

# FOREIGN AFFAIRS



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The Dayton accord reached in November 1995 was something historically familiar: a partition agreement. As in Bosnia today, partition has usually arisen not as a means of national self-determination but as a way for great powers to "divide and quit." Often described as the only workable solution to ethnic feuding, partitions have in fact generally fomented violence and required further international intervention. Similar conditions ensure that Bosnia will turn into a policy of divide and be forced to stay. Had outside powers worked from the beginning to reintegrate the fractured country, Bosnia, the Balkans, and Europe might have had a more durable resolution. The Dayton agreement should evoke memories not of Munich but of Cyprus.

# Latin America's Crisis of Representation

Jorge I. Domínguez

## AN OBSESSION WITH FAILURE?

LATIN AMERICA could once have been described as the land of the unfree and the home of the coup. Yet since 1976 in the Spanish-American countries and Brazil, no civilian constitutional president elected in free and fair elections has been overthrown by the armed forces. And fair elections now occur regularly in countries where they were once rare.

During the 1980s, despite growth in the world economy, most Latin American economies performed dismally. The region's combined per capita GDP fell about eight percent during that decade; only Colombia and Chile posted meager economic gains. However, in the first half of the 1990s, despite a recession in the United States, there was growth in per capita GDP in Brazil and all the Spanish-American countries except Mexico, Cuba, and Nicaragua. In the late 1980s and early 1990s, incumbent political parties in Latin America were defeated at least once in nearly every country that held free and fair elections. In the mid-1990s, the electorates have rewarded the good performance of various politicians with reelection, particularly noteworthy in the cases of Argentina, Brazil, and Chile.

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## Latin America's Crisis of Representation

And yet a persistent fear haunts the region, what the economist Albert Hirschman once called *fracasomanía* or an obsession with failure. Many still believe that economic success is ephemeral and that democracy's worst enemies are the politicians who claim to speak in its name. There is also a sense that levels of official corruption are intolerably high, as evidenced in the 1990s by the impeachments of President Fernando Collor de Melo in Brazil and President Carlos Andrés Pérez in Venezuela, by the drug money-laundering allegations that have plagued the administration of President Ernesto Samper in Colombia, and by the grave accusations against the brother of President Carlos Salinas de Gortari in Mexico. The fact that Presidents Collor, Pérez, and Salinas had portrayed themselves as crusading reformers early in their administrations has only fueled skepticism about new proponents of reform.

This skepticism, to be sure, is long-standing. Decades ago, the Brazilian author Jorge Amado, in his renowned novel *Gabriela: Cravo e canela*, commented on the dismal prospects for political reform through conversations between young would-be reformers in the small town of Ilhéus. One says to another, "You'll earn twice as much if you get into politics and change the existing situation." Reformers, this political tradition suggests, are crooks waiting in the opposition.

There are fundamental changes under way in Latin America, but these changes are producing complex, contentious, and sometimes contradictory outcomes. Consequently, today's Latin America ought to be analyzed neither as an exemplar of how governments fail, nor as the new beacon of democratic prosperity. Instead, we should focus on the crisis in representation. This crisis consists of a series of pressing questions: How can a diverse public shape the choice of rulers and policies? How can political parties reduce the likelihood of social violence and increase the prospects for consolidating democracy? How can new opposition voices reshape the terms of public debate? How will these countries defend the constitutional rights of the weak—especially indigenous peoples and workers—and make their legislatures more effective? How will military coup attempts become less likely? And what steps can be taken to strengthen the deepening connection between democratic politics and market reforms? Though daunting, the conflicts and struggles Latin America is undergoing are steps any country must take on the path to democracy.

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PRACTICING DEMOCRACY

DURING THE 1980s, most parties associated with outgoing military regimes were punished relentlessly at the voting booth. This fate befell even the Chilean conservative parties at the end of Augusto Pinochet's dictatorship, despite a good record of economic growth in the late 1980s. In countries where no major parties supported the military regime, voters chose the opposition party most distant from the unpopular incumbents. This was one important reason why in 1983 Argentina's Radical Civic Union elected Raúl Alfonsín as the nation's president—the only time the Radicals beat the Peronistas for the presidency since Juan Perón first ran for office in 1946.

