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State Crises, the Left, and Democracy in South America

The transformation of South American politics in the new century challenges scholars to rethink the sources of regional variation in party system polarization and the fate of democratic regimes. The region as a whole experienced a shift toward the political left during this time, with left-of-center parties winning the presidency in most countries amid significant public discontent with the market reforms of the 1980s and 1990s. This “left turn” produced particularly polarizing party system dynamics in Bolivia, Ecuador, and Venezuela, which saw the emergence of highly radicalized left-wing outsiders combining sharply anti-neoliberal programs with sweeping anti-establishment messages that left little room for compromise with opponents. Venezuela provides a particularly striking example, characterized by a government proposing to build “Socialism in the Twenty-first Century,” a center-right opposition hewing to market liberalism, and the complete breakdown of any possibility of compromise between opposing camps that regularly denounce each other in the bitterest of terms. Perhaps more alarmingly, the tenure of the radical left in these three countries also led to the erosion of procedural democracy. Newly elected radical left presidents undermined free and fair elections and protections for civil liberties, albeit while expanding democratic inclusion in other non-procedural ways.

Elsewhere on the continent, countries moved along very different paths. The trio of Brazil, Chile, and Uruguay presented the greatest contrast. The left turn saw the ascendance to power of long-established left parties that had evolved over time to embrace a moderate and pragmatic orientation. Their presence anchored weakly polarized party systems and helped buttress and institutionalize strong representative democracies.

In a third pattern, evident in Paraguay and Peru, outsiders on the left emerged to challenge for, and often win, power, but introduced far less polarization into national party systems in doing so. This trajectory was accompanied by its own particular set of regime trends. While procedural democracy was not eroded, institutions of horizontal accountability remained extremely weak and countries were prone to pathologies like delegative dynamics and the use of impeachment as a political weapon, such that strong representative democracy remained elusive.

This book develops an explanation for alternative outcomes that focuses on the occurrence (or not) of state crises and how they shaped the adaptation, calculations, and integration into party systems of the political left, with resultant implications for regimes. It does so through extensive examination of the cases of Venezuela and Brazil and shorter case studies of Bolivia, Ecuador, Chile, Uruguay, Paraguay, and Peru. In developing and testing a new theory to explain variation in party systems and regime dynamics, the book contributes to several important areas of comparative research, including that on the left turn in Latin America, the causes and implications of party system polarization in new democracies, and the drivers of democratic erosion and consolidation in the developing world.

THE ARGUMENT IN BRIEF

Three roughly concurrent processes powerfully disrupted established patterns of politics, economics, and sociopolitical representation in South America during the 1980s and the first half of the 1990s. Authoritarian regimes fell and democracy became widespread across the region, opening up new channels for citizen participation and accountability while also raising expectations for what government might deliver. With varying degrees of success and with great distributive and political consequences, governments across the region also implemented economic reforms to liberalize economies and move away from the import substitution model. Finally, in the midst of this period, the Cold War also came to an end, fundamentally altering the international environment and forcing leftist parties and movements across South America to confront nearly existential questions regarding strategic and programmatic choice in the new era.

This book does not seek to explain the breakdown of established political institutions and patterns of political representation during this tumultuous period; rather, it looks to explain variation in the new party

system and regime trajectories that emerged in the aftermath. A fundamental assumption underlying the book is that different combinations of variables likely shaped these two stages of political change. If we want to understand variation in party systems and regime trajectories that have emerged during the twenty-first century, we should not necessarily assume the existence of a synthetic explanation or set of variables that also explains the breakdown of previous institutional arrangements starting two decades earlier. This point is doubly relevant given the number of big macropolitical processes that combined in complex ways to produce the economic, political, and social dislocation and tumult of the 1980s and early 1990s. The perspective of the book, instead, is to focus on a period – often referred to in shorthand as the “post-Cold War” era but really intended to capture the idea that the three major macropolitical processes referenced above (democratization, market reform, end of the Cold War) had all largely played out or were in their latter stages – and to ask a simple question: What variables across cases during this post-Cold War period combined to drive variation that would subsequently consolidate during the “left turn” era in party system polarization and political regime dynamics?

