THE TRIUMPH OF POLITICS

THE RETURN OF THE LEFT IN VENEZUELA, BOLIVIA AND ECUADOR

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LIST OF ABBREVIATIONS

AD Accion Democratica

ALBA Alianza Bolivariana para los Pueblos de Nuestra América

COB Central Obrera Boliviana

CONAIE Confederación de Nacionalidades Indígenas del Ecuador

CONDEPA Conciencia de Patria

CODENPE Consejo de Desarrollo de las Nacionales y Pueblos del Ecuador

COPEI Comité de Organización Política Electoral Independiente

CPESC Confederaciones de las Personas Etnicas de Santa Cruz

CSO civil society organization

CSUTCB Confederación Sindical Única de Trabajadores Campesinos de Bolivia

CTV Confederación de Trabajadores de Venezuela

FCO Foreign and Commonwealth Office

FEDECÁMERAS Federación Venezolana de Cameras y Asociaciones de Comercio y Producción

FETCTC Federación Especial de Trabajadores Campesinos del Trópico de Cochabamba

FTAA Free Trade Area of the Americas

IDB Inter-American Development Bank

IEA International Energy Agency
IMF International Monetary Fund
ISI Import Substituting Industrialization
MAS Movimiento al Socialismo
MERCOSUR Mercado Común del Sur
MIP Movimiento Indígena Pachakuti
MIR Movimiento de Izquierda Revolucionaria
MNR Movimiento Nacionalista Revolucionario
MRTK Movimiento Revolucionario Túpac Katari
MST Movimento dos Trabalhadores Rurais Sem Terra
NAFTA North American Free Trade Agreement
NGO Non-Governmental Organization
OAS Organization of American States
OPEC Organization of Petroleum Exporting Countries
PdVSA Petróleos de Venezuela
PETROSUR Petróleos del Sur
PODEMOS Poder Democrático y Social
PSUV Partido Socialista Unificado de Venezuela
UNASUR Unión de Naciones Suramericanas
UCS Unidad Cívica Solidaridad
WHO World Health Organization

CONTENTS

INTRODUCTION: THE TRIUMPH OF POLITICS IN VENEZUELA, BOLIVIA AND ECUADOR

During the 1990s, there was a broad consensus across most of Latin America on the desirability of free trade, market reform, representative democracy and 'good governance' – a concept that included the strengthening of autonomous institutions in areas such as law enforcement. This can be called the 'Miami Consensus' after the heads of government meeting in that city in 1994. It was compatible with but broader than the so-called Washington Consensus, which focused mostly on specifically economic issues (Williamson 1990).

This is not to say that the entire region adopted 'Miami Consensus' principles in practice, or even in aspiration. There are some cases where this clearly did not happen. For example, Cuba's version of communism survived the collapse of the Soviet Union, and Fujimori's Peru was much closer to being a personalist autocracy than a representative democracy. There were also many examples of 'bad governance' in almost every country and a significant degree of political turbulence in many.

The claim being made here is more about internationally accepted normative ideas. The decade from 1982–91 saw some dramatic events impact on the region, the vast majority of which worked to discredit ideas of economic nationalism, authoritarianism and left-wing political radicalism – all of which were at certain periods in the past very influential in Latin America. As well as the ending of the Cold War and the collapse of Soviet communism, there were also regionally significant events. These included the debt crisis that hit Latin America in 1982 and lasted in many countries for the rest of the decade, the military defeat of the Argentine junta in the South Atlantic in the same year, the experience of hyperinflation in several

countries, and the US-sponsored Brady Plan which offered some debt forgiveness in return for economic reforms. In this new context, the majority of Latin American governments pushed ahead enthusiastically with both market and governance reform and were often rewarded with re-election. This trend was widely noted. For example, the Inter-American Development Bank's (IDB) Annual Report for 1997 started with the claim that 'Over the past ten years, the countries of Latin America have come into their own as democratic societies and market economies' (Inter-American Development Bank 1997). In retrospect, this claim proved premature, but it seemed plausible to many people at the time.

