

POLI 437: International Relations of Latin America

^T Note. These Rivers are
both of them Navigable, and all
the Cannon and Stores for Acapulco
are Carried from the North to the
South Sea by them.

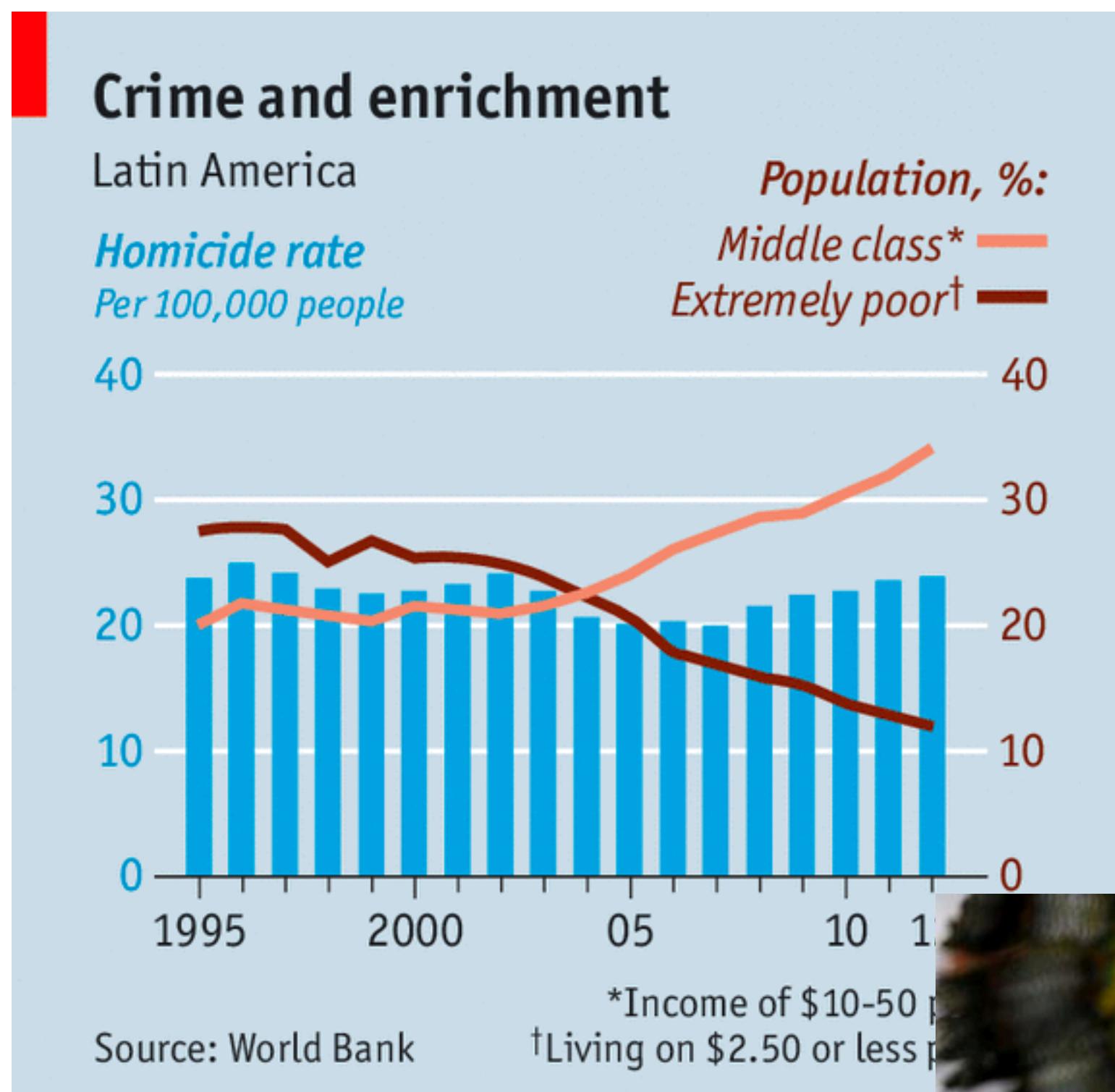


This week

Origins of Pink Tide

Legacy of Pink Tide
governments

SO FAR...



Getty Images

SO FAR...



NOW...

Democratic Erosion?		Reading	HW	Class
W11: Mar 22 - 26	The Pink Tide			
W12: Mar 29 - Apr 2	Democratic Erosion and Populism			
Apr 6, Tue	★ Assignment 8			
Apr 5	★ Guest Speaker: Dr. Jordan Roberts			
W13: Apr 5 - 9	The Blue Wave			
Apr 13, Tue	★ Assignment 9			
W14: Apr 12 - 16	The Evangelical Turn			
Apr 20, Tue	★ Assignment 10			
W15: Apr 19 - 23	Conclusions			
W16: Apr 26	Review for Final			
April 30, Friday, 9:00 a.m.	★ Final Exam			

“PINK” TIDE IN LATIN AMERICA



Unexpected rise of left governments in
the 2000s



WHY “PINK”?

Distinct from (red) **communism** of 20th century,
encompassed **center-left** candidates



Distance from Cold War Communism: even
Chavez promoted “Bolivarian” socialism

WHY “SURPRISING”?

Cold War → end of left-right ideology,
dominance of **liberal-democracy**

Not just leftists but often **political outsiders**

Emergence of new parties (e.g., MAS, PSVD),
collapse of traditional parties

Francis Fukuyama

THE END
OF HISTORY
AND
THE
LAST
MAN

Evo Morales and MAS

Monkey Cage - Analysis

Bolivia dismissed its October elections as fraudulent. Our research found no reason to suspect fraud.

Bolivians will hold a new election in May — without ousted president Evo Morales



Evo Morales and MAS in Bolivia



Bolivia has big indigenous population historically
excluded from power



Aymara, Quechua, though ethnicity is contested

Why are Bolivian indigenous people statistically disappearing?

■ 08.10.13

SIID Research Associate [Lorenza Fontana](#) maps the hypotheses and debates on the 20% 'decrease' of the population self-identifying as indigenous in the latest census.



Bolivia is a major source of **coca leaf** in the world (Peru, Colombia)

Big part of Bolivian economy, especially among indigenous people

Cocaleros (coca-growers) in conflict with government, USA over coca eradication, legalization



Evo Morales emerges as leader of cocaleros,
founds left-wing MAS party in 1998

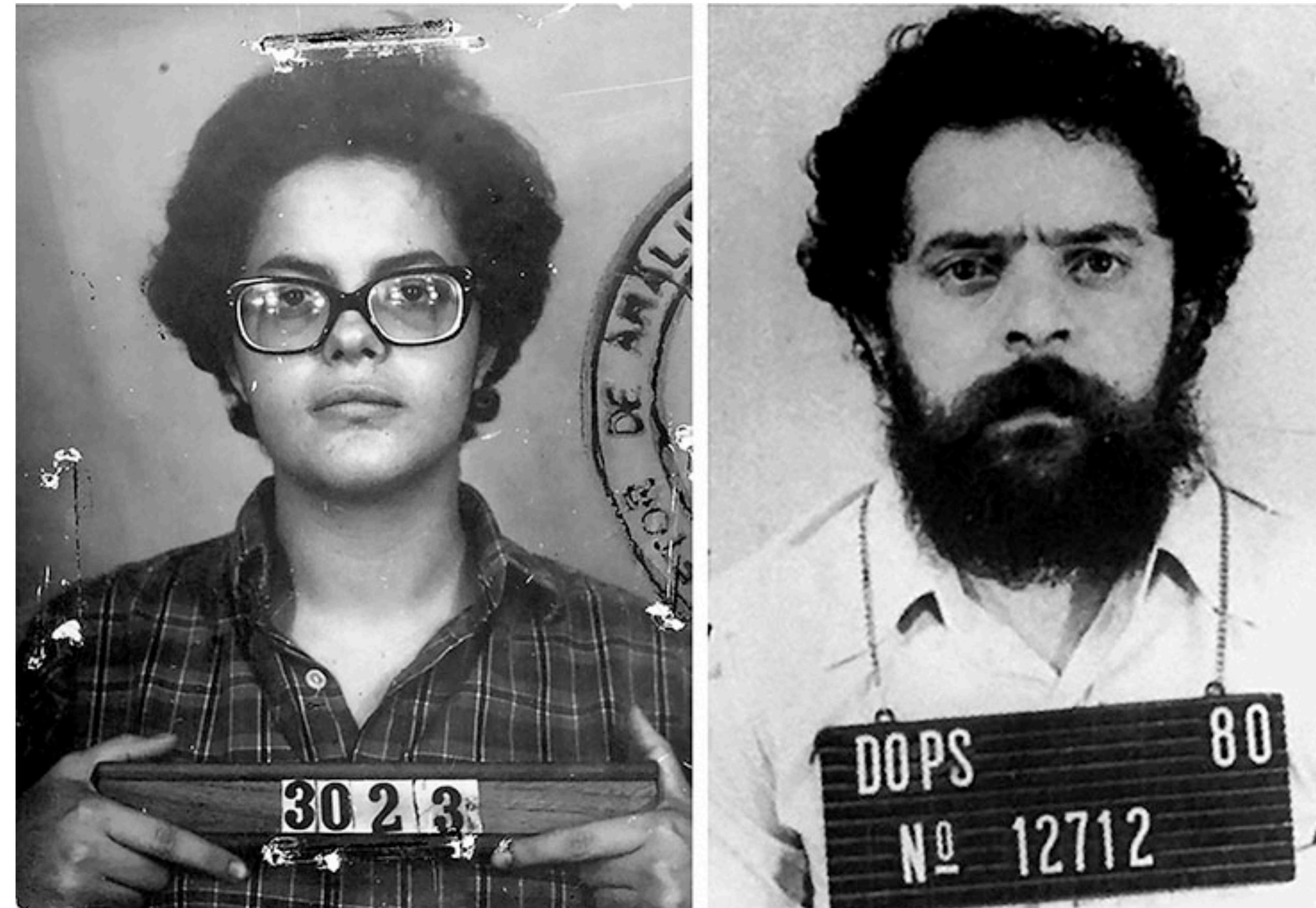


MAS wins presidency in just 8 years

Evo at the UN



Other surprising **bottom-up** victories include
Worker's Party in Brazil (2003)



Dilma (left) militant during dictatorship
Lula (right) leader of Steelworker's Union



Cristina Fernández de Kirchner in Buenos Aires, Argentina, August 2019

Others adopt a kinda-left-mostly-populist governing style during this period

Political outsiders clench surprising victories

Many **center-left** candidates take office

How did this happen?