This book develops a two-stage explanation, in which the conjunction of two key explanatory conditions in this post-Cold War era drove party system trajectories and these party system trajectories then shaped or reinforced regime dynamics. The first key explanatory variable, and the theoretical centerpiece of the argument, was the occurrence (or not) in the pre-left turn years of “state crises,” a term borrowed from Guillermo O’Donnell’s seminal analysis of the phenomenon. State crises involved two dimensions, both of which are considered necessary for the phenomenon to occur. First, states were ineffective and highly partial in their delivery of goods and treatment of citizens, marked by poor performance, corruption, and other pathologies. Second, mass publics became strongly disenchanted with the functioning of basic state institutions (the bureaucracy, the congress, the police) and government in general. To be clear, then, a weak state was necessary but not sufficient for state crisis. While the former was a long-standing feature of many South American countries, the latter became particularly likely in the post-Cold War era (or sometimes starting slightly beforehand) as the failures of democracy to address longstanding state deficits and the socioeconomic dislocations of the neoliberal age created a combustible cocktail of citizen alienation and disillusionment. Such situations tended to undermine established political parties associated with the status quo, including those on the left, and

created opportunities for political outsiders of various stripes that could cast themselves as anti-establishment reformers.

The second explanatory variable was the infrastructure of left-wing political mobilization – parties of the left and overtly left-wing social movements – that existed in each country at the beginning of the post-Cold War era, a juncture when polyarchy reigned across the region, nearly all countries had begun to embark on tumultuous market reforms, and the South American political left was forced to rethink its strategy and identity after the fall of the Communist bloc. In some countries, a human and organizational infrastructure of relevant left-wing parties, activists, anti-neoliberal social movements, and voters accustomed to leftist political mobilization was in place. In other countries, many, if not all of these components simply did not exist. This factor did not simply translate into patterns of polarization, as cases like Brazil, Chile, and Uruguay with strong left-wing infrastructure would see party systems consolidate in more centripetal directions. Rather, the existence (or not) of a reasonably strong political left entailed different landscapes of actors facing the changes and challenges of the post-Cold War period, particularly the occurrence (or not) of state crisis.

As captured in Table 1.1, alternative combinations of these two variables (state crisis, strong left) set countries on different trajectories of party system development, through two principal mechanisms. The first was only relevant for those countries where a strong political left existed at the end of the Cold War. In countries such as Bolivia, Venezuela, and Ecuador, deep state crises undermined the attempts of moderate factions to consolidate extant left parties as strong pro-systemic actors. A systemic orientation met disfavor with voters and moderate leaders on the left faced destructive internal challenges from radical factions emboldened by the crisis atmosphere. In contrast, the lack of a deep state crisis in Chile and Uruguay, or the avoidance of a prolonged state crisis more narrowly in Brazil, facilitated the consolidation of extant left parties as strong pro-systemic actors, as voters reacted positively to systemic strategies and behavior and factional discord was quelled by the inability of radical factions to articulate an alternative path to electoral viability.

The second mechanism related to the prospects of political outsiders – politicians and parties from outside the political status quo as commonly understood – and the coalitional logic of those outsiders emerging on the left. Where deep state crises did not occur, outsiders were effectively

TABLE 1.1. *Three Paths of Political Transformation*

Case	Explanatory variables, post Cold War		Sequential outcomes, left turn	
	Political left	State crisis	Party polarization	Associated Regime dynamics
Bolivia	Strong	Yes	High	Democratic Erosion
Ecuador	Strong	Yes	High	Democratic Erosion
Venezuela	Strong	Yes	High	Democratic Erosion
Brazil	Strong	No ¹	Low	Representative Democracy
Chile	Strong	No	Low	Representative Democracy
Uruguay	Strong	No	Low	Representative Democracy
Paraguay	Weak	Yes	Low	Polyarchy
Peru	Weak ²	Yes	Low	Polyarchy

