To Anita, Marcelo and Miki
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Abstract of Dissertation Presented to the Graduate School of the University of Florida in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy

PRESIDENTIAL LEADERSHIP IN LATIN AMERICA: THE CASES OF BOLIVIA, DOMINICAN REPUBLIC AND PERU

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Chair: Leslie Anderson
Major: Political Science

This dissertation addresses the interplay between democracy and its actors. It seeks to answer the question on how the politics of presidential power can advance or setback new democracies. By looking at three presidents in three Latin American countries who in turn exercised the presidency twice non-consecutively, it argues that experienced leaders are not necessarily good for democracy.

The idea that leadership is key for democracy has a long tradition in the study of politics. It is easy to see the absurdity of the belief in the healing power of leadership - it is strong belief in the power of one - but people fall for it again and again and they are not entirely wrong to do so. If it is a mistake to think that a leader can mend a country, the opposite is also false. That is, leaders are irrelevant to our lives.

By placing the presidencies in a larger historical context this dissertation traces the evolution of a political order happening in a democratizing country and observes the structural opportunities and constrains presidents have. It argues that seldom do historical conditions present themselves so that a president has the opportunity to have a deep impact in democracy. While virtually all presidents seek to differentiate from the previous administration, all of them seek to affirm their authority and to transform
politics; all of them do so in different ways. However, most of them contribute only marginally. By analyzing presidents’ leadership styles based on personality traits at two different times, this dissertation evaluates key actors capacity for democratic political learning. It argues that experienced presidents do not always respond adequately to new developments. They do not act in the best interest of the people. Unless they adapt their leadership styles and keep in tune with the demands of the current conditions, there is no guarantee that experience leads to an effective presidency.
CHAPTER 1
INTRODUCTION

In July of 1995, at the halfway point of his first term, Bolivia’s President Gonzalo Sánchez de Lozada struggled to shift the country’s political, and economic power to its excluded segments of society, especially the majority indigenous population, by implementing decentralization reforms that involved transferring decision-making power and economic resources to rural and urban municipalities as well as to participatory local communities. He aimed to integrate Bolivians in a way that the state would be closer to citizens, understanding their needs and providing better responses. Despite intense questioning of his intentions and policies, and facing growing public discontent that led to violent demonstrations by opposition political parties, leftist groups, labor unions, peasants’ confederations, and coca producers, the reforms he championed were adopted.

The process that led to the enactment and implementation of the decentralization reforms was not well-received. Many skeptics maintained that the reforms were imposed by global powers and aimed to maintain the concentration of power and privilege in the hands of few Bolivians. Indeed, the so-called “second generation reforms” were part of a larger set of reforms backed by multilateral organizations. However, they comprised policies that not only deepened liberal economic policies characterized by the transfer of partial ownership of state companies to the private sector, but also included social and political policies that witnessed greater political participation at the local levels, enhanced representation at the national level, decentralized the country through regional governments and municipalities, and fostered social development.
Sánchez de Lozada, who was considered one of the richest individuals in the country and a member of Bolivia’s long-dominant white aristocracy, who even spoke Spanish with an American accent, was an unlikely redeemer for Bolivia, whose indigenous people comprise 70% of the population. During those difficult days of reform, Sánchez de Lozada reflected, “I know what it’s like to be different from the rest and to be kept out of the mainstream, because for many years my family was banned from this country.”¹ Until recently, these reforms were not only considered successful decentralization policies that changed the traditional distribution of resources and put marginalized rural areas on the map, but also touted as being responsible for the changes that catalyzed democratic learning that has reshaped Bolivia’s political dynamics. Certainly, the reforms empowered citizens and contributed to build popular power at the local level, allowing the emergence of new leaders who have successfully challenged the status quo at the national and regional levels.

Six years after the end of his first term in October 2003, Sánchez de Lozada was reelected as Bolivia’s president, but faced deadly massive protests against his administration. Unable to finish his second term, he resigned shortly after his first year in office. Sánchez de Lozada aimed to provide Bolivia a secure and consistent source of income derived from the export of its vast natural gas reserves. But this required construction of a costly pipeline to transport the gas to a seaport, where it would be liquefied and packed in a way that could be exported to energy-hungry California, which had already expressed interest in buying gas and guaranteed loans for the construction

¹ At age one, Gonzalo Sánchez de Lozada moved to the U.S where his father Enrique served as a Bolivian diplomat of the Bolivian legation. His family had to remain in the U.S. when in 1930 a military coup deposed the democratically elected president and political instability remained the norm. Sánchez de Lozada returned to live in Bolivia when he was twenty one.
Sánchez de Lozada planned to build it quickly and at the lowest cost in order to leave a working system and to receive credit for it. The immediate issue that led to his resignation was Bolivians’ opposition to Sánchez de Lozada’s approval of the controversial plan linking natural gas fields to a terminal on the Chilean coast, instead of a more costly alternative plan that involved a Peruvian route to the sea. Bolivians felt that the President chose economic considerations over historical wounds (Chile had taken Bolivia’s coast in an 1883 war, leaving Bolivia landlocked). However, the underlying issue included several factors: first, the perception that the newly found vast gas reserves would mostly benefit foreign interests; second, the perception that Sánchez de Lozada, his coalition and his collaborators, given their adherence to a political class that failed to represent the people’s interests, would not share the profit, but instead would benefit a coalition of interests that had long dominated the country; and third, Sánchez de Lozada’s lack of the legitimacy to make such bold decisions, particularly since he started his second term in a very precarious position. Ultimately, Sánchez de Lozada’s rejection to include a referendum in the discussion of constitutional reform, which would have added direct democratic tools for citizens to decide important issues, cost him the presidency. At that time, he stated, “[referendum]…no, not that, responsibility is needed. One cannot ask the people to decide over complex issues…that would be an injustice, it would be like taking their vote away.”

During his short-lived second administration, Sánchez de Lozada tried to keep strategic policymaking strictly under his direction. Just as he did in his first term, he

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2 During the previous administration, the project was planned and negotiations with Chile and the U.S. started. However, no decisions were made because of the lack of time and the massive problems his administration faced.

resisted change, given his understanding of the presidential role and his need to be in control. In his second presidency he lacked sensitivity to the political context, and he collided with political constraints which he viewed as something he could overcome.

Sánchez de Lozada’s actions during his second term stand in sharp contrast to the ones he revealed during his first term. It is rare for powerful politicians in Latin America to rearrange politics so as to draw in those who are normally marginalized and excluded. It is equally rare for the powerful to propose power-sharing with the powerless, only to renege upon such progressive policies. And yet power-sharing and inclusion are key ingredients for democracy to work in Latin America.

**Research Questions**

What causes a leader to take visionary steps toward democracy, even when these are not in his immediate self-interest and are not the actions we would normally expect? What causes a president to renege on his leadership steps? These are some of the questions that this dissertation addresses, which also include: why do presidents who return to office take divergent actions when conditions are similar? Conversely, which conditions make presidents take similar actions?

**Argument**

It is easy to see the absurdity of the belief in the healing power of leadership - it is strong belief in the power of one - but people fall for it again and again and they are not entirely wrong to do so. If it is a mistake to think that a leader can mend a country, the opposite is also false. That is, leaders are irrelevant to our lives. Unlike the assumptions adopted by some scholars of Latin American politics who see presidential power as dangerous, I argue that presidential leadership is not necessarily detrimental to democracy. I consider presidential leadership a unique opportunity to influence the
democratization processes. This is a calculated response based on individual assessment of the costs and benefits of presidential action at specific moments in time. Political leaders are successful when they can advance their political project by taking their mission to the public, when they are able to align their incentives with those of the people, understanding the needs of the times. Following Skowronek (1993) in this dissertation, leadership is framed in terms of leaders’ places in history as they try to resolve the inherently disruptive consequences of the exercise of their power: order shattering, order affirming, and order creating. Leaders deal with the paradox of destroying and saving, of affirming and repudiating. The recognition of the importance of political timing, as well as of how leaders think, needs to take a first row seat if we are to understand a) why democracies develop the way they do in Latin American countries, and b) what the president’s role is in that development.

In this dissertation I seek to identify the conditions under which presidents can strengthen or corrode democratic politics, as well as to identify leaders’ particular positions with regards to their adherence to politics-as-usual or their fight for change that can effectively shift current politics. I also seek to understand presidents’ characters through their leadership styles and the influence in the development of events that require presidential action. A president is more likely to act in a certain way, that is to exercise a certain leadership style, when the different commitments of ideology and interests which presidents bring to the challenge of exercising power are challenged or threatened, when he is open to learn, and when normative dimensions are considered.

In my research, I seek to unveil the positions and premises that individuals bring to accomplish meaningful political change. Individuals’ leadership pretensions carried into
the presidency infuse their tenure in office with political purpose. As opposed to rational choice explanations, I do not assume that presidents are merely self-interested individuals. Ideology, values, traditions, and agenda are of consequence since they reveal the presidents’ political affiliations. Furthermore, by understanding who the presidents are at the personal level, we can understand not only the motivations but also the strengths and weaknesses of their characters, all of which infuse every decision they make. I agree with Aberbach et al. (1975) that in order to understand elite behavior one has to make the basic assumption that political attitudes, values and beliefs are important determinants of the ways in which governments respond to social change and to the pressures brought to bear on them by groups in society. By determining how presidents react to political constraints, how open they are to incoming information, and what motivates them to act, I predict what they are likely to urge on their administrations. In order to understand their own perceptions of their roles in politics, I use Hermann’s (2003) classification of personality traits.

By looking at two-time non-consecutive presidents, I argue that the extent to which presidents are able to exercise leadership is constrained not only by the environment, but also by their own visions and their previous experiences in office. The paths they take do not guarantee democratic learning. Indeed, there are presidents who make risky choices that can help expand possibilities or bring constraints to democracy in their countries the first time they assume office and have the opposite effect on the political learning at the individual level has been addressed as the most important source of democratic change (Balz 2010, McCoy 2000, Karl 1991). The stimuli in each individual's learning environment differ. The timing and nature of the learning experience may vary between individuals, as well as between political groups. The scope of the political groups that make up a society undergoing political learning is an important factor in predicting whether and when democratization will take place (Bermeo, 1992).

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4 Political learning at the individual level has been addressed as the most important source of democratic change (Balz 2010, McCoy 2000, Karl 1991). The stimuli in each individual's learning environment differ. The timing and nature of the learning experience may vary between individuals, as well as between political groups. The scope of the political groups that make up a society undergoing political learning is an important factor in predicting whether and when democratization will take place (Bermeo, 1992).
second presidency. Presidents with two non-consecutive terms provide the possibility of looking at actors’ political learning, unlearning and over-learning.

I hypothesize that, when first term presidents fail to engage in constructive democratic actions and they have the chance to become presidents for a second time, they reassume office humbled and become more flexible in their actions; they learn the limits of their actions and therefore adapt to the constraining environment, getting to a point where they can even change their attitudes and perhaps their beliefs. The understanding of their personal limits is in itself beneficial to democracy, since it opens the door for negotiation, consensus and support seeking. Ultimately presidents are able to see opportunities for leadership working within the range of permissible choices. This type of case is what McCoy (2000) calls democratic learning, which is the modification of political beliefs and tactics, thereby demonstrating political actors’ ability to learn from mistakes and capacity to change their political behavior. The positive impact of presidents’ actions in democratization processes occurs when the country has an opportunity to deepen democracy as political leaders align their own incentives with those of the people, understanding the needs of the times, and they are able to engage in democratic learning.

A second hypothesis looks at a converse situation: presidents whose leadership involved constructive democratic actions in their first term are likely to reassume office with an established vision. They become more conservative and try to control the pace of the democratic learning of their societies. Second-term presidents often find themselves at odds with the processes in which their societies are engaged, and their governance efforts may fail to deepen democracy, because social processes unfold
faster than the presidents’ abilities to understand and maneuver the fast-changing political environment which imposes new challenges to their leadership. This type of case I call *democratic unlearning*, which is the inability of political actors to adapt to new situations, using the same vision and tools as in the past to deal with new problems. The negative impact of presidents’ actions in democratization processes occurs when the country has an opportunity to deepen democracy but political leaders’ incentives are at odds with those of the people, as presidents are unable to understanding the needs of the times and therefore incur in democratic unlearning.

A third hypothesis considers presidents whose actions in both their first and second terms bring change to the democratic politics of their countries, but their imprint in the democratic history of their countries is less drastic than in the two previous cases. Their leadership actions are guided by situational boundaries and their own predispositions in incremental ways. This is the type of case that McCoy (2000) calls *democratic over-learning*. For her, it is a type of learning that impedes or slows subsequent learning for new situations.

**Importance**

In explaining the unfolding of a country’s democratization, this dissertation expands knowledge of the role of presidents in new democracies. As opposed to older democracies, which count on established liberal institutions, where changes tend to be gradual, where presidents are seen as leaders who operate in pluralist environments but whose role is at “the margins” of the political system; this dissertation seeks to illuminate knowledge of the role of presidents in developing democracies. Given the

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5 Although not considered by McCoy, I argue that there could be cases were political actors do not learn; in fact they unlearn, as there is an inescapable likelihood of flawed performance.
lack of strong institutions, these presidents’ roles are at the center of the political system, making politics more dependent on their authority and decision making, than on interactions with system’s horizontal mechanisms.

The impact of presidential action on a country’s politics is widely recognized. However, the current literature in Latin American politics has not addressed presidential leadership systematically. Research on institutions such as the presidency, as well as on how cognitive processes affect political behavior, are subjects studied extensively in the United States but rarely in Latin America. However, as Latin America democratizes and democracy ages there, the study of leadership demands our attention. To date, all Latin American countries have chosen or stayed with a presidential system, making our understanding of presidential leadership imperative.

The choice of a presidential democracy, combined with the strong centralized historical tradition in Latin America, means that presidents, even when elected, wield extensive power and often face fewer checks on that power than is the case in older democracies.

While there are few studies on Latin America focused on agency, there is a call to study the role of actors in political dynamics. There is a lack of analysis of the role of presidents and of presidential power in terms of how these key players of the political system lead their countries and of their impact on democratic politics. All over Latin America, presidents have played the role of both savior and endangerer in the history of their countries. Interestingly enough, the prevalent trend in studies on the region has been to cast them as hellions, regardless of whether they analyze leaders in individual biographies, testimonial accounts, or historical accounts. Very few studies have examined presidential action conceived as leadership, as the opportunity to further Latin
American democracy, despite all the attention that the region has received with regards to democracy, democratizations, transitions and consolidations. In fact, the initial optimism of the literature after the transition from authoritarian regimes has been obscured by theories positing the unfeasibility of certain Latin American countries to create and strengthen enduring liberal democratic institutions. The non-evanescent delegative democracy paradigm posited by Guillermo O’Donnell (1994, 1999, and 2002) is perhaps the most negative view of all. According to O’Donnell, delegative democracies’ most salient characteristic is the existence of a strong executive with delegative powers and no horizontal accountability. Moreover, the institutional design literature in the tradition of Juan Linz’s presidentialism (Linz 1990, 1992; Mainwaring 1992; Mainwaring and Schugart 1997; Kenney 2004; Sondrol 2005) has also expressed concerns about the likelihood of democratic consolidation in the region, since the presidential model only exacerbates the personalistic style of ruling. Mainwaring, O’Donnell and Valenzuela (1992) argue that the prospects of democratization are very limited due to several factors, including presidential systems that encourage populism and zero-sum game competition that makes coalition building precarious.

It is surprising to find little research devoted to addressing presidential leadership, and such research usually lacks the ability to explain democratic change across countries, more so in a comparative manner. The time is ripe and the region presents a surprisingly unexplored ground to study presidential leadership and its relation to the political order, as well as to the learning of democracy of the societies that presidents seek to govern. This dissertation fills that void; it is a comparative study of a small group of presidents who have been elected and then re-elected non-
consecutively in their countries. The dissertation addresses what circumstances matter and who counts when it comes to presidents’ returning to office in a context of deepening liberal democracy.

The personal power of the president stresses elements and strategies of power and interests without neglecting the sources of that power: formal authority, hierarchical position, image, symbols, prestige, commitments and legitimacy. Presidents’ leadership styles, as reflected in their political actions, are important parameters for democracies, since presidents have the capacity to impose, set limits, define what constitutes legitimate and illegitimate, direct inquiry and thought, influence the interpretation of events, and guide the framing of problems and the response to them. Moreover, the decisions presidents make, the way they conduct politics, the powers they have, their beliefs, their values, the norms these leaders hold, and the challenges they face, in addition to the discourse and image they create to secure legitimacy, all influence the way democracy develops in a country. Furthermore, they influence in distinct ways the presidents’ fates as they pursue second administrations.

**Methods, Case Selection and Source Materials**

In this section the reasons for choosing historical institutionalism as the research strategy to guide this dissertation are explained. The selection of three presidents from three Latin American countries, who in turn exerted the presidency of their respective countries twice in a non-consecutive manner in new democracies, is also explained. Finally, a case for the choice of source materials is made.
The nature and conceptualization of the research question largely determine the appropriate methods of data collection and analysis. The political phenomenon of study in this dissertation is power. Since my interest is to explain the intersection between democracy in the making and presidential leadership, the level of analysis moves along agency, institutions and processes in time, with variables that consider individual actors (presidents as key political players), decision-making processes (choices made at critical junctures and in normal times and tactics, as well as strategies pursued by presidents), and historical contexts (each country’s political development).

This is a theoretically informed historical research with methodological emphasis on the sequence of events, particularly the timing of political actions. Power relations in this dissertation are expressed in the roles of presidents in democratization processes as they make a place for themselves in history while trying to lead their countries in a democratic context. Even though it is recognized that presidential politics at any specific moment in time is, to a large extent, an extension of previous presidential politics, there is an emphasis on the causal significance of ideas, or more precisely of actors that in practice articulate and vindicate new ideas about their own roles in the politics of their countries.

Presidents have particular readings of what is needed in the country. They come to office with particular skills and their actions have relevance as they rise to the occasion. For this reason the theoretical framework needs to be both flexible and

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6 Political methodologists have debated actively about the trade-offs between political science methods, tools and levels of analysis. See for instance Almond and Genco (1977), Geddes (2003), King, Keohane and Verba (1994), and more recently; Laitin (2002) Brady and Collier (2004) and George and Bennett (2005).

7 I constructed an events data base that consists of all important events as covered repeatedly in the three main newspapers by country for each president throughout his term. This data base is similar to data bases of presidential actions that scholars of the U.S. presidency construct and use in order to understand presidential power.

8 For the importance of time in causal explanations for qualitative methods, see Bates et al. (1998) and Pierson (2004).
precise enough to allow comparisons and to capture micro political behavior. Because of the questions this dissertation seeks to answer, the research strategy that was found most appropriate is historical institutionalism. The power of this analytical perspective is demonstrated along the way as episodes of presidential history are reinterpreted. When the political development of Bolivia, Dominican Republic and Peru is reviewed, the constant feedback and layering between: 1) political institutions and procedures, 2) social changes, and 3) presidential actions, are emphasized. Because the presidents of interest in this research exercised power in two separate terms, their goals and capacities may or may not have changed throughout time. This means that their goals and capacities may or may not have matched those of the society, or that their capacities may not have been sufficient to achieve their goals.

The case selection has both theoretical and methodological bases. Although this dissertation uses qualitative methods for the core of the analysis, it also takes a mixed-methodological approach, using combined qualitative and quantitative assessments for the selection of cases. Building from the Database of Political Institutions (DPI) (Keefer, 2001) that covers the total universe of countries with presidential systems in the world from 1975 to 2006, four variables were added to the 113 countries coded with presidential systems, and the coverage was extended to 2008. An assessment of the number of presidents who 1) were directly elected in competitive elections, 2) had a fixed term in office, and 3) assumed power twice non-consecutively, revealed ten presidents in nine countries, five of which were remarkable cases of political leadership.

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9 Appendix A includes a list of all countries on the database. For the addition and coding of the variables, the author used: The Political Handbook of the World, Political Database from the Americas, worldstatesmen, rulers, cidob and psephos.
in democratizing countries in Latin America.\textsuperscript{10} Although it would have been ideal to be able to study in depth the five presidents in the five countries, a selection was needed for research feasibility. The three cases studied in this research are: Bolivia’s President Gonzalo Sánchez de Lozada, Dominican Republic’s President Leonel Fernández and Peru’s President Leonel Fernández. These cases represent to some extent the range of variation of democratic politics in Latin America.\textsuperscript{11} The selected cases fulfill methodological concerns in order to assure causal temporal homogeneity and conditional independence.\textsuperscript{12} The cases present variation in levels of democracy to avoid bias in the selection of the dependent variable.\textsuperscript{13} There is variation within each case, which results in six term cases as well as variation across cases:\textsuperscript{14} Gonzalo Sánchez de Lozada of Bolivia with his first and second terms 1993-1997 and 2002-2003, respectively; Leonel Fernández of the Dominican Republic with first and second terms 1996-2000 and 2004-2008, respectively; and Alan García of Peru, whose first term was 1985-990 and second term was 2006-2011.

Degrees of democratization matter, especially in relation to presidential regimes, for life is clearly not the same under the government of a president who bypasses

\textsuperscript{10} From the 113 countries of the DPI, 9 countries with two-term non-consecutive presidents were Bolivia, Costa Rica, Dominican Republic, Lithuania, Madagascar, Nicaragua, Peru, Uruguay and Venezuela. The fact that seven countries are Latin American is the result of a regional natural bias. Only Venezuela, with Carlos Andrés Pérez Rodríguez and Rafael Caldera Rodríguez, has two presidents who governed twice non-consecutively. However, Venezuela is not considered in this study since it is not a third-wave democracy. Costa Rica was not considered either since it made its transition to democracy in 1949.

\textsuperscript{11} I focus on Latin America for several additional reasons. The region encompasses many of the early third-wave democracies as defined by Huntington (1991) and updated by Munck (2007) and Hagopian and Mainwaring (2005). Even though each of the selected countries has a separate story to tell, most of Latin American countries are linked by a common historical and structural framework; they are part of a historical block. Additionally, they are characterized by constitutional arrangements that make the region have the most presidential systems in the world. They share similar colonial heritage and similar postcolonial influence and an average of two decades of electoral experience. All share a common international context confronting the same external influences to different degrees.

\textsuperscript{12} For a discussion of case selection see Brady and Collier (2004)

\textsuperscript{13} For discussions of selection bias of the dependent variable, see King, Keohane and Verba (1992).

\textsuperscript{14} For case selection considerations, see George and Bennet (2005), Ragin (2004), and Mahoney (2003a, 2003b).
parliament and rules by presidential decree, as life in more subtle forms of democracies that fail to protect an individual's autonomy and dignity, or life in democracies that benefit a selected group of citizens ignoring others’ grievances. Still, to a different extent and in different ways, these practices undermine and corrode democratization.

This dissertation uses Polity IV and Freedom House democratization scores\textsuperscript{15} to show variation within each case and variation across cases, considering the years before, during and after the terms of the handful of presidents who have been reelected non-consecutively during the third wave of democratization in Latin America. For the purposes of this dissertation when using the Polity IV scores,\textsuperscript{16} a presidency is considered successful when the score changed from the previous year or when the score increased showing positive variation at the end of the tenure. Utilizing the Freedom House scores,\textsuperscript{17} a successful presidency occurred when, during the tenure of a president, the scores were unchanged from the previous year or decreased showing positive variation. A presidency is considered unsuccessful when the Polity IV score decreased from the previous year or during the term, showing negative variation. Likewise, the Freedom House scores have increased from the previous year, showing negative variation. An intermediate presidency is one in which neither of the Polity IV or Freedom House scores changed from the previous year in either the first or second term.

\textsuperscript{15}For Polity IV (2011), Freedom House (2011) scores for any year are based on the data from the previous calendar year.

\textsuperscript{16}For Polity IV, this dissertation used the variable polity2, that ranges from +10 (strongly democratic) to -10 (strongly autocratic).

\textsuperscript{17}For Freedom House, this dissertation uses the variables political rights and civil liberties on a scale from 1 (most free) to 7 (least free). Depending on the ratings, the countries are then classified as “Free”, “Partly Free”, or “Not Free.”
In Bolivia, Gonzalo Sánchez de Lozada’s first presidency (1993-1997) is considered a successful presidency as it maintained consistently a high Polity IV score, which is the same as the democracy score of the year previous to his inauguration. During the first year of his fourteen-month second presidency (2002-2003), henceforth called Sánchez de Lozada II, the score decreased. His second presidency is therefore considered an unsuccessful presidency. The Freedom House scores increased during the second year of Sánchez de Lozada I (i.e., his first presidency). In 1995 the status decreased from Free to Partially Free because of a state of emergency. The following year there was an increase in the civil liberties score. In 1996 the scores changed back to the ones in 1993 and 1994, but in 1997 they decreased by going back to those of the free status, and the political rights score improved. Given that the overall score in Sánchez de Lozada I increased during his tenure, Sánchez de Lozada I am considered a successful presidency. For Sánchez de Lozada II, there was deterioration in the two years of his unfinished presidency. Freedom House scores from the previous year to his first year increased in the political rights category. In 2002 there was a further increase and the status changed from Free to Partially Free. The overall assessment of Sánchez de Lozada II is an unsuccessful presidency.

The Polity score for the first Fernández presidency (1996-2000), called Fernández I, increased dramatically signaling positive variation from the year previous to the start of his term, and remained with the same score until the end of the Fernández’s second presidency (2004-2008), Fernández II. Freedom House scores changed during Fernández I from Partially Free to Free. Furthermore, both the political rights and the civil liberties scores decreased, signaling more freedom resulting in a
successful presidency assessment. During Fernández II no changes occurred. Taken together, Fernández’ two presidencies were intermediate, meaning neither successful nor unsuccessful.

In Peru, during the first García presidency (1985-1990), García I, there was a positive variation in the Polity IV score for the last year of his term. García I am therefore considered successful. García’s second presidency (2006-2011), García II, maintained a consistent high score. As in García I, García II also is considered successful, since no increase was registered in García II. Freedom House scores for Peru decreased showing negative variation during his first presidency, changing from Free to Partially Free. There were also changes in the civil liberties score. The two classifications of Polity IV and Freedom House provide contradictory results for García I: while Polity IV showed improvement of the democratic score, Freedom House showed deterioration of democracy in all its variables. Because of the negative variation in Freedom House, in this dissertation García I is considered an unsuccessful presidency. During García II, none of the Freedom House scores changed. However there was a positive variation from his first to his second presidency. Moreover, the positive trend that started with Toledo was maintained during García II, making his second term a successful presidency.

The three country cases included in this research represent to a certain extent the possibilities of successful and unsuccessful political leadership of new democracies, as evidenced by the variation over time in democratic scores.\footnote{See Table “Variation in democratization variables in Latin American countries” in Appendix A for the five cases of Latin American leaders with two non-consecutive terms during the Third Wave. The other two cases not analyzed in this dissertation, Nicaragua and Uruguay, have also experienced variation in each term. While scholars agree that Uruguay became a consolidated democracy in the 1980s, the case is considered a stable case as Uruguay has a long}
in which these presidents governed in their respective countries differ considerably, the cases represent substantial variation in the democracy variable within the Latin American region. There is also variation over time within each case, as well as across the cases.

A more thorough look at the democratic history of these countries also shows the different paths in the democratization processes they experienced. Bolivia, with its large indigenous population has remained until recently a limited representative democracy. The Dominican Republic has a mixed record of success in some important aspects of democratic governance, such as rapid economic growth, and deficiencies in others, such as widespread clientelism. It has a long tradition of an elite-pacted democracy which has remained virtually closed to new political actors. Finally, Peru’s democracy is limited due to its recent background of democratic authoritarianism and the lack of development of robust and stable party politics. The collapse of the Fujimori administration has led to a significant opening in political competition. The post-Fujimori administrations have permitted a greater degree of political expression and have made a concerted effort to establish a more competitive electoral system.

To understand a president’s place in history from his own perspective, my goal was to go behind the public policies, the media portraits and the carefully depicted public appearances to see what leaders actually do, to hear what they really think of their jobs, and to try to understand their goals and aspirations. I was able to interview personally two of the three presidents; with Gonzalo Sánchez de Lozada I had four

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history of democratic experience previous to the authoritarian regime (1973–84) (Mainwaring and Perez-Linan, 2008). Among Latin American nations, Nicaragua is a difficult case, having received low scores by Polity IV due to the difficulty to rank the revolution and its aftermath. Furthermore it is also a country that exhibits pronounced shifts in Freedom House scores with regards to political rights and civil rights, while it has consistently remained a Partly Free country.
interviews in the space of three years (November 2007, August 2009, April 3 and 15
2010); with Leonel Fernández, she held one four-hour interview (July 2007).

Unfortunately, I could not interview Alan García despite various attempts, yet I feel
confident that the information gathered through interviews with people close to him
allows her to make an informed assessment. As they talked openly about their jobs,
their path to the top, and their hopes for their fellow countrymen, I felt that I could at
least penetrate behind the mask of inscrutability, which is the common perception of
leaders. All other information gathered for the dissertation relied on interviews with
people that were close to the presidents, either through work or through family and
friendship connections. I also relied on interviews with persons who held the most
diverse views on political phenomena: politicians, scholars, journalists and political
analysts from both genders, who held public, private sector and NGO positions, and
who were critics or supporters of presidents' politics. The sample is purposive, and
was influenced by Glasser and Strauss’ concept of “theoretical sample” (1967), in that it
was consistent in the selection of the most diverse cases until the collection of data

19 The author received some institutional sponsorship in Peru (Instituto del Perú, IDP) and the Dominican Republic
(Fundación Global Democracia y Desarrollo, FUNGLODE), but she was able to count on the help of key persons
who facilitated her obtaining interviews with high profile politicians, some holding public offices at the time when
both Peru and Dominican Republic leaders exercised the presidency. Initially, it was extremely difficult to gain the
attention from those targeted for interviews. Despite her informative requests and guarantees on the anonymity of
the interviews, and credentials, for months she waited for responses with no positive results. Once she was referred
by these key individuals she was treated cordially and was able to schedule interviews. Once she interviewed some
high ranked government officials, she asked for their help to obtain interviews with other persons. The rest of the
interviews were relatively easy to obtain as one interviewee contacted another. Because of time constraints
associated with the length of her research trips, she was not able to interview all the targeted persons.
In the case of Bolivia, because of President Sánchez de Lozada’s forced resignation and his tainted image in the
public discourse, obtaining interviews was more difficult. In most cases targeted individuals who held offices during
Sánchez de Lozada’s two terms did not respond. Therefore, as most researchers, she had to rely on the good will and
trust of individuals in order to obtain interviews. Proof of the difficulty in getting interviews is reflected in the time
gaps between interviews. Since the author is Bolivian, she was able to use some personal and family connections in
order to obtain some interviews. However, most interviewees asked not to be identified or to be considered off the
record.
became “saturated.” I also used secondary sources such as newspaper articles and public opinion data.

Fascinating characters in their own right, the three presidents allowed me to glimpse power through their eyes, and to understand them as forces that shape democracy in Latin American countries. The case of Sánchez de Lozada in Bolivia is a leadership case that shows that “nothing fails like success”. After a successful first presidency, when Sánchez de Lozada was able to push his agenda and rally forces behind him, Sánchez de Lozada II was a disaster, as he was not able to finish his term. Leaders are most vulnerable when they are most successful, because they stick to their formulas and refuse to see change as it is. Society learned about participation and decision-making before Sánchez de Lozada’s understanding became clear.

The case of Leonel Fernández in the Dominican Republic is a forceless leadership case; both of his presidencies made incremental and timid changes in democratic politics of his country. Fernández lacked the energy and strength to move the pace of change faster. The successes were counterbalanced with the permissiveness he exhibited toward his party men, who focused on perfecting the clientelistic networks.

The case of Alan García is the history of the phoenix firebird. By his own accounts he had a disastrous first presidency, with economic turmoil that traumatized Peruvians. His second presidency was the antithesis of the first, in terms of discourse,

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20 The author is aware of the problems, such as response validity and receptivity and reluctance of the respondents posed by relying on interviews as data (See Stouthamer-Loeber and Van Kammen, 1995; Adler and Adler, 2002; Rubin and Rubin, 1995), as well as the problems of obtaining and conducting interviews (See Warren, 2002; Odendahl and Shaw, 2002; Peabody et al., 1990; Aberbach et al., 1975).
21 Details about the code, date, and importance of the interviewees and secondary data can be found in Appendix B.
policies, personnel and the economic results. It seems that García learned from his past and made sure he would not make the same mistakes.

**Plan**

The dissertation is organized in two parts. Part I is comprised of two chapters in which the main concepts and the theoretical framework of this dissertation are discussed. Chapter 2 discusses the concept of leadership. This concept is then applied to the political arena, and presidential leadership patterns are viewed within the theoretical frame offered by Stephen Skowronek. Leadership traits are assessed using Margaret Hermann’s taxonomy. Chapter 2 also reviews the existing scholarly literature on leadership in the U.S. presidency by scholars of the subfield. Chapter 3 discusses presidential leadership in Latin America and its importance for new democracies, including a review of the existent literature on presidentialism and presidential action in the region, and identifying issues that this literature fails to address.

Part II is comprised of six chapters, with two chapters for each of the three case studies: Chapter 4 is about Bolivia’s third wave presidencies embedded in the lives of two political orders with particular emphasis on Sánchez de Lozada’s first and second terms, Chapter 5 focuses on a trait analysis of Bolivia’s President Gonzalo Sánchez de Lozada. Chapter 6 focuses on the Dominican Republic’s successive presidencies within one political order, with particular emphasis on Fernández’s first and second administrations; Chapter 7 focuses on trait analysis of President Leonel Fernández. Chapter 8 consists of Peru’s political orders since 1980 and the successive presidencies, with emphasis on García’s first and second term; Chapter 9 focuses on Peru’s President Alan García and the analysis of his psychological traits.
Skowronek (1993) explains changes in the politics of the country (within one continuing democratic regime) as a function of the role of presidents, which in turn depends on their place in the sequential order they occupy in a political regime. However, in this dissertation, changes in the democratization of the country occur within different political orders, both as a function of the role of presidents, which is constrained by the force of the recurrent cycle of leadership in which they find themselves as well as by presidents’ own strategies and tactics displayed when dealing with change.

The slow-moving changes that occurred in Bolivia, Peru and the Dominican Republic are described in Chapters 3, 5 and 7 respectively, employing historical-institutionalist approaches. The aim is to provide an understanding of the political order in place when the successive democratic presidents exercised authority. The cases of Bolivia and Peru start with a short narrative of the oligarchic political order, followed by the popular nationalistic political order, and the neoliberal political order. The Dominican case is circumscribed in the logic of these orders, but its political order was unique since there was no breakdown. The unfolding of events was controlled by Joaquín Balaguer, who gradually adapted his leadership and the governing logic of the country to events. Unlike Bolivia and Peru, the Dominican Republic’s changes were not driven by internal events, but by international pressures.

While most of the scholarly work in Latin American democracy has focused on explaining the presidentialist system, political parties, and support for democracy at the

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22 When making a case for the role of leadership in democratization processes, this dissertation pays particular attention to the narrative when describing the causal relations of the context for each of the cases (Bates, 1998). The facts and explanations presented in the narrative, both at the methodological level and in the narrative style, are carefully selected and weighted, taking into consideration what Starke (2010) considers are the criteria that make a good process-tracing narrative.
public opinion level, this dissertation focuses on key presidential actions that contributed to the advances and setbacks of democracy. Considering that a democratic president is not the person chosen in a fair election, but also one who acts according to two important democratic principles: he does not attempt to extend the possibility to be immediately reelected, and he increases the possibility of power sharing during his term. Although this dissertation acknowledges the importance of other institutions and players, such as presidents’ interaction with Congress, Judiciary, party managers and interest groups, the details of interactions such as decrees, veto points and executive orders are beyond the scope of this dissertation.

In this dissertation, presidents Gonzalo Sánchez de Lozada, Leonel Fernández, and Alan García are assessed based on the analysis of personality traits in Chapters 4, 6 and 8, respectively. The aim is to understand the motivations behind their choices and strategies, as well as their successes and defeats, all of which are considered decisive to explain regime transformation. These chapters illustrate the importance of decisions taken by political actors at specific moments in order to identify the challenges, difficulties and hindrances, as well as how these problems were addressed by the presidents. The explanations offered emphasize actors’ strategies, combining institutional factors and structural forces properly situating actors in macro-historical trends. First, I introduce systematically sequences of macro-structural and domestic-structural components. Second, I introduce institutional parameters including, presidents’ social group identification and specific leadership factors. In this way, the analysis of the macro-structural and domestic-structural levels incorporates structural explanatory variables and temporally remote causes. The analysis of presidents’ social

23 In methodological terms these are critical junctures as well as both punctuations and equilibrium.
group identification and leadership levels incorporate actors’ subjective evaluations, and
temporally proximate causes and specific features for each of the cases. The leadership
level is analyzed at the end because it is the lowest level of aggregation and the range
of possible outcomes is narrowest. In path dependence analysis, political institutions
are of special importance because they serve as an intermediate level of analysis, since
it considers the causal impact of actors on institutions and the causal impact of
institutions on actors, explaining both the creation of institutions during critical junctures
and the endurance of those structures after junctures. To assess the personal
characteristics, preferences, motivation and decision-making style of presidents,
Hermann’s (2003) classification of leadership style is used as a function of
responsiveness to constraints, openness to information, and motivation.\textsuperscript{24} When there is
understanding of presidential preferences, the things that they believe in and work for
and the way they go about making decisions, it is possible to learn about the images
they portray in public.

If there is something this dissertation tries to convey it is that there are neither
definitive victories nor permanent defeats. By examining the changes in presidents’
strategies and tactics, this research emphasizes how they self-consciously (or not)
deploy resources and modify (or not) their behaviors in response to the changes from
their first to their second mandates. Each success involves new challenges, including
learning (and over learning), and each defeat brings with it chances for political learning
(and over learning).

\textsuperscript{24} According to Hermann leadership styles refers to the ways in which leaders relate to those around them and how
they structure interactions and the norms, rules and principles they use to guide such interactions (Hermann
2003:180).
The leadership of each president with non-consecutive terms is analyzed via each president’s actions that signal his commitment to democracy, respect for the rules of the game and for horizontal and vertical mechanisms, and accountability for his acts. Particular attention is paid to presidential acts that attempt to take over legislative and judicial powers or the application of law to the president’s own convenience, as well as the actions that slander and curb opposition, whether as political parties or in active civil society, step over freedom of speech and ignore crimes against human rights. Attempts to seek reelection against the constitutional order in place are considered key to analyze democratic behavior. Since it is often difficult to measure someone’s actions against someone else’s actions in different conditions and at different points in time, the research design of this dissertation allows comparison of each president’s actions during his first and second terms; i.e. it is a comparison across time. This allows for investigation of political learning at the level of key political actors.

Furthermore, while respect for institutions, politics, abilities, policy and judgment are important, a normative dimension needs to be considered as key for good leadership. The normative arguments require a leader to have a vision of a better country and the belief in the right thing to do (Anderson 2011:88-89). As a former UK Prime Minister argues, the supreme test for leadership is whether, in the final analysis, the leader puts the country first. It does not mean that the leader does something people agree with or even what is objectively right. It means that the leader is ultimately prepared to put what he perceives to be the common good of the nation before his own political self (Blair, 2010).

Respect for the rules as the only the game in town as understood by Przeworski (1991: 26). Tanaka (2005) argues that “respect” for the democratic rules does not mean compliance with each and every one of its laws, but the degree to which party actors behave strategically within the democratic limits.
CHAPTER 2
PRESIDENTIAL POLITICS

This chapter discusses the concept of leadership and the distinction between political leadership and leadership. In addition, it provides an overview of the ways political leadership has been studied, in particular presidential leadership. This chapter also discusses the utility of the framework offered by Stephen Skowronek with his patterns for leadership in historical context and Margaret Hermann’s taxonomy of leadership styles and personality traits for the purposes of this dissertation.

Definition of Leadership

Leadership at the highest levels of complex social organizations has been an object of fascination and study in many disciplines.¹ Scholars, policymakers and pundits recognize human agency, particularly leadership, as key to understanding origins, transformation and prospects of outcomes, processes and institutions.²

The concept of leadership is problematic as it is both socially (Morell, 2006) and relationally constructed (Elgie 1995). Political leaders are individuals and, as such, each one is unique. The concept of leadership is socially constructed since leaders require consent from those whom they govern and serve. It is relationally constructed since it involves a relationship between leaders and their institutional settings. While some scholars think of leadership as a position of authority given hierarchies, orderings and regulations, most agree that there could be no leadership without followers, without the influence of one person over others. Leaders and followers forge their relationship in a

¹ Scholarly literature on leadership is found in disciplines and sciences as diverse as political science, psychology, sociology, business and management studies, anthropology, history, military studies, education, and gender studies.
² For instance, political science scholars’ research strategies with voluntaristic approaches to social phenomena emphasize variables that affect and are affected by actors’ behavior. Recently, in her APSA presidential address, Margaret Levi (2006) stressed leadership as one of the least understood ingredients in the study of dynamic theory of change.
particular circumstance. As a consequence, the type of context can ease or hinder the selection of the leader or the development of the relationship between leader and followers. Indeed, with regard to political leadership, constituents opt for different types of leaders: in times of crisis than compared to the choice in times of peace (Hermann and Kegley, 1995); in democracies and in authoritarian political systems (Downs 1957, Key 1966, Fiorina 1981, Aldrich 1995, Nathan 2003, Levitsky and Way 2010, Slater 2010); in boom times and in recessions. They also choose leaders to guide revolutions or to institutionalize change (Bueno de Mezquita 2003, Hermann 2003).

Leaders develop a sense of people’s emotional signals, of what events and decisions mean to people. By understanding their peoples and acting considering their well being, leaders legitimize their actions, and they develop a particular relation with their followers (Zalenik, 1992). As Machiavelli stated, a leader should try to be both loved and respected, building a bond of affection that allows the leader to build up loyalty reserves, so when leaders make mistakes they get the benefit of the doubt or at least are able to muddle through in times of trouble.

There is no consensus about how to conceptualize and measure leadership for meaningful comparisons through time and across individuals. This may account for the numerous definitions of leadership that try to capture its nature with descriptive and normative overtones. Given the uniqueness of individuals and circumstances, skeptics question if comparisons on leadership are possible at all, but without systematic comparison we are left with no system to mark the influence of leadership on societal outcomes.

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3 For a compilation of various definitions of leadership see Yukl (2010).
A definition of leadership appropriate for the purposes of this dissertation was proposed by Richard Samuels:

[leadership is] that constrained place where imagination, resources and opportunity converge. The imaginings need not be original to the leader, but he is the one who can control their use for his ends. The resources need not be entirely of her making, but she must be able to commandeer them for her own use. Opportunities will flow past individual entrepreneurs from time to time, and the successful leader will seize them. Most important of all, the constraints need not be determinant, and the change need not be serendipitous. Determined individuals will demonstrate a range of creative ways to combine resources and ideas and to seize opportunity.4

As portrayed by Samuels' quote, the idea of leadership entails exceptionality and stresses the nature of a complex activity that requires balanced characteristics in diverse situations. As Zarefsky puts it, "there are no rules for sizing up a situation or responding to it; rather these skills are developed in particular contexts and through practice" (Zarefsky, 2002: 22). Leadership is about running a wave of continuous change. Since change involves risks, leaders must take risks, the things that make them uncomfortable; they “risk everything for bold reforms and their opportunity and fate is hinged on the character of the bond they build with people” (Schattschneider 1960:11). Political leaders are ambitious themselves, and they send towering expectations and hopes to their countries. Actions are permeated by leaders’ personal characteristics. They are complicated individuals with complicated motives, ambitions, and with many flaws. They struggle with deep disillusionment that tests them personally and calls into question their abilities to succeed in their central political mission and in their own lives. They struggle and work intensely to carry forward their objectives, both the political projects defined by them and the projects that grow out of their life’s work and govern

many of the choices they make. Democratic leaders act because they have a mandate to move forward with their projects that have been affirmed by voters. Keeping their promises is a matter of honor. But once in office they realize how difficult it is to carry on their promises, and they face big political and economic forces that leave them weak and struggling to honor the mandate. In this regard, political leaders can change the terms of the debate precisely because they not only ride the political tides, but sometimes they also create political waves in the sense that they construct and shape the political debate to make changes people are eager to see.

Political leadership is not only about setting the terms of debate and establishing agendas; it also involves guiding and educating citizens. Although leadership depends upon the relation between the leader and his people, it also has a normative connotation. Leaders are responsible for the outcomes his guiding actions produce. It is under these lenses, namely leaders’ political projects, their democratic conduct, and the normative dimension, that the three Latin American presidents with two non-consecutive terms are assessed in this dissertation.

**Political Leadership and Democracy**

Political leadership has a unique position among all forms of leadership, considering its saliency and its influence in polities such as states. Even though political leaders can be found at all levels of power, the most important are heads of state and government.\(^5\) Indeed, a great deal depends upon leadership, as countries, organizations and all sorts of collectivities place their hopes on individuals in order to develop and survive. Political leadership is a phenomenon of power, but not just any power. It entails the ability of one or a small number of individuals who are on top to

\(^5\) Elgie (1995:5)
encourage others to act. Such power is exercised on the society that affects ostensibly
the destiny of mankind (Blondel 1987: 4-5). Political leadership involves a societal
context that gives authority to a particular person in order to make decisions and
distribute resources. Those under that authority provide legitimacy to the person holding
such an important role. No other person has the same opportunities and obligations.
However, having power does not necessarily guarantee leadership. To be in a position
of political leadership involves achieving some collective goal while being, in some way,
responsive to followers.