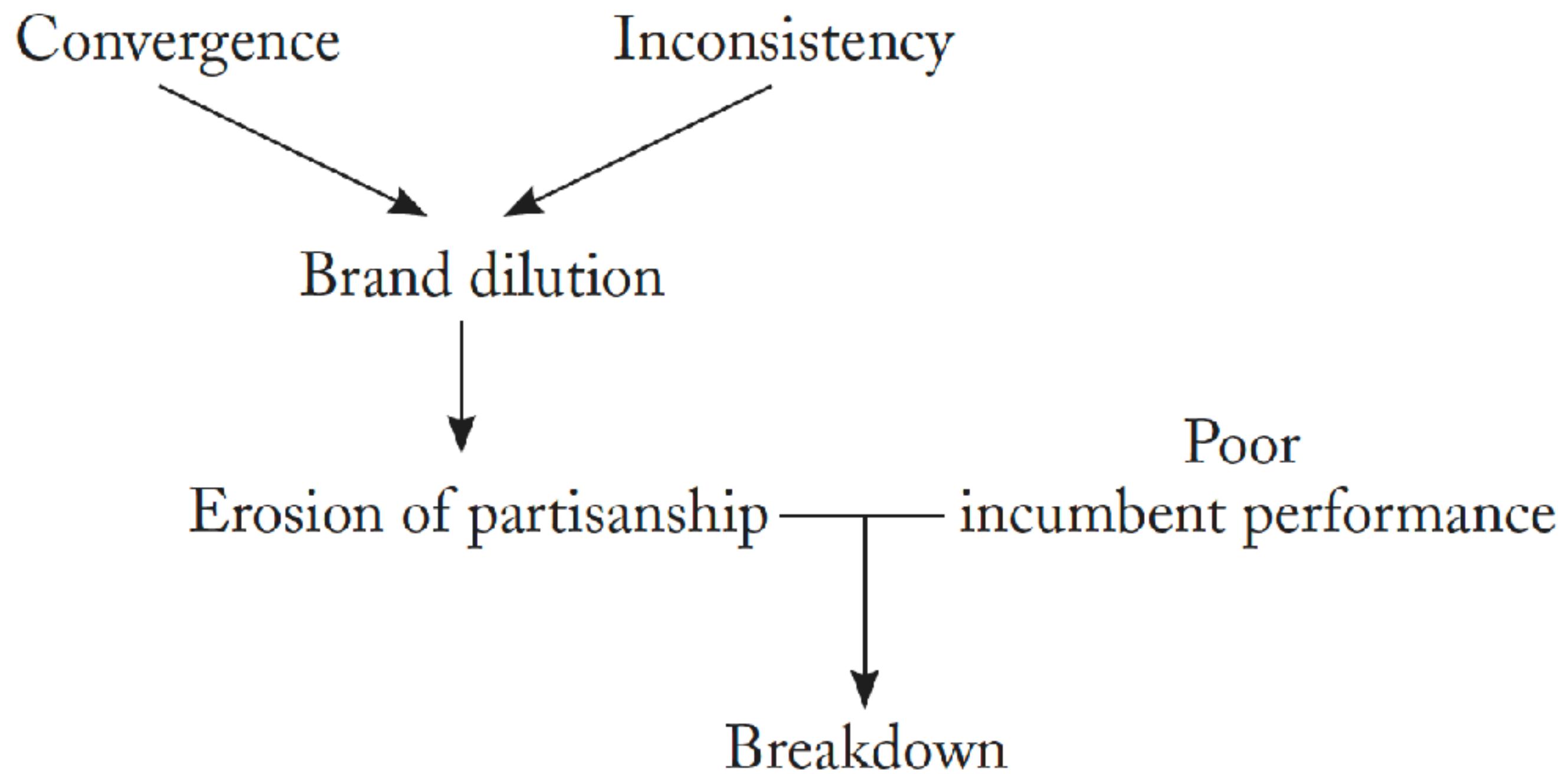
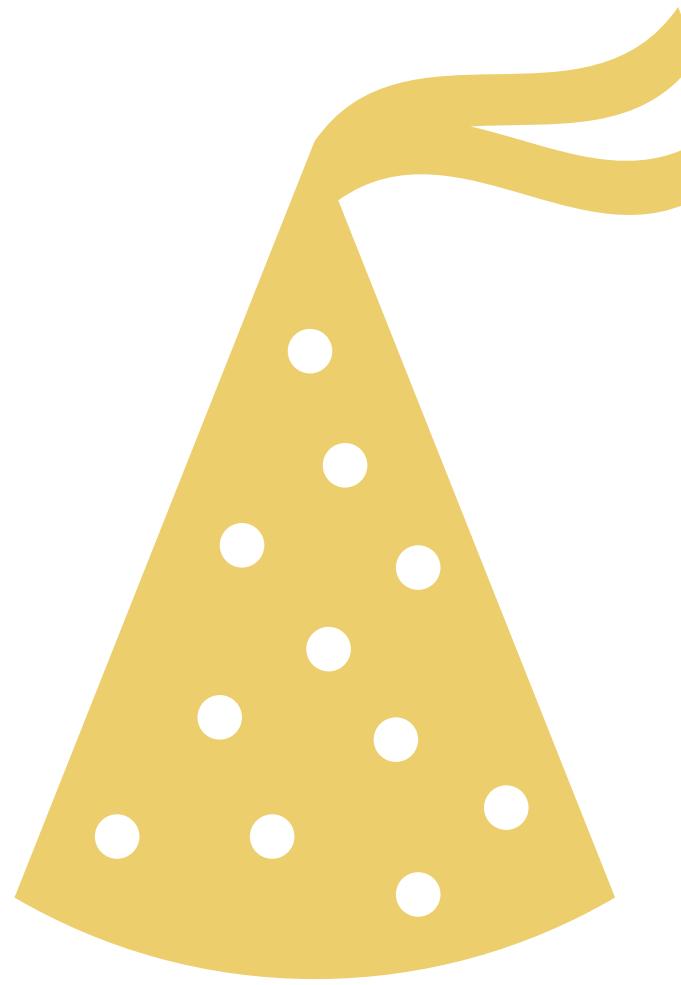


FIGURE 1
THEORY OF PARTY BREAKDOWN

Basic idea: traditional parties became politically incoherent, broke down, left vacuum

Parties seek to establish **brands** – clearly identifiable positions – that are **legible**, **consistent**, and **distinct** from other parties

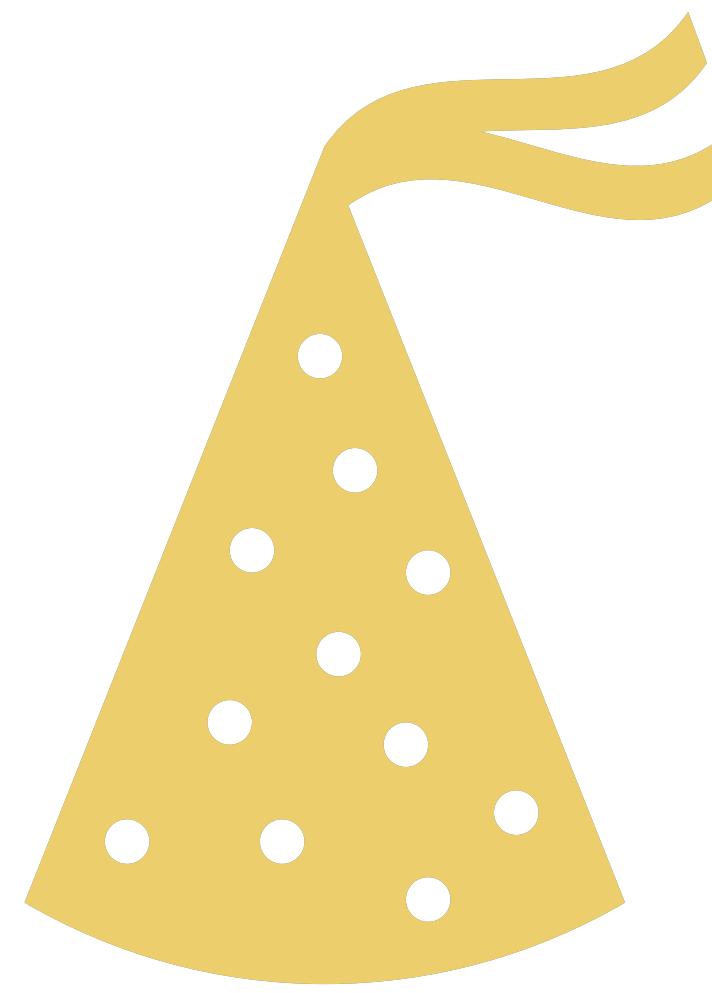


Redistribution
State involvement in economy
Poor, working-class



Free market
Fiscal responsibility
Middle-class, upper class

Party adoption of **inconsistent** policies hurts brand

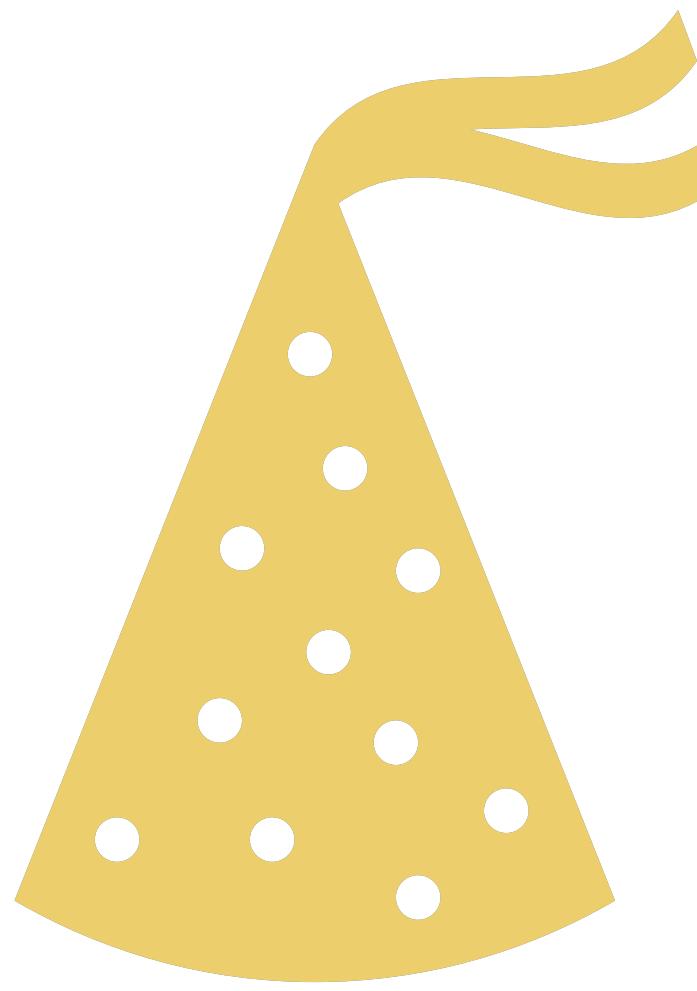


Redistribution
Cuts to social security
State involvement in economy
Poor, working-class



Free market
Nationalization of industry
Fiscal responsibility
Middle-class, upper class

When party platforms **converge**, brands also hurt



Redistribution
Cuts to social security
State involvement in economy



Redistribution
Cuts to social security
State involvement in economy

1/4 of traditional political parties broke down!

TABLE 2
PARTY BREAKDOWNS IN LATIN AMERICA, 1978–2007

<i>Party (Country)</i>	<i>Year</i>
UCR (Argentina)	2003
ADN (Bolivia)	2002
MIR (Bolivia)	2005
MNR (Bolivia)	2005
PUSC (Costa Rica)	2006
PRSC (Dominican Republic)	1996
PAN (Guatemala)	2003
APRA (Peru)	1995
Partido Colorado (Uruguay)	2004
AD (Venezuela)	1998
COPEI (Venezuela)	1998

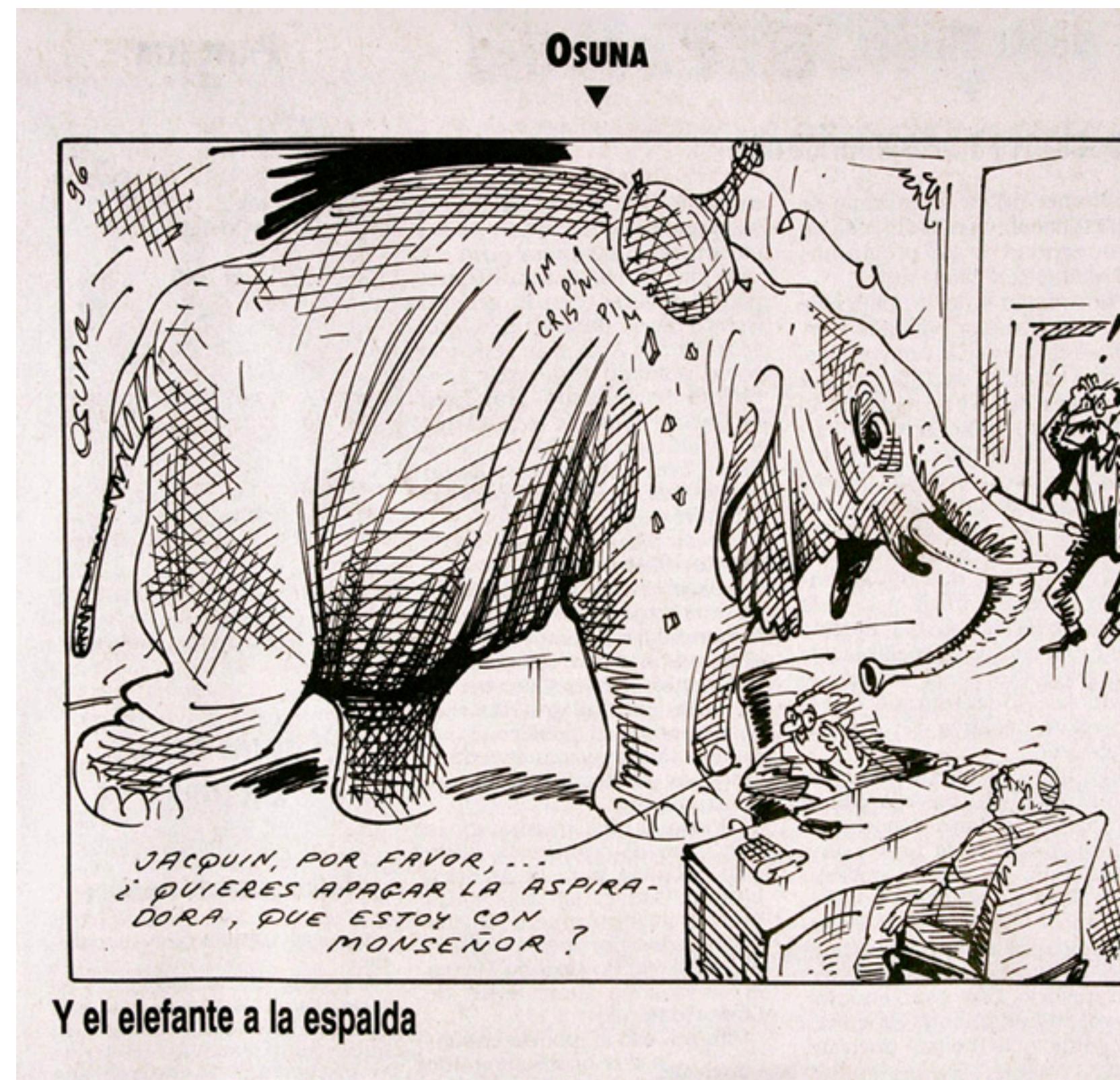
SOURCE: Author's calculations based on presidential election results.