Elections have also punished political parties that were elected as the standard-bearers of political reform but sinned through corruption once in power. The defeat of the Dominican Revolutionary Party in 1986, the Christian Democrats in El Salvador in 1989 and in Guatemala in 1990, the American Popular Revolutionary Alliance in Peru in 1990, and the Acción Democrática in Venezuela in 1993 were all in part due to voter retribution for such failures.

Poor economic conditions have been a third source of electoral defeat. They were certainly a factor in the defeat of the Radical Party in Argentina in 1989, as well as the above-mentioned defeats in El Salvador, Guatemala, Peru, and Venezuela. Economic issues weakened every incumbent Brazilian president since the end of military rule in 1985 and paved the way in Panama for the 1994 presidential election victory of the Democratic Revolutionary Party once associated with deposed General Manuel Noriega.

The strongest explanation for partisan defeat is prior association with military dictatorship, but all three explanations clearly have played a role. The defeat of incumbent parties for any of these reasons is not only understandable but laudable. Indeed, it is the essence of democratic politics that voters turn out those officeholders of whose conduct or performance they disapprove. If the reasons for these parties' defeat give cause to worry about democracy's performance in the region, then the way these parties were defeated is reason to believe the instruments of democracy serve the peoples' needs.

By definition, all new parties are born in dissent. Their leaders and followers claim that existing parties no longer represent them. In Latin America, the revolt against established parties has at times begun literally in rebellion, but most of these rebellions are now consigned to history. Never before in the twentieth-century have so many of Latin America's political parties been the offspring of paramilitary or guerrilla organizations. The new parties differ in many ways but share one important trait: their founders once used violence to attempt to overthrow the government or dispose of their adversaries. The transformation of military movements into political parties is best explained as a slow, rational process through which exhausted leaders and followers conclude that gaining power through politics is less costly than gaining it through war.

This process of turning warriors into peacemakers began with Venezuelan leftists in the 1960s. Venezuela's Movimiento al Socialismo (MAS) traces its origins in part to the Venezuelan Communist Party's decision in 1967 to abandon the guerrilla warfare conducted against Venezuela's governments. In subsequent decades the MAS won a respected place among Venezuela's democratic parties, and today it is part of the country's governing coalition. Other examples from the left include the demobilization of the M-19 guerrilla group in Colombia in 1989 to found the Alianza Democrática party, the conversion of El Salvador's Farabundo Martí National Liberation Front guerrillas into a political party in 1992, and the transformation of Nicaragua's Sandinistas into a viable party capable of a strong second-place showing in the October 1996 elections.

On the right, it is only a slight exaggeration to argue that El Salvador's Nationalist Republican Alliance (ARENA) was the child of a marriage between death squads and a segment of the business community. Roberto D'Aubuisson, a key figure in death squad activities in the late 1970s and early 1980s, became ARENA's equally significant leader until his death in 1991. Yet in the 1990s the ARENA party has been a co-architect of El Salvador's pacification, democratization, and return to economic growth. In Argentina, former

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Never before have  
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American parties been  
military offspring.

military officers—even former leaders of failed coups against constitutional government—have founded political parties and run for elective office.

All of these forces born in violence once painfully symbolized the region's crisis of representation. Today they show the way toward hoped-for stability in Guatemala, Colombia, and Peru. These new parties still voice the belief that the establishment parties do not represent the masses, but they now seek to test that proposition through ballots, not bullets.

#### NEW VOICES OF DISSENT

THE REORIENTATION of Latin American economies has often required that politicians and parties jettison their past support for pervasive state intervention in the economy and implement market-oriented policies. This historic shift is one explanation for the recent economic resurgence of most countries in the region. But the reforms that some hail as effective learning and praiseworthy maturity are the betrayal of long-standing commitments to others.

In some cases, the implementation of market-oriented policies occurred over a period of years, enabling the public to adjust to the new ideological landscape. By modifying their beliefs and programs gradually and publicly, these parties and politicians educated their constituencies along the way and tested voter support.