Many of the questions about political leadership refer to its meaning and its
important role in society in helping overcome collective-action problems. Indeed,
elections throughout the world intending to select the best statesmen are contingent
upon judgments on how well candidates could lead at that point in time, given the
country’s recent history, and considering future prospects for respecting civil liberties
and political rights. As demonstrated by many democracy scholars, leadership has been
decisive for the establishment of democracy and for democratic consolidation.

Huntington’s examination of this issue asserts “democracy will spread in the world to the
extent that those who exercise power in the world and individual countries want it to
spread” (Huntington 1991: 316). Whitehead observes “a satisfactory account of
democratization can hardly dispense with an analysis of how leaders arise and the
methods they use to shape the choices of others” (Whitehead 1999: 88). In his study of
African democracies, Wiseman contends “key decisions taken by leaders at key points
in the process have a great impact in enhancing or weakening the prospects of

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democracy” (Wiseman 1996: 165). When referring to Latin American democracies, Diamond, Hartlyn and Linz (1999[1990]: 33) affirm that “the effectiveness of democratically elected or oriented leaders in state building and economic development is clearly associated with the success of democracy over time.” Bermeo also asserts that leaders’ values and illusions shape the establishment of individual democratic institutions (2010).

The assertion of leadership as a requisite in democracy stems from the need for political authority and direction, from everyday problems to strategic vision, in order to achieve collective purposes swiftly and efficiently. As Levi has correctly pointed out:

[D]emocratic leadership aligns incentives, helps design and redesign institutions, provides the learning environment that enables individuals to transform or revise beliefs, and plays a major role in inducing preferences. Most importantly, leadership—both of government and within civil society—provides the human agency that coordinates the efforts of others (...) leadership combines some of the strategic and other competences [that] Machiavelli describes as “ethics of responsibility.”

Indeed, leaders know that they sometimes need to compromise their principles; they recognize they often have to gratify special interests that have supported them. Leaders know that compromise is necessary to reflect the times so they can work with disparate interests that need to be held together. Furthermore they know that negotiation and compromise are essential to democracy. From the citizens’ point of view, leaders are held to different standards than themselves and are not “equal” to regular citizens. Nevertheless, citizens consider that leaders are legitimate and worth their trust when each citizen is assured that everyone is held to the same legal obligations, and when

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8 See also Diamond et al. (1988).
citizens get political goods in return for their acquiescence. Thus, democratic leaders need to be guarantors of egalitarianism.

A key feature of democratic leadership is the leader’s capacity of judgment about practical issues, even above theoretical reckoning. Practical matters include establishing priorities, identifying problems, allocating precious resources, choosing among courses of action and selecting those who will carry decisions forward. A pivotal issue here is the definition of what is important for a given country at a specific time. According to Schattschneider (1960:66) "he who determines what politics is about runs the country, because the definition of the alternatives is the choice of conflicts, and the choice of conflicts allocates power." Another key feature of democratic leadership is vision, which inspires followers and other political actors who otherwise would not cooperate with the president’s actions. As Anderson correctly points out:

[vision] is a very difficult subject to study. Elusive, intangible, impossible to quantify, vision or the lack of it, lies at the very heart of good leadership(…) it lacks where leadership is poor (…) Leaders who bring their task a broad view of greater good have a power to sway us that they would not otherwise have. They can inspire us, energize us, rally us and urge us onward and in doing so they accomplish more than we can reasonably expect to understand by looking only at institutional context and constraints. Vision is key to good leadership and it allows leaders to go further and do more than they otherwise could do.11

The link between leaders and followers is a symbolic frame through which leaders transmit their vision by influencing the interpretation of events and by guiding the definition of problems and the response to them. Leaders develop symbolic frames to rally people to support their agenda. These frames are ubiquitous, providing people

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10 “[judgment is] a distinctive mental faculty or skill, a way of approaching deliberation and decision making that combines experience, intuition, taste and intelligence” Kehoane (2005: 710). Others have seen “prudence” as the cornerstone for successful presidencies; see Dorsey (2002).
11 Anderson (2011: 79-80)
with shortcuts for interpreting the world, for locating blame, and for proposing new courses of action (Pappas, 2008). Leaders consider that public sentiment is very important. Much of what elites attempt to do in new democratic regimes is heavily conditioned by their judgments of how ordinary people will behave (Rose, Mishler, and Haerpfer 1998; Bermeo 2003). For instance, consider how the high or low approval ratings of democratic presidents can shape their actions, the scrutiny of their decisions, the room for maneuver in their negotiations, and the influence on their political campaigns.

It is usually assumed that political leadership has a positive connotation, that political leadership is something admirable. Because leaders have tended to be held in high status, sometimes they are attributed hero qualities. But it is also true that leadership brings opportunities to accomplish terrible deeds and that leaders can be dangerous creatures. Thus, societies have developed mechanisms to control leader’s power. Even autocratic leaders, dictators and tyrants who seem to have complete control, are responsive to some degree to others who help keep them in power and in their positions. Throughout history, scholars, philosophers and political observers have discussed the ways in which leadership can be controlled. Perhaps the best known analysis of leadership is the systematic study of leaders drawn from history in Machiavelli’s *The Prince*. He holds a pessimistic view about the nature of man, and this pessimism is exacerbated when considering leadership. Law originates from this danger “for one can generally say this about men: that they are ungrateful, fickle, simulators

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12 Thomas Carlyle’s influential “great man theory” provides examples of extraordinary actions performed by extraordinary individuals.

13 See Gandhi and Przeworski (2007) maintain that authoritarian rulers also rely on political institutions by soliciting the cooperation of outsiders to avoid the threat of rebellion.
and deceivers, avoiders of danger, greedy for gain” (1979:131). While Machiavelli’s practical purpose was to offer counsel to Lorenzo de’ Medici to gain and retain power, modern studies of political leadership have aimed to understand the nature, opportunities and constraints of political leadership. The relationship between leadership and democracy has often been viewed as challenging since the preeminence and power of leaders can pose a threat to the democratic norms of equality, liberty and representation. There is a fundamentally anti-democratic nature in leadership. Because leadership entails relationships, its unbalanced influence undermines one of democracy’s basic characteristics: political equality (Keohane, 2010). Furthermore, the democratic dilemma is exacerbated by the discretionary power leaders use in order to provide solutions.

In modern liberal democracies the claim is that nobody rules - not the people, not the government, not the executive - at the most, it is thought that in democracy executive power is exercised in the name of someone. Representative democracy is characterized by the protection of individual rights and liberty, and it emphasizes popular sovereignty as a particular feature of the relationship between leaders and followers. Moreover, in liberal democracies citizens elect leaders who represent their interests. The assumption is that linkages of accountability and responsiveness work through politicians’ programmatic appeals and policy achievements. Leaders are expected to act in the best interests of the people. Democratic norms of accountability help keep the legitimacy and viability of the political system from being undermined by distributional conflict among social and economic actors. Furthermore, since they want

14 For a thorough discussion on the dangers of leadership see Blondel (1993).
15 Kitschelt (2000) correctly points out that new democracies often have direct exchange linkages, such as personal charisma of political leaders and selective material incentives (clientelism).
to be reelected leaders are accountable to the people. As put by Hagopian “whether or not governments perform well, citizens must perceive that their elected leaders are governing in a clean, transparent, and effective way, and above all, that their voices are being heard” (Hagopian 2005:321). The reason for not ruling in one’s own name is that all exercise of power is thought to be unjust, and therefore no one wants to claim responsibility for it. The resistance to ruling and being ruled lies in human nature, which is why liberal democratic theory justifies executive power by arguing that the president is formally an agent, while the people are the principal. Representative democracies assume that leaders represent and act considering the interests of their followers. Yet, as many scholars have argued, leaders have their own goals and do not necessarily follow those of their constituencies (Przeworski et al., 1999). In addition citizens cannot observe or monitor a leader’s actions thoroughly.

Democracies have developed constraint mechanisms against use of discretionary power, particularly executive power, in the form of institutional configurations. The very concept of democratic leadership entails the need of a license to provide guidance with actions that can only be assessed ex-post. In times of crisis the need for strong leadership with discretionary power that grasps the larger picture is even more pronounced, as the polity expects rapid solutions to alleviate suffering. However, the concept of leadership possesses most meaning under conditions of institutional and political constraint. Without constraint, the concept of

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16 Fukuyama entertains an interesting account of the need of humans to dominate (1992).
17 For a theoretical discussion on executive power and its comprehensive character, see Mansfield (1993).
18 During crisis the concentration of power in the president’s hand is not detrimental to democracy, since crisis duration is by definition short-term. In the long term, the stability of the political system will prevail and the rule of law will be above the rule of men. (Pearson, 2006). In times of crisis citizens tend to have more favorable perceptions of charisma than in “good times” (Merolla et al., 2007).
leadership and its assessment is reduced to a judgment on the quality of decisions and choices. Without constraint, we are left without explanations of the ends, of the process of persuasion, bargaining and coalition building (Keohane, 2010). In this regard the incongruity between democracy and leadership is ameliorated. On one hand, democracies have other institutions that compete for power and public support and that guarantee popular government and accountability; on the other, elections, government turnover and popular mobilization are also effective in restraining executive authoritarianism.\textsuperscript{19} Furthermore, leaders’ own normative values and their commitment to democracy are also powerful constraints. Throughout world history we know of leaders who have shown how personality matters, for instance in the U.S. we have contrasting examples. For example Franklin Delano Roosevelt pushed the limits of what a president could do at the same time that he chose to keep his own behavior constrained within the democratic boundaries (Burns, 1970), on the other hand, Dwight D. Eisenhower was careful in the forms and made it seem that he strictly observed his exercise of formal power, however he exercised leadership with a hidden hand (Greenstein, 1982).

The challenge for a democratic leader is to move his agenda forward while making decisions, both persuading and deploying resources that give voice to people’s demands, and encouraging followers to carry out his decisions. A democratic president has prerogatives that may force others to follow, but he should not need to use force. A democratic president has the capacity to articulate convincingly what he envisions and to influence others, so that they see his goal as their own. For this the leader builds consensus, negotiates with congress and with other groups, mobilizes different groups and appeals to the public at large.

\textsuperscript{19} For a discussion of horizontal and vertical accountability mechanisms, see Anderson (2006).
The Study of Political Leadership

Political leadership has often been framed in atomistic terms either by focusing on the individual or by focusing on the conditions in which leadership was exercised.²⁰ On one hand, political leadership scholarship focuses on character, including psychological profiling, leadership styles and political behavior. In this tradition, outcomes are a by-product of the leader’s actions, which are often understood as a by-product of larger social forces.²¹ Examples of this type of view are the great man theory of leadership in the tradition of Carlyle and in works like Burns’ biography of FDR (1970), and Dulles’ biography of Brazil’s Getulio Vargas (1967). The focus on the personal conditions for leadership include the work of scholars who have provided a variety of psychological theories and classifications to understand the quality of leadership, from personality traits (Hermann, 2003), to individual qualities (Dewan and Myatt, 2008; Levi, 2006; Keohane, 2005) to a combination of ingredients (Keohane, 2005). On the other, political studies consider the events and history in which leaders held their lead roles, considering leaders as subjects with marginal importance. Situational theory, for instance, posits that leadership depends on the situation in which actors find themselves.²² For a long time the atomistic understanding of leadership tended to oversimplify associated phenomena, such as charisma or effectiveness, and precluded systemic perspectives and accounts that acknowledge the interplay between structural and agent explanations of social phenomena. A call for interpretivist perspectives, offering the exploration of meaning, and intentionality derived into

²⁰ For a complete review of political leadership theories, see Morell and Hartley (2006)
²¹ Consider biographical accounts of political leaders.
²² Consider Karl Marx’s economic determinism and his famous words; “Men make their own history but not in circumstances of their own choosing.” Consider also Herbert Spencer’s cultural determinism.
constitutive theory, which acquired importance as it considered the role of interpretation in the symbiotic relationship between the leader and followers. For instance, scholars have analyzed how leaders use different leadership styles according to the constituency and the scenario. In recent years, contingency theory has acquired importance, maintaining that leadership results from the synthesis of situational favorability and leadership traits and takes seriously the role of motivations and intentions.

This dissertation draws from the comprehensive approach of contingency for the study of leadership. This approach posits that effective leadership entails the synchronization between: 1) the leader’s traits, character and identity, 2) relevant constituencies’ demands and needs, and 3) the temporary situation. Indeed, contingent events and the choices of political elites could be decisive in shaping regime outcomes, not only in the short run but also in the long term, as leaders may change the course of history, but only if and to the degree that the environment permits (Levitsky and Way, 2006). By considering that leadership involves not only the leaders, but also the followers, the relationships between them, and the nature of the context in which presidential action takes place, this dissertation provides a view to better understand the possibilities of change at a certain time.

This study assumes that the course of democratic politics in new democracies is shaped by purposeful political leaders. However, it does not assume that leaders have complete freedom to shape political outcomes, particularly in changing democratic contexts. Instead, this study takes as its basic assumption that presidents are constrained in the extent to which they are able to act freely. Constraints arise from historic configurations in which they exercise their presidency, democratic institutions,

23 See Fenno (1978, 2003); Ingall (2001), and Mansbridge (2009).
ethical and moral considerations, and from their previous experiences in office. Although leaders add their own value to democracy through their fresh ideas and ability to seize opportunity, they are still expected to play their part in an institutionalized system. As Pearson puts it: “Leadership depends on personality, political skill, time, place and circumstance (…) constitutional ordering of institutions does not prevent presidential leadership” (Pearson 2006: 67).

**Presidential Leadership in Democracies**

In democracies with presidential systems, presidents have particular characteristics that distinguish them from other heads of state in non-democracies. In a presidentialist system, a president by stature exercises the highest role in a country; he is the ultimate leader. Since presidentialist systems are characterized by strong chief executives, who are elected separately from the legislature (with no direct legislative accountability except presidential impeachment, which requires a majority in the parliament) and who have their own base of power and legitimacy, presidents have traditionally been, and continue to be, the single most important individual actors in their political systems. Moreover, in most countries the president is the only democratically elected person in the system whose constituency is the entire country. This provides him with popular legitimacy that exceeds that of any other elected official. This is the justification for arguing that the president represents the will of the people, as well as the reason why democracy developed mechanisms to constrain the leader. Anderson calls this the “dilemma of the presidential system” (Anderson 2011: 32). Because a presidential system produces a strong and independent leader and societies demand

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24 A basic definition of presidentialism states that the major characteristic of the presidential system is the separate election of the executive and the legislative for a fixed term, usually in a direct election.
rapid solutions to problems, there is a claim for “leadership” as well as for mechanisms that would prevent power abuses.\textsuperscript{25}

The systematic study of presidential leadership has received more attention in established democracies than in any other political context. Furthermore, presidential studies literature, in the tradition of American politics, has long looked at leadership as a decisive arena that challenges political structures in the margins of established democracies. As Stepan and Linz (2011) correctly point out, after World War II most of the academic works in American politics happened in analytic isolation from external comparative democratization. Even those concerned with American political development with a mission to engage in comparative approaches, have produced little research that indeed compares the United States democracy with other democracies. While this lack is certainly problematic, as it impoverishes modern political science, this dissertation is an opportunity to test the wealth of theories, materials and specializations that exist in American politics and broaden our perspective on democratization. The same can be said about the input that democratization studies in other polities, such as the cases in this dissertation, can bring to American politics.\textsuperscript{26}

In American presidential scholarly literature, the exercise of presidential leadership is problematized as the principal empirical puzzle of the sub-discipline, whether understood as the exercise of power per-se, the role of the presidency, the role

\textsuperscript{25} In the scholarly discussion of the best system for democracy, there are those who see presidentialism as a threat to democracy and those who see it as an opportunity. This discussion is addressed in Chapter 2. For Jones the American system is more "separationist" than presidentialist, in the sense that American political development has produced “separated institutions competing for shared power” (1997: 23).

\textsuperscript{26} Stepan and Linz’s essay (2011) is indeed a wake-up call for incorporating the United States into democratization studies, particularly since the U.S. has become increasingly the world’s most unequal long-standing democracy among industrialized countries.
of a particular president, or the executive (see Rockman, 1984; Cronin and Genovese, 2004).

Since the beginning of the creation of the American political system, the executive, in particular presidential leadership within the executive, has been a subject of controversy. The founding fathers could not agree on the desirability of a powerful presidency or a powerful president, because they aimed for limited government and limited discretionary power of a single individual. As Mansfield (1993) contends, the new republicanism imported for the executive both the strength of monarchy and some of the techniques of tyranny. For Mansfield the incorporation of a strong presidency not only republicanized English monarchy, but it also constitutionalized the anti-constitutional Machiavellian prince, so that there is impulse to get results. Indeed, one has to remember Benjamin Franklin's famous words "a Republic if you can keep it" with regards to constitutional power sharing among government branches. He was expressing his doubts about the working of a new political system with an ambiguous Constitution, vague enough to allow one powerful person at the top of the system and to have a system of checks and balances untested. Moreover, on one hand the Federalists argued in favor of the special role of the president. Alexander Hamilton (Federalist #70) wrote that the "energy in the executive is a leading character in the definition of good government," as he considered that leadership could be curbed within the constitution. Madison (Federalist #51) thought that presidential power could be counterbalanced in practice by a powerful opposition in Congress. On the other hand, the Anti-Federalists were hesitant to consider that the Constitution could constrain a
strong executive, which by nature tended to monarchic type of rule, especially during crises.

As the studies of the American government developed, scholars have not agreed on the constitutional and actual position of the executive with regards to the legislative branch. Despite having a liberal constitution that sought to construct institutions for proper administration, there has been no guarantee of the virtue required for the effect. In practice, the American presidency has seen both a strong and a feeble executive that was able to remain as such, depending on the circumstances, given the effective separation of powers that is a characteristic of the American system, as well as the particular presidents who have imprinted their own mark in U.S. history.

**American Presidential Studies**

There are several schools of thought in American Presidential studies. Although they emphasize different aspects, all provide explanations on how and why presidential leadership came to be important, why presidential leadership declines and rises, and the variables that affect and are affected by presidential leadership. Moreover, presidential studies offer interesting explanations for the analysis of American politics, since such studies heighten the importance of leadership, both as dependent and independent variables in the explanation of political phenomena. For instance, we find presidential leadership mattering in topics as diverse as the structure of power and the distribution of the effects of presidential leadership in public policy.

The classic work of Richard Neustadt's (1960; 1990), in which presidential leadership is conceived as persuasion, has provided researchers the principal

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27 For an account on the effects of institutions on policy outcomes, see the edited volume of Weaver and Rockman (1993)
framework to study the executive. Among the processes and arrangements that have been typically studied in the institutional approach, there are numerous works in decision-making processes, organization of executives, and the relationship between the executive and the legislature, judiciary, interest groups and the media. In Neustadt's words:

'powers' [formal authority] are no guarantee of power; clerkship is no guarantee of leadership. The President of the United States has an extraordinary range of formal powers, of authority in statute law and in the Constitution. Here is testimony that despite his 'power' he does not obtain results by giving orders -- not, at any rate, merely by giving orders. He also has extraordinary status, ex officio, according to the customs of our government and politics. Here is testimony that despite his status he does not get action without argument. Presidential power is the power to persuade.

Neustadt considers presidential leadership to be the capacity of chief executives to fulfill their tasks, exercise their powers, and utilize their organizational structures in the formulation, coordination, promotion and implementation of the president's agenda. Although the president's influence is limited to his role as bargainer, he must exercise leadership because the institutional tools provided through the exertion of formal authority, do not preclude the use of tools of political power that can go well beyond strategically asserting and manipulating authority. In the same manner, but applied to other democracies, Elgie asserts:

status and prestige are intangible but precious presidential resources (...) the degree of status and prestige that is afforded to the President is partly offset by the concomitantly high level of responsibility which is incumbent on the officeholder. The greater the legitimacy that Presidents enjoy, the greater the expectations they face and the greater the expectations they face, the greater the difficulty they will have in exercising leadership.  

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28 Elgie (1995:118)
Furthermore, as Mansfield (1993) argues, the essence of presidential power is ambivalent because the president’s formal weakness in reality enhances his informal strength, and as a result the president is usually much stronger than we think.

Despite Neustadt's suggestive efforts to expose the differences that an individual president of unusual personality, skill and clarity of political purpose can make, many subsequent empirical studies have depicted the inadequate capacity for persuasion as a consistent governing tool. Under most circumstances, presidential skill matters "at the margins" (Edwards, 1989, 1993, 2000, 2003), and the most compelling explanations for presidential success in the legislative arena are congressional-centered (Bond and Fleisher 1990; Jones 1997), in particular the partisan and ideological composition of Congress and the power, strength and institutional position of potential veto players (Edwards, 1989, 2000, 2003; Bond and Fleisher, 1990; Peterson, 1992). While scholars may disagree about the specific and precise impact of variables centered in Congress (see Mayhew, 1991; Howell, 2003), the centrality of the tools of presidential persuasion, such as skill and approval ratings, are only considered as tangentially decisive. Much of the work of George Edwards has illustrated the helplessness of the president to manage his approval ratings (Edwards, 1983, 2007).

Similarly, the analysis of Stephen Skowronek (1993, 2000, 2008) has demonstrated that most presidents cannot create or determine the opportunities and contexts for leadership. Their chances of success are largely determined by their place in "political time", specifically whether they are associated with a political order that is in ascendance or whether they are inextricably linked to one in decline. Yet, as Seymour Lipset (1978) has demonstrated, the period in which a new democratic regime starts to
function makes great opportunities available for political leadership to shape the disposition of politics and the emerging political institutions.

Scholars have developed a number of tools and theories and have adopted three different approaches to understand the capacity for presidential leadership: 1) the institutional approach, 2) the agency approach, and 3) the structural approach.

The institutional approach studies the impact of institutions on politics as the center of analysis. Institutions are considered persistent patterns for political outcomes. The early presidential studies focused on the legal aspect of the presidential roles. Presidential power was seen as a formal position of authority that derived from constitutional ambiguity. Moreover, the early studies discussed the president’s place in government as well as the normative dimensions of the presidency. With the rise of the behavioral revolution in political science, the institutional approach changed its legalistic focus to one centered on political outcomes; the role of the president in the political system was no longer questioned. Subsequent analyses considered presidential leadership to the extent to which presidents could obtain or maintain the support of other political actors for presidential policies, all within the arrangements of a working system of checks and balances. The approach recognizes that, although institutional prerogatives have changed greatly over time, the main structure of presidential action has remained basically the same.

The agency approach emphasizes the impact of individuals in politics. The orderings of relationships and preferences are the recurrent patterns that explain political outcomes. Presidential power is considered a function of personal politics rather than of position, ideas, interests, goals and vision at the center of analysis. Presidential
leadership is the capacity of the individuals to influence the workings and beliefs of other political actors:

On assuming office, the leader brings to the job a set of emotions, cognitions and predispositions, which is different from that of his or her predecessor. The individuality of these clusters of personality traits means that each leader has the potential to affect the outcome of the policy process in a different way. There is the possibility that a change of leader will bring about a change in the nature of the governmental decision-making process. It is partly for this reason that voters are sometimes motivated to place their trust in new leaders. There is the belief that a new leader may be better suited to cope with the prevailing leadership environment. There may be a better 'fit' between the new leader's personality and the environment with which the leader is faced.  

Among the variables considered in the scholarly literature are personality and psychological traits, principles and convictions, and cognitive processes.

The structural approach is concerned with historical development and time cycles emphasizing more systematic aspects of the presidency and its relation to the broader political order. This approach is different from the previous types of studies on the presidency, which focused on the actions of individual presidents, and where the most analyzed variables in the scholarly literature are skills, decisions, strategies and tactics. The structural approach stresses the conditions under which leadership is exercised. Historical conditions and time cycles are the emergent patterns that explain political outcomes. Presidential power constitutes the legitimacy attributed to the individual president, whose power is context-dependent.

This dissertation combines structural and agency approaches. Because I am interested in the role of democratic presidents in the politics of their countries, I consider that presidents are not successful because they are elected, but because they can advance their political projects. They take their mission to the public and fight to

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accomplish their goals; they choose strategies to reach those goals in a way that will maximize the chances to reach them while at the same time they are able to align with people’s goals and understand the needs of the times.\textsuperscript{30} I consider a democratic president one who demonstrates his democratic conviction in his acts. He operates and respects the rule of law and the constitutional and legal framework, namely Congress and the Judiciary, and he assumes responsibility for his government’s acts.\textsuperscript{31} A president who takes over the legislative and judicial powers, who applies the law to his own convenience, who slanders and spies on opposition, and who steps over freedom of speech and ignores crimes against human rights cannot be called democratic. It is not democratic a president who seeks reelection against the constitutional order in place. A democratic president is one whose political survival depends on his legitimacy; he risks defeat in elections (if consecutive reelection is allowed) and retires from office at the end of a limited term (unless non-consecutive reelection is allowed).

The following two sections explain the two theoretical frameworks that guide this dissertation and that correspond to the structural approach and agency approach, respectively. Skowronek’s approach was chosen because it is the only perspective that I know that is concerned about explanations of political change. It recognizes that presidential politics at a specific moment in time is, to a large extent, an extension of previous presidential politics. Skowronek places emphasis on the causal significance of ideas, or more precisely, of actors that in practice articulate and vindicate new ideas about their own roles in the politics of their country. Unlike Howell (2003), who is

\textsuperscript{30} Anderson reminds us that leaders, besides being evaluated for their power management and their responses to crisis and toward problem solving, are also assessed on the normative basis of their conduct and vision or the lack thereof” (Anderson 2011: 117).

\textsuperscript{31} This does not necessarily mean that presidents have a deep normative commitment to democracy per se.
interested in the institutional factors that affect the president’s ability to effectively issue unilateral action, Skowronek is interested in the dilemma of presidents to shape the politics of the existing political system, as well as the constraints derived from the forces they create.

Hermann’s approach to the evaluation of leaders from the perspective of personality was found useful, as she provides a typology of political personalities based on the relationship between needs, traits and perceptions. Her approach does not fall into traditional clinical personality type assessments that are often found in other psychological approaches such evaluations of cognition. Hermann’s approach helps to move beyond rationality assumptions in decision making and consider emotional responses as a result of endogenous processes.

The combination of the approaches of both Skowronek and Hermann’s to leadership allows comparisons to capture macro-political trends, political events and micro-political behavior in new democracies. Skowronek provides the tools to understand the larger historical context that helps trace democratization as a process within the rise and fall of political orders. With an understanding of the context, the political events are viewed as both constraints and opportunities for leaders during each of their two terms. Assuming that the general goals and vision of the presidents do not change dramatically over time, Hermann’s approach is useful in explaining a president’ actions as the results of his reactions to constraints and opportunities, information processes and motives.

Skowronek’s Approach to Presidential Leadership

Skowronek’s The Politics Presidents Make (1993) and later work stands out in presidential studies because he combines the structural approach with elements of the
agency approach emphasizing the former. He provides a framework to understand leadership in time, where the politics presidents make depends upon presidential impulse to secure a place in history and on the political impact of his efforts to do so. The context-bound struggle for legitimacy informs the president’s strategy for the exercise of power. Presidential leadership is not a free will or a matter of character or skill; presidential leadership is largely determined by the context. Context repeats itself, and a leader must understand each context and master each configuration endlessly reiterating at every step along his term. Skowronek’s approach of leadership context makes us appreciate human agency as a measure of each individual effort. Attention is paid to the president’s relationship to the established commitments of ideology, interest, and authority in what he calls “secular time”. Furthermore, Skowronek demonstrates that presidents can be separated by great spans of time and yet share the same context, having more in common with each other than with either their immediate predecessors or successors.

Skowronek emphasizes the incremental development of institutional capacities and the particular position of an individual president within the sequential rise and decline of a political order in “political time.” Skowronek speaks directly toward a president’s prospects for success in accordance with his placement in time. He rejects the idea that the only thing that makes a president great is his capacity to regenerate politics, to reconstruct a new political order. In Skowronek’s view we should not be waiting for the next Franklin Delano Roosevelt, because the contextual conditions are

32 Although Skowronek uses the terminology “regime,” throughout this dissertation the term “political order” will be used as defined by Robert C. Lieberman (2002), who, building on the work of David Plotke (1996), maintains that a “political order” corresponds to the ‘regular, predictable, and interconnected pattern[s] of institutional and ideological arrangements that structure political life in a given place at a given time’ (2002, p. 702).
rarely apt for a leader to change the order of things altogether (Skowronek 1995). For Skowronek a great president is not a hero, or one that inspires his fellow countrymen, or one that is loved or a subject of admiration and reverence. It is the individual’s leadership pretensions and the capacity of delivering his assumptions that make a president good; a president is first as fascinating whether he is a leader or a clerk, because the most important changes presidents make happen in secular time rather than in political time. Indeed, simple activities such as staffing the executive branch and specifying a political project for his administration are in them formative acts that readjust the terms of national debate and the conditions of political action.

The principal premise of this work is that each president comes to office with a disruptive force, which is a paradox of leadership; being at the same time order-shattering (different from the predecessor), order-affirming (seeking his own legitimation) and order-creating (seeking his own place in history). For Skowronek, presidents justify the reasons they were elected. Because they need to distinguish themselves from the previous president, there is an impulse of rupture with the past. As they try to make their own s in office, they have an impulse to construct their own rule and to maintain their work as they verify their places in history. Even though the nature of presidential action is always disruptive, it is also embedded in a political order, and it nevertheless seeks the reproduction of a political order by reestablishing legitimacy on the president’s own terms, thereby making the action, by default, a transformative and preservative endeavor. Skowronek argues that, despite the individual preferences presidents may have, they always seek to legitimize their actions. A president’s success is therefore dependent on his relation of affiliation or opposition to established

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33 Skowronek does not see presidents as public opinion movers or as dutiful clerks who lead the bureaucracy.
political commitments, whether those commitments are resilient or vulnerable. When a president assumes power, he faces either a resilient or a vulnerable political order. If the order is resilient, his leadership type will either reinforce it or undermine it, according to his established commitments of ideology and interests. However, if the order is vulnerable, his leadership type will reveal a desire to change the order or prevent it from changing, depending on whether his affiliations are driven by ideology or by a particular interest.

In his analysis of American presidents, Skowronek describes the dominant political coalition at a given moment in "secular time," as well as where in the sequence of "political time" the president exercises leadership. "Political time" for Skowronek refers to recurring cycles in American political history that exhibit particular patterns of politics. He finds four types of political orders throughout U.S. constitutional history: patrician, partisan, pluralist, plebiscitary. "Secular time" refers to the contingent authority of the president that emerges from the interaction of the presidency with institutions (formal or informal). Secular changes are emergent patterns of institutional orderings, which in turn are embedded in recurrent patterns that exist in history. By asking whether a president is affiliated with or opposed to established commitments, and whether those commitments are resilient or vulnerable, Skowronek generates four basic types of political leadership found in American political history: reconstruction, articulation, disjunction and preemption, all of which follow a sequential institutional logic of political disruption.

Table 2-1 shows the types of political leadership illustrated by some U.S. presidencies. The combination of political and secular time, expressed respectively in
the strength of the political order and the contingent dominant political coalition, results in four basic types of political leadership, all of which represent the lifecycle of a political order. 1) reconstructive presidents (opposed to the existing contingent dominant political coalition in a time when the political order is vulnerable), begin a political order cycle characterized by new interests and commitments. Reconstructive presidents are usually followed by. 2) Articulative presidents (affiliated with the existing contingent dominant political coalition, at a time when the political order is resilient). These presidents are challenged to innovate from within an established political order. 3) Disjunctive presidents (affiliated with the existing contingent dominant political coalition at a time when the political order is vulnerable), struggle to assert interests and commitments that are in doubt, and they are usually the last presidents in the life of a political order’s cycle. After disjunctive presidents, the cycle is repeated with the return of reconstructive presidents, who seek to build a new political order. 4) Preemptive presidents (opposed to the existing contingent dominant political coalition when the political order is resilient), challenge the resilient political order. They interrupt the order’s principles but are unable to completely discredit the order. Preemptive presidents do not follow a strict order in the sequence of a political order’s life cycle, because they can appear before or after an articulative president.

To exemplify Skowronek’s model let’s take the case of Jimmy Carter. Skowronek (1993) qualifies his presidency as disjunctive; because Carter was a feebly affiliated leader in a vulnerable political order. Carter’s presidency was exercised in the context of the New Deal order, which was an order initiated by reconstructive president Franklin Delano Roosevelt. All other successive presidents after Roosevelt and up to Ronald
Reagan were affiliated specifically with the New Deal, with the exception of Dwight Eisenhower and Richard Nixon. These two presidents exercised their presidencies when the New Deal was resilient. Yet, they were opposed to the New Deal’s contingent dominant political coalition. With its established commitments and a structured authority, and they questioned the existing model for development as well as the type of relation between the state and society provided by the tenets of the New Deal. Carter was the last of the presidents of the New Deal. By the time he arrived to office the tenets of the New Deal did not provide a solution to the problems of the day. By then society was looking for an alternative which Carter was not able to provide. Carter’s presidency started with an order-shattering impulse to fix the inefficient, red-taped and multilayered state apparatus. Carter took charge of the independent powers conferred to him and exercised them in his own right. His administration became the embodiment of technicalities, scientific management, and professional expertise. His order-affirming impulse consisted not in changing altogether the state apparatus but on making it work under his watch. He exercised his power and justified his way of protecting, preserving and defending the existent emblematic values. The order-creating impulse was his attempt to provide a new set of tools. Carter tried to create a new political arrangement that could stand the test of legitimacy within the other institutions of government as well as the nation at large. However, there were underlying currents with profound tensions among the establishment and a broad challenge to the order’s legitimacy. The more he tried to control, the more he achieved the precise opposite. Because Carter did not realize he assumed power in an “impossible leadership situation” (Skowronek, 2003:365), his credibility as a national leader was challenged. It was Reagan, who
started a new political order. He provided a new discourse, which articulated the need for profound change. This discourse was based not on a particular alternative Reagan proposed, but on his denunciation of the tenets of the New Deal. Indeed, the guiding ideas and principles of the New Deal no longer offered solutions to the changing polity. Reagan became a reconstructive president, by first repudiating the very tenets of the New Deal.

Skowronek recognizes that the authority to repudiate is the most expansive and extensive of all political resources for the disruptive exercise of leadership, since it blends language and action, intention and effect, in the construction of political order. Without authority to repudiate a president finds it difficult to keep the political impact of the exercise of power aligned which his own definition of the moment at hand. Having authority to repudiate can lend moral support to a coherent public discourse. Even though all presidents arrive in office promising change and denouncing the problems of previous administrations, only reconstructive presidents find themselves with sufficient authority to repudiate and start a new political order altogether.

Skowronek’s understanding of presidential leadership is not reconstructive leadership per se. For him, any president has the potential of presidential leadership, but the strength of such leadership depends more on the president's political authority than on institutional resources. Presidential leadership depends less on personal character than on the historically contingent ability to balance the order-shattering, order-affirming, and order-creating impulses of presidential action. This conception of leadership is useful when comparing presidencies across time and across national boundaries. In this research I follow Skowronek’s classification and method for
comparing leaders across time because it provides the opportunity to test the idea that presidents are persistent agents of change embedded in particular contexts following historical cycles found everywhere.

Interestingly, in his analysis and classification of presidents from John Adams to Bill Clinton, Swokronek classifies Grover Cleveland, the only president who served twice non-consecutively in the history of the United States, as one of his three hard cases. Swokronek refuses to label him as either a reconstructive or a disjunctive president. Indeed, a two-time president with a second term separated from the first by an intervening term is difficult to categorize, since, depending on the time, his presidency seems to be of one type and then another. Having presidents with non-consecutive presidencies actually provides the rare opportunity to look at how the same person displays his leadership style in two different political moments, when his own affiliation is shaped with the passing of time.

If “political time” centers on the historical conditions that make presidential power more or less legitimate, “secular time” centers on the existing contingent dominant political coalition which has cumulatively appropriated the modes in which government operations function. These two concepts introduced by Skowronek are pivotal for my research, because they aid in the understanding of presidential leadership dynamics and permit comparisons across countries histories, across individual presidents, and across two moments in time of a politician’s political life. While secular time illuminates patterns of a president’s political behavior (with its affiliation or not to the coalition), political time illuminates historical patterns, and the non-consecutiveness of the presidential terms illuminates patterns of political learning. These in turn help explain
the rise and fall of a country’s political order, the stance of the individual president confronting a political order, and the individual political learning of a president based on his previous experience, all of which informs the impact of an individual president in the democratic process of his country.\textsuperscript{34}

Since Latin American presidents are decisive actors, understanding their actions, the political moment, and presidents' own personal struggles to secure a place in history may shed light in understanding the development of democracy in Latin America. My research considers the problem of political timing and how presidents exercising different types of leadership in their first and second terms can hinder or strengthen democracy. The crucial question is not how well presidents’ actions fit the various leadership styles, but what the implications of leadership styles are for Latin American developing democracies. This topic is explored in chapter 3.

In this dissertation I test Skowronek’s framework outside the U.S. Most of the contemporary research on the American presidency agrees that the imperfect functioning of the system of checks and balances is an important factor in limiting presidential leadership. Thus, leadership is relevant but “at the margins” (Edwards 1989, 1993, 2003; Howell 2003, 2005; Jones 1997; Peterson 1992). In Latin America, presidential leadership is often regarded as located at the center of the political system (Linz 1994, O'Donnell 1993, Aleman and Schwartz 2006, Anderson 2006). Skowronek’s model was conceived for the American presidency but because all large collectivities require leadership to function, particularly those that are in the process of developing

\textsuperscript{34} The author differs from Skowronek’s concept of “political time.” For him secular time is circumscribed in American politics, and it is understood as the change in the structure of the institution of the presidency that arises from extra-constitutional forces, but that makes resources routinely available to incumbents in the exercise of their powers. For Skowronek, political time happens within a single and continuous democratic regime. In this dissertation the author understands political time as the change in the political resources available to incumbents at any point of a regime, within (or not) a continuous democratic regime.
their democracies after the third wave, the appropriateness of this model in studying new democracies could potentially serve to compare presidents across nations and historical periods.

Skowronek’s model is useful as it proposes that in essence each president faces a new challenge with different resources at hand than those of his predecessors or successors. By looking at the same politician at two moments in his political life, this dissertation tests a third dimension not considered in Skowronek’s two-dimensional table: leadership style. This topic is explained in the following section where Hermann’s personality traits are addressed. Furthermore, while Skowronek abstains from making an assessment on what good leadership is, in this dissertation moral and ethical arguments are considered key to understand leadership. Every president comes to office with his own perception of the common good. In this dissertation particular attention is paid to president’s justification for his actions.35

Hermann’s Classification of Leadership Traits

This dissertation relies on the typology of leaders developed by Margaret Hermann (2001, 2003) as an analytic tool to assess leadership styles.36 Leadership style refers to “the ways in which leaders relate to constituents and their advisers, and how they structure interactions and the norms, rules and principles they use to guide such interactions” Hermann (2003: 181). A president’s leadership style has implications for democracy, as presidents are more or less likely to respond to certain events, and

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35 On the importance of moral and ethical arguments, see Anderson (2011), particularly Chapter 2.
36 To create this typology, Hermann profiled more than 122 world political leaders through analysis of speeches and media interviews.
37 In order to assess a president’s personality I rated traits (high, moderate, low) based on interviews with persons whom the Presidents had long-term personal contact, journalists specialized in the Presidency, and scholars. Other sources were speeches, videos, published books and articles, and press interviews and reports.
challenges and to opportunities to achieve their goals in similar ways throughout their tenures.

A study on presidential politics entails learning about presidents’ characters, the way they conducted politics, the decisions they made and the events and history in which they held their lead roles. Political psychology rests on the belief that political structures and actions are shaped and channeled by people’s personalities (Winter, 2003). Post has argued that particular personality types tend to be associated with particular belief systems and particular leadership styles (Post 2003: 80). Thus, understanding a president’s persona, over time as well as contextually, is particularly useful when we compare non-consecutive presidencies. As Post puts it, “personality connotes a systematic pattern of functioning that is consistent over a range of behaviors over time” (2003: 69), and Greenstein argues that the degree to which a leader’s personality affects political behavior is in part a function of the nature and flexibility of the political system (Greenstein, 1987). For this research, it implies that context matters for shaping personalities, and different types of personality have implications for leadership. Personalities are particularly important when power is concentrated, when institutions are in crisis, or when there is great change (Byman and Pollack, 2001)

Political outcomes can be better understood when considering the leader’s psychology.37 Despite a country’s democratic institutions, leadership is needed in order to ride the inevitable waves of change that come with the times. Likewise, when countries seek to make their societies more democratic, it greatly matters who the leader is. In debates about whether leaders are born to be leaders or if they rise to the

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37 This is not to say that political outcomes are the result of leader’s personalities only.
occasion, scholars have produced a number of classifications. For this reason constructing a profile of the leader requires considering early influences such as family and mentors. Furthermore, particular events also shape a leader’s views, needs and wants. Post (2003) argues that traditional elements of particular importance to political personality include: intelligence, knowledge, drives and affects, including anxiety, aggression, hostility, activity and passivity, shame and guilt, evaluation of reality, judgment, interpersonal relations, identity and ambivalence and ego defenses. According to Post, personality types understood through cognitive factors, organizational preferences, and policy preferences are important for political functioning. He contends that the features of a leader with narcissistic personality are a grandiose sense of self-importance, preoccupation with unlimited success, need of constant attention and admiration, exaggerated charm, and a sense of entitlement, among others (Post 2003, 83-87). The features of an obsessive compulsive personality in power are outstanding organizational ability, attention to detail, emphasis on the rational process, and preoccupation with matters of rules and order (Post 2003, 88-93).

Leaders differ in their degree of responsiveness to context and the goals that drive their actions. Hermann asserts those in leaders’ styles generally arise from the images leaders have of themselves and their perceptions of where their behavior is validated. Hermann stresses that the differences between leaders result from three combinations of traits: a) responsiveness to political constraints in a leader’s environments, as an indicator of the importance for a leader to exert control and influence over the environment, or his adaptability to situations and his response to demands; b) self-other orientation, signaling how open a leader is to receive input from

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38 For an account of leadership style typologies see Hermann (2001).
others in the decision-making process and from the political environment in general, and
c) motivations for seeking leadership position, which relates to the relevance of the
groups with whom he identifies. Categorizing leaders on these three combinations of
traits facilitates placing them into a three by three cube denoting their general
orientations to the political context.

Hermann found seven valuable personality traits for assessing leadership styles.
a) A leader is a Challenger or a Respecter of constraints according to his 1) belief in his
own capacity to control events and 2) need for power. b) A leader is Open or Closed to
information depending on his 3) self-confidence and 4) conceptual complexity. c)
Finally, a leader is either Problem-focused or Relationship-focused, depending on his 5)
focus on task, 6) in-group bias and/or 7) distrust of others. Table 2-2 summarizes the
combination of these traits and explains the scores that help define a leader's reactions
to constraints, his ways of dealing with information from the environment, and the type
of motivation focus he is more likely to have.

Presidents have a dominant leadership style, since personality traits are
dimensions that make up typologies. They move across dimensions depending on
situational and contextual variables. Because the nature of decision changes and the
nature of problem changes, leadership styles are linked to characteristics of the context.
It is the degree that matters, not that leaders have personalities with absolute presence
or absence of traits.

In the first combination of two traits, leaders’ responsiveness to political
constraints in their environments is determined in part by the belief he can control
events. It is a view of the world and a self perception that a president can influence what
happens. Leaders who score high in this trait are generally active in policy-making and want to maintain control over decision making. They are therefore less likely to delegate authority for tasks they consider important for achieving their goals. They are also less likely to compromise and deal with others. They convey strength and confidence in their decisions. The need for power indicates a concern for establishing, maintaining or restoring one’s power. Hermann argues that leaders who score high in this trait are generally daring and charming and they prefer face-to-face interaction. They generally see people in terms of usefulness to his ends.

When leaders score high in both traits, they are likely to take charge of any situation and test the limits of what is possible before taking action. To see how far they can go in negotiations, they push the rules they themselves set and change to their convenience or whenever their interests or goals change. When leaders score low in both traits, they understand the importance to work within constraints in their environments to build consensus and accommodate constituents’ interests. When leaders score moderate in both, they generally respect constraints, but they take charge under threats to their leadership positions and under national crisis. They are consensus builders, and compromise achievers, and they tend to be reactive rather than take initiative. When the belief to control events is higher that their need for power, leaders are challengers. They do not hide well their intentions well, making their influence less effective. The opposite, higher in the need of power than in the belief of controlling events is indicative of leaders who do not like to show off their power and are more willing to delegate and put others in the spotlight.
The second combination of two traits suggests that the likelihood of presidents to be open or closed to contextual information depends on conceptual complexity the degree of self-confidence. When it comes about conceptual complexity, Hermann states that leaders high in the conceptual complexity trait see more shades of gray instead of blacks and whites; and they receive more stimuli from the environment than more assertive leaders. They are less willing to trust their instincts and are highly attuned to contextual information. Their high conceptual complexity pushes them to search for information from a variety of perspectives. Situationally responsive leaders gather information through a large network that alerts them of public opinion, and they are more responsive to the needs and wants of others. The leaders’ reading of political reality is certainly important, as it is a source of reference for decision making. Mintzberg (1990) assures that leaders with high conceptual complexity are typically better informed than everyone else. Leaders have formal and easy access to information, and they know how to obtain and use it. They are at the nerve center of the political world, not only of state administration matters, but of the political world in general. Although they may not know everything that goes on, they typically know more than subordinates and rivals. Leaders with low scores in contextual complexity perceive information from the environment more selectively, and they are less likely to change their attitudes and beliefs with ease. Leaders high in self-confidence interpret and filter information based on their high sense of worth. They are more resistant to incoming information, and do not reach out to new material for self-evaluation. These leaders believe they know what is right and what should happen and set about to persuade others of the appropriateness of their courses of action. Such leaders are fairly
unresponsive or insensitive to cues from the environment. Instead they reinterpret the environment to fit their view of the world. These leaders are likely to organize the decision-making process in a hierarchical manner to maintain control over the nature of the decision. Leaders with low scores in self-confidence are easily buffeted by the “contextual winds.” They tend to continually seek out information from the environment in order to know what to do and how to conform to the demands of the circumstances in which they find themselves.