**50 years old on average, 80% drop of vote share
from one election to next (Lupu, 2014)**

Corruption stories

Let's hear them

Proceso 8000



Back to Bolivia

**Revolutionary Nationalist Movement (MNR) of
Bolivia**

The name gives it away: leftist organization turned party that was pivotal in Bolivian Revolution of the 1950s



MNR

Drew on middle-class nationalists and
mine union workers

Platform: to advance, country must
weaken mine owners

Nationalize tin industry, universal
suffrage, mass education



By late 1990s and 2000s party brand
diluted

Last president presided over
privatization of key industries and
significant **austerity measures**

Gonzalo Sánchez de Lozada



President of Bolivia

In office

August 6, 2002 – October 17, 2003



GETTY IMAGES

Luis Fernando Camacho emergió como una alternativa a la oposición que representa Carlos Mesa.

"La Biblia volverá al Palacio de Gobierno".

**Conservative Christian from Santa Cruz,
ran for office 2020**

Traditional parties **converge**, brands
weaken

**If convergence/inconsistency hurts,
why do it?**

Why dilute your brand? Complicated answer but:

Weakening labor unions/working-class representation in parties

Economic **crises/external debt**

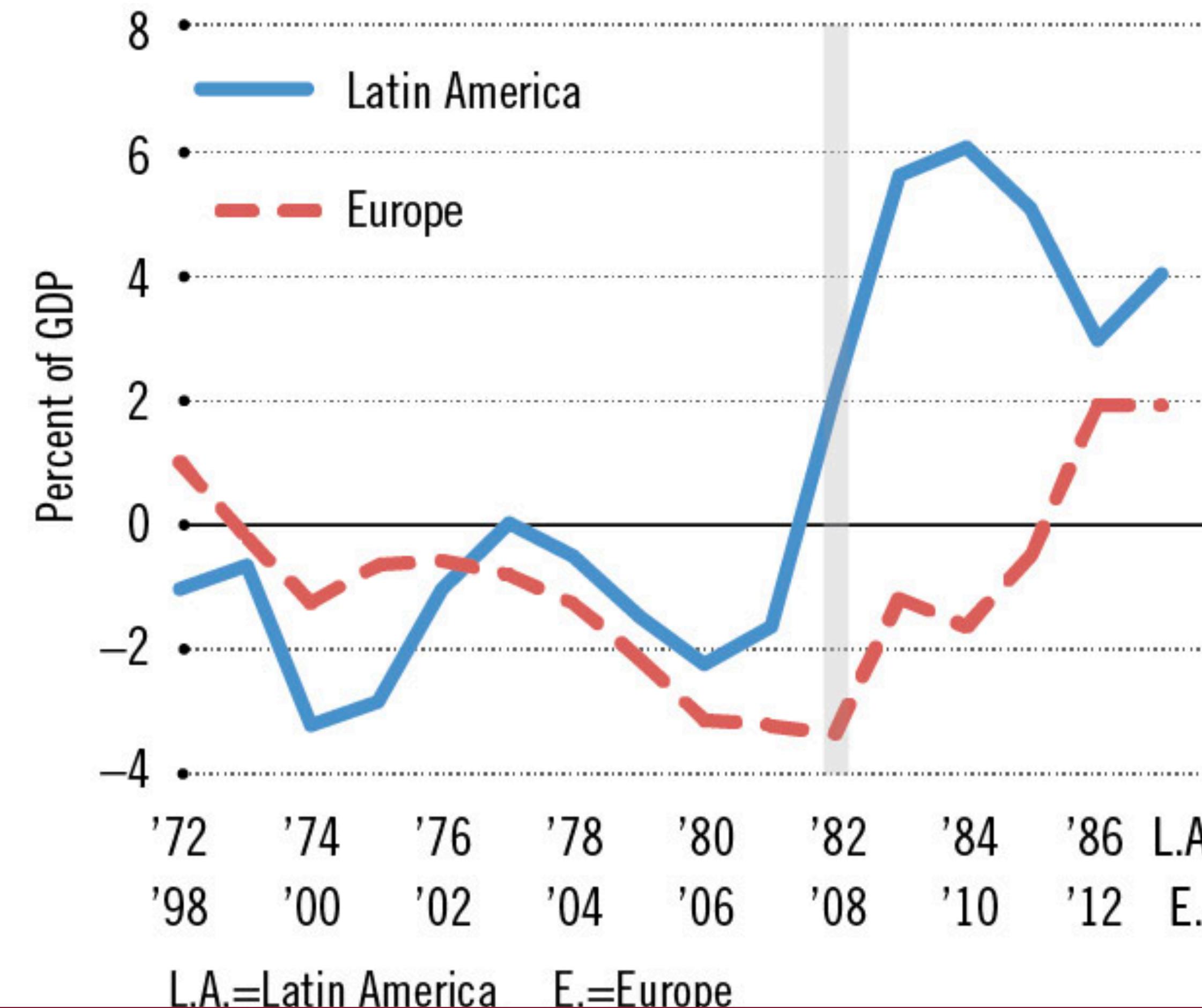
Our old friend **decentralization**

Country	Peak ISI-era trade union density	Trade union density in 2005	Change in trade union density
Argentina	50.1	21.0	-29.1
Nicaragua	37.3	15.0	-22.3
Chile	35.0	10.0	-25.0
Mexico	32.1	15.0	-17.1
Venezuela	26.4	11.0	-15.4
Peru	25.0	5.0	-21.0
Bolivia	24.8	7.5	-17.3
Brazil	24.3	16.0	-8.3
Uruguay	20.9	15.0	-5.9
Dominican Republic	17.0	8.0	-9.0
Panama	17.0	10.0	-7.0
Costa Rica	15.4	12.0	-3.4
Ecuador	13.5	5.0	-8.5
Paraguay	9.9	10.0	.1
Colombia	9.2	4.0	-5.2
Honduras	8.5	7.3	-1.2
Average	22.9	10.7	-12.2

Sources: Based on Roberts (2002: 15), and *Country Reports on Human Rights Practices*, various.

Unions often form grassroots of major left parties in LA, but weakened over time

In the 80s/90s LA experiences ballooning **external debt, inflation, economic crises**



Means many center-left parties implement brand-diluting **austerity** while in office

Decentralization reduces party leader control over local politicians

Table 1: Presidential Vote Share in Colombia: Traditional Parties vs. Other Candidates

Year	Liberal and Conservative Parties (%)	Others (%)
1978	96.09	3.91
1982	98.78	1.22
1986	94.77	5.23
1990	85.43	14.57
1994	91.3	8.7

Table 2: Presidential Vote Share (1998–2010)

Year	Liberal Party	Con-servative Party	Sí Co-lombia (Sanín)	Uribe's Party	Polo Democrá-tico	Partido Verde
1998	34.6	34.3	26.9	—	—	—
2002	31.8	—	5.8	53.1	—	—
2006	11.8	—	—	62.4	22	—
2010	4.4	6.1	—	46.5	9.2	21.5

Source: Political Database of the Americas (n. y.).

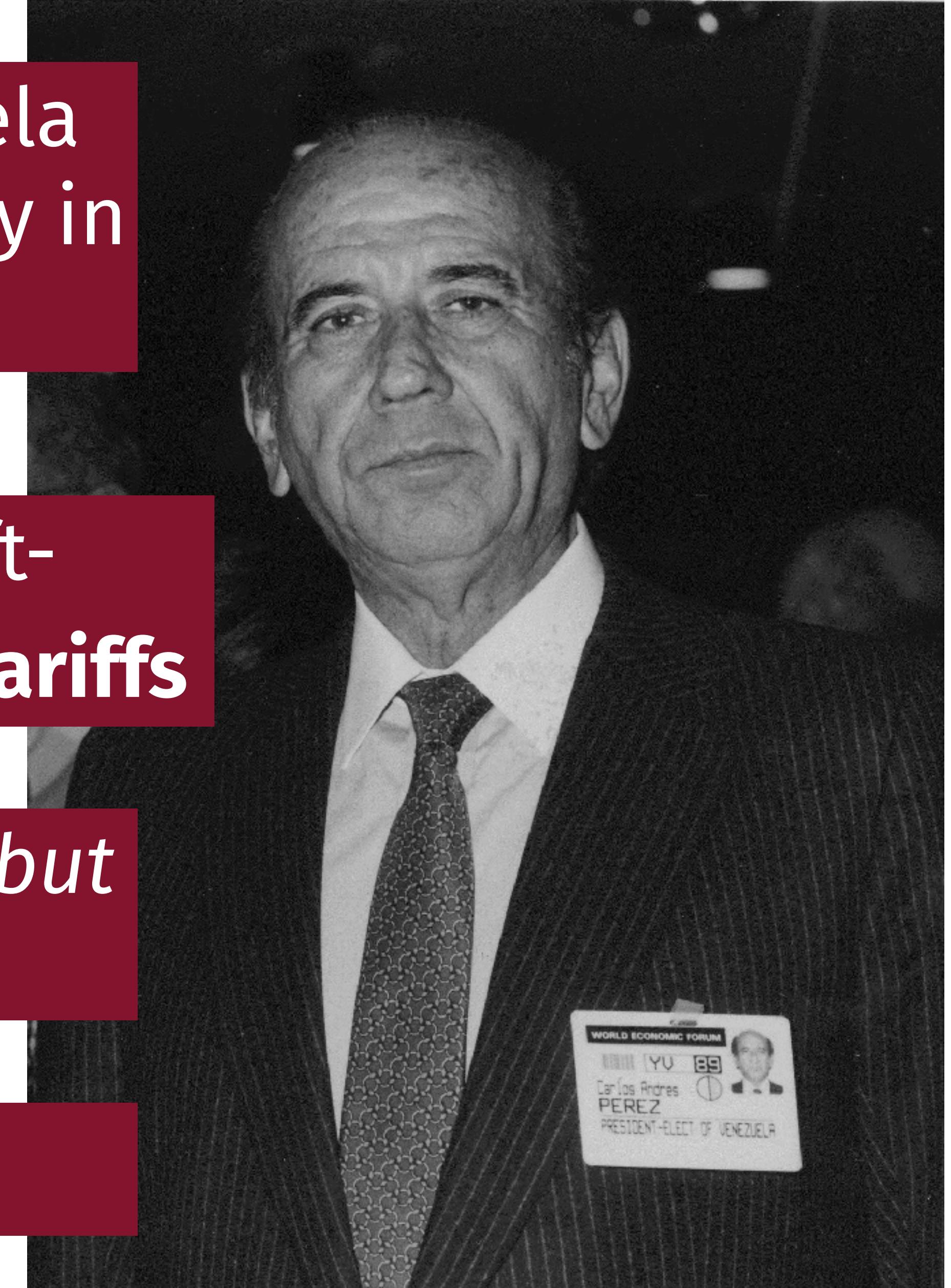
Reduces need to join parties or follow leader

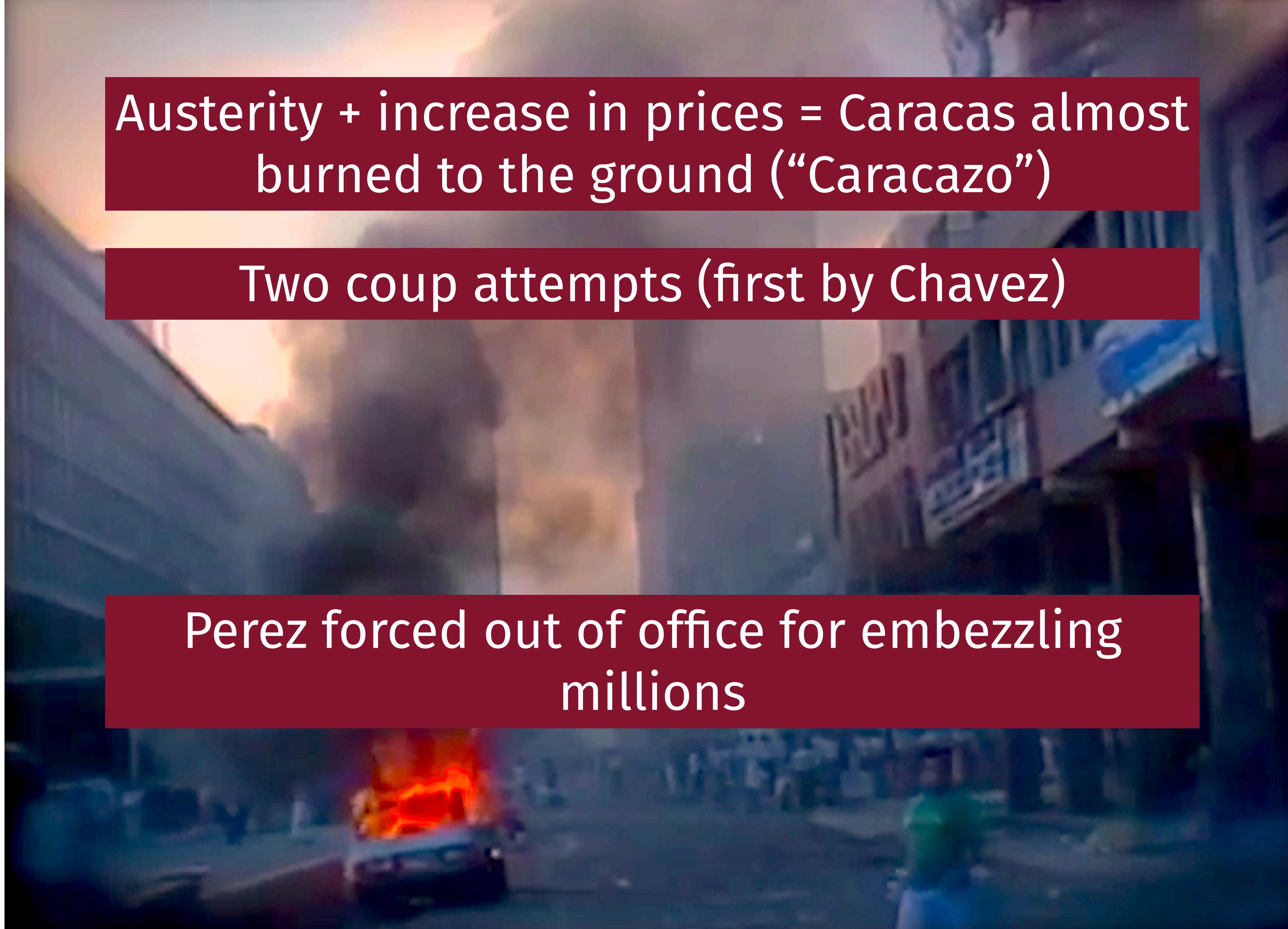
This is precisely what happens in Venezuela
with the center-left Democratic Action Party in
the late 1980s