Today, however, fundamental ideological debate has returned to much of the region. A key step in this transformation was the election of Hugo Chávez to the presidency of Venezuela in December 1998. Whatever his faults, Chávez has never lacked ambition or leadership skills and he soon made it clear that he saw himself as a challenger to almost the whole set of 'Miami Consensus' ideas. He is not the only such challenger, but he is one of the most determined and personally effective ones.

Chávez has now enjoyed more than a decade of power in Venezuela. His election was followed more recently by the first electoral victories of his political allies Evo Morales in Bolivia (in 2005) and Rafael Correa in Ecuador (in 2006). These three clearly represent a radical brand of left-wing politics – this book will adopt their self-identification as 'twenty-first century socialists' – that distinguishes them in significant ways from the rest of Latin America. There are however some ways in which all three – in breaking radically from the 'Miami Consensus' – have brought back some traditional Latin American ideas to do with political organization, political rhetoric and economic policy. At least some of the notions which seemed hopelessly discredited at the time of the Miami Consensus have been resuscitated by the three, alongside some genuinely new ideas and political tactics. This book departs from the argument that the political strategies, ideas and claims made by the three need to be taken seriously although not necessarily at face value. It claims that the combination of novelty and Old Left values that all three embody represents something important and distinctive in the politics of the region as a whole. Their willingness to use both electoral and extra-constitutional tactics against democratically elected governments and legislatures, their radical populist rhetoric, their use of plebiscites to strengthen the presidency, their economic nationalism and strong anti-US stance together form a distinctive political brew.

Twenty-first century socialists in regional context

Chávez, Morales and Correa are not complete outliers in every respect. Indeed, left-of-centre presidential candidates have achieved considerable electoral success in quite a number of Latin American countries during the past decade. However, we are dealing here with a particular kind of left. Where it has achieved electoral success elsewhere in the region, the left has often been far less personalist and far more institutionalist than Chávez, Morales and Correa have. This contrast is commonly drawn in the literature (Castañeda 2006; Panizza 2009; Reid 2007) and both sides generally recognize it, despite describing it in somewhat different ways. Indeed, there have been times when Chávez and Lula, the president of Brazil during 2002–10, have been seen as rivals for the intellectual leadership of South America. Even though it may be true that Lula – like Chávez, Morales and Correa – entered politics as an outsider and largely built up his own political party, there are more differences between them than similarities.

Of all the major countries in Latin America, Argentina is probably the least dissimilar in terms of governance to our three cases. Carlos Menem, president throughout the 1990s, pursued essentially a 'Miami Consensus' agenda – though his critics saw his presidency as somewhat autocratic (O'Donnell 1994). Argentina's radical free market economic policies ended in severe crisis in 2001–3, for which they were largely blamed. Argentina then moved to the left as a reaction.

In the respect that Argentina moved to the left in reaction to the perception that market economics had failed, there is an evident similarity in political trajectory with Venezuela, Bolivia and Ecuador. Other points of similarity include the fact that, at the deepest point of its economic crisis, Argentina experienced intense street protests that temporarily destabilized the entire political system. Moreover, though winning elections after the worst of the economic crisis had passed, both Néstor and Cristina Kirchner (presidents 2003–7 and since 2007 respectively) sought to centralize power in the presidency and repeatedly used (and possibly exceeded) their constitutional powers to legislate by presidential decree. There has also been a degree of political friendship between Argentina under Néstor and Cristina Kirchner and Venezuela under Chávez.