When leaders score high in both traits, they are open to information and strategic in their behavior, focusing on what is feasible at any point in time. Their high confidence facilitates having patience. While they want to take action, they have the capability to check the environment and see how it will work. They are the center of the information network; for them information is power. One problem that results from these traits is the appearance from the outside of erratic and opportunistic behavior. When they score low in both traits they are closed to information and they seem to reflect the views of those around them. Many of these leaders show narcissistic signs, and enjoy attention. When they are moderate in these traits their behavior will change according to the situation. When leaders’ contextual complexity is higher than their self confidence they are more open and pragmatic to the needs, ideas, and interests of others. In the opposite situation, when self confidence is higher than contextual complexity, leaders tend to be close to contextual information. They seem to be ideologues and advocate strongly for causes.

Hermann contends that leaders are driven in general either by an internal focus or by the quest for legitimacy by seeking appreciation by others. In the former case, the
drives are usually ideas, images causes or particular problems. In the latter, the drive is to be accepted gain approval, get support, seek acclaim. Three traits provide evidence of leaders' motives. In their degree of focus on problems vs. relationships, leaders care about problems but also care about the support of their leadership. In this regard problem-driven presidents manage relationships with the main goal of solving problems, while relationship-driven presidents are concerned about the feelings and needs of their constituencies, emphasizing group maintenance, loyalty and support. Leaders who are more responsive to relationships tend to have a self image defined by others' expectations. The combination of in-group bias and distrust of others refers to leaders' perception of the world. Leader with high in-group bias put their own group (social, political, ethnic, etc) at the center of the world. Leaders are more identified with particular groups' survival and they show strong group attachments. Their decisions favor their group and the leader is generally interested in maintaining its separate identity. These leaders tend to use scapegoats in order to blame others for the country's difficulties. Leaders with low scores on these traits are less strongly tied to specific groups. Leaders with low group-bias look at a situation keeping groups' categorization more fluid, and they reached out with others to enhance relationships. The seventh trait is distrust of others, is related to the feelings of doubt and suspicion of the motives and intentions of others, and the perception of others' actions as threats. It is based on past experience with people involved and on the nature of a current situation. Leaders with scores high in distrust are constantly vigilant and want to anticipate. They do things on their own because they fear sabotage. When they score low leaders tend to put other's motives in perspective. As Diamond (2010) argues when people feel threatened, they
tend to act emotionally and are often unable to see things objectively as to effectively achieve their goals. Threats activate the emotional side of leaders instead of appealing to rationality, which in turn lead to failed negotiations.

When leaders have low in-group bias and distrust of others, they do not perceive the world as a threat but simply as a series of constraints. They focus on taking advantage of opportunities and relationships. When they score high in both scores, they confront problems as zero-sum game. They tend to behave aggressively and to focus their attention on eliminating menaces and problems, seeing adversaries as constant threats. When leaders’ scores are high in in-group bias and low in distrust for others, they tend to focus on threats as problems and to see that situations also offer opportunities. Leaders with the opposite scores are more flexible and focus on building relationships while remaining vigilant.

When the three dimensions – challenge or respect of constraints, openness to information and motives and focus – are interrelated, eight leadership styles result as shown on Table 2-3: expansionist, evangelistic, actively independent, directive, incremental, influential, opportunistic, and collegial. Leaders’ responses, openness and motives make them tackle problems, develop ideas, establish goals and priorities in particular ways. Furthermore, they define policies by reinterpreting and redesigning situations guided by their goals and principles.

The personality portraits of presidents are valuable if we are to understand not only historical actions and events, but also how personality predicts future behavior and policy choices given certain scenarios. In fact, when selecting candidates, voters are systematically exposed to candidate backgrounds, because the formation of an image
of the person is important for voters. It is easy to think of leadership as a test of character. But while good intentions matter, so does the capacity to follow through on them. Exercising presidential power in practice, as well as delivery and implementation of presidential agendas, is important for democracy, whether it is about state-building, power sharing,39 or strengthening existing institutions. It is critical to count on the capacity of the leader, to make and implement major strategic decisions. It is not unusual to have leaders with good ideas, but these ideas make little difference if the systems are not in place to move decisions to delivery. Without capacity, even the greatest visionaries find it hard to turn aspirations into actions. On the other hand, no effort carried out with deep conviction can be qualified as fruitless. Therefore, when analyzing the democratic behavior of a leader the process of turning a goal into a decision is as important as the decision itself.

Discussion

This chapter discussed the various meanings of leadership and the difficulties in capturing its main characteristics. However, this dissertation considers as democratic presidents those leaders who are at the same time constrained by historic configurations, democratic institutions, and ethical and moral considerations, as well as by their previous experience in office.

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39 “If inclusion is a central aspiration of democratization, in order to be meaningful, that inclusion is necessarily predicated on agency. Political inclusion entails the accession to the political sphere by those groups traditionally absent from it, and it can take on more or less intense forms. The indicators of agency suggested here are three, ranging from weakest to strongest. Individual agency involves the appearance in the political arena of persons from excluded categories of the population as candidates and representatives in their own right, and the demonstration of their agency is their successful election to local office. Collective agency is manifested through the creation of a political vehicle in which persons from marginalized categories together constitute a channel for influencing local politics directly. The third indicator is the nature of the demands and policies put forward by these new agents in the local sphere and the degree to which they reflect collective interests and values.” Thede (2011:218)
After reviewing the many ways in which political leadership has been studied, this dissertation has adopted two theoretical frameworks that complement each other in order to have a complete understanding of political change in new democracies. While one emphasizes structure and explains macro-political trends to provide an account for political events, the other emphasizes agency and explains micro-political behavior based on personality traits. Skowronek’s theoretical approach is useful as it provides the concepts of political and secular time. These concepts help situate the three presidents studied in depth, in the history of their countries as well as in the life of political cycles. Hermann’s taxonomy of leadership traits provides the tools to understand leadership in psychological terms, as the result of personal responses to political constraints, as perceptions of context and as motivations.
<table>
<thead>
<tr>
<th>Strength of the political order</th>
<th>Relation with the contingent authority</th>
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<tbody>
<tr>
<td><strong>Vulnerable</strong></td>
<td>1) Reconstructive presidency</td>
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<tr>
<td></td>
<td>Thomas Jefferson, Andrew Jackson,</td>
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<td></td>
<td>Abraham Lincoln, Franklin Roosevelt</td>
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<td></td>
<td>3) Disjunctive presidency</td>
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<td>Quincy Adams, Franklin Pierce, Herbert</td>
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<td></td>
<td>Hoover, Jimmy Carter</td>
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<td><strong>Resilient</strong></td>
<td>2) Articulative presidency</td>
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<td></td>
<td>James Monroe, James Polk, Theodore</td>
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<td></td>
<td>Roosevelt, Lyndon Johnson</td>
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<td></td>
<td>4) Preemptive presidency</td>
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<td>Woodrow Wilson, Dwight Eisenhower,</td>
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<td></td>
<td>Richard Nixon, Bill Clinton</td>
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<tr>
<td>Traits</td>
<td>Rank</td>
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<td>-----------------------------</td>
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<tr>
<td>Challenger/respecter</td>
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<td>1. Belief can control events</td>
<td>High in 1 and 2</td>
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<td>2. Need for power</td>
<td>Low in 1 and 2</td>
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<td></td>
<td>Moderate in 1 and 2</td>
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<td></td>
<td>High in 1 and low in 2</td>
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<td></td>
<td>Low in 1 and high in 2</td>
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<td>Openness information</td>
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<td>3. Contextual complexity</td>
<td>High in 3 and 4</td>
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<td>4. Self-confidence</td>
<td>Low in 3 and 4</td>
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<tr>
<td></td>
<td>Moderate in 3 and 4</td>
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<td>Low in 3 and high in 4</td>
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<td>Motives:</td>
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<td>Problems/relationships</td>
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<td>5. Task focus</td>
<td>High/low</td>
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<tr>
<td>6. In-group bias</td>
<td>High in 6 and 7</td>
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<tr>
<td>7. Distrust of others</td>
<td>Low in 6 and 7</td>
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<td>High in 6 and low in 7</td>
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<td></td>
<td>Low in 6 and high in 7</td>
</tr>
</tbody>
</table>
### Table 2-3. Hermann’s categorization of leadership styles

<table>
<thead>
<tr>
<th>Responsiveness to constraints</th>
<th>Openness /closeness to information</th>
<th>Motivation</th>
<th>Relationship focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Challenger</strong></td>
<td><strong>Closed</strong></td>
<td>Expansionistic: Focus is on expanding government’s and state’s span of control</td>
<td><strong>Evangelistic:</strong> Focus is on persuading others to accept one’s message and join one’s cause</td>
</tr>
<tr>
<td></td>
<td><strong>Open</strong></td>
<td>Actively independent: Focus is on maintaining one’s maneuverability and flexibility while avoiding obstacles that limit both</td>
<td><strong>Charismatic/Directive:</strong> Focus is on maintaining one’s own and the government’s status and acceptance by others, seeking to enhance reputation</td>
</tr>
<tr>
<td><strong>Respecter</strong></td>
<td><strong>Closed</strong></td>
<td>Incremental: Focus is on improving incrementally while avoiding obstacles</td>
<td><strong>Influential:</strong> Focus is on building cooperation in order to gain a leadership role</td>
</tr>
<tr>
<td></td>
<td><strong>Open</strong></td>
<td>Opportunistic: Focus is on assessing what is possible in the current situation given what one wants to achieve and what is permitted by the environment</td>
<td><strong>Collegial:</strong> Focus is on reconciling differences and building consensus, empowering others while gaining prestige for oneself, and sharing accountability</td>
</tr>
</tbody>
</table>
CHAPTER 3
PRESIDENTIAL POLITICS IN LATIN AMERICA

This chapter examines the pertinence of existing theories of presidential leadership applied to Latin America. It argues that the institutional perspective, in particular classic presidentialism, needs to be revisited and move beyond the emphasis on formal political institutions. The focus should be instead on democratic governance, understood not only as political performance but also as the behavioral dispositions of actors. Given the focus of this dissertation, this chapter lays the ground to understanding the role of presidents in Latin America. Scholars of presidential politics can benefit by incorporating theories and frameworks developed in the American context to understand presidential leadership and the use of presidential power in the region.

Discussion of Presidentialism

Linz (1990) initiated the discussion of the perils and benefits of presidentialism, advocating instead for parliamentarism. Early studies had a negative view of the political architecture of Latin American countries, given the presidentialist system existent in all countries.¹ In scholarly discussions of the best system for democracy, there are those who saw presidentialism as a threat to democracy and those who saw it as an opportunity. The most common view was the former, stemming from Juan Linz’ (1990, 1992, 1994) argument that presidentialism has been detrimental to a stable democracy and that parliamentary systems were better in terms of promoting democratic consolidation for four reasons. 1) The “dual legitimacy” or separate electoral mandate of

¹ After its independence from Portugal, for a brief period of time (1822-1889), Brazil became a representative parliamentary constitutional monarchy under Pedro I and Pedro II. Mexico started its independent life as a monarchy (1822-1824) but quickly became a presidentialist country. These two nations are the only ones that experienced a non-presidentialist system.
the executive and legislative provides the executive with an independent mandate resulting more frequently than not in provocative plebiscitarian, populist and nationalistic pleas. Thus the president has more power and discretion than his executive counterparts in other systems, making the presidency prone to power abuses. 
2) Presidentialism fosters zero-sum competition, producing policy gridlock with the legislative branch. The lack of a direct link with Congress can lead to political stalemate when the party of the president lacks a majority in Congress, and governing can be difficult since opposition parties in Congress lack real incentives to cooperate. They do not benefit much from policy successes and could be blamed for policy failures. 
3) Because presidents have fixed terms and the process of constitutional removal of a president tends to be difficult, the political system can be paralyzed for a long time when there is an incompetent president or one who lacks popularity. There is a lack of accountability of the government because the president can be dismissed only through complicated impeachment procedures. 
4) Because presidents are directly elected though a winner take-all election system, often without a congressional majority, there is a disproportional sense of legitimacy, which often avoids coalition and consensus building, besides being a problem of representation.

Counterarguments by those who hold that presidentialism also offers opportunities for democratic advancement include rebuttals to each of these issues. 
1) Presidential institutions satisfy democratic aspirations by producing executive and legislative institutions arising from elections. Presidentialism also has mechanisms of control to prevent tyranny through power diffusion, and presidentialism can provide a

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2 For the relationship between the executive and legislative in American Politics literature, see also Jones (1997)
3 See also Shugart and Carey (1992).
4 See also Lijphart (1992).
balance between direct popular sovereignty and representative government (Mettenheim, 1997). 2) The separation of powers and the tensions between the executive and legislative branches allow citizens to hold the administration accountable vis-a-vis congress. Partisan powers provide an opportunity for the president to use his power to rally party support in congress to move his agenda forward. 3) Fixed terms provide more stability to governments than a parliamentary system. Moreover, most of the constitutions in presidential systems include impeachment and/or congressional interpretation of the capacity of the president to continue governing. Although impeachment is not a power of the president, but rather of the legislature to remove the president, it affects the relations between the executive and legislative branches and is used as a safeguard mechanism when the president is alleged to be guilty of serious charges, including violation of the constitution, crimes and abuse of authority. 4) Presidential mechanisms can foster inter-branch cooperation by making informal legislative coalitions through mechanisms such as bargaining, cabinet appointments, policy trades, and pork barrel spending (Negroto, 2006).

**The Presidentialist Tradition in Latin American Studies**

Whether one prefers one system or the other, as time passed the negative scholarly assessments changed, and the reality is that Latin American countries are very unlikely to change their presidentialist systems. Not only is presidentialism part of their political traditions, but there is no clear empirical example of a country that moved

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5 For instance, the Ecuadorian constitutions provide congress with impeachment authority when there are allegations of poor performance of duties.
6 In his review of the evolution of the debate on the merits of presidentialism and parliamentarism, Elgie (2005) considers that the third wave of presidentialism studies made clear that, while institutions matter, there is a number of other factors that affect how they matter, including the number of veto players, the ideological distance between them and the degree of cohesion within the main groups of players.
from presidentialism to parliamentarism, at least not in the region. That is why it is important to understand where presidentialism emerged and why Latin America has not developed into liberal democracies, and consolidated as such, at earlier times, as did the United States.

Starting in 1978 all Latin American countries, with the exception of Cuba, began to return to democratic politics. The democratic experience of the region has seen advances and setbacks. Common arguments about the deficiencies of the democratic regimes in the region refer to persistent privilege, corruption, injustice and inequality. The question about the choice of political system, along with its institutions and actors, is important in the contemporary social sciences, and it is even more important when considering democratic performance. But, above all, it is important for the millions of citizens who live in Latin America under a democratic regime and under leadership that helps to shape the future of democracy in the region (UNDP, 2005). Many institutional layers of political systems, such as presidentialism vs. parliamentarism, the electoral system, and federalism, have compelled scholars to look inside the components and outside formal institutions, and to assert that there is no optimal political system. While there is little doubt about the importance of presidentialist institutions as such, the results for democratic politics have been mixed. Most of the scholarly literature has

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7 Over time some countries have tried slight variations from presidential governments. Peru has the figure of the Prime Minister, albeit he acts as a chief of staff. Uruguay at some point had a collegiate presidency in the Swiss tradition. Mexico and Brazil experimented with monarchical models in the 19th century. Outside the region while there is no general consensus on the list of countries which are presidential, semi-presidential, or parliamentarian, there has been a tendency in recent years for some countries to move from presidentialism to approach at least a semi-presidential status in order to achieve governability and stability. For instance Poland in the 1990s made its transition from presidentialism toward parliamentarism but the result has been characterized as semi-presidential (Elgie, 2007), as a dual system (Easter, 1997) or as limited presidentialism (Derbyshire and Derbyshire, 1996). The same problems of classification pertain to Moldova, Romania, Croatia and Lithuania. For a discussion of countries classification and changes in their political systems, see Elgie (2007).

8 For an account of country studies on the components of the institutional arrangements in Latin America, see Carroll and Shugart (2007). The institutional layers argument was made after substantive scholarship. See for instance the edited volumes by Weaver and Rockman (1993) and more recently Haggard and McCubbins (2001).
focused on the deficiency of democratic regimes in the region, finding institutions as important aspects in the understanding of democratization. Nevertheless, attitudes of both the elite and the citizenry as well as the role of agency were found to be extremely important. The rest of this chapter reviews the common explanations for deficiencies of democratic regimes in the region.

From the institutionalist perspective, even though the experiences of Latin American countries after the immediate return to democratic politics have provided strong evidence of the negative assessments of presidentialism described above, the stable and democratic U.S. presidentialist system remained an exception. Yet, all of the Latin American countries have presidential systems as the basis of their constitutional designs. When the countries became independent they adopted the presidentialist system. The new republics’ constitutions copied some elements from the French and adopted the untested new model of government structure based on the experience of the American neighbor in the north. The hierarchical government structure of the Spanish colony made its way in the new nations, but the independence movement’s rhetoric helped to include notions of civil liberties and political rights (Montaner, 2009). Since then, none of the countries has engaged in a serious attempt to change the presidentialist system. The political leadership of presidential democracies has not proposed an altogether different system. Only the electoral rules have changed, but the basic structure of the formal institutions has remained basically the same.

The U.S. experience, as well as that of several Latin American countries, undermines the argument that presidentialism is faulted *per se*. There have been only

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9 O’Donnell and Schmitter (1986) analyze the role of political actors in the transitional process and the prospects of democratization. Karl (1986, 1995), in her analysis of democratization in Central America, emphasizes the role that elites have and shows how these pacts can undermine democratization efforts.
three democratic breakdowns in Latin America: Peru in 1992 and Haiti in 1991 and 2004, and research shows that presidentialist democratic performance depends on how it interacts with other institutional arrangements.\textsuperscript{10}

Among the constitutional powers of Latin American presidents, decree making and agenda setting are often considered as excessively used by presidents. Yet, as Payne (2007) warns, there is a difference between the power to issue decrees of regulatory and administrative nature and the power to legislate by decree.\textsuperscript{11} Most presidents enjoy the former, but it is rare to find in Latin American constitutions presidents with unlimited decree-making power. In practice, it is common for presidents to have the exclusive right to introduce budgetary laws, international treaty agreements, and trade tariff legislation, but for other areas, such as exclusive initiatives, special provisions are required.

On the issue of inter-branch conflict, scholars have found that the difficulty of forming coalitions is often related to poor incentives to keep a stable party discipline. The danger of having to govern under a minority government is determinant for democratic consolidation.\textsuperscript{12} Moreover legislatures that are made up of weak parties, as opposed to those made up of stable parties; tend to delegate powers to the president, suggesting that party system strength has a key role to play in democratic stability.\textsuperscript{13} Presidents in Latin America, in contrast to the congress-driven initiative and enactment in the U.S., are the ones who initiate the budget bills. The degree of maneuver to change and increase the budget by congress is diverse, but the executive manages this

\textsuperscript{11} For a recent study on decree-making and the use of power in Argentina, see Anderson (2011).
\textsuperscript{12} See Cheibub (2007).
\textsuperscript{13} See Shugart and Carey (1992).
bill, given its importance in the workings of the government. Decree-making usually involves power to make decrees in specific policy areas or in exceptional circumstances. The problem lies in that “emergency situation” is subject to interpretation, because of the inherent ambiguity of the definition of emergency. On the issue of presidential politics encouraging personalistic leadership and presidential dominance over congress, leading to decisions that do not reflect the interests and demands of the majority of citizens, Payne reminds us that, in such circumstances, there is also a greater probability that laws and policies will not be executed fairly and efficiently and that public funds will be mismanaged or directed toward private ends (Payne and Zavala, 2007).

Furthermore, different electoral systems combined with presidentialism produce different outcomes in terms of political system effectiveness. Practical experiences that question the presidentialism argument include a broad spectrum from countries like Chile, Costa Rica and Uruguay that have developed robust democracies under presidentialism to Venezuela and Guatemala with severe deficiencies in democratic practice under presidentialism.

The argument about presidentialism being faulted *per se* can also be undermined when we look at the historical development of the system in the U.S. and in Latin America. While the formal institutions of the United States were deliberately designed to inhibit strong political action and to limit the power of government due to distrust of state power, in Latin America more inclusive features were adopted and adapted to assure the effectiveness of decision making. While in the U.S., the individual states sought the least amount of intervention from the federal government in local issues, in Latin America...
America the aim was the contrary. It was thought to be necessary to provide the reins of the state to the president, so he would make sure that the country could provide for its citizens, making the state assume the responsibility for society’s progress. According to Anderson, U.S. presidentialism was conceived for a context quite different from than in Latin America:

The process of democratic development in the United States has been a negotiated movement from decentralized power, resting with the states, to more centralized power residing on the federal government. The opposite has happened in Latin America; the move was from the central administration toward decentralization/deconcentration. Anderson (2011:60).

Having this in mind, it is not surprising that in the American political system the separation of powers works, as consensus and compromise are considered the essence of democracy. Even if power is concentrated in the president during a crisis, it lasts for only the duration of a crisis. It is unlikely that a particular president’s power would become a permanent part of the polity, because he cannot sustain organized support as power is distributed between institutions. The system is flexible enough to assure long-term stability and the rule of law over citizens’ desires. This is the reason why scholars of the American presidency have affirmed that leadership in the U.S. is at the margins of the democratic system (Edwards 1989, 1993, 2000, 2003).

This is certainly not the case in Latin America, where there are new democracies, and leadership is not at the margins of the political system, but at the very core of it (Anderson 2005; Weyland 2004; Siavelis 2004; Munck 2004; Encarnacion 2000). As in the U.S. system, most Latin American constitutions legitimize, support and authorize
presidential leadership, providing considerable leeway to the presidents in order to make decisions for reasons of unified decision making, activity, expediency and secrecy. Still he is bounded by the constitution; the most important appointments need congressional approval, and certain foreign and defense policy issues need congressional approval of two-thirds of the chambers. However, despite the experience with authoritarianism, the democratic wave did not assure that the newly written constitutions would eliminate the possibility of autocratic leadership. The President is endowed with a large set of constitutional powers that allow democratic leadership, as well as the possibility of autocratic leadership.

Like U.S. presidents, Latin American presidents can be agenda setters, and they usually lead policy-making. They also have veto power, although the veto may still be overridden by two-thirds of congress. Also similar to the US, the organization of the executive is entirely a decision of the president. Presidents are free to choose their advisers and to fill the posts where trust is essential for governmental functioning and fluid relations. Unlike the U.S. where the cabinet is not a decision-making body, most Latin American presidents appoint a cabinet that acts as a unified team to promote, defend and implement the President’s policy agenda.

As with U.S. presidents, their Latin-American colleagues appoint bureaucrats, but these prerogatives traditionally have been used as patronage, rewarding with posts as well as utilizing the appointments to guarantee the loyalty of certain groups. Although this practice is becoming less common as countries modernize with technocrats and civil servants, the practice is still widespread.

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15 For a detailed description of presidential powers and a comparison in Latin American countries, see Payne (2007 chapter4: 87-110)
Unlike the U.S., where the presidency is viewed in a wider context, the system of
divided government is strong and political parties add coherence to political action, in
Latin America the rest of the system is less coherent, less organized and less capable
of achieving coordinated action across institutions. It has been argued that the reason
lies not in the system of divided government itself, but in the weakness of party systems
across the region (Mainwaring and Scully, 1995).

Mainwaring and Scully (2010) have suggested that good governance under
democracy seems to be more important than the structure of formal political institutions.
Under this perspective, there is no need to worry about democratic breakdown, because
democracy in the region from the minimalist perspective of competitiveness is here to
stay. The foremost concern is that effective governance is defined as a “top-down
phenomenon that refers to how well democratic government and the state in a
democratic regime are functioning”.

Indeed, the authors argue that democratic
setbacks are attributable in part to lack of effective government performance, having
failed to promote growth, reduce poverty, ameliorate inequalities and address rampant
crime.

Another argument concerning the deficiencies of democratic regimes in the
region refers to authoritarian culture. Huntington has pointed out the centrality of the
identities of the actors and their culture in the shaping of institutions:

would America be the America it is today if in the seventeenth and
eighteenth centuries it had been settled not by the British Protestants but
by the French, Spanish, or Portuguese Catholics? The answer is no. It
would not be America; it would be Quebec, Mexico or Brazil. (Huntington,
2004: 59).

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Indeed the development and maintenance of democracy are greatly facilitated by values and the behavioral dispositions of compromise, flexibility, tolerance, conciliation, moderation and restraint, especially at the elite level. In contrast, the absence or disappearance of accommodation norms and democratic values is clearly associated with democratic failures. The ability and behavior of political actors is therefore regarded as an essential condition for good governance (Diamond et al., 2008).

Before the turn of the millennium, tolerance for presidential authoritarianism was widespread, since Latin American voters cared mostly about economic development (Przeworski et al., 2000). However, regime performance in addressing citizen needs makes satisfaction with democracy to be a wavering issue, and it has opened the doors for antiestablishment populists whose commitment to democracy is blurry (Mainwaring and Hagopian, 2005). New research suggests that the beliefs in a strong hand have diminished, while support for democracy as a regime type have increased, suggesting that Latin Americans are learning to distinguish between democracy as a system and democratic government (Chu et al., 2008).

Another set of explanations about deficiencies of democratic regimes in the region has been attributed to the lack of commitment of key political actors. Political will has been recalled to bring necessary democratic change and see political leaders as not fungible. For instance in the recent history of Venezuela, it is unlikely to conceive a different path for Venezuela in the last twelve years without the controversial and charismatic Hugo Chavez, profiled as “a consummate narcissist, [who] envisions himself as the savior of Venezuela; likely to do whatever it takes to stay in power” (Post,

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17 Political culture and shared historical experience are often cited as determinant for development outcomes. For a recent defense on leadership over other factors, see Fukuyama (2008).
2007: 4). The slow deterioration of its economy was leading to financial turmoil, a corrupt and inefficient managerial class and consistent efforts to deliberately undermine Venezuela’s democratic institutions.

Indeed all over Latin America, presidents have played the role of both savior and endangerer in the history of their countries. Interestingly enough, the prevalent trend in studies on the region has been to cast them as menaces, whether they analyze leaders in individual biographies, testimonial accounts, or historical accounts. Very few studies have seized the opportunity to study presidential leadership in Latin American democratic contexts, despite all the attention that the region has received with regards to democracy, democratization, transitions and consolidation studies. In fact, the initial optimism of the literature, after the transition from authoritarian regimes, has been obscured by theories positing the impossibility of certain Latin American countries to create and strengthen enduring democratic institutions. The non-evanescent delegative democracy paradigm posited by Guillermo O'Donnell (1994) is perhaps the most negative view of all. According to O'Donnell, delegative democracies’ most salient characteristic is the existence of a strong executive with delegative powers and no horizontal accountability:

whoever wins the election for the presidency is entitled to govern as he or she sees fit, constrained only by the hard facts of existing power relations and by a constitutionally limited term of office (…)the president is taken to be the embodiment of the nation and the main custodian and defender of its interests (…) Since this paternal figure is supposed to take care of the whole nation, his political base must be a movement (…) other institutions – court and legislatures, for instances – are nuisances that come attached to the domestic and international advantages of being a democratically elected president (…) delegative democracy emerges only in those countries with populist heritage. O'Donnell (1994: 59-60).

18 For the contributions of Latin American studies to democratic politics, see Geddes (1999), Bunce (2000), and Shapiro (2002).
As stated previously, this and the institutional design literature in the tradition of Juan Linz’s presidentialism (Linz, 1990; Mainwaring, 1992; Mainwaring and Schugart, 1997; Kenney, 2004; Sondrol, 2005), have also expressed concerns about the likelihood of democratic consolidation in the region, since the presidential model only exacerbates the personalistic style of ruling. Mainwaring, O'Donnell and Valenzuela (1992) argue that the prospects of democratization were very limited due to several factors, including presidential systems that encourage populism, and zero-sum game competition, making coalition building precarious. Diamond argues that:

In Latin America as a whole, both the degree of delegativeness and its impact on democracy have varied. But its fundamental ills – personalism, concentration of power, and weak, unresponsive political institutions – have prominently contributed to the turbulence and poor quality of democracy and to the consequent political cynicism, and apathy among Latin American public.” Diamond (1999: 39).

In Latin American societies, presidents are elected based on their rhetoric, on voters’ retrospective evaluations, candidate images, clientelistic linkages, and particular issues. However a common theme is that all presidential platforms intend to improve the social and economic conditions of their polities. Given these stakes, at the practical level, it is not reasonable to deem presidents either as inconsequential or simply perilous or, on the other hand, as being the great movers and shakers of society that some theorists posit. Quite the opposite, leadership should be viewed as constantly playing a constructive part in developing societies. The case studies in this dissertation will look at political leadership action as the purposeful acts of politicians who further

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19 Populism is an ideological stance that does not fit what has been traditionally known as right or left. It is a way of being and acting in politics that emotionally aligns the immediate needs and the lack of citizen culture in benefit caudillos, which do not have a country project but mainly a project for themselves.

20 Blondel (1993) argues that for leaders in all societies the most important aspect appears to be a daily concern for the improvement of society, where long-term developments are balanced with the recognition of current problems, and where technical and economic progress is associated with a major interest in the well-being of citizens.
liberal democracy in their countries, whether consciously or not, and who behave in a
democratic manner.

In Latin American democracies, presidents face the challenge to respond to the
overwhelming demands of their people, dealing at the same time with weak institutions
and skeptical citizens. In recent times, globalization and mass media (which tends to
present images of better life) have increased people’s anxiety for rapid change and
have stressed the failures of weak democratic institutions. Furthermore, there is a
common belief among Latin Americans that the region is rich in resources and that the
state should somehow provide for its citizens. Therefore citizens expect leaders to act
swiftly to deliver tangible improvements, even if this means disregarding democratic
mechanisms and principles. Indeed, citizens have a distorted view of democracy,
effecting it to be a mechanism for rapid and efficient solutions. They fail to understand
that democracy is a system that offers, at best, effective solutions and it requires
accommodation and negotiation that take time and unrelenting work. Moreover, the rise
of inequality and corruption and the erosion of meritocracy have affected the leadership
image.

In this context, democratic leaders need to address realistic promises in order to
build trust and be able to set limits. One of the leader’s main tasks is to convert rigid
demands into reasonable ones and to combine a government response with a symbolic
solution. Moreover, leaders must facilitate political participation in governance by
empowering citizens and making them part of the solution.

It is true that presidents have a formal authority that vests them with great
potential power. However, leadership determines in large part how much power they will
realize. Economic conditions play an important role, as they constrain or enable governments. However, evidence of the various directions and possibilities that elected politicians have taken when conditions are similar preclude us from falling into reductionist views. In the same vein, the political system provides room for problems and opportunities given a similar set of rules, but good rules do not guarantee good policies. Leadership matters a great deal, “with leadership apparently dysfunctional institutions can be made to work well, while no set of rules will fully compensate for bad leadership”.21

Presidents can take advantage of the opportunities in the electoral cycle, as well as other contextual events such as popularity and electoral honeymoons, to channel popular support into policies and stances (Canes-Wrone and de Marchi, 2002). These informal powers are not exclusive to Latin American countries, and many authors have pointed out the importance of presidents knowing when to use formal and informal powers (Kernell, 1997). It has been suggested, that it is in crisis time when one can tell best about a leader’s own inner commitment to democracy, and demonstrate if he can exercise restraint or choose not to stay within the democratic limits.

According to Anderson, not only in Latin America, but crisis everywhere usually results in greater concentration of presidential power (Anderson, 2011:61). Indeed, all Latin American countries with a Spanish colonial legacy have experienced authoritarianism. Thus, conventional presidential leadership has not been considered as an opportunity to advance democracy. Quite the contrary, the use of presidential power has been vilified, given the authoritarian tradition in the region. Moreover, the question of the use of presidential power speaks to all presidential democracies which, besides

the U.S. have not experienced the consolidation of liberal democracy. Besides dealing with the desire to constrain strong power, the new presidentialist democracies also face the challenge of using a copied democratic institutional framework, which has been made to work in older democracies whose political development has been quite different. As Anderson puts it: “the tension between the need for strong power and the desire to constrain it is more pronounced in new democracies where the institutional setting is still untested and fragile” (Anderson, 2011:30). The alleged dangers of strong presidents with authoritarian tendencies challenge new democracies, particularly in countries with an authoritarian heritage. Thus the importance of having democrats in leadership positions is pivotal for democratizing countries.

The problems of the concentration of power in the hands of the president take a different twist when we consider an individual’s behavior and motivation. Just as we can consider the emotional relationship between the president and the people detrimental for democracy when he becomes the embodiment of the state and uses his power to further personal goals, we can consider his emotional relationship as an enhancement for democracy, because the president can inspire to achieve a common goal. Furthermore, this dissertation concurs with the assumption that politicians seek the continuation and improvement of their political careers, but the fact that there are leaders with sincere policy preferences that seek to enhance people's lives cannot be ruled out. The idea of pure self-centered behavior, particularly when it comes to

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22 This dissertation concurs with Strøm (1990) in considering that politicians are self-interested rational maximizers who seek three different types of gain: vote-seeking, office-seeking, policies-seeking, or a combination of these.

23 See for instance Fenno (1978), Ames (1987) and Skowronek (1993). The latter sustains that even though the nature of presidential action is disruptive and embedded in a political order, it nevertheless seeks the reproduction of a political order reestablishing legitimacy on his own terms, making the action, by default, a transformative endeavor. Presidential action is at the same time order-shattering and order-affirming.
politicians, is a common skeptical view which ultimately minimizes leaders and their decision making without recognizing the plethora of motivations that move them as human beings living in a society. As Sen (2006) argues, individuals have various affiliations and commitments that make up their identity. Therefore, to think that politicians have a cynical one-sided premise of political action makes fools out of people who enter the public arena moved by the desire of make people's lives better.

There are few studies on Latin American democracy that focus on agency and its role after the transition from authoritarian regimes on the 1980s in furthering democratization at high levels of power. The transitions from authoritarian rule toward democracy have not been results of an inevitable development process, nor have they been chance consequences. Such transitions have been politically led and managed. Democracy studies in Latin America that acknowledge the role of actors simply tend to see presidents as too powerful. Despite accounts of executive authority in Latin America since the beginning of the Third Wave of democratization, Latin American politics has yet to develop anything approaching a sub-discipline of leadership or executive studies. In the 1990s, owing to the growing bifurcation of political and economic policy studies, presidents in the region have received some scholarly attention with regard to their link to the implementation of economic policies.\textsuperscript{24} When talking about democratic problems, factors such as the influence of social and economic factors have received most of the attention, leaving presidential action aside.

\textsuperscript{24} For instance see Llanos and Margheritis (1999, 2006), Grindle (2000), Burgess and Levitsky (2003) and Murillo et al. (2011).
Recently, some literature in Latin American politics has begun to address presidential leadership. Generally there is a lack of analysis of the role of presidents, the institutionalization of the presidency, and presidential power. There is a need for more research on how these key players lead their countries and what impact they have on democratization, more so in a comparative manner. This void stands in stark contrast to presidential studies in American politics, where presidents are seen as leaders who, as agents of change, operate in a pluralist environment helping the development of a consolidated democracy. This understanding of presidential leadership and presidential power is sorely needed to understand the challenging times that democratizing countries face. The time is ripe, and the region presents a surprisingly unexplored ground to study presidential leadership and its relation to the political order, as well as the learning of democracy by the societies that presidents seek to govern. Table 3-1 summarizes the differences between the study of presidential leadership in American Politics and Comparative Politics.

Given the absence of strong democratic political institutions in most Latin American countries, it is surprising to know that scholarship has focused on the problems of the institutions and the choices of actors in making these institutions. But there has been little study of leaders as opportunities to deepen democracy and as part of the solution. When explaining the varied experiences with democracy in Latin America, Diamond argued:

the style of political leadership is quite crucial (...) a flexible accommodative, consensual leadership style is more successful in developing and maintaining democracy than a militant, uncompromising, confrontational one (...) shifts in political leadership strategies and styles

from consensus to confrontation, from accommodation to polarization have been visible in most of Latin America’s long standing democratic regimes. Diamond (1999: 33).

Consider, for instance, the issue of charisma, which is the ability to convince people, through sheer force of personality, to do things which they could not be persuaded to do by rational argument. Charisma, for example, has been a focus of leadership studies since Weber, but has not been studied in the region as an opportunity. In and of itself, charisma is neither good nor bad. Most leaders are not charismatic, but the rare leaders who are can have extraordinary positive influence, sometimes even extending to their followers’ “unconditionally comply[ing]” with their wishes (Willner, 1984:8). Narcissistic leaders in particular often display remarkable degrees of charisma, and they can often take their organizations to great successes or equally great failures (Maccoby, 2003).

The capability and integrity of leaders can either endanger or enhance the success of their policies and the social fabric of trust and hopeful expectations. This is important for several reasons. Voters want to be informed about their choices for candidates and to understand their president’s actions. But given the fact that most political systems allow reelection, voters’ assessment of candidates can also take into account political experience and the leader’s capacity of political learning. Furthermore, as economists understand the importance of expectations in the behavior of economic agents, political scientists can also benefit from incorporating the role of expectations when understanding the exercise of authority.

Presidents’ motivations have also been overlooked. Most constitutions in Latin American countries state that presidents be limited to only one consecutive re-election,

See Weber (1965).
with the notable exceptions of Mexico and Chile. But constitutional and electoral reforms have provided presidential power to be extended by allowing immediate re-election. There are many reasons why incumbent presidents are inclined to cling to power. Unfortunately, the practical experience in the region has seen many of these cases. Some of this inclination can be attributed to clientelism and to fear of the unknown after the presidency. Many leaders fear prosecution after their mandates and they would better do anything to remain in power, even if they are not the official figures. Furthermore as political parties have weakened and fragmented, in many Latin American democracies presidential relatives benefit, partially, from name recognition at the polls and from the power of incumbency. As a result, many presidents have groomed wives, children and relatives to take over from them. For example Violeta Chamorro (1995) attempted unsuccessfully to change the constitutional ban of relatives to allow her son-in-law Antonio Lacayo to run for election in Nicaragua; Nestor Krishner (2007) successfully handed the presidency to his wife Cristina in Argentina; Alvaro Colom (2011) expediently divorced his wife Sandra Torres in an attempt to make her eligible to run for the presidency in Guatemala; Daniel Ortega (2011) was about to launch the candidacy of his wife if he was not granted the possibility to run for reelection in 2012 in Nicaragua; the daughter of Alberto Fujimori (2011) ran unsuccessfully for the Peruvian Presidency, making it to the run-off. Moreover, as the constitutional limit on the term of office approached, a number of leaders launched political campaigns to

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27 In some countries, presidents are required to declare their assets when they assume office but not when they leave. When they do (if at all) they tend to be ambiguous about the increase of their fortunes. (Anderson 2010)

28 Most Latin American Constitutions before the reforms allowed non-immediate re-election; Colombia (1991) changed from non-immediate to prohibited, Paraguay (1992) from immediate to prohibited, Dominican Republic (1994), Nicaragua (1995) and Peru (2000) changed from immediate to non-immediate, and Ecuador (1996) changed from prohibited to non-immediate.
amend the constitution or “reinterpret” the laws in order to gain a “come back call” from their parties: Alberto Fujimori (Peru 1993), Menem (Argentina 1994), Fernando Henrique Cardoso (Brazil 1998), Hugo Chavez (Venezuela 1998 and 2009 elimination of term limits), Alvaro Uribe (Colombia 2004), Rafael Correa (Ecuador 2008), Evo Morales (Bolivia 2009), and Leonel Fernández (Dominican Republic 2010). After changing the constitution to be able to run for reelection Hipólito Mejía (2002) had to concede defeat and leave office when he lost the 2004 election in the Dominican Republic. In Brazil and Argentina, term limits were set only after Cardoso and Menem were re-elected. Alvaro Uribe, who successfully pushed for a constitutional change for a first re-election (2004), could not repeat the exploit for a third term (2009) despite his attempts. The same thing happened to Menem in Argentina, who contended that his first term did not count under the new or reformed constitution, but in the end he did not pursue another extension of his mandate. Daniel Ortega (Nicaragua 2010) was able to secure a place in the 2012 presidential ballot after a Supreme Court reinterpretation of the electoral laws. In several other countries, including Guatemala, Ecuador, and Panama, attempts to lift the prohibition on immediate reelection were unsuccessful.

According to Payne and Allamand (2007), comeback presidents undermine the development of a more pluralistic and institutionalized mode of exercising political authority. Despite good intentions, the attempt to be reelected, even with a lapse of at least one presidential term, show a tendency—inhherent in presidentialism—toward individualistic leadership.

**Discussion**

This chapter has revisited the common negative views of presidentialism and presidential power applied to Latin America, arguing that assessments on the role of
presidents from the institutional perspective have limitations. It also argued that assessments from the political performance perspective that look at policies to solve specific issues only provide partial answers. The chapter advocates for an integral view of the role of presidents, as has been developed for the study of American presidents, but has not been applied in Latin America. This view considers that political leaders are not fungible.

I argue that, while it is true that a first look at this dissertation’s Latin American presidents can show the detrimental role of presidents in providing stability and predictability, by not conceiving presidential leadership as an opportunity to enhance democratization the regional scholarship has overlooked presidents as possible positive agents of change. In Skowronek’s terms, while the political actions of the president are indeed instances of political disruption, not all instances of political disruption constitute instances of presidential action. Disruption is a broader term that takes a variety of forms and shapes, from small, incremental, and incidental to large-scale, discontinuous and transformative. The chapter does not suggest that in a democratizing context a strong leader is needed as opposed to institutions; nor does it imply that leadership is a shortcut to deepening democratization. I argue that presidents do not have complete freedom to shape political change. In democratic contexts they are constrained by the interplay of institutional, historical and social forces, as well as by their own personal limitations. The behavioral dispositions of actors are key in the analysis of leadership, for instance the issue of reelection and the attempts to remain in power certainly demonstrate lack of democratic conviction.
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CHAPTER 4
GONZALO SÁNCHEZ DE LOZADA’S ARTICULATIVE AND DISJUNCTIVE PRESIDENCIES

Until 2001, Bolivia was considered one of the greatest success stories in the Andes of the past generation in the remaking of political institutions (Whitehead 2001). In prior years, Bolivia was a showcase of stability and coalition-building (Mayorga 1997), and was even regarded as a consolidated polyarchy (Centellas 1999). By 2003, a democratically elected President, Gonzalo Sánchez de Lozada, with previous experience in office, was ousted and the existing political arrangements collapsed. What could have gone so wrong? An easy answer would be to look at the previous two years to determine the events or political actors that made the political system collapse. However, a broader view finds the explanation in the lives of political cycles, in what Skowronek calls political and secular times. The lengths of the cycles and the intensities of the changes between cycles are given by historical turning points, as well as by political leaders.

This chapter reviews the emergent structures of democratization in Bolivia from the return to democratic politics in 1982 until 2003 to give a backdrop for Gonzalo Sánchez de Lozada’s (SDL) two non-consecutive presidencies, SDL I and SDL II. The presidencies are located in the life cycles of the popular nationalistic order and neoliberal political order.

Table 4-1 summarizes the classification of the presidencies in Bolivia during the two political orders and classifies each type of presidency according to its relation with secular and political time. Both of SDL’s presidencies were anchored in the neoliberal order, and through his leadership he contributed to deepen changes within this order.
Sánchez de Lozada’s first term was an *articulative* presidency and his second term was *disjunctive*. Sánchez de Lozada’s presidencies receive these categorizations because in his first presidency he was affiliated with the existing powerful coalition of interests, and he sought to improve upon actions of the previous two administrations, rather than rejecting them entirely. I assigned his second presidency to the disjunctive category because in his second term SDL faced criticism of his own first term and the political order became vulnerable.¹ He sought to legitimize his own political priorities in his second term.

