⁵⁰ Hector E. Schamis, "Populism, Socialism, and Democratic Institutions," **Journal of Democracy** Oct. 2006: Volume 17, Number 4, pp. 20-34.

⁵¹ INEI (Instituto Nacional de Estadística y Informática de Perú)

⁵² Roger Cohen, "Peru, Fearing a Coup, Sought U.S. Help," Wall Street Journal 29 July 1986

⁵³ Alan Riding

⁵⁴ Michael Reid, Forgotten Continent (Yale University Press, 2006) 216.

⁵⁵ Informality occurred on such a large level for a variety of reasons which are explored in: Hernando de Soto, El Otro Sendero (Sudamericana, 1992)

⁵⁶ Matos Mar, Desborde Popular y Crisis del Estado 78.

⁵⁷ Michael Reid, Forgotten Continent (Yale University Press, 2006) 217.

⁵⁸ Although his base would change from 1990 onward. See: Carol Graham and Chekh Kane, "Opportunistic Government or Sustaining Reform? Electoral Trends and Public-Expenditure Patterns in Peru, 1990-1995" *Later American Research Review*. Vol. 33, No. 1 (1998), pp. 67-104. And Kenneth Roberts, "Neoliberalism and Transformation of Populism in Latin America: The Peruvian Case." *World Politics* 48, no.1 (oct) 82-116.

⁵⁹ Roberts, Kenneth. "Do Parties Matter? Lessons from the Fujimori Experience" The Fujimori Legacy (PennState University Press, 2006)

⁶⁰ Tanaka, Martín. "From Crisis to Collapse of the Party Systems and Dilemmas of Democratic Representation: Peru and Venezuela" The Crisis of Democratic Representation in the Andes. Stanford University Press. 2006.

⁶¹ Roberts, Kenneth. "Do Parties Matter? Lessons from the Fujimori Experience" The Fujimori Legacy 2006. Page 83 – 84.

⁶² Edward Muller, Henry Dietz, and Steven Finkel, "Discontent and the Unexpected Utility of Rebellion: The Case of Peru," American Political Science Review Vol. 85, No. 4, Dec. 199, pp. 1261-1283.

⁶³ Rochabrun, Guillermo. "Deciphering The Enigmas of Alberto Fujimori." *Report on the Americas*. (1996): Print.

⁶⁴ Cameron, Maxwell A. Democracy and Authoritarianism in Peru. St. Martin's Press. New York. 1994. Pg. 119

⁶⁵ Chávez O'Brien, E. 1990a. "Votarán los informales por Fujimori?: Una reveladora encuesta." *Quehacer*, no. 64, May–June: 36-42.

⁶⁶ Roberts, Kenneth. "Do Parties Matter? Lessons from the Fujimori Experience" The Fujimori Legacy 2006.

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⁶⁸ Schmidt, Gregory. "Fujimori's 1990 Upset Victory in Peru: Electoral Rules, Contingencies, and Adaptive Strategies" *Comparative Politics*, Vol. 28, No. 3 (Apr., 1996), pp. 321-354.

⁶⁹ Shugart, M.S., and J.M. Carey, 1992. *Presidents and Assemblies: Constitutional Design and Electoral Dynamics*. Cambridge: Cambridge University Press. P. 214-215

⁷⁰ Schmidt, Gregory. "Fujimori's 1990 Upset Victory in Peru: Electoral Rules, Contingencies, and Adaptive Strategies" *Comparative Politics*, Vol. 28, No. 3 (Apr., 1996), pp. 321-354.

⁷¹ ^ Schmidt, Gregory.

⁷² ^ Schmidt, Gregory.

⁷³ Cameron, Maxwell A. Democracy and Authoritarianism in Peru. St. Martin's Press. New York. 1994. Pg. 118

⁷⁴ Malloch Brown, Mark, 1991. "The Consultant," *Granta* 36 (Summer): 88-95.

⁷⁵ This "Us vs. Them" mentality was incredibly ironic, not least because of his heritage. While he railed against the politics of the day, he somehow avoided being associated with Garcia's ruling party even though Fujimori served on two government commissions and was secretly supported by Garcia.

⁷⁶ Schmidt, Gregory. "Fujimori's 1990 Upset Victory in Peru: Electoral Rules, Contingencies, and Adaptive Strategies" *Comparative Politics*, Vol. 28, No. 3 (Apr., 1996), p. 346.

⁷⁷ Information on where average voters would position themselves on the political scale taken from:

Cameron, Maxwell A. Democracy and Authoritarianism in Peru. St. Martin's Press. New York. 1994. P. 113.

Information on where voters would position Llosa and Fujimori taken from:

Schmidt, Gregory. "Fujimori's 1990 Upset Victory in Peru: Electoral Rules, Contingencies, and Adaptive Strategies" *Comparative Politics*, Vol. 28, No. 3 (Apr., 1996), p. 333.

⁷⁸ Cameron, Maxwell A. Democracy and Authoritarianism in Peru. St. Martin's Press. New York. 1994. Pg. 113

⁷⁹ Schmidt, Gregory D., 1991. "*Electoral Earthquake in Peru: Understanding the Fujimori Phenomenon.*" Paper prepared for Delivery at the Annual Meeting of the Illinois Conference for Latin American Studies, Loyola University of Chicago. November 1 – 2.

⁸⁰ "Right Turn Only." April 12, 1990. *Wall Street Journal*, A-19.

⁸¹ Author Bows Out of 1990 Peruvian Race. (1989, June 23). *New York Times (1857-Current file)*, p. A3. Retrieved June 24, 2009, from ProQuest Historical Newspapers The New York Times (1851 - 2005) database. (Document ID: 115445031).

⁸² Cameron, Maxwell A. Democracy and Authoritarianism in Peru. St. Martin's Press. New York. 1994.

⁸³ Schmidt, Gregory. "Fujimori's 1990 Upset Victory in Peru: Electoral Rules, Contingencies, and Adaptive Strategies" *Comparative Politics*, Vol. 28, No. 3 (Apr., 1996), pp. 327 – 335

⁸⁴ ^ Schmidt, Gregory.

⁸⁵ One has to go no further than searching "Alberto Fujimori" or better yet "El ritmo del chino" to see this personalistic campaigning style. This is also observed in: Perry, Ellen. *The Fall of Fujimori*. PBS video.

⁸⁶ Salcedo, José María, 1990. *Tsunami Presidente*. Lima: Editorial Venus.

⁸⁷ ^ Schmidt, Gregory.

⁸⁸ JAMES BROOKE Special to The New York Times. (1990, April 29). *Religious Rift Joins Politics In Peru Race*. *New York Times (1857-Current file)*, 8. Retrieved

June 30, 2009, from ProQuest Historical Newspapers The New York Times (1851 - 2005). (Document ID: 114553559).

⁸⁹ JAMES BROOKE Special to The New York Times. (1990, June 8). In Peru's 'Holy War,' Strange Allies. New York Times (1857-Current file),p. A3. Retrieved June 30, 2009, from ProQuest Historical Newspapers The New York Times (1851 - 2005). (Document ID: 115077920).

Chapter 3

CHÁVISMO

From Puntofijismo to Partyarchy and From Minimal to Miraflores

Venezuela's democracy traces its roots back to the pact of Punto fijo in 1958 that followed years of caudillo¹ rule and military dictatorship (aside from a brief three year democratic stint from 1945-48 know as the trienio). The pact of Punto fijo (named for the house of Rafael Caldera where it was signed) was a political agreement between the three most important political parties at the time, Acción Democrática (AD), Copei, and Unión Republicana Democrática (URD) (URD resigned from the pact in 1962), which appeared to mark one of the most stable democratic transitions in Latin America.² "Puntofijismo" was a "pluralist political order based on systematic and populist conciliation of elites."³ Venezuela was hailed as an "exceptional" and "classless" democracy.⁴ However, it became bloated, rigid, overly-centralized, corrupt, exclusive, unresponsive, non-representative and dependent on oil rents over the years and the citizens that had supported it became polarized and dissatisfied. Its Economy suffered a two decade decline beginning with a devaluation in 1983 as oil rents fell in the eighties and economic policies failed. Market reform continued to be unpopular and even sparked a devastating riot (the Caracazo) as well as two coup attempts in 1992. Citizens looking to change the status-quo backed Hugo Chávez with their vote in 1998. Chávez has since transformed Venezuela with a new constitution and policies guided by his vision of "21st century Socialism."

Born into modest poverty and of mixed Amerindian, Afro-Venezuelan and Spanish decent, Hugo Chávez Frias was raised on the llanos (plains) of Venezuela. He enrolled in the military academy at seventeen to play baseball.⁵ His military career that followed spurred his interest in politics.⁶ After numerous promotions, Chávez became more directly involved in politics and organized a clandestine force that would attempt a coup in 1992.⁷ Once released from jail in 1994 by a President who sympathized with his efforts, Chávez traversed Venezuela, gaining grassroots support for a presidential bid. His charisma, determination to bring radical change, and promise end puntofijismo accelerated his rise in the polls.⁸ The hallmark of his campaign was perhaps his blistering condemnation of the system and of Washington Consensus politics (rhetoric which he toned down during the campaign). In the 1998 election, he would win 56.2% of the vote.

In this paper I hope to give insight into how Chávez was able to go from a paratrooper who tried to topple democracy to the President in but a few years. It seems fashionable for American media to ignore this—to report on the most recent nationalization, the newest attack on the media, or Chávez’s latest diatribe against the United States; while these are newsworthy, there is perhaps something missing in some of these stories. They might emphasize his increasingly “dictatorial” ways as an explanation for his continued electoral success, but they rarely discuss why the electorate still believes in him in some way; they miss why people voted for Chávez in the first place; they miss that Chávez was the response to a demand and that Chávez “shares an emotional bond with the people and put his finger on a grievance.”⁹ Yes, everyday Chávez slides away from that popular leader that he was in 1998 towards the dictator we portray him as; however, to understand his rise is to understand Chávez.