Carlos Andres Perez enters office on left-nationalist platform of **increasing wages, tariffs**

IMF is “*a neutron bomb that killed people, but left buildings standing*”

Immediately implements **austerity**



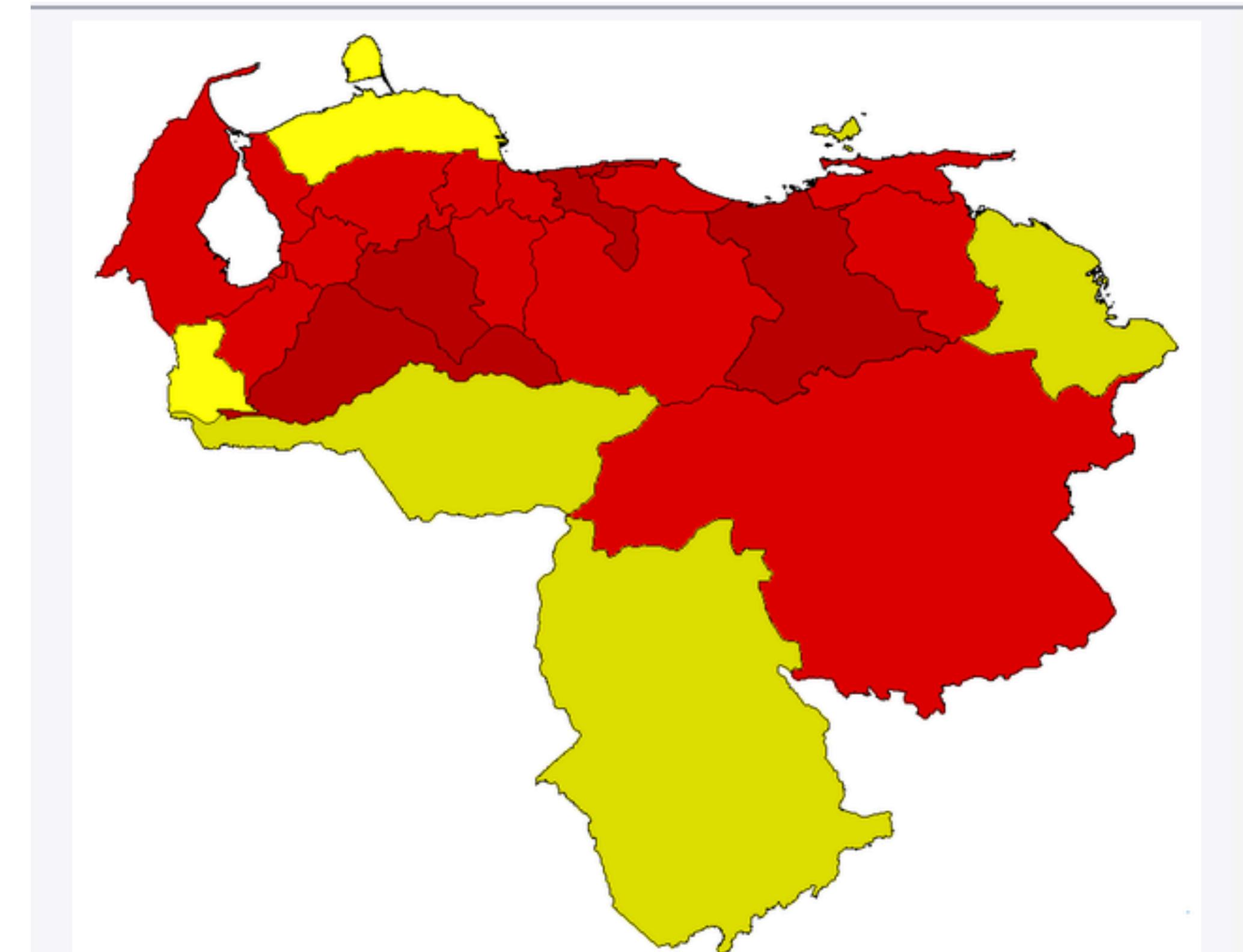


Austerity + increase in prices = Caracas almost
burned to the ground (“Caracazo”)

Two coup attempts (first by Chavez)

Perez forced out of office for embezzling
millions

1998 election unprecedented: contested by two brand-new parties



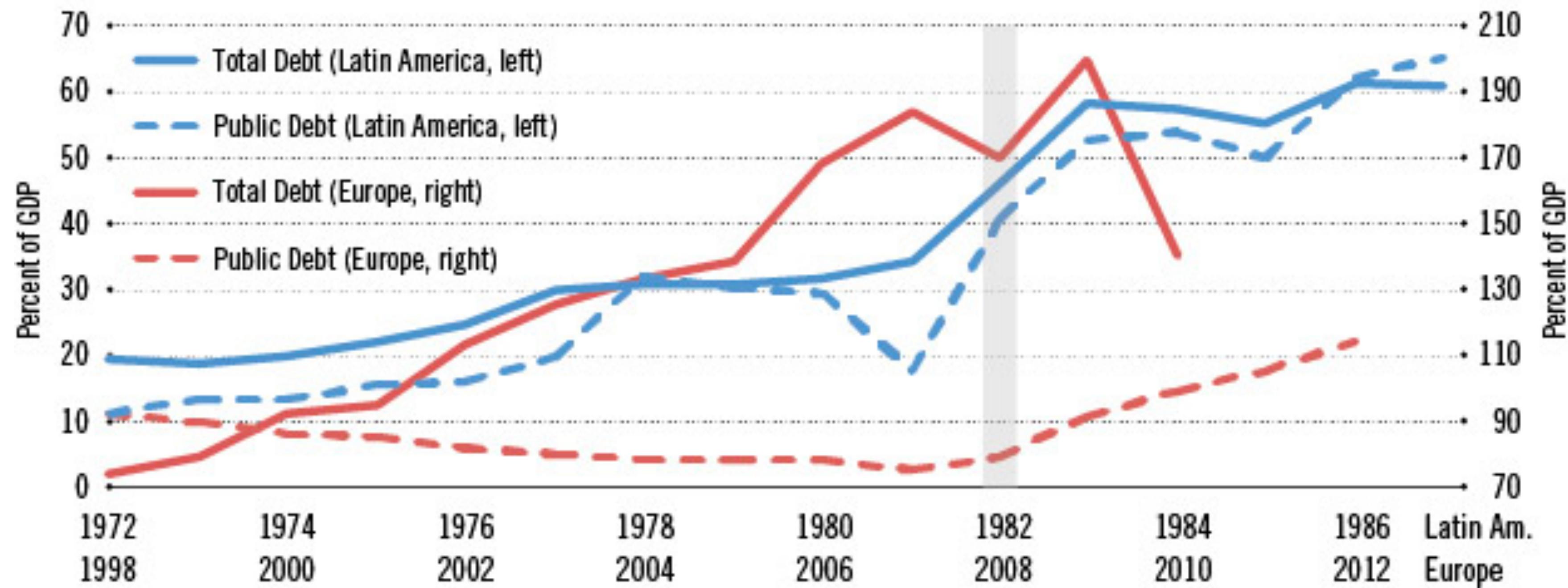
Presidential election results map.

■ States won by Chávez

■ States won by Salas Römer

Why austerity?

Economic downturn + ballooning debt = “lost decade”



Painful **austerity** to cut spending, often in conjunction with **International Monetary Fund**



Cutting costs: anti-austerity graffiti in Seville, Spain, November 2012

Austerity = selling state enterprises, lay-offs, cuts to health/education



Rise in TB Is Linked to Loans From I.M.F.

By Nicholas Bakalar

July 22, 2008



The rapid rise in tuberculosis cases in Eastern Europe and the former Soviet Union is strongly associated with the receipt of loans from the International Monetary Fund, a new study has found.

Critics of the fund have suggested that its financial requirements lead governments to reduce spending on health care to qualify for loans. This, the authors say, helps explain the connection.

The fund strongly disputes the finding, saying the former communist countries would be much worse off without the loans.

Big impact on people who have access to these services

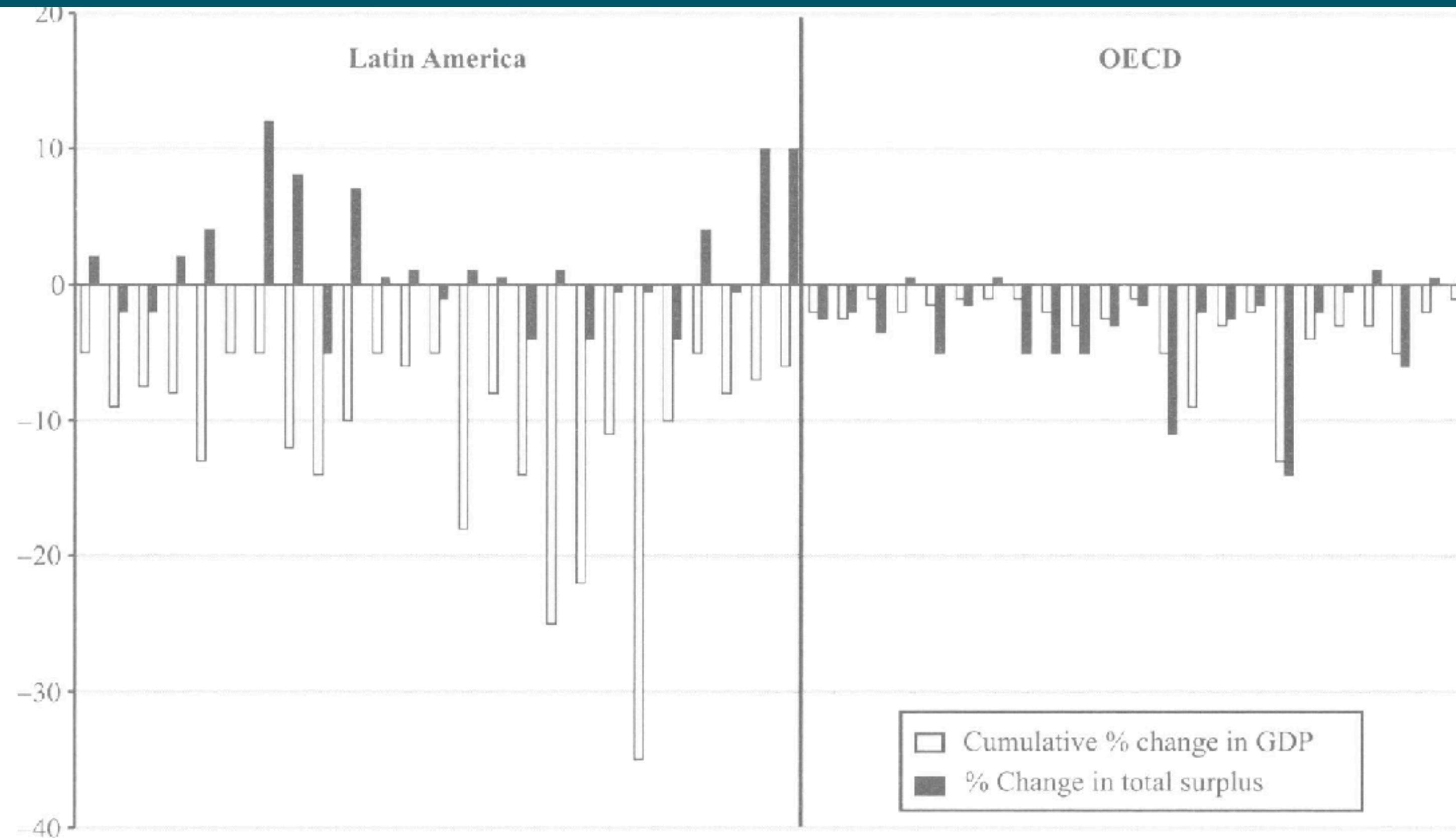
Why Austerity?