However, in the end, the focus of this book is mainly on areas in which the differences between Argentina and our three cases outweigh their similarities. Most important is the fact that neither

member of the Kirchner family successfully changed the bases of Argentina's political system, either when seeking power or maintaining it. Instead, they have operated within Argentina's admittedly rather flexible institutions. Néstor Kirchner was very much an insider, though by no means a national leader, when he first became president in 2003. Although the Kirchners have sought to acquire a political base of their own since 2003, they remain Peronists and their leadership of Peronism is far from undisputed. Some observers have commented on similarities between Chávez in particular and the original Peronist movement of the 1940s (there are differences as well), but this only serves to highlight some of the differences between Chavismo and Peronismo today. The Kirchners inherited part of the Peronist legacy rather than building up a movement of their own. By way of contrast, Chávez, Morales and Correa started as political outsiders before building up their own political movements.

Given these contrasts, the view that Chávez, Morales and Correa belong in a class of their own is the one adopted here. This may not have been the case if politics in several other countries had turned out differently. There was significant potential affinity between the three and Peru's Ollanta Humala and (to a lesser degree) Mexico's Lopez Obrador who both narrowly failed to be elected to the presidency in their respective countries in 2006. Nevertheless, Chávez, Morales and Correa, and what they represent, have influenced politics outside their borders. They have certainly influenced politics in Paraguay, Honduras and Nicaragua, but the fundamental criterion dividing them from the rest of the region is that our three cases have re-founded politics in their respective countries while the others have not – at least not yet – done so.

Other common factors: High politics and socio-economic issues

What unites the various themes explored in this book is 'high politics'. In other words, we are mainly concerned with the choices made by political actors and their motivations and consequences. The book does not deal very much with the infinitely disputable issue of the inherent merits of socialism, neoliberalism or social democracy. Rather, we see Chávez, Morales and Correa primarily as (thus far) successful politicians and are interested in what made them so and

what they have done with power. This discussion therefore focuses on their political tactics and strategy, political rhetoric, relationship with social movements, economic nationalism and regional economic diplomacy. This is quite a long list; inevitably, for reasons of space, there are also some things that it is impossible to cover.

It is high politics, more than anything else, which unites the experiences of Venezuela, Bolivia and Ecuador. While common economic, institutional and demographic considerations in the three countries almost certainly do have explanatory power, there are countries in the region whose similar structural features have not – at least not thus far – produced similar political outcomes. The case of Peru is particularly apposite here. Peru has a number of features in common with Ecuador and Bolivia (fewer with Venezuela) but quite a different recent history of politics and government. It would be possible to write about comparative Andean politics (see, for example, Drake and Hershberg 2006; Mainwaring, Bejarano, Leongómez 2006) but that would be a different book.

It is also important not to stretch the extent to which Venezuela, Bolivia and Ecuador themselves share common characteristics. The governing philosophies of Chávez, Morales and Correa may be very similar but the countries over which they preside are in many ways quite different. Venezuela has less ethnically in common with Ecuador and Bolivia than the latter two countries have with each other and it is economically much more dependent on resource rents from oil. Nevertheless, a brief mention of some relevant structural factors may be useful to some extent. We can then focus better on what we need high politics to explain and what we do not.

One common factor that unites the three (but also Peru) is economic decline over quite a long period of time. Between 1980 and 2000, they seem to have had untypically unsuccessful economic records in the Latin American context. Statistics provided by Sheahan (in Drake and Hershberg 2006: 102), make the point clearly. Most of Latin America did not enjoy good economic times during 1980–2000 but the vast majority of countries did achieve some per capita economic growth. This was in the order of 9% in the region as a whole (Sheahan 2006: 102). However, real per capita income in Venezuela, Bolivia and Ecuador actually fell – by a significant 6% in Bolivia, 8% in Ecuador and a dramatic 17% in the case of Venezuela.

Economic decline also occurred in Peru by 8% over the corresponding period. While the Peruvian case argues against any general claim that economic decline in Latin American democracies

necessarily moves voters towards the left, it may well be the case that we can see some kind of causal mechanism in which sustained economic decline tends to weaken institutions. The Peruvian electorate – like those of Venezuela, Ecuador and Bolivia – comprehensively rejected the established political democratic parties at times of crisis. Peru elected an outsider to the presidency in 1990. Peruvian public opinion then actively supported the forcible closure of Congress in 1992 and voted for Alberto Fujimori, the president responsible for the closing of Congress, in presidential elections of 1995 and (though more ambiguously) of 2000. In Peru, though, this crisis of institutions mostly benefited the political right.