The Chávismo Cabal

The rise of Hugo Chavez was the rise of a movement. The origin of the movement originally dates back to around 1983 with the creation of the Bolivarian Revolutionary Movement 200 (MBR 200) by Hugo Chávez. The leftist nationalist group, made up of lower-ranking military men, conspired in secrecy to one day remake the country into a “Bolivarian Republic” based on principles of social justice. The movement functioned clandestinely, growing its numbers and planning for an eventual civil-military revolution. The movement solidified and gained support following the Caracazo (see section) as many soldiers felt disillusioned by the notion that they were suppressing the justifiable concerns of the poor. "By the beginning of 1992 events seemed to have reached a climax for the movement: most of the country was disenchanted with government, the movement's leader's occupied position of strength in the army, and there were increasing fears that the movement had been discovered by military intelligence."¹⁰

MBR 200 initiated a *golpe de estado* (coup) on February 4, 1992 aimed at toppling the administration of Carlos Andrés Pérez, the president who implemented austere market reform (see section). Following the unsuccessful effort, Chávez was permitted a brief television address to instruct officers still engaged in fighting to lay down their arms. While only about 70 seconds long, the address magnetized an audience who were drawn to his genuineness, honesty, conviction, optimism, powerful presence and above all his willingness to accept responsibility for his actions.¹¹ In a political arena seemingly devoid of any such honesty and accountability, Chávez stood in sharp contrast to many political leaders of the day.¹² In the address he assured: "Comrades, The objectives we have set for ourselves have not been possible to achieve *for now* but new possibilities will arise again, and the country will be able to

move forward to a better future... I alone take responsibility for this Bolivarian military uprising."¹³ With that, the unheard of Hugo Chavez became not just a household name but a legendary personality. For the time being, however, Chávez would go to jail.

The Economy Leading Up to the Caracazo

The Venezuelan state had failed to develop sensible economic policies. In this paper I place heavy emphasis on the economy because survey data reveals that “economic assessments had a significant impact on electoral preference for Chávez.”¹⁴ From the pacted transition to democracy in 1958 until 1978—the end of Carlos Andrés Pérez’s (CAP) first term as president—the Venezuelan economy was marked by steady growth and optimism. The 1961 constitution guaranteed redistribution of the oil rents and all levels of society benefited. CAP’s first term as president from 1973 to 1978 is remembered as the “Saudi Venezuela”; this period saw a marked increase in public spending that resulted in enlarged public services and jobs. During the 70’s high oil prices swelled the government coffers. In 1976 Venezuela nationalized the oil industry and realized a 170% increase in government revenue. CAP’s term is remembered warmly as a time when the people were hopeful, democracy seemed stable, and credit, if not petrodollars, afforded ample subsidies, low taxes, and the practice of import substitution industrialization. By 1978 only 10% of the population lived in general poverty.¹⁵

Oil prices fell as did the availability of credit in the early 1980s. Foreign investors sensed the government floundering and billions of dollars poured out of the country during unprecedented levels of capital flight. The government reacted with exchange controls and a devaluation in 1983 that multiplied the debt. All the while,

corruption scandals invigorated perceptions of social injustice in society, mainly that the rich had robbed the state. Throughout the 80's, the "lost decade" of Latin America, real salaries declined, unemployment mounted and the informal sector expanded. Poverty rose, especially as the welfare system became increasingly politicized and less effective. Oil prices were volatile, invariably inhibiting growth when they were down and deterring real reform by luring fiscally short-sighted expansionary measures when they were up; during this time, Venezuela practiced no counter-cyclical spending. The state became less able to provide as it drowned in debt. Real salaries decreased further; inflation increased; in 1988 general poverty rose to 38.5%. By the time CAP took office in 1989 for his second term as president, the state was the fourth largest debtor in Latin America and basically bankrupt.

"Venezuelans voted against free-market reform when they backed Carlos Andres Perez in the presidential election of 1988."¹⁶ During his populist campaign, CAP denounced the International Monetary Fund (IMF) as a "bomb that only kills people."¹⁷ Many Venezuelans backed CAP because they fondly remembered his first administration and thought he could return the country to days of prosperity, optimism and low poverty. His inauguration was dubbed "the coronation" for its extravagance and famous dignitaries in attendance, including then Vice President Dan Quayle and 22 heads of state. In his inaugural address CAP remarked that the country would need austerity measures to reorient the economy and service the almost \$35 billion in debt. Just two weeks after the election CAP pulled a bait-and-switch by reversing his campaign promises and turning to the IMF and instituting orthodox policies, most notably the far-reaching privatization of state infrastructure. "*El Paquete Económico*"—the packet of free market reforms—included a range of

measures such as devaluations, tax reform, reducing tariffs and quotas, servicing external debt, exchange and interest rate reform, elimination of services and subsidies, a sales tax, and decreasing state interference in the economy.

The reforms, particularly the sharp rise in prices for consumer goods and services, hurt everyone, especially the poor. They pushed Venezuelan society to the breaking point. Venezuela had been regarded as a classless society, but by this time social polarization and class conflict were evident.¹⁸ A divide in social opportunities surfaced as it was becoming evident that Venezuela was a democracy for the privileged, run by elites.¹⁹ Accustomed to a living standard enlarged by blanket subsidies and swollen welfare benefits financed by oil rents and resentful that IMF seemed to be dictating policy, the people would manifest their indignation in an explosive event.

El Caracazo delivers a caudillo to power

One of the reforms contained within El Paquete Económico was the removal of a petroleum subsidy which appeared to increase the price of gasoline by up to 100%.²⁰ On the morning of February 27, 1989, spontaneous protests which led to riots ignited just outside Caracas, spread to the capital and then to several other cities across the country. Police and security forces—many of whom shared similar fortunes and frustrations as the protestors—grappled to control the situation and began firing bullets into the air to disperse the hordes of protestors. President Carlos Andrés Pérez remarked in *El Nacional* more than a year later that “there was no organized body to prevent or deal with what was happening... [so he] called the Minister of Defense and ordered him to mobilize the troops.”²¹ Pérez declared a state of emergency, sent in the army and National Guard (most of whom were very young and untrained), suspended

basic constitutional guarantees and imposed a curfew as thousands were detained. Exchanges of gun fire continued for days near the capital in the *ranchos* (hillside slums) and peripheral barrios such as Petare. Price increases were just the catalyst—the eruption of violence was as much an uprising against neoliberalism and the failure of political, social and economic policies. Leaving at least hundreds dead and thousands wounded, the event would come to be known as the *Caracazo*²² or by its other moniker, the *Sacudón*, and its repercussions would play out for years. The government failed to cooperate fully with investigations and made an unimpressive attempt to examine what happened. At times the government appeared to obstruct the investigation.²³ The Inter-American Court of Human Rights has since determined that the Venezuelan government committed extrajudicial killings and other violations of human rights.

The *Caracazo* truly changed the psyche of the Venezuelan people and awakened anger towards the status quo. Whereas Venezuela had been respected as an “exceptional democracy,” after the *Caracazo* many citizens felt as though Venezuela had joined the ranks of other Latin American nations.²⁴ Venezuela’s image had been shattered and yet CAP refused to change his austerity measures, even in the face of continued protests.²⁵ The riots represented a fundamental “rupture in state-society relations”.²⁶ The *Caracazo* became a major turning point in Venezuelan history. The established two-party system that had been the cornerstone of politics since 1958 was irrevocably weakened because of the *Caracazo*. Popular support for political alternatives to AD and COPEI, such as the leftist party La Causa R, grew in the wake of the riots. Another leftist Party, *Movimiento al Socialismo* (MAS), saw a surge of

support in the December 1989 elections as a result of the Caracazo.²⁷ Since the riots, not a single President from AD or COPEI has been elected President.

The attempted *golpe de estado* in February of 1992 by MBR 200 was a direct response to the human rights violations during the *Caracazo*.²⁸ Chávez claimed that the events of 1989 demonstrated that the political system didn't serve the interest of *the people*.²⁹ Before the *Caracazo* MBR-200 was weak and diminishing; however, after the *Caracazo*, its ranks swelled with young disillusioned soldiers resentful of the atrocities they were ordered to commit during the riots. If not for the *Caracazo*, MBR-200 might have vanished, but after the *Caracazo*, the group was rejuvenated and stronger than ever.³⁰ The Caracazo delivered a caudillo to power—it inspired Chávez's 1992 coup which made him a household name. While other past coup attempts had been widely condemned, many politicians and citizens openly sympathized with Chávez's frustrations.³¹ Surveys immediately after the coup reveal that nearly half of Venezuelans thought that a military coup might make things better.³² Rafael Caldera, who came to office in 1994, pardoned Chávez, partly for political reasons and partly for sympathy. Once out of prison, Chávez immediately began traveling the country and raising grassroots support for a political campaign. Promising to rewrite the constitution, Hugo Chávez, the coup-leader jailed for attempting to topple democracy, was elected president in 1998 with an astonishing 56.2% of the vote. The Caracazo shattered Venezuela's façade as well as what consensus politics remained and effectively ushered Chávez to power.