If your country is in recession,
shouldn't you **increase spending** to
bolster aggregate demand/protect
workers?



haha money printer go brrrrr

In rich countries, fiscal policy mostly **counter-cyclical**: cut spending in good times, increase spending in bad



Note: A major recession is defined in a manner consistent with Gavin et al. 1996, as one in which GDP declines cumulatively by more than 4 percent in Latin America or 1.5 percent in the OECD.

In poor countries, fiscal policy mostly **pro-cyclical**: cut spending in bad times, increase spending in good

Why? It's complicated

Poorer countries have more **pressure/need** to spend

Poor countries much more **credit-constrained**, need foreign capital

~~countries are unable to borrow to smooth consumption during recessions.~~

59. The average domestic banking system in the OECD provided credit amounting to 91 percent of GDP between 1970 and 2000; the figure in the developing world was 41 percent (World Bank 2000a).

Debt denominated in **dollars** so can't just print money to service debt, e.g., Japan (230% of GDP), USA (100% of GDP)

Austerity strongly associated IMF, US, outside actors



Protest Against the Mexican Government and the International Monetary Fund (Photo: Sergio Dorantes/Sygma/Getty Images)

The result

Brand dilution = both parties implement similar policies (austerity)

Anti-establishment candidates, new parties, **populists**

Painful austerity tied to international organizations, the US

Nationalist rhetoric, countering US influence

Public anger at austerity

Welfare, redistribution

Result is a crop of politicians who are:

Anti-establishment, populist

Nationalist

Redistributionist

Pink tide not really a function of electorate becoming more leftist

Table 2. Evolution of Left–Right Sentiments in Latin America, 1996–2007

	1996	1997	1998	2000	2001	2002	2003	2004	2005	2006	2007
Argentina	5.66	5.56	5.89	5.70	5.67	5.31	5.42	5.51	5.67	5.37	5.54
Bolivia	5.06	4.98	4.83	4.61	5.19	5.08	5.07	4.63	4.72	4.83	5.22
Brazil	5.06	4.84	5.17	5.04	5.71	5.32	5.46	5.08	5.14	5.20	5.13
Chile	4.82	4.84	4.95	4.96	5.18	5.11	5.27	4.89	4.85	4.78	4.82
Colombia	5.67	6.22	5.34	5.48	6.38	7.02	6.15	5.57	6.10	5.58	5.84
Costa Rica	5.98	6.14	5.48	6.38	6.89	7.35	5.67	5.19	5.65	6.25	6.11
Ecuador	5.25	5.38	5.51	5.39	5.53	5.63	5.46	5.24	5.19	5.37	5.12
El Salvador	5.38	5.30	5.52	5.31	6.43	6.55	5.93	5.92	6.33	5.33	5.13
Guatemala	4.76	4.20	5.22	4.99	5.76	6.25	6.11	4.94	5.27	5.25	4.62
Honduras	7.10	7.16	6.98	5.56	8.10	7.59	6.61	5.75	5.95	6.17	5.73
Mexico	4.55	5.33	5.47	5.36	5.75	4.89	5.00	4.76	5.10	5.52	5.27
Nicaragua	5.34	5.54	5.06	4.54	5.42	6.32	5.88	5.25	5.53	5.00	5.08
Panama	4.02	5.45	7.38	5.89	6.12	5.29	5.12	4.06	4.81	4.60	5.15
Paraguay	5.87	5.07	5.21	5.11	5.54	5.70	5.77	5.04	5.43	5.09	5.14
Peru	5.59	5.64	5.50	5.36	5.56	5.39	5.27	4.77	5.13	5.11	5.13
Uruguay	5.23	5.28	5.57	5.26	4.96	5.13	4.87	4.83	4.48	4.68	4.78
Venezuela	5.92	6.02	5.50	5.50	6.04	6.22	6.12	4.69	5.32	5.54	5.26
M	5.37	5.47	5.56	5.32	5.90	5.89	5.60	5.07	5.33	5.27	5.24
SD	0.69	0.67	0.66	0.45	0.75	0.84	0.49	0.46	0.50	0.46	0.38

Source: Latinobarómetro (1996–2007).

Doesn't seem to be result of bringing poor voters into elections (at least in Venezuela; also I'm skeptical)

Table 5 Significance of Differences in Turnout between Income Groups

	Change in abstention rate from previous election			
	Poor	Lower-middle	Upper-middle	Wealthy
1998	-0.35	-0.29	-0.25	-0.32
2000	0.02	0.02	-0.01	-0.01
2004	-0.06	-0.07	-0.02	-0.03
2006	0.16	0.15	0.15	0.19
t-Statistic for difference from poor		-0.578	-0.789	-1.067
p-Value		0.604	0.488	0.364

Sanders Says He'll Attract a Wave of New Voters. It Hasn't Happened.

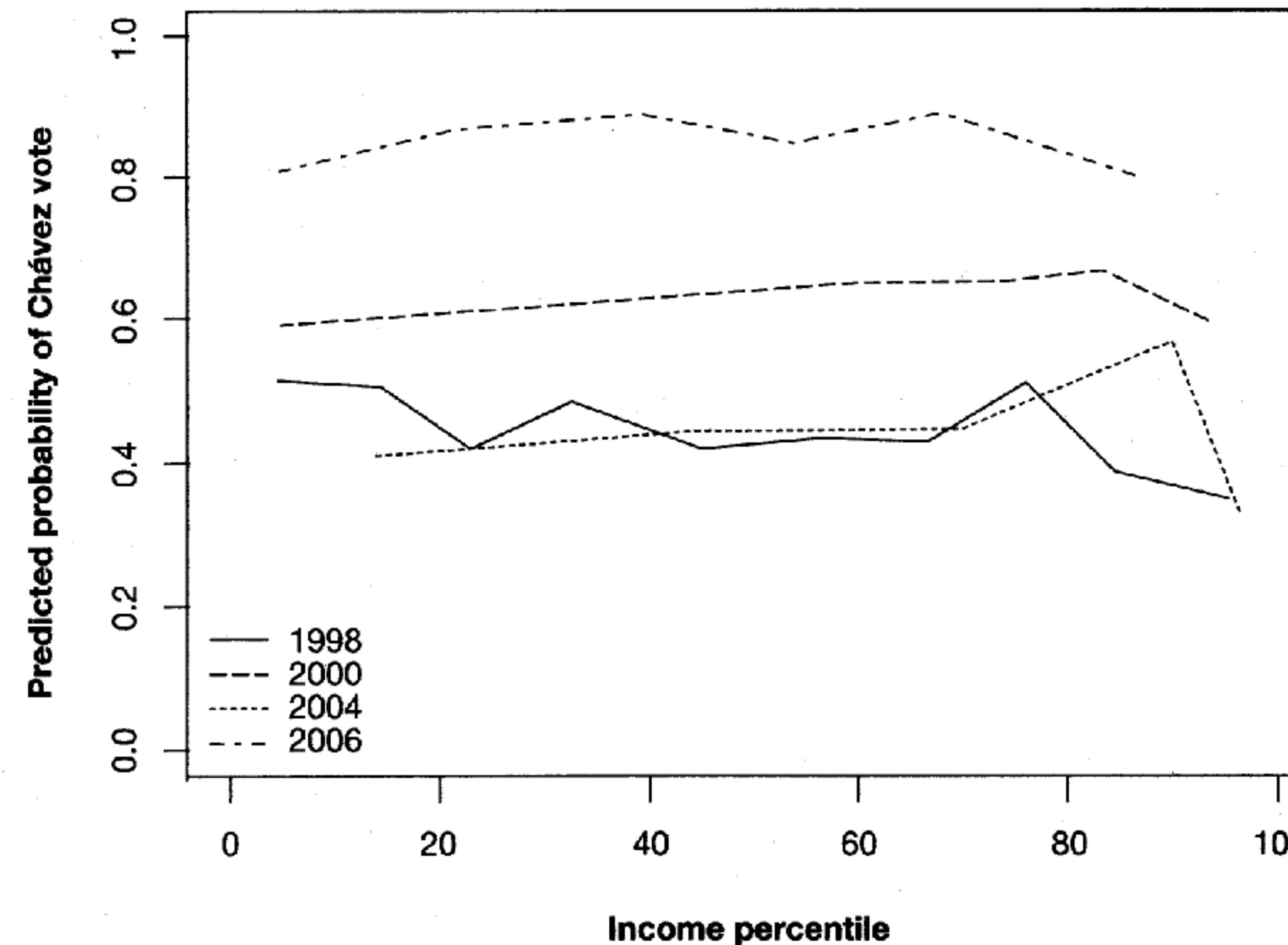
Bernie Sanders has so far prevailed by expanding his appeal among traditional Democratic voters, not by driving record turnout.



Senator Bernie Sanders at a “Get Out the Early Vote” rally at the University of Nevada in Las Vegas this month. Bridget Bennett for The New York Times

Turning out non-voters is generally hard

Pink tide candidates not just “of the poor”



Chavez also won significant chunk of middle-class

You do see anger with US growing

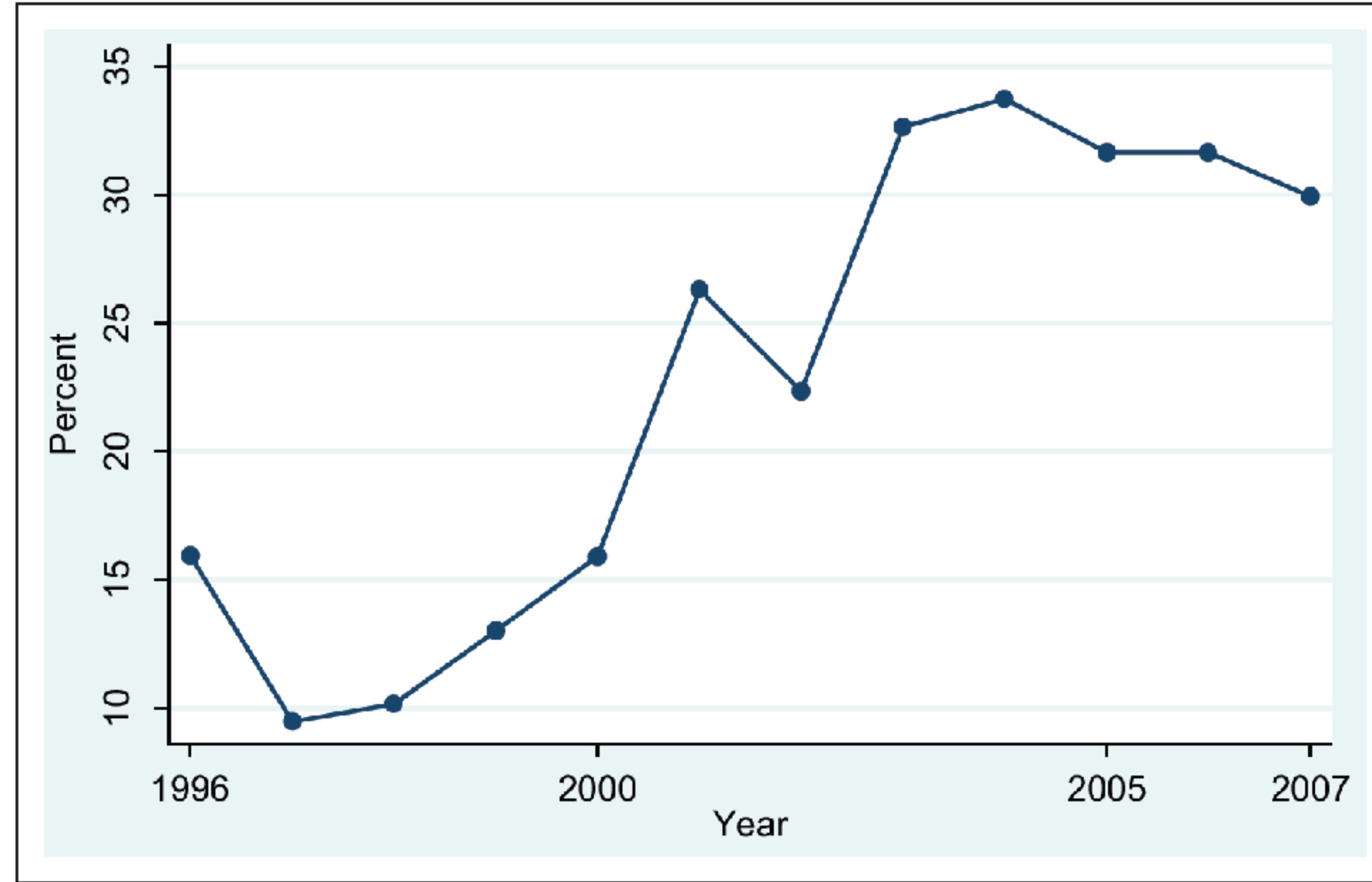
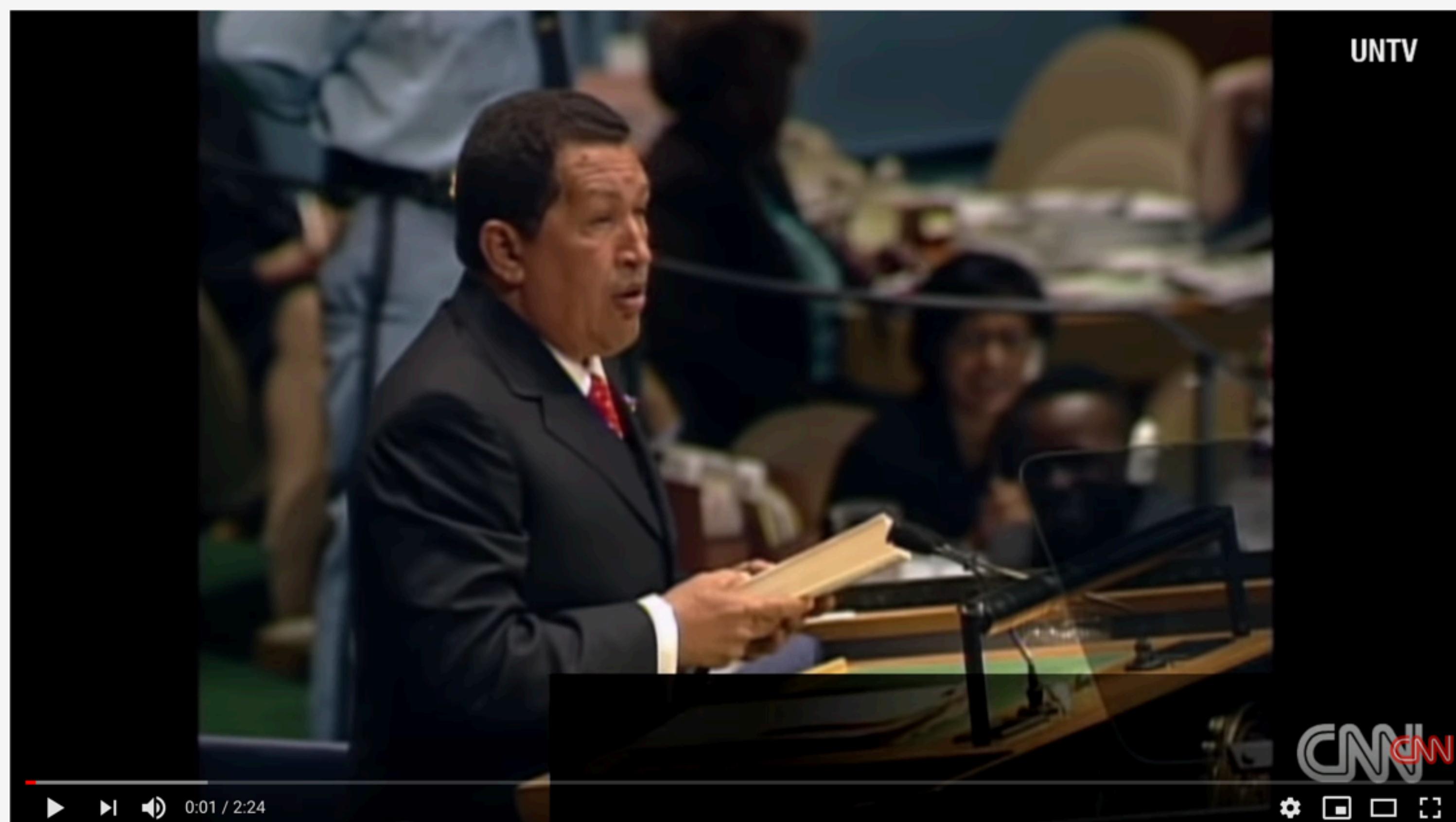


