

Market Reform, Programmatic (De)alignment, and Party System Stability in Latin America

Comparative Political Studies
46(11) 1422–1452
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sagepub.com/journalsPermissions.nav
DOI: 10.1177/0010414012453449
cps.sagepub.com



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Abstract

Although democratic regimes in Latin America since the early 1980s have been surprisingly durable, party systems in much of the region continue to experience very high levels of electoral instability. A critical juncture approach to institutional change suggests that variation in party system stability is related to the impact of market liberalization in the 1980s and 1990s on the programmatic alignment—or dealignment—of partisan competition. Market reforms that were adopted by conservative leaders and opposed by a major leftist rival aligned party systems programmatically, allowing societal opposition to be channeled into institutionalized forms of competition that were highly stable in the postadjustment era. By contrast, bait-and-switch reforms adopted by populist or leftist leaders were programmatically dealigning for party systems, leaving them vulnerable to highly destabilizing reactive sequences in the aftermath to the reform process—including mass social protests, the demise of historic conservative parties, and the outflanking of traditional populist or leftist parties by more radical, anti-neoliberal outsiders. The political dynamics of market-based economic adjustment thus heavily conditioned the ways in which party systems would process the post-adjustment revival of populist and leftist alternatives in the region.

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Keywords

Latin America, party systems, market reform, critical junctures, programmatic dealignment, electoral volatility

As E. E. Schattschneider (1942) famously stated, “Modern democracy is unthinkable save in terms of political parties” (p. 1). If Schattschneider was correct, then contemporary Latin America poses a major puzzle. On one hand, the democratic regimes installed in the region during the 1980s and 1990s have proven to be more durable and resilient than anyone could have imagined at the beginning of the wave of transitions, given Latin America’s historical pattern of oscillation between democratic and authoritarian regime forms (Mainwaring & Pérez-Liñán, 2005). On the other hand, party systems—in the eyes of Schattschneider and others, the preeminent representative institutions of liberal democracy—have been far less stable in the region. In much of Latin America, parties inspire little in the way of public confidence or support, and many democratic regimes have been plagued by chronic electoral volatility, the breakdown of historic party systems, and the rise of new protest movements and/or populist “outsiders” who mobilize opposition to the political establishment. Paradoxically, then, democratic consolidation—or, at least, democratic survival—has coincided with a “crisis of representation” and a generalized disillusionment with the political establishment in much of the region (Cavarozzi & Casullo, 2002; Hagopian, 1998; Mainwaring, Bejarano, & Leongómez, 2006; Oxhorn, 2011; Yashar, 2005).

This crisis of representation, however, appears to afflict some party systems much more than others. Over the course of the 1990s and early 2000s, established party systems largely collapsed in Peru, Venezuela, Colombia, Ecuador, and Bolivia, whereas partial breakdowns occurred in Argentina, Paraguay, and even Costa Rica, a beacon of relative democratic stability in the region. Party systems proved more resilient, however, in Uruguay, Chile, and the Dominican Republic, and they actually became more institutionalized or competitive in countries such as Brazil, Mexico, and El Salvador. Clearly, then, the institutionalization of electoral competition in the waning decades of the 20th century encouraged durable partisan identities and competitive alignments to congeal in some countries, as Dix (1992) anticipated. In others, however—probably a majority—established parties withered under the pressure of ongoing competition and yielded ground to new political contenders with varying degrees of partisan organization. What explains such variation in the strength and stability of party systems?

Recent scholarship has shed considerable light on deep-seated historical, structural, and institutional factors that have conditioned party organizations and electoral competition in Latin America (see, e.g., Kitschelt, Hawkins, Luna, Rosas, & Zechmeister, 2009; Madrid, 2005; Samuels & Shugart, 2010). This article suggests, however, that variation in the stability of contemporary Latin American party systems has also been influenced by the institutional legacies of more recent political challenges associated with economic crisis and market reform—that is, by the “critical junctures” that marked the transition from import substitution industrialization (ISI) to neoliberalism in the 1980s and 1990s, and by the “reactive sequences” (Mahoney, 2001) that were triggered by the spread of social and political resistance to market liberalization during the critical juncture and its immediate aftermath period (see Roberts, 2008; Silva, 2009).

This critical juncture was a watershed in the political and economic development of Latin American societies. Modes of political representation that were embedded in the statist logic of ISI in the middle of the 20th century—namely, powerful urban labor movements and their affiliated mass party organizations, along with corporatist patterns of class-based interest intermediation—were undermined by the collapse of ISI in the debt crisis of the 1980s and the adoption of market-based structural adjustment programs. More germane for the purposes of this article, party systems varied widely in their ability to channel and withstand societal claims for protection against market insecurities as Latin America veered to the left politically in the post-adjustment period.

In some countries, neoliberal critical junctures aligned party systems programmatically, stabilizing the electorate and providing institutional channels for the articulation of societal dissent from market orthodoxy. In much of the region, however, these critical junctures dealigned party systems by generating uncertainty about parties’ programmatic commitments. This uncertainty eroded programmatic linkages between parties and voters and channeled dissent into antisystem forms of social and political protest. Dealignment thus spawned a legacy of heightened electoral volatility and widespread vote shifts from traditional parties to new parties or political movements. The Latin American experience suggests that even where democratic regimes are reasonably stable, economic dependence and vulnerability to exogenous economic shocks can generate forms of political uncertainty that are highly disruptive for party systems. In particular, uncertainty as to what parties are likely to do in public office can inhibit the creation or reproduction of name-brand loyalties among the electorate.

Programmatic alignment and dealignment depended largely on the political character of the actors who led the process of market liberalization in the 1980s and 1990s. The adoption of market reforms by major populist, center-left, or labor-based parties—counterintuitively, a frequent occurrence in the crisis-ridden 1980s and 1990s (see Stokes, 2001)—may have enhanced the political viability of liberalization policies and provided a temporary lifeline to reform-minded parties in a context of acute market constraints. In the process, however, it programmatically dealigned party systems and left them vulnerable to a range of destabilizing tendencies in the postadjustment period, including the rise of mass protest movements, new leftist parties, or antisystem populist figures (see Madrid, 2010). All of these actors challenged party systems that failed to provide institutionalized channels for the articulation of dissent from neoliberal orthodoxy. By contrast, where conservative, probusiness political actors took the lead in the process of market liberalization and a major party of the left was present to channel dissent, the latter were able to maintain more ideologically consistent programmatic stands in opposition to the neoliberal model, thus maintaining or even strengthening systemic programmatic alignments. The competitive alignments produced by this latter pattern of reform tended to be quite stable in the postadjustment period, in part because they channeled societal resistance to market liberalism into institutionalized partisan and electoral arenas.¹

Although both patterns of market reform were ultimately susceptible to leftist challenges in the aftermath period, they tended to spawn quite different types of left and different patterns of social mobilization, with major implications for regime and party system stability. The political logic of market liberalization during the critical juncture, therefore, left behind institutional legacies that weighed heavily on both the programmatic structuring and the organizational consolidation of party systems, as well as the political expression of societal opposition to neoliberal orthodoxy. These interconnections are explored in more detail below.

The Puzzle of Party System Stability in Latin America

Recent scholarship has greatly advanced our understanding of the conditions that foster or inhibit the construction of strong, durable parties and party systems in Latin America. Samuels and Shugart (2010), for example, persuasively argue that the separation of executive and legislative powers under presidentialism spawns party organizations that are weak, undisciplined, and personalistic. Since executive and legislative branches have

separate origins and different electoral constituencies, “presidentialized” parties must operate in two different arenas with distinct incentive structures, leading to unaccountable party elites, internal conflict, weak central authority, and ambiguous programmatic stands.