The Economy Doesn't Improve in the 90's

The dislocations from market reform reverberated through the contracting economy as investment, consumption and job creation continued to drop. In just one

year after orthodox policies were implemented poverty rose 51% so that 66% of the population suffered from general poverty. In the same year, the level of extreme poverty rose approximately 112% to 29.6% of the population. 1990 - 1993 saw high growth rates thanks to a fortuitous rise in oil prices during the Gulf War. With this, the administration curbed its commitment to the neoliberal agenda, returning to such measures as a fixed exchange rate.³³ Consumption increased but, still, growth didn't invert the trend in poverty levels; oil money didn't trickle down. As oil rents rose the government indulged in expansionary measures. In 1993, oil prices declined once again; this, with lax fiscal policies and growing political tension, tightened credit and contracted the economy. Off-shore banking sectors swelled as wealthy Venezuelans transferred their accounts outside the country. Before CAP could finish his term, he was impeached for the misappropriation of a meager 250 million Bolivars (\$17 million) to fund the campaign of Violeta Chamorro in Nicaragua and finance his inauguration. The impeachment was but one of a series of events of events that legitimized the rise of Hugo Chávez.³⁴

Rafael Caldera was elected to succeed CAP; upon his inauguration, Caldera inherited the largest banking crisis Venezuela had ever experienced. Born from weak management, low supervision, the oligopolistic structure of the financial sector, excessive risk-taking and corruption, as well as lacking regulation and foreign competition³⁵, the crisis emerged just prior to Caldera taking office. Triggering rapid capital flight, a devaluation, high inflation, as well as price and exchange controls, the event was a catastrophic blow to an already bleeding economy. The controls limited credit and caused thousands of businesses to go bust. The fact that the executive branch was transferring power from one administration to the next as the crisis erupted

made it more difficult to confront it. The bailouts for banks, begun under acting president Ramon Jose Velasquez with Banco Latino, continued under Caldera and consumed 12% of the 1994 GDP and 75% of the government's 1994 budget.³⁶ Still, the authorities struggled to restore confidence in the banking system. Especially considering that in 1994, 79% of families were in "poor," and the across-the-board social spending cuts deepened the social costs of the banking crisis.³⁷ The situation worsened as underfunded public infrastructure soon resulted in blackouts and utility shortages. Caldera's administration presented the Sosa Plan, named for the then finance minister Julio Sosa, which prescribed spending cuts and increased taxes in an attempt to close the fiscal deficit. The plan's inception was one of the few proactive measures in his economic policy; soon after its implementation, however, his economic policy would flip-flop and become, according to many economists, reactionary and "incoherent" for the remainder of his tenure. In 1995, when asked what was the most important problem facing Venezuela the number one answer was the "economic crisis";³⁸ surveys also showed a high concern about inflation which reach 8% a month in 1996.³⁹ Although during his campaign Caldera repudiated the idea of turning to the IMF, the need to restore credibility, the crisis, and his administration's inability to manage it, left him with no alternatives. Caldera, like his predecessor CAP, broke his campaign promise of not seeking assistance from the IMF.

The IMF policies, called the Venezuelan Agenda and implemented in April 1996, seemed to have some limited positive effects. These included increased confidence in a strengthened banking system, lower inflation rates, the removal of some distortions which burdened the economy and opening the oil industry to much

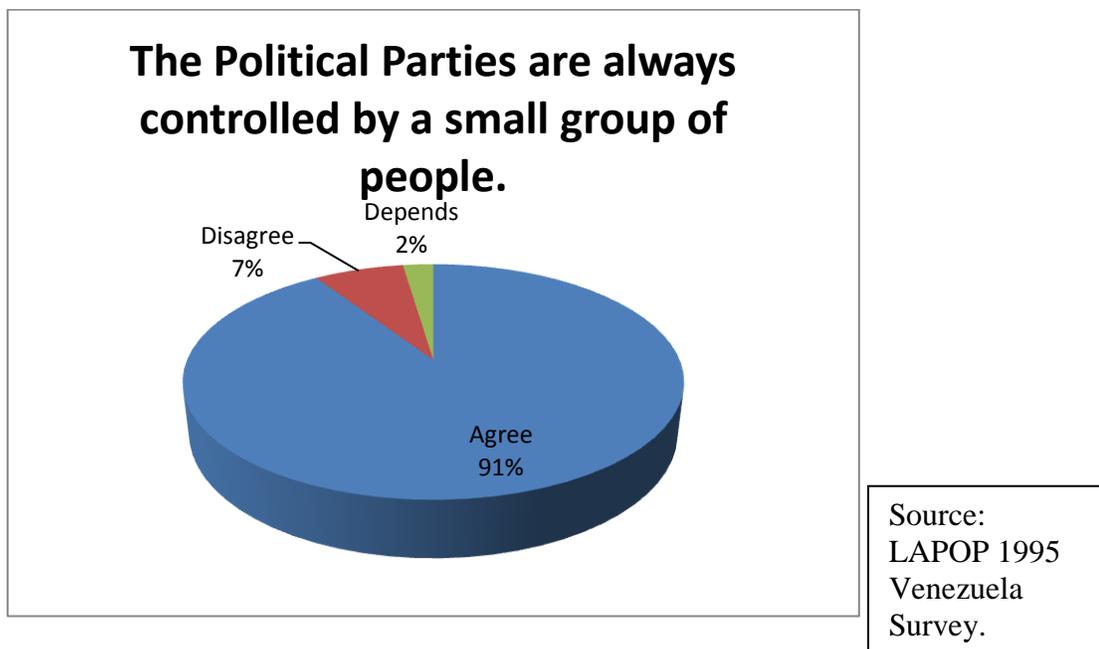
needed privatizations (ironically under the same President who began nationalizing the industry in August 1971). Overall, however, I argue that this round of orthodox policies exacerbated the situation in some respects, if not economically then politically. Many felt that seeking assistance from the IMF and the policy implementations that followed were not only initiated without political consensus but moreover were a betrayal of the working class.⁴⁰ The administration's perceived inability to effectively communicate and explain the policy decisions didn't help the situation. Obviously, it is difficult to determine how the Venezuelan Agenda affected the country because we can't distinguish what resulted from the Agenda and what resulted from other factors. Still, if it is any indicator: by the end of 1996 general poverty increased to 86% of the population while 65% lived in extreme poverty.⁴¹ Like his predecessor Perez, Caldera was unable to reform Venezuela's exhausted statist model.⁴²

Party Disintegration

Well before the Caracazo Venezuela's political system, once hailed as the most consolidated and stable democracy in Latin America, began to bare its faults. Intransigent party elites controlled the two dominating parties, *Acción Democrática* (AD) and *Partido Social Cristiano* (COPEI), which disenfranchised competing parties and political movements.⁴³ They shared the spoils of powers and organized interests into corporatist structures with which they developed clientistic relationships under their tight-gripped control.⁴⁴ In other words, the parties did not respond to demands from groups but rather placated demands with patronage. Despite leaving vast segments of the population unrepresented—namely the urban poor and middle class—this top-down structure of democracy functioned enough when the state could finance

its patronage. When it was no longer able to do so, it began to “unravel.”⁴⁵ The State’s centralized structure and poor attention to its regulative capacity precipitated this decline.⁴⁶ The condition of the political system, practically incapacitated from dysfunction and corruption, contributed to the people’s discontent.⁴⁷ Survey data in 1995 substantiates these observations and illustrates that people perceived the party system as unrepresentative and exclusive. Figure 3.1 shows that Venezuelans overwhelmingly believed parties to be controlled by a small group of people.

Figure 3.1 Do citizens believe that the political parties are always controlled by a small group of people?



The Caracazo was the most visible evidence of a breakdown, of law and order, of institutions, and of the mythic "classless society." The two parties, AD and COPEI, were no longer representative institutions but rather political machines that sought to “party-ize” rather than represent.⁴⁸ Corporatists groups that were central to

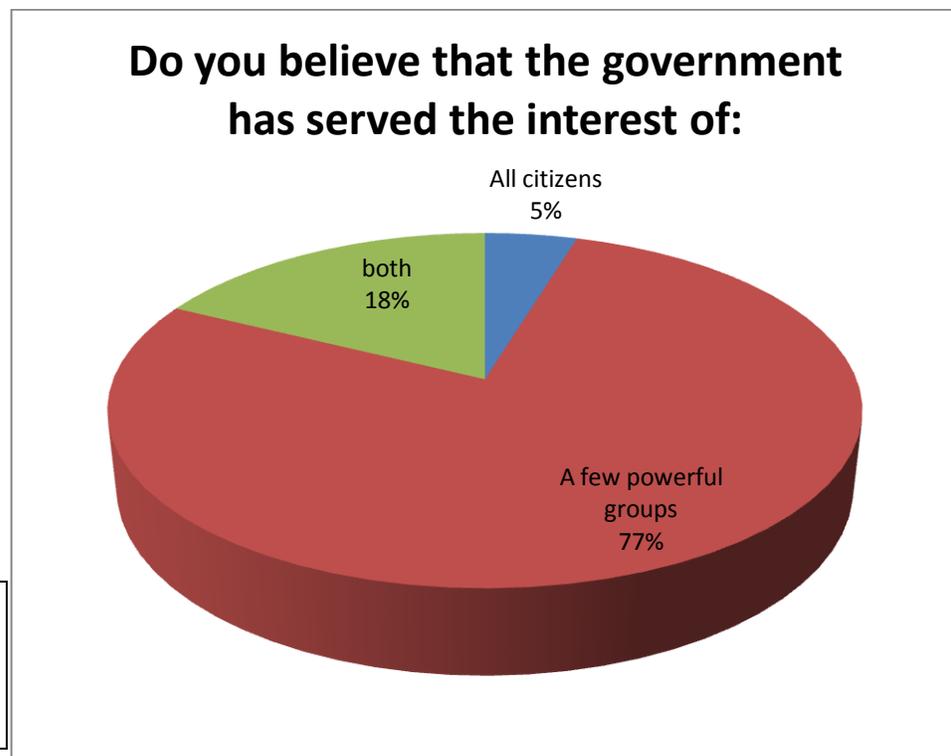
the party rule and received patronage—such as organizations like the confederacion de trabajadores de Venezuela (CTV—the most important workers’ union) and entrepreneurial groups that represented broad sectors of the population—could no longer attenuate the needs of their constituents in the frozen and bankrupt political system. Leadership in the oligarchic party cliques and the real people became more disjoined than ever. The ruling class "remained divorced from the social impacts of the policies implemented."⁴⁹ For a variety of reasons, the dividends from political reforms such as decentralization were never realized and in some cases aggravated political conflict.⁵⁰ Even before CAP came to office, a growing "apartheid of social opportunities...particularly in the field of education" was evident.⁵¹ Eventually, even businesses lost affection for puntofijismo. Public opinion blamed parties, elites and government for the decline situation.