Figure 2. Growth of anti-U.S. sentiments

Source: Latinobarómetro (1996–2007).

Countering US influence one of Chavez' key political platforms



2006: Chavez calls Bush "the devil"

<https://www.youtube.com/watch?v=lOsABwCrn3E>

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IDEAS | ESSAY

The Left's 'Pink Tide' in Latin America Is Receding

Leaders who promised to bring back economic growth are failing to do so. That's why the political tide is turning against them.

By [Juan Foradori](#)

Dec. 10, 2010



© Reuters/R. Buhner

More on this in coming weeks

What is the legacy of the “pink tide”?

This is a pretty **controversial** question

There is a specter haunting this lecture...



...the specter of Venezuela

First presidential term: 2 February 1999 – 10 January 2001 [edit]

Chávez's presidential inauguration took place 2 February 1999. He deviated from the usual words of the presidential oath when he took it, proclaiming: "I swear before God and my people that upon this *moribund* constitution I will drive forth the necessary democratic transformations so that the new republic will have a **Magna Carta** befitting these new times."^[154]^[155] Freedom in Venezuela suffered following "the decision of President Hugo Chávez, ratified in a national referendum, to abolish congress and the judiciary, and by his creation of a parallel government of military cronies".^[156] Soon after being established into office, Chávez spent much of his time attempting to abolish existing **checks and balances**

Pink tide a kind of mirror for whatever people want to see

For the left: pink tide great, any faults are the result of US meddling

For the right: pink tide bad, proof that you can't have your cake and eat it too

I think this is too simplistic; there is tremendous variation **within** pink tide governments

Legacies of the Pink Tide

Big boosts in social spending

Undermining existing actors,
bringing in new actors

Erosion of checks and balances (next week)

Lula's (PT; 2003) influential **Bolsa Família** program



Conditional cash transfer program that provides cash to families who meet certain goals (e.g., child not truant)

1 in 4 families part of Bolsa across almost all munis (50 million people)

Big reductions in poverty (int'l poverty line: 13% – 3%)

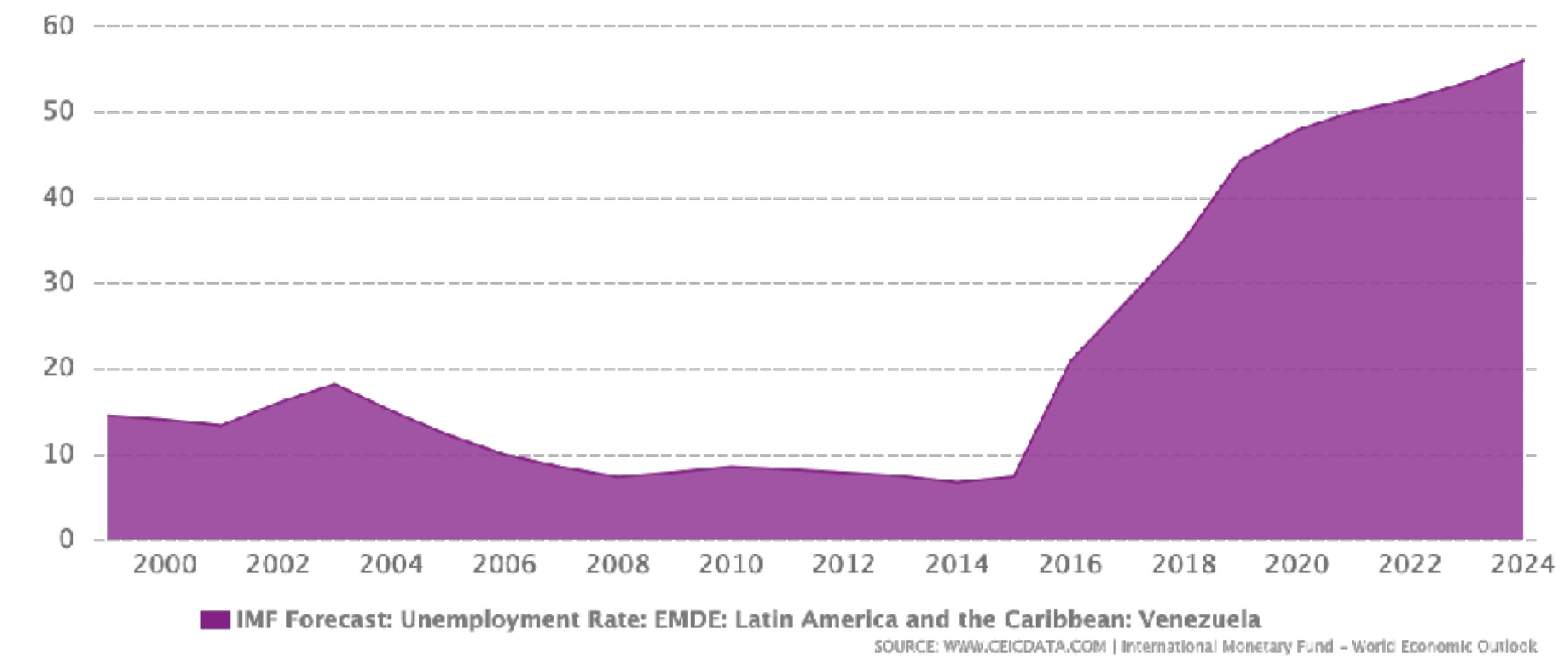
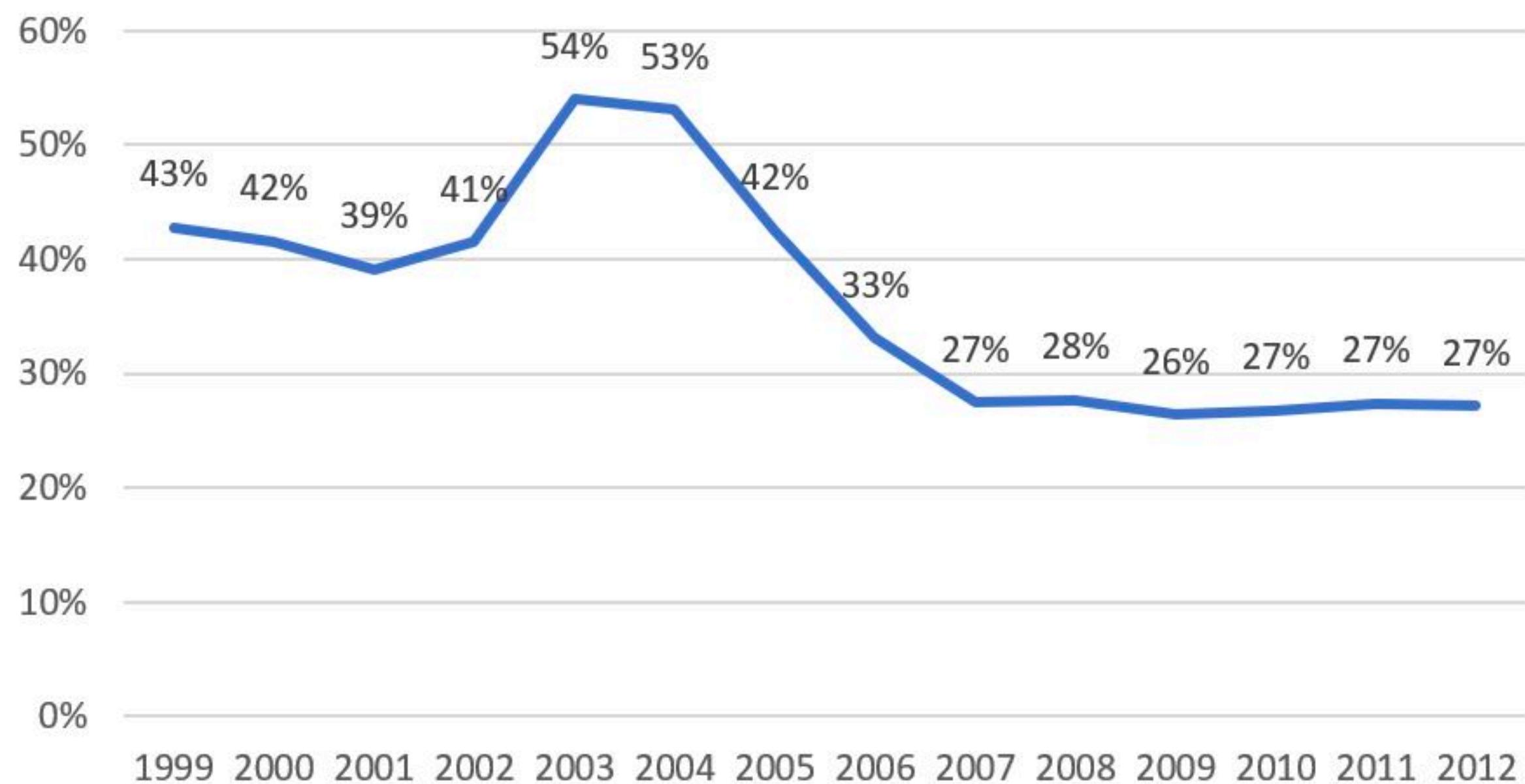
Improvements in health outcomes, schooling

Increase in calorie intake among poorest

Chavez's social programs via Bolivarian Missions

Missions in public health services,
food subsidies, housing subsidies

Population Under Poverty Line



Similar social programs in Bolivia, conditional transfers



President Evo Morales at the inauguration of new buildings in a housing project in 2016. The Indigenous Aymara artist Roberto Mamani Mamani painted murals over a building facade.