blocked in Chile and Uruguay or, in the case of Brazil, disappeared from the political landscape over time as state crisis was avoided. Where state crises occurred, ground was particularly fertile for the rise of political outsiders. The strategic and coalitional logic of outsiders on the left, however, hinged critically on whether or not they emerged in contexts in which a robust infrastructure of left-wing political mobilization existed, even if in disarray. In contexts largely barren of left-wing political infrastructure, such as Paraguay and Peru (after the reign of Alberto Fujimori), outsiders on the left were forced to seek allies and coalition partners from among established centrist forces, creating incentives to attenuate anti-establishment rhetoric and moderate anti-neoliberal appeals. In contexts in which a much more robust infrastructure of left-wing party organization, activists, social movements, and voters already existed, as in Bolivia, Ecuador, and Venezuela, outsiders on the left built new movements on top of that infrastructure and had little need to seek centrist, systemic allies. This situation incentivized the adoption of a strategy termed polarizing

¹ As extensively detailed in Chapter 4, a brief state crisis arguably occurred in Brazil at the very beginning of the post-Cold War era. However, this crisis was soon avoided such that the country was not marked by a crisis in the critical period between roughly 1994 and the country's left turn in 2002.

² Peru represents a partially aberrant case, in which the infrastructure of left-wing political mobilization was strong at the end of the Cold War but almost immediately decimated under Fujimori, such that by the time the Fujimori era ended and the region's left turn period had arrived, left-wing infrastructure was extremely weak.

populism, in which outsiders combined strident anti-systemic appeals and calls for state reform with radical economic policies.

The second stage of the argument relates to how trajectories of party system development shaped and reinforced divergent regime dynamics.³ In Bolivia, Ecuador, and Venezuela, left outsiders arrived in office with very strong mandates for institutional reform and in the context of extremely polarized party systems. This combination was conducive to democratic erosion, as outsiders wielded strong reform mandates to neuter institutions of horizontal accountability and faced little repercussions at the ballot box in the hyperpolarized climate. In Brazil, Chile, and Uruguay, competition occurred among insiders and the left came to power with no mandate for reform and amid weak levels of polarization. This situation was conducive to the institutionalization and/or reinforcement of representative democracy, defined as regimes not just meeting the standards of polyarchy but also possessing strong institutions of horizontal accountability. Finally, in Paraguay and Peru, outsiders came to power but in less divisive fashion. Presidents lacked the strong reform mandates necessary to truly neuter institutions of horizontal accountability, such that democratic erosion did not occur and polyarchy remained intact. Yet outsider politics in the context of weak states kept these polyarchies prone to pathologies such as delegative democracy and the use of impeachment as a political weapon, undermining the institutionalization of representative democracy.

The next few sections of this chapter discuss the book's relationship and contributions to three areas of research: that on Latin America's left turn; that on the origins and implications of party system polarization in young democracies; and that on democratic erosion and consolidation in the developing world. The chapter then turns to questions of case selection, data sources, and the use of process tracing for causal inference.

STATE CRISES AND THE POLITICAL ORIGINS OF THE TWO LEFTS IN SOUTH AMERICA

The ascendance of the left across South America in the twenty-first century represented a political earthquake. On a continent in which the left had historically struggled to win power, parties, or movements to the left

³ Given that there are two explanatory variables heuristically viewed in binary terms, a fourth path was also logically possible, with no political left and the absence of state crisis. There are no cases that fit this pattern in South America.

of center won the presidency in nine of the region's ten largest countries. These developments triggered an outpouring of academic research, with two questions perhaps most fundamental. A large body of research focused on why the left turn, as a general phenomenon, occurred. In this respect, researchers pointed toward factors such as the region's deep inequalities (Castañeda 2006; Cleary 2006), a backlash against market liberalism (Panizza 2005; Roberts 2007, 2008; Silva 2009; Baker and Greene 2011), a tendency toward cyclical alternation after the right had held power and failed to perform to expectations (Murillo, Oliveros, and Vaishnav 2010), and the influence of the resource boom of the early twenty-first century (Remmer 2012).