These organizational traits help to differentiate Latin American parties from those in West European parliamentary democracies that have provided much of the theoretical inspiration for the comparative study of party systems. The identification of a modal type of presidentialized parties, however, does not account for the wide variation found in the strength and durability of party systems in Latin America. This variation is a centerpiece of other works that analyze both long-term and short-term correlates of electoral stability in the region. Roberts and Wibbels (1999) find that electoral volatility is related to regime-level institutional instability and short-term economic crises, whereas Madrid (2005) demonstrates that historical failures to politically incorporate large indigenous populations are destabilizing for party systems. Likewise, Lupu and Stokes (2010) show that long-term experience with electoral competition helps to stabilize partisan identities, as Converse (1969) has argued. Taken together, these works provide a number of potential causal explanations for the central finding of the influential study by Mainwaring and Scully (1995): the fact that some Latin American party systems are relatively stable and institutionalized, whereas others are quite fluid and inchoate.

Nevertheless, patterns of stability and instability in Latin American party systems remain highly puzzling on a number of different grounds. In contrast to theoretical expectations, for example, the institutionalization of electoral competition since the 1980s has *not* stabilized party systems in most countries by causing partisan identities to crystallize, competitive alignments to congeal, and voting behavior to become habituated. The opposite, in fact, has occurred, as shown in Figure 1. As measured by the Pedersen index of volatility, an indicator of aggregate vote shifts in a party system from one election to the next,² volatility in presidential elections increased sharply from 17.4 in the 1980s to 27.2 in the 1990s and 31.1 between 2000 and 2010. Similarly, volatility in legislative elections jumped from 19.6 in the 1980s to 22.8 in the 1990s and 26.7 after 2000. Clearly, democratic competition alone does not suffice to consolidate party systems.

Furthermore, it has become increasingly clear that the level of institutionalization is not a fixed attribute of given party systems. Institutionalization is a dynamic rather than a static property, and it varies longitudinally within individual party systems. Explaining variation over time in any individual country can be as daunting as explaining variation across cases. Indeed, the

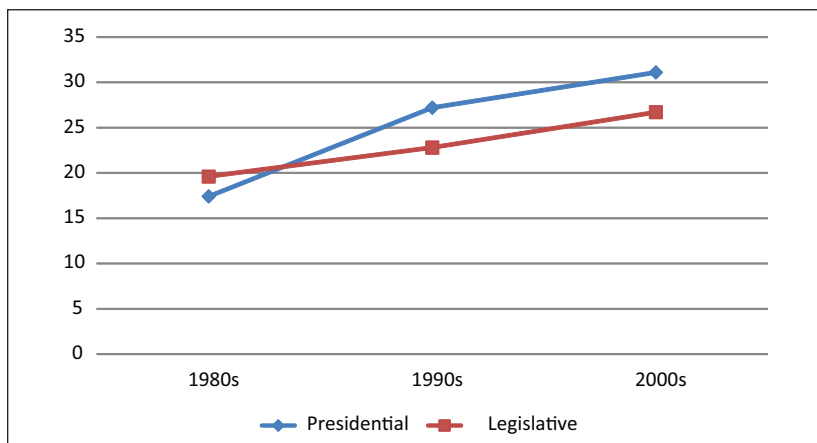


Figure 1. Average electoral volatility in Latin America, 1980–2010.

Source: Author's calculations of the Pedersen (1983) index of volatility from data provided in Nohlen (1993, 2005) and Georgetown University's Political Database of the Americas (<http://pdba.georgetown.edu/>).

recent Latin American experience provides examples of entrenched, long-standing party systems that rapidly decompose, such as those in Venezuela (Coppedge, 1994) and Colombia (Pizarro Leongómez, 2006), as well as inchoate party systems that progressively institutionalize, such as that in Brazil (Hagopian, Gervasoni, & Moraes, 2009). The puzzle of party system stability in Latin America's postadjustment era, therefore, cannot be readily solved by extrapolating from the historical record. Where dynamic processes of institutionalization and deinstitutionalization are present, essentialist characterizations or single-shot measurements of individual party systems can easily become dated, placing a premium on efforts to explain longitudinal patterns of institutional development and decay.

Similar challenges beset efforts to explain the programmatic structuring (or nonstructuring) of party systems in Latin America. The pathbreaking study by Kitschelt et al. (2009) marshals a wealth of survey data to demonstrate that some national party systems at the end of the 1990s offered voters reasonably coherent and differentiated programmatic alternatives, whereas others did not. These varying levels of programmatic alignment—which are structured largely but not exclusively by rival preferences toward economic and redistributive policies—are then traced to historical patterns of political and economic development. Programmatic competition at the end of the 20th century

existed in countries that were relatively “early” in their economic development, that experienced extended periods of democratic competition, and that adopted relatively encompassing social welfare policies during the ISI era. Countries that lacked these favorable historical conditions were more likely to structure partisan competition around nonprogrammatic, clientelistic linkages, or to lack coherent structuring of partisan competition altogether. Programmatic competition, therefore, is presumed to be a durable and path-dependent legacy of early 20th century development experiences.

To what extent, however, have more recent political and economic challenges altered these historical programmatic alignments? Kitschelt et al. (2009) should be applauded for demonstrating that history matters and that economic structures shape political competition, but the possibility clearly exists that programmatic alignments—much like party system institutionalization—can vary over time within any national party system. Such variation, in fact, clearly exists, as observers of the polarization of once overlapping partisan programs in the United States can attest (Aldrich, 2011; Hetherington, 2011). In Latin America, the collapse of ISI and the spread of market liberalization at the end of the 20th century undermined programmatic competition in some party systems, while enhancing it in others. Although these shifts hardly deny the significance of the long-term inducements to structuration identified by Kitschelt et al., they do suggest that more short-term and contingent factors may also play a role.

Indeed, the surveys that provided the empirical basis for the study by Kitschelt et al. (2009) were conducted at a major inflection point in recent Latin American political history, 1997–1998, precisely the period in which the Asian financial crisis spread to Latin America, the technocratic “Washington Consensus” (Williamson, 1990) around market liberalism began to unravel, and an unprecedented political shift to the left got underway. During the heyday of the Washington Consensus, programmatic competition was often undermined by acute fiscal and balance of payments constraints that sharply narrowed the policy options of ruling parties and, in some cases, forced traditional statist parties to implement the core of the neoliberal model. By contrast, electoral competition in the postadjustment period associated with the “left turn” helped to realign (or restructure) many party systems programmatically, often on the basis of new partisan alternatives. This realignment was clearly facilitated by the relaxation of external market constraints, as the post-2003 commodity export boom expanded the policy latitude of ruling parties (see Levitsky & Roberts, 2011).

These patterns of programmatic dealignment and realignment were not determined by the long-term historical factors highlighted by Kitschelt et al.

(2009). Instead, they were heavily influenced by the short-term political dynamics of economic crisis, market reform, and societal resistance during the transition from ISI to neoliberalism and its immediate aftermath period. Although these political dynamics were contingent on the strategic positioning and choices of key political actors—in particular, the political orientation of leading market reformers and their rivals—they were far from random, and they produced identifiable institutional legacies. Neoliberal critical junctures and the reactive sequences they spawned dislodged and reconfigured historic party systems, altering their programmatic alignments in ways that heavily conditioned the stability of partisan competition in the aftermath period.