In other places, the change toward market-oriented policies was more sudden, unexpected, and, to some degree, covert. At the top of this list stand Argentina's President Carlos Saúl Menem and the Peronistas—a politician who embodied the past and the party that designed Argentina's statist economic policies. Menem's presidential campaign in 1989 gave little hint that, once elected, he would become a champion privatizer. Almost as surprising was Carlos Andrés Pérez, whose lavish expenditures as Venezuela's president in the 1970s gave new meaning to the word "extravagance," born again as an apostle of structural adjustment and pro-market policies upon his election in 1989.

In response to these changes in ideology and economic policy, new parties have arisen and attracted nationwide support. Two trends encouraged these new parties. First, the pre-existing party establish-

ment sought to strengthen its position, thereby reducing the space for alternative political voices. Simultaneously, the leading political party on the left veered sharply toward pro-market policies, seemingly betraying the public trust and generating a secession on its left as the would-be founders of new parties and their followers exited. The new parties gained electorally as citizens expressed their discontent with the status quo by voting against establishment parties.

In Argentina, Mexico, Uruguay, and Venezuela, the emergence of new parties has been in part a response to what some perceived as national party arrogance and an apparently self-perpetuating leadership. The number of parties long perceived as capable of winning a presidential election was either one, in Mexico, or two, in Argentina, Uruguay, and Venezuela. Moreover, party leaders and organizations in these countries sought to regulate electoral competition in order to enforce party discipline in legislative assemblies and executive posts. The party closest to the left made a substantial ideological shift toward the right, commonly seen as a betrayal among key constituents and activists.

In Venezuela, a coalition of new parties won the presidency in 1993. This was the first time that the two national parties that had governed Venezuela since the establishment of the democratic system in 1958 had been shut out of the presidency. In Argentina, a coalition of new parties placed a strong second in the 1995 presidential elections, the first time in a century that the Radicals had not come in first or second. In Uruguay in 1994, the left coalition virtually tied the two long-dominant parties, positioning itself for greater influence than ever. And in Mexico, the new Party of the Democratic Revolution and the much stronger National Action Party threaten to end the Institutional Revolutionary Party's long hold on government.

In each case, the perceived attempt to narrow representational possibilities amid a major ideological shift triggered the birth of new parties. These new parties are both a creative democratic response to crises of representation and a protest against many of the policies that have been required to rebuild Latin America in recent years. The good news is that democratic instruments are employed to contest those

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New Latin American parties have gained nationwide support.

who have attempted to remake the economy. The even better news is that some of the leaders of these electoral and partisan oppositions do not necessarily challenge the new pro-market orientation but promise to make such policies more efficient while improving government performance in education, health, and infrastructure. However, the motivation of many voters for supporting these new parties stems from a wider rejection of the new pro-market political economy.

#### LIVING UP TO YOUR CONSTITUTION

LATIN AMERICA'S near-universal process of democratization has lifted the covers on one of the world's political puzzles: Why has Latin America been the only racially and linguistically heterogeneous part of the world where enduring national political parties based on race, ethnicity, or language have been virtually nonexistent? The January 1994 uprising in Chiapas, Mexico, suggests a possible historic shift in this situation. Indeed, in Bolivia, Ecuador, Guatemala, and Mexico, indigenous peoples have begun to organize for collective action in national social movements and political parties.

The laudable goal of representing the rights of those who have been ignored for centuries has been accompanied by the elites' growing concern over national integration and social cohesion. The curtailment of government subsidies has increased the burden on indigenous peoples. Lacking market access, financial credit, and modern technology, indigenous peoples have found the implementation of pro-market policies particularly difficult. This crisis of representation is not new, and it has been made more severe in recent years. But there is a reasonable basis for the hope that—except in Chiapas—the new movements and parties will use the instruments of democracy to call fellow citizens to honor the promises of the constitution for everyone.