According to Skowronek’s basic premises, presidential action is always a disruption of the *status quo ante*, and every president that assumes office has a built in impulse of *order-shattering*. Because each president comes to power with his own leadership project, presidential action is formative, as it carries with it an *order-creating* impulse, and since it seeks its reproduction, actions are also *order-affirming* (Skowronek 1993). In this logic, each president leaves a unique imprint on the dynamics of the political order, since he exercises authority in both political and secular time. When leadership is understood serially, as a successor’s effort to secure a place in political history that was reconfigured by his predecessor, the impact of the political order in place is marked by the degrees of alteration in the democratization patterns. The contexts of presidential power are anchored in political time, which corresponds to recurrent slow-changes over time.² Presidential power is also anchored in secular time,

¹ My understanding of political order includes a set of assumptions, common goals and concepts that form a core orientation of societies. A political order usually provides a set of standards for intra elite debate over specific programs and policies. I follow Skowronek’s premise on institutions as pillars in the production of political order and equilibrium in politics. Institutions integrate the actions of the polity, coordinate its interests, and make it cohere as an organized system. Institutions constrain or channel the actions of self-interested individuals by prescribing actions, constructing motives, and asserting legitimacy (Skowronek 1995: 92-94).

² This is what Pierson (2003) identifies as a macro-social process.
corresponding to the contingent authority of the president that emerges from his interaction with formal and informal institutions. This makes him dependent on the existing space for maneuver, given his affiliation with or rejection of a coalition of interests. As Skowronek reminds us, the most common changes derived from a president’s actions are secular in nature rather than cyclical. Therefore, seemingly small incremental changes can have long-term consequences.

**Popular Nationalistic Political Order**

The Bolivian revolution of 1952 was one of the 20th century’s most profound social and political transformations in Latin America (Skocpol, 1979; Huntington, 1968). The revolution, which marked the start of the popular nationalistic order, brought an end to oligarchic rule characterized by the control of political, economic and social power by the tin barons. A succession of civil and military governments used the state to maintain the privileges of the white Spanish-speaking elite.³ Although the revolutionary process took years to mature, the catalyst was the unrecognized electoral victory in 1951 of the Revolutionary Nationalistic Movement (MNR - Movimiento Nacionalista Revolucionario) by the military.⁴ The following year, the MNR led a revolution, joining forces with miners, workers and peasants. During the administrations of MNR’s Victor Paz Estenssoro (1952-1956; 1960-1964) and Herman Siles (1956-1960), sweeping changes to the relationship between state and society were implemented in an effort to modernize and build the nation-state. These included: the incorporation of women and the indigenous majority as full citizens with political rights, redistribution of land, nationalization of

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³ At the time, voters needed to qualify in order to exercise their rights. They needed a certain income and the ability to read and write in Spanish. Most of the population was disenfranchised with women and indigenous peoples unable to participate in politics.

⁴ The MNR was founded in 1941 and was active in politics, being an ally of the military government of Gualberto Villarroel in 1945.
mines, free and mandatory Spanish-speaking education, and political participation by quotas of Marxist-oriented unions and peasant organizations. The state expanded rapidly and drastically and became the most important economic agent. It planned and regulated the economy, produced the main sources of revenue, and established development priorities.\(^5\) With little democratic experience, political groups yearned to capture the state to pursue their interests.

From 1964 to 1982, Bolivia went through several periods of military rule with episodes of civilian governments. The different administrations governed the country through heavy state interventionism that involved degrees of socialist romanticism to massive state ownership. The transition from authoritarian rule started in 1978, but almost four years elapsed before an elected civilian assumed the presidency.\(^6\) General Hugo Banzer Suarez (1971-1978) started a controlled transition to democratic politics, but the transition process became a muddle of disputed elections, with weak and fragmented political parties unable to reach consensus.\(^7\) The military regained control, first with the military coup of Luis García Meza, followed by liberalized authoritarianism.\(^8\) García Meza’s rule was one of the most brutal administrations in Bolivia’s modern times, with increasing repression, corruption, association with cocaine-trafficking mafias, and excessive borrowing.\(^9\) By 1982 the military regimes were discredited due to poor economic management, the accumulation of foreign debt, repression of human rights, the rise of cocaine trade, and isolation from the international community. These

\(^5\) These changes were made with almost complete ignorance of state organization (Whitehead 2010)
\(^6\) For a detailed account of the failed transition of 1977-1982, see Whitehead (1986).
\(^7\) There were three presidential elections between 1978 and 1980, called by Hugo Banzer (military) in 1978, Juan Pereda (military) in 1979, and Lidia Gueiler (civilian) in 1980.
\(^8\) According to O’Donnell and Schmitter (1986), liberalized authoritarianism (dictablandas) tolerates liberalization without being accountable to the citizenry.
\(^9\) Military forces assassinated civilian opposition political figures, closed Congress, took over the Judiciary and established a governmental system based on terrorizing and killing civilians.
problems led to the recognition of the 1980 electoral results and the final transition to
Civilian rule in 1982. 10

**The Hernán Siles Disjunctive Presidency (1982-1985)**

After a pact between military leaders and influential politicians, the
restoration of Constitutional procedures was agreed. On October of 1982, Hernán Siles
became the first democratically and constitutionally elected president after eighteen
years of military rule. 11 His rise to power marked the beginning of the third wave of
democratization in Bolivia. 12 The transition was at best a fairly unplanned and disorderly
affair, or even worse, it happened due to lack of a better option. 13

Like that of Herbert Hoover, 14 the Siles’ presidency was linked to a national
economic catastrophe, which, despite his efforts to counter the effects of hyperinflation,
the Bolivian people hold as his legacy. The images of unrest, disorder, scarcity, long
queues to access basic goods, combined with the image of Siles as incompetent, aloof
to the poor and hostage to the Bolivian Central Workers’ union. However, a revised
analysis of Siles’ presidency shows that he assumed power when the Bolivian economy
was already on the verge of collapse. He was a political innovator, who advocated for
fiscal responsibility and remained active, methodologically testing a range of different

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10 Powerful economic groups that supported the military in the failed transition eventually handed the presidency to
Hernán Siles, who won the 1980 elections, but who did not assume office due to García Meza’s coup.
11 By 1979 Siles had resigned from the MNR and formed his own party, MNRI. In the 1980 elections Siles led
the Popular Democratic Unity (UDP – Unidad Democrática Popular), an alliance between the MNRI and MIR.
12 Bolivia made its transition a few years later than other Andean countries, but it transitioned before any of the
countries in the southern cone. Argentina, with its dictatorial authorities, was afraid of a contagion effect that a civil
administration in Bolivia could have in its politics (Whitehead, 1986).
13 Political leaders of the divided left supported Siles as an acceptable solution, not out of democratic conviction, but
only to preclude the political right appropriating the mantle of democracy for itself (Whitehead, 1980). The
experience of failure of the transition from authoritarian rule in 1977-1980 taught democratic leaders to make
greater efforts for adaptation and to construct more ambitious broad-visioned arrangements to safeguard political
freedom (Whitehead, 1980).
responses. Furthermore, he tried to bring parties in Congress together to develop a solution, but the opposition acted negligently and left him alone.

In this study, the Siles’ presidency is considered a *disjunctive presidency*. He was affiliated with a vulnerable political order already in decomposition during the military regimes, and he was furthered exacerbated by permanent social protests. Siles was affiliated with the 1952 regime’s basic commitments, as the revolution leader he was. When he returned to politics after the democratic transition, his ideas and style of politics were still under the sway of populist-based state capitalism.\(^{15}\) He believed that government had a role to play in controlling the dismal cycles of boom and bust. Since popular mobilizations contributed to put an end to the military regime, the masses’ hopes were high, and social actors of all ideologies and productive sectors demanded participation in Siles administration. At worst, they presented impossible demands. Siles’ problem was that he was inextricably linked to the governmental commitments that the events of his day called to question. He became the foil of a resurgent opposition that, after so many years of dictatorship, was willing to test its influence. When he suspended payments of foreign debt until refinancing arrangements could be made, he was repudiated by the vulnerable establishment of the political order in place.

The long period of military dictatorship left acute problems for the new government: a disastrous economy with high inflation, an enormous foreign debt, and growing production of coca.\(^{16}\) The Siles administration was a disaster in terms of efficiency at the political, social and economic levels. If he encountered serious governability difficulties due to political and social pressure from the very start, at the

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\(^{15}\) See Malloy (1991).

\(^{16}\) It was one of the world’s highest per capita foreign debts (Alexander, 1985).
economic level, his was perhaps the most damaging administration in Bolivia's history. As shown in Table 4-2, GDP growth was negative during his administration, with an average of -2.48%, and inflation rose exponentially with an average rate of 3,357%. As shown in Table 4-3, there was even higher negative growth considering GDP per capita with an average of -4.55%. Moreover, Siles displayed poor conflict management skills\(^ {17}\) with a Congress that challenged him constantly.\(^ {18}\) Siles' own leadership project, as revealed in his order-shattering impulse, was short-lived. On one hand, Siles believed leftists could contribute to his administration with their participation, since he was an advocate of grassroots input to create a state-run decentralized economic democracy. On the other hand, Siles tried to maintain control of his administration with cabinets that included independent technocrats, who were at odds with leftist ideas. Siles' foreign debt and budget deficit negotiations with the IMF as part of his austerity program were resisted by labor unions, which opposed economic stabilization policies imposed from “imperialist” organizations. Instead the unions, under the umbrella of the Bolivian Central Worker's Union (COB-Central Obrera Boliviana), insisted on co-governing with Siles, as they did during the MNR administration (1952-1964), demanding pay raises, welfare policies and more benefits, at a time when the state was in default. When Siles refused, they engaged in broad mobilizations, strikes, and blockades.\(^ {19}\) Siles and his UDP party assumed governmental functions with no strategic plan on how to confront the crisis. The solutions they proposed were

\(^ {17}\) Siles ‘ally and vice-president, Jaime Paz Zamora from the MIR, turned his back on him. Leadership disagreements manifested in changes in key leadership posts and policies; some ministers did not last even for a day.\(^ {18}\) Siles was asked by Congress to step down in 1983. In 1984, he survived conspiracies to remove him from office, two coup attempts, and was the victim of twice the level of horizontal and vertical challenges than Paz Estenssoro (Leivstrendet, 2009).\(^ {19}\) As Siles became increasingly besieged by protest, the coalition he led split into factions as disagreements over the handling of social protest and power distribution intensified.
patchwork instead of substantive, and they were formalist and contrived in nature (Bedregal 1999).

Siles’ order-affirming impulse led him to maintain his position as he tried to assert his authority even with angry labor unions and a hostile Congress, despite having a plurality of seats in Congress, as shown in Table 4-4.\(^\text{20}\) For Siles, the economic failure of his government did not arise from his own political inability and lack of trust in his administration, but from faulted economic recipes that could not stop the spiral of hyperinflation.\(^\text{21}\) After unsuccessful attempts to stabilize the economy, including the policy to de-dollarize the economy, Siles was pressed to step down in the wake of a general strike and one of the highest peacetime hyperinflations ever registered in world’s history.\(^\text{22}\)

Ironically, Siles’ order-creating impulse emerged from his own downfall. By deciding to shorten his term and to call for new elections in 1985, Siles precluded the country from experiencing a power vacuum and the return to the instability and trauma of the past.\(^\text{23}\) Even in times of the worst chaos, Siles refused to adopt extra-Constitutional measures or to call the military back. With this behavior he contributed to preserving democracy, regardless of the personal cost to himself. He kept his inaugural promise that his administration would “construct a democracy with absolute liberty (…) those who do not believe in democracy and have interrupted it many times, depriving

\(^{20}\) In Congress, Siles’ Democratic Popular Union (UDP- Union Democrática Popular) had a plurality of seats, but its capacity to pass legislation was strongly resisted by the alliance between opposition parties: MNRH led by Victor Paz Estenssoro and its allies, the Christian Democracy Party (PDC – Partido Demócrata Cristiano) and the Marxist-Leninist Bolivian Communist Party (PCB-ML - Partido Comunista Boliviano Marxista-Leninista), as well as; and Hugo Banzer’s National Democratic Action (ADN- Acción Democrática Nacionalista). Furthermore, after only three months in office, the MIR was excluded from the coalition taking along six ministries.

\(^{21}\) By 1984 there was still no successful market oriented strategy that could serve as referent in the region.

\(^{22}\) Inflation soared to an annual rate of 23,500%, Torrico (2006).

\(^{23}\) The negotiated scheduled date for the next presidential and Congressional term was mid-1986, but in the midst of rising hyperinflation and the destabilizing forces pressing constantly, Siles cut short his administration by a year.
people of their liberties, should reflect and understand that their time has come to end."²⁴ As Whitehead (1986) reminds us, the social meaning of democracy, despite its appeals and the obstacles, depends on the effective subordination of the military to civilian authority. Even though it was not a direct result of Siles’ purposeful actions, during his weak administration the military remained in the barracks.²⁵ Other less moderate sectors of the military tolerated the lack of order during the Siles administration and the strong influence of the communists in the administration (Gamarra and Malloy, 1995).

If there is something that the Bolivian politicians learned, both from the failed transition of 1977-1980 and the governability problems of the Siles administration, it was to value stability and predictability and to make greater efforts for adaptation to safeguard political freedom (Whitehead, 1980).²⁶ When Siles’ experience is compared to the unfortunate situation of other late-political order affiliates, his accomplishments became more transcendental. The most remarkable result of the national calamity that engulfed Siles’ presidency was not that it crushed his leadership, but that it kept him going. As did Hoover during the Great Depression, Siles took charge of a political order that was breaking up after decades of frustrated attempts to make it work. He trusted technocrats to implement austerity policies at the same time that he endured extreme political pressures while preserving democracy. In this regard, the collapse of Siles’

²⁵ Three coup attempts against Siles by dissident officers in April and December 1984 and in January 1985 were thwarted because the military, increasingly commanded by younger, more professional officers, remained loyal to the government. In the April 1984 failed coup, Siles was abducted for a few hours by drug dealers, but even the military spoke out against this action. The ex-dictator General Hugo Banzer with some military sectors transformed its force into ADN, a political party, which participated in the 1980 elections and became the third most voted political party, behind UDP and MNR, as shown in Table 4.4.
²⁶ As Coopedge (1998) noted, party polarization that tore the Siles administration apart taught political moderation. However, after a few years, polarization outside the party system emerged. Moreover, new populist parties emerged in 1989 with a discourse at odds with the establishment.
control over the political definition of his actions preceded the total collapse of the economy. However, he was able to continue largely on a personal course, and in the end to redirect government in a new direction from which it would not depart even after he himself had been painstakingly repudiated. During his administration, civil society reorganized, not only by strengthening its independence from political parties, but also by increasing in complexity and heterogeneity (Crabtree, 2005). As a result, society became an important political player that added to representation in Bolivia under democratic politics.

**Neoliberal Political Order**

From 1985 to 2003, stability and governance in Bolivian politics rested in the political elites of three political parties: Revolutionary Nationalist Movement (MNR – Movimiento Nacionalista Revolucionario), Leftist Revolutionary Movement (MIR-Movimiento de Izquierda Revolucionario), and Democratic Nationalist Action (ADN-Acción Democrática Nacionalista). These parties established coalitions with minor parties (Gamarra and Malloy, 1995; Mayorga 1997; Birnir, 2004) and alternated power. The three political parties held similar stances with regards to the economic orientation of the country, considering liberal democracy and neoliberalism the adequate path for Bolivia. The main characteristics of the neoliberal political order were politicians’ commitment to free-markets, governability based on political coalitions and a reduced state. As shown in Table 4-5, the three parties made up 73% in the general elections of 1985 and 1989, 57% in 1993 and 1997, and 42% in 2002. The electoral system reform of 1992, with its post-electoral coalition-making process, produced parliamentarized
presidentialism. After a painful and traumatic structural adjustment, the political and economic agents were able to stop operating in survival mode.

Although they differed in details, the three major political parties were committed to economic growth with market oriented policies that would pull Bolivia out of poverty, political stability based on democratic representation, and a legitimate state that intervened efficiently between society and the markets. Once macroeconomic stability was achieved, it became one of the most precious values by major players, who saw it as worth preserving, thus reducing the possibility of radical changes in economic policy. This broad agreement allowed political parties to compromise and cooperate, thereby preempting major political conflict. As shown in Tables 4-2 and 4-3, higher rates of economic growth were achieved with a 3.10% increase in GDP between 1985. However, it did not translate easily into Bolivia’s support for market-oriented policies. As shown in Table 4-3, GDP per capita during those years grew only 0.88%, often perceived as leading to greater disparities in incomes (Graham, 1997).

To a large extent, inequality in Bolivia had been the result of state capture by predatory elites. If coalition building allowed stability and the passing of legislation, it also led to sharing of the spoils of electoral victory. The three parties that formed short-term patronage-based alliances with smaller parties treated state offices as possessions, and public service as such seemed to be largely forgotten. Those in the coalition dominated national politics, and although they created mechanisms to expand

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Parliamentarized presidentialism is a variation of presidentialism in which the president is elected in a second round by parliament. Since none of the candidates reach the minimum threshold to be directly elected in the first round, the president is elected by parliament from the two most voted candidates in the popular vote. It was institutionalized in the Constitutional reform of 1994 and was the source of governability and political stability (Mayorga, 1997).
participation, they did so at the local level. Bolivia’s party system, based on the repeated use of the pact-making strategy, seemed relatively stable, alternating power between those parties. Inclusion in decision making was controlled by the three parties, each leading at different times. However, the three parties were challenged by waves of civil unrest that emerged from violent protests, blockades, and strikes. The feeble economic growth achieved in the 1990s was followed by recession, aggravated by an American-backed drive to eradicate coca (the raw material for cocaine).

Starting in Gonzalo Sánchez de Lozada’s first administration, each successive government installed some kind of social policy as a way to directly distribute resources, but the programs were timid and short scale in relation to the aggressive policies to attract investment. Social discontent kept accumulating as the economy made small incremental gains. Politicians’ interests in keeping alliances eroded the capacity of the political parties to represent society and make convincing ideological appeals. Over the years, successes and fallbacks transformed the political order. By 2002 Bolivia’s democracy was in need of credible political alternatives to maintain its legitimacy, not only among the disadvantaged but also in the middle class, which was disgusted with the political class. Over time the political elites had become comfortable with their grab of power. The once praised coalitions that allowed governability did not represent much, and privileges, corruption and injustice remained the norm. The stability and elite-

\[28\text{Decision-making became tightly linked to business groups and technocrats. In the words of Calderon, “the core decision-making was composed of the most important business groups that were best linked with the external sector, state enterprises with higher productivity and a new technocracy linked to international financial organizations, with international companies and American universities, whose system of reference was given by the external sector and a neoliberal vision of the economy and society. This sector took partially the place of some party leaders that had traditionally managed the state, particularly in the economic area. The demands for perks and positions could only be controlled by the presence of the two coalition leaders” (1996:34). During a personal interview Sánchez de Lozada pointed out that 80% of the people seated at the main public policy decision-making table during the Paz Estenssoro administration were graduates from the German-Bolivian school, most of whom had studied in the US.} \]
pacting, increased the disaffection of the electorate, which saw in each administration that the vote was distorted by political leaders who responded to their own interests and who exchanged constituency support for state posts.


The administration of Victor Paz Estenssoro was a reconstructive presidency, and it made possible the beginning of a new political order. Even though Paz Estenssoro and Siles grappled with the same crisis, the latter was able to turn it to his political advantage and to emerge from it as the master Bolivian politician of the twentieth century. Much as Skworonek (1993) asserts that Thomas Jefferson reconstructed the terms and conditions of legitimate national government, the presidency of Paz Estenssoro can be compared to Jefferson’s in that both were favorably situated in political time and were able to manipulate the order-shattering, order-affirming and order-creating components of presidential action in a consistent and mutually reinforcing way. Paz Estenssoro harmonized these elements in his initial leadership posture and kept this coherence throughout his administration. He secured a political formation entirely his own by standing apart from all the policies that immediately preceded him. Indeed, the fragile return to democratic politics that quickly degenerated in the Siles presidency needed strong political action to make the regime survive. Paz Estenssoro repudiated the previous actions, including his own (1952-1956; 1960-1964), and he brought a creative advantage for his government.29

As in the previous elections, for the 1985 elections, the former dictator Banzer was the ADN candidate representing the political right. He ran for office with the support

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29 Paz Estenssoro is considered the “first Bolivian technocrat” not only for his outstanding expertise in state matters, but also for his capacity to lead (Whitehead, 1991).
of the small powerful economic group and an emerging urban middle class (Romero et al., 19XX). The MNR and the MIR raised Paz Estenssoro and Paz Zamora as presidential candidates, respectively, and other minor parties also participated. As shown in Table 4.6, Banzer received the plurality of the vote but he was not elected. The presidency went to Victor Paz Estenssoro who received the Congressional votes of the MIR and other small leftist parties.

After the poor economic and political management of the Siles administration with various corruption scandals, confrontations between legislative and executive that led to permanent impasse, as well as protests and rampant hyperinflation there was little or no trust in politicians. The environment in which Paz Estenssoro became President was the least propitious possible. Because expectations were low, he used this opportunity to display his order-shattering impulse. Bolivia had never found itself in such deep economic trouble. Paz Estenssoro made bold decisions, in a critical moment when clarity and determination were needed. Having little to lose and with extensive political experience, Paz Estenssoro had the political backbone and will to tackle the

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30 An economically powerful group formed by businessmen had benefited from Banzer’s policies during his dictatorship when his administration propelled the expansion in infrastructure, opening productive opportunities particularly in Santa Cruz with the road that connected Bolivia’s east and west. Banzer also received support from part of the small but emerging urban middle class, that to large extent depended on the state apparatus for wages and salaries to maintain its position, and which benefited from the steady rise in public employment during his administration (Malloy and Gamarra 1988).

31 MIR refused to become part of the administration given the experience with the UDP administration. For some, the leftist leaning parties that supported Paz Estenssoro intended not only to return the bold leader of the National Revolution to office, but also to obstruct the accession of Banzer, a former military dictator (Mayorga, 1997). Others consider that Banzer’s easy acceptance of the defeat was actually a price he was willing to pay in order to be perceived as a democrat. Two interviewees said Banzer was afraid of becoming president. Being hunted by his dictatorial past, with social turmoil and economic uncertainty, Banzer preferred to become an enabler than to take full responsibility of government. He allowed the rise of Paz Estenssoro and even shared ideas of his economic plan (Interviews with Anonymous BOL#1 and Anonymous BOL#11) “He talked to Paz [Estenssoro] and agreed to help (…) He shared his economic plan with Paz, which later became the 21060 [NEP], (...) Nobody will acknowledge this; the MNR has taken full credit for the stabilization plan.”

32 At the time he assumed the presidency, Paz Estenssoro was in his mid-70s, and he referred to this presidency as his “last.”
problems. Although he did not have a political plan to fix the economy or a coherent platform during the campaign, his order-shattering impulse told him not to give in, as Siles had, to the demands of the unions, particularly the powerful labor union organization, Central Bolivian Labor (COB-Central Obrera Boliviana). Paz Estenssoro knew the importance of restoring authority, even if it involved using force to control social unrest. Using his order-creating impulse he changed the state orientation, as well as the development model and the way the state related to society. With a bankrupt state, there was no room for populism, and Paz Estenssoro tried an experiment without any certainty of the outcome.

Only three weeks after his inauguration, Paz Estenssoro approved through a decree\textsuperscript{33} the New Economic Policy (NPE-Nueva Política Económica) in order to change the country’s axis of development.\textsuperscript{34} In a very emotional speech, Paz Estenssoro released the NEP to the public saying “Bolivia is dying on us,” and asked for support, trust and sacrifice. He explained that “shock therapy” was needed for the dying patient. Indeed, the NEP not only stopped hyperinflation abruptly and successfully, but it remained the landmark that formally established a shift of gears from a state-run and controlled-command economy to a market economy, leaving prices to the free-market, including labor, imports, exports, interest rates, and exchange rates.

\textsuperscript{33} Supreme Decree No. 21060.

\textsuperscript{34} With no support from international agents, as Bolivia was in default, Paz Estenssoro set up two small teams to develop an economic plan to stop hyperinflation, and he personally oversaw the making of the plans. One team was led by his Minister of Planning and Coordination, Guillermo Bedregal. Bedregal was the second most important leader of the MNR at the time; his team included technocrats who advocated for economic gradualism (heterodox plan) to stop hyperinflation. The other team was led by the President of the Senate, Gonzalo Sánchez de Lozada, who was the most prosperous Bolivian businessman and relative a neophyte in politics, and who had never worked in public administration. The first group was the most visible one, exposed to the demands of the press, while the second group worked in secrecy. Sánchez de Lozada worked with three other ministers, two lawyers, two businessmen and two economists, all who advocated for radical actions (orthodox plan), and this second team produced the NEP. Harvard professor Jeffrey Sachs helped the team by recommending the policies that would follow the initial economic shock (Bedregal 1999, Commanding Heights 2001).
The *order-affirming* impulse was best displayed after only two months in office, when the MNR sought a formal alliance with ADN\(^{35}\) to enact severe policies after the world market price for tin collapsed. With tin as the nation’s main export product and the most important source of Bolivia’s income, the state was left with no capital.\(^{36}\) The administration closed mines and fired over twenty thousand miners, dramatically reducing the size and scope of its main source of income, managed through the Mining Bolivian Corporation (COMIBOL-Corporación Minera de Bolivia).\(^{37}\) Organized unions, which the government had previously deemed as corporatist institutions, came under relentless attack supported by the Bolivian left, and protests emerged from MNR’s partisans as well. But Paz Estenssoro persisted and employed police forces and even the military to stop protests and marches.

The *order-creating impulse* materialized with the implementation of strict austerity measures, a restructuring of the Central Bank and the banking system, and tax reform. The legislature passed a new currency and tax reform law, which in turn succeeded in curbing inflation, restoring confidence, both domestic and international and establishing a steady source of state income. All of these policies led to economic growth in 1987\(^{38}\), for the first time in ten years, as shown in Table 4-2. However, the new policies also left citizens unprotected from market forces and led to excessive concentration of income in few hands, widening the already deep income gap. Furthermore, the increasing urban

\(^{35}\) On October 17, 1985 the Pact for Democracy (Pacto por la Democracia) was signed. There was a secret addendum to the Pact for Democracy in which Paz Estenssoro’s MNR committed its support for Banzer in the 1989 election. This agreement was aimed to allow Banzer to succeed Paz Estenssoro in 1989 in exchange for Banzer’s support for the NEP to pass in Congress.

\(^{36}\) In October 1985 the world market price for tin crashed.

\(^{37}\) The government set out to privatize state tin mines and to "relocate" mining families to the outskirts of Oruro, Cochabamba, El Alto and the lowlands of the Chapare region.

\(^{38}\) All numbers shown as economic indicators correspond to the previous year; therefore 1987 actually shows GDP growth in 1986.
and rural poverty, growth of the informal economy, inability to develop a competitive productive system due to the recessionary conditions of the economy, and the weakness of the private sector left citizens vulnerable and generated great social unrest. Paz Estenssoro confronted labor and social protests by imposing three states of siege and banishing labor union leaders to the north of Bolivia in order to prevent sabotage.

Although the NEP was first conceived as an economic policy, it brought with it a new political order oriented toward liberalization, and substantially changed the course of Bolivian politics. With state and economic modernization through liberalization, there was indeed a reordering of the relations between state, society and the economy (Lazarte, 1993). The main political parties supported liberal policies, and representative democracy replaced the kind of direct democracy that had been exercised under labor union pressure. The old logic of confrontation changed with trends toward coalition formation, which in turn facilitated governance, and power no longer depended on social actors’ capacity for mobilization. However, hyperinflation, structural adjustment and the massive layoff of miners weakened the once powerful labor unions, enlarged the informal sector and weakened the capacity to protest and mobilize.39 Opposition leftist groups, which had deeply rooted relations with social actors and interested groups, could not effectively mobilize or protest. Paz Estenssoro’s order-shattering impulse involved making decisions that were the exact opposite of the ideology that the MNR had held for decades. Paradoxically, they subsequently destroyed what Paz Estenssoro had helped to create during his previous three administrations.

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39This however did not stop protesters from exercising pressure, which Paz Estenssoro resisted. The labor movement that coalesced in COB, broke into pieces when its more powerful branch, the Union Federation of Bolivian Mine Workers (FSTMB Federación Sindical de Trabajadores Mineros de Bolivia) saw its ranks shrink.
As president of reconstruction, Paz Estenssoro broke with the politics of the past and reformulated Bolivia’s political agenda altogether. When he enacted the NEP and established an alliance with Banzer, the prospects of democracy, the future of his administration and the effects of structural adjustment policies were very uncertain, because Bolivia was the first country in the world to implement shock therapy. Paz Estenssoro’s decisions were bold and risky. He was ready to fight his last political battle, which did not include a secure place for his party after his administration. With new politics in place, the government garnered credibility and power on new terms. Pushing Bolivia past the old troubles and envisioning a new set of opportunities altogether, he put together a new coalition of power, one that favored a market-driven economy with limited state intervention. Paz Estenssoro recaptured the authority of being first again, and he had the unique opportunity to set up new foundations for Bolivia. Successive administrations worked within the framework provided by the NEP.

At the end of Paz Estenssoro’s administration, his party urged him to go further and to deepen restructuring of the state’s role by privatizing, but he considered his work was done. As a reconstructive President he did not need to solve further problems. The MNR’s role was to continue the spirit of his policies but without him. Ironically, although Paz Estenssoro did not intend to remake his party, he ended up doing it

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40 Paz Estenssoro had no intention to change the Constitution to run again for office, nor did he have a plan for his party, the MNR, after his administration. After the electoral success of ADN and MIR in the 1987 municipal elections (See Table 4-6) at the expense of the MNR, which was punished for the enormous social cost of the NEP, the prospects for the MNR to be successful in the next general election of 1989 became dim.

41 In the words of Bedregal (1999) “[Paz Estenssoro] will remain in history as twice a nation builder.” Indeed he had four presidencies and reconstructed Bolivia’s politics twice. Paz Estenssoro started and ended the Popular Nationalistic political order.

42 For some, Paz Estenssoro did not object to Sánchez de Lozada’s alliance break with ADN. When Paz Estenssoro saw the success of the NEP, he embraced it as a legacy and urged the party leadership to continue with his economic program (Interview with Anonymous BOL#11)
anyway.\textsuperscript{43} By solving the problems of the politics of the past, he provided new opportunity for politics to reconnect with society in new terms.\textsuperscript{44}

At the end of Paz Estenssoro’s administration, democracy, which seemed adrift during the Siles government, benefited from the return of power and authority to the state, with a role for political parties, instead of the barracks or the streets. The establishment of the rule of law allowed, at least in appearance, a political system that could potentially produce binding decisions.


Gonzalo Sánchez de Lozada (SDL) was the MNR’s presidential candidate in 1989. Early in the race, he announced he would not honor the secret agreement established in 1985 by Paz Estenssoro and Banzer.\textsuperscript{45} Such agreement involved the support of the MNR for Banzer’s ADN in the elections of 1989. It was a modern campaign season in many regards, with campaign professionals and efforts by some of the candidates to project an image to voters of “being someone like you.” The campaign was also characterized by negative campaigning which alienated voters and, as shown in Table 4-7, absenteeism rose by 8\%.\textsuperscript{46}

Sánchez de Lozada of the MNR, the candidate with a problematic image, won the popular vote, as shown in Table 4-4.\textsuperscript{47} ADN’s Banzer was second by only 0.4\%.

\textsuperscript{43} To some, Paz was not concerned about the future of his party. They affirm that Paz Estenssoro did have a preference for Sánchez de Lozada over Bedregal as successor, as he saw in the former an opportunity to modernize the party, while perceiving Bedregal as a gatekeeper (Personal interview with Anonymous BOL#11).

\textsuperscript{44} Paz Estenssoro is considered one of the most outstanding Latin American political and economic figures (Whitehead, 2010).

\textsuperscript{45} See footnote 29.

\textsuperscript{46} The MNR portrayed Banzer as a “corrupt” military officer, and Paz Zamora as a “dreamer” who behave irresponsibly during the UDP’s administration. Virtually all campaigns used images to bring back the memories of hyperinflation, long queues, food shortages, and chaos, and they promised never to go back to such a situation.

\textsuperscript{47} Sánchez de Lozada’s image was problematic, as he spoke with an American accent and was one of the wealthiest Bolivians (Personal interview with President Gonzalo Sánchez de Lozada).
and MIR's Paz Zamora was third at 3.8% below the front runner. The election was thorny, as thousands of votes were nullified. Moreover, an interpretation of the electoral law deprived SDL of the presidency when Banzer of the political right supported Paz Zamora of the left.\(^4^8\) Until the election, the MIR was considered Banzer’s worst enemy, because its partisans suffered persecution during Banzer’s dictatorship.

Although throughout the 1989 campaign Paz Zamora strongly expressed the intention to suspend all policies related to the NEP, the Paz Zamora presidency was one of articulation of the political order. In this way, his order-shattering impulse was thwarted, given that he did not reject any major commitments of the existing power coalition. The MIR’s alliance with ADN overshadowed any significant change the MIR sought to make.

During Paz Zamora’s administration, the macroeconomic policies destined to keep an ordered economy and a liberal market were not modified, and a number of laws were enacted to deepen state modernization and to boost the private sector in Bolivia. The 1990 Hydrocarbons Law regulated contracts and sought to attract private investment, while the 1992 Privatization Law ordered the privatization of 37 state companies and regulated the bid process. These are examples of Paz Zamora’s order-affirming impulse.

The most important issue during the Paz Zamora administration was not related to economic policy or state modernization but rather, about strengthening democratic

\(^4^8\) Bolivia's Constitution required Congress to choose the president when no candidate received 50 percent of the vote. Four out of the seven members of the National Electoral Court (CNE- Corte Nacional Electoral) were loyal to ADN and MIR. Because the court ruled in favor of MIR, the four members of the court were each rewarded with a one year post as head of the customs office, which allowed them to enrich themselves. Personal interview with President Gonzalo Sánchez de Lozada. See also Ultima Hora, May 29 1989; Presencia May 29, 1989 and El Mundo June 21, 1989.
institutions. Although it was not a priority in the administration’s leadership project, the February 1992 accords between the main political parties, with the participation of the Catholic Church and other civil society organizations, specified reforms agreed upon by the three main parties. The sweeping political system reforms aimed to create institutions and ultimately to provide a long term vision for the country. These included Constitutional reform\textsuperscript{49}, modernization of the judiciary, an independent National Electoral Court (CNE), education reform, decentralization, election of the National Comptroller, trial of former dictator García Meza, coca industrialization and political party regulations, all of which were created but not necessarily implemented immediately. The consensus brought a new life and legitimacy to the political system (Toranzo, 2003).

Overall, the Paz Zamora administration was able to maintain political, economic and social stability, but it refused to implement unpopular policies. Under his leadership Bolivia achieved continuous insubstantial economic growth. The strong order-affirming impulse resulted in issuing decrees aimed at improving the conditions of growth, giving the lead role to the private sector\textsuperscript{50}, although it did not privatize any major industry. It also issued policies to reduce foreign debt, boost savings, lower interest rates and make economic policy management more efficient. Moreover, the administration issued policies that regulated energy exports and promoted joint ventures aimed at strengthening the weak external sector in Bolivia. Although the private sector increased

\textsuperscript{49} Congress approved a law declaring the necessity of Constitutional Reform, but the reform itself was to be discussed (and passed) in the next term.

\textsuperscript{50} Besides the traditional mining and commercial businesses in the western regions of Bolivia, a new agro-commercial elite had developed in Bolivia’s east low lands steadily since the 1970s. Largely independent from government, the society that developed in this region was boosted with the growth of illicit trade from cocaine and with new industries in the 1980s.
its participation in the GDP, it was far from being competitive. Other steps regarding macroeconomic management were designed to reduce the fiscal deficit, rationalize public expenditures, resize the public sector, and implement infrastructure projects and social improvement.

The order-creating impulse of Paz Zamora, which helped remake Bolivia’s international image, was effective at the foreign relations level. His administration allowed Bolivia to be included in regional market agreements, and it strengthened relations with neighboring countries and other multinational blocks. Moreover, through accords with Peru, his administration opened access for the country to the Pacific. Peru granted Bolivia free port status in the coast town of Ilo, a step toward the country’s long time dream to return to the Pacific. Another order-creating impulse rested in the attempts of the Paz Zamora administration to add to the state’s agenda the issues of decentralization and control mechanisms for the state’s bureaucracy. However, the proposed legislation did not progress.\(^5^{1}\)

While most of the program was not implemented effectively, the administration addressed the issue in the context of the NEP, thereby committing to the order created by the Paz Estenssoro administration.

Although Paz Zamora was a President of articulation, he was not a particularly orthodox innovator, despite his timid attempts to modernize the state. But his administration was innocuous to the political order already in place, although in practice

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\(^{51}\) The issue of decentralization, a long time desire that regional elites demanded for decades, was brought to discussion. Bolivia had a tradition of strong centralization, in which all important political issues were decided in La Paz, and each administration considered costs and benefits in terms of its patronage and clientelistic network. In 1988 there was an attempt to decentralize social services, but it did not progress. In 1990 the administration formally proposed decentralization to the departments, which was discussed and approved in 1993 by the Senate. But it did not pass the deputies chamber due to opposition by Congressmen led by the MNR. The Fiscal Administration System and Control Law (SAFCO- Sistema de Administración Fiscal y Control) of 1990 law passed, and its regulations were passed two and a half years later, in November of 1992. However, little was done to actually implement and enforce the laws.
the administration’s partisan patronage replaced the previous administration’s technocrats and damaged the political system further (Lozada and Saavedra, 1998).


In his first administration Gonzalo Sánchez de Lozada was an articulative president. His affiliation with the political order that started with Paz Estenssoro (1985-1989) was rooted in the belief that the work of Paz Estenssoro could be continued by deepening reforms and even taking them to a whole new level. That was the focus of his first administration. Yet, SDL had been sensitized by his experience, after losing the congress vote in 1989, traveling throughout Bolivia and witnessing first-hand Bolivians’ hopelessness after hearing politicians repeat the same promises and not seeing their lives improve. Indeed, indigenous peoples in remote areas of the country transmitted their sense of disconnection with the state, but SDL envisioned Bolivia as a modern country, where people would feel part of the country, a country economically viable and politically stable. He came to believe that direct governmental action was not an option. As an alternative, he adopted a more overtly political and institutional approach toward change.

As shown in Table 4-7, the 1993 presidential race was won by MNR’s SDL, who garnered an uncontested plurality of the vote with 36% of the valid votes. Moreover, as shown in Table 4-4 in Congress, the MNR held almost two-thirds of the Senate seats and a large plurality of the deputies’ chamber seats. With fifteen points ahead of second-place Banzer, SDL had a strong mandate. After the election, SDL forged a coalition with two other parties, along with the Revolutionary Movement of Liberation.

52 Sánchez de Lozada ran again for the presidency after being denied the presidency in 1989. With a dusky personal history in party politics, he had been active through his party in Congress in proposing institutional reforms, and he had with a reputation as the most dynamic figure in Paz Estenssoro’s presidency.
Tupac Karari (MRTKL-Movimiento Revolucionario Tupac Katari de Liberación) that was already part of the presidential ticket. The coalition formed by the MNR, MRTKL, MBL (Movimiento Bolivia Libre), and Civic Solidarity Union (UCS-Union Cívica Solidaridad) allowed him to count on more than the required two-thirds of Congressional votes to pass laws. Because the leaders of the coalition parties represented to some extent the range of traditional social sectors the administration had an extensive network of contacts in critical sectors.

Sánchez de Lozada arrived in office determined to modernize Bolivia, and to it able to withstand competition in globalized markets. The strategy was to boost the economy by carrying out vast reforms for an inclusive, sustainable structure and employment opportunities. He also came to office seeking to integrate Bolivians who felt the state was an artificial construction completely out of touch with their lives and needs.

In order to set up his administration in a way that would allow him to pursue his leadership project, SDL started by changing the traditional way in which the executive was organized and the logic under which it operated. This was his order-shattering impulse. He changed the underlying organizational mode of governance, from control by political parties to reliance on technocrats. While he did not dismiss political calculations, these were not discussed with the party but with personal advisors and

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53 The coalition was not free from problems. In September 1994, UCS left the coalition after disagreements regarding its role in the administration. However, seven UCS members broke ranks and remained in the government coalition, still giving Sánchez de Lozada a majority in the Chamber of Deputies. In June 1995, Max Fernández, the UCS founder and leader, brought his party back into the administration. The UCS was a coalition partner in exchange for government protection for the leaders’ tax related problems. After Fernández died, UCS remained in the coalition under the leadership of his son, Johnny Fernández, whose opportunism led him to ascribe to the president’s successes and to distance himself when problems rose.

54 Sánchez de Lozada represented the business elite, the vice-president was a long time fighter for indigenous demands, and Free Bolivia Movement (MBL – Movimiento Bolivia Libre)’s Antonio Araníbar represented the leftist traditions in Bolivia. MBL was an excision of MIR that split in 1984. Max Fernández was the leader of the personalistic party UCS, which lacked a clear ideology, had populist roots to assure favors to its constituents, and held a significant clientelistic network.
international consultants. He reduced the number of ministries in his cabinet, from 18 to 10, emphasizing three areas (ministries) that became his priorities: economic development, human development, and the ministry of the environment and sustainable development. It took at least two months for the executive branch to start functioning under the new design. The distribution of duties, hierarchies and organizational levels brought it to near paralysis as conflicts between the three independent ministries emerged, each of which struggling to defend its area of influence. The lack of cohesion and consistency impaired the work of the administration, which lost time while still on a honeymoon with the electorate. The state bureaucracy remained staffed with party loyalists. The administration distributed state offices between the coalition partners, but for top cabinet positions SDL hired technocrats who shared his vision.

Sánchez de Lozada also relied on the ideas and expertise of the Millennium Foundation (Fundación Milenio), a think tank he created after his electoral defeat of 1989. The foundation became the most important place where public policies were initiated and discussed (Toranzo, 2009). Similar to Paz Estenssoro’s creation of the NPE, SDL emulated the process of policy making for his own administration by relying on technocrats, young professionals, international consultants, and top scholars like Juan Linz and Dieter Nohlen. The former were hired to advice on Constitutional reform.

Sánchez de Lozada was the first president of Bolivia to govern by testing messages and measuring public opinion based on scientific tools with constant polls and focus groups. Bolivia was the first country in Latin America to include explicitly the concept of sustainable development in its organizational structure, taking into consideration environmental issues linked to development. See Toranzo (2009).

The expansion of public sector white collar workers in the previous administration resulted in a new class of professionals. Sánchez de Lozada himself was an innovator (See Graham, 1997; Mesa, 2008; Grindle, 2000; Greenberg 2009). He grew up with progressive ideas because of his family and education. However, the most important experience that shaped his vision for the country happened during his extensive travels around Bolivia between 1989 and 1993 (Personal interview with President Gozalo Sánchez de Lozada).

For instance Bolivia’s pension reform relied on Chilean consultants who had implemented Chile’s highly praised reform in the early 1980s, see Weyland (2005).
Another renowned scholar was Jeffrey Sachs who advised on macroeconomic issues. SDL’s *order-creating* impulse consisted precisely in the policy making that emerged outside Congress and his coalition partners, including his own party. Despite the fast pace in which the talented groups produced policy proposals, SDL’s decision-making style focused minutely on proposals. This allowed him to control decision making but slowed implementation. He participated actively in policy presentations, where technocrats offered different proposals for him to choose, but the proceedings were not open to debate or to the public.\(^{61}\)

Following his *order-affirming* impulse, SDL emboldened secular changes at work and engaged in an aggressive campaign for political maintenance. He grasped the potential of the neoliberal era for building new kinds of institutions, and he harnessed that potential to the cause of rearticulating the commitments of the established political order at a higher level of achievement. There were two sets of reforms: institutional with Constitutional and Judicial reforms,\(^{62}\) and a broad program to deepen economic and political reforms. With the benefit of a majority in both chambers of congress, the enactment of the laws was rapid. After the laws were drafted in isolation and their content and implementation were briefly discussed with stakeholders (Grindle, 2000). Several factors played favorably for SDL and allowed him to become a strong president: lack of other political alternatives, leaving his coalition with a comfortable majority; weak opposition in Congress; and the rapid timetable of the reforms which stunned opponents, the media, analysts and public opinion. Indeed, as we will see in the

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\(^{61}\) Sánchez de Lozada participated actively in the making of the laws, attending some meetings and setting out the tone of the laws, which aimed to be irreversible and radical in decentralizing political and economic power. 

\(^{62}\) Opposition to Judicial reform surfaced from the MNR, Sánchez de Lozada’s own party, as it involved the elimination of political patronage slots in the Judiciary; see Van Cott (2000).
following paragraphs, these sweeping reforms were launched one after the other in a relatively short period of time. The dynamic overwhelmed the opposition in Congress, as well as media and critics, all of whom were not able to suggest alternatives, or to keep up, simply because they were too intricate legislation.