Market Liberalization and Party System Alignments During Neoliberal Critical Junctures

As stated by Collier and Collier (1991), a critical juncture is “a period of significant change, which typically occurs in distinct ways in different countries (or in other units of analysis) and which is hypothesized to produce distinct legacies” (p. 29). As a mode of historical institutional analysis, critical juncture approaches are designed to explain why similar types of political or economic challenges produce dissimilar, path-dependent patterns of institutional change across a range of cases. They are especially insightful for understanding how crises or exogenous shocks can unsettle existing institutions and open political space (or create political pressure) for major policy or institutional innovations. As such, critical junctures are moments or periods of heightened uncertainty and potential institutional discontinuity, when existing political equilibria are disrupted and a number of possible forking paths loom on the horizon. Political actors, therefore, must make contested decisions on an unusually wide range of policy or institutional alternatives that have durable (though often unintended) consequences.

Critical juncture approaches facilitate longitudinal analysis of three sequential stages of institutional development: (a) a set of “antecedent conditions” (Collier & Collier, 1991, p. 30) that establish an institutional baseline for comparative analysis and typically influence how a crisis or challenge unfolds; (b) the critical juncture where reproduction of the institutional baseline is severely challenged (although not necessarily precluded in all cases), and where outcomes are contingent on the strategic choices and interaction of leading players; and (c) an aftermath period when the political alignments and institutional outcomes of the critical juncture become crystallized through self-reinforcing feedback mechanisms (Pierson, 2000) or modified through

the “reactive sequences” triggered by social actors or political rivals (see Mahoney, 2001, pp. 10-11). For a “junction” to be “critical,” political alignments and policy or institutional choices in the second stage must alter the baseline inherited from the first stage in a significant number of cases, and generate political legacies with identifiable properties in the third stage.

The collapse of ISI and the transition to neoliberalism, I argue, constituted such a critical juncture in the development of Latin American societies. As a regionwide process of market liberalization, Latin America’s neoliberal critical juncture lasted for a quarter of a century—from the 1973 overthrow of Salvador Allende in Chile, which launched the region (and the world’s) first great experiment in Chicago-school market fundamentalism, to the 1998 election of Hugo Chávez in Venezuela. Chávez’s election, combined with the spread of the Asian financial crisis to Latin America, broke the momentum toward market liberalization, punctured the Washington Consensus, and began a partial rollback of market reforms in a significant number of countries. The critical juncture in individual countries, however, comprised a period of much shorter duration; most countries entered the critical juncture with the onset of the 1982 debt crisis,³ which forced structural adjustment to the forefront of the political agenda, and they made one or more decisive attempts at market liberalization between the mid-1980s and mid-1990s.⁴ Although countries varied in the depth, scope, timing, and pace of market reform, governments throughout the region (excepting socialist Cuba, which experimented with its own version of market reform after the collapse of Soviet communism) attempted an ambitious package of market-based stabilization and adjustment policies that were designed to dismantle historic forms of state intervention and open their economies to global markets for trade, investment, and finance.

The crisis-induced opening to domestic and international market forces did not merely reverse a half-century of inward-oriented, state-led capitalist development. More fundamentally, it altered the character and purpose of state power, the patterns of association in civil society, and the ways in which societal interests and claims were articulated and represented in the political arena (Collier & Handlin, 2009; Yashar, 2005). As such, it shifted the structural moorings of national political systems and dislodged party systems that mediated between state and societal actors under the “state-centric matrix” of ISI (Cavarozzi, 1994).

Institutional discontinuities were more abrupt and dramatic in some countries than others, however, depending in part on the antecedent conditions established by historical patterns of party system development following the onset of mass politics in the early 20th century. In contrast to Western Europe,

where industrialization and the rise of the working class spawned class cleavages and labor-based social democratic parties that “standardized” party systems (Bartolini, 2000, p. 10), the onset of mass politics in Latin America differentiated party systems according to alternative logics of lower-class political incorporation. In some countries, party systems were reconfigured by the rise of a mass-based, labor-mobilizing populist or leftist party with organic linkages to workers’ (and sometimes peasant) movements during the ISI era. In others, elite-controlled parties remained electorally dominant and incorporated lower classes primarily through vertical patron–client linkages. These “elitist” and “labor-mobilizing” party systems were embedded in distinct developmental matrices or “varieties of capitalism” (Hall & Soskice, 2001), with more extensive popular organization and more ambitious state-led development models typically being associated with the labor-mobilizing cases.

These characteristics created a formidable and highly destabilizing set of adjustment burdens for labor-mobilizing party systems during the transition to neoliberalism—in particular, the political costs of severe and often prolonged economic crises, the social dislocations produced by free market “shock treatment” or structural adjustment programs, the discrediting of statist policies that historically provided parties with programmatic linkages to popular constituencies, and the demise of mass-based organizational models in both civil and political society. Economic crises and market reforms weakened labor unions and created more fragmented and pluralistic civil societies that were increasingly detached from traditional party organizations. It is not surprising that these adjustment burdens were associated with greater electoral volatility and more disruptive patterns of party system change in the labor-mobilizing cases, including major electoral realignments and, in some cases (i.e., Peru), the virtual collapse of entire party systems (see Roberts, forthcoming).

Antecedent structural and institutional conditions thus weighed heavily on the political dynamics of neoliberal critical junctures. Following Slater and Simmons (2008, p. 8), they were “conditioning causes” that “predispose cases to diverge as they ultimately do.” The categorical distinction between elitist and labor-mobilizing party systems, however, provides only a blunt first cut at a theoretical explanation of party system change and continuity in late-20th-century Latin America. Had these antecedent conditions been fully decisive in determining outcomes, the juncture associated with the collapse of ISI and the transition to neoliberalism would not have been “critical”; it would merely represent the playing out of path-dependent patterns of institutional change.

In reality, however, significant variation existed *within* the elitist and labor-mobilizing categories, as individual party systems adapted, realigned, or

decomposed in response to the more contingent and short-term dynamics of national critical junctures and the reactive sequences that followed in their wake. The political dynamics of market liberalization enhanced the programmatic structuring of some party systems, contributing to relatively stable forms of postadjustment partisan competition. In others, however, it undermined programmatic alignments and destabilized party systems in the aftermath period. Consequently, as Capoccia and Kelemen (2007, p. 342) stress, divergent institutional trajectories cannot be understood by focusing merely on antecedent conditions or the feedback mechanisms that reproduce the institutional legacies of a critical juncture; they require careful analysis of the strategic choices and interaction of political actors during the “genetic moments” that produce distinct “institutional equilibria.” In the recent Latin American experience, such genetic moments—associated with the adoption of neoliberal adjustment policies during the critical juncture—produced party system alignments that were new institutional equilibria in some countries but disequilibria in others that proved vulnerable to highly destabilizing reactive sequences in the aftermath period.

To understand these diverse institutional legacies of market liberalization, it is necessary to identify three basic requirements for the programmatic structuring of party systems, beyond the historical facilitative conditions identified in Kitschelt et al. (2009). First, parties must adopt relatively coherent stands on salient issues that divide the body politic and appeal to voters on the basis of such policy commitments, thus constructing programmatic party–society linkages. Programmatic linkages are diffused when different leaders or factions of a party adopt disparate positions on major issues, rendering the party’s programmatic stance incoherent or uncertain. Likewise, programmatic structuring is weakened when parties compete on the basis of nonprogrammatic distinctions, such as personalistic appeals, the distribution of clientelist rewards, or their relative capacity to achieve “valence” goals about which everyone agrees (such as “clean” government or economic growth).