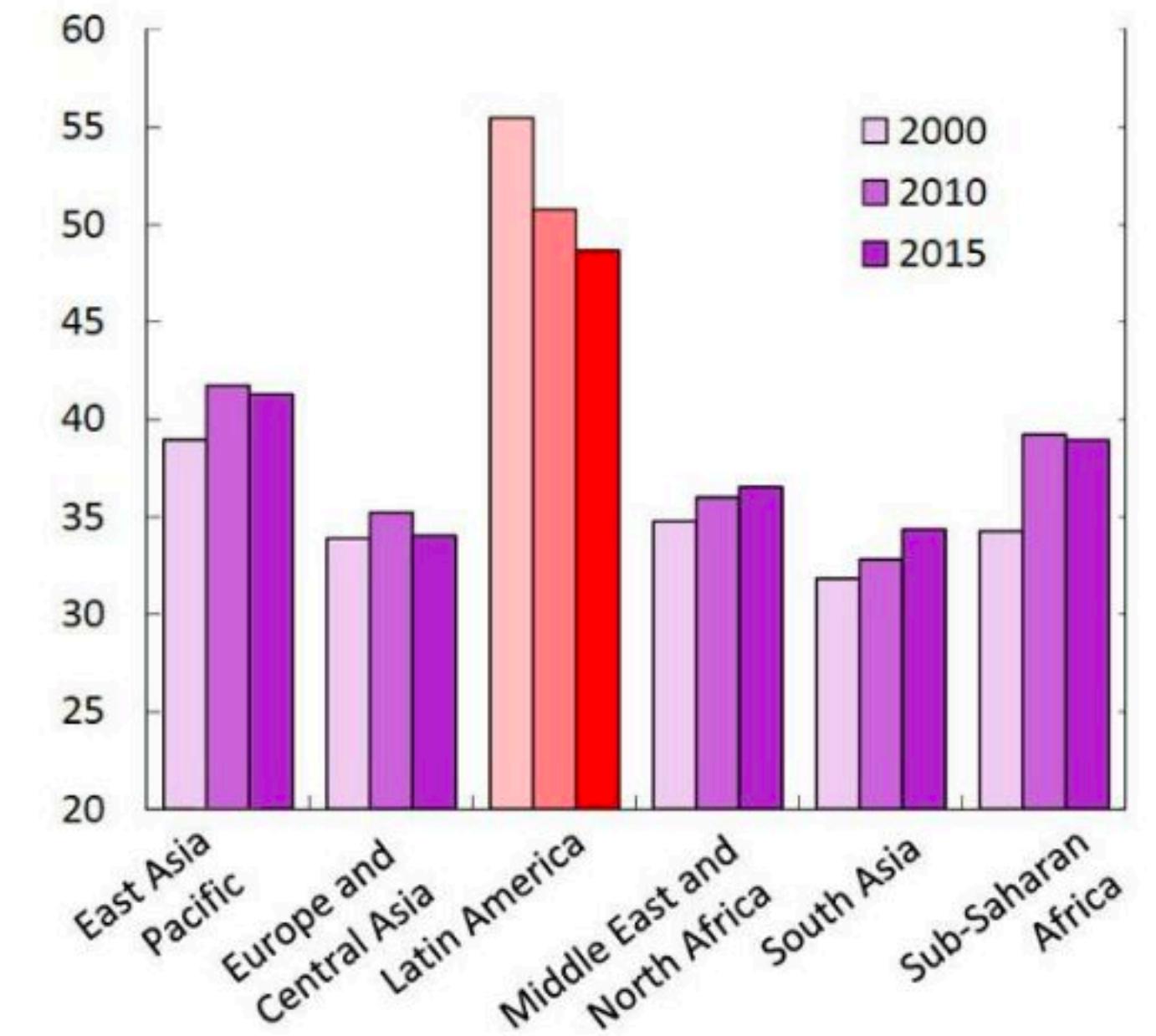
Renta dignidad: pension system for poor

Result seems to be some pretty significant drops in inequality and poverty

Lower inequality

Latin America has brought down inequality over the past two decades, although it remains the most unequal region.

Gini Coefficient (*Gini index; population weighted average*)



Sources: World Bank, PovcalNet database; and World Bank, World Development Indicators database.

Note: The Gini Coefficient is a statistical measure of income distribution with a value of zero indicating perfect equality. For 2015, Latin America (LA) is the average of available values from WDI. Countries include Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Panama, Paraguay, Peru, and Uruguay.

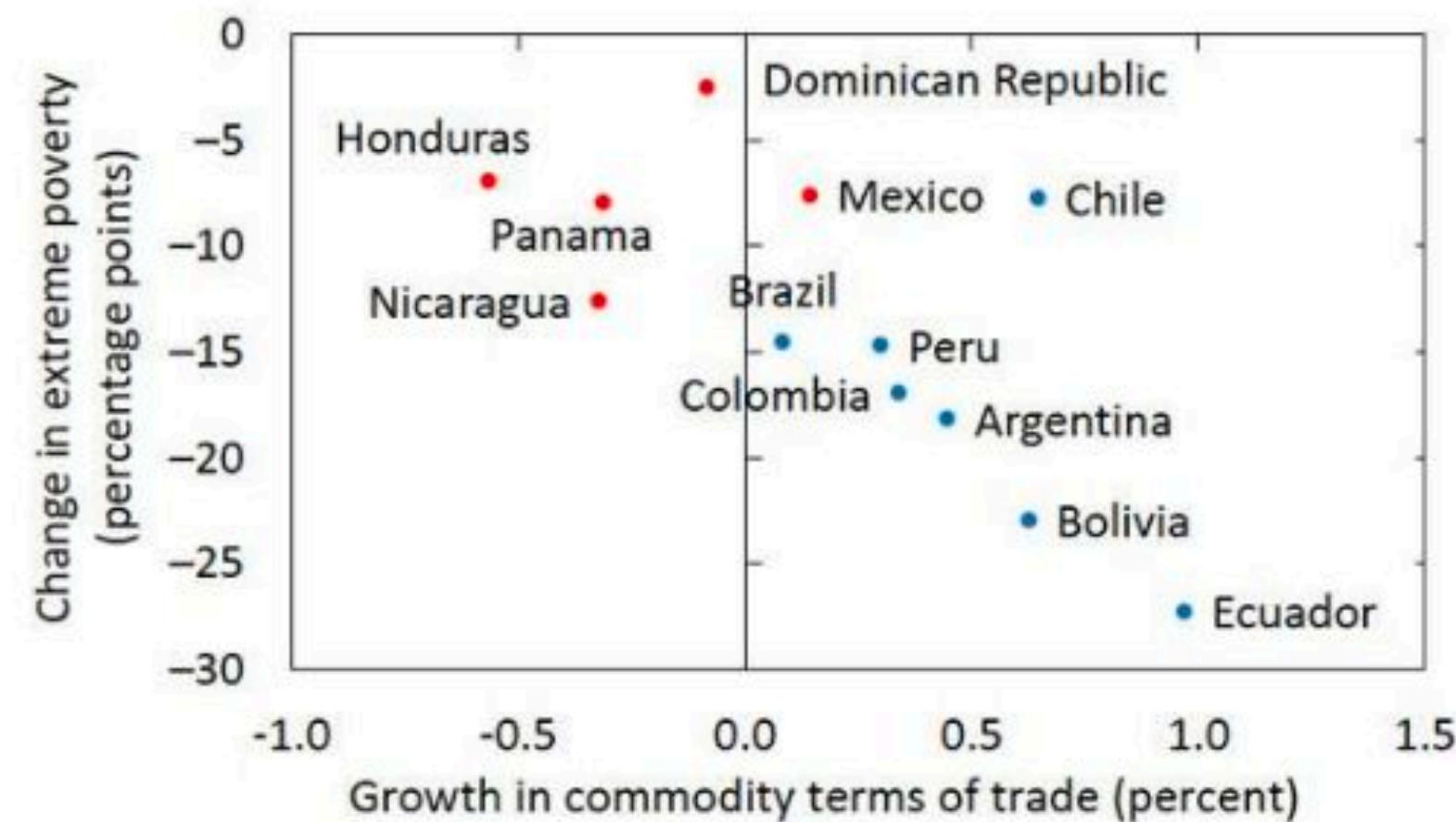
How to finance all these projects? Especially
with low tax capacity?

2000s saw a **commodities boom** that helped
agro-exporting economies (e.g., Brazil,
Argentina)

But also **oil** and **natural gas**

On good terms

Commodity-exporting countries that benefited from a boost in their terms of trade during the commodity boom saw the biggest drop in poverty levels.



Sources: Inter-American Development Bank, SIMS database; and IMF staff calculations.

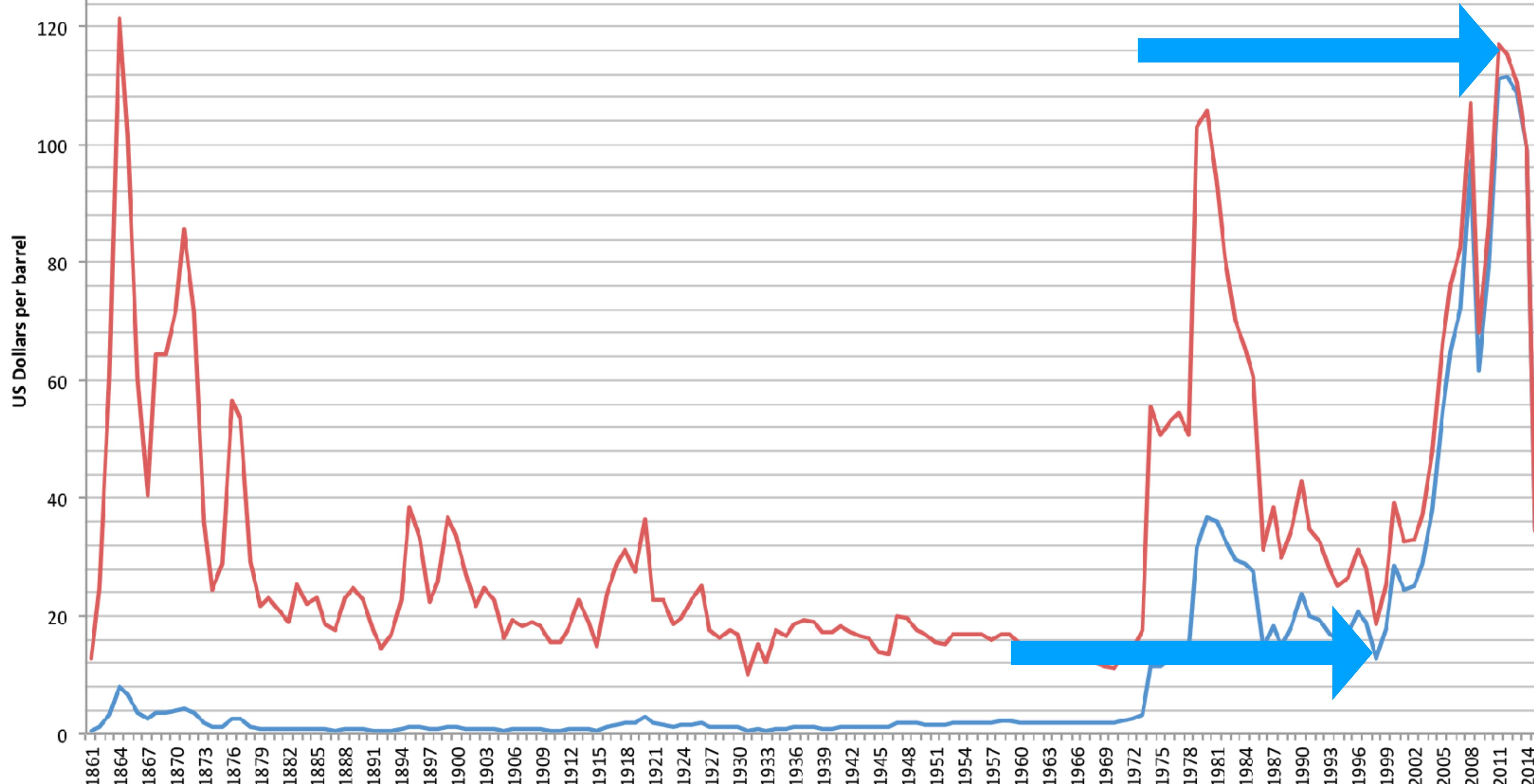
Note: Red dots correspond to CAPDR and Mexico and blue dots to South America. CAPDR comprises Central America, Panama, and the Dominican Republic. Chile utilizes 2013 values for 2014 poverty headcount ratio due to data availability.