Latin America's new market-oriented economic policies require more flexible labor markets to improve the efficiency and competitiveness of its economies. One consequence of the economic policy re-orientation has been an extraordinary challenge to the once-powerful labor movements of the region. Popular democratic representation requires a well-organized and articulate labor movement, capable of functioning in a market economy and standing up for the rights of

workers. Democratic politics requires contestation between organized forces; democracy would be wounded if there were no appropriate counterparts to business power.

The Chilean organized labor movement is but a shadow of its predecessor a quarter-century ago. Peru's labor movement, never strong, has been battered by the country's natural and man-made catastrophes of the past decade—at times perceiving President Alberto Fujimori's pro-market policies as akin to another cholera epidemic. Mexico's official labor movement is having considerable difficulty discerning the economic future; organizational innovation has come principally from labor leaders far removed from the leadership in the established federations. Venezuela's powerful and centralized labor movement has resisted most significant changes in economic policy.

Though the reasons vary, the role of parliaments and the quality of executive-legislative relations still widely fail to foster the consolidation of democracy in the region. In Chile, one-fifth of the Senate is appointed by a small circle of officeholders—a gross violation of democratic practices. In Mexico, the legacy of one-party rule has crippled a legislature that looks strong mainly on paper. In Brazil, the 1988 constitution continues to overrepresent small rural states in both chambers of the National Congress, at sharp variance with expectations about popular representation proportionate to population in at least one chamber.

Compared to the national legislatures of Brazil, Ecuador, Colombia, and Honduras, the U.S. Congress is a model of democratic responsiveness, party discipline, member responsibility, policy attention, and coherence. The clientelistic party systems of these four countries are characterized by party fragmentation, personalism, patronage, and, in Brazil and Ecuador, a stunning lack of party loyalty on the part of legislators and voters. Party indiscipline is especially stark when politicians desert the parties on whose tickets they ran, as a majority of Brazilian members of Congress have done since the restoration of civilian government in 1985. In Ecuador, a comparable proportion of congressional members have changed parties since 1979. In both countries, as many as a third of the legislators cross the aisle during one term of office.

When parties fail to articulate the interests of their constituents at a programmatic level, voter apathy and social violence can increase.

Peaceful collective action is difficult when power is dispersed among many parties, as in Brazil and Ecuador; even where parties are fewer, fragmentation within parties and a lack of discipline frequently results in a factionalism that is equally paralyzing. Legislators pursue pork-barrel objectives almost exclusively. Presidents, in turn, employ patronage to co-opt the opposition, weaken congressional supervision over executive policies, and lull legislators into permitting the use of presidential power of decree. Presidentialism—rule by decree—is the natural offspring of such practices.

Nevertheless, there have been some modest improvements, especially in countries with little history of congressional assertiveness. For the first time, El Salvador's National Assembly, representing all of the country's political forces, plays a role in oversight. Likewise, Mexico's Congress has begun to question the executive more systematically. Also in the 1990s, albeit after excruciating difficulties, Nicaragua's National Constituent Assembly produced legislation to address some of the country's ills. After the 1993 national elections, Paraguay found itself with a divided government for the first time in history; its president and National Congress have learned to bargain over important legislation and Supreme Court appointments.

The most remarkable improvements occurred in Bolivia in the mid-1980s. Bolivia had been a textbook example of a weak, fragmented party system that permitted the military and, later, drug traffickers to wield political influence. In 1985 Bolivian politicians responded with inventiveness and creativity to stop hyperinflation. They have been able not only to form coalitions to contest presidential elections but also to fashion reliable congressional governing majorities. The same parties and politicians that brought the country near its grave made its resurrection possible.

All of these countries are still far from meeting the standards for effective democratic governance set by their own constitutions, but their progress points to a hopeful trend.

#### THE SUPREME CRISIS OF REPRESENTATION

SINCE THE mid-1980s, there have been three types of military assault on constitutional government—the supreme crisis of representation. One, seen in 1991 in Haiti, is the overthrow of the civilian gov-

ernment by the high command of the armed forces. This practice was common in much of South America and Central America from the mid-1960s to the mid-1980s, but it has since disappeared in all the Spanish-speaking countries and Brazil. In the 1980s this was the principal means of rotating rulers under authoritarian regimes. In the 1980s and 1990s, the less professional the military, the more likely that its high command would attempt to overthrow the government—the opposite of the pattern that prevailed in the 1960s and 1970s.