Second, the policies adopted by a party in public office must have some meaningful resemblance to the platform on which it ran, and to the principles or policy commitments that it has historically upheld. Few governing parties ever fully implement their campaign platforms, given the emergence of unforeseen circumstances and the inevitable compromises and modifications that arise during legislative and policy-making processes. Rigid adherence to a campaign platform or historic commitments that have been overtaken by the course of events is hardly a sign of astute political leadership. Nevertheless, for programmatic linkages to be sustained, voters need to be confident that platforms provide at least a basic policy or philosophical orientation to guide

a party's response to changing conditions. Programmatic inconsistency or bait-and-switch tactics—when parties win an electoral mandate by advocating one set of policy stands, only to adopt something entirely different after taking office—sever the relationship between electoral verdicts and the content of public policy, thus preventing voters from forming reasonable expectations about party behavior in public office. As such, they create very high levels of political uncertainty; where policy platforms or “commitments” are not credible, programmatic linkages cannot be sustained, and electoral outcomes provide little in the way of policy mandates or expectations. Indeed, electoral verdicts become little more than acts of retribution against failed incumbents or a leap of faith toward unproven and unpredictable contenders.

As discussed below, policy switches were common in the 1980s and 1990s in Latin America, but they were not a simple function of political opportunism or deception; they often responded to the tightening of global market constraints on policy formation during the transition to market liberalism, as well as the need to signal credibility to international lenders who made financial relief conditional on the adoption of market reforms. Whatever their policy preferences, governments often found their hands tied—or at least their options limited—by yawning fiscal deficits, balance of payments crises, and acute inflationary pressures. These constraints, however, eroded the final precondition for the programmatic structuring of party systems—that meaningful differences exist in the policy alternatives offered by major competing parties. During the ISI era, party systems—especially those that included a major labor-mobilizing populist or leftist party—offered a broad range of development policy options, from economic liberalism on the right to state-led capitalist development and, in some cases, socialism on the left.⁵ The crisis and demise of both ISI and socialist models in the 1980s, however, dramatically narrowed the development policy debate. Although the Washington Consensus encountered significant (though politically fragmented) opposition at the grassroots level, it was clearly hegemonic within policy-making circles by the end of the 1980s, when the heterodox stabilization experiments in Argentina, Brazil, and Peru were thoroughly discredited by hyperinflationary crises. Thereafter, even governing parties and political leaders who did not embrace neoliberal orthodoxy in the normative sense accepted one or another variant of market liberalism as “the only game in town.” This technocratic consensus—while it lasted—surely diminished ideological conflict in Latin America (Colburn, 2002), but it also made it difficult for parties to construct collective identities or societal linkages on the basis of meaningful programmatic distinctions.

Indeed, the regionwide transition to market liberalism undermined all three of these basic preconditions for programmatic structuration. First, policy switching was widespread, as a diverse range of populist, labor-based, and center-left parties often played a leading or collaborative role in the process of market liberalization. This highlights a central paradox of neoliberal critical junctures: that conservative, business-allied, promarket parties were often unable to lead the process of market reform, especially in countries with labor-mobilizing party systems during the ISI era.⁶ Since conservative parties were sure to encounter well-organized opposition to neoliberal reforms in these countries, parties with historic ties to organized labor had a comparative advantage in the reform process: They could offer inducements for cooperation, co-opt union leaders, and draw on reservoirs of political capital and trust to contain popular mobilization, at least in the short term (see Burgess, 2004; Levitsky, 2003; Murillo, 2001). Consequently, historic populist or labor-based parties (such as the Peronists in Argentina, the PRI in Mexico, the AD in Venezuela, and the MNR in Bolivia) assumed political responsibility for initiating structural adjustment policies in the midst of economic crises, even though these policies clashed dramatically with their historic programmatic commitments. In other countries with weaker labor movements—such as Costa Rica and Ecuador—center-left parties sometimes led or collaborated in the reform process (i.e., the PLN in Costa Rica and the ID in Ecuador). Elsewhere, market liberalization was launched by military dictatorships (Chile and Uruguay) or independent figures with a popular touch but no significant party organization (Fernando Collor in Brazil and Fujimori in Peru). Conservative parties played major roles in the reform process primarily in countries where labor-mobilizing rivals were historically weak, and/or where recent experiences with authoritarian rule or military repression had constrained the political mobilization of popular sectors—that is, Colombia, Honduras, Paraguay, the Dominican Republic, El Salvador, and Uruguay.

Second, where market reforms entailed significant policy switching by traditionally labor-based, populist, or center-left parties, they produced internal dissent and factionalism that undermined the programmatic coherence of governing parties. Party factions with ties to traditional popular constituencies or policy platforms entered into dissent or even broke with party leaders in government, whereas advocates of reform reached out to potential nontraditional (and typically highly conditional) supporters. Voters could not help but question who spoke for a party and what it really stood for, making it exceedingly difficult for parties to sustain programmatic linkages.

Third, and finally, policy switching produced a technocratic convergence that largely dissolved the historic programmatic differences between conservative and populist or labor-based parties. The more technocrats from a broad range of parties converged on variants of the Washington Consensus, the more electoral competition had to turn on nonprogrammatic distinctions such as personality, clientelist networks, or valence and performance reputations. Furthermore, although labor-based parties might hope to attract new support from constituencies that stood to gain from economic stabilization or liberalization, thus compensating for the loss of disillusioned traditional partisans, conservative parties could be undercut by the appropriation of their core platform by erstwhile rivals who often proved to be more politically adept in the leadership of market reforms. Conservative parties could also be harmed by the erosion of traditional clientelist linkages to popular constituencies as economic austerity and market liberalization eliminated rent-seeking opportunities (Luna Fariña, 2006). Consequently, many historic centrist and conservative parties entered into decline in countries that experienced bait-and-switch patterns of market reform, whereas their traditional labor-based rivals were often outflanked on the left by new parties or political movements that arose in frontal opposition to the neoliberal model.

Programmatic dealignment, however, was not a uniform institutional legacy of market liberalization for Latin America party systems, as market reforms led by conservative, business-allied political actors were largely compatible with existing programmatic alignments. Indeed, neoliberal critical junctures could actually *enhance* programmatic structuration under two critical conditions: that conservative political actors (whether parties, militaries, or independent leaders) take the lead in the adoption of market reforms, and that a major party of the left remain in opposition during the period of adjustment so that societal resistance to market liberalization could be channeled into the party system. Where this occurred, electoral competition pivoted on an axis that consistently divided supporters and critics of the neoliberal model, or at least provided voters with a relatively coherent choice between promarket orthodoxy and alternatives that favored a stronger role for the state in reducing inequalities and protecting social citizenship rights—even if global market constraints compressed the policy space between these programmatic alternatives.

By identifying the leading market reformers and their principal political rivals in each country, therefore, it is possible to distinguish among three basic types of critical junctures: those that aligned party systems programmatically, those that dealigned them, and those that were neutral in their effects on programmatic alignments. Programmatic alignment occurred where conservative

actors took the lead in the adoption of market reforms and a major party of the left existed in consistent opposition, creating a political legacy that I call *contested liberalism*. Dealigning critical junctures occurred where established populist or center-left parties, or other independent populist figures who campaigned against structural adjustment policies, played a major role in the implementation of market reforms. Neutral critical junctures occurred where conservative actors led the process of market reform, but no major party of the left existed to offer consistent opposition.