In the election of 1993, two things occurred that were unprecedented: a 39.8% abstention rate and the electoral success of an outsider party. From his jail-cell, Hugo Chávez called on the Venezuelan people to abstain from participating in the election. Whether or not many abstained because of this, the high abstention rate indicates the high level of discontent with representation and available political options.⁵² Rafael Caldera, a founding member of Copei who had defected, led a newly formed party and rejected neoliberal reforms, spoke of social justice, supported the Caracazo and sympathized with the 1992 coups by stating he understood the frustrations of the military men.^{53 54}

Citizens had seriously declining faith in institutions and parties. Social, political and economic problems—like crime, corruption and poverty—were seemingly ubiquitous and people were contemptuous and distrustful of the parties in

power.⁵⁵ The exclusion and elitism of the political system fostered a growing belief that it was not working for the people. Citizens regarded traditional politicians as corrupt and incompetent. When asked “how would say the government has used the money in the past ten years?” 92.71% of those surveyed responded “they have squandered it.”⁵⁶ Worst people believed that government wasn’t working for them but rather serving the interests of elites. Figure 3.2 illustrates this point. Such a widely held negative perception of government helps explain why people were willing to take a large risk on a political outsider who was completely outside government.

Figure 3.2 Who does Government serve?

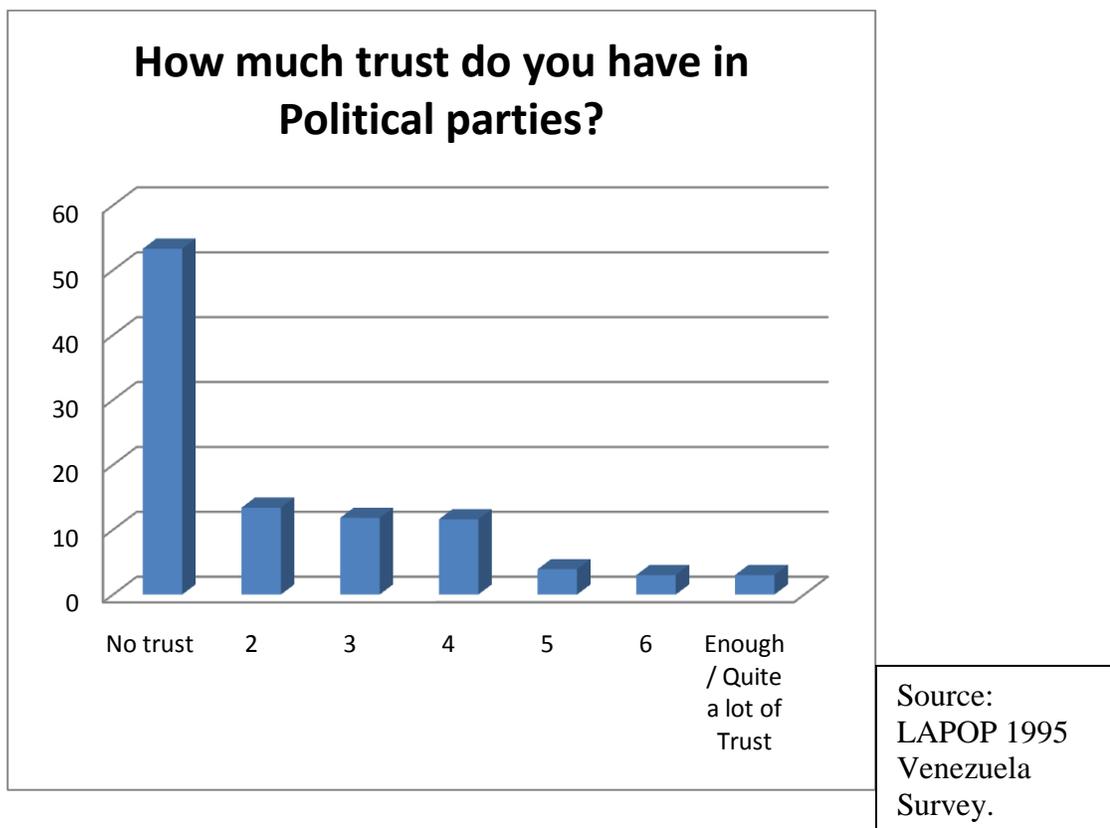


Source:
LAPOP 1995
Venezuela
Survey.

Before the 1998 election, the two dominant parties—now more intransigent and brittle than ever—would suffer splits in its leadership but ultimately

occupy the same range on the political spectrum in the voters' minds.⁵⁷ The substantive differences between the two parties became less discernable as they both struggled to regain trust with the electorate. While AD and Copei enjoyed 93% of the vote in the 1988 election, that slipped to less than 50% in the 1993 election. By 1995, citizens registered extremely high levels of distrust in traditional parties, as shown by figure 3.3. In the 1998 election, those party labels became liabilities.⁵⁸

Figure 3.3 How much trust do you have in Political Parties?



Determinants of Voter Preference

In the Journal "Latin American Politics and Society", Damarys Canache published an article entitled "From Bullets to Ballots: The Emergence of Popular

Support for Hugo Chavez", which explored "why Venezuelans would entrust democratic governance to a man who had once attempted to topple the nation's democratic regime?" She assesses two non-mutually exclusive hypotheses: first, that Chávez's electoral coalition was built among voters who regarded Chávez as no-longer a threat to democracy, and second, that Chávez built mass support among voters who did not value democracy. Her findings show that early on, Venezuelans uncommitted to democracy supported Chávez but that he simply couldn't have achieved electoral victory through democratic ambivalence alone. As he built an electoral coalition half of his supporters were ambivalent towards democracy and half supported democracy unequivocally. "What these voters shared," writes Canache, "was disdain for the status quo and a willingness to hand the reins of government to a man who had attempted to topple democracy."⁵⁹

It should be noted, however, that generally people did not vote for Chávez because he reflected their political ideology. A World Values Survey from Venezuela in 1996 indicated that the average Venezuelan would place him or herself at a 6.7 on a 1 to 9 political scale (1 being left/liberal; 5 being center; 9 being right/conservative).⁶⁰ The same study showed that 60.1% of the population had no confidence in political parties. This indicates that people were willing to bet on a risky candidate—a gamble that *may* lift the country from its trouble—because they didn't trust traditional politicians, *even* if that candidate sat apart from them on a political scale. Chávez seems to have convinced them that he could lift the country out of its troubles because surveys indicate that Chávez supporters were more hopeful for the future.⁶¹

The Campaign

On April 19, 1997 Chávez's political organization officially announced its candidacy in elections under the name Fifth Republic Movement (MVR—Venezuelan law prohibited using Bolívar's name for election purposes). Later the party was able to join with Homeland for all (PPT) and Movement towards socialism (MAS) to form a formidable leftist umbrella coalition called patriotic pole (PP). PPT and MAS contributed important institutional, organizational and electioneering experience to MVR. Although there were as many as 16 candidates in the race, Irene Sáez of the IRENE⁶² party and Henrique Salas Römer of Project Venezuela were the only candidates besides Chávez to gain traction. The coalition, but especially MVR, was really the only group that appealed to the poor and excluded during the campaign. Other candidates paid lip-service but lacked the credibility (Sáez is a former Miss Universe and mayor of a rich suburb and Römer is a Yale-educated economist and former governor). This was crucial considering that in 1997 studies show that 45% of households didn't have enough income to meet basic needs and a tragic 19% could not meet minimal dietary requirements.⁶³ Chávez's unabashed anti-system rhetoric and pandering blamed traditional politicians for stealing the nation's wealth and firing upon the people. The confrontational and inflammatory style of Chávez won him support among many.