According to constitutional reform procedures, the Constitutional reform process was initiated in the Paz Zamora administration. But during SDL I the content of the Constitutional reform was drafted, discussed and approved. The first chapter of the new Constitution stated a new definition of Bolivia, recognizing its multiethnic and pluralistic cultural identity. Moreover, it acknowledged the overlapping cultural traditions of the West with indigenous traditions and stated that Bolivia was not only a unitary country, but also a diverse one, a place where different cultures, ethnic groups and ecosystems live under the protection of the Republic. Formal recognition in the highest legal document of the country was a major step to legally acknowledge the coexistence of several cultures in the country, and it required government policy to address and respond to the disparities and distinctions of the country. This formal recognition provided legitimacy, not only to the administration that passed the Constitution, but to the entire political system (Albo, 2008). However, even though this specific aspect of the Constitutional reform garnered support from the indigenous by empowering them, it was a top-down approach which did not effectively represent their interests (Madrid 2005).63

The reform, which was enacted in August 1994, included: the election of the President by the Congress among the two most voted candidates when no candidate

63 The traditional political parties ADN, MNR, and MIR did not represent the indigenous. Political parties sometimes addressed their concerns but they did not truly represent the people. In successive elections, the indigenous were part of electoral lists but were not in top positions, with only CONDEPA and UCS having some indigenous representatives. Only in the elections of 2002 did political parties address indigenous representation seriously, as the lists of NFR, Asamblea de la Soberania de los Pueblos (ASP), MIP, and MAS demonstrated.
reached 50 plus 1% of the vote; the extension of the presidential and Congressional terms from four to five years; provisions to restrain changes to the Constitution; the direct election of half of the 130-member Chamber of Deputies, making members of Congress more accountable to their districts and less dependent on the parties and the executive branch. The Constitutional change also incorporated elective local government at the municipal level and extensive judicial reform.

The Constitutional Reform was side-lined for a while in March 1994, when Congress passed the Capitalization Law. In the months that followed its approval, there was strong opposition, particularly by unions. Indeed, this law touched national interests by establishing that half of the Bolivian state-owned companies’ stock would be sold to investors, angering unions, which for years had enjoyed privileges whether or not state companies were efficient or productive. Furthermore, when it was found that the investors interested in buying the stock were foreigners, a campaign of disinformation was spread accusing the government of “selling the country to foreign interests,” and Sánchez de Lozada, who spoke Spanish with an American accent, was identified with those foreign interests. Despite attempts to show how Bolivian he was, his image was quickly tarnished, leading to opposition outside Congress for every law subsequently passed. The administration was accused of destroying “national patrimony,” and of serving “foreign and particular interests.

The broad agenda of reforms included an innovative type of privatization that came to be known as “capitalization,” which was a strategy to attract investments. Parts of the state-owned enterprises were privatized and parts of them were “capitalized.” The government, through private pension funds, held 50% of the stock of the capitalized

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64For a comprehensive account of the reforms see Fundación Milenio (1998).
companies, with the investors (all foreign), holding the other 50% and remaining in control of the companies. The capitalized companies were telecommunications (ENTEL-), electricity (ENDE-Empresa Nacional de Electricidad), railroads (ENFE-Empresa Nacional de Ferrocarriles), petroleum (YPFB-Yacimientos Petrolíferos Fiscales Bolivianos), and the national airline (LAB-Lloyd Aéreo Boliviano), while the national foundry (ENV-Empresa Metalúrgica Vinto) was left to be capitalized in the next administration. When the law of capitalization passed, the state changed in size and role, no longer serving as economic planner or as producer. Instead, the state was transformed into a regulator of services, with superintendencies responsible for the regulation of specific sectors (energy, water, transportation, telecommunications and forestry among others) and for the quality of the services.

The Law of Popular Participation, enacted in April 1994, was the next most significant and politically innovative reform after the Constitutional Reform. Popular Participation effectively decentralized the country by transferring power to 311 municipal governments across the country, with elected mayors and councils. Moreover, it transferred resources using a distributive criterion based on population count. It was a leap of giants, considering that before the reform the state resources were distributed mostly to the capitals of the departments. For some observers, this experiment was one of the most far reaching and ambitious achievements to expand democracy at local levels in Latin America (Seligson, 1999a, 1999b; Thede 2011). At the national level the Popular Participation was also one of the most ambitious attempts in the history of the country to break the traditional centralism. Indeed, it was a revolution in the sense that it
took the state to all the regions of the country, but at the same time it also increased the appetite for autonomy in the regions.

Sánchez de Lozada was opposed to complete regional autonomy. In a country as frail as Bolivia, with a history of wars with resource-hungry neighbors who stripped from its territory, and with strong centrifugal tendencies, providing autonomy to the regions could turn toxic for maintaining Bolivia’s physical cohesion. The intent of decentralization was not to grant autonomy to regional governments; on the contrary, it was a way for the central government to have control over the departments. Prefectures (the name of the regional administrative authority) depended on the central government for their resources, which derived from state revenue, as well as from a percentage of the mining, oil and hydrocarbon revenue existent in some producer departments. The law opened a new layer of bureaucracy that could benefit the MNR, MRTKL and MBL parties but it kept pivotal appointments at the regional level under presidential control. Regional political elites, which sought independent regional power, not local power, were strong opposition for the administration.

Somewhat tied to popular participation was the June 1994 Education Reform, which gave municipalities and local communities greater control over their schools. However, before transferring responsibility to municipalities, the administration promoted primary education in children’s native languages. The entire curriculum was revised to include assessment of teachers’ capacities and knowledge, provide training opportunities, and eliminates the requisite of being unionized to work in public schools.

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65 O’Neill (2003) argues that when national parties believe that sub-national offices will be important to them in the future, they seek to make these offices more attractive and powerful by devolving powers from the national level. Bolivia decentralized in the 1990s when the parties judged their chances of holding on to the national executive branch to be quite slim.

66 For an account of regionalism in Bolivia, see Roca (2008).
Capitalization was related to pension and social security reform, in that it allowed for a distribution of dividends of the capitalized companies in the form of pension payments for Bolivians who at the time of the capitalization were older than 65 years of age. According to SDL, BONOSOL, as it was called, it was not only a fair deal for the elderly, but it was an outstanding mechanism of cash transfer for investment or consumption. Since the structure of the typical Bolivian family involved grandparents living with their children, grandchildren and so on, the BONOSOL not only dignified the elderly but also provided the entire family with a reasonable sum to use for their needs.67

Two additional important reforms were approved by Congress in October 1996: the National Institute of Agrarian Reform (INRA-Instituto Nacional de Reforma Agraria), which regulated land tenure and continued agrarian reform; and the Forestry Law of July 1996, which regulated use and exploitation of forestry resources.

There was little opposition to the reforms from the establishment, because ADN’s leader, Hugo Banzer, retired from politics in December of 1993, and in March 1994 Jaime Paz resigned from politics after accusations of campaign finance by drug dealers implicated party members.68 While the reforms passed without complications, the MIR scandal placed ADN as the most important opposition force and strengthened its position in the political arena. Banzer, returned to the political arena and announced his presidential bid for 1997, less than eight months after a dramatic resignation from politics, and Jaime Paz resumed leadership of the MIR and also announced his candidacy. The rest of the opposition parties were too small to have a strong stance

67 Personal interview with President Gonzalo Sánchez de Lozada.
68 Paz Zamora’s U.S. visa was withdrawn by the Embassy because of allegations of links to drug-traffickers. Two MIR ministers were involved in corruption scandals, and a four-year sentence was placed upon the head of the party, Oscar Eid, for having maintained links with drug-traffickers. In January 1996, the U.S. permanently withdrew visas for two former interior ministers, Carlos Saavedra and Guillermo Capobianco, as well as Paz Zamora’s sister.
against the administration. Motherland Consciousness (CONDEPA-Conciencia de Patria), under its populist leader Carlos Palenque, was the only political party that openly criticized the reforms.  

The real opposition was not from Congress, but on the streets: teachers’ unions which wanted to maintain control, coca growers who resisted coca eradication and drug-trafficking policies; and regional governments and councils, which demanded the extension of autonomous powers. Anti-imperialist slogans became appealing as the presence and influence of the U.S. Drug Enforcement Agency (DEA) was defended by the administration. The attempts to compromise were difficult and perceived by the strikers as a sign of weakness in the administration (Gamarra, 1996: 72-98). Police and military repression occurred several times during SDL I, most frequently involving coca eradication. In April 1995, opposition to reforms led the three protesting groups to engage in marches, blockades, and strikes, effectively paralyzing the country. With congressional approval, SDL ordered a state of emergency which lasted six months, and hundreds of teachers and union leaders were banished to remote areas.

Among the first three articulative presidencies analyzed up to this point, SDL I became the zenith of the political order, making it more robust. SDL pushed all of the reforms with courage and stubbornness, to the point that his assurance of the rightfulness of the reforms often bordered on arrogance.  

A characteristic of his administration was the particular attention placed on the legality of the presidential

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69 CONDEPA was founded in 1988 by its charismatic leader Carlos Palenque. It was a personalistic populist party with class appeals that denounced the lack of state policies to provide welfare for citizens living in poverty. Part of its leadership consisted of a recycled group of leftist politicians who held strong nationalistic views. These helped CONDEPA gain sympathizers, but the party lost strength after Palenque’s unexpected death in 1997.

70 The use of police and military force at times caused more problems than solutions. For example in a deadly event in December 1996, miners of Amayapampa and Capacirca clashed with police forces after taking control of a mine that was exploited by a foreign company. Police defended the property of the foreign investors, and the result was 11 deaths.
actions. Even though at times SDL seemed too powerful and forceful, his actions were backed by laws and even obscure rules, which the administration was quick to point to as way keep legitimacy. While most of the laws were “political unknowns” (Grindle 2000:96), the administration’s intentions were put in doubt, as protesters’ groups considered the government had a hidden agenda. As he built new national supervising institutions, he finished dismantling statism. Capitalization and privatization raised particular suspicion of the President’s intentions, and protesters accused him of being more of a “gringo” who defended foreign companies’ interests, than a President who cared for his people. His communication skills did not help him either, or his lack of instinct to bond with people.

Because SDL found opposition when trying to assert authority, he had to refashion legitimacy on his own terms. He was an orthodox-innovator. As Skowronek (1993) asserts, articulative leaders such as SDL exercise power without projecting a political alternative to what had come before, but they grasp new possibilities without impugning the existing political foundations. He completed the second generation reforms, a long pending political agenda, without igniting dissent from those committed to the prior consensus. He also planted the roots of a more participative democracy at the local level, and he sought to boost a national identity by making it more diverse and inclusive. However, at the national level, policies and state orientation remained determined by the ruling elite. Courting some of the most aggressive innovators of his day in Bolivia (i.e. Carlos Hugo Molina, Guillermo Justiniano, Victor Hugo Cardenas, and Miguel Urioste) and in the world (i.e. Jeffrey Sachs, Stanley Greenberg, and Juan Linz), at the end of his administration Bolivia became a showcase of reform. Sánchez
de Lozada stamped Bolivia with the dreams and ideas of these Bolivians and top professionals and after SDL term these individuals went all over the world to spread reforms.

Sánchez de Lozada was prompted to exercise power as a continuation of the Paz Estenssoro administration. But, with his own brand of leadership, he took a greater leap forward along the path already traced. His political authority rested in demonstrating the integrity of the political order and its relevance in new circumstances. If Paz Estenssoro was able to return credibility to the idea of Bolivia as a nation, laying the foundations for providing stability at both the economic and political levels, SDL’s job was to restore the belief that Bolivia was a viable nation. His first presidency focused on that goal by continuing with further neoliberal policies that aimed to integrate Bolivia into the globalized world, as well as to strengthen Bolivia as a nation-state with political inclusion, cultural integration and power-sharing.

Sánchez de Lozada’s administration sought venues to integrate Bolivia into emerging economic trends and to provide opportunities for commerce at a time when free trade agreements started to become the norm. In preparation for further steps, Bolivia joined the World Trade Organization (WTO) in 1995 and became an associate member of Mercosur in 1997. With regards to foreign relations, the most important issue was a deal with the U.S. embassy to maintain strict coca eradication policies in exchange for aid and credit. Virtually all presidents since the return to democratic politics have been strained by the U.S. and its war on drugs.

Except for unions and coca growers, most citizens came to appreciate the reforms, realizing that the reforms were better than the status quo. However, this
acceptance did not necessarily translate into political support for SDL, because his persona produced strong negative reactions. He lacked the capacity to empathize and was perceived as arrogant, domineering, overconfident, condescending and patronizing. The most important and positive outcome of the reforms was the opening of the local political sphere. This created space for greater political agency on the part of previously excluded groups of citizens, i.e. the indigenous and women. Neoliberal politics transformed concepts and the ways of thinking: constitutional reform turned the indigenous and women into equals; popular participation turned “people who lived in Bolivia” into citizens; decentralization brought an absent state closer to citizens; capitalization turned workers into owners and dignified elders, and provided better services to Bolivians; privatization turned users into clients; and educational reform improved social opportunities by providing better education. In one way or another, all of these reforms strengthened the state, whether by taking away functions that could be better performed by the private sector, by opening state posts to professionals, by organizing the multiple bureaucratic layers, by making the state more responsive to citizens’ demands, or by bringing the state to areas of the country where there had been virtually no state presence.

Bolivia became a case study for policy makers and multilateral creditors. SDL did not copy development recipes from others. He used others' ideas, but the solutions were Bolivian, made by and for Bolivians. However, corruption scandals and politicians’ rapid enrichment made Bolivians suspicious of the immediate benefits of the reforms. In one of his last actions as President, SDL signed a decree transferring full ownership of Bolivia's hydrocarbon processes to multinational corporations. The state action was
limited to supervision and collection of 18% on taxes on exploration and exports. With the enactment of these laws and decrees, the idea of state control of a strategic resource, particularly its most important natural resource, was abandoned.\(^7\)

Sánchez de Lozada’s administration was revolutionary and *articulative* at the same time, without being reconstructive. Bolivian politics were changed because of the actions of SDL in his first presidency; some of the reforms he led were not pressing demands that he happened to answer. Most of the issues the reforms brought to the table were not in the public discourse but were necessities that needed to be addressed, but that had been neglected for too long. At the time of his presidency the country did not have a clear route. With the structural reforms in 1989-1992, the country became a stable patient, but there was no certainty of when and if the surviving country could be actually cured. The SDL presidency brought hope back to the ailing country, not rhetorically, but factually. Despite the negative side effects of the reforms particularly with distribution of benefits, the *shattering effect* of SDL was positive for Bolivia’s democratization. His reforms cleared the route the country was taking.


The stakes were high for the general elections of 1997. For the first time in Bolivia’s history, the general elections included the vote for the presidential ticket, the direct vote for half of the deputies’ chamber representatives, and the party list vote of the senate and the other half of the deputies’ chamber. Moreover, new authorities were about to be selected for the Constitutional Court, the Ombudsman’s office, and the Judiciary Council.

\(^7\) The 1990 hydrocarbons law, declared that the state owned the reserves, production and distribution of gas and therefore benefited from the production, distribution and use of the surplus.
Banzer (ADN) led a pre-electoral alliance with the New Republican Force (NFR-Nueva Fuerza Republicana)\textsuperscript{72} and the Christian Democratic Party (PDC, Partido Democrático Cristiano).\textsuperscript{73} Paz Zamora (MIR) led a coalition with the Revolutionary Left Front (FRI -Frente Revolucionario de Izquierda).\textsuperscript{74} Re-election was banned, and MNR reduced its chances to win the elections after it changed the nomination of an independent candidate, Rene Blattman, to Juan Carlos Duran.\textsuperscript{75} With the death of its founders, UCS and CONDEPA, the two populist parties that had increasingly gained sympathizers in the early 1997’s, had two patch candidates Ivo Kuljis and Remedios Loza, respectively.\textsuperscript{76}

The electoral results separated the two top contestants by 4\%, but the difference between the second, third and fourth was very small. Banzer (ADN) led the vote with 22\%, Juan Carlos Duran (MNR) 18\%, Remedios Loza (CONDEPA) 17\%, and Paz Zamora (MIR) 17\%, almost tied to Kuljis (UCS) 16\%. As shown in Table 4-4, in Congress ADN held a plurality of the senate and the deputies’ seats, but it was far from having control of either of the chambers.

Hugo Banzer was elected President by Congress after he forged unlikely alliances with MIR, UCS, and CONDEPA. With these alliances, Banzer was able to

\textsuperscript{72} NFR was founded in 1995 to run in municipal elections in the city of Cochabamba. The leader, Manfred Reyes Villa, became major and used the party as a personal vehicle. Previous to the election, he was a military partisan of ADN.

\textsuperscript{73} The PDC was a small party that had not participated in general elections since 1985. Since then it was part of the ADN electoral lists.

\textsuperscript{74} The FRI was founded in 1978. During the late 1980’s and 1990’s it was led by Oscar Zamora Medinacelli and had a strong hold in Tarija, having won the municipal elections on various occasions.

\textsuperscript{75} Sánchez de Lozada designated René Blattmann as the MNR presidential candidate, and the decision was ratified at the MNR national convention of January 1997. By some accounts the rivalry of two strong party leaders, Juan Carlos Duran and Carlos Sánchez Berzain, forced Blattmann to resign, as he was an independent and found no support in the party (Interviews with Anonymous BOL#7, and Anonymous BOL#15). Others argued that Blattmann’s designation was doomed from the start, as the justice minister enjoyed growing prestige and popularity and Sánchez de Lozada withdrew his support perceiving him as a potentially formidable political rival.

\textsuperscript{76} Both leaders died unexpectedly; Fernández died in a plane crash in November 1995, and Carlos Palenque died of a heart attack in March 1997, only a few months before the presidential election.

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garner two-thirds of the congressional seats, making it easy for his administration to pass most legislation. The nature of the governing coalition was problematic, because the parties did not share a programmatic view, nor was the coalition a coherent alliance with a strong guidance from either Banzer or his party. After assuming power, Banzer spent his first six months distributing power quotas, trying to meet the coalition members’ demands. From the very start, CONDEPA created tensions by demanding control of Santa Cruz, the most powerful regional government, and by threatening to vote against its partners unless it was granted the presidency of either the lower or upper chambers. Less than a year in office, in August 1998 CONDEPA was expelled from the governing coalition. CONDEPA contributed little to policy making, but its contradictions in the legislature, rent-seeking behavior, and pressure for more government positions aggravated Banzer. In February 2000, the NFR was also forced out of the coalition because of its constant criticism of the administration, its refusal to pass legislation to raise taxes, and its constant pressure for more state posts. From then on, the Banzer administration depended on the support of opposition deputies in order to maintain its majority in the Deputies chamber, although it still held a two-thirds majority in the Senate.

The administration engaged in two National Dialogues which were the utmost order-creating efforts, with the objective to draft a poverty reduction strategy, to become eligible for debt write-off, and to coordinate foreign aid. The dialogues involved the

77 The two ministers under CONDEPA control were the least popular members of Banzer’s first cabinet (Romero Ballivian, 2003:91).
78 One of the clearest examples occurred when the administration proposed the elimination of the BONOSOL. First CONDEPA voted for it in the deputies’ chamber, and then voted against it in the senate.
79 By the 2002 elections, CONDEPTA had lost base support and become a patronage vehicle for the urban Aymara counter-elite of La Paz.
participation of various sectors of political and civic organizations, creating expectations that the administration could not fulfill the need. Moreover, it bypassed political system institutions such as Congress. The administration’s main strategy emerged from the dialogues, including poverty reduction, coca eradication, fight against corruption and institutional reforms. To a large extent the dialogues addressed the demands of donors and external veto players, in particular the U.S. government and multilateral institutions, so that Bolivia could become eligible for debt relief.\textsuperscript{80} As a result of the dialogues, most of the credit for the success rested in Banzer’s young Vice-President, Jorge Quiroga who emerged as a power figure in the administration. He was a good communicator and an efficient administrator.\textsuperscript{81} Furthermore, it gave the impression that ADN was a party undergoing generational renewal. As shown in Figures 4-1 and 4-2, vice-presidential approval was almost double the approval of the President.\textsuperscript{82}

The Banzer (and Quiroga) administration was an \textit{articulative presidency}, because it was committed to continue the established path since 1985. Banzer assumed office less to make his reputation than to embellish it with a democratic aura. He continued with the neoliberal path of reducing the size of the state by granting greater resources to regions and autonomy to local communities, selling off nearly all state enterprises, and broadening schooling, pensions and land ownership. While the administration increased spending on social policies, infrastructure, and low debt incentives for small businesses, it maintained a strict macroeconomic discipline already

\textsuperscript{80} By 1998 Bolivia was part of the Heavily Indebted Poor Countries strategy (HIPC), it received debt relief in accordance to World Bank and IMF initiatives. After the second National Dialog in 2000 Bolivia became eligible for a second, enhanced HIPC initiative.

\textsuperscript{81} Historically, the vice-president was a political figure that did not play a key role in policymaking.

\textsuperscript{82} Some interviewees argued that there was indeed a strong current of change in ADN when it was led by Quiroga. But this efforts were frustrated by Banzer’s own family and long-time party comrades. The internecine struggle known as the war between “Smurfs and Dinosaurs” led to Quiroga’s threats to resign on several occasions. Particularly salient were the differences over fighting corruption and the 1999 Customs Law.
in place and achieved moderate growth, as shown in Tables 4-2 and 4-3. During ADN’s administration, GDP grew an average of 2.47% and GDP per capita grew an average of 0.35%. However, the ADN administration was challenged by a world economic recession starting in 1999 that resulted in increased unemployment and lower living standards. In addition, ADN’s increasingly successful efforts to reduce the cocaine industry and to decrease smuggling reduced Bolivia’s activity in drug trafficking (Nogales, 2001).

The order-shattering impulse of the Banzer administration consisted in trying to imprint its own brand on the reforms of the SDL I administration (García Montero, 2001). However, some of the changes were more than cosmetic variations. The reforms of the previous administration did not stand on their own. For instance, the great emphasis and resources held by popular participation during the MNR administration were scant during ADN’s, and the impulse of the reform was left to inertia. The ADN administration changed the meaning of the reforms without altering their spirit. Such was the case of the BONOSOL, which was transformed into BOLIVIDA. The sources of the cash transfer that elder Bolivians received distorted the way the capitalization dividends were distributed and induced spending as opposed to “investing.”

As shown in Table 4-2 and Table 4-3, the pace of the economy slowed dramatically in 1999 with a global recession affecting Bolivia’s economy. In only one year, GDP growth decreased by -4.60%, formal unemployment increased by 3.0%, and

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83 The Brazilian devaluation and natural phenomena, “El Niño” and “La Niña,” were particularly devastating for the Bolivian economy.

84 The BONOSOL program, because the Banzer administration considered that the assignment of resources generated by Capitalization Funds was arbitrary, and favored other social projects instead. The BOLIVIDA was a cash transfer program that did not resemble the BONOSOL. It paid elders above 65 years of age a monthly sum that was not intended for investment but merely for consumption (Martinez, 2004).
GDP growth per capita decreased by 4.59%. The combined effects of poor capacity for recuperation, deficient living conditions and economic performance led to increasing discontent, as well as suspicion that the administration’s strategy compromised Bolivia’s natural resources to the benefit of foreign interests, led to violent confrontations between government forces and citizens.\textsuperscript{85} Even though protests, blockades and riots had been common since 1982, they reappeared with renewed strength during the Banzer/Quiroga presidency. Four sources of protests besieged the ADN administration starting in 2000: peasants from the highlands, coca growers, the teacher’s union and urban protesters affected by tariff increases. Three of the four leaders of the protests formed their own parties and openly contested the establishment.\textsuperscript{86} Of the four types of protests, the one that caused the most shocking reaction involved the water users. With the “water war” in April, 2000 in the city of Cochabamba and again in September 2000, along with indigenous protests that started on the Bolivian Altiplano, a new wave of protests appeared, signaling the awakening of new social movements (Van Cott, 2003, 2007; Toranzo, 2009). These protests disrupted not only the final two years of the ADN administration under the presidencies of Hugo Banzer (1997-2001) and Jorge Quiroga (2001-02), but also the next administration. Three key moments shifted the way politics evolved. The first was in April 2000 with the protests over the increase of water services tariffs. Behind the initial reaction of the population, there was a growing sense of discontent with the administration that seemed too outwardly oriented and more

\textsuperscript{85} Conflicts increased for a second time during the democratic period, starting in 1997-2005, (Evia et al., 2008).
\textsuperscript{86} Felipe Quispe was the leader of highland peasants who founded their own party, the Indigenous Movement Pachacuti (MIP - Movimiento Indigena Pachacuti). He protested the lack of state attention in the rural areas, proposing that the state was racist and a new indigenous and authentic state should exist instead. Evo Morales, leader of the coca growers also founded his MAS party. Oscar Olivera became the leader of Cochabamba water users, but he transformed the original protest of tariff into an antiglobalization movement. Wilma Plata was a long time leader of the teachers union. The government gave in to teachers demands, and her actions were restricted to the union (Rojas 2007).
legitimized by the international community than by Bolivian citizens. Bolivians did not see the administration effectively implementing the National Dialog recommendations, particularly in the social areas. The second moment occurred during the September-October protests, which revealed a new political dynamic, in which administration promises and hopes no longer found support. Social movements displayed their frustrations in protests, marches and blockades, questioning the validity of the administration’s intentions and proposing an alternative view of a second Bolivia that called attention to ongoing problems such as the lack of running water in rural communities. With the administration’s acceptance of impossible demands, and knowing that these demands could not be met, protesters realized that the administration was extremely weak and that they could take action on their own. The third moment was the transfer of presidential power from Banzer to Quiroga, who stood for the politics of the past. By 2001, Quiroga’s technocratic discourse had already lost legitimacy, and he insisted on politics as usual but with a twist. The lack of economic resources or the state capacity to fulfill government commitments left his actions hollow.

The Banzer administration’s order-affirming initial impulse was to protect investments and to stop protesters to keep order in a violent repression. Initially, the administration declared a state of emergency, but it eventually conceded to a reduction of tariffs and to protesters’ demands for nationalization and the withdrawal of the international business consortium. Between April and September 2000 the Banzer administration reluctantly signed over 100 agreements, which it did not fulfill, with

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87 The Water War of April 2000 was a local massive protest in the city of Cochabamba. It started when the utility company, which was a foreign company with some domestic participation, dramatically raised the price for the service and supply of water. The aftermath of the clashes between protesters and government resulted in 10 dead, 22 injured and 135 arrested.
different social sectors, each with its own demands. Even though the ADN administration was *articulative*, when the government succumbed to protesters’ demands, the fragility of the political authority appeared clearly, giving the administration the appearance of a *disjunctive* presidency. The cracks in the political order became even more evident with simultaneous protests from different groups, escalating from increasing salaries and benefits to challenges to the white/mestizo political and social identity of the Bolivian state and the basis and logic of the development model. Protesters’ demands included pay raises, rejection of coca eradication policies, resistance to “imperialistic presence”, increase of resources for education and other services, land tenure legalization, and welfare demands. Although the gravity of the conflicts was softened by the intervention of the Catholic Church, the Ombudsman, human rights organizations, and the administration’s decision to sign 111 new agreements, questions over the fragility of democracy arose as protesters and politicians started to call for a new Constituent Assembly, one that would renew the relationship between state and society and provide a new base of legitimacy. Because of the poor political management, even establishment leaders questioned the existing authority.

The permanent discourse of the new social movements, which attacked neoliberalism, denounced clientelistic practices, alleged corruption at all levels, and renewed the nationalistic sentiment, slowly carved into the social psyche, convincing citizens that the development model itself and the system of representation in place

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88 Examples include the U.S. military in the Chapare region, foreign companies operating strategic areas of Bolivia’s economy, and aid conditioned by the U.S. Embassy, etc.
89 In April 2001 another conflict took place as the administration was about to launch another phase of coca eradication. Several groups joined the coca producers and made their own demands.
90 Even MNR’s Sánchez de Lozada asked for Banzer’s resignation. See Gamarra (2002).
were failures.\footnote{As Laserna (2003:11) correctly points out "social conflicts do not emerge from given situations, even if they are unjust and unequal, but from social saliency and visibility, and from the perception that they can be modified". See also Gamarra (2002).}

Moreover, with Banzer trying to erase his dictatorial past by seeking conciliation and giving in easily, presidential authority was weakened.

In August 2001, Banzer resigned as President of Bolivia. Although a power vacuum was growing, Banzer’s resignation responded to an advanced terminal cancer.\footnote{A public opinion survey asked about an evaluation of the Banzer presidency. While he ended his presidency with 18% approval, his administration received lukewarm credit for certain policies. The five most recognized positive aspects were coca eradication 39%, the contract to sell gas to Brazil 18%, BOLIVIDA 8%, Judicial reform 6%, and fight against poverty and anticorruption 3%. On the other hand, the worst aspects were: economic management 28%, anticorruption 15%, fight against poverty 13%, conflict management 9%, contract to sell gas to Brazil 8% (IPSOS-Apoyo, September 2001).}

As the Constitution established, he was replaced by Vice-President Jorge Quiroga, whose tenure was also marked with confrontations. Among Quiroga’s first actions as President was an attempt to reassert his authority. He ordered the militarization of the coca-growing region of Chapare, resulting in deadly clashes between military and coca producers which peaked in October 2001. Furthermore, the administration sought to delegitimize Evo Morales, the leader of the coca growers and the single member district most voted representative in Congress (De la Quintana, 2000).\footnote{At the beginning of 2002, Congress overwhelmingly approved a unique measure to expel Morales for his participation in violent protests, thus helping raise his profile. See Julio Burdman’s interview to Rene Mayorga “Sin La Rígida Política De Erradicación De La Hoja De Coca No Habría Habido Evo Morales”, Observatorio Electoral Latinoamericano (2002), http://www.observatorioelectoral.org/informes/analisis/?country=bolivia&file=020820a}

The ADN administration of Banzer and Quiroga was articulative with strong signs of a disjunctive presidency. Because of their political identity and affiliation with the status quo, they were prompted to render their terms as repetitions of the received premises. By implementing their program and trying to fashion their place in history, they enervated the political order, and they carried the coalition’s own agenda with a vision that included both received commitments and present possibilities, leaving behind
confusion and recrimination. By facilitating the implementation of new policies, they (more Banzer than Quiroga) caricatured the irrelevance of the political pacts. By articulating the received premises, they dissolved the political order’s coherence. Banzer was somehow obsessed with matters that involved seeking personal approval of and showing proper democratic comportment, but he had little else to offer by way of influence and control. Throughout the ADN’s presidential term, the opposition political parties in Congress were not constructive, nor did they act responsibly. Particularly disappointing was the MNR, which did not offer alternative solutions to the conflicts of the ADN administration. Moreover, the MNR was not an opposition that offered input to strengthen political institutions and long term policies; instead the MNR focused on criticism as a political tactic. The MNR tried so hard to differentiate from the administration that it did not defend the spirit of its own policies.


The second presidency of Gonzalo Sánchez de Lozada was disjunctive. As the previous section suggested, the neoliberal political order in place was already in peril. Over time the enacted policies did not stand on their own. Since they were implemented top-down instead of being socialized and supported at the grassroots level and their legitimacy corroded when promises were not delivered. Sánchez de Lozada second administration did not preempt the demise of the order; it actually upheld the establishment commitments by affirming political continuity.94 The alliances he

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94 Decomposition of the political order was evident as early as 1999. In the December municipal elections, the three mainstream parties, MNR (20%), ADN (15%) and MIR (16%) garnered 51% of the national vote. However the results could be misleading when the support for the parties is seen as a percentage of the national vote share. By 1999, many local candidates, from either new regional political organizations or independents, had won key municipalities in Bolivia’s department capitals. For instance in La Paz, since 1995 none of the mainstream parties won municipal elections. This has also been the case in Santa Cruz since 1997 and in Cochabamba since 1993.
established contributed to expand an already vulnerable set of government commitments.

In order to understand Sánchez de Lozada’s second presidency, a recount of the June 2002 general elections is necessary, as it explains the fragile legitimacy with which he started his term. As in the previous election in which SDL participated, he was the candidate who best represented the establishment. Not only did he campaign promising to continue his work, but his affiliation with the party that brought to life the neoliberal political order made him the upholder of what was wrong in politics and the development model that promised so much and delivered so little. Candidates of eleven political parties contended for the country’s top political office, with several heavyweights as presidential hopefuls: two former presidents with Gonzalo Sánchez de Lozada (MNR) and Jaime Paz Zamora (MIR); three former mayors of the most important departmental capital cities with Manfred Reyes Villa (NFR), Ronald McLean (ADN), and Johnny Fernández (UCS), and the most important leaders of the anti-system movements, Evo Morales (MAS) and Felipe Quispe (MIP). At the start of the campaign, the issues focused on: Constitutional reform, particularly referring to the end of the monopoly of representation held by political parties; questions over the appropriate role of the state in the economy, particularly in land legislation and the administration of the recently found hydrocarbon wealth. As the campaign progressed,

95 Cochabamba, La Paz and Santa Cruz, respectively.
96 Other candidates were the independents Rene Blattmann Bauer (MCC) and Alberto Costa Obregón (LyJ); and candidates of two parties that had participated in elections for over a decade: Rolando Morales Anaya (PS) and Nicolás Valdivia Almanza (CONDEPA). For a comprehensive account of the rise of the anti-system movements, see Van Cott (2003).
97 After the events of 2000, there were some isolated calls for a Constituent Assembly. However most parties agreed in reforming the Constitution not from a clean slate process but based on the existent procedures that required three Presidential periods. During the ADN administration, Congress passed a law authorizing a Constitutional reform in the next presidential period.
the division between the establishment parties; the systemic parties (MNR, ADN and MIR),\textsuperscript{98} and the anti-systemic parties (MAS and MIP), with other parties combined elements of the past, because they had previously formed coalitions (UCS, CONDEPA and NFR) and repudiated the issues championed by their former allies in an odd in-between position. However, as shown in Figure 4-3, during most of the campaign pre-election polls, public opinion focused on SDL and Reyes Villa; the latter was ahead in the polls during the last three months of the campaign.

Platforms of all parties except MNR and ADN promised revisions to the state role as a supervisor over capitalized and privatized companies. The MAS and MIP platforms were more radical, as they promised re-nationalization of those companies. The campaigns emphasized candidates’ personal images and made the usual promises: poverty relief, job creation, end of corruption and social discrimination. For example, Reyes Villa (NFR) highlighted his administrative experience as Cochabamba’s mayor. He avoided confrontations during most of the campaign and used effective political advertisements to increase his political stature. His “positive change” platform was very general and vague. Along with the MAS and MIP candidates, NFR had an anti-systemic discourse, it was against the establishment, opposing the way economic policy was handled by systemic parties but not opposing neoliberalism as the path to follow.\textsuperscript{99} Calls

\textsuperscript{98} From the start of the campaign, the polls showed the wearing out of the party in government, forecasting a poor electoral performance for ADN at both national and local levels (IPSOS-Apoyo, 2001-2002).

\textsuperscript{99} Manfred Reyes Villa was the wild card candidate. The NFR was a personalistic party, with origins in local politics. Reyes Villa was an ADN partisan until 1993, resigning from ADN not for ideological reasons but to form his own party to respond to no one but himself. He successfully ran as major for Cochabamba. During his administration his political stances were not anti-systemic. He favored technocratic decision making, seeking efficiency in the municipality administration. He signed, along with Banzer, the privatization of the water company in Cochabamba. It was during the transition from Cochabamba’s politics to national politics that Reyes Villa adopted an anti-systemic stance. The NFR played the roles of both the anti-systemic party from the rhetorical perspective and the systemic party, given the political history and the policies implemented at the local level by its leader.
for a constituent assembly were part of the campaign platforms of both the NFR and MAS (Singer 2004). Paz Zamora (MIR) led a national negative campaign which blamed SDL for the unachieved economic prosperity and for selling the country to foreign interests. Ironically, his campaign made it seem that many of protesters demands’ of the ADN’s administration (in which MIR was its most important ally) were his own: promise of a constituent assembly, nationalization of hydrocarbons, and greater social inclusion.

At the local level, the MIR was the party with a strategy to raise the profile of its candidates. Morales’ campaign assets were: his fearless image, high name recognition, and unwavering support and resources from powerful coca growers unions. He did not have a clear plan for Bolivia, but he was the most vocal repudiator of neoliberalism. Morales held strong nationalistic views that conflicted with the U.S. administration’s interests in the coca eradication policy and with those of transnational corporations. Quispe’s (MIP) feisty anti-imperialist rhetoric was radical and nationalistic, and it displayed racist elements. It sought to ignite the marginalized Bolivians, those who had little access to a capitalist economy, and the indigenous majority (60% of the population).

Sánchez de Lozada’s image as a candidate was tarnished by his own actions, his rivals’ attacks and the demonizing accusations during the ADN presidency. His candidacy appeared to have no chance for success despite various attempts to improve his image. Private polls demonstrated that, regardless of the hopeful messages his campaign sought to convey, his image’s negatives outweighed the positives (Mesa,

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100 Especially demonizing were those by the MIR which consistently accused Sánchez de Lozada of being the “gringo who sold the country out to foreigners” as a result of the capitalization.
2007). For his presidential bid SDL counted on world renowned consultants,\textsuperscript{101} and a popular running mate,\textsuperscript{102} not to mention his personal fortune.\textsuperscript{103}

As shown in Figure 4-3, in the last months of the campaign Reyes Villa was first, with SDL and Paz Zamora in a dead heat for second place. Negative campaigning was brutal during the last weeks, and the top three candidates attacked each other with all sorts of arguments. In an unexpected turn of events, just ten days before the election the comments of the U.S. ambassador changed the political scenario in a way that the polls were not able to fully capture. The U.S. ambassador threatened to cut off aid to Bolivia if Morales was elected. His comments backfired and made possible the rise of Morales, who took most of the votes from Reyes Villa (Mesa 2007, Van Cott, 2003; Mayorga, 2003).

As shown in Table 4-6, SDL was first with 22.46\% of the vote,\textsuperscript{104} Morales was the unexpected second with 20.94\%, followed by Reyes Villa with 20.91\% and Paz Zamora with 16.32\%.\textsuperscript{105} Only 0.03 points below Morales, Reyes Villa alleged voter fraud and discredited the work of the National Electoral Court (CNE). However, by all standards, national and international, the elections were considered free and fair.\textsuperscript{106} Since no candidate achieved more than 50\% of the vote, the election between the top two

\textsuperscript{101} Greenberg, Quinlan and Rosner was the political campaigning company that helped Bill Clinton, Tony Blair, Ehud Barak and Nelson Mandela among others. Mesa (2007) argues that despite the wrong idea that the images Rachel Boynton presents in \textit{Our Brand is Crisis}, the program, agenda and content of the MNR’s 2002 campaign was Bolivian, not American.

\textsuperscript{102} Carlos Mesa was regarded as the most respected and influential journalist in Bolivia at the time. He was politically independent and was invited to be part of the presidential ticket in order to balance SDL’s negative image.

\textsuperscript{103} SDL was the candidate with most practical experience in managing a steadily growing economy. He showed proven capacity to resolve crises, knowledge of the state, and he had an established national political party.

\textsuperscript{104} For a complete analysis of the 2002 election from an institutionalist perspective, see Mayorga (2003). He argues that the reason why Sánchez de Lozada was able to come first was not due to his campaign or Sánchez de Lozada as the candidate, but to the organizational strength of the MNR.

\textsuperscript{105} ADN diminished its support dramatically with 3.40\% of the vote, UCS 5.51\%, MIP 6.09\% and CONDEPA 0.37\%.

\textsuperscript{106} See OEA Informe Final (2002) \url{http://www.cne.org.bo/reportes_oficiales/informe_oea.html}
candidates rested in Congress. As shown in Table 4-4, MNR had 36 out of 130 deputy seats and 11 out of 27 senate seats, while MIR had 26 deputy seats and 5 senate seats, and UCS had 5 deputy seats. The non-systemic parties (MAS, MIP, and PS) garnered 34 seats in the lower chamber and 10 seats in the Senate. As shown in Table 4-5, by 2002 systemic parties had the support of 44.90% of voters while the two anti-systemic parties had 55.10%, making it clear that anti-systemic tendencies outweighed the political system in place.\textsuperscript{107} Indeed, the non-systemic parties held their greatest share of seats in Congress in Bolivia’s history, thus compounding challenges to governability and making evident the diminishing support for the establishment.

Desperate for a reliable post-election ally, SDL and his political operatives engaged in an extraordinary array of political chicanery and arm twisting to install him as President. This process took place not privileging agenda consensus, but via agreements between the top parties’ officials at closed-door meetings. After the unexpected election results, for the first time since 1985, the three dominant parties, that had competed against each other (MNR, MIR, and ADN), confronted and formed coalitions in order to prevent the election of the anti-systemic candidate. Sánchez de Lozada became President by forming a coalition with MIR and UCS, and he received the votes of ADN, although the latter party did not to participate in the administration.\textsuperscript{108} The refusal by the two other major vote-winning parties, NFR and MAS, to form a pact with the MNR gave MIR a strong hand in negotiating a power-sharing deal. Having been the traditional political rivals, the post-election coalition MNR-MIR\textsuperscript{109} was an odd

\textsuperscript{107} For a comprehensive analysis of systemic and anti-systemic parties in Bolivia, see (Mayorga 2003)
\textsuperscript{108} ADN only had four seats in the deputies’ chamber and one in the Senate.
\textsuperscript{109} Mesa (2008) affirms that the alliance with MIR was forged under the pressure of the U.S. ambassador. The coalition involved MNR, MIR plus minor partners, UCS and MBL (in a pre-electoral pact). Although ADN was not
However, ideologically both parties were in the center of the political spectrum, and the differences were more in emphasis than in content. While the MNR promoted market oriented policies, the MIR advocated for a greater role of the state in the economy within a market orientation. The other coalition partner, UCS was a passive associate of the last two administrations and exhibited great ideological flexibility. Its support depended on the access it had to patronage opportunities.

At the outset, SDL knew his administration was handicapped, given his lack of two-thirds of Congressional support. Moreover, SDL’s authority originated mainly in political party dealings. His legitimacy was fragile, with less than a quarter of the vote and a mere 44.29% among the three coalition parties. He had a weak political base as an affiliated leader in a vulnerable political order and turning his poor electoral performance into a mandate for government was a monumental task.

To have a two-thirds majority in Congress, it would have made sense to include NFR in the coalition, given its political stances and the fact that it was part of the previous administration. However, leaders’ clashes and disagreements over the spoils in government led to NFR’s isolation. Moreover, the bitterness of the campaign did not contribute to make alliances easy, nor did Reyes Villa’s poor bargaining skills and

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110 MIR had supported the election of Paz Estenssoro in 1985, but it was limited to the election of the President, and MIR was not part of the governing coalition.
111 CONDEPA and UCS, that once seemed to represent the frustration and promised economic inclusion, were coopted when they formed alliances in 1993 and 1997 (Mayorga 2002). The 2002 elections marked the end of that type of party politics. Moreover, ADN, CONDEPA and UCS imploded after the deaths of their founders, whose absences left the parties with minimal internal institutionalization, commensurate with the nature of the parties. Furthermore, the implosion left no doubt, particularly in the last two cases, that the parties were electoral machines functioning as vehicles for patronage. Added to this were the internal divisions that weakened the parties, eventually causing them to lose public support.
NFR’s internal party divisions. The NFR became isolated and found itself awkwardly next to a radical left opposition.

At first, SDL assumed he would have a honeymoon period during which he sought to implement his leadership project quickly and forcefully, as he had done at the start of his first term. He displayed his order-shattering impulse by reorganizing the executive to have an organizational structure. Three new ministries were created: Hydrocarbons and Energy, Financial Services, and Municipal Government. A novelty in the administration was the anticorruption role SDL assigned to the office of the Vice-president, Carlos Mesa, raising expectations of improving Bolivia’s poor record on corruption and impunity. However, SDL spent too much time making appointments and distributing posts, which were fiercely disputed among coalition parties, family members and his own entourage, thus highlighting the dismissal of members of the MNR as well as the spread of cronyism. MIR had one third of the government posts and a strong presence in the cabinet, holding key ministries, and four prefectures.

In the months that followed, the SLD administration slid into a deep state of incompetence, while opposition parties rushed to fill the void with accusations, and continued criticism over the President’s leadership project. Sánchez de Lozada proceeded to set up commissions to negotiate with the opposition on three sensitive

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112 As in the previous administration, the role of the vice-president was salient, given the personality and influence of the man in the post. The Bolivian Constitution did not assign a particularly important role to the Vice-presidency besides acting as President when he is not in the country or assuming the Presidency when the President can no longer govern.

113 As in his previous administration, Sánchez de Lozada’s family members had top positions (Mesa 2008). For example: his brother, who in the previous administration was National Comptroller, became senator and chair of an important senate committee; his daughter was congresswoman and head of the deputies representing La Paz. Her father-in-law was the Bolivian ambassador to Germany. The President’s son-in-law was a personal adviser to the President.

114 See Appendix – Cabinet member.

115 See Arequipa (2010).
issues which also were his priorities; first, economic restructuring and reactivation, along with social policies; second, coca eradication; and third, Constitutional reform. However, as shown in Figure 4-1, SDL had no honeymoon period. His approval ratings were already negative by the end of his first month in office, and his government’s approval ratings were positive for only two months, as shown in Figure 4-4.