In several countries with professional armed forces, however, there have been military mutinies against constitutional governments in the late 1980s and 1990s. These revolts were led by disgruntled middle-ranking officers in Argentina, Ecuador, Guatemala, Panama, and Venezuela; each of these countries except Panama has seen at least two attempts in these years. The motivations for the coups varied. In Argentina and Panama, they resulted from the downsizing of the security forces. In Argentina, Ecuador, and Venezuela, ambitious and popular officers led the coup effort. In Guatemala, elites' opposition to tax policies played a role. A common aspect of these mutinies was that they were aimed at the high command as much as at the constitutional government. Consequently, the ability to maintain civilian control was shaken since the generals could no longer ensure the loyalty of the lower ranks. A decline in professionalism increased the likelihood of coup attempts. All of these attempts failed in the end because they were opposed by the military high command and because civilian politicians closed ranks in support of constitutional government.

Finally, a grave threat to constitutional government can come from a coup led by an elected civilian president against the congress, courts, parties, and all vehicles that help civil society seek advocacy and representation for its interests. Pioneered in Uruguay in the early 1930s, this pattern is associated in the 1990s with Peru's President Alberto Fujimori. Thus far only Guatemala's former president, Jorge Serrano, has attempted to emulate Fujimori, without success. In these cases, the presidents claimed that extensive corruption in congress caused gridlock and the pursuit of illicit objectives at the expense of the public interest. These presidents thus called on the military to establish a temporary civilian dictatorship. This pattern of coup-making is worrisome, even if it has succeeded recently in only one

country, because the problems of corruption and gridlock are real, and disenchantment with the performance of constitutional government has been widespread.

The aftermath of Fujimori's coup made his suspension of constitutional government especially appealing to authoritarians. The economic reforms initiated in Peru in the early 1990s before the coup

finally began to bear fruit after the coup, while good police work led to the capture of Abimael Guzmán, the founder and long-time leader of the Sendero Luminoso insurgency. Though both outcomes might have occurred without a coup, Fujimori claimed that his anti-constitutional act was decisive.

Right after the coup, the Organization of American States (with strong backing from the United States) pressured Fujimori into calling internationally supervised elections for a constituent assembly and eventually for all offices. In April 1995 Fujimori was reelected president by a strong majority.

This combination of circumstances suggests the potential appeal of a caesar who proclaims the need for a temporary interruption of constitutional government to save the country and constitutionalism in the long run. The problem, of course, is that such interruptions are usually not short-lived. Fujimori's economic and military policies, together with his acquiescence to international pressure, may have had the paradoxical effect of making a "Fujimorazo" more appealing than ever imagined: he fulfilled the promise of a short and effective dictatorship.

On balance, the barriers to successful military coups rose in Latin America in the 1980s and 1990s. The "demand" for coups has been constrained by the generally disastrous performance of military rulers in the late 1970s and early 1980s. The economies of most Latin American countries collapsed when military presidents governed. The military lost the reputation for competence beyond its specific professional sphere. The strength of parties on the democratic right has also reduced the demand for coups. Such parties, or parties allied with the right, have proven far more effective than observers once anticipated. As the 1990s began, elected parties or coalitions with strong support from the right governed in every Central American country. Business

The "supply" and "demand" for coups in Latin America is at an all-time low.

elites no longer need to rely on military coups to advance their objectives. Today the parties they support are influential and effective under civilian rule. Big business now has few incentives to knock on the barracks door to alter national economic policy.

The "supply" of coup-makers has also been limited. Military officers recall their frustration, unpreparedness, and loss of military professionalism when they attempted to run the government. The new challenge is to consolidate the military's constitutional role, that is, to reduce the excessive prerogatives of the armed forces in Honduras as in Brazil, in Chile as in Nicaragua. There is a pressing need to clarify the professional mission of the armed forces to uphold civilian authority at home, without provoking crises with neighboring countries. But though the task of establishing civilian control over the military remains daunting and the likelihood of coup attempts remains high, the prospects for continued constitutional government are better than at any time since the Great Depression of the 1930s.