Another major line of research has focused on conceptualizing and explaining the diversity of left parties, movements, and governments in the region, with the idea of “two lefts,” distinguished by their degree of economic radicalism and other characteristics, particularly prominent (Petkoff 2005; Castañeda 2006; Weyland 2009; Madrid 2010; Weyland, Madrid, and Hunter 2010; Flores-Macías 2010, 2012). This notion of two lefts, quite predictably, has been dissected and challenged on numerous grounds, including the presence of diversity within each category, the normative assumptions involved in some expressions of the dichotomy, and the difficulty of fitting particular cases into the framework (Ramírez Gallegos 2006; Cameron 2007; Cameron and Hershberg 2010; Levitsky and Roberts 2011). Nevertheless, the idea has remained compelling and frequently invoked. There are unmistakable differences between the radical left in Venezuela, Bolivia, and Ecuador and other moderate left parties in the region, particularly those of Brazil, Chile, and Ecuador. And scholars broadly acknowledge that, where they have come to power, the radical left has reconfigured politics and institutions in consequential ways.

With its focus on state crises and how they shaped the strategic and coalitional landscape for leftist actors, old and new, this book offers a political-institutional explanation for variation among the left in South America, an orientation that departs from and challenges extant research on this topic. The majority of explanatory research focuses on economic variables related to neoliberalism, such as the success or failure of reforms, patterns of economic voting, the degree of social mobilization against neoliberalism, the effects of natural resource rents and endowments, or the particular political dynamics of market reform (Weyland 2009; Silva 2009; Madrid 2010; Roberts 2014). Political-institutional explanations of left variation are considerably less common. Overviews of the left

turn often note that the radical left has emerged in the context of weak party systems and been led by populist outsiders but, with one exception, the potential causal relationship between these phenomena has not been deeply explored (Flores-Macías 2012). Researchers of populism have often located its roots in state and institutional dysfunction but have not extended these insights into more comprehensive explanations of polarization or left diversity (De la Torre 2000; Hawkins 2010; Doyle 2011). Overall, then, the dominant orientation in scholarship has been to assume that the cross-national variation among the left that consolidated in the early twenty-first century must be rooted in the successes, challenges, and dynamics of the prior transition to market-oriented economies. This emphasis on economic factors is intuitive, given that we distinguish the radical and moderate left in substantial part based on their economic programs. As will be argued throughout this book, these economic explanations run into great difficulty accounting for cross-national patterns and important aspects of specific cases.

The political-institutional emphasis of this volume should not be taken to suggest that Latin America's tumultuous transition to market liberalism was unimportant for understanding politics on the left or more general trajectories of South American political development in the post-Cold War era. The neoliberal transition represented a seismic dislocation. In most countries of South America, market reform posed great political challenges, with reformers needing to overcome opposition from the labor and business groups that it challenged, construct coalitions for reform, and hope to survive punishment by the electorate (Gibson 1997; Weyland 2002; Murillo 2001; Stokes 2001; Etchemendy 2011). Reforms also tended, at least in the short term, to exacerbate both poverty and inequality while producing only tepid growth (Huber 2004; Birdsall, De la Torre, and Menezes 2008). The broader consequences for regional politics were profound, amounting to no less than a fundamental restructuring of the sociopolitical basis of popular representation (Roberts 2002; Kurtz 2004; Collier and Handlin 2009; Roberts 2014). All of these changes posed great challenges for the political left, which was put on the defensive and scrambled to articulate alternatives.