Sánchez de Lozada faced other major challenges. After four years of lean economic growth, there was a crippling shortfall of revenue and slow economic dynamic. Bolivia was running under a growing deficit. Citizens were eager to see improvements in their living conditions. Given Bolivia’s economic frailness and a poor short-term outlook in the region, the immediate alleviation of poverty was necessary but extremely difficult to attain. While the structural adjustment and reforms of the previous seventeen years provided long term sustainable growth, it was lean. In the short term, Bolivians’ grievances and social discontent threatened to erode the social fabric. Furthermore, there was a perception that the parties in the coalition became increasingly centralized, corrupt and out of touch with the needs of the country, bringing Bolivia to a state of unacceptable inequality (Lazarte 2000, Seligson 2001, Mansilla, 2002). While the policies of SDL in his first administration distributed political power and economic resources at the local levels, the coalition he formed in his second administration was yet another example of the political elite that had dominated politics at the national level since 1985. Indeed, Popular Participation, and Constitutional Reform delivered democratic gains at the local level, but they also created unanticipated
challenges for the MNR, particularly the weakening of its traditional sources of national control over regional and local officials.\textsuperscript{116}

In his first administration, SDL addressed the deepening of neoliberal economic policies to strengthen the economy simultaneously with, or even prior, to the implementation of full decentralization (both regional and local). With only an ill-equipped state, SDL sought to shrink the state, decentralize, and empower local politics in a context of globalization. This political strategy proved highly unsuccessful in the setting up of national democratic institutions. It meant that both institutions and agents were shaped by the process. As politics developed, the problems of the past were not resolved. SDL pursued his leadership project reproducing neoliberalism without addressing the state’s capacity to deal with it. He took neoliberalism to a new level and subordinated the state, within the existing parties but not with society at large. In this context, the economically dominant class affiliated with the state or benefiting from liberalization gained political centrality, while other segments of society were left to deal with the neoliberal process on their own. In the long term, SDL’s actions in his first administration recasted relations between the political center and periphery in a way that some of the strongest challenges to his authority in his second presidency originated locally.

That the democratic institutions in Bolivia were so strongly disconnected from the state had far-reaching implications for the future. On the one hand, the early expansion

\textsuperscript{116} Decentralization is likely to occur when regional parties are strong and the national party depends on them (Willis et al., 1999). To a certain extent, that was the MNR situation in the mid 1990s, when regional parties became strong (UCS in Santa Cruz and CONDEPA in La Paz). But half of the Deputies’ chamber still depended on national parties’ lists, with legislators being more responsive to national party leaders. On the other hand, decentralization was a desirable strategy for MNR for its long term horizons because the subnational level was more secure than the prospects in national elections (O’Neil, 2003).
of popular participation locally meant that it was at odds with neoliberalism, which
assumed that the issue of the nation-state was resolved. On the other hand, the fact
that popular participation at the local level was conceded from the state at an early
stage meant that the relationship between local politics and state politics was
constituted from above.\textsuperscript{117} The state appeared as an instrument of the dominant
classes, instead of as the object of institutional alliances and compromises of all sectors
of society. Despite all of this, decentralization was positive for local politics. The
demands for political participation independent of centralized decision making were not
addressed at the moment, as the decentralization process maintained regional
leadership under the power of national politics. When the newly discovered natural gas
emerged, the resistance to centralized power became extremely powerful. However, the
challenges to centralized decision making did not come from the regions but from the
recently empowered local leaders.\textsuperscript{118} These demands for participation in policy-making
went beyond the limits of the existing neoliberal order and included opposition to
neoliberalism by those not benefiting from foreign investment and corruption of the
state. The nature of these demands was in many ways similar to those advocated by
UCS and CONDEPA in the late 1980s and 1990s. However, as those parties were co-
opted, very different political forces emerged in the early 2000s. The Constitutional
Reform did not truly incorporate or represent indigenous demands. In Bolivia, the
process of enlargement of the political system was conducted from the state and

\textsuperscript{117} Decentralization and popular participation were controlled processes that did not risk central authority. For
example, SDL’s reforms did not transfer complete political power to prefects. They were appointed and not elected
authorities that depended on the President.

\textsuperscript{118} Morales became nationally known when he became congressman from a congressional district in Cochabamba in
1997. Quispe was elected local authority in the La Paz Altiplano after 1997, thanks to the enactment of Popular
Participation and the elections of majors. Quispe merged local leadership with peasant union leadership.
disconnected from society. Their evolving processes developed separately to the point that it was no longer possible to maintain the existing political arrangements to satisfy disenchanted citizens. In this regard, the SDL administrations became a case of late modernization with weak institutionalization.

The social and political movements that arose during the ADN administration demonstrated that protesters would not easily let those interests prevail. Citizens were wary of governmental institutions and were tempted by populist calls, as demonstrated by the unexpected election results. As in his first administration, SDL’s priority in his second administration became economic growth as the precondition for jobs and economic dynamism. Committed as he was to economic neoliberal policies in his first administration, in his second presidency, SDL proceeded to implement policies to dynamize the economy. Moreover, with the positive experience of his previous administration in achieving moderate growth and attracting investment, SDL’s immediate objectives aimed to achieve efficiency, not equity. However, equity as a developmental objective was necessary in order to lessen the sense of unfairness that undermined the legitimacy of these policies.

Like Siles and other counterparts in political time with disjunctive presidencies, SDL’s second administration’s initial leadership posture was so fragile that it fell apart as he tried to assert his authority. Disjunction was the result of changes in the existing country’s economic base, as much as it was of a political system already in crisis. In this

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119 Capitalization and privatization received most of SDL I administration’s attention at the expense of the quality and distribution of growth. Citizens became doubtful that the so-called necessary austerity policies were good in the long run, more so when they perceived that both capitalization and nor privatization were transparent processes. These efforts were exacerbated by the actions of the ADN administration, which systematically distorted SDL’s earlier reforms and other policies, as described earlier.

120 In his assessment of the impact of the Washington Consensus in Latin America, Birdsal et al. (2008) considers not addressing equity as a developmental goal to be a failure.
way it is important to look at political and secular change as part of the same
reconstruction. The case is not new in itself; it is the outcome of superimposition of
cyclical crises, and with them of political and economic transformations. The onset of
the anti-system social movement already under ADN, did not help SDL resolve his
legitimation problem. In fact, he was seen as the problem.

Upon taking office in his second presidency, SDL called for a 90-day truce to roll
out his Plan Bolivia. The truce expired on November 6th, and frailly remained in place
until February 2003, when it broke down.

The IMF had a poverty reduction and growth facility agreement with Bolivia.
However, in order to renew the agreements, the new administration had to reduce the
deficit. As shown in Table 4-2, the ADN administration held the worst deficit on record
since the return to democratic politics, particularly the last two years with -6.82% and -
8.46% respectively. The only way to reduce the deficit was via spending cuts, given the
impossibility for Bolivians to pay higher taxes when they were hardly surviving in a
depressed economy. As shown in Table 4-3, by 2002 GDP growth per capita was the
second worst in the last ten years. To cut spending meant to delay the administration’s
flagship program “infrastructure with jobs”. With no money available in Bolivia, in mid
November 2002, SDL traveled to the U.S. for financial help, but his visit with President
George Busch did not result in getting American aid or loans. Instead, Bush reminded
him that the U.S. policy towards eradication was inflexible and that the possibility to
extend a trade preference agreement to Bolivia depended on continuing with coca
eradication.
On the domestic front, social policies tested the ability of the coalition to gain votes from the opposition. As part of his order-affirming efforts, SDL tried to recover some of his first administration’s reforms after difficult negotiations. Despite being wary of his allies, he asserted power amidst conspiracies of his own cabinet members, many of whom received instructions directly from other party leaders with their own agendas. With the support of NFR congressmen, SDL was able to reinstall BONOSOL in November 2002. Another social policy that barely passed was a health care program for mothers and infants (SUMI -Seguro Universal Materno Infantil). The NFR proved to be more flexible than the other two parties in the opposition, and for this reason it was accused of having joined the coalition. Just as there were divisions in the governing coalition, the opposition was also divided.

Continuing the work of previous administrations, and confirming his affiliation with established commitments, SDL maintained a belligerent policy to eradicate coca. As a response, inside and outside of Congress, Morales (MAS) led a strong opposition, encouraging and reinforcing the already existing pressures in a polarized society. Morales sought to channel growing frustration over socioeconomic conditions and corruption in traditional parties. As leader of the MAS, he consistently obstructed not only coca eradication efforts, but all government policy initiatives in the legislature. Overall, the administration’s negotiation teams did not produce significant advances. After the first 100 days of SDL II, a public opinion poll captured two interesting views about the difficult political dynamics of the disjunctive order. With regards to SDL, 60%

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121 From August to December 2002, SDL and Evo Morales held five meetings trying to find common grounds. Not only did cultural and ideological differences become evident, but organizationally it was difficult to make binding deals. Slippery leaders of the MAS claimed and unclaimed capability to speak on behalf of the opposition, with the MAS functioning more as a social movement than as a political party. Morales was skillful in tying all government proposals to the issue of coca eradication, leading attempts to reach consensus to dead ends.
of the interviewees said they did not like Sánchez de Lozada’s style, while only 30% liked it. On SDL’s communicational approach, 56% of the respondents said they did not like it, and 38% liked it. There was no possibility of improvement in public opinion, given the coalition’s contradictory messages and its inaccurate statements (IPSOS-Apoyo 2002). On the other, citizens also held negative views of the opposition, which did not receive positive ratings either, as shown in Figure 4-5. As early as October 2002, the opposition’s disapproval ratings were much higher than its approval ratings. Citizens condemned the behavior of all politicians (the President, the government and the opposition) and found no hope of seeing real change. In the face of a strong opposition led by MAS, the government suspended coca eradication in December of 2002 and announced a delay in the Constitutional Reform. In such precarious governance, economic and social conditions, it was only a matter of time until SDL’s administration would make a mistake difficult to reverse. This event happened in February 2003.

The most important issue, and yet the third on the administration’s agenda, was Constitutional Reform. The debate over constitutional reforms went beyond the framework established in the ADN administration. The outgoing Congress had passed a law authorizing Constitutional Reform, but the opposition advocated for the incorporation of a referendum on key issues because most of the political parties advocated for a revision of the capitalization law. The new situation required the President and his administration to compromise continually with other actors, whether in Congress, with local and regional authorities, or with protesters.

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122 Coca growers called for wider protests starting in January 2003 if the government did not agree to proposals to allow one “cato” (equivalent of 0.5 ha) of coca to be grown by each family living in the Chapare region.
Bolivia’s economic hope, after sustained economic reforms and yet tepid economic growth performance, again came to rest in its natural resources. As previously discussed, the state’s petroleum company, YPFB, was the most important of the capitalized corporations. During SDL’s first administration, capitalization of YPFB caused enormous outcry and a terrible sense of unease. At the time, even after losing several issues to SDL, the opposition found a stronghold in YPFB (Campero, 1996). Ironically as a result of capitalization allowing investment in exploration, in the late 1990s and early 2000s it was discovered that Bolivia held vast reserves of natural gas. In a country that was constantly reminded of its wealth in resources and yet remained one of the poorest in the hemisphere, YPFB became the promise for a better future. However, one of the last acts SDL’s first administration issued was a decree transferring control and co-ownership to foreign investors. Bolivians were bitter then and reloaded their anger when SDL, only a few months into his second presidency, announced the administration’s plan to build a pipeline to export natural gas. The SDL II administration found markets for Bolivian gas in Mexico and the US, but a pipeline that connected Bolivia with a port needed to be constructed in order to export the gas, and because of their geographical proximity Peru and Chile were the only reasonable options. The administration advocated for building a pipeline to Chile, arguing that it was the most economically feasible option. A decision over this issue was supposed to be

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123 The importance of YPFB was not only economic, but also historical. Bolivia went to war against Paraguay (Chaco War, 1932-1935) to defend its petroleum-rich territory. Moreover, since its nationalization in 1937, the Bolivian state had two strategic corporations, COMIBOL and YPFB. Both companies made up more than 80% of the Bolivian state income up to the 1980s, but with systematic deficits and the collapse of the international tin prices, COMIBOL was closed. YPFB remained as a state-owned service company for the hydrocarbon sector but lacked the required capital for exploration, exploitation and commercialization. By 1994 it was estimated that Bolivia would run out of reserves in ten years (Barja, 1999).

124 The first calls for a referendum happened in 1996, when workers, the military, and civil society demanded a referendum in order to decide about the future of its most important source of energy and income.

125 Andersen and Faris (2003).
made in November 2002, but due to difficult negotiations with the opposition on other issues, it was delayed until April 2003.

The opposition, and even the MIR in the coalition, promoted a referendum to allow the citizens to decide. The choice of port became a sensitive issue, as the opposition insisted on building a pipeline and an industrializing port in Peru, due to Bolivia’s painful history of losing territory with sea access in a devastating 1879-1883 war with Chile. Moreover, because of the long history of natural resource extraction by foreign companies with little benefit to Bolivians, the opposition pressed for a revision of the capitalization of the YPFB.

By December 2002 the administration had lost three battles: it stopped coca eradication, delayed Constitutional Reform, and delayed the choice of port for the export of natural gas until April 2003. The start of 2003 seemed auspicious for SDL’s administration in its order-affirming efforts, as splits in the NFR provided the opportunity to gain the support of like-minded NFR congressmen. Moreover, negotiations with the NFR leadership to join the coalition were opened. However, such negotiations were not welcomed by the MIR, as competition threatened to reduce its influence in the coalition. In addition to this, difficulties arose when a U.S. envoy successfully threatened to cut aid if coca eradication was not resumed. Protests and blockades by the coca growers in the Chapare region followed, and confrontations with anti-drug forces proved to be deadly. Besides the coca issue, animosity towards the U.S. among many Bolivians

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126 The first public opinion poll that asked Bolivians about the preferred country port to export Bolivian gas was published when the ADN administration was coming to an end, and new issues were raised about the future of Bolivia and its newly found natural resources. Responses were; 40% preferred Peru, 10% Chile, and 35% did not care which country to export from (IPSOS- Apoyo 2002). Although of no major consequence at the time, the poll provided evidence about the ambiguity of positions over an issue that became key in the collapse of Gonzalo Sánchez de Lozada’s second presidency.

grew when it became public that an American company with interests in the Bolivian gas market advocated for construction of the gas pipeline through Chile. Morales and Quispe inflamed public opinion against the executive, publicizing government’s failures and requiring some kind of accountability.\textsuperscript{128}

Sánchez de Lozada exercised his authority as if his mandate were broad, seeking to implement his leadership project in the same fashion he did in his first term. He imposed on his coalition to pass legislation and sought support from those opposition Congressmen willing to take an independent stand or to break with their parties. In February 2003, in its attempt to raise revenue to reduce the budget deficit, the government introduced a new income tax of 12.5\% on an already distressed population. Public sector workers, including health care workers, teachers and police, protested. With the police on strike and no law enforcement on the streets, violence exploded. The military intervened and SDL withdrew his tax policy, ordering the military to go back to their barracks. With the military on retreat and the police on strike, mobs and vandals attacked and looted public offices, businesses and political party offices. After 30 people died as a result of the violence, the government finally succumbed to police demands and order was restored. The press showed a confusing scenario, in which protesters, high school students, snipers, military officers, medical personnel and the President’s personal guard were involved in the violence. Even the President’s office was damaged with bullets found on the President’s desk chair. The dreadful events almost brought the government down, and instead of taxing the lower end of the middle class, the administration taxed the oil and gas companies. After February 2003,

\textsuperscript{128} Pressure escalated as the opposition called for investigations involving minister of foreign relations, Carlos Saavedra (MIR) and President Sánchez de Lozada himself, on corruption regarding privatization of mining companies.
the administration seriously entertained conspiracy theories and accused opposition parties, MAS and NFR, of attempting to destabilize the democratic regime. Although the government’s accusations were not proved, they helped to divert attention from criticisms of the administration’ handling of the crisis. With tense relations between the government and the opposition, building consensus became extremely difficult. The opposition became stronger and called for independent investigations of the events, since there was no credibility in the investigations by the police and military. While the military responded to the call of the President to provide security, the administration conceded the police’s requests for salary raises while military salaries remained the same, causing even more animosity. In the following days some members of both the military and the police privately demanded more participation in the decision-making processes.

Another consequence of the deadly February events was the President’s decision to reduce the size of the executive in an attempt to be coherent with its austerity plan. The ministries were reduced from 18 to 13 and vice-ministries from 38 to 20. There was also a reshuffle of the Cabinet, while still maintaining the balance of power between the coalition members. Government critics, inside and outside the

129 The government’s arguments against the MAS were MAS’ constant unyielding opposition and its capacity to mobilize protesters. The administration’s arguments against the NFR were Reyes Villa’s links to the army forces. Reyes was a former army captain who remained acrimonious after losing the election. SDL also claimed that there was a military plot to assassinate him.
130 The OAS published the preliminary conclusions about the events of the February crisis in June. The police was held responsible for insubordination within its ranks, and therefore for the institutional failings. The military was cleared from accusations of attempting to kill Sánchez de Lozada, but it was acknowledged that his life had been put in danger. More investigations were recommended by the OAS.
131 Interview with Anonymous BOL#16.
132 MNR retained eight ministries, MIR four and UCS one. The president’s closest adviser, Carlos Sánchez Berzain, Minister of the Presidency, was removed from the post, because his role in the governments’ mismanagement during the crisis made him an unpopular figure. However SDL appointed him to another cabinet post, Minister of Defense.
opposition, were dissatisfied with the changes, and they pushed for more changes in the selection of appointees and in economic policies.\textsuperscript{133}

By the end of February, SDL’s approval ratings were less than half of his initial ratings. Vice-president Mesa, who was one of the few government officials still popular with positive ratings, became the government’s top negotiator. Moreover, in an effort to placate anger, SDL sent Mesa on a mission throughout Bolivia to “listen” to citizens’ concerns. Mesa scored agreements with some opposition members, but despite his attempts to reach agreements with Morales, the coca leader remained uncompromising.

The unexpected events of February allowed the administration to make a new deal with the IMF, which became more flexible and tolerant over Bolivia’s fiscal situation and extended the stand-by agreement. Fearing a popular backlash after the crisis in mid-February, SDL agreed on making a decision on the port for gas export through some form of public consultation, although he failed to specify how. He was reluctant to have a referendum or plebiscite. In his opinion, representative democracy should not include direct democratic mechanisms, because those who frame the questions have the capacity to manipulate the issues. In addition, with Bolivia’s history of centrifugal tendencies, he considered it necessary to keep decision making centralized in national institutions.\textsuperscript{134} However, given his damaged reputation, this was perceived as an attempt to protect interests and keep decision making under his control. The opposition parties MAS, MIP and NFR called for early elections as public confidence in the President and his government kept declining. Opinion polls showed an increasing number of Bolivians frustrated by the lack of progress in socio-economic conditions.

\textsuperscript{133} For a complete account of the February events, see Report of the Ombudsman (2004: 20).
\textsuperscript{134} Personal interview with President Gonzalo Sánchez de Lozada.
Citizens believed that the government was more responsive to the IMF than to Bolivians, and they also believed that the administration was likely to enact more adjustment policies (IPSOS-Apoyo, April 2003). Time eroded the government when there were no positive deliveries to the population. As time went by, neither SDL nor the opposition, represented by Morales and Quispe, were willing to concede. For SDL negotiating was synonym of convincing (Mesa 2008), he and his negotiators lacked the credibility to make people think that a step back taken by the administration was permanent.

With regards to the coalition, the February events caused the MIR leader, Paz Zamora, to distance himself from the government, thereby complicating the already awkward relationship between coalition allies. The infighting diverted the government’s attention from brokering a better relationship with the opposition in Congress and from engaging with protesters.\textsuperscript{135}

In mid-March the government released a study led by a U.S. company, which recommended building a port in Patillos in Chile as the least expensive route. The idea that Chile might benefit from the sale of Bolivian gas inflamed the already sensitive nationalist sentiments. Morales capitalized on this situation and declared that the gas reserves should be kept in the ground before benefiting Chile. Furthermore, Morales accused the administration of planning to sell gas to Chile through Argentina, convincing dissatisfied Bolivians. The controversy escalated with a series of strikes and blockades which paralyzed the country. The turmoil was such that SDL had to speak on

\textsuperscript{135} SDL spent plenty of time and effort in resolving conflicts between coalition members and in attempting to create and to maintain some sort of cohesive government line on policy. The MIR complained that the president and his party acted independently, and without proper consultation. The MNR believed that constant bombardment of criticism from the MIR was detrimental to further government interests and aimed to enhance MIR’s image at the expense of the government’s credibility.
national television explaining that there was no plan to sell gas to Chile. Lacking credibility, Bolivians remained skeptical about the words of the President.

After the February events, SDL lost control of his actions and did not regain control over their meaning, thereby adding to the political order breakdown. As a disjunctive President, he was far more powerful than Hernán Siles, his counterpart in political time. For most of his presidency, Siles found himself with no party or supporters, but he maintained the personal course he set for his administration. On the contrary, despite Sánchez de Lozada’s disapproval in public opinion, he still counted on the support of his structured and strong party, with the shaky support of members of his coalition and the military, all of whom allowed him to move forward strongly and steadily. Furthermore, he did not have relentless media coverage attacking him. In the context of a general slowdown in economic activity, a pressing fiscal deficit, a refusal by external creditors and friend countries to provide SDL with money, there was nothing he could show as accomplishment, nor did he have with money to distribute. In terms of the state as a mediator between markets and society, the capitalization of public companies in his previous administration weakened the image of the state as a legitimate institution. It was perceived that traditional politicians and a small group of Bolivians had benefited greatly from the capitalization transaction, while leaving the majority out.

The state of accusations and counter accusations were so severe that a “social pact” was established with the Catholic Church and other civil society groups as mediators, and eventually some agreements were reached. Evo Morales and the MAS, with the support of some NFR and MIP leaders, called off a hunger strike, asking in
exchange that some proposed legislation sponsored by Morales pass in Congress. In an extraordinary session, Congress passed a MAS campaign pledge to indemnify the February victims of police brutality and a domestic workers law. The administration strengthened its position after fixing its relations with the military and police, and it showed a more accommodating behavior. It was able to pass other laws including budget, new tax code and bankruptcy law, after it agreed on the appointment of several top public posts in the judicial branch, thereby benefiting both the administration and the opposition, particularly MAS. Public policies continued to be written by independent technical experts with little input from SDL’s own the party, even less input from the coalition members, and with no real participation from the rest of Congress. SDL thought inter-party negotiations directly between party leaders were enough to pass legislation.

The release of press investigations on details of undisclosed large expenditures from 1990 to 2002 to pay for security forces and government personnel added to the already damaged reputation of systemic parties and led to further attacks by MAS and MIP. The administration responded, not by promising to end these types of expenditures, but only to increase transparency. In other circumstances, these revelations would have been part of the political games. However the proposed changes seemed mainly cosmetic, when the growing sense of dissatisfaction required at least the repudiation of those practices.

In August of 2003, NFR joined the coalition to attain the desired two-thirds of seats in Congress to enact legislation. The arrival of the NFR made coalition
management more difficult,\textsuperscript{136} resulting in the withdrawal of the UCS from the coalition.\textsuperscript{137} Furthermore, rivalry and quarreling among the members of the coalition over control of a range of Congressional commissions and public institutions did not improve the coalition’s image, nor did it guarantee any loyalty towards the President or the success of the administration. Although the minor coalition parties enjoyed the benefits of holding office, their own political interests prevailed.

In September, the social pact with all parties collapsed. Negotiations over a broad range of issues reached a dead end when MAS refused to budge over its unrealistic demands to raise tax royalties on hydrocarbon production from 18\% to 50\%. In addition, Quispe led a hunger strike over the arrest of an indigenous leader who went against state law by applying customary laws on rustlers. Even though this might not seem a major issue, it added an ethnic and cultural dimension to the conflict. It also served as an excuse to launch more protests, given the refusal of the administration to include MIP’s unrealistic demands in its Constitutional Reform. A “new plan”\textsuperscript{138} approved by civil society and political parties was rejected by MAS and MIP, resulting instead in more protests.

A series of road blockades in rural highland areas followed, isolating La Paz from the rest of the country. Public-sector workers and members of trade associations rallied to calls for an indefinite national strike, staging protests and hunger strikes of their own. Some organizations had specific grievances, but many did not, presenting the government with a wide range of demands, and tying them to the protests against the

\textsuperscript{136} The shuffling of the cabinet re-distributed the 15 ministerial posts and added 2 more. Eight went to the MNR, four to the MIR and three to the NFR with minimal upheaval and without any major policy concessions to the NFR.

\textsuperscript{137} Despite this, UCS continued to support the administration in Congress.

\textsuperscript{138} The Catholic Church’s action plan was included in the government’s agenda, but the Church’s plan was not significantly different from the existing policy.
issue of gas exports. Blockades and strikes continued in October, only this time they were more virulent, as the issue of the choice of port became more salient. Protests were led by MAS, MIP, unions, peasants, and miners, as well as by students. Opposition and protesters took the issue further by calling for radical actions that included nationalization of hydrocarbons, direct government intervention in the economy and a better distribution of income. Sánchez de Lozada initially refrained from suppressing protesters, wary of provoking them. Nevertheless, hundreds of protesters blocked the main connecting roads between La Paz and El Alto, effectively laying siege to La Paz, and SDL called the military to break the blockades and to restore law and order. As a result of the clashes, sixty people were killed; it was the bloodiest episode since the return to democratic politics. High profile members of civil society joined the array of strikes, demanding an end to the confrontations. Sánchez de Lozada was asked to resign by the opposition and protesters, and eventually members of his own coalition withdrew their support, including his own Vice-president. On the morning of October 17, after three weeks of uninterrupted blockades, strikes and protests, Sánchez de Lozada was forced to resign. On the same day, Vice-President Carlos Mesa was sworn in as the new President.

Toward the end of his days in the presidency, SDL came to personify everything that was wrong with the country: he insisted on affirming an order that was no longer strong; his patch solutions became irrelevant to the problems of the day; he continued

140 The MIR, however, supported the president until the end.
141 Mesa’s government lasted one year and eight months. He pledged to preside over a caretaker government and to call early elections, but after three months in office he announced he would serve out the rest of the presidential term. He confronted virulent blockades and strikes but was unwilling to use force to restore order. In early 2005 he resigned for the first time and then definitely on June 2005.
the work of the past, without compromise, lacking the authority to affirm the integrity of
the governmental commitments. In his second presidency SDL lacked credibility, and
his ousting was seen as part of the solution to open the country to new possibilities.
Sánchez de Lozada harvested an unforeseen type of participation that he could not accept.

In his second term, SDL led a disjunctive presidency. The political order and the
commitments with which he was affiliated with were both vulnerable. Even though there
were underlying structures that signaled the decline of the political order starting with
the Banzer presidency, it was from the very outset of SDL II that the decay became clear. Moreover, the coalition of interests that SDL represented stopped being credible
to most Bolivians. There was discontent with the economic model of development and
the lack of economic and social progress.

Sánchez de Lozada served only 14 months of a five-year term. His second presidency was a long succession of strategic and tactical mistakes. The strategic mistake was having a correct reading of Bolivia’s reality, it was the end of a political order. The tactical mistakes were the momentous decisions he made at critical times.142

The fact that SDL marked the nadir of the neoliberal political order was no reason
for the way his presidency ended. While the immediate causes of SDL’s resignation
were protesters’ challenges as a result of poor economic conditions, the underlying
cause was the disassociation between interests’ representation and society’s evolution.

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142 SDL’s response to the protest with extensive repressive force contributed to his fall. As Hochstettler (2009) observed, all South American presidents who were forced from office lost legitimacy when security forces killed protesters. Furthermore, when Argentine and Brazilian presidents pressured SDL to step down, he realized that it was not worth it to keep protecting his presidency at all costs. His loss of legitimacy had extended beyond Bolivia’s boundaries. SDL chose to take refuge in the US, the country in which only months earlier he had warned that without its economic support he was likely to ask for refuge (See Lehman, 2006 and Sachs 2003).
The offered solutions were not legitimate alternatives to the existing demands. The high levels of protest contributed to a sense that SDL had lost control of the political situation and was unable to govern. However, it was more than just perception, as the high level of social contestation prevented the normal state of political and economic activities.\textsuperscript{143}

Such lack of governability, perceived and real, motivated protesters to challenge SDL’s very continuation in office. Indeed, grievances and mobilization increased when organized interests of coca growers and radical leftist peasants under Evo Morales and Felipe Quispe articulated compelling arguments to remove the President.\textsuperscript{144} Both leaders were repudiators of the existing arrangements and they found national leadership opportunities in the political vacuum created after the demise of Sánchez de Lozada. The 2003 events were not the result of a crisis solely of economic origin. They signaled the end of neoliberalism as model of development, as a way to understand the relation between the state and society, as well as a crisis of the structure of authority.

\textbf{Discussion}

The third wave of democratization in Bolivia occurred during the fall of the popular nationalistic order and the rise and fall of the neoliberal political order in Bolivia. This chapter provided an account of the challenges and advances of democratization as a result of the role of each of the successive presidents in the duration and the intensity of the lives of the political cycles. In particular, this chapter looked at the two non-consecutive presidencies of Gonzalo Sánchez de Lozada in order to explain how his actions contributed to the rise and fall of the neoliberal order.

\textsuperscript{143} The highest level of vertical conflicts (street challenges) since 1996 took place during the Sánchez de Lozada second administration (Leivstrendet, 2009).

\textsuperscript{144} From the start of the administration, Evo Morales said he would preside over a government not from the Government Palace but “from the streets,” using social mobilization to achieve his goals. See “El MAS Quiere Presidir Un Gobierno Desde Las Calles.” La Razón, July 5, 2002.
During these years the neoliberal order was championed by the MNR with the Paz Estenssoro and two SDL administrations. Paz Estenssoro was the reconstructive President who in 1985 started a new political order, leaving behind the statist and corporatist inheritances, and negotiating several formidable hurdles at once. The successive presidencies of MIR’s Jaime Paz Zamora, SDL I, and ADN’s Hugo Banzer and Jorge Quiroga were articulative presidencies, which supported the governing arrangements, as well as the state’s orientation, refining the institutional arrangements that satisfied the ruling elite.

At the outset of this chapter, it was suggested that SDL first and second presidencies represented an articulative and a disjunctive presidency, following Skoronek’s second and third categories, respectively. His first presidency was articulative because he sought to reform from the previous administrations but not to reject their policies entirely. His second administration was a disjunctive presidency because he sought to reconfirm, ultimately unsuccessfully, his previous term. The rejection of his presidency shows that his second term efforts were not successful.

The case of Sánchez de Lozada suggests that as first-time President he had a unique opportunity for almost unconstrained leadership, and he made risky choices by expanding democracy. In his first term, SDL’s leadership involved constructive democratic power-sharing and state building. This brought into question some of the basic tenets of the status quo by encouraging simultaneously both political decentralization and increased globalization, assuming that Bolivia was an established nation-state. In his second term, he reassumed office with an established vision. He became more conservative as he defended the legacy of his first term, and tried to
control the democratizing pace of Bolivia’s polity. As second-term President, Sánchez de Lozada found himself out of touch with the processes in which Bolivians were engaged. His efforts failed to deepen democracy because social processes unfolded faster than his understanding of the changing environment. He could not provide leadership because he lacked the vision and the capacity to tune in with Bolivia’s polity.

Taken together, Sánchez de Lozada´s two presidencies demonstrate that re-elected leaders are not necessarily beneficial for deepening democracy. On the contrary, they show that presidential leadership is not suitable for democracy when leaders fail to understand their own place in the political order in which their terms occur. Moreover, it shows that presidential actions can be turning points in history. However, as Anderson and Dodd (2009) remind us, democratic advancements and setbacks happen at specific moments in time or at specific levels or offices of government, without necessarily permeating all tiers or institutions. As the case of Bolivia shows, democratization became a force of its own. It advanced more in the polity, while it regressed at the level of national decision makers.

Experienced presidents are not necessarily beneficial for democracy, particularly after a significant length of time had passed between terms. While they might be re-elected, in part, because of voter’s positive assessment on their first mandates, being out of office may preclude them from returning to power in tune with the needs of the country and the evolving processes of democratization. Based on their past experiences, in their second terms their order affirming impulse takes precedence, and they ignore the fact that in their second term they are in a different position in the life of a political order.
Table 4-1. Bolivia - Presidents, types of presidencies and political orders (1982-2003)

<table>
<thead>
<tr>
<th>Years</th>
<th>President</th>
<th>Type of presidency</th>
<th>Political order</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982-1985</td>
<td>Hernán Siles</td>
<td>Disjunctive</td>
<td>Popular nationalistic</td>
</tr>
<tr>
<td>1985-1989</td>
<td>Victor Paz Estenssoro</td>
<td>Reconstructive</td>
<td>Neoliberal</td>
</tr>
<tr>
<td>1989–1993</td>
<td>Jaime Paz Zamora</td>
<td>Articulative</td>
<td>Neoliberal</td>
</tr>
<tr>
<td>1993-1997</td>
<td>Gonzalo Sánchez de Lozada</td>
<td>Articulative</td>
<td>Neoliberal</td>
</tr>
<tr>
<td>1997-2002</td>
<td>Hugo Banzer &amp; Jorge Quiroga</td>
<td>Articulative</td>
<td>Neoliberal</td>
</tr>
<tr>
<td>2002-2003</td>
<td>Gonzalo Sánchez de Lozada</td>
<td>Disjunctive</td>
<td>Neoliberal</td>
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</tbody>
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Table 4-2. Bolivia - Economic performance variables: economic activity, fiscal sector and inflation (in percentages)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP growth</th>
<th>Deficit/Superavit (of GDP)</th>
<th>Public expenditure (of GDP)</th>
<th>Inflation growth</th>
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</table>

*Source: Economist Intelligence Unit*
Table 4-3. Bolivia - Economic performance variables: population, employment and income

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (millions)</th>
<th>Formal unemployment (percent)</th>
<th>GDP per capita ($US)</th>
<th>GDP growth per capita</th>
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*Source: Economist Intelligence Unit*
Table 4-4. Bolivia - Seats by party (1980-2002)

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Source: Corte Nacional Electoral (CNE)

¹ MNR and MRTKL run as the MNR-MRTKL coalition in 1993
² MNRH and MIR run as Union Democrática Popular (UDP) in 1980
³ MIR and ADN run as Acuerdo Patriótico (AP) in 1993

Table 4-5. Bolivia - Vote share by party blocks in general elections 1985-2002 (in percentages)

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Table 4-6. Bolivia - Vote share by party in presidential elections 1980-2006 (in percentages)

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Source: Corte Nacional Electoral (CNE)

¹ MNR and MRTKL run as the MNR-MRTKL coalition in 1993
² MNRH and MIR run as Union Democrática Popular (UDP) in 1980
³ MIR and ADN run as Acuerdo Patriótico (AP) in 1993


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<td>93 %</td>
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Source: Corte Nacional Electoral (CNE)
Figure 4-1. Bolivia - Presidential approval rating (2001-2003)

Source: APOYO Opinión y Mercado - Bolivia 2001-2003

Figure 4-2. Bolivia - Vice-presidential approval rating (2001-2003)

Source: APOYO Opinión y Mercado - Bolivia 2001-2003
Figure 4-3. Bolivia - Presidential campaign vote tracking (2001-2002)

Source: APOYO Opinión y Mercado - Bolivia 2001-2002

Figure 4-4. Bolivia - Approval rating of government in general (2001-2003)

Source: APOYO Opinión y Mercado - Bolivia 2001-2003
Figure 4-5. Bolivia - Approval rating of opposition (2001-2003)

Source: APOYO Opinión y Mercado - Bolivia 2001-2003
CHAPTER 5
GONZALO SÁNCHEZ DE LOZADA’S LEADERSHIP STYLES

As seen in Chapter 2, when a leader’s personality, the needs and wants of the relevant constituencies, the demands of the times, and the nature of the relationship between leader and followers all move in concert, then we have successful leadership (Winter, 1987). If it is narrowly defined this way, then Sánchez de Lozada’s first administration was a success, and his second administration a failure.

While in the previous chapter, Sánchez de Lozada’s presidency was explained in context, in this chapter we move away from the structural patterns and focus on agency. As we defined earlier, presidential leadership is a calculated response based on individual assessment of the costs and benefits of presidential action at specific moments in time. Those assessments originate in two sources; one is the political reality of the day and the other is the lens through which presidents perceive political reality. Following Hermann’s model for the analysis of traits, this chapter characterizes Gonzalo Sánchez de Lozada presidential leadership style.

Hermann (2003) suggests that a particular leadership style adopted by a leader affects the way in which he makes decisions. As explained in Chapter 2, leadership style is best revealed when we look at three aspects of personality: 1) leader’s reaction and response to political constraints, 2) leader’s openness to incoming information, and 3) leader’s reasons for seeking his positions and the types of relations that motivate him to act. Every President assumes office with a political project in mind. His pretensions are carried into the presidency, infusing his tenure in office with political purpose. To the presidency leaders bring motivations, ideology, values and traditions.
In order to explore these personality aspects in this chapter, as well as in
chapters 7 and 9, this dissertation uses interviews conducted by the author with the
presidents and with relevant actors, as well as media interviews, media reports, and
relevant literature. Although the profiling of the leadership style of Sánchez de Lozada
by no means constitutes a psychological study, it provides an understanding about why
he made certain decisions at one point in time. Knowing about presidents' personalities
can shed light on when changes in decision making and interpersonal interactions are
likely, considering changes in the context and the nature of problems.

About Gonzalo Sánchez de Lozada

Gonzalo Sánchez de Lozada Sánchez Bustamante was born in La Paz, Bolivia in
1930. He went to live in the U.S. at the age of one, where his father served as a Bolivian
diplomat. After a few years, his family had to remain in the U.S., because there was a
military coup in Bolivia, and a democratically elected president was put out of power.
His father became an exile and worked in the U.S. as a university professor. Gonzalo
(known as Goni) grew up and received most of his education in the United States;
including the University of Chicago where he studied Philosophy and English Literature
at. During his years in the U.S. he periodically visited Bolivia. Due to his father's job in
the U.S. as a university professor, and his family privileged position in Bolivia Goni

1 The assessment of Sánchez de Lozada's personality traits is mainly based on four interviews with the President
and with sixteen persons with whom Sánchez de Lozada had long-term personal contact, including; family
members, public office holders elected and appointed, journalists specialized in the Bolivian Presidency, and
Bolivian scholars and analysts. Other sources are official speeches and decrees, public appearances, press interviews
and special reports and a documentary.

2 Soliz Rada contends that Sánchez de Lozada never really graduated from college (2004: 99), as did a family
member (Anonymous BOL#2), who affirmed: “he carries the trauma of not finishing school. He is a college
dropout, and he was never able to come to terms with that. Even though he is such an accomplished man, he felt he
had to hide it.” However, Sánchez de Lozada claimed that he took classes at University of Chicago before finishing
high school, and then he returned to Bolivia after finishing classes but missing one last exam that he took (and
passed) in Bolivia with an American teacher. He did not care to pick up his diploma until he sent his sister (when he
was already president-elect in 1993) to get it at Chicago. (Personal interview with President Sánchez de Lozada).
enjoyed the advantages of education and social connections in both the U.S. and in Bolivia. Sánchez de Lozada’s professional life started when he went to Argentina in the early 1950s’, and worked as a movie producer. At the age of 21 he returned to Bolivia to work as a businessman, eventually becoming the successful owner of Bolivia’s largest mining group. From 1965-1980 the Sánchez de Lozada bothers, Gonzalo and Antonio, saw their fortunes grow as small - and middle- sized mining businesses bloomed and international tin prices reached a peak. Their Mining Company of the South (COMSUR-Compañía Minera del Sur), founded in 1962 with participation of U.S. capital, was one of the most successful companies in Bolivia (Arze, 2002).

In 1954, Sánchez de Lozada became a member of the MNR. When the Banzer government was over, and starting in 1978 Sánchez de Lozada became an active MNR political operative. He was involved in the highest levels of the party’s decision making becoming a high profile politician since 1979, as part of the team that negotiated the transition from authoritarian rule. For the July 1979 elections, Sánchez de Lozada was a candidate, a fundraiser and finances manager for the MNR political campaign. He gained a seat as representative for Cochabamba, but was not able to assume his representative role because the military took over. He was able to return to Congress in October 1982, when the last military government transferred power to civilians. During Siles Zuazo’s administration, Sánchez de Lozada became an active member at the Deputies Chamber. He organized a group of progressive minded businessman that supported Paz Estenssoro in the 1985 elections. He became senator for Cochabamba and the President of the National Senate in 1985. As such he led a group of experts that created the administration’s plan to stop hyperinflation. In 1986 he became Minister of
Planning and Coordination, a post that allowed him to influence the national agenda and to negotiate legislation in Congress. In 1988, Sánchez de Lozada became the MNR candidate for the presidency and the leader of the party after winning the primaries. Sánchez de Lozada married Ximena Iturralde Monje (early 1960s); they have two children Ignacio and Alejandra.

**Leadership Style**

**Constraints**

Sánchez de Lozada fits Hermann’s categories as high in his belief he can control events, but low in his need for power. Hermann argues that such leaders take charge of what happens, and they challenge - directly or indirectly - the constraints of the environment. But, often, she contends, they are not very successful in challenging the environment, because they tend to be too direct and open in their use of power. They are not good at reading how to manipulate people and in working smoothly out of the spotlight to have the desired influence. Leaders with these traits send signals to others without really meaning to.

During both of his presidencies, SDL was a leader who consistently challenged constraints, as demonstrated in his political decisions. Even though he lost political support as a result of this he preferred to step into the unknown, as opposed to other types of leaders who are adaptable to the situation and remain open to respond to the demands of the constituency and circumstances. In SDL I the conditions were such that he did not have to fight for his own and his government’s maneuverability, thereby allowing him to focus on the implementation of his agenda. In SDL II, the political conditions were not favorable and most of his actions were attempts to maintain himself in power and to achieve governance.
Leader’s own belief in his control and influence over events

The belief in one’s own ability to control events is a view of the world and a self perception that presidents can influence what happens. Leaders strong in this trait are active in the policy-making process as well as in the implementation phase. These leaders are less willing to compromise or to make deals with others. SDL’s inclinations fall into what Wasserman (2009) calls being unusually, and sometimes excessively, confident as a leader. Leaders are convinced that, against the odds, they are able to turn their ideas into reality. This sometimes allows them to accomplish goals at which most people fail, but it also means they hardly ever hit the forecasts in their plans.

According to Wasserman, this type of leader is strongly attached to his project. This motivates to give his all to the project, whether he keeps their popular support or not. But it can also be an Achilles’ heel. Once such leaders get started, they hate giving up control of the process in which the project evolves, even if they lose all. Hence, they are also risk takers, and are bolder than their regular counterparts.

Although Sánchez de Lozada was aware that good and bad things “happened” to him, and that luck and opportunity both affected his leadership, he also said that he felt he had a role to play in Bolivia’s history. He decided to act and was determined to modernize the country. His entrepreneurial experience, his personal economic success, as well as beliefs and will, enabled him to envision and create a series of proposals for political reform.³

³ Sánchez de Lozada remembered something his grandmother told him, “without money, last names are worthless”. He carried this piece of advice for years and was determined to become a successful businessman. After finding himself in a comfortable economic position, he engaged in public service. Being from a traditional and powerful family and having been exposed to progressive ideas from a young age, he took to heart another advice his father gave him, “Do not to work to be the richest man in the poorest country of South America.” He saw an opportunity to enter the public arena in 1979 at the start of the failed transition to democratization, when “it was a time of change and there was a chance to return to democratic politics” (Personal interview with President Sánchez de Lozada).
In his first presidency Sánchez de Lozada believed he was in complete control of the political process. Indeed, as we saw in Chapter 4, the political moment was favorable for him. Having received 35.55% of the vote, the highest percentage since the return to democratic politics, he started his administration with a strong mandate, which allowed him to pick his coalition associates knowing that they would support his policies, he formed a coalition that had the effective controlled of Congress. He was able to put forward a political project to modernize Bolivia that he was determined to accomplish from the very start. Sánchez de Lozada has been described as someone who left “nothing to chance,” whose actions were thoroughly calculated, as when he conducted his businesses; “he is definitely a businessman; he has that kind of mind, very practical, once he sets his objectives, structures a path and then follows it thoroughly.” Knowing that he would seek the presidency for a second time after a failed attempt in 1989, he hired the same campaign strategy team that helped Bill Clinton win the presidency. In 1990, Sánchez de Lozada established the Millennium Foundation (Fundación Milenio), a private think tank intended to research, analyze, and propose policies to modernize Bolivia. Among the policies that this foundation produced, and that were the basis of the laws passed during his first administration, were: the Popular Participation (Participación Popular), Education Reform (Reforma Educativa) Capitalization, Constitutional Reform, and Political Parties Law. Indeed, as someone “obsessed with modernization”, an “innovator, who had creativity and the courage to act in politics,” and one of the richest men in Bolivia, he did not hesitate to hire and seek advice on how to use state-of-the-art technologies, from running political campaigns to rewriting the

4 Interview with Anonymous BOL#2.
5 Interview with Anonymous BOL#6
6 Interview with Anonymous BOL#2.
Constitution.\(^7\) Having the will and the economic resources, he was confident that with the expertise and with the right tools, he and his administration could have great impact: “He knows what is needed to make things happen, and he will do what it takes to accomplish his goals,” said an interviewee.

In his second presidency, his belief in being in control proved to be lethal, as he was reticent to soften his position and allow citizens to make decisions through referendum. This time it was not about hiring the best people for the job, but about being credible and willing to compromise. Sánchez de Lozada was not ready to abandon his technocratic conception of what was needed for Bolivia. His approach was deeply grounded in his previous experience, reinforced by an entrenched coalition, and underpinned by the intensity of his ties with multilateral organizations. When Sánchez de Lozada’s position was challenged by the opposition and on the streets asking for referendum, he held onto the belief that it was undemocratic to let Bolivians decide about the production and distribution of the recently discovered hydrocarbons, the resources that allegedly would take Bolivia out of poverty. He fiercely defended the capacity of the President to decide on important matters. “That is what representative democracy is about,” he said. But tradition and habit, even the long-standing political arrangements, were not enough to sustain an approach that appeared to have less and less grounding in reality. Centrifugal forces gained strength month by month. Sánchez de Lozada became more and more focused on his own problems, while anti-systemic forces increasingly found new partners, and determinedly pursued their own course.