Sáez, the clear frontrunner until March 1998, experienced a devastating decline in the polls and wound up in third. Her platform revolved around combating corruption, dodging a devaluation, supporting education, consolidating bureaucracy, and refinancing the debt.⁶⁴ Initially, COPEI backed Sáez and later she would build a coalition with AD as well (after AD dropped its own candidate). Because the election turned out to be a referendum on the status-quo, the backing of these parties hurt her

candidacy; voters did not see her as the “change candidate” with the necessary experience to lift the country. Polls by El Nacional indicate that 47% of those polled felt she lacked experience, 28% disapproved of her alliance with COPEI and 11% said she lacked the fortitude to confront crisis.⁶⁵ This last figure might underscore another damaging voter perception—that she was superficial and “maudlin.”⁶⁶ Her campaign suffered one faux pas after another; her obtuse slogans, chaotic staff and ties to traditional parties that sullied her independent image ultimately precipitated her decline. Furthermore, evidence shows that the media coverage that she received substantively differed from the type of media coverage that other candidates received and that this proved a handicap.⁶⁷

Henrique Salas Römer gradually inched up in the polls (at the expense of Sáez) and was the only candidate who could have conceivably beaten Chávez on election day. His platform focused on continued decentralization, depoliticizing and thinning the bloated bureaucratic apparatus, stimulate and develop new businesses, combat “marginalization” of certain segments of society, and privatizations.⁶⁸ With the experience of two terms as Governor of Carabobo, Römer attempted to establish himself as the independent candidate of change, but change through reform rather than revolution. Although he won the support of the business community, he lacked a certain organizational capacity and he was most popular in rural areas, at times campaigning on horseback. His initial handicap was lack of name recognition; however, later in the campaign he couldn’t shake the image of being arrogant and elite; he also lacked charisma.⁶⁹

Fearing Chávez, the opposition and those in power launched an “anyone but Chávez” campaign.⁷⁰ His ascent in the polls made many nervous and prompted

speculations about assassination attempts or preemptive coups.⁷¹ In an attempt to hedge the impending PP victory, the parties in power changed the electoral procedures to separate the regional and parliamentary elections from the presidential elections.⁷² Opposition began a last-minute slapdash crusade against Chávez (which they called the Democratic Pole), an effort that didn't work. Hoping to align support against Chávez, AD and COPEI abandoned Sáez and backed Römer, a move that confused voters who saw Römer and traditional parties as adversaries during the campaign.⁷³ This political maneuver proved to be the death knell of the Proyecto Venezuela campaign; in a political environment where traditional parties were distrusted and the electorate was searching for alternatives, this alliance sullied Römer's independent image. Römer was able to maintain that he had defected from traditional parties (even though he was a congressman for COPEI at one point) until he accepted support from them; additionally, his backing from a wide range of governors proved a liability.⁷⁴

In the end, the vote, which was closely monitored, revealed that Chávez had legitimately and unquestionably won. Significantly increased voter turnout benefitted Chávez and his margin of victory was over a million votes.⁷⁵ The country had voted for sweeping change of the system and had elected the most risky candidate to do it. A professor from Simon Bolivar University of Caracas was quoted as saying "In simple terms,...[the election was] a showdown between the haves and have-nots, between the people and the oligarchy."⁷⁶ Chávez, the man of "the people," won a resounding majority.

¹ “Caudillo” is a term that roughly translates “local military strongman.” See: Carlos Blanco “Revolución y desilusión: La Venezuela de Hugo Chávez.”

² Francis Fukuyama. “Poverty, Inequality, and Democracy: The Latin American Experience.” *Journal of Democracy* Vol. 19. No. 4. Oct. 2008

³ Quote from: Miriam Kornblith “Sowing Democracy in Venezuela: Advances and Challenges in a Time of Change.” In: Paul Drake and Eric Hershberg (ed.) *State and Society in Conflict: Comparative perspectives on Andean Crises*. University of Pittsburgh Press. 2006.

See also: J. C. Rey. “La deomcracia venezolana y la crisis del sistema populista de conciliación.” *Revista de Estudios Políticos*. 1991. No. 74: 533-78

⁴ Steve Ellner and Miguel Tinker Salas. “Venezuela: Hugo Chávez and the Decline of an ‘Exceptional Democracy’.” Rowman & Littlefield Publishers, 2007.

⁵ “Hugo Rafael Chávez Frías” Gobierno de Venezuela.
<http://web.archive.org/web/20050208005741/http://www.gobiernoenlinea.gob.ve/venezuela/presidente.html>

⁶ Alma Guillermoprieto. “Don’t Cry for Me, Venezuela.”

⁷ R. Gott. “Hugo Chávez and the Bolivarian Revolution.”

⁸ Harold Trinkunas and Jennifer McCoy. “Observations of the 1998 Venezuelan Elections: A Report of the Council of Freely Elected Heads of Government.” Carter Center. February 1999.

⁹ Quote from Michael Shifter on CNN’s “Amanpour.”

24:6, pg. 1141.

¹¹ Moises Naim. “Paper Tigers and Minotaurs: The Politics of Venezuela’s Economic Reform.” Washington D.C.: The Carnegie Endowment for International Peace. 1993.

¹² Tarre Briceno, G (1994) 4 de febrero: *El Espejo Roto* (Caracus: Editorial Panapo). Pp. 123-133.

¹³ Chesa Boudin, Gabriel Gonzalez and Wilmer Rumbos “The Venezuelan Revolution: 100 Questions – 100 Answers.” Pg. 2.

¹⁴ Kurt Weyland. "Economic Voting Reconsidered: Crisis and Charisma in the Election of Hugo Chávez." *Comparative Political Studies*, Vol. 36. No. 7. Sept. 2003. 822-848.

¹⁵ Julia Buxton "Economic Policy and the rise of Hugo Chávez." in: Steve Ellner and Daniel Hellinger (ed.), *Venezuelan Politics in the Chávez Era: Class, Polarization and Conflict* (Lynne Rienner Publishers, 2004). Pg. 115.

¹⁶ Julia Buxton "Economic Policy and the rise of Hugo Chávez." in: Steve Ellner and Daniel Hellinger (ed.), *Venezuelan Politics in the Chávez Era: Class, Polarization and Conflict* (Lynne Rienner Publishers, 2004). Pg. 115-116

¹⁷ Michael McCaughan, *The Battle of Venezuela*, (New York, 2005) p.92,133-4,153

¹⁸ Steve Ellner and Daniel Hellinger, *Venezuelan Politics in the Chávez Era: Class, Polarization and Conflict* (Lynne Rienner Publishers, 2004).

¹⁹ Richard S. Hillman. "Democracy for the Privileged: Crisis and Transition in Venezuela." Lynne Rienner Publishers.

See also: ^ Steve Ellner and Daniel Hellinger

²⁰ The actual percentage by which the cost of petro increased is still debated. Many Venezuelans and media often recount that the price doubled yet many studies show this to be exaggerated. It seems that in some instances the price as much as doubled; however, generally, it is more accurate to say the price increased by more than 50%.

²¹ "El Caracazo Case, Judgment of November 11, 1999, Inter-Am. Ct. H.R. (Ser. C) No. 58 (1999)." *University of Minnesota Human Rights Library*. University of Minnesota, Web. 10 Nov 2009. <<http://www1.umn.edu/humanrts/iachr/C/58-ing.html>>.

²² The title "*Caracazo*" might be misleading because riots took place throughout the country in at least 20 cities. The *Caracazo* roughly translates to "the Caracas explosion" or "the Caracas hit."

²³ López Maya, Margarita. "The Venezuelan Caracazo of 1989: Popular Protest and Institutional Weakness." *Journal of Latin American Studies*. 35.1 (2003): 117-137. Print.

²⁴ Ellner, Steve and Miguel Tinker Salas. *Hugo Chávez and the Decline of an "Exceptional Democracy"*. 1st ed. . Plymouth : Rowman & Littlefield Publishers, 2007. Print.

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- ²⁵ Weyland, Kurt. *The Politics of Market Reform in Fragile Democracies: Argentina, Brazil, Peru, and Venezuela*. Princeton, New Jersey: Princeton University Press, 2002. Print. p. 130
- ²⁶ Chalmers, Douglas A, et al. *The New Politics of Inequality in Latin America: Rethinking Participation and Representation*. New York, New York: Oxford University Press, 1997. Print. p. 132
- ²⁷ McCoy, Jennifer and Myers, David J. *The Unraveling of Representative Democracy in Venezuela*. Baltimore: Johns Hopkins University Press, 2004. Print. p. 270.
- ²⁸ Meléndez, Manuel Robert. "Challenges to Democracy in Latin America: The Case of Venezuela under Hugo Chávez." *Naval Postgraduate School* (2001) Web. 17 Nov 2009.
<http://edocs.nps.edu/npspubs/scholarly/theses/2001/Mar/01Mar_Melendez.pdf>.
- ²⁹ "Country Profile: Venezuela" Library of Congress—Federal Research Division. March 2005.
- ³⁰ McCoy, Jennifer and Myers, David J. *The Unraveling of Representative Democracy in Venezuela*. Baltimore: Johns Hopkins University Press, 2004. Print. p. 270.
- ³¹ In a 1995 survey from Vanderbilt University's Latin American Public Opinion Project, more than half of respondents in Venezuela felt that the riots of 1989 were justified to some extent.
- ³² D.L. Norden. "Democracy and Military Control in Venezuela: From Subordination to Insurrection." *Latin American Research Review*. 1998. 33 no. 2: 143-157.
- ³³ This imprudent economic policy would lead to an exchange rate crisis in 1992 which resulted in \$1 billion loss in reserves in September 1992 alone. For more information read the following IMF publication: Alicia García-Herrero, "Banking Crises in Latin America in the 1990s - Lessons from Argentine, Paraguay, and Venezuela." October 2007. <http://www.imf.org/external/pubs/ft/wp/wp97140.pdf>
- ³⁴ Kirk Hawkins, "Populism in Venezuela: the rise of Chavismo," *Third World Quarterly*, 2003, 24:6, 1137-1160.
- ³⁵ Partly due to lack of any competition and the realization that the government would bail-out banks, the banking industry was pitifully inefficient and broken. Banking profitability had been negative in real terms since 1985.
- ³⁶ Michael McCaughan, "The Battle of Venezuela" (Seven Stories Press New York, 2002).
- ³⁷ Steve Ellner and Daniel Hellinger, Venezuelan Politics in the Chávez Era: Class, Polarization and Conflict (Lynne Rienner Publishers, 2004).

³⁸ Latin American Public Opinion Project (LAPOP) Survey data.