These latter two types of critical junctures created a political outcome of *neoliberal convergence*, in which all the major political contenders had supported or participated in the process of market liberalization. Under neoliberal convergence, leftist alternatives to neoliberal orthodoxy were poorly defined or electorally insignificant during the critical juncture; either they had participated in the market reform process, or they were too electorally marginal to offer voters a meaningful programmatic alternative. Consequently, no consistent programmatic divide structured electoral competition. As explained below, this outcome did *not* constitute a durable new institutional equilibrium, as did contested liberalism. Rather than producing self-reinforcing feedback mechanisms in the aftermath period, neoliberal convergence spawned a legacy of destabilizing and often polarizing reactive sequences as societal opposition to market liberalization intensified in the aftermath period.

Table 1 charts the countries that experienced these different types of critical junctures, drawing from the indexes of economic liberalization developed by Lora (2001) and Morley, Machado, and Pettinato (1999) to identify the peak periods of market reform and the political leader (or leaders) who undertook them. Bait-and-switch patterns of reform produced dealigning critical junctures in Argentina, Bolivia, Costa Rica, Ecuador, Peru, and Venezuela, where historic populist or center-left parties or, in the Peruvian case, an independent populist figure (Alberto Fujimori) played major roles in the adoption of market reforms.⁷ Although market reforms were also adopted in Mexico in a bait-and-switch fashion by a historic populist party, the PRI, the hegemonic status and internal heterogeneity of this party created a different dynamic; the PRI split relatively early in the critical juncture, producing a major new party of the left that helped to align electoral competition along programmatic lines. Mexico's critical juncture, then, began in a dealigning fashion, but ultimately realigned the party system along a programmatic axis of competition. As such, it approximated the critical junctures in countries where market reforms were implemented by conservative or centrist leaders and consistently opposed by a major party of the left: Brazil, Chile, the Dominican Republic, El Salvador, Uruguay,

Table 1. Market Reforms, Partisanship, and Types of Critical Junctures (1973–1998).

Country	Leading Reformer(s)	Peak Years of Reform	Party (Type)	Leading Opponent(s)
Aligning critical junctures				
Brazil	Collor	1990–1992	Personalist/right	PT (left)
	Cardoso	1994–1999	Centrist	
Chile	Pinochet	1974–1979	Military regime (right)	PDC (centrist), PSCh (left)
Dominican Republic	Balaguer	1990–1995	PRSC (right)	PLD (centrist), PRD (center-left)
El Salvador	Cristiani	1990–1993	ARENA (right)	FMLN (left)
Mexico	De la Madrid	1983–1988	PRI (center-right)	PRD (center-left)
	Salinas Gortari	1989–1994		
Nicaragua	Chamorro	1990–1994	Multiparty coalition (center-right)	FSLN (left)
Uruguay	Military regime	1973–1981	Military regime (right)	FA (left)
	Lacalle	1990–1994	PN (right)	
Dealigning critical junctures				
Argentina	Menem	1989–1992	PJ (populist)	UCR (centrist)
Bolivia	Paz Estenssoro	1985–1989	MNR (Populist)	Varied
Costa Rica	Arias	1986–1990	PLN (center-left)	PUSC (center-right)
Ecuador	Borja	1989–1992	ID (center-left)	Varied
	Duran Ballen	1992–1995	PUR (personalist/right)	
Peru	Fujimori	1990–1994	Personalist/populist	Varied
Venezuela	Pérez	1989–1992	AD (populist/center-left)	COPEI (center-right)
Neutral critical junctures				
Colombia	López Michelson	1974–1978	PL (center-right)	PSC (right)
	Gaviria	1992–1993	PL (center-right)	
Guatemala	Cerezo	1986–1988	PDC (centrist)	Varied
Honduras	Callejas	1991–1993	PN (right)	PL (center-right)
Panama	Pérez Balladares	1994–1998	PRD (center-right)	Varied
Paraguay	Rodríguez	1989–1993	ANR (right)	PLRA (centrist)

Source: Morley, Machado, and Pettinato (1999); Lora (2001).

and, more ambiguously, Nicaragua.⁸ In these countries, critical junctures aligned party systems programmatically, bequeathing a legacy of contested liberalism. In the remaining countries—Colombia, Guatemala, Honduras, Panama, and Paraguay—neutral patterns of reform occurred under conservative leadership in the absence of a major leftist competitor. Like the dealigning, bait-and-switch cases, critical junctures in these latter cases produced a competitive dynamic of neoliberal convergence, whereby partisan opponents of the neoliberal model were poorly defined or electorally marginal.

What, then, were the implications of these different types of critical junctures and programmatic alignments for party system stability, especially in the aftermath to the reform period? As shown below, party systems characterized by neoliberal convergence, especially those produced by dealigning, bait-and-switch patterns of reform, proved to be highly susceptible to destabilizing reactive sequences as the Washington Consensus broke down and popular resistance to market liberalism intensified in social and political arenas. By contrast, where critical junctures aligned party systems programmatically and produced a legacy of contested liberalism, popular resistance was channeled into institutionalized patterns of representation with relatively stable forms of electoral competition. These outcomes suggest that neoliberal critical junctures produced institutional legacies that varied widely in their capacity to withstand the reactive sequences unleashed by changing social and political conditions in the postadjustment era. They also lend support to previous scholarship that finds a strong relationship between programmatic alignments and party system stability (see Lupu, 2011; Morgan, 2011). They suggest, however, that the long-term structuring of programmatic competition identified by Kitschelt et al. (2009) can be unsettled and transformed by more contingent and short-term political alignments during decisive periods of crisis-induced policy change.

Party System Stability in the Postadjustment Era

Although a moderate deepening of market liberalization occurred in a number of Latin American countries in the 2000s, the regionwide momentum for reform clearly crested in the late 1990s. Indeed, the policy-making consensus around the neoliberal model was shattered by a confluence of events at the end of the decade: the spread of the Asian financial crisis to Latin America's liberalized economies, which destabilized financial markets and produced economic stagnation or recession in the late 1990s and early 2000s;

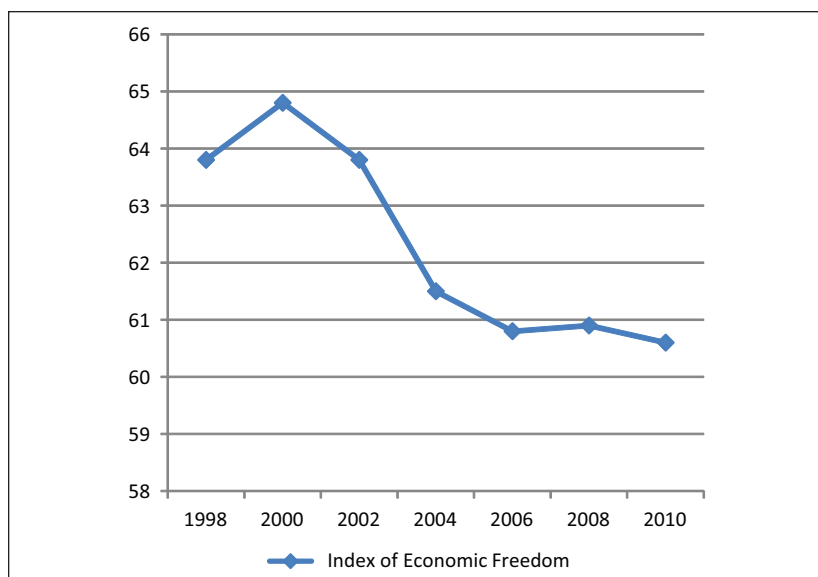


Figure 2. Index of Economic Freedom in Latin America, 1998–2010 (regional average). Source: Heritage Foundation/*Wall Street Journal* Index of Economic Freedom (<http://www.heritage.org/Index/>).