Nevertheless, at a general level, it makes sense to suppose that negative sum politics can be difficult for any democratic institutions to handle if it persists for long enough. In our three countries, it is not hard to see why some kind of politics of protest should have attracted support. In all of them, economic decline tended to interact with institutional decline. For many years, living standards failed to rise, governments became out of touch and unrepresentative and income distribution worsened. (For country studies of Venezuela, Bolivia and Ecuador, see Alberts 2008; Buxton 2005; Salman 2006.) Governments were unable to deliver serious reform even as electorates grew impatient, and changes of government did not lead to visible improvements in the lives of majorities.

Moving forward to the current millennium, Chávez and to some extent Morales and Correa later benefited as incumbents from rising commodity prices. Morales also enjoyed the benefits of sharply rising natural gas production, which was actually a result of the policies of his predecessors. Relatively favourable conditions for commodity exporters – particularly oil exporters – have had an effect on politics in our three countries, all of which are exporters of either oil or natural gas (Dunning 2008).

It does therefore seem likely that the economic conditions – decline in the 1980s and 1990s followed by a recovery after around 2000 – probably played some part in the politics of our three countries. However, once we turn to specifics, then the distinctiveness of national factors becomes evident once more. For example, oil-related issues are evidently central to politics in Venezuela, to a much greater extent than in Ecuador and Bolivia, even though the latter two are also exporters of hydrocarbons (Dunning 2008; Karl 1997). The oil-related issues that are most important in Venezuela include (but are not limited to) the political effect of the so-called resource curse and the acute disappointment of expectations following a period of eco-

nomic overconfidence during the 1970s. Venezuela experienced high rates of economic growth over quite a long previous period (roughly 1925–1980) and Venezuelans during this time were repeatedly told by their leaders and others that Venezuela was a rich country because it had oil. This message was generally believed (Romero 1997) and it made the subsequent sense of disappointment especially bitter.

Conversely, the Bolivian political environment was decisively shaped by the politics of coca, the full economic importance of which is difficult to capture in official figures because of its illegality. However, whereas the problem with oil is that resource rents are paid directly to the government – with the potential risk of mismanagement and frustrated popular expectations – the coca economy is decisively shaped by its illegality. What made this issue decisive was that in the late 1990s the US government pressured successive Bolivian governments to pursue domestically unpopular policies geared towards coca eradication. As a result of US inducements on the one side and the domestic militancy of the coca growers on the other, successive Bolivian governments found themselves between a rock and a hard place. Subsequently, pressures for eradication significantly created a 'cocalero' identity in the most affected areas of Bolivia that in turn played a part in creating common political ground among otherwise disparate groups. This common ground provided a basis for internal unity and collective action on the part of radical opponents of the system (Durand 2010). In keeping with the idea of national distinctiveness, there is also a direct historical link between the radical militancy of Bolivia's tin miners and the current militancy of the cocaleros. Even here, though, we need to be careful about assuming that similar material conditions will produce similar patterns of politics. Indeed, the politics of coca production in Bolivia has so far played out quite differently from coca related issues in Peru (Durand 2008). On this issue, too, we have to deal mainly with separate national stories.

Another important international issue, more relevant to Ecuador and Bolivia than to Venezuela, has been the growing political involvement of indigenous people and their role in radical social movements. This is certainly an important aspect of democratization on which there is much more to be said (Van Cott 2003, 2005, 2008; Yashar 2006). However, the basic demographics of South America put Bolivia and Ecuador alongside Peru in a category quite different to the rest of the region. Van Cott (in Diamond 2008: 34) quotes an estimate that indigenous people make up 71% of the population of Bolivia, 47% of Peru and 43% of Ecuador. No other South American country

is more than 8% indigenous. Here as well, then, we have a potential category that includes Peru but not Venezuela.