Yet the spread of market liberalism, and the changes wrought by neoliberal reforms, represented only one dimension of a generational, indeed nearly existential, challenge faced by the left in South America during the last decades of the twentieth century. Like their counterparts elsewhere in the world, left parties and movements across the region were forced to come to terms with the terminal decline and eventual fall of the Communist bloc, an epochal event that spurred a huge amount of

reevaluation regarding what it would now mean to be a leftist or Socialist party or movement at all (Castañeda 1993; Petras 1997). In many countries, the left also spent significant portions of this period fighting for, and then subsequently coming to terms with, the return of democratic rule. Where they occurred, democratic transitions were greeted with triumph and opened up new possibilities for influencing politics and winning power. But democracy also spawned great challenges. Across the region, leftist parties and movements were forced to make difficult choices regarding political strategy, particularly the extent to which they should simply accept the rules of the democratic game, operating within inherited institutional channels and making pacts with other parties, or whether they should embrace a more transformative vision, focused on the reconfiguration of state–society relations and the empowerment of popular subjects (Roberts 1998).

The variegated paths of development taken by the South American left, and the implications for broader patterns of party system change and democratic dynamics, cannot be divorced from this context of the left's generational, tripartite challenge: adapting to the end of the Cold War, to a world in which democracy had spread across the region, and to market liberalism. The multivalent nature of the challenge, however, should also caution us against automatically elevating any one dimension – such as the spread of market liberalism – in our approach to understanding and explaining alternative trajectories of adaptation on the left and of politics more generally. This book argues that, while the formulation and reformulation of programmatic responses to market liberalism was an all-consuming task for the left, other noneconomic variables and processes – fundamentally related to the state and its pathologies – ultimately drove alternative paths of macropolitical development.

CAUSES AND CONSEQUENCES OF POLARIZATION IN NEW DEMOCRACIES

The intermediary outcome of the book is conceptualized in terms of high or low levels of party system polarization, not in terms of the radical or moderate left. Empirically, the two phenomena coincide in the South American case universe. The highly polarized party systems of Venezuela, Bolivia, and Ecuador all feature large radicalized left parties and movements while those cases without high polarization do not. Theoretically, the argument of the book is centrally focused on explaining the fates of established left parties and why highly radicalized left outsiders emerged

in some cases but not others. Nevertheless, the book frames the intermediate outcome in terms of polarization for a simple reason. The notion of South America's two lefts is a largely parochial one, comprehensible for regional specialists but not particularly conducive to theory building and engagement with research on other parts of the world. In contrast, the concept of party system polarization has an extensive lineage in comparative politics, including in the analysis of young democracies.

Polarization may have mixed, but nonetheless substantively important, effects on the operation and stability of young democracies. High levels of polarization may have some positive consequences, such as increasing levels of mass partisanship (Lupu 2015), increasing programmatic voting (Zechmeister and Corral 2013), or making it easier for opposition movements to build parties in the context of democratic (or potentially democratic) transitions (LeBas 2006, 2011). Given the weakness of programmatic linkages and the difficulties of party building in much of the developing world, a party system that presents citizens with clearly distinguished choices can have some significant advantages in terms of the construction of institutions and the development of mechanisms of accountability (Kitschelt et al. 2010). On the other hand, polarization has also been associated with negative outcomes such as poor economic performance (Frye 2002, 2010), authoritarian repression in hybrid regimes (LeBas 2011), and, in more historical cases, the breakdown of democratic rule itself (Collier and Collier 1991; Alexander 2002; Mainwaring and Pérez-Liñán 2012).

The many implications of polarization for new democracies, whether for good or for bad, suggest the importance of theorizing and exploring its origins. Research explaining polarization in young democracies remains relatively underdeveloped, however, especially compared to scholarship on other aspects of party systems such as institutionalization (Mainwaring and Scully 1995; Riedl 2014). Most extant hypotheses derive from the analysis of older democracies, such as a focus on social cleavages (Lipset and Rokkan 1967) or the number of parties in a system (Sartori 1976). And explanatory work on polarization in younger democracies has been mainly focused on very proximate causes, casting polarization as a strategy in which actors might engage, rather than deeper roots (LeBas 2006, 2011).

This book offers a novel theory that illuminates the dynamics of polarization in young democracies. While specifically geared toward explaining variation in contemporary South America, aspects of the argument travel well to cases in other regions such as Greece, Spain, Hungary, Turkey, and Thailand, as discussed in the book's conclusion. Naturally, the set of