the outbreak of mass protests against promarket governments, which toppled multiple presidents each in Argentina, Ecuador, and Bolivia; and the onset of an unprecedented political shift to the left, which culminated in the election of left-of-center presidents in 11 different countries, representing two thirds of the regional population, by 2011. As Figure 2 shows, the regional aggregate index of economic liberalization, as measured by the Heritage Foundation/*Wall Street Journal*'s Index of Economic Freedom, turned downward after 2000. The steepest declines were registered in the four countries that experienced the most extensive patterns of social protest against neoliberal reforms during the critical juncture (Venezuela) or in the aftermath period (Argentina, Bolivia, and Ecuador): Between 2000 and 2010 Argentina's score on the index plunged from 70 to 51.2, Bolivia's from 65 to 49.4, Ecuador's from 59.8 to 49.3, and Venezuela's from 57.4 to 37.6.

Market reforms in these four countries triggered especially powerful reactive sequences—in Polanyi's (1944) terms, the dialectical "double movements" associated with societal resistance to the technocratic expansion of market relations. These reactive sequences began with mass protests

against governments and ruling parties that launched or reproduced neoliberal reforms—Venezuela’s urban riots known as the *caracazo* in 1989, a series of indigenous and popular rebellions in Ecuador after 1990, Argentina’s *piquetero* (picketers) movement of largely unemployed workers at the turn of the century, and Bolivia’s so-called water war and gas war in 2000 and 2003, respectively (see Silva, 2009). They culminated in the election of leftist presidents who openly rejected the neoliberal model and steered public policies in more statist and nationalist directions. Along the way, they plunged national party systems into acute crises; the leading centrist and conservative parties were eclipsed in all four countries, as were the leading populist or center-left parties in Venezuela, Bolivia, and Ecuador. Only the Argentine Peronist party (PJ) was left standing—a testament to the highly factionalized party’s unique ability to lead the process of market liberalization in the 1990s and then channel societal resistance to it as the neoliberal model unraveled, under the watch of its political rivals, in the financial crisis of 2001–2002. In the other three countries, societal resistance found electoral expression in antisystem, “outsider” movements (the Movimiento al Socialismo in Bolivia) or populist figures (Hugo Chávez in Venezuela and Rafael Correa in Ecuador) who outflanked the major traditional parties on the left.

All four of these countries had experienced dealigning critical junctures with bait-and-switch patterns of market reform under populist or center-left parties and leaders. The other two countries with dealigning critical junctures—Peru and Costa Rica—also experienced considerable party system turmoil, albeit with different political results. In Peru, the party system was devastated by the hyperinflationary crisis and political violence of the late 1980s, leading to the adoption of neoliberal “shock” treatment by a populist outsider (Alberto Fujimori) who had campaigned as the antiestablishment (and anti-neoliberal) alternative. Thereafter, electoral competition in Peru consistently cycled dominant personalities with the most minimal forms of party organization. Societal resistance to market liberalization was slower to develop, given the decimation of popular organizations at the end of the 1980s, but provincial protest movements strengthened after 2000, and a left-populist outsider, Ollanta Humala, eventually captured the presidency on his second try in 2011. In Costa Rica, the adoption of neoliberal reforms by the traditional center-left party PLN led to a major electoral realignment and partial reconfiguration of the party system in the aftermath period, but not a complete collapse. A new populist challenger emerged to outflank the PLN on the left by mobilizing opposition to the Central American Free Trade Agreement, whereas the PLN moved rightward and largely displaced the corruption-tainted conservative party.

Table 2. Electoral Volatility during Neoliberal Critical Junctures and their Aftermath Periods (Pedersen index of volatility).

Country	Net volatility 1980–2000	Net volatility 2000–2010	Net change in volatility
Dealigning critical junctures			
Argentina	18.6	35.0	16.4
Bolivia	27.5	50.7	23.2
Costa Rica	10.3	25.6	15.3
Ecuador	33.5	44.7	11.2
Peru	44.8	48.5	3.7
Venezuela	33.4	41.3	7.9
Average	28.0	41.0	13.0
Neutral critical junctures			
Colombia	12.0	37.4	25.4
Guatemala	45.4	49.4	4.0
Honduras	7.1	9.7	2.6
Panama	36.7	23.2	–13.5
Paraguay	20.4	26.9	6.5
Average	24.3	29.3	4.0
Aligning critical junctures			
Brazil	30.7	22.0	–8.7
Chile	15.9	19.6	3.7
Dominican Republic	18.3	21.0	2.7
El Salvador	22.2	11.3	–10.9
Mexico	17.9	20.0	2.1
Nicaragua	49.5	21.7	–27.8
Uruguay	11.4	12.6	1.2
Average	23.7	18.3	–5.4

Source: Calculated from Nohlen (1993, 2005) and Georgetown University's Political Database of the Americas (<http://pdba.georgetown.edu/>). Net volatility is the combined average of the Pedersen (1983) index of volatility scores for all presidential and legislative elections in each country.

As shown in Table 2, electoral competition has been very unstable in these six countries that experienced dealigning critical junctures, and electoral volatility increased sharply in response to the reactive sequences of the postadjustment era. Party systems that were relatively stable electorally during the critical juncture in the 1980s and 1990s—namely, those of Costa Rica and Argentina—became more volatile after 2000, whereas those in the other four

countries that were already unstable during the critical juncture became even more volatile in the aftermath period. As measured by the Pedersen index, net electoral volatility (the average aggregate vote shifts in presidential and legislative elections) increased from a six-country average of 28.0% from 1980 to 2000 to 41.0% between 2000 and 2010. In all six countries, bait-and-switch patterns of reform left party systems without a major established challenger to the neoliberal model—in short, with a competitive dynamic of neoliberal convergence. This outcome proved to be a highly unstable equilibrium, especially as societal resistance to the neoliberal model strengthened in the aftermath to the critical juncture. Business-friendly centrist or conservative parties entered into decline in all six countries—in part because center-left or populist rivals had appropriated their programmatic agenda—whereas political space that was vacated to the left of center was occupied by new populist or leftist contenders (or, in the Argentine case, a leftist faction of the PJ) who offered more forceful opposition to the neoliberal model.

Neoliberal convergence was also unstable, although less dramatically so, in the countries that experienced neutral critical junctures—that is, those where market liberalization occurred under the leadership of conservative parties, without major bait-and-switch patterns or a prominent party of the left in opposition. Net electoral volatility averaged 24.3 for Colombia, Honduras, Panama, Paraguay, and Guatemala during the critical juncture from 1980 to 2000, then increased to 29.3 in the aftermath period between 2000 and 2010. Although traditional centrist and conservative parties entered into decline after 2000 in several countries—most notably Colombia and Paraguay—this pattern was less consistent than in the bait-and-switch cases. Likewise, outflanking on the left associated with the rise of new populist or leftist contenders occurred in the aftermath period, especially in Paraguay, but this pattern was quite moderate in comparison to the explosive growth of such movements in several of the bait-and-switch cases. Substantial variation exists within this set of cases, as the Honduran party system has been Latin America's most stable during the "third wave" of democratization, whereas Guatemala's has been one of the most unstable. The Honduran anomaly is unlikely to persist, however, as discussed below.