Indigenous politics also has to be seen in context. In both Ecuador and Bolivia, class inequalities were for many years reinforced by a system of social stratification based on ethnicity and a variable but keenly felt degree of racial discrimination. Even when dictatorship gave way to democracy in Bolivia and Ecuador, the electoral politics that resulted coexisted with informal systems of social exclusion and state bias which indigenous groups resented and, increasingly, found the means to combat.

Notwithstanding the different demographics in Venezuela, it has been claimed that ethnic issues played a significant part in the politics of Chavismo (Herrera Salas 2007). This is a bold claim, which is hard to evaluate fully on the basis of available evidence. It is certainly true that racial thinking exists to some extent in Venezuela (as in other parts of the world) and Chávez's physical appearance surely plays some part in the way he is viewed across all levels of Venezuelan society. However, the kind of ethnic self-identification that has featured prominently in the construction of social movements in Bolivia and Ecuador clearly does not operate in Venezuela.

Taking these various factors together, there seems to be no completely convincing way of relating the emergence of 'twenty-first century socialism' to any set of factors that fit Venezuela, Bolivia and Ecuador and nowhere else. Yet the purpose of this work is to look at key issues in which Chávez, Morales and Correa have adopted ideas and strategies – and achieved successful outcomes – that are similar to each other and different from the rest of the region. While structural factors will be brought into the discussion where appropriate, the best way of approaching the key question informing this work is to focus on high politics issues which essentially relate to the acquisition of political power and the uses to which it has been and can be put.

This 'high politics' focus is however designed to do more than fill the gaps left by weaknesses in other kinds of explanation. The book makes the much stronger claim that the tactical, rhetorical, organizational and institutional aspects of politics not only matter to the general study of politics but are of particular significance in our three cases. It is also claimed that policy successes (to the extent to which these have been achieved) have so far been less important to the continued political strength of our three presidents than policy failure was to the weakening of their predecessors.

The logic of the book

The book starts from the premise that, despite the significant amount of literature that already exists, there is more that can be learned about the viewpoints and strategies adopted by Chávez, Morales and Correa. However, the claims made by the three should not be regarded uncritically. There are both economic and political perils involved in what they have been trying to do, and, despite a clear measure of good fortune, there are aspects of vulnerability and failure in their policy performances. Nevertheless, we cannot discount the fact that these three have come to enjoy significant political triumphs based on sustained majoritarian support. This support is evidently real, and it has made a more autonomous pattern of political leadership more feasible than it otherwise might have been. The reality of this support should not obscure the element of state bias and manipulation that is there as well. The fundamental question for the future of majoritarian democracy in these cases is how far autonomous public opinion can maintain some kind of control over the ambitions of powerful and charismatic political leaders and the scarcely less powerful force of political contestation.

The book is organized around three themes, each of which takes up two chapters. It starts by seeking to explain key factors behind the rise of Chávez, Morales and Correa. How did they achieve national power and why was their mixture of constitutional and extra-constitutional tactics as successful as it turned out to be? In an earlier generation, left-of-centre governments in South America – except for the most anodyne and moderate kinds – were once routinely overthrown or vetoed by the military, and this came close to happening again when Chávez was nearly overthrown by a coup in 2002.

Electoral victory and the absence of a military veto are necessary parts of the explanation for this outcome but not sufficient ones. Confrontational political tactics played a role as well. If Chávez had not launched a failed coup attempt in 1992, he would almost certainly not have been elected president in 1998. If Morales had not (with his allies) used radical tactics of civil disobedience to polarize the political situation and isolate an unpopular but constitutionally elected president, he would probably not have reached the presidency either.

The second chapter looks at similar issues but this time from the perspective of the protest movements. These have proved powerful engines of popular mobilization and encouraged political