³⁹ Survey Data from LAPOP; 8% inflation figure from: Kurt Weyland. "Economic voting Reconsidered: Crisis and Charisma in the Election of Hugo Chávez." *Comparative Political Studies*, Vol. 36 No. 7 Sept. 2003. 822-848.

⁴⁰ It seems many would not agree with my assessment. In a 1996 interview Michael Camdessus, the managing director of the International Monetary Fund, stated "The Venezuelans are absolutely convinced that this is their country's agenda and not the dictate of the International Monetary Fund." But this doesn't seem to have been the case without question. One Venezuelan who disagreed with this statement was Hugo Faría, an economist and financial analyst at the Institute for the Study of Advanced Administration who raised concerns about the ability of the government to service such a large debt to the IMF. In an April 1997 press conference, Michael Camdessus stated, "Venezuela's program seems to me an undeniable success." What was left to do, he went on to argue, was to reconstruct institutions which were the culprit for any failures in the Agenda. This part of history may be open to greater interpretation than I allow in this thesis; still, my position is that the Venezuelan Agenda can't be considered a success. I would argue that considering that in the year following Camdessus' statements, the majority of the Venezuelan people would reject the programs of which he speaks by backing Hugo Chávez with their vote, the Venezuela Agenda was not as undeniably successful as Camdessus suggests. Any perceived failure, according to many, was actually a result of too little reform rather than too much. At this point I should reiterate that I have no pretensions to objectivity; I believe that such large-scale, rapid, and top-down reforms are well-intentioned and well-researched but can destabilize and exacerbate problems. In contrast, slow piecemeal solutions can often work better and produce fewer dislocations. This is essentially one of the argument in William Easterly's "The White Man's Burden". The argument can be no better illustrated, in my opinion, than by the fact that relative to the Economic packet under CAP, the Venezuela Agenda under Caldera was slower and more piecemeal and thus significantly less of a failure. Clearly, it didn't produce the same violent expression of frustration; yet, in my assessment I see the electoral success of a political outsider who tried to overthrow democracy as a latent expression of this frustration.

Interview with Michael Camdessus in October of 1996 available at:

<http://www.imf.org/external/np/tr/1996/tr961003.htm>

April 1997 press conference available at:

<http://www.imf.org/external/np/tr/1997/tr970424.htm>

Also see:

William Easterly, "The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good" (Penguin Press HC, The; Fifth Printing edition, 2006)

Diana Jean Schemo, "Venezuela Joins The Latin Trend To Free Markets :Venezuela Joins the Latin Trend to a Free-Market Economy Taxes and prices rise as Caracas lifts many controls," . New York Times 27 April. 1996.

⁴¹ Ellner and Hellinger

⁴² Margarita López-Maya and Luis Lander, "A Military Populist Takes Venezuela." *NACLA Report on the Americas* 32. No. 5. (March/April 1999): 13-14.

⁴³ Jennifer McCoy and David Myers. "The Unraveling of Representative Democracy in Venezuela." Johns Hopkins University Press 2004.

⁴⁴ Howard J. Wiarda. "Authoritarianism and Corporatism in Latin America—Revisited."

⁴⁵ Jennifer McCoy and David Myers. "The Unraveling of Representative Democracy in Venezuela." Johns Hopkins University Press 2004.

⁴⁶ Julio F. Carrión. "Authoritarianism and Democracy in the Andes: State Weakness, Hybrid Regimes and Societal Responses." *Latin American Research Review*. 42.3. (2007). Pp. 222-234.

⁴⁷ Richard S. Hillman. "Democracy for the Privileged: Crisis and Transition in Venezuela." L. Rienner Publishers.

⁴⁸ The word "party-ize" taken from: Julio F. Carrión. "Authoritarianism and Democracy in the Andes: State Weakness, Hybrid Regimes and Societal Responses." *Latin American Research Review*. 42.3. (2007). Pp. 222-234.

⁴⁹ Julia Buxton in: Steve Ellner and Daniel Hellinger, *Venezuelan Politics in the Chávez Era: Class, Polarization and Conflict* (Lynne Rienner Publishers, 2004). Pg. 116.

⁵⁰ However, decentralization did foster competition from other parties in the 1989, 1992, and 1995 direct election of governors and mayors. This reform allowed for new political leaders (something that puntofijismo did not). These elections saw increases in visibility of and voter preference for MAS and LCR as they won elections as well as very high abstention rates. Venezuelans were shifting towards political alternatives and testing the water with different parties.

⁵¹ ^ Julia Buxton pg. 117

⁵² Radcliff argues that discontent may trigger nonparticipation in: B. Radcliff. "Reward Without Punishment." *Political Research Quarterly*. 47, 721-731.

⁵³ This is best illustrated with his speech on February 4, 1992 and other speeches which blame the caracazo and the coups on the state's failures to provide for its citizens on basic levels. See the following speech:
<http://www.analitica.com/BITBLIO/caldera/4f.asp>

⁵⁴ Caldera, as a founding member of COPEI and former president, was not a political unknown, his electoral coalition *convergencia nacional* (national convergence) was indeed a newly formed party that effectively ended the hegemony shared by AD and COPEI.

⁵⁵ When you look at survey data from before Chavez was elected, "Crime" routinely presents itself as a major concern of citizens. Now as crime—most visibly the homicide rate—has only increased drastically since Chavez was elected. Now some political scientists are positing that support for Chavez among his supporters is declining because of increasing perceptions of crime. See: Latin American Public Opinion Project.

⁵⁶ Latin America Public Opinion Project (Venezuela Dataset from 1995)

⁵⁷ "Rise of Democracy Candidates." *Latinnews Archive*. 4 Nov. 1997.

⁵⁸ Kurt Weyland. "Economic Voting Reconsidered: Crisis and Charisma in the Election of Hugo Chávez." *Comparative Political Studies*, Vol. 36. No. 7. Sept. 2003. 822-848.

⁵⁹ Damarys Canache "From Bullets to Ballots: The Emergence of Popular Support for Hugo Chávez." *Latin American Politics and Society*. Vol. 44. No. 1. 2002.

⁶⁰ World Values Survey. 1996. Online data analysis. Accessed 05 October 2009 at <http://www.worldvaluessurvey.org>

⁶¹ Kurt Weyland. "Economic Voting Reconsidered: Crisis and Charisma in the Election of Hugo Chávez." *Comparative Political Studies*, Vol. 36. No. 7. Sept. 2003. 822-848.

⁶² IRENE stands for intergración, representación y nueva esperanza (intergration, representation, and new hope). It is perhaps better described as an electoral vehicle for Sáez than a party.

⁶³ Margarita López-Maya and Luis Lander, "A Military Populist Takes Venezuela." NACLA Report on the Americas 32. No. 5. (March/April 1999): pg. 12

⁶⁴ Magda Belén Hinojosa. "Women Political Candidates and the News Media: The Case of Irene Sáez." the Latin American Studies Association. Washington D.C. Sept. 6-8, 2001.

⁶⁵ ^ Magda Belén Hinojosa.

⁶⁶ Bart Jones. "Very Little Beauty Left in Irene Saez's Presidency Bid." The Seattle Times. Nov. 24, 1998.

⁶⁷ ^ Magda Belén Hinojosa

⁶⁸ "Fracasan alianzas contra Hugo Chavez.(Internacional)." Palabra. Agencia Reforma. 1998.

⁶⁹ Raymond Colitt. "Venezuelan Candidate Seeks Middle Road to Power." Financial Times. London, UK. Oct 15 1998. Pg 06.

⁷⁰ Peter Eisen. "Venezuelans Learn Their ABCs as Salas Pulls Closer to Chávez." The Oil Daily. October 26, 1998.

⁷¹ Jennifer McCoy. "Chávez and the End of 'Partyarchy' in Venezuela." *The Journal of Democracy*. 1999. 10.3. 64-67.

⁷² Miriam Kornblith "Sowing Democracy in Venezuela: Advances and Challenges in a Time of Change." In: Paul Drake and Eric Hershberg (ed.) *State and Society in Conflict: Comparative perspectives on Andean Crises*. University of Pittsburgh Press. 2006.

⁷³ ^ Miriam Kornblith. Pg. 298.

⁷⁴ Raymond Colitt. "Venezuela's 'candidate of disaster' takes on an 'alliance of the corrupt'" Financial Times. London UK. Dec. 4 1998. Pg. 04.

⁷⁵ ^ Jennifer McCoy

⁷⁶ ^ Raymond Colitt. "Venezuela's candidate..."

Chapter 4

COMMONALITIES AND OBSERVATIONS OF OUTSIDER CAMPAIGNS

Appealing to the Voter

Outsiders create an image that appeals to wide segments of the electorate, but usually focus on the marginalized and apparently unrepresented masses. They often create an image that mesmerizes the disillusioned. In Perú, Fujimori sold a vague technocratic vision that burgeoned technocratic authoritarianism once he was elected. In Venezuela, Hugo Chávez focused on his relationship to the poor, tapped a certain nostalgia, and disparaged neoliberalism and North American influence to become a candidate much in fashion—almost one with the people in a national historic and emotional sense—which allowed him to reconstruct the political fabric once in power¹. In Colombia, Álvaro Uribe presented a calm and collected demeanor and was able to describe his policy proposals, even unpopular ones, clearly which all fostered a belief that he could deal with the insurgency problem. In Bolivia, where Evo Morales was less of an outsider because he had experience and a party, he was able to appeal to the electorate through a mixture of populism, rhetoric and a deeply indigenous heritage along with a decline of parties and a rise of social movements. Ecuador's Correa repudiated politics and neoliberalism as the populist and maverick outsider, and employed clever marketing and a sophisticated technological hybrid campaign that created an energetic style (more like a brand) and an anti-system discourse.