Finally, aligning critical junctures—where conservatives led the process of market reform and a major party of the left remained in opposition—produced a legacy of contested liberalism that was relatively stable, and even stabilizing, in the remaining set of cases (Brazil, Chile, Dominican Republic, El Salvador, Mexico, Nicaragua, and Uruguay). None of the countries with aligning critical junctures experienced a sharp increase in electoral volatility in the aftermath period, and three of them—Brazil,

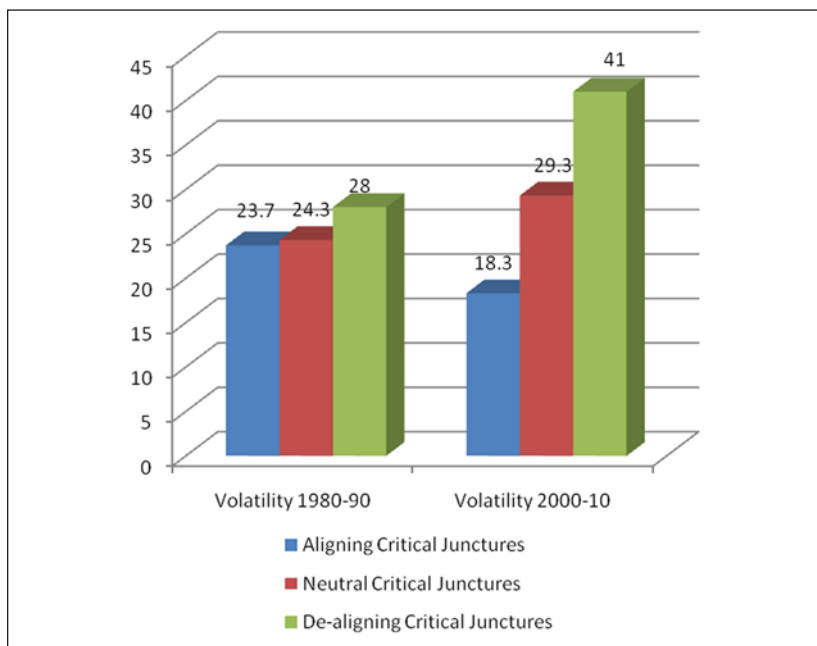


Figure 3. Net electoral volatility and types of critical junctures.

El Salvador, and Nicaragua—saw significant declines in volatility. Overall, the net average volatility score declined from 23.7% in the 1980s and 1990s to 18.3% from 2000 to 2010, less than half the level of volatility recorded in the countries that experienced dealigning critical junctures (see Table 2 and Figure 3). Where critical junctures aligned party systems programmatically, opposition to the neoliberal model in the postadjustment period was channeled into the party system by an established party of the left; social protest was limited, and in no case was the party system outflanked by the rise of a major new populist or leftist contender. Equally striking, in the countries where an institutionalized leftist party was a serious competitor, a major centrist or conservative party remained electorally viable in the aftermath period to defend market liberalism and temper the statist inclinations of leftist rivals when they accessed executive office (as they eventually did in every country but Mexico). In these countries, therefore, market liberalism was contested and modified but not jettisoned when the left came to power, and programmatic forms of electoral competition became institutionalized in the aftermath period.

These findings suggest that aligning and dealigning critical junctures had very different legacies for party system stability. Patterns of neoliberal reform that aligned party systems programmatically produced more stable party systems over time; where market liberalization dealigned party systems programmatically, they became more volatile in the aftermath period. Aggregate measures of electoral volatility, however, tell us only what percentage of votes (or seats) shift over time; they don't say anything about where the votes are going. In particular, they don't distinguish between votes that are shifting among established party organizations (i.e., intrasystemic volatility) and those that are going to new parties or "outsider" candidates (i.e., extrasystemic volatility). An alternative approach to assessing volatility, then, is to develop a direct measure of extrasystemic vote shifts. Although this could be done on an election-by-election basis (see, e.g., Powell & Tucker, 2009), a cumulative measure is more theoretically useful for assessing the legacies of a critical juncture over time. Consequently, I have calculated for each election the aggregate presidential vote (and legislative seat) shares for all parties or political movements that were formed in 1990 or thereafter—roughly the midpoint of the critical juncture and the high point of the Washington Consensus, when every country in the region had begun to liberalize markets. This indicator thus captures the cumulative development of new parties—whether pro- or antimarket reform—following the initial disturbances associated with the debt crisis, the failure of heterodox stabilization policies, and the adoption of neoliberal reforms.⁹

As shown in Figure 4, this measure of new party votes varies dramatically across different types of critical junctures. Critical junctures that aligned party systems programmatically—that is, those that produced a legacy of contested liberalism—created highly resilient competitive alignments. Indeed, established parties largely "closed off" the electoral marketplace to new competitors, which averaged only 6.5% of the presidential vote and 2.2% of legislative seats in the 1990s. These percentages stayed remarkably flat in the first decade of the 21st century, when parties formed after 1990 earned a mere 5.5% of presidential votes and 4.4% of legislative seats. Although leftist parties gradually strengthened over this period in most of these countries, this growth occurred among established leftist parties that were in opposition during the period of market liberalization, rather than newer, "outsider" or "extrasystemic" populist or leftist alternatives. In short, where conservatives led the process of market reform and a major party of the left remained in opposition, critical junctures bequeathed an institutional legacy of programmatically structured and highly stable electoral competition.

Competitive dynamics could hardly have been more different where critical junctures were dealigning or neutral, bequeathing an institutional legacy of neoliberal convergence. The vulnerability of this legacy to reactive sequences

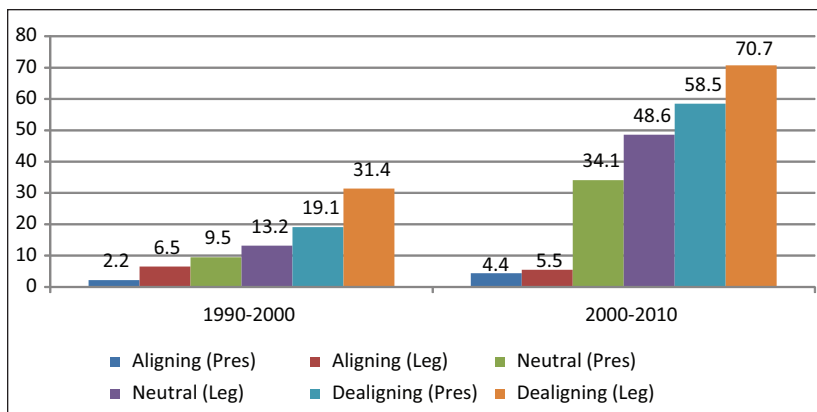


Figure 4. Aggregate vote for new political parties under different types of critical junctures, 1990–2010 (presidential and legislative elections).

Percentage includes the vote for all political parties founded in or after 1990.

that spawned or empowered new parties is clear in the data. In countries that experienced neutral critical junctures, parties or movements formed after 1990 averaged a relatively modest 13.2% of the presidential vote and 9.5% of legislative seats in the 1990s. Over the next decade, however—that is, in the aftermath period—average levels of support for new parties surged, even taking into account the notable exception of Honduras (which recorded a score of zero on this indicator for both presidential and legislative elections in both decades).¹⁰ Cumulative support for new parties in this set of cases rose to an average of 48.6% of the vote in presidential elections and 34.1% of legislative seats between 2000 and 2010. And in countries with dealigning critical junctures, the vote shift toward new parties by the first decade of the 21st century was massive and systematic; between 2000 and 2010, parties formed after 1990 captured a stunning 70.7% of the vote in presidential elections, along with 58.5% of legislative seats. In short, where market reforms were adopted in a bait-and-switch fashion by center-left or populist parties, voters abandoned traditional parties en masse and threw their support to a diverse array of new parties and political movements, on both the left and right sides of the ideological spectrum.