\(^7\) Guillermo Bedregal, long time political rival, asserted that he lost the candidacy for the leadership of the party and for the presidency because he could not compete monetarily with Sánchez de Lozada, one of the most powerful businessmen in Bolivia (Bedregal, 2010).
The long awaited popular consultation, no matter how it was later announced could not slow or reverse these trends.

**Leader’s need for power and influence**

The need for power and influence is another trait that indicates whether a President will challenge or respect the constraints he perceives in the setting of his presidency. As described in Chapter 2, Hermann asserts that leaders high in the need for power are generally daring and charming, but they have little real regard for those around them, or for people in general. In effect, other people and groups are viewed as instruments for the leader’s ends. Leaders low in the need of power enable their followers to feel strong and responsible. They are willing to sacrifice their own interests for those of the group, since in their view, what is good for the group is good for themselves (Hermann 2003:190).

Sánchez de Lozada seemed to have relatively low to moderate need for power, he did not display an interest in personally appearing as a winner of arguments, nor did he try to test the limits of what could be done before adhering to a course of action out of pride. He has been depicted as an arrogant man, as someone extremely self-assured and persevering, a passionate man with a pragmatic spirit, a man who could be among several who have influence and have others taking credit for policies. His vanity was not reflected in a need to stand out, but he boasted about his capacity to pick the best team available. He empowered others, enabling his technocratic team to feel strong and responsible, not only when making policies, but also when implementing them. His need for power was oriented toward challenging the status quo in order to implement his agenda. He was not willing to act timidly within the framework of what seemed possible.
He was a visionary as an entrepreneur, and he brought the same vision to politics; it was a vision that tested the limits of what was possible.

Although some interviewees said Sánchez de Lozada’s charm could convince others to adopt his ideas, it was his reasoning that was even more persuasive. Because of his background, money and accent, at the personal level Sánchez de Lozada, was not someone an average Bolivian could relate to. Moreover he was described as someone unable to empathize with people, because “simply he lacked that inherent capacity”.8 For most of the interviewees who know him well at the personal level, Sánchez de Lozada’s charm seemed not to be real. It seemed that in his life he did not feel the need to be liked in order to have power and influence. In his view, the way to have power and influence did not rely on one’s likability as a person, but on economic status, and he was very aware of this.

Sánchez de Lozada’s low need for power is best manifested in SDLI, by the path he did not take to seek re-election; he did not try to change the constitution that would have allowed him the chance to remain in office. When the Law of Necessity for Constitutional reform was under discussion in 1992, Sánchez de Lozada, who led the opposition, suggested that the application of changes in the Constitution would require three constitutional terms to be implemented: one term to propose changes, one term to ratify the legitimacy of the proposed changes, and a third term to apply the changes. When the leader of the ADN, Hugo Banzer, insisted that the application of changes in the Constitution would require only two terms, Sánchez de Lozada argued that Banzer did so because he wanted to be president under the reformed Constitution. By the time the changes took place in 1994, then President Sánchez de Lozada said he secretly

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8 Interview with Anonymous BOL#2.
received a proposal that would allow for him to run for reelection.\textsuperscript{9} Paz Zamora, who at the time had problems with the U.S. Embassy for his alleged ties with drug trafficking, let Sánchez de Lozada know that he would support a proposal to allow immediate re-election in exchange for being left alone. Such a change would have benefited Sánchez de Lozada, but he refused to change the rules in the middle of the game. “If I would have taken Jaime [Paz Zamora]’s proposal, I could have been reelected and consolidated the reforms I worked for, but I did not accept for ethical reasons, I could not change the constitution to benefit myself (...) Looking back I made a big mistake because my reforms were dismantled during the Banzer administration, and now we (Bolivians) are paying for that.” \textsuperscript{10} There is no reason to believe that what Sánchez de Lozada affirmed was false. He had not tried to change the constitution during SDL I, when there was little opposition, since the main leaders, including Banzer, had resigned.\textsuperscript{11}

**Information**

As explained in Chapter 2, leaders’ openness to contextual information is based on the intensity of self-confidence and conceptual complexity. These are indications of leaders’ openness to receive input from others and the environment in the decision-making process, as well as the incentives they use with their advisers and other subordinates. Based on their levels of self-confidence and conceptual complexity, leaders differ in their degree of openness to contextual information.

\textsuperscript{9} Personal interview with President Gonzalo Sánchez de Lozada.
\textsuperscript{10} Personal interview with President Gonzalo Sánchez de Lozada.
\textsuperscript{11} By December 1993, after losing the election to Sánchez de Lozada and right before ADN headed toward a humiliating municipal elections defeat, Banzer had announced he was retiring from politics. Paz Zamora’s U.S. visa was withdrawn given allegations of having received support from drug dealers during his 1989 campaign. By March 1994, he resigned from politics. Two MIR ministers resigned with corruption scandals and a four-year sentence was placed upon the head of the party Oscar Eid for having maintained links with drug-traffickers. Other MIR party fellows were accused of strong ties with drug trafficking and retired from politics.
Even though Sánchez de Lozada come to office with a well-established vision and agenda in both of his presidencies, perhaps the biggest difference between his first and second administrations was the different degrees of openness he displayed in each. In SDL I, he was more open to information than in the second. While in SDL I he was more willing to listen, but in SDL II he sought assurance. In SDL I, he had a coherent set of ideas during both of his presidencies. In SDL, I he had the legitimacy to implement those ideas, and he also had a good information strategy to explain the policies. But in SDL II there was an absence of careful attention to the process of legitimation itself, in particular to the precise relationship between ideas and practices, and he did not engage in an effective information strategy.

In 1993, coalition-making was a legitimate practice, which SDL used to rally his reforms. However, in his second term coalition-making grew stale, as the coalition partners no longer enjoyed support. In SDL I, SDL’s rhetorical practices were technocratic; his explanations focused on the economic rationality of the policies and pointed to the need to try something new, as the old practices were unbearable. The same emphasis on rationality was employed in SDL II, but this time people no longer believed in the rhetoric, because corruption had paid its toll on the credibility of the political class. Moreover, economic growth was small, and Bolivians ran out of patience waiting for the promises that the trickledown effect would reach them.

The making of the Popular Participation law during his first term has been highly documented.\(^{12}\) Those who participated in its creation concur with Sánchez de Lozada’s apparent openness to hear ideas, albeit with caveats. In his first presidency “he surrounded himself with the smartest and the top of line, he listened to them, and at the...

end he did what he really thought was right; he was not easy to convince.”

Carlos Hugo Molina said regarding Sánchez de Lozada’s involvement in the policy discussions for popular participation “the participation of Goni….was always relevant and positive. When he did not have in-depth knowledge of a particular theme, he asked questions and listened. His open and receptive attitude allowed him to gain much from the discussions and from people like me, who didn’t agree much with neoliberal positions.”

In a similar fashion as Dwight Eisenhower, the organizational leadership style of Sánchez de Lozada was to bring all responsible policy makers together, listen to their different viewpoints and have them debate issues in front of him, thereby gaining a broad view of possibilities and subsequently deciding on the best course on his own.

Hermann (1994:78) describes the active independent leader as someone interested in discussing and innovating issues, but on his own terms. This was the style that best describes Sánchez de Lozada in SDL I. Even though he was interested in learning about options different than his own, he was the ultimate decision-maker, and he was involved in every aspect of policy making and was uncomfortable whenever he was not in charge.

In contrast to his first presidency, in SDL II, Sánchez de Lozada surrounded himself with “yes” people. As we saw in the previous chapter, the context in which he was elected president was quite different from the first and did not allow him to have room for maneuverability. With a weak coalition, he ended up with a divided cabinet that did not pledge any loyalty to him, nor did they necessarily share the goals of his

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13 Interview with Anonymous BOL#7
14 Grindle (2000) p. 233. Goni was his family nick name, but it became his political name in an effort to portray him as someone familiar, and closer to the average Bolivian.
15 For a discussion of the importance of debate in presidential advisor systems, see George (1972).
administration. Even within ministries, there was party division by hierarchical level, making the implementation of policies extremely difficult, because each level served as a veto point for the others. With only thirteen of his own party and six independents among the 31 appointments in ministerial posts, Sánchez de Lozada chose to value loyalty over other considerations. His inner circle was formed by two close dependable advisers: the two-time minister Sánchez Berzain and SDL’s son-in-law Mauricio Balcázar. They have been depicted in the press, as well as by several sources, as individuals with enormous ambitions, who tended to react instead of deliberate or reflect first. Moreover, they had vigilant attitudes and held similar views and readings on the social conflicts. Other levelheaded advisers and friends, such as Guillermo Justiniano and Fernando Illanes, were relegated to the issues of the ministries they led, and they were not part of the administration’s strategy team. Those who provided dissenting views were not heeded, particularly those who confronted the President and tried to tell him he was making poor decisions.

**Leader’s contextual complexity**

Hermann (2003) asserts that leaders high in the conceptual complexity trait see things in shades of gray, compared to those with lower contextual complexity, who tend to see the world in black and white. As described in Chapter 2, highly contextually complex leaders receive more stimuli from the environment than more assertive leaders. They are less willing to trust their instincts and are highly attuned to contextual information.

Sánchez de Lozada’s contextual complexity trait seemed to lean toward high in his first term and low in his second. For the development of public policies, in his first presidency he sought multiple opinions and assembled several groups that developed
public policies and sponsored debates about them. He was more open to receive information and counterbalance views than in his second term, when he was more assertive. Sánchez de Lozada has been described as a very intelligent man with a great capacity to bring historical facts to debate and to compare them with current events. Several interviewees mentioned that he could critically engage in discussions with highly specialized experts, recalling names, opinions, and the context in which certain ideas were discussed.  

Sánchez de Lozada considered himself a “specialist of specialists,” implying that he had the capacity to orchestrate and entertain different points of view, always being the leading character. Using his vast knowledge of world and Bolivian history, current events, anecdotes, popular sayings, proverbs and even jokes, Sánchez de Lozada weighted reasons, propositions and postures, as long as these deliberations would help him enhance the ideas he already had in mind. This seems to be part of his style, as a person, a politician and a president, but it also reveals a complex mind. Moreover, he seemed to take pride in his abstract and non-experiential knowledge of people. In his own words: “There are two types of dialogs: with people and with books. One of the main problems of the political class is that only few read. Dr. Paz is a man who reads, even now [at 92 years]; that is why he is so up-to-date. If you ask me what do you have to do to be a politician, I would answer that first you need to read, to educate yourself, because knowledge is in the books, and the truth is in discussion.” His deeds and disposition during his first presidency were convincing to many who followed him. In the words of Mesa,

16 Various interviews.
17 Interview with Anonymous BOL#3
I surrendered to his intelligence, his determination (a suicidal weapon during his second government), his creative capacity, his legislative spirit (which ended up being a liability in times of weakness and urgency), his innovative proposals that were daring and courageous, a leap toward modernity, not the liberal modernity: the INRA law, Popular Participation, bilingual education, BONOSOL. But from the inside, I learned about his pettiness and mistakes, and I understood that he had never stopped being a liberal.  

During SDL I, Sánchez de Lozada advanced his program too far ahead of his time to be realistic, and he did not garner adequate public support from those affected by the policies. In SDL II, Sánchez de Lozada displayed a different intensity in contextual complexity. He was low in this trait and never doubted that that he had pursued the right path, the just course for Bolivia, even after the deathly events of February 2003. By April 2003, he made it plain that he was a deeply disappointed and frustrated man. He was not ready to shake off the impediments the Presidency came to represent.

Leader's self-confidence

Leaders whose self-confidence is high interpret information according to their own sense of worth (Hermann, 2003). As described in Chapter 2, these leaders are fairly unresponsive or insensitive to cues from the environment. Instead they reinterpret the environment to fit their view of the world. These leaders are likely to organize the decision-making process in a hierarchical manner to maintain control over the nature of the decision. (Hermann 2003:194-195)

Sánchez de Lozada was high in self confidence, and he displayed this feature in both presidencies. However, in SDLI he was more moderate than in SDL II. When it

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19 Mesa (2008: 75)
20 In February 2003, protesters threatened to besiege La Paz. With the police on strike, looting mobs and vandals attacked public offices, businesses and political parties’ offices. After military intervention order was restored but the result was the death of more than thirty people.
came to envisioning the issues he wanted to put forward, he spent time learning about options available, thinking, creating strategies, deciding, planning, organizing and personally leading discussions with experts. His belief that his agenda needed to be followed with precision, that the course of action he proposed was the most doable, and that the experts he hired were the best worked well in his first administration, but not in his second.

There was a sizable difference between the amount and quality of the information, as well as the way Sánchez de Lozada garnered it, between his first and second presidencies. After his 1989 electoral defeat in Congress, Sánchez de Lozada traveled through the regions of Bolivia. Between 1989 and 1993 he visited Bolivia traveling extensively mainly on the road. At first, the main goal was to build a strong party, in his own words an “electoral machine.” But as he traveled, he realized that he could build his party by ensuring support at the grassroots level, and that at the same time that he could learn about the needs and wants of Bolivians. He could do so by listening to those to whom he had not listened previously. Up to then, his knowledge and perception of the Bolivian voters originated in a top-down perspective. His social position, and later his economic position, clearly revealed his adherence to the Bolivian elite. His ideas and attitudes were very influenced by his exposure to progressive people, in his family and personal relations, as well as during his formative years in

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21 Progressive people display spirit and enthusiasm for social activism and political reform, including reform of local government, public education, medicine, finance, insurance, industry, railroads, churches, and many other areas. They seem committed to changing and reforming every aspect of the state, society and economy. They are believers in science, technology, expertise—and especially education—as the grand solution to society's weaknesses. Characteristics of progressives include a favorable attitude toward modern society based on principles of solidarity, the belief in mankind's ability to improve the environment and conditions of life. It also includes belief in the obligation to intervene in economic and social affairs, as well as a belief in the ability of experts and in efficiency of government intervention. They hold liberal views about the role of government spending programs, government programs, welfare state and redistribution of wealth.
the US: “I was very connected to the rest of the world, and I was not dependent on the lands that my family had in Cochabamba, where my father's family owned land. When land reform came along, we were not affected by it because we had become accustomed to not being dependent on rents from the land to live.” Thus, his perception of Bolivia was very theoretical and was also based on his experience as businessman.22

The eye opening experience of traveling throughout Bolivia or talking to people, as in preparation for the 1993 campaign, was not repeated for the 2002 campaign. For his last campaign, Sánchez de Lozada traveled throughout Bolivia mainly by plane, and he made road trips only to targeted places as required by the campaign. Instead of traveling to gather information about the needs and wants of Bolivians, he traveled to spread a tailor-made message to key voters in order to garner support. In his own words; “once the polls showed that I was garnering more support, I let myself be led by it [immediate campaign needs], I made a mistake, and I relied on it [campaign strategy] and did not realize that there was a new dynamic in the country.” When asked why he did not spend time listening to voters for the 2002 campaign, he said, “it's like asking 'why didn’t you do your doctorate for a second time?' I thought that I already had a doctorate (…) I know now that I made a big mistake. For the 2002 campaign, I was fully absorbed by politics; I made a huge mistake by not going back to listen to people.”23

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22 Roca affirms that when Sánchez de Lozada returned to Bolivia he did so “probably without speaking a word in Spanish, given that English was his native language and the one spoken regularly at home. Despite his profound and distinguished roots that made him biologically Bolivian, culturally and mentally he was a foreigner, which is a characteristic that he has kept, given that it is not easy to turn around the spirit. He did not have a human referent that would relate in Bolivia. He did not have childhood friends, he did not put a foot on a school, or institute, or university in the country; he was not part of a youth group he played pranks with (…) His vision of Bolivia is therefore intellectual, as any other foreigner that becomes citizen has, even if there is commitment to the country, he ignores how is its soul and the rhythm of its heart” (Roca 2008: 87).

23 Personal interview with President Gonzalo Sánchez de Lozada.
Indeed, with his experience as a candidate, as a politician, and as former President he was self-confident about his knowledge of Bolivia. He failed to realize that politics and society were not static, and that during the Banzer/Quiroga administration profound changes took place in the conditions, needs, and the hearts and minds of Bolivians. He considered his biggest mistake was: “in my second administration I became a lecturer, instead of a student who learns … I lost touch with the Bolivian people (…) if I would have done my homework and gone back to listen and talk to people, I would have figured it out, but I didn’t…nor did I realize the damage that was done [to the country] during the years I was not in office (…) I trusted focal groups and polls and forgot to sense people’s thirst for a sea of change (…) I trusted that my clarity of ideas and concepts matched the reality, but I was wrong(…) I thought I could sell my ideas through the use of technology.”

Sánchez de Lozada also said that one of the many things he regretted, and to which he attributed his failure in SDL II, was his lack of distrust. He said he was very ingenuous and he did not realize that politicians with hidden agendas conspired against him and against the whole political system.25 From the beginning of his second mandate, his fixed ideas of what ought to be instead of what was possible, did not include constitutional reform that involving referendum. In his view a referendum opened the door for direct democracy which he was against, “there is nothing worse than plebiscite or referendum. That is what the authoritarians have used throughout history. Hitler used it; Pinochet used it; it is a manipulative instrument, it all depends on how the question is asked and how you persuade people to vote one way or another in

24 Personal interview with President Gonzalo Sánchez de Lozada.
25 Personal interview with President Gonzalo Sánchez de Lozada.
the heat of the moment...for me it is not a democratic instrument”. He said that he was a strong believer in representative government and not in the anarchist motto of “power to the people”. “Referendum is the biggest lie,” he said. While there is nothing wrong in holding this view, the fact that he refused at all costs to even entertain alternatives, to show willingness to listen to people, backfired on him. With thin legitimacy, with his refusal for dialog, the accusations of being “insensitive to people”, “selling the country to foreigners”, “wanting to accumulate power for himself and his clique”, became truths, particularly since corruption charges and murkiness during the process of capitalization during his first administration were never properly investigated.

Sánchez de Lozada’s self-confidence had negative implication for his leadership, not only because it precluded him from listening, but also because the events that unfolded during the last months of his administration made him entrench even more in his views. He has been described as a stubborn man, often so obstinate that he would not entertain answers other than the ones he already thought on his own. Two descriptions illustrate that this trait that had both positive and negative implications for his decision making. The first description was given by his party rival Guillermo Bedregal:

there was an almost scholastic obstinacy well rooted in technical and economic criteria for the business to be made (...) a characteristic of Gonzalo Sánchez de Lozada is his stubbornness and his enormous capability to find arguments that compensate for his tremendous political defect [not seeming Bolivian] . Added to this is his arrogance and pride, which are not what people think they are; these are part of his complex personality. Many party fellows and close friends of Goni understood the political dilemma but were not strong enough to break the President’s obstinacy (Bedregal 2010: 820).

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26 Personal interview with President Gonzalo Sánchez de Lozada.
The second was offered by former Vice-President during his second term and successor in the presidency, Carlos Mesa. Recalling a conversation that he held with the president five days before his ousting, at a time when most people did not dare to speak to SDL, and when those who did found themselves unable to lay down their arguments, Sánchez de Lozada was not willing to listen when he was told he erred or if he did not like the position. To Mesa:

[Sánchez de Lozada] is pigheaded; he is the biggest pighead I have known. He is a tremendous manipulator, willing to guide the interlocutor through the intellectual path if necessary, followed by a long and patient reasoning, using the same instruments of Cartesian logic. That is how the president’s timing was, one of extensions, one long work of circles and more circles, concentric circles that ended up in labyrinths that would inexorably end up in his terrain. The arbitrariness and discretion that once were the most powerful weapons to change the country, despite the odds, became [during the second presidency] an endless swamp that condemned us all to the terrible outcome of October 17th.

Motivation

Hermann (1998, 2001, and 2003) contends that leaders are driven in general by either of two factors: internal focus, in which the drives are: ideas, images, causes or a particular problem, or by the desire to gain feedback as a way to be accepted, get approval, obtain support, and for seek acclaim.

In contrast with Peru’s Alan García, who in Chapter 9 is described as the ultimate political animal, whose goal was power for the sake of power, Gonzalo Sánchez de Lozada was the ultimate businessman who turned to politics, not because it was part of his essence, but because his conviction told him it was the right thing to do. He was

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27 Sánchez de Lozada sent his resignation to Congress from Santa Cruz on October 17, 2003, right before taking a commercial plane with his family to the United States, where he was living at the time of the writing of this research. He remained living in Washington, DC, and did not return to Bolivia. He has been accused of several crimes and corruption. He did not face Bolivian justice courts, since he alleged he would not receive a fair trial, given the conditions of the judicial system in Bolivia and the witch hunt the Morales government held.

28 Mesa (2008:71).
driven by an internal focus, believing that Bolivia could and should become a modern country. His quest was to implement policies that would modernize Bolivia according to his own vision of modernity, which had been heavily influenced by his exposure to progressive people – within his own family\textsuperscript{29} and in his formative years in the US.\textsuperscript{30} Because of his background, his progressive vision, his U.S. connections and his accent, SDL’s image was one of a foreigner, an outsider who could not connect with the average Bolivian and who seemed too distant to fully understand the needs of his people. Recalling the Sánchez de Lozada he met in the 1980s, Mesa said that “Goni” was someone with a “fresh view,” quite different from the typical Bolivian politician. Furthermore, Mesa considered him a politician with a different style than the conventional, a different personality and new outlook to tackle problems, Sánchez de Lozada “represented modernity as opposed to political sclerosis”.\textsuperscript{31} Sánchez de Lozada’s concerns were not related to relationship; he knew he was different because of who he was, and whether or not he fit in was not a concern.

\textsuperscript{29} Sánchez de Lozada said that his family was always identified with progressives in Bolivia. His grandfather, Daniel Sánchez Bustamante, was a pioneer of the educational system in Bolivia involving holistic approaches to education in the humanities and technical skills. His father, Enrique Sánchez de Lozada, was member of the Leftist Revolutionary Party (PIR-Partido de Izquierda Revolucionario) and was considered an avant-garde man in politics. His mother, Carmen Sánchez Bustamante was a feminist and an advocate for social reform of conviction. Sánchez de Lozada’s father immersed his home in progressive ideas, being close to New Deal promoters, as well as being friends with intellectuals like Leon Trotsky, Max Lerner (liberal) and Frederick Schuman (outspoken liberal and suspected communist) at Williams College. (Personal interview with President Gonzalo Sánchez de Lozada)

\textsuperscript{30} As the son of a Bolivian diplomat, exiled and intellectual, Gonzalo Sánchez de Lozada Sánchez Bustamante lived with his family in Washington DC and then Boston and Williamstown Massachusetts, where his father taught at Harvard University. His father became an outspoken proponent of the Roosevelt administration’s Good Neighbor Policy and an associate of Nelson Rockefeller (Guthrie, 2009). When he was 10 years old, he was sent to Scattergood Friends School for Junior High, a Quaker school in Iowa. His parents were admirers of the Quakers’ ideas of responsibility, meaningful work, including working on the farm, discipline, and work ethic. Sánchez de Lozada studied Philosophy and English Literature at the University of Chicago, which at the time was regarded as one of the foremost progressive universities in the US. (Personal interview with President Gonzalo Sánchez de Lozada).

\textsuperscript{31} Mesa (2008:34).
**Leader’s focus on problem solving vs. focus on relationships**

Sánchez de Lozada had high interest in achievement, as opposed to concern with the feelings and sensitivities of others. Because his focus was on problems instead of on relationships, his need for approval or support was not high. Those who know Sánchez de Lozada well at the personal level assure that his beliefs and respect for rules of conduct were reinforced by his personal experience with the Anglo-Saxon principles, “more than being moved by people, he is moved by principles.”

When he talked about his approach to political problems, he emphasized substance over approval; he was focused on issues rather than personalities:

One never knows [one has found the truth]. The only thing one can be sure of is that you will never find the truth, but one has to seek it. People always argue what is feasible. Instead I ask: what is it that should be, not what could be. If one looks at what could be and not what should be, there is no objective to look for; one does not advance(...) the laws during my government ended up being different than what I sent to Congress, not because we negotiated nor because we looked for consensus, but because we sought the truth. Many times we changed things to make them better, to enrich them, yet it did not always happen. I had to negotiate; but, in general only seeking the truth is conducive to making something acceptable.

**Degree of in-group bias**

This trait has been described as a sense of nationalism when it is outward looking, but it can also be applied to national politics. This trait is reflected in the leader’s understanding of the world as “us vs. them,” and it is also related to the use of scapegoats to blame for the ills of the moment. Leaders with high scores are very protective of their own kind, and they have a strong emotional attachment to their group,

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32 Interview with Anonymous BOL#8
33 Molina (1999).
and they tend to be patriotic. However, leaders with low scores on in-group bias by no means are less patriotic that those leaders who are high on in-group bias.

Leaders who combine a not so strong sense of nationalism with a low sense of distrust of others are likely to conceive politics as a space of opportunities. Hermann contends that these leaders are proactive as opposed to reactive. For them, the world is not a dangerous place and the political conflicts are not constant threats if taken in context. Moreover, they are focused on taking advantage of opportunities and relationships.

Sánchez de Lozada displayed a low degree of in-group bias in his first term and a high degree in his second. Because he grew up in exile, his attachments to Bolivia were more abstract than personal. With a problematic “gringo” image that he could not escape, he looked foreign and, like rural indigenous Bolivians, he was an outsider in his own country:

while I looked like a camba [people from the north and east part of Bolivia], I spoke Spanish like an American, but I was actually a colla [people from the west part of Bolivia]. I was a good combination for all regional interests, but my weakness was the popular side, because I did not fit the description “Goni is like me”. 34

At no point did Sánchez de Lozada try to fit in or change his image in order to be accepted as president and politician. He was very aware of his businessman image, whether or not he wanted to project it. He was also aware of his inescapable American accent when he spoke Spanish, of his elite upbringing, education and personal relations. He made no apologies for who he was, where he came from, or even of how he made his fortune. Sánchez de Lozada said that, given the fact that he won the highest number of votes in three elections, 1989, 1993 and 2002, his acceptance by the

34 Personal interview with President Gonzalo Sánchez de Lozada.
population as a leader in Bolivia is proven. His lack of attention to conformity indicates that he was not interested in protecting a certain group he represented; instead he focused on dealing with the problems of the nation. Sánchez de Lozada’s understanding of the world was not of a dangerous place that poses a threat. For him conflicts were to be tackled one by one, since they depended on context. Moreover, for him the world brought opportunities and relationships, and therefore, by nature, his political stances were non-confrontational. Indeed, Sánchez de Lozada himself acknowledged the reasoning behind his actions:

> I have not changed [to fit in]; unfortunately people do not change much. I have always believed in debate and discussion, but I do not look for consensus; I seek the truth. It is dialectic. One has to accept that others can be right; one has to be able to make a thesis, an antithesis and then a synthesis. In Bolivia there is always talk about consensus building, which means do nothing or change everything without changing anything. The dynamic I follow is dialectic and guides all the issues I deal with, whether business related, intellectual or political.\(^{36}\)

After the turmoil of February 2002 a bullet was found in his presidential chair, and he became more protective of the ideas and the inner circle of people with stances similar to his. He started to feel threatened by those who called for referendum and adopted a defensive position.

**Distrust of others**

Hermann argues that the trust and distrust trait is likely to be based on past experience with the people involved and on the nature of a current situation. Leaders high in this trait are constantly vigilant and want to anticipate, because they see the world as a threat and problems are confronted as a zero-sum game. Leaders who are

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\(^{35}\) Personal interview with President Gonzalo Sánchez de Lozada.

\(^{36}\) Personal interview with President Gonzalo Sánchez de Lozada.
more trustful see the world as source of opportunities, and instead of looking at adversaries as threats, they put them in perspective.

Sánchez de Lozada seemed to be more distrustful in his second term, given the constant opposition to his actions, while he was moderate in his first. He was not a person that saw the world as a threat; he saw challenges and acted accordingly. He seemed to have a profound understanding of an adversary’s psychology, not using empathy but using logical reasoning. Since he was not a man driven by emotions or blind beliefs but rather on logic and reasoning, he was not distrustful in a paranoid way. On the contrary he weighed people’s motifs instead of emotions.

Since Sánchez de Lozada’s first administration was successful, in his second administration he relied on the same leadership style, both to make decisions and to interact with followers and advisors. As Barber (1972) suggested, presidents’ first political successes shape the leadership style they will depend on in the future. As the context and the nature of the problems changed, when Sánchez de Lozada reassumed office with an established vision, he found himself out of touch with the functioning of Bolivian society. His efforts failed because social processes unfolded faster than his understanding of the changing environment. He could not provide leadership because he lacked the vision and the capacity to be in tune with Bolivia’s polity.

The second presidency of Gonzalo Sánchez de Lozada is an example of politics of disjunction. His response to the impossible situation that a disjunctive presidency encounters – one of affiliation with the governing coalition with a vulnerable political order – is revealing, for it shows how a president familiar with forming coalitions could not deploy new resources on his own behalf, making his administration one that
became paralyzed. He lacked creativity, and his legacy as Bolivian president became tarnished. The following description of Sánchez de Lozada by Vice President Carlos Mesa in SDL II, illustrates that his decisions and his decision-making process were shaped by attributes that define his personality traits:

Gonzalo Sánchez de Lozada has a flawless logic, a clear vision of what he wants and how he wants it. But there is a problem. The column on which his logic relies is out of balance; his gravity center is out of center; his building is falling. He fell because he assumed that intellectual designs can be applied mechanically to daily life in a crazy Bolivia, in which the relation between state and society is broken and in which the rule of law is still an exoticism. His economic logic, his sense of what Bolivia should do, his close outlook to what the world wanted – actually, to what international organizations wanted- ended up alienating him from reality. His idea of how to exercise power was twisted. He was an emperor; there was no room for sensible dialog and dialectic contrasts. He was a great seducer who conquered the best Bolivians, who became active in his first administration. In his second administration he was isolated from the outside world, he lived locked in the Government Palace and the Presidential House. He did not step out of La Paz’ streets for over a year (…) He also ended up mentally isolating himself. This alienation defeated his government, as much as the MNR defeated with his government, which Carlos Sánchez inevitably geared up by its acquiescence. His government was defeated by MIR, its constant blackmail, and systematic corruption. He defeated his own administration with his sluggishness, his pigheadedness, his arbitrariness and his dry style, which was polished in the hands of Washington advisers who mastered tactics and strategy. He was defeated also because his family was seduced by power, while his entourage was swayed between anomy, astonishment and cowardice. In October 2003 he was trapped in his own consciousness of power with a sense of destiny and a sense of mission that a lost bullet shot in February 2003 against the presidential chair had converted into an obsessive certainty (Mesa 2008, 74).

Based on the intensity and combination of the personality traits displayed by Sánchez de Lozada, Table 5-1 summarizes Sánchez de Lozada’s leadership styles based on Hermann’s traits.

Sánchez de Lozada’s style of leadership during SDL I was “actively independent.” As such, Sánchez de Lozada was a president who challenged constraints
and was moderately open to information, and whose motivations centered on problems as opposed to relationships. His focus of attention was on independently maintaining his own maneuverability, as well as the government’s maneuverability, in a world that he perceived as continually trying to limit both. During SDL II, Sánchez de Lozada’s leadership style was “expansionistic.” As in his first administration, he challenged constraints, but this time he was closed to receive information he interpreted events according to his established understanding of what ought to be instead of what really was. He zealously defended his government’s span of control of decision-making, denying the possibility of citizens’ participation in referenda. As such, he was unable to change his strategy in a timely manner, and when he did, events had already developed too far from his control.

**Discussion**

This chapter characterized Gonzalo Sánchez de Lozada presidential leadership style based on trait analysis. Hermann (2003) suggests that the differences between leadership styles result from leaders’ images of themselves and their perceptions of where their behavior is validated. She will probably agree with the idea that Sánchez de Lozada’s most damaging aspect of his leadership style was his closeness to information. While in his first term he was open to information, in the second his understanding of the polity was much less flexible. These perceptions are suggestive of how sensitive leaders are and how likely they are to act in particular political contexts. The more goal-driven leaders, such as Sánchez de Lozada, as opposed to environment-driven leaders, interpret the environment through lenses structured by their beliefs, attitudes, motives, and passions. While Sánchez de Lozada was able to
structure a positive innovative program in SDL I, in SDL II his interpretation of Bolivia’s environment did not allow him to see that consensus and yielding were necessary.

Leaders like Sánchez de Lozada live with a sense of self that is determined by the congruence between who they are and what they do, as opposed to being responsive to a particular situation. They act on the basis of a set of personal standards and seek out leadership positions where their standards generally are reinforced, as opposed to leaders who tailor their behavior to fit the demands of the situation and who maintain extensive networks to gather information. Because leaders like Sánchez de Lozada tend to selectively perceive information from their environments, they have difficulty changing their attitudes and beliefs, as opposed to more flexible contextually-driven leaders. Moreover, leaders like Sánchez de Lozada choose associates who define issues as they do and who generally share their goals. As we saw, in SDL II, his mindset did not allow him to make allowances for those opposed to his views, and when he did, it was too late and his reputation was already damaged. Furthermore, his opponents were quick to frame him as someone defending foreign interests and the status quo, as opposed to defending his first administration’s reforms.

During SDL II, Sánchez de Lozada’s expansionistic style did not let him see that he needed to be flexible with the demands of the political time. His reading of reality was faulted because he had fixed ideas of what was needed for Bolivia and how to accomplish these goals. His image was so badly tarnished that he did not have the legitimacy to move forward on an ambitious agenda in the face of opposition. He was convinced that his plans and the way he would implement them were the only ones acceptable. This conviction led him to oppose a referendum when Constitutional
reforms were being discussed, and this unmovable conviction was the immediate cause of his fall. Sánchez de Lozada brought to his presidencies and to Bolivia’s political institutions a vision of a long-term greater good. What he did not bring was flexibility; he thought his logic was faultless and that political conditions would not change. He was wrong.
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CHAPTER 6
LEONEL FERNÁNDEZ’ ARTICULATIVE PRESIDENCIES

The Dominican Republic has a political tradition of domination under a single individual. In the twentieth century, besides Rafael Trujillo who ruled the country for thirty one years (1930-1961), there was Joaquín Balaguer, who demonstrated three incarnations: the authoritarian corporatist in the 1930s, the advocate for a freer but still controlled constitutional government in the 1960s; and a kind of patrimonialist democrat in the 1980s and 1990s, winning consecutive elections since 1986 (Wiarda, 1998).

Despite this tradition, starting in 1996 the Dominican Republic experienced new leaderships under the presidencies of Leonel Fernández and Hipólito Mejía of the Dominican Liberation Party (PLD-Partido de la Liberación Dominicana), and Dominican Revolutionary Party (PRD-Partido Revolucionario Dominicano), respectively. Since the mid 1990’s, democracy in the Dominican Republic has been regarded as more institutionalized and consolidated than previously (Krykanek, 1996). Indeed, the 1994 political reforms are considered the “real” transition to democracy, although the country held elections since 1978 (Skelley, 2007; Hartlyn, 1998; Jimenez Polanco, 1999).

Although new leadership is considered paramount in bringing about significative change, the new developments have actually been characterized by the absence of change. By 2010, the country still remained a delegative democracy (Marsteintredet, 2010). Moreover, the idea that Dominican society did not destroy or dismiss social, economic and psychological commitments of the dominant class in order to adopt new ways of socialization and behavior still remains true (Jimenez Polanco, 1993).

In this chapter, the Dominican Republic’s recent political history is organized through chronological narrative, from the return to democratic politics in 1978 up to
2008, with each of the presidencies placed in the life cycle of one stable political order. The conventional structural and institutional explanations of the Dominican Republic’s politics provide an illustration of the democratization process, but their explanatory power is complemented with the analysis of presidential leadership in the two non-consecutive terms of Leonel Fernández.

Table 6-1 summarizes the classification of Dominican presidencies in the aforementioned time frame within one long lasting clientelistic political order, and classifies each presidency in its relation with secular and political time. Both of Fernández’ presidencies were anchored in the clientelistic order, and with his actions he contributed to deepen changes within this order.

This chapter suggests that Fernández’s first and second terms were articulative presidencies, because he did not reject the previous order but sought to reform it from within the pre-existing political order.

**Clientelistic Political Order**

The Dominican Republic’s political development in the nineteen century differed from that of most other Latin American countries, as it was an isolated outpost of the Spanish empire lacking in agricultural and mineral wealth. It also had only a small indigenous population as a result of decimation during the colonial period. Yet the country did not benefit from the leveling effects of poverty and isolation shared by all. International influences, including the Haitian control,\(^1\) annexation attempts by the U.S., economic crisis and the lack of national integration, all played decisive roles in the rise and fall of governments (Hartlyn 1998, 1999; Wiarda, 1992) It was not until well into the

\(^1\) The Dominican Republic is the only former Spanish colony that did not break free from Spain but from Haiti. Thus, the anti-Haitian sentiment has a long tradition in the Dominican Republic’s history.
twentieth century that the Dominican Republic experienced political stability, albeit under a centralist, authoritarian and repressive state during Rafael Trujillo’s rule (1930-1961).

Trujillo was the *de facto* ruler for over 30 years; he formally assumed power for the first time in 1930 until 1938, and again from 1942 to 1952. Yet Trujillo remained in power by having several nominal presidents acting in his behalf; Jacinto Peynado (1938-1940), Manuel Troncoso de la Concha (1940-42), Trujillo’s brother Héctor Trujillo (1952-1960) and Joaquín Balaguer (1960-1962). Trujillo did not lead a military regime, although he used his army to rule the Dominican Republic with an iron fist. His power was based on a praetorian guard as his personal instrument (Hartlyn and Espinal, 1988). The military was not a professional institution; it was a force that supported a personality cult to Trujillo. Given the political violence, political activities against Trujillo developed overseas.²

After Trujillo’s assassination in 1961, widespread anti-Trujillo sentiments developed, and the sitting president Balaguer was forced to resign. There was a short period of civilian government under Juan Bosch of the PRD, was restored,³ only to be interrupted with a coup d'état in 1963, which was followed by popular uprisings against the attempts to maintain the status quo. Bosch had engaged in social reform that went against the interests of the “trujillistas” -the military, the Catholic Church and the commercial bourgeoisie- whose power was based in extensive land tenure and trade, and who sought to maintain the control of the state and public corporations. The military

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² For instance, the PRD was funded in Cuba by Juan Bosch and other Dominican exiles. The Democratic Dominican Union (UDD) was funded in Venezuela.
³ In the 1962 elections, Juan Bosch the presidential candidate for the PRD, garnered most of the vote by receiving 58.7 percent.
that was set to follow Trujillo was not particularly prepared to protect and lead a nation. With no leader to follow, the elite became divided and the U.S. intervened directly in the island by sending more than 20,000 U.S. troops to crush the civil war in 1965. In its quest to prevent any communist flare, the U.S. had a special interest in the Dominican Republic. Through a pact between the military, the oligarchy, and the U.S, in 1966 civilian rule was restored with the selection of Trujillo’s protégé, Joaquín Balaguer as president.

The Dominican Republic was unable to develop, much less to institutionalize, any kind of partial oligarchic competition after the assassination of Trujillo. The end of the Trujillo regime did not lead to transfer of power to other social sectors. It was a time of continuities, in which the persistence of traditional ways of doing things, overlaps of modern and traditional, of authoritarian and democratic was the rule (Wiarda, 1998), with Balaguer reinstating Trujillo’s presidential style characterized by a centralized state under his personal control (Moya Pons, 2010). Balaguer has been described as “one of the shrewdest politicians of all time”, “a master politician, [who] was able skillfully to reconcile [democracy and strong government] opposing tensions for over three decades”. Indeed, he was President of the Dominican Republic for over 22 years, inaugurated seven times, and was the dominant political figure up to his death in 2002.

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4 During the 1950s and 1960s, the region became friendly to communist tendencies. In an attempt to counterbalance these and assure loyalty, the U.S. deployed several strategies, from military to immigration policies (i.e. opening of a United States consulate in the city of Santiago in 1962, which later became key for the mass emigration of Dominicans to the US, particularly to New York.)

5 Ironically, the U.S. that had helped oust him from power in 1962 also helped Balaguer win the 1966 elections. After his resignation in 1962, Balaguer settled in exile in the U.S., witnessing from afar the election of Bosch, the revolutionary build up, the civil war and the U.S. intervention. The Organization of American States intervened during the civil war by sending a peace force and becoming a negotiation facilitator.


7 Idem p.194.
The twelve years of Balaguer’s rule between 1966 and 1978 did not break completely with the past. Therefore, his administration was *articulative*. The despotic rule of Trujillo was gradually transformed under the control of Balaguer, but it remained authoritarian in nature. The orientations of this clientelistic political order were given by the beliefs in fairness and justice held by Trujillo, and then by Balaguer. These ideas were absent, since they did not fit their interests; namely, to remain in power at all cost. Ethical considerations were not present in Balaguer’s discourse or his actions, nor was any regard for human rights or democracy. Balaguer was a conservative economic modernizer with a paternalistic view of the state. He wanted the Dominican Republic to become a modern country, and the way to reach that goal was to build society through the state. He considered that society was unable to come up with its own solutions. Thus the role of the state, and his role as President, was to civilize the Dominican society through imposed modernization, no matter the cost. This is what defined his *order-creating* impulse, which differed from Trujillo’s path, in that Balaguer’s political project involved nation-building efforts with him as the leader, while Trujillo’s political project was self-serving. The institutional logic was to satisfy the interests of the elite, thereby servicing their own interests by establishing personal relations. Balaguer also extended small clientelist benefits to the poor.

This was Balaguer’s *order-affirming* strategy which differed from Trujillo’s, in that Balaguer kept an even smaller group of loyalists that acted as a praetorian guard. While Trujillo rewarded his guard with wealth, Balaguer sought the elite’s support in a more subtle manner, by providing them access to state resources and favoring them with special privileges to satisfy their appetites, and he created a larger clientelistic network.
for support in exchange for “gifts.” Similar to Trujillo, Balaguer believed that order emerged from above, from himself alone. The structure of the state and its policies followed this orientation. Furthermore, like Trujillo, Balaguer perceived Haiti as the biggest obstacle for the development of the Dominican Republic. Therefore, Balaguer’s political stances were of strong nationalism and anti-Haitian with a horrific racist discourse.⁸

Balaguer’s rule was marked by corruption, attempts of military coups, right-wing terrorism, assassinations, and activity of left-wing guerrilla groups.⁹ As opposed to Trujillo’s despotic rule, Balaguer’s was authoritarian. It was combined with strong state intervention that led the economy and decided society’s structure with little input from society. Balaguer owed the U.S. for his reinstatement to power in 1966 and for much of the political and economic support, particularly during the first years. He reduced the direct influence of U.S. officials and advisers¹⁰ soon after taking office in 1966. Nevertheless, in order to rule the country, he relied on U.S. aid in the form of donations, and on multilateral organizations in loans and development programs. This U.S. dependence was so important, in 1973, at a critical point when the U.S. negotiated the sugar quota,¹¹ Balaguer offered his resignation to President Richard Nixon instead of the Dominican people. Moreover, the U.S. was the guarantor of business ventures that

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⁸ During Trujillo’s rule there was genocide, with more than eighteen thousand Haitians slaughtered in 1937, when Balaguer was Trujillo’s Foreign Relations minister. Throughout his life, Balaguer loathed Haitians and considered them as a race that was an obstacle for the Dominican Republic’s development.

⁹ The paramilitary group La Banda was used by Balaguer’s military operatives to terrorize the population. More than three thousand Dominicans died as a result of its actions. In addition the military was used to assassinate opposition figures (Moya Pons, 2010).

¹⁰ As the civil war had left a power vacuum, the U.S. managed the country, providing enormous economic aid, and virtually ruling the country.

¹¹ During Trujillo’s rule and for most of Balaguer’s tenure, the most important source of revenue was sugar export.
ranged from mining and industry to service provision, while Balaguer offered generous concessions to attract foreign investment to the Dominican Republic.

During Balaguer’s administration, there was no official ban on political parties, with the exception of Marxist organizations, but politics was limited by the military, police and paramilitary forces that engaged in repressive tactics and violence to restrain opposition figures, trade unionists and peasants. However, Balaguer was careful to distance himself, so that no direct connection could be drawn between suppression and his exercise of power. He also made sure to include “elections” that allowed him to be reelected, thereby keeping the appearance of constitutionality. In addition, Balaguer kept Congress completely subordinated to the presidency, which in turn was supported by the high command of the military and the business elite (mainly associated with the sugar export). All of them benefited from Balaguer’s patronage.