We see the same factors that allow outsiders access to the political arena and appeal to the voter throughout Latin America. These include changes in the

election, party and organizational laws, rules, and procedures. Also, the rise of social movements and grassroots campaigns can buttress outsiders. The missteps and divisions of alternative candidates and other parties confer electoral support to outsiders. Serious weaknesses in parties, namely in their organizational and representative functions, as well as feebleness of other state institutions, give credence to outsiders' anti-system rhetoric. The constant absence of the combination of security, prosperity and democracy leaves voters searching for alternatives. The ubiquitous problem of corruption is ammo for an outsider to use against traditional candidates (more often justifiably so, if not hypocritically so).

Certain situations undoubtedly increase the likelihood that an outsider can gain appeal. The case studies of Perú and Venezuela show, along with the experiences of other Latin American countries, that economic crisis leads voters to search for alternatives and take a chance with an outsider. Persistent insecurity—like that in Perú, Colombia, and now in the border states of Mexico—causes citizens to vote not necessarily for who will be the most democratic but for who might solve the security issue. Orlando Perez put it quite simply when he wrote, “insecurity has a deleterious effect on attitudes towards democracy.”² Security is a basic requirement that citizens demand. Larry Diamond summarized it perfectly when he wrote: “if democracies do not more effectively contain crime and corruption, generate economic growth, reduce economic inequality, and secure freedom and the rule of law, people will eventually lose faith and turn to authoritarian alternatives.”³

Parties Need to Function Better

I hope the case studies have illustrated the need for parties to function effectively. Parties over time failed to respond, adapt, compromise, and manage

themselves. They became top-down controlled and exclusive—fresh and innovative ideas didn't rise to the top. They became more concerned with dividing the spoils of power rather than listening to the people. They were political machines that disenfranchised opposition rather than competed against it. Parties need to work to avoid become stiff and inflexible. They need to learn to evolve. Most importantly, they need to learn to listen.

The Economy Matters; But It's Not Everything

The case studies that I have discussed here as well as research not discussed in this paper substantiate the literature that argues that the economic environment weighs heavily on people's mind when they make voting decisions.⁴ Clearly, in the cases of Fujimori and Chávez, the protracted economic declines played a significant role in the collapse of the party systems—in people's decision to search for alternatives and vote with risky candidates or unknowns. Outsiders may offer a technocratic vision or a mission to transform the economic model, and citizens, many of whom have been recurrent victims of poverty and economic instability, put stock in such promises as a way maybe—*just maybe*—to improve their lot. However, the economy doesn't explain everything. My research suggests that other major problems, like insecurity or a crisis of representation, compounded with economic problems make systems extremely vulnerable. Still, as Carrión illustrates, even when a political system is doing relatively well in economic terms, the system can still suffer from a “confidence gap” and thus is vulnerable to undemocratic threats.⁵

The Cancer of Corruption

Throughout Latin America the perception of corruption is a persistent challenge for governance and a real issue in the mind of voters. All of the outsiders that I looked at deplored corruption and promised to eradicate it (what Latin American candidate doesn't, it seems); this rhetoric resonates with electorates that perceive high levels of corruption in their governments.⁶ However, because outsiders can distinguish themselves as external to corrupt politics (and to all politics, at that) they are able to appear trustworthy relative to traditional politicians. Interestingly, the political systems under Fujimori and Chávez became far more corrupt.⁷ Figure 4.1 illustrates the relatively high levels of corruption throughout Latin America which threaten the stability of democracy. The set of policies required to confront corruption involve strengthening laws and mechanisms of oversight, investigation and punishment (and simply can't be discussed in full in this paper). It should just be noted that corruption greases the gears that outsiders use to promote a repudiation of politics.

Electoral Tipping Points

A characteristic that we often can observe in the riskiest campaigns of outsiders is the rapid and sudden rise in popularity. Despite sometimes abusing their power and mismanaging the country, traditional parties benefit from deep and time honored relationships with constituents and the ability to exchange patronage, food or cash for votes. Outsiders just don't have the same connections and resources that traditional political machines enjoy. Outsider's ammo comes in the form of pointing out the shortcomings of traditional politics and this approach leaves them only a relatively small (albeit very real) window to win. Many times, the electorate may want

Figure 4.1 Perceptions of corruption in Latin America



drastic change but simply doesn't take the outsider seriously or doesn't believe the outsider has a real chance of electoral success and thus won't publically support the candidate (who wants to throw away a vote?). At a certain point, however, usually after other candidates begin to drop out of the running, the public might perceive that the outsider is in fact a viable candidate and consequently large shifts in support can occur quickly, especially from voters who previously supported a candidate who called it quits.⁸ This is a sort of electorate support "tipping point." Many people might like a candidate but are dissuaded from supporting him or her until they feel he or she has a chance.

Outsiders Are In

"I do not hesitate to say that the road to eminence and power, from obscure condition, ought not to be made too easy, nor a thing too much of course."

-Edmund Burke⁹

Outsiders exist in nearly every Latin American election often hoping to transform the system as they see appropriate. The following outsiders underscore the importance of not only understanding how outsiders come to power but also understanding what their election may mean for the system.

The *Economist* cited Jaime Bayly as a charismatic, politically-incorrect liberal who could "tap into the national frustration with traditional politicians,"¹⁰ should he decide to run in the upcoming Peruvian elections. Bayly, a writer and TV personality, ridicules Venezuela's Chávez and publicizes his penchant for drugs, both in his weekly column and on his television programs. Clearly, it is highly unlikely Bayly will come close to the presidency, being that he is bisexual, pro-choice, pro-gay marriage, against privileges enjoyed by the church, and wants to abolish the military in a country that is almost 90% Catholic and where the church and military are time-honored institutions.¹¹ Moreover, his support in polls is only at 5%. Still, he appeals to young voters and having insurmountably low support was also said of Fujimori at the onset of the 1990 campaign. In Latin American politics, never say never.

An even worse outsider might be one of Bayly's opponents, Ollanta Humala, who is doing better with 12% of voter preference according to an Ipsos-apoyo survey.¹² Humala, a leftist populist outsider and son of a communist, lost to Alan Garcia in the 2006 runoff with 47.47% of the vote. Like Hugo Chávez, he was imprisoned for a coup attempt and shortly thereafter pardoned. His candidacy spells trouble for Peru and is currently rivaled only by Fujimori's daughter and Lima's

mayor. It is still too early to speculate how the election will play out but as surveys reveal that corruption is the primary problem in the minds of citizens, followed by unemployment and crime, outsiders stand to do well in the upcoming election.¹³

On May 30 Colombia will vote for a new president. Since Uribe has been legally barred from running for a third term, Juan Manuel Santos, the former defense minister under Uribe, has been widely expected to win. As of April 22, however, a poll from El Centro Nacional de Consultoría and one from *Semana* showed that political outsider Antanas Mockus would win in the runoff election.¹⁴ His poll numbers have surged since late February from 4% to a statistical dead-heat with Santos (supporting my hypothesis on outsider tipping points). Mockus, the former mayor of Bogotá and former president of the National University (not unlike Fujimori), is known for his unorthodox and silly antics, outright rejection to the Colombian political machines¹⁵, and his short-lived bid for the presidency a few years back. He backs Uribe's security policies but is also a refreshing candidate who hasn't stolen money, which plays well for voters who are tired of corrupt politics. Michael Shifter of the Inter-American dialogue remarked why this has worked for Mockus: "Colombians are a paradox right now: In this case, they want continuity and change at the same time. They like Uribe's policies, but are tired of his confrontational style of politics."¹⁶ The Wall Street Journal wrote "his outsider message is garnering support among voters who want change after eight years of Mr. Uribe and a string of political scandals."¹⁷ The Washington Post agreed: "his position as an outsider appears to be his advantage."¹⁸ Mockus told El Tiempo—Colombia's most trusted news source—that he thinks it is possible to win in the first round.¹⁹

Desencanto magnetizes outsiders to pendulum shifts

“Democracy doesn’t mean electing a dictator every five years.”²⁰

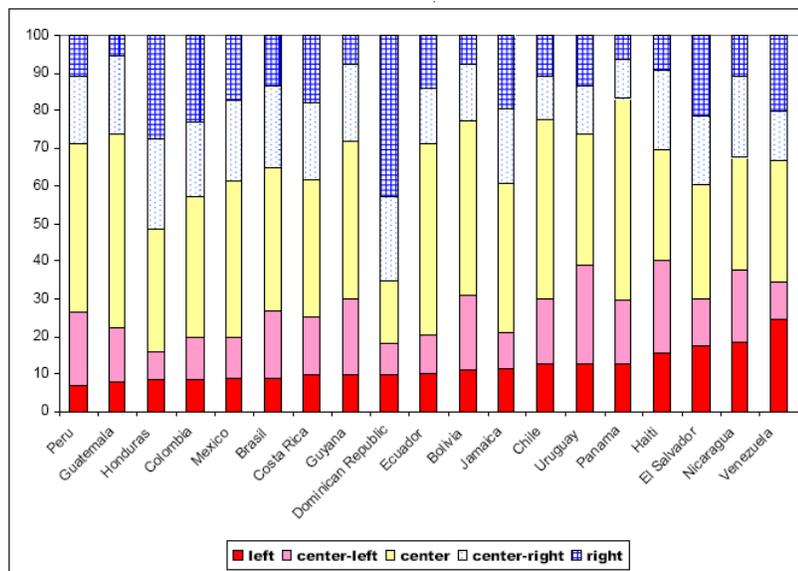
-Hernando De Soto

In a region where government, institutions, and society struggle to develop and function; and where poverty, inequality and insecurity are persistent challenges; outsiders can more easily enter the political arena or more easily capitalize on desencanto (disenchantment). Much has been written in Latin American Comparative Politics about ideological and democratic shifts. In the heydays and up until the death throes of military dictatorships in Latin America, the regular swings between military dictatorships and democracy was described as “pendulum swings.”²¹ After the third wave of democratization, and more recently, we realized large “turns” in the ideological orientations of the candidates that voters elect (much has been made of Latin America’s left turn).²² Today, academics and politicians are discussing a “tilt” back to the right if voters choose Uribe’s culled conservative successor this May and Sao Paulo’s governor, Jose Serra, to succeed Lula this October, as widely anticipated. This would reinforce Ricardo Martinelli’s victory in Panama and Porfirio Lobo’s election in Honduras, not to mention Sebastián Piñera’s electoral victory in Chile this past January. In a recent editorial, Álvaro Vargas Llosa (Mario Vargas Llosa’s son) writes “The only major Latin American democracy where the pendulum seems to be swinging away from the center-right is Mexico,” yet even there, he goes on, the Institutional Revolutionary Party (PRI) is not a leftist ideological force but a catch-all party.²³