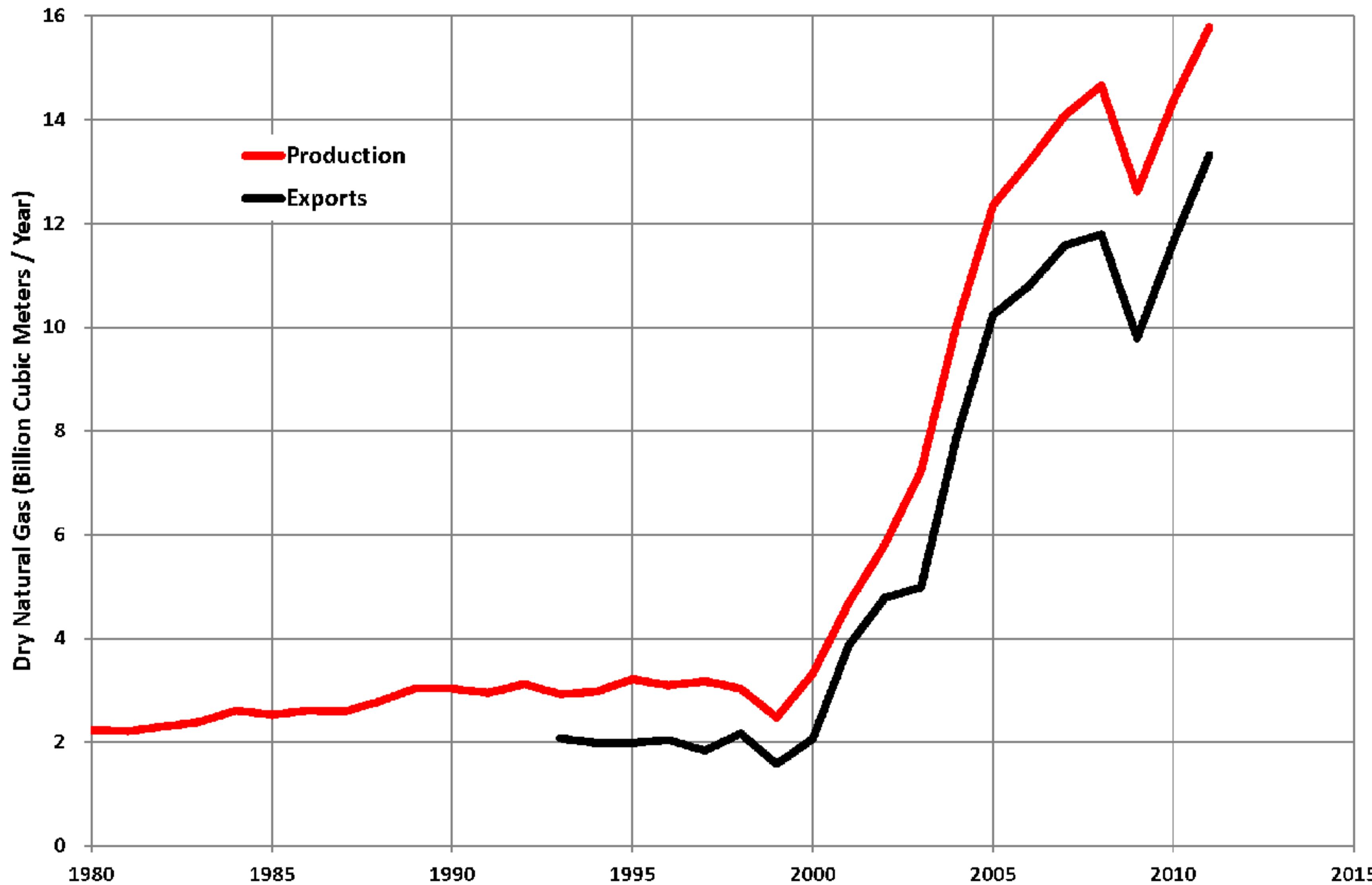
Booming commodity sector → employment, spillovers to other industries, state revenue

CRUDE OIL PRICES SINCE 1861

Social programs funded by revenue from oil industry



In Bolivia it was and continues to be natural gas



Rio 2016: The high price of Olympic glory

A brittle global economy means many cities can no longer afford to stage the 'greatest show on earth'



Murad Ahmed and Joe Leahy J.

Economies are booming, sense of unending growth

WORLD CUP

Brazil's World Cup Legacy Includes \$550M Stadium-Turned-Parking Lot

May 11, 2015 · 9:00 PM ET

Heard on [All Things Considered](#)



LULU GARCIA-NAVARRO



▶ 4-Minute Listen

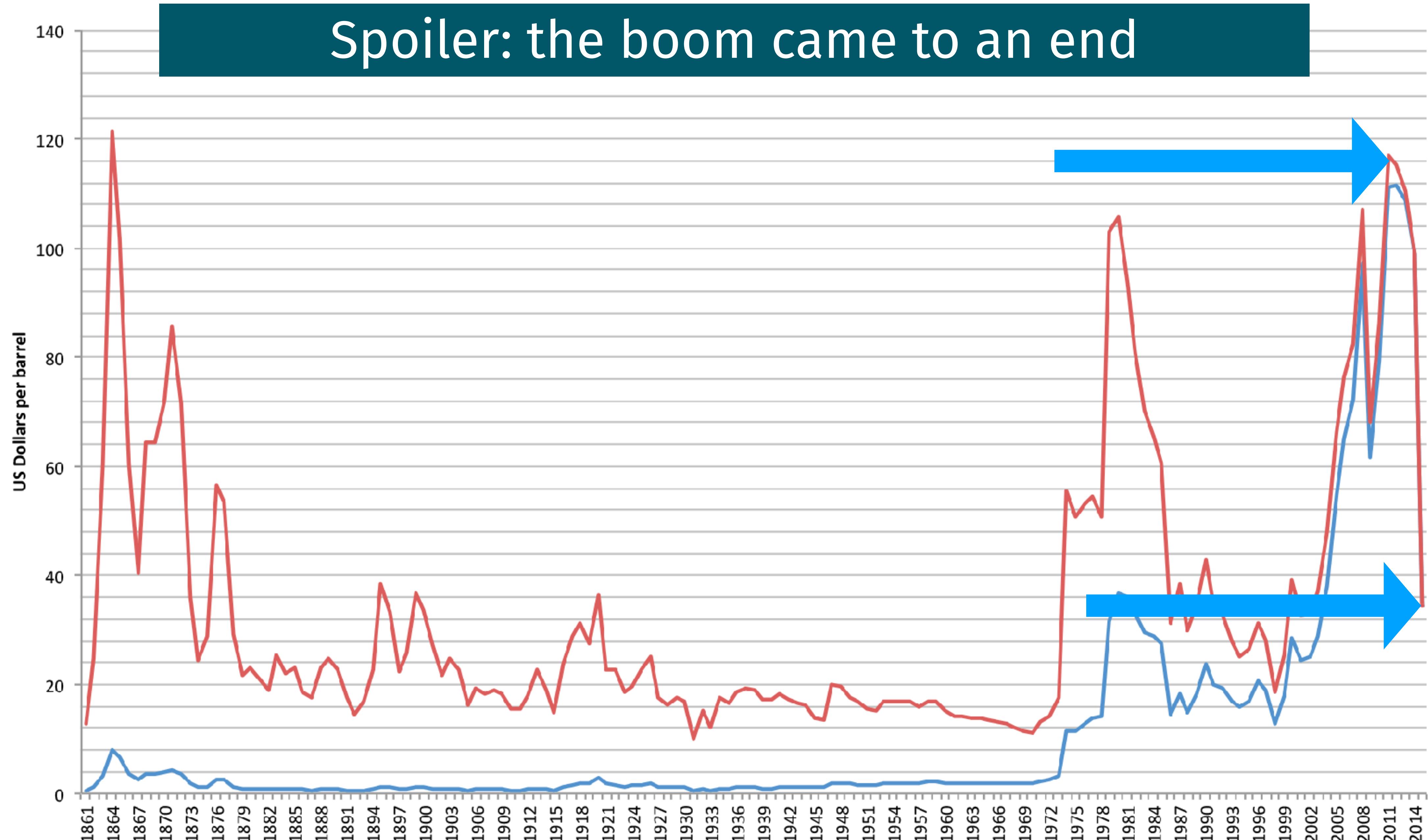
+ PLAYLIST



ended, the nation is still
April 2014), was the
lot.

CRUDE OIL PRICES SINCE 1861

Nominal Real (2014 dollar)



The
Economist

The decline of music piracy
Nigeria gets better
Farmers v greens in America
How drugs are being decriminalised
Stand booses

Brazil takes off



A 14-page special report
ON LATIN AMERICA'S NEW ECONOMY

The
Economist

The new face of terror
The Breaking Bad school of business
Obama's Iran gambit
On the edge of the helium cliff
E-cigarettes: don't stub them out

Has Brazil blown it?



A 14-page special report

Economic mismanagement + drop in oil prices =
Venezuela's crisis



Critical question: what would VZLA look like
today without Chavez/Maduro?

Pink tide also brought in new actors, especially new parties

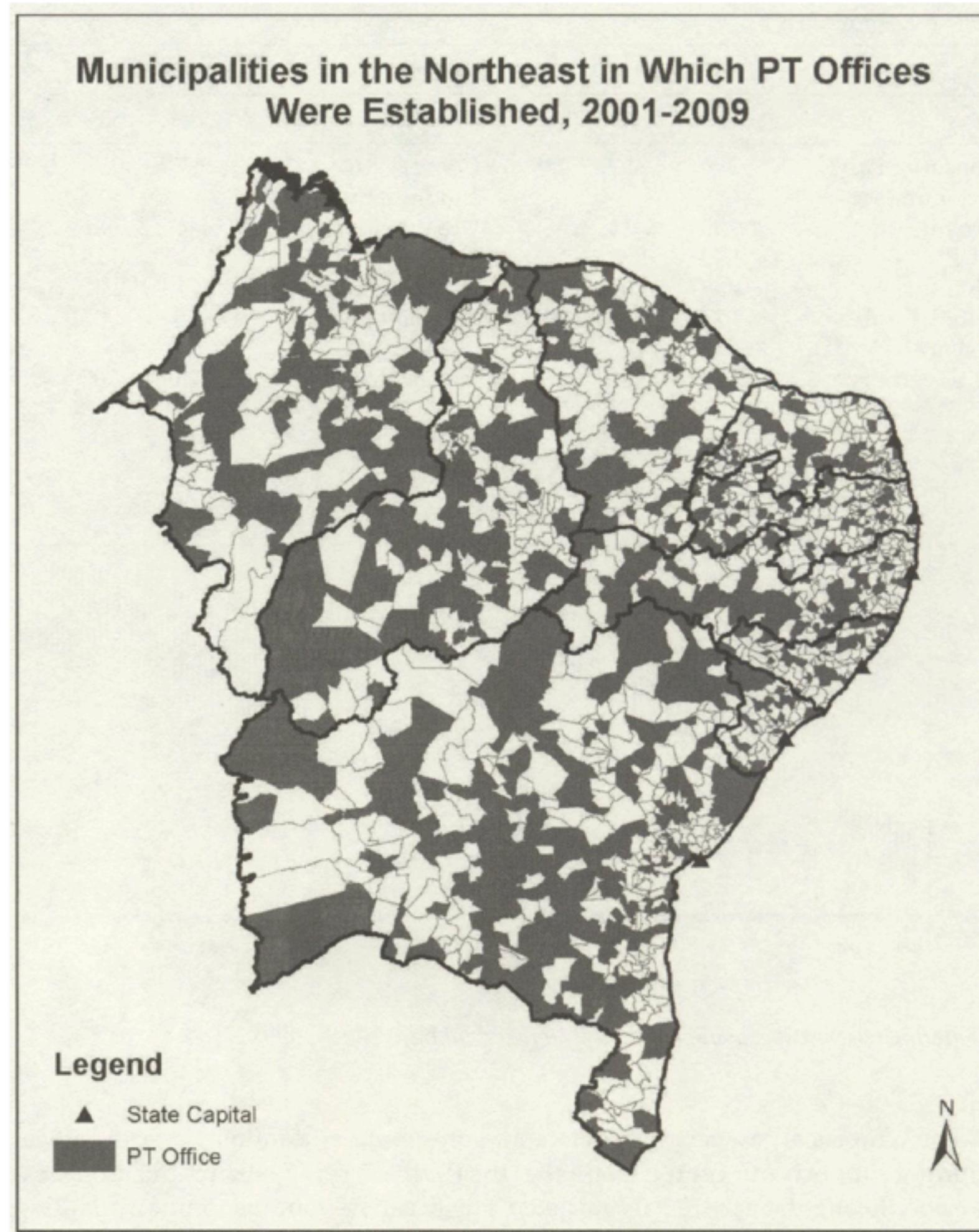


Figure 2 The geography of PT office-building in the Northeast (2001–2009)

Indigenous groups make inroads in political center



More representation, new
constitutions, plurinational status

Interestingly with great deal of independence, capacity to pressure state

The Growing Resistance to Megadams in Bolivia

A growing resistance to the Chepete/ El Bala megadam is challenging President Evo Morales's plan to convert Bolivia into South America's leading energy powerhouse.

Emily Achtenberg

Rebel Currents

2/14/2017

[Twitter](#) Tweet

[Facebook](#) Like 10



Indigenous protesters at Chepete/ El Bala dam site, November 2016. (Theresa Edwards/ First published in Bolivian Express)

Ecuador's President Correa Faces Off With Indigenous and Social Movements

Beginning his fourth year as president of Ecuador, Rafael Correa confronts a major challenge from some of the very social actors that propelled him into office. In an address to the country in early January, Correa expressed his ire with a "coming series of conflicts this month, including indigenous mobilizations, workers, media communications, and even a level of the armed forces."



Next week: democratic erosion