#### TAKING DEMOCRACY TO MARKET

TO ADDRESS the crisis of representation and drive a stake through the heart of *fracasomanía*, many Latin American politicians have taken steps to wed market reforms to the consolidation of democracy. Market reforms—especially deregulation, privatization, and the termination of business subsidies—can serve the goals of democratic politics. Statist economic arrangements often foster close connections between economic and political elites, reducing the prospects for wider participation and fair competition. Market reforms can sever the ties between political and economic elites, narrow the opportunities for government corruption, and level the economic playing field. Ties to international markets provide foreign businesses and governments with leverage to defend constitutional government in the region; such leverage helped to thwart Jorge Serrano's attempt to mimic Fujimori. In the 1990s, foreign institutions have also used market power to prevent authoritarian reversals and to widen political opportunities in the Dominican Republic, Mexico, Paraguay, and Peru.

Democracy, in turn, can help consolidate a market economy. Would-be supporters of insurgencies or anti-dictatorship protests can find less

costly alternatives to advance their interests within democratic politics. In addition, democratic regimes can involve the political opposition in support of a market economy more effectively than can authoritarian regimes. In Argentina and Chile in the early 1990s, for example, key decisions—Argentina's convertibility law governing monetary and exchange rate policies and Chile's tax laws—have resulted from agreement between the executive and congress; in some cases, controversial laws in these two countries have been approved by supermajorities drawn from both the government and opposition. Brazil's president, Fernando Henrique Cardoso, has been following a similar strategy to use democratic politics to make and consolidate broadly supported reforms.

By giving the opposition a voice and a vote in the creation of fundamental long-term policies, democratic regimes can lay the foundation for credible and stable rules. In these circumstances, investors can expect that today's rules will endure even if the opposition wins tomorrow's election. The democratic opposition is ultimately the chief guarantor of market reforms.

Many of the devices designed to maintain fiscal discipline, however, can barely meet the test of democracy, and the excessive reliance on presidential decrees weakens constitutionalism. The turn toward the market has also coincided with spectacular cases of corruption that led to the impeachment of presidents Collor in Brazil and Pérez in Venezuela. Concern about corruption looms large in Mexico and Colombia. But even presidential impeachments underline the increased reliance on constitutional procedures to remove presidents from office; years ago, it could have happened only through a military coup.

The shift in economic models has also contributed to the crisis in representation because parties have had to overhaul their economic programs and find new ways to gain support from their often surprised constituents. New parties and social movements have risen to protest these policies, invigorating democratic competition, to be sure, but also challenging the scope and durability of market reforms. Long-standing forms of representation—populist parties and so-called corporatist arrangements—have weakened precisely at the moment when public support must be found to help guarantee the stability of economic reforms and constitutional government, especially in Brazil, Mexico, and Venezuela.

All in all, however, a connection between democracy and the market, to the benefit of both, has advanced much further in Latin American countries than most people would have suspected a decade ago. From El Salvador and Costa Rica to Argentina and Chile, democracy's capacity to set long-term rules, endorsed by the opposition as well as the government of the moment, holds the promise of persuading rational investors that these market environments will endure and prosper. Never before in Latin America's history could that be said.

EXITING BORGES' PARADOX

"LIKE ALL men in Babylon," Jorge Luis Borges wrote, "I have been a proconsul; like all, a slave. I have also known omnipotence, opprobrium, imprisonment." Such is the experience of many prominent Latin American politicians in the 1990s. Some, like President Menem of Argentina, spent years in prison under military government. Others, like President Cardoso of Brazil, spent years in exile during his country's period of military rule.

The task today is to banish slavery, opprobrium, and imprisonment without succumbing to the temptations of the omnipotent proconsul. The power of presidents and ministers to govern in Latin America at times can injure democratic practice, for it falsely presumes that the executive alone has been elected by the people. Slowly the countries of Latin America seek to emerge from Borges' paradox. They hope that, if current patterns continue, they can enter the new millennium celebrating the wedding of open markets and open politics. ☉