Latin America's technocratic consensus for market liberalization may have provided political cover for structural adjustment policies in contexts of acute financial and inflationary crises in the 1980s and 1990s, when historic labor and popular movements were in decline and on the defensive. As societal

resistance to market insecurities strengthened in the postadjustment era, however, party systems that lacked institutionalized channels for dissent—the unstable equilibrium of neoliberal convergence—were plagued by tumultuous and often polarizing reactive sequences. By contrast, where a major leftist opposition party channeled the Polanyian backlash into institutionalized forms of programmatic competition, a relatively stable equilibrium of contested liberalism was reproduced in the aftermath period. Neoliberal critical junctures, therefore, produced very different types of institutional legacies with widely varying patterns of partisan competition in the postadjustment era.

Conclusion

The Latin American experience over the past several decades suggests that programmatic forms of electoral competition help to anchor electorates and stabilize party systems. They allow parties to forge linkages to voters and social groups on the basis of durable, policy-relevant interests and preferences, facilitating the construction of partisan identities and name-brand loyalties. Vulnerability to exogenous economic shocks that force parties to renege on their programmatic commitments, however, creates uncertainty about the policy effects of electoral outcomes and weakens voters' attachments to established parties.

The effects of this uncertainty can be seen in the crisis-riddled transition from ISI to neoliberalism, a political and economic watershed that dislodged and reconfigured party systems throughout Latin America. Although the ability of national party systems to withstand these travails was conditioned by historic patterns of political and economic development, it was also shaped by more contingent dynamics of market reform and societal resistance during the critical juncture and the immediate aftermath or postadjustment period. Neoliberal reforms led by conservative political actors and consistently opposed by a major opposition party of the left aligned party systems programmatically, producing institutional legacies of relatively stable and programmatic partisan competition. Reforms adopted in a bait-and-switch fashion by populist or center-left parties, on the other hand, dealigned party systems programmatically and left them highly vulnerable to destabilizing reactive sequences as societal opposition to market liberalization intensified in the aftermath period. In particular, mass protest movements and the rise of new populist or leftist contenders undermined traditional party systems and destabilized electoral competition.

Leftist alternatives emerged or strengthened in virtually every country in the region in the postadjustment period, but aligning and dealigning critical

junctures produced distinct types of leftist parties and movements with very different implications for party system stability (Levitsky & Roberts, 2011; Weyland, Madrid, & Hunter, 2010). Critical junctures that aligned party systems programmatically allowed societal claims for protection from market insecurities to be institutionally channeled and tempered by established parties. Where “left turns” occurred in the aftermath period, they did so by means of an institutionalized alternation in power within relatively intact party systems. Conversely, where critical junctures dealigned party systems programmatically, societal resistance to market liberalism was more likely to be expressed in mass protest movements that challenged the entire political establishment and eventually gave rise to more radical, extrasystemic populist and leftist alternatives (see Madrid, 2010).

Clearly, these new, anti-neoliberal leftist alternatives in countries such as Venezuela, Ecuador, and Bolivia have revived programmatic contestation in national political systems. As such, they may eventually provide a foundation for the reconfiguration of party systems around a central ideological and programmatic cleavage. To date, however, both sides of this cleavage are poorly institutionalized in partisan terms; new left parties have struggled to crystallize around populist figures or mass social movements, whereas conservative opposition forces are plagued by organizational fluidity and fragmentation. The reconstruction of new party systems from the ruins of the old will depend not only on the ability of both sides of this cleavage to consolidate organizationally, but also on their willingness to eschew hegemonic projects and accept institutionalized pluralism as the defining feature of democratic governance.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

Notes

1. For a more thorough elaboration of the critical juncture approach to party system change in Latin America, including a comparative analysis of different cases, see Roberts (forthcoming).
2. The Pedersen (1983) index is calculated by adding together all the vote (or legislative seat) gains and losses for individual parties and then dividing this number by 2. A score of 0 indicates that no parties experienced vote (or seat) gains or

losses; a score of 100 indicates that all votes (or seats) were obtained by an entirely different set of parties.

3. In the economically advanced Southern Cone of Latin America—Argentina, Chile, and Uruguay—ambitious import substitution industrialization (ISI) models ran out of steam relatively early, and neoliberal reforms began in the mid-1970s under military regimes that suppressed labor and popular movements. Dictatorships in Uruguay and Argentina, however, failed to complete the process of market liberalization, leaving structural adjustment on the plate of their democratic successors in the aftermath of the debt crisis, as in the rest of the region, Chile excepted.
4. The key periods of reform and the parties or leaders who implemented them are identified in Table 1.
5. During the ISI era, conservative parties with core elite (especially agrarian) constituencies generally advocated a continuation of traditional export-oriented liberalism as an alternative to state-led capitalist development. This traditional variant of economic liberalism was perhaps less ideologically defined than contemporary neoliberalism, and it was far from being ideologically pure, given parties' tolerance—or cultivation—of rent-seeking behavior by diverse social groups. Nevertheless, it clearly anchored one end of a development policy continuum that stretched from socialism on the left to liberalism on the right, with state-led capitalism (or ISI) in between.
6. Brazil was a partial exception, as the most important market reforms began under the conservative president José Sarney in the late 1980s and deepened under the conservative but personalistic rule of Fernando Collor de Mello, whose "party" had minimal legislative representation. Reforms continued under Fernando Henrique Cardoso, whose centrist party maintained close ties to business interests and conservative allies who preferred Cardoso over the more leftist Workers' Party (PT).
7. The Ecuadoran case is somewhat mixed, as major reforms were adopted by conservative leader Sixto Duran Ballen in the early 1990s. However, Rodrigo Borja of the center-left Democratic Left (ID) party also adopted important market reforms before Duran Ballen, as did subsequent populist leaders Abdalá Bucaram and Lucio Gutiérrez, creating a larger dynamic of dealignment in the party system.
8. In Nicaragua, painful austerity measures were adopted—under acute hyperinflationary pressures—by the revolutionary Sandinista government in 1988. More comprehensive structural adjustment policies were then adopted by the conservative coalition and partisan governments that took office after 1990, with the Sandinistas reverting to their more natural opposition stance on the left.
9. Parties were coded as "new" only if they were not organized before 1990. Parties formed after 1990 as a result of a name change, merger, or coalition among pre-1990 parties were coded as successors to previous parties rather than new parties.

10. Honduras's electoral stability in the regional context is quite striking, but that is likely to change in forthcoming elections. Honduras has the only party system in the region that continues to be dominated by two traditional parties with roots in 19th century oligarchic conflicts. Like other countries in the region, a new leftist alternative emerged in Honduras after 2000, but it initially developed within a dissident faction of one of the traditional parties led by President Manuel Zelaya, and thus did not produce electoral volatility in the short term. Following the 2009 military coup against Zelaya, however, this leftist alternative has begun to crystallize outside the two traditional parties, making a basic change in the party system—including significant vote shifts—highly probable in upcoming elections.

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