In my opinion, using presidential elections as the principal metric to illustrate ideological shifts is seriously deficient. First, because such categorization is too simplistic—it interprets the “left” or “right” as monolithic persuasions; such a

dichotomy doesn't distinguish the varying degrees of ideology or the specific policies these candidates actually support. Second, it presumes that voters rationalize in such ideological terms when they cast their ballot, which I believe there insufficient evidence to substantiate. Third, the election of a candidate with a particular ideology might not be reflective of the citizens' ideological positions (which the case of Chávez supports and the case of Fujimori does not support). In surveys by LAPOP, Latin Americans registered fairly centrist (if not slightly center-right) ideologies with very little variation by country (even in countries with leftist presidents).²⁴ Figure 4.2 illustrates a simple ideological breakdown by countries in Latin America. Considering these three problems with using a presidential elections as an indicator of a shift of public ideology, it is better to think about such deviating elections as a demand for change or an indication that the electorate is dissatisfied with the incumbents—NOT that the electorate ideologically associates with who they elect.

Figure 4.2 Ideological Positions in Latin America, 2006/07



So if the voting pattern of the electorate often does not reflect the ideology of the electorate, then why are citizens voting for candidates they don't ideologically identify with? If I could venture a crude and wanting theory that might explain why the region seems to swing, shift and tilt to-and-fro, it is seemingly because every or every other election cycle, the opposition capitalizes on the failures of the previous administration to secure support. This is not necessarily bad because it shows that electorates can hold their representatives accountable; however, in this political environment, outsiders can thrive. Being removed from the system, outsiders are uniquely positioned to criticize the system. They play on the fragile trust in political institutions, especially political parties, and portray themselves as saviors of the nation.²⁵ Citizens take to this rhetoric and side with risky candidates when the opposition appears culpable for some of the country's problems.

"The Democratic Paradox"

Outsiders have been able to gain support through appealing to previously marginalized, underrepresented or excluded groups. Russell Crandall describes what he called the "democratic paradox": "[democratization] has empowered populations as never before, but this increased political activity has often damaged—and at times brought down—democratic governments." Such inclusion has expanded democratic representation in a sense but effectively stressed "embryonic democracies."²⁶ The problem is that outsiders, especially populist outsiders, are able to capitalize on appealing to formerly unrepresented or underrepresented groups of citizens—like the informales or urban poor. Crandall goes on to describe how Andean governments have struggled to balance security, democracy and economic stability. The inability for

governments to achieve this “elusive trinity” makes them vulnerable to outsider candidacies.

Conclusions: Are There Policy Implications?

My hypothesis throughout much of my research was that if we could understand outsiders better then we could develop policies that would inhibit their rise. I felt that the discussion on outsiders was under-evolved. My theory was that if we could identify what to look for and what to be skeptical of, we could somehow implement checks or at least be able to better articulate concerns with outsider candidates. Maybe the latter is somehow possible, but I now believe the former is not. If you conceptualize outsiders as a product of weakly consolidated democracy, then I suppose you could discuss what deepens and sustains democracy as an indirect treatment for outsiders.²⁷ Still, as far as an acute strategy that addresses outsiders, to my knowledge, none exists.

Paradoxically, as annoying as it might be to those who can reasonably speculate that a particular outsider represents a real threat to democracy and a high likelihood of electoral authoritarianism, the outsider’s unfettered candidacy is essential for true democracy. Citizens must be able to hold their representatives accountable through elections, and this means that sometimes they may choose risky and autocratic replacements. In this sense, outsiders are “growing pains” of democracy.²⁸ Outsiders are a product of fragile institutions as well as a cause of them. In order to guard against outsiders, a nation must address overarching challenges of underdevelopment (poverty, inequality, crime, corruption, ineffective institutions, etc). To actively inhibit outsiders based on their strategy risks political exclusion—one of the very attributes that enables outsiders. Although we realize that outsiders threaten and often

undermine liberal democracy, we must defend their right to run for election because it essential for liberal democracy.

¹ Steve Ellner, “The Contrasting Variants of the Populism of Hugo Chávez and Alberto Fujimori.” *The Journal of Latin American Studies*.

² Orlando J. Perez, “Measuring Democratic Political Culture.” *Latin American Democracy: Emerging Reality of Endangered Species?* Routledge 2009. P. 25.

³ Larry Diamond. “The Democratic Rollback,” *Foreign Affairs*, 87, 2 (March/April, 2008): 37.

⁴ See: M. Lewis-Beck “*Economics and elections.*” Ann Arbor: University of Michigan Press. 1998.

Also: M. Fiorina. “Retrospective voting in American national elections.” New Haven, CT: Yale University Press. 1981.

⁵ Julio F. Carrión. “Peru’s Confidence Gap.” *Americas Quarterly*. Summer 2009.

⁶ See: The Transparency International Corruption Perception Index.
http://www.transparency.org/news_room/in_focus/2008/cpi2008/cpi_2008_table

⁷ Look no further than Fujimori’s infamous Vladivideos or the increasing corruption perception of Venezuela on Transparency International.

⁸ Unlike in the United States, elections in Latin America often have several candidates—sometimes over a dozen—running against each other in the general election. Often electoral rules stipulate that a candidate needs a majority vote and so run-off elections are often necessary.

⁹ Edmund Burke. “Reflections on the Revolution in France.” Pg. 44.

¹⁰ “Political Satire: Jaime Bayly’s breath of fresh air.” *Economist*. 27 February 2010. Print. Pg. 44.

¹¹ Instituto Nacional de Estadística e Informática, *Perfil sociodemográfico del Perú*. <http://www.inei.gob.pe/biblioineipub/bancopub/Est/Lib0007/ANX-PER/PERU-02.htm>

¹² http://www.ipsos-apoyo.com.pe/opinion_publica

¹³ http://www.ipsos-apoyo.com.pe/sites/default/files/opinion_data/Opini%C3%B3n%20Data%20Abril%202010.pdf

¹⁴ Vivian Sequera. “Colombia Anti-Politician A Contender For President.” *The Washington Post*. April 23, 2010.

¹⁵ “The Maths of A Green Revolution.” *The Economist*. May 1 2010. P. 37. Print.

¹⁶ Inti Landauro and David Luhnnow. “Wild-Card Candidate Surges in Colombia.” *The Wall Street Journal*. April 24, 2010.

¹⁷ ^ Inti Landauro and David Luhnnow.

¹⁸ ^ Vivian Sequera

¹⁹ “Mockus y Santos Están Enfocados En Ganar Las Elecciones En La Primera Vuelta.” *El Tiempo*. April 24, 2010.
http://www.eltiempo.com/elecciones2010/mockus-y-santos-quieren-ganar-las-elecciones-en-la-primera-vuelta_7657589-1

²⁰ Hernando De Soto. Interview on “American Interests” PBS. 6 Jan 1990.

²¹ See: Martin C. Needler. “The Military and Politics in Latin America.” *The Journal of InterAmerican Studies and World Affairs*. Vol. 38. No. 3. Autumn 1986. Pp. 141-147.

²² See: Jorge G. Castañeda. “Latin America’s Left Turn,” *Foreign Affairs*. Vol. 85, No. 3. May/June 2006.

Also: Mitchell A. Seligson, “The Rise of Populism and the Left in Latin America.” *Journal of Democracy*. Vol. 18, No. 3. July 2007. Pp. 81-95.

²³ Álvaro Vargas Llosa. “Latin America’s Tilt to the Right.” 6 Jan 2010.
http://www.realclearpolitics.com/articles/2010/01/06/latin_americas_tilt_to_the_right_99788.html

²⁴ Margarita Corral. “Is Latin America Going Left?” Vanderbilt University. 2008.
<http://sitemason.vanderbilt.edu/files/hcwpQ4/Corral.pdf>

²⁵ Guillermo O’Donnell. “Delegative Democracy.” *Journal of Democracy*. Vol. 5 No. 1. Jan 1994. Pg. 55-69.

²⁶ Crandall, Russell. “The Andes in Focus: Security, Democracy and Economic Reform.” Lynne Rienner Publishers. 2005.

²⁷ Surely, there are many think tanks, books and studies that aim to do this. See: Larry Diamond. “The Spirit of Democracy.”

²⁸ I put “growing pains” in quotes because the words aren’t my own. While I was describing my thesis to Professor John Hiskey of Vanderbilt University, he asked if I thought outsiders were “growing pains” of democracy.

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