Balaguer undertook policies that expanded the size of the state, developed infrastructure, and promoted economic diversification in the manufacturing area, by offering state credit and promoting public investment. He developed a relationship of dependence with foreign investors and an elite business sector, which participated as contractor and provider for the state. Balaguer offered incentives for operations, provided benefits and protection to those who engaged in business with the state, even when some private companies competed with the public companies. His personalized arrangements incorporated selected businessmen into advisory councils and state agencies (Conaghan and Espinal, 1990). Government officials and military officers benefited with contracts for public works, tax-exemptions, and credit, all contributing to make market competition unfair. He was able to co-opt the small middle class by means
of targeted economic policies and clientelistic practices, which allowed him to maintain control over political participation. In 1972 Balaguer enacted an agrarian reform, which did not aim to favor or change the dependent condition of the peasants, even though it marked the end of large holdings in rice producing areas. Instead, it was a policy designed to promote urban and industrial growth at the expense of the rural areas. The administration controlled the prices of agricultural products, keeping them low to encourage large land tenants to sell their land and to diversify their investments. His patronage and personalistic way of doing politics also extended to other groupings through the use of his Reformist Party (PR-Partido Reformista) as the instrument to distribute favors, from land titles to charity for children and a vast array of public works.

Overall, Balaguer’s ruling (1966-1978) was a mix of guile, judiciary and military corruption, and widespread voter fraud. His extensive clientelistic network allowed him to remain in power, because thousands of workers and families depended on his personalistic apparatus for their well-being, jobs and livelihoods.

In 1978, the Dominican Republic made its transition to democracy, but the process was ambivalent, as it was led by an ambivalent politician who personified Dominican politics. Just as in the three previous elections, in the 1978 presidential elections Balaguer’s triumph was predicted. Balaguer controlled the electoral process, since he appointed the Electoral Central Board (JNE -Junta Central Electoral), was backed up by the military, and had absolute control of the state resources and government. However, over time the opposition PRD grew in popularity among the

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12 The state was the owner of 60 percent of the sugar production. It was the only producer of electricity and the only importer of oil. It had the monopoly of services, as well as nearly 50 commercial and industrial companies (Moya Pons, 2010)
lower, and middle class, particularly among urban dwellers. The coup against Bosch in 1963 and the consecutive events that led to civil war and U.S. intervention strengthened the PRD’s image as the party that fought for democratization. Moreover, during Balaguer’s ruling, the PRD leadership was persecuted, but it was ultimately able to challenge Balaguer in the electoral contest of 1978 with its candidate, Antonio Guzman. As shown in Table 6-2, the election resulted in a strong PRD electoral performance and the victory of Guzman over Balaguer by over 9%. A coup d’état attempted by a pro-Balaguer forces provoked a strong reaction with no historical precedent. Civil organizations launched widely attended peaceful protests and a campaign for resistance (Moya Pons, 2010).

Balaguer admitted defeat only after considerable international and domestic mobilization over the rigged elections. With pressure by emphasis on democracy and human rights with President Jimmy Carter’s administration, and Venezuelan diplomatic intervention, Balaguer, the military, and the PRD’s political leadership pacted secretly. Moreover, Balaguer’s growing unpopularity, the sharp decline in price of sugar and the sudden opportunity for a change of leadership, as well as U.S. pressure, made possible the transition to democracy.

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13 The PRD was founded in Cuba in 1939 by Juan Bosch and other Dominican exiles during the Trujillo dictatorship, and it was founded again in the Dominican Republic in 1962. It was a leftist party that established deep roots in society.
14 The support of the business elite for democracy only became explicit when important business leaders rejected the coup.
15 The 1978 elite consensus was the result of secret negotiations between the dominant political party (Joaquín Balaguer’s Reformist Party or PR), the armed forces, and the main opposition party (the Dominican Revolutionary Party or PRD). Elite behavior in the Dominican Republic changed with regard to respecting electoral democracy, where political and military leaders refrained from challenging the regime (Sánchez, 1992). These agreements were of paramount importance in depoliticizing the Dominican armed forces and provided Joaquín Balaguer, who had won the presidency in the three previous elections through coercion and manipulation, a graceful exit from power.
The agreements consisted in Guzman’s acceptance of a resolution of the JNE, in which the PR was granted a majority in the senate and a large minority in the Chamber of Deputies, as shown in Table 6-3 in exchange of the presidency. This deal protected Balaguer and his officials, who also managed to keep control of the judicial branch. Balaguer sought a graceful exit from power as he accepted the defeat and became the main opposition.

In these circumstances the Dominican Republic’s transition to democracy in 1978 was not the result of the masses’ long struggle for democratization; nor was it an outcome pushed for by the middle class or even the business elite. It was an unexpected turn of events of an electoral procedure and political pacts that sought to quell growing domestic discontent and foreign pressures.


In Skowronek’s original work (1993), no case study illustrates a *preemptive presidency*. However, he considers a preemptive president to be one who is not aligned with the popular polices of the day or the coalition that has been in control of government. A president in this situation faces the challenge to try to place his stamp on politics, while being constrained by the incongruence between his political identity and the political interests prevalent in a resilient political order. This is precisely the case of the two PRD presidencies that inaugurated democracy in the Dominican Republic in the third wave: Antonio Guzmán (1978-1982) and Salvador Jorge (1982-1986).

Until 1978, communist parties in the Dominican Republic were banned, and opposition parties had suffered systematic repression under the army’s constant

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16 Only in the after word of the 1997 edition does Skowronek describe some features of American preemptive presidents (Tyler, Andrew Johnson, Wilson, Nixon and Clinton).
intimidation. Even though the PRD was never illegal nor communist, by doctrine and principle it was a leftist party. Over the years, the PRD garnered support from the poor, especially the urban poor who had no particular connection to the clientelistic arrangements of Balaguer. The PRD was considered the party of the masses, while the PR was the conservative party with support from the business elite and the military with a large clientelistic and patronage network. Dominicans voted for the PRD based on the ideology it professed and the image it built as the party that opposed authoritarianism. Given that it was the PRD's first coming to power since the short-lived experience with Bosch the party did not have in-office experience with policies. But expectations were high, and social pressure for economic and social benefits was enormous. At first, Guzman enjoyed vast political support, but the newly organized actors voiced enormous demands for liberty, redistribution and development. Willing to detach his political identity from his own personal history, Antonio Guzman’s political identity was opposed to that of the established system. He led a party seeking major social and economic changes, but his leftist rhetoric did not coincide with his own social position or his actions. When he assumed office it was not clear how he was going to harness the existing mood and guide it in a more positive direction.

Guzman had a strong mandate, as shown in Table 6-2, with nine points over Balaguer. The economic uncertainties of the time and the failure of Balaguer in enhancing social conditions opened the door for Guzman. Guzman was an opposition leader forthrightly committed to change the course. At first it seemed that he had an opportunity to be president of reconstruction and that he was attempting to establish a

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17 The PRD did not participate in the 1970 and 1974 elections due to systematic political violence against its leaders and supporters (Moya Pons, 2002; Hartlyn, 1998; Wiarda, 1998).
18 Guzman was a moderate landowner and a long-time member of the PDR.
new order by rolling back the terms of the existing conservative political and socio-economic establishment. However, despite Guzman’s landslide victory, he was not able to shift the political orientations of the state and society. His leadership and the timing of his presidency did not allow him to assemble a new majority coalition or to institutionalize a new political order. The existing institutions were molded to keep Balaguer in power. These institutions, which ranged from state employees to the extensive clientelistic network, responded to Balaguer, only proving that the political order he transformed was resilient. Guzman was a preemptive president who had to navigate a course in the face of adverse ideological currents. He tried to develop a viable political strategy that accommodated the continuing, unsympathetic, ideological framework of the Balaguer system, and simultaneously he needed to create a new and sustainable political coalition that worked at both elite and popular levels. He did so by copying Balaguer’s behavior of creating his own clientelistic network using targeted spending (Keefer, 2005).

Guzman committed a series of fatal errors starting with his order-shattering, actions which involved his attempt to establish his presidency above the fray by taking a highly pragmatic approach to politics and distancing himself from his own party. As Skowronek affirms, it is a feature of a preemptive president to state his independence from the received party mandate. It did not help that upon taking office Guzman controlled the administration, dismissing his party comrades. Instead his inner circle, composed of family, relatives and friends, took the most important government positions. Inside the PDR, things were not easy for Guzman. In order to get the nomination of his party, he confronted his rival Salvador Jorge, who supported him in
the general elections, but only to defeat Balaguer. Rivalries in the PDR showed a fragmented party that Guzman was unable to manage after the election; personalism, rivalries, and abusive clientelism plagued his administration (Lozano, 2002).

The conservative business elite, that had supported the transfer of power, organized quickly after Guzman’s inauguration to make sure its business interests would not be threatened, relying on senate control of Balaguer’s PR party. With an anti-communist stance and facing a government decision making style that disregarded their interests, the business elite attacked the government permissiveness of growing unions.

In addition to elite opposition, intraparty rivalries made Guzman’s government weak and unable to focus on the long awaited reforms. Lacking the authority to challenge fundamentally the terms in which the state operated, he made little progress in redefining it. Eventually Guzman tried to reverse his own party’s opposition to his government by putting party leaders and activists on the payroll, as part of his order-affirming efforts. With a large number of state employees, a major fraction of the national budget went to pay salaries, with a payroll that grew by 50% during his administration (Kryzanek and Wiarda, 1988), thus leaving little room for social investment. As fiscal accounts deteriorated, his economic policies sought to compensate for the lack of revenue. The administration printed money and became highly indebted to multilateral organizations.

In order to satisfy his constituency, Guzman’s order-creating efforts tried to fuel rural development projects that historically lacked financing, and he tried to implement

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19 The elite established the National Council of Businessmen (CNHE- Consejo Nacional de Hombres de Empresa), which became an active political player.
agrarian reform, ignoring existing laws. He also tried to revive the Dominican agricultural sector that was disregarded during the last years of the Balaguer presidency. Like Balaguer, Guzman subsidized food as a way to build his own clientelistic network. He also subsidized the vast inefficient state companies. In an effort to differentiate himself from Balaguer, his *order-creating* impulses led him to nationalize public transport and to raise the minimum wage. As a response to these policies, the private sector increased prices, leading to increased and causing a reduction of the purchase power with the given wages.

Guzman’s economic management was a major failure, because it could not provide sound economic, social or institutional policies, nor could it sustain the clientelist relationships it built. In addition, in 1979 two hurricanes left thousands homeless and caused widespread damage, both amidst economic deterioration that included high fuel costs and low sugar export prices. With the economy mismanaged, Guzman’s popularity decreased, while his adversaries’ became more popular. Furthermore, as soon as Guzman assumed power, he started to work towards reelection, when his own party was by tradition the political force that had always opposed presidential reelection. Throughout this time, Balaguer was always keen in highlighting Guzman’s shortcomings and in reminding Dominicans of the “better economic times” under his own rule.

As the end of his term approached, the PRD rejected Guzman’s endorsement, vice president Jacobo Majluta, and instead chose Salvador Jorge as its presidential candidate. In the PRD’s 1982 convention, the factionalism was evident. The faction led by Jorge beat Majluta and pressured the party leader, Francisco Peña, to organize his own faction. Jorge was elected Dominican Republic’s president, but Guzman sought
unsuccessfully the help of Balaguer and the military to prevent him from assuming power. Finding himself isolated, accused of corruption and of favoring the enrichment of cronies, and faced with the prospect of legal charges, Guzman committed suicide in July 1982, only a month before finishing his term. Indeed, one of the characteristic risks of preemptive presidencies is that in trying to chart a different way to govern, presidents appear to wholly lack political principles and are often branded as unscrupulous and cynically manipulative (Skowronek 1993: 449).

Despite the failure of his leadership, in terms of democracy the Guzman administration was a step forward in sending signals to quell authoritarianism. Political prisoners were released and political exiles were able to return. However, these important events were not Guzman’s policies, but they occurred as a result of pressures from his own party, the PRD. Furthermore, during Guzman’s term, media censorship was eased, and Congress was granted more leeway. Furthermore, one of Guzman’s contributions to democracy was the depoliticizing of the Dominican military, and he purged Balaguer military supporters from government (Moya Pons, 2010) as an attempt to affirm his own preemptive leadership.

Guzman failed in building a sustainable political coalition, because he could not count on his own party for support, he did not include professionals in the state administration to create institutions, nor did he gain support by the business elite.


In 1982 another PRD candidate, Salvador Jorge, won the elections, and for the first time the party gained a majority in both houses of Congress. As Guzman’s, Jorge’s presidency was *preemptive*, although it seemed to have the opportunity to become reconstructive. He rode into power with a party opposed to a previously dominant rule.
Jorge had built a reputation as a democrat, and his campaign of “political and economic democracy” sought to convey a message that would resonate with the poor urban masses as well as with the business community. He was determined not to make the mistakes of Guzman by isolating his party or the business elite. Jorge’s order-shattering actions started by establishing a close relation with leading businessmen. At that time, businessmen realized they needed state support for policies to benefit the growing private sector. They also realized that having a war with the Balaguer-dominated state administration would result in increasing social mobilization and uncertain results. A dramatic shift in the tone of the relationship between business and government took place with the inauguration of the new president.

Jorge assumed office in an unfavorable economic climate. The Guzman administration had left a country seriously indebted, with high inflation and declining living standards. During his campaign, Jorge openly criticized Guzman’s policies and promised to restore confidence in the country. His criticism of the previous administration was less important politically than his rejection of Balaguer’s sturdy alternative. However, he did not make explicit the policies that he eventually implemented: extreme austerity measures, a contraction of public and private credit, and arrangements with the IMF. Indeed, as part of his order-shattering actions, the Jorge administration appealed to the IMF for financial aid, which was conceded only after the government agreed to implement adjustment policies. His order-affirming actions undermined support for its own program, as the administration maintained an ambivalent discourse by denouncing the IMF’s impositions at the same time that it implemented them.
Economic adjustment caused great economic pressure on the government and society, since the measures involved reducing the fiscal deficit and devaluation of the domestic currency. This led to disturbances with food riots. To order-affirm his actions and to control the situation, Jorge called the military to repress the population. The most damaging events in Jorge’s administration became the crushing of protesters in April 1984, when more than 100 people died. Although Jorge’s leadership project and his party platform were favorable to labor, his adjustment policies caused high unemployment and the growth of the informal sector, making the already weakened labor unions more vulnerable (Conaghan and Espinal 1990). For these reasons, Jorge did not provide a coherent alternative as a leader opposed to the previous rule, nor was he able to cut deeply into the political, institutional or ideological bedrock of the Balaguer apparatus.

The mounting economic hardships added to widespread PRD clientelism, and the betrayal of the administrations’ promises made the government extremely unpopular (Espinal, 1987). The labor unions’ lack of success with regards to wage increases led to riots and general strikes. In addition, creditors suspended loans to the Dominican Republic in 1986 due to the government’s inability to make new payments. Maneuvering around the ideological spectrum, zigzagging in their policy commitments and crafting a hybrid, Jorge’s administration did not fit any label. Caught in what Skowronek calls a “third way,” a situation in which the president tried to be independent, but at the same time his tenure was imbedded in Balaguer’s state apparatus, and having to follow IMF’s

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20 In 1984, more than 100 new unions were certified by the Labor Ministry (Espinal, 1995).
21 Due to disagreements, the most important labor unions, the General Central of Workers (CGT-Central General de Trabajadores) and the General Union of Dominican Workers (UGTD-Union General de Trabajadores Dominicanos), were divided. Thus the labor movement had no chance to obtain concessions.
22 In 1984 there were 103 protest movements; in 1986 there were 293 (Espinal 1995, 69-71).
policies, Jorge became isolated. This leadership stance is characteristic of preemptive presidents, such as the cases of U.S. presidents Nixon and Clinton. Jorge’s third way came to be a personal and constitutional test of will that culminated in a devastating collapse of presidential authority.

Moreover, just as under Guzman, when Jorge became president, his party was still divided. Jorge’s administration was also debilitated given his rival’s control of Jorge’s party in Congress. Majluta was the president of the senate and controlled the party faction in Congress which opposed Jorge, consistently preventing the approval of laws for the implementation of his economic program. The division, violence and fraud in the PRD’s 1985 convention undermined the chances to beat Balaguer in the coming presidential elections. Party factions distributed state posts in exchange of support for Majluta, who became the PRD presidential candidate and provided the opportunity for Balaguer’s return.

Despite the negative performance of the Jorge administration in providing solutions to the problems of the day, the Jorge presidency contributed to the efforts started by Guzman in curbing the military. Jorge’s order-creating efforts helped to institutionalize and professionalize pockets within the military by dismissing and replacing both top and middle rank officials. At first, this allowed him to build a support group within the military, but as more firings continued, due to Jorge’s growing suspicion of the influences of the U.S. and Balaguer, the military became apprehensive. Jorge’s military policy also led adversaries to suspect him of building a military force loyal only to himself. Jorge did little to dispel this idea, and the press was quick to learn of Jorge’s
lavish gifts to military and some civilian supporters. Moreover, his administration was also plagued with accusations of corruption orchestrated by Balaguer supporters.

Like Guzman’s, the Jorge presidency was also a preemptive presidency, and in the end Jorge reproduced Balaguer’s hold of power, with partisans in state posts. The inability of Guzman and Jorge to develop a new political space for their party agenda illustrates the complex and highly uncertain nature of preemptive leadership. The two PRD administrations saw an increase of legislative activity (more independent) with real debates over policy, to the extent that Congress became a moderate force in challenging the executive. But these administrations suffered from overwhelming intraparty rivalries and disputes that went from policy to corruption. The Balaguer system proved to be resistant to both PRD administrations, as public support was strong for an activist government that would deliver through clientelistic channels. Balaguer appeared to be the only Dominican leader able to impose political authority in the state, society and the economy.

**The Joaquín Balaguer Articulative presidency (1986-1990)**

The tough, brilliant old president who shaped and directed the old system once again returned to office to reinforce it. As explained previously, Balaguer had founded the conservative rightist PR in 1964, and he refurbished his political machine in 1985. This allowed him to return to power for the second time in 1986 under the recently funded Social Christian Reformist Party (PRSC-Partido Reformista Social Cristiano), only this time under the democratic mantle. The PR became the PRSC after it associated with the Revolutionary Christian Democratic Party, establishing international support with the Socialist International. Even though the PRSC’s image sought to convey it was a democratic party, it remained a personalistic and clientelistic vehicle for
authoritarian Balaguer. However, this time it had a “progressive but moderate program”.\(^{23}\) Traditionally the PR/PRSC had maintained support from the economic elite and the peasantry, but with the growth of the cities and the implementation of the import substitution industrialization model, peasant support was undermined, as the rural areas did not receive the necessary attention from the state. The conservative and upper middle classes supported Balaguer (Lozano, 2002), but Balaguer did not have the military that had accompanied him in his twelve years of previous ruling. After eight years of PRD administration, civil society in the Dominican Republic had acquired more importance, particularly business and the middle class. But hopes diminished for change through electoral means, and social movements questioned the country’s authoritarian structure and, above all, the dizzying fall of living standards (Cassa, 1997). However, Balaguer’s presidency (1986-1990) was *articulative*, as he was able to continue the essential authoritarian outlines of the state system that he left in 1978, he maintained the support of the business community via economic favors and advantages, as part of his *order-affirming* impulse.

Upon his inauguration Balaguer’s *order-shattering* actions led his administration to mount a campaign of “moralization,” which consisted in persecuting his predecessor by charging Jorge of criminal and constitutional charges. To avoid Jorge’s possible return to the presidency, Balaguer used both the justice system, which he controlled, and the media to discredit Jorge and his collaborators (Lozano, 2002). The PRD administrations were branded as the most corrupt and inefficient in the Dominican

Republic’s history.\textsuperscript{24} His campaign was successful in isolating Jorge, who was abandoned by friends, collaborators and party comrades, since any association with Jorge made individuals into deplorable persons.\textsuperscript{25} In 1987 Jorge was tried in absentia and sentenced to 20 years in prison. He served several months in prison and spent most of the rest of his life fighting in courts.\textsuperscript{26}

Balaguer managed not only to destroy the prestige and influence of Jorge and of the PRD, but also to reverse Jorge’s policies. His \textit{order-shattering} impulses also led him to bring back the military officials that were dismissed during the PRD administrations. Fearing Jorge’s influence on the military, he made sure the military was purged of PRD sympathizers and instead appointed radical rightists. Balaguer also reversed the few liberal economic policies that were implemented under the PRD administrations and replaced them with an “economic dictatorship” that effectively returned absolute control of the economy to the government.\textsuperscript{27} Inheriting an economic mess, he sought to carry on an ambitious program. Balaguer’s economic program was based on providing infrastructure as part of his \textit{order-creating} efforts, but a spiraling budget deficit led to rising inflation and deteriorating external balances. At first he sought to run the economy the way he used to, but with deteriorating conditions he had to back up, and eventually he appealed intermittently to the IMF for help. In 1989, the IMF sponsored policies that sharply reduced inflation and stabilized the exchange rate, but it also resulted in a deep

\textsuperscript{24} Former ministers and government officials during the Jorge administration were also accused of crimes and corruption, the most salient being corruption over the overpriced sale of military supplies that included unlawful commissions.

\textsuperscript{25} Jorge sought asylum in the Venezuelan Embassy, but his request was denied. After several regrettable vicissitudes, he was granted permission to travel to the U.S. to receive medical treatment when his health deteriorated.

\textsuperscript{26} During the PRD’s Hipólito Mejía’s administration (2000-2004), Salvador Jorge was vindicated of charges of corruption during his administration.

\textsuperscript{27} See Moya Pons (2010), particularly chapter twenty one.
recessions. By the end of the decade, the economy was stagnant with low growth, rising inflation, food shortages, and capital flight. Most dramatic was the emigration of thousands of hopeless poor and middle class Dominicans to the US, Puerto Rico, and Venezuela. For those who stayed, the adjustment provoked a strong reaction in the population. Protests emerged everywhere, with unions, professional organizations, urban poor, peasants and agricultural workers demanding better salaries and conditions. Protests were violently crushed, particularly in February 1988, June 1988, February 1989 and May 1989, resulting in the deaths of dozens of citizens. The movements were never well organized, and they generally suffered from a lack of clear direction (Cassa, 1997).

**The Joaquín Balaguer Articulative presidency (1990-1994)**

The 1990 presidential elections took place in a period of solid party identification with strong leaders, embodied by Joaquín Balaguer, Juan Bosch, and Francisco Peña. Indeed, the most important contenders were the historical leaders of the three most important parties. With the growing discontent in the late 1980s, Bosch’s party, the PLD, gained prestige in the wake of the discredit the PRD suffered after its eight years

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28 These stemmed from measures destined to deal with high world oil prices, given the Dominican Republic’s dependence on imported energy, the exhaustion of the import-substitution model, the inadequacy of adjustment measures adopted and persistent fiscal deficits.

29 The rural Dominicans were not necessarily the poorest, since the Dominican Republic has traditionally relied on Haitians for harvests and country labor work. The rural Dominicans owned their land which was considered very valuable. Local production has consistently been insufficient to meet internal consumption and in later years the tourists (Interview with Anonymous DR #3).

30 Juan Bosch founded the PLD in 1973 after splitting from the PRD. It was founded as a Marxist party, and in its early years it was quite radical with an anti-imperialist discourse, calling for “national liberation.” For many years it was a cadre party, with partisans subjected to rigorous training and disciplinary actions.

31 Francisco Peña was former protégé of Bosch, and he became one of the leaders of the PRD after Bosch left the party. Despite not being the PRD’s presidential candidate, Peña was a key figure in the party; he was black and of Haitian origin. Conscious of the racism in the political class and the difficulties to overcome an anti-Haitian societal discourse, he stepped back, allowing Guzman (1978), Jorge (1982) and Majluta (1986) to become the party’s presidential candidates. After surviving a heart attack, Peña believed it was his destiny to become Dominican Republic’s President (Interview with Anonymous DR #5).
in the presidency from 1978 to 1986. Moreover, the PRD went to the elections particularly weakened, due to the internal disputes between Peña and Majluta; the latter left the party only months previous to the election. Bosch had moderated his discourse and gained appeal to the poorest groups of the nation to the point of seriously challenging Balaguer in the 1990 elections. However, Balaguer was reelected in 1990 in an irregular electoral process.\textsuperscript{32} The PRD under the leadership of Francisco Peña recognized irregularities but considered the elections legitimate overall, while the PLD argued fraud. The fraud was quite evident as it took 58 days for a Balaguer-controlled Electoral Central Board (JCE- Junta Central Electoral) to declare Balaguer the winner.

As in his previous administration, Balaguer’s political project remained the same. His authority, although contested in the elections, was not contested by the state, and he had no intention to deviate from his way of ruling. Hence, in this presidency he sought to continue reinforcing its \textit{articulative} nature, but without resources to import oil and with deteriorating conditions. He was able to remain in office despite enormous domestic political and social pressure, only after he announced possible resignation and free elections for 1992.\textsuperscript{33} This maneuver created confusion among the opposition, giving time to threaten and bribe politicians and union leaders. Balaguer also promised reforms to confront the economic crisis without really knowing how to tackle it. He agreed on the thorough implementation of reforms, only after the Cardinal-Archbishop warned Balaguer of the dangers of continuing with his monetary and economic policies.

\textsuperscript{32} Balaguer’s political machine devised a strategy to take away some of Bosch’s support by buying electoral ID cards at high prices. Thousands of peasants and urban poor sold their cards, effectively depriving the PLD of their votes.

\textsuperscript{33} The country was paralyzed from September to November of 1990 without fuel, as the government could not afford to pay for oil. For a complete account of the Dominican Republic’s economic history in this period, see Moya Pons (2010), particularly chapter twenty one.
and the imminent danger of being ousted by popular protests (Moya Pons 2010). It was hard for Balaguer to accept the blame for the crisis and to back off from his stance against the IMF, but he had no choice but to accept its demands for fiscal discipline. He created the Pact of Economic Solidarity (PSE-Pacto de Solidaridad Económica), signing it with the business community and purposefully excluding the opposition parties. This was the *order-shattering* impulse for his new administration. This “pact,” which was the platform of the PLD and was designed by business groups, consisted of structural adjustment policies and the liberalization of the economy. By 1991, the Balaguer administration switched the rationale of its economic policies, implementing them with the aid of the IMF and the international community without all the systems and processes that he had created in all his previous years as president. He kept responding to the same social interests as before, protecting the institutional prerogatives of his system. Balaguer’s initial economic stabilization program involved widening the tax base and controlling exchange rates and inflation, all of which caused hardship on the population. However, with time and a favorable international economic environment, he was able to revitalize the economy.

Moreover, with liberalization several sources of power and clientelism were reduced giving the impression that there was a new, and less corrupt, political order altogether. However, Balaguer (1990-1994) remained an *articulative president*, only changing his position with regards to keeping the Dominican Republic isolated from the global trends. In his effort to modernize the country, his *order-creating* impulse led him to open the country to foreign investment, and he created export processing zones seeking to attract foreign investment. He transformed the country into a premier tourist
destination\textsuperscript{34} and targeted his efforts to showing development in visible areas (electricity, water, housing, transportation) through state corporations. With massive infrastructure works, fewer black outs, irrigation, and Santo Domingo looking more modern with roads and monuments, the country was dynamized. The liberal monetary policies that included the liberalization of the currency remained stable until 1994 when a growing trade deficit increased.

Since there was a new economic order, a neoliberal one, the relationship between the state and society seemed to have changed in the eyes of many, particularly the international community. However, this change was superficial; the Dominican Republic’s neoliberalism changed in economic terms but politically remained the same. The Balaguer-controlled state reduced its role in economically supporting the poor. It reduced food subsidies, and the opportunities for the private sector opened with fewer restrictions and controls. The state bureaucracy with its activity in sugar, electricity and construction was the major employer in the country (Kryzanek, 1996). However as the economy grew to other sectors, the private sector provided more jobs, particularly in the tourism sector. At the political level it changed little, since Balaguer’s reforms were not followed by public administration reforms, and the administration remained centralized according to Balaguer’s \textit{order-affirming} impulse.\textsuperscript{35} The state remained captured by the strong executive of Balaguer with weak administrative laws, a high degree of political clientelism, and insufficient officers’ capacity (Keefer, 2002).

With regards to the military Balaguer continually reshuffled military officers and turned a

\textsuperscript{34} Puerto Plata and La Romana (1980s), as well as later developments targeted for other areas such as Bavaro (1990s and 2000s), became top world tourist destinations.

\textsuperscript{35} Despite timid policies to formalize public administration service in 1991, the quality of administration remained compromised by the discretionary presidency.
blind eye on corruption, remaining personally untouched. As the 1994 elections approached, political uncertainty made the market rates increase substantially. Furthermore, problems in servicing the foreign debt were remedied by intermittent assistance from the IMF, which advised austerity measures that caused strong public discontent and civil disorder. The recession affected businesses, and Balaguer had to placate the private sector, particularly the financial system, tourism and duty free zones with bribes and promises.36


In the 1994 election the historical leaders faced each other for a second time, with Balaguer and Bosh being the most senior candidates.37 To counterbalance their images as patriarchs, each chose a younger running mate: Balaguer with Jacinto Peynado for the PRSC,38 Peña with Fernando Alvarez for the PRD, and Juan Bosch with Leonel Fernández for the PLD.39

By 1994 the PRD was no longer fragmented. Peña united all factions and became a challenging contender, not only for his political discourse, but also for what he represented, a black man contesting the country’s presidency with the potential to create disorder.40 The party with less chance of success was the PLD, as the leadership of Bosch had lost electoral appeal.

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36 Interview with Anonymous DR #8.
37 Balaguer was 88 years old, he was blind and physically weakened. Bosch was 85 years old showing signs of mental weakness (Interview with Anonymous DR #7, Anonymous DR #5, and Anonymous DR #9). At 55, Peña was the youngest.
38 Jacinto Peynado was a businessman with good connections in the military.
39 Fernández’ first appearance on the national stage was as Bosch’s vice presidential candidate in 1990. He was portrayed as smart young lawyer who spent his childhood and youth in New York.
40 For Peña, as opposed to Balaguer and Bosch who had a top-down view for development, the Dominican Republic had a society capable to bring social democracy and development; he believed change would emerge from the bottom up.
As shown in Table 6-4, these elections registered the lowest levels of absenteeism in the country’s history. Dominicans regarded the election as important, since Balaguer had been losing popularity, particularly due to the adjustment policies and his continued disregard for social reforms.

As in previous elections Balaguer attempted reelection using widespread electoral fraud, but this time the evidence was better documented by the opposition parties, and there was a larger and better prepared group of international observers monitoring the elections. Furthermore, pressure from the international community with the OAS, UN and the U.S. Embassy was extensive. On the verge of major turmoil, Balaguer was elected president only after party elites and a number of relevant social groups, including the Catholic Church, private sector and military, signed the “Pact for Democracy”. Peña agreed to recognize electoral defeat only if Balaguer's term was shortened and the constitution was amended. As shown in Figure 6-1, personal opinions of Balaguer were negative until the economy recovered during the summer of 1992, when opinions became positive until the elections. However, after the attempts to remain in power, opinions became negative again, becoming positive only after the agreement on constitutional reform. For the rest of his term they remained negative.

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41 Voter disenfranchisement became evident after the JCE admitted the existence of two national lists of voters, clean and altered one. The latter was a voter list that purged PRD registered members and the one that was used on Election Day.
42 With the Haitian crisis next door resulting in a large emigration of Haitians, particularly to the U.S and a subsequent fragile return of Aristide, international pressure was enormous.
43 The majority of the traditional conservative leadership of the country, including the Catholic Church with the bishops and business leaders, openly favored Balaguer.
44 The original agreement was to have elections in November 1995, but then the date was moved to May 1996. Peña Gomez was advised of the maneuver but after the fierce battle he was tired and in poor health (Interview with Anonymous DR #5).
Opinions of Balaguer’s presidential performance followed the same pattern, as shown in Figure 6-2. The 1994 compromise altered substantially the political landscape, as it showed that Balaguer was not unbeatable and that he needed the collaboration of other politicians in order to legitimate his ruling. The constitutional reform positively affected the political system as it established clear electoral rules. However, the changes responded to a political crisis situation and did not represent a planned strategy. For this reason, the constitutional reform was not designed to change the structure of the country.

The constitutional changes facilitated the removal of a president believed to have gained office through fraudulent means and abolished immediate re-election for an incumbent president. Initially it included the election of the president in a first round if the candidate reached 45% of the total vote. However, at the last minute the draft was changed by PRSC and PLD politicians to raise the threshold to 50%, because it was thought to be easy for Peña Gomez to garner 45% in the next election. Other constitutional reforms included non-concurrent Congressional and municipal elections, to reduce the tail gate effect of presidential candidates in the composition of Congress, and the establishment of the National Council of Magistrates (CNM- Consejo Nacional de Magistratura), responsible for the selection of judges to the Supreme Court. Like the 1966 Constitution, the 1994 Constitution provided the legal framework for the president’s exercise of power; it still granted vast power for a strong presidency, effectively undermining the chances to create horizontal checks and balances.

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45 Marsteintredet (2010) considers the 2004 judicial reforms the most important result of the pact between Balaguer and Bosch, as the guarantee for Balaguer to keep control of the country.
46 Constitutional articles 50 and 44 describe the vast powers of the presidency (Payne, 2007). President’s powers include: governing by decree when there is a need of national importance (which can be loosely interpreted), the
The agreement that permitted Balaguer to continue governing also stated that the elected Congressional candidates were to be sworn and occupy their positions as senators and deputies until 1998, despite all the flaws found in the electoral process. As shown in Table 6-3 the PRD had a plurality of seats in both chambers with 57 deputies’ seats and 15 senate seats. However Balaguer, with the PRSC’s 50 seats at the deputies’ chamber and 14 in the senate, governed with PLD support, with only one senate seat and 13 in the chamber of deputies.

As in his previous presidencies, Balaguer’s final term (1994-96) was an **articulative presidency**, characterized by more of the same in political terms. Balaguer did not repudiate any of his previous actions, nor did he try to modernize the institutional arrangements he had set up and maintained throughout the years. His presidency registered better economic performance with sustained economic growth, and the government’s revenue increased. There were also increases in public spending, including lavish public works projects (particularly in Santo Domingo), as well as increases in public-sector wages, distribution of land to the poor, and the construction of roads, schools and hospitals. Despite attempts to halt the deterioration of the fiscal accounts, the Balaguer administration maintained ownership and operation of inefficient businesses and industries. In the run-up to the 1996 presidential election, only a small fiscal surplus was maintained, keeping the public companies behind on their payments.

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right of veto over Congressional decisions (although any presidential veto could be overturned by a two-thirds vote in both chambers), suspension of basic rights in times of emergency. The president appointed and removed government ministers and virtually all other high-level public officials, although in practice the president has used his powers to appoint all sorts of officials from ministers to a gastronomic adviser (Interview with Anonymous DR #2). Despite formal separation of powers, and law making, control of state resources and the administration’s effectiveness largely depended on the discretionary appointments of the president. The president controled the state’s budget, hoarding policy formation and implementation by decree (Keefer, 2002).
By the end of Balaguer’s third consecutive term since the 1978 elections, he had shifted an exclusively state-led economy to a neoliberal one, which became stable, changing the engine of the country from agriculture to manufacturing and tourism, and improving conditions for tourism investment (Lizardo and Guzmán, 2001). Balaguer’s leadership project was to be remembered in Dominican Republic’s history as the statesman who brought modernity to the country. For him modernity meant infrastructure development, as opposed to a focus on human development. There was no sense of investing heavily in social areas, such as education and health care. Construction of schools and hospitals was a response to the necessity of keeping society calm, so that he could remain in power. Interestingly, he did not live a lavish life. He benefited relatives, friends and loyalists with favors and wealth, but his self interest was power for the sake of power.

All of Balaguer’ presidencies were articulative, Balaguer reinforced and maintained the order and commitments he helped establish and modify, but with a striking similarity to the authoritarian order prior to 1978 at the political level. He maintained programmatic and clientelist linkages that facilitated continuity (Hartlyn, 1998). The neoliberal policies he implemented from 1990 onward would have predicted that social restructuring would transform the political order in place, but it did not happen.

At the end of his term, Balaguer’s political legacy highlighted his contempt for democracy, democratic procedures and anything that had to do with transparency and accountability. His “three incarnations” (Wiarda 1998) were no less than Balaguer’s masterful ability to adapt to the times. As an illustration of the Latin American
authoritarian tradition, Balaguer governed the country by creating and adjusting domination mechanisms that guaranteed his ruling, and when electoral democracy became the only game in town, he made sure he would remain influential in all Dominican matters. The system he created was based on clientelistic relationships with informal rules which stressed vertical aspects of authority and dominance and highlighted the social aspects of loyalty and reciprocity.\(^{47}\) This relationship assured that Balaguer could change the laws at his own convenience. Another characteristic of his rule was the lack of professionalism. The tactic he used to prevent anyone from acquiring sufficient experience to menace his interests was high turnover in state posts. The same can be said with regards to the private sector; Balaguer allowed limited leeway for initiative and dynamism and he made businesses flourish and decay, because he made them dependable of the central government. All economic activity was dependent on the state, when providing supplies, when trading in the domestic and external market, and when requesting permits, thereby making the state the most important source of employment. Additionally, his view of a centralized state went hand in hand with the development of a powerful presidency and the highly authoritative presidential regime he helped to establish. As he was the ultimate decision maker, he did not allow an effective system of checks and balances, Congress under Balaguer was a rubberstamp of the executive decisions (Espinal, 2004), and the Judiciary was a formal authority that he used to his convenience to persecute and control politicians. There was no reliable guarantee of fair rules for political competition. In order to please the international community, Balaguer made the Dominican Republic seem

constitutional with an electoral democracy. He enacted a tailor-made Constitution in 1966, which allowed him to have a “legal” rule. In practice, he managed to use the Electoral Board and the rules to become reelected. Not even in local elections did he allow the development of new leaderships. The culture of clientelism and favoritism needed to maintain his rule was reinforced permanently. When he saw his popularity declining he provided benefits and favors to the leaders of the organizations opposed to his policies.


Leonel Fernández’ first administration was an articulative presidency. Even though his political identity and affiliation were different from his predecessor, upon taking office he encountered a strong political order that had a set of political commitments difficult to disregard. Fernández was not a president who broke significantly with the past, nor did he bring a whole new vision for the country. He believed that the path Balaguer chose for the country was the correct one, his leadership project involved making history by continuing to strengthen the economy and to provide better conditions to attract foreign investment. Fernández’ administration focused on trying to change the order set up by Balaguer on his own terms, without altering the power structures. However, the omnipresent influence of Balaguer frustrated the president who ended up surrendering to his predecessor’s power.

As previously explained, the combination of the Central Electoral Board (JCE - Junta Central Electoral) as a professional election agency, and domestic and international observers helped remove Balaguer and the advent of the first untainted elections created great expectations. The process between 1978 and 1996 was certainly a step toward democratization, but it did not convert the Dominican Republic
into a liberal democracy. Free and fair elections were not established until 1996. Previously there had been no broad protection of civil liberties or leveling of the political playing field for fair competition. Through clientelism, threat and intimidation, Balaguer kept dominating access to the state, the media, and other critical resources.

Regarding the constitutional changes of 1994, the 1996 elections were the first elections that could be held in two rounds. Once again, in the 1996 presidential campaign the three major parties presented candidates for the presidency. As Balaguer was banned to run for reelection, the PRSC had Jacinto Peynado, Balaguer’s former vice president, as its candidate. The PLD’s candidate was Leonel Fernández, the former vice presidential candidate, who was Bosch’s heir and the new leader of the party.48 For the third consecutive time Peña was the PRD’s candidate. The PRD and PLD’s platforms were almost identical. They were vague on the implementation of policies, but both promised to fight corruption and poverty and to end authoritarianism.49

Leonel Fernández was young and friendly, contrasting dramatically with his predecessor’s physical decrepitude and old style. He also contrasted with Peña, the veteran politician, whose rhetoric was powerful but whose identity and personal history were at odds with the ideal image of a leader that was created throughout the years in the country’s imaginary. Early in the campaign, it was evident that Peynado did not have much chance to win as Balaguer withdrew his support from his own party’s candidate.

48 After the 1994 elections Bosch announced he would no longer run for president, but he remained being nominally the PLD’s president for life. Although he maintained certain influence in the party, it became clear that he was incapacitated; and had manifested signs of Alzheimer’s disease since 1990. By the post-election negotiations of 1994, he had already given up control of the party and was forced by his own comrades to retire from active politics (Moya Pons, 2010).
49 The PLD was originally a leftist party in the late 1970s and 1980s, but by 1996 it was backed by conservative elements of society. The PRD was the party with more tradition in the Dominican Republic, with factions that ranged from the radical left to the right. However, by 1996 it was a center-right party that received support from all groups of society, while the conservative PRSC was on the right (Espinal and Jimenez, 1998; Morgan et al., 2011).
Peynado attempted to have independent action that Balaguer was not willing to accept.\textsuperscript{50} Balaguer had a personal issue with Peña, who in the 1994 elections was widely seen as the true winner, and up to 1996 remained his strongest political competition. Political polls indicated that for most of the campaign the PRD candidate was the clear front runner. Balaguer and Bosch/Fernández reached an implicit understanding to prevent a runoff victory of Peña, using the argument that the Dominican Republic was “in risk of falling into Haitian hands.” By then, it was clear that Bosch was no longer in charge of the PLD.\textsuperscript{51} Fernández wanted to capture the presidency, among other things, as a way to demonstrate that he could be the leader who accomplished the presidency and offered to his party.

At the beginning of the race Peña tried to focus on his social democrat credentials and the political ideology behind the policies he proposed. But the 1996 elections were among the most anti-Haitian, racist and anti-black political campaigns ever experienced in the Dominican Republic.\textsuperscript{52} The first-round of the election failed to produce a winner with an absolute majority. As shown in Table 6-2, Peña placed first with 41.06\% of the valid vote against Fernández who had 38.93\%; Peynado, was a distant third with 15\%. For the run-off the PLD entered into a formal alliance with PRSC, which helped Fernández to secure a victory.

The run-off became a fight not on ideas but on identity and ancestry. Peña received all sorts of attacks due to his race and Haitian origin.\textsuperscript{53} Balaguer used state

\textsuperscript{50} Interview with Anonymous DR #12.
\textsuperscript{51} Some interviewees assured that before the first round there was a secret accord between Fernández and Balaguer with the sole objective of stopping Peña.
\textsuperscript{52} Interview with Anonymous DR #3.
\textsuperscript{53} For instance, in the city of Santiago during the PLD’s last rally before Election Day, the PLD candidate exhibited an ape as part of the program. The images where captured on TV and shown on national television (Interview with Anonymous DR #9). Peña’s campaign efforts centered on trying to prove his “dominicaness”, distributing
resources to mount a ferocious campaign against Peña, who was forced to spend the rest of the campaign trying to assure voters he was not Haitian but Dominican. These actions effectively weakened Peña’s prospects of becoming elected, while benefiting Fernández. Balaguer made public statements supporting Fernández “for the sake of the country” and apparently not asking for anything in return.54

As shown in Table 6-2 Fernández won the run-off with 51.25% of the vote and Peña obtained 48.75% of the vote. Leaders of the PRD urged Peña to reject the results and file a claim for fraud, but deadly clashes between party sympathizers on election day, similar to those of 1994, made Peña concede the victory.55

The results of the elections stressed the importance of the 1994 elite pact between the PRSC and PLD, while it prevented the PRD from gaining the presidency, such an alliance weakened governance and inhibited Fernández from carrying on a leadership project with freedom. Moreover, when Fernández assumed office, the PLD held the minority in both houses of Congress, given that the constitutional reform of 1994 made Congressional and presidential elections non-concurrent, thereby postponing congressional elections until 1998. For this reason, at the outset in his first presidency Fernández (Fernández I) was a hostage of Balaguer’s political authority and the institutional order Balaguer championed.

Fernández I was an articulative president, who could not exercise power in his own right or articulate his own vision for the country. Fernández’ mandate was weak,

notarized identity documents proving his place of birth, and in defending himself from accusations of outrageous voodoo practices, as opposed to Fernández, who sent hopeful messages spreading his ideas about modernization of the state, including privatization of state companies and the end of corruption.

54 Two interviewees (Anonymous DR #5 and Anonymous DR #7) asserted that Balaguer did not ask PLD to return the favor for his support, at least not before the run-off.

55 By then Peña was sick, recovering from pancreatic cancer, and tired of the intense two-year political fight with Balaguer (Interview with Anonymous DR #5).
but the hopes were raised as he heralded a new generation of political leaders. He was the first president of the PLD, the party that occupied government for the first time in history. His discourse was optimistic and positive. Unlike the presidential image Dominicans were used to, Fernández’ image did not transmit fear. However, because of his image and his lack of political experience, in comparison to Balaguer he was perceived as soft.

At the beginning of his presidency, Fernández tried to break free from the commitments established by Balaguer. Balaguer had said he did not ask anything in return for his electoral support, but if Fernández wanted to pass legislation he had to seek support from the PRSC.

Fernández order-shattering impulse was evident at his inauguration, at which he expressed his commitment to fight corruption and to discard authoritarian habits of the past. Indeed, previous to his inauguration, the PLD’s transition team had prepared reports on the condition of the state’s companies, noting an array of crooked activities in virtually all of them.56

Balaguer ended his alliance with Fernández, not only because of the investigations, but also because the new president had refused to allow Balaguer’s party to continue controlling judicial appointments.57 Wanting to avoid prosecution, Balaguer turned his back on Fernández and forged an unofficial alliance with Peña’s PRD in Congress. The two parties distributed directive posts in the senate and the deputies’ chamber among themselves.58 Balaguer had virtual veto power over

56 Interview Juan Bolivar Diaz
57 Interview with Anonymous DR #14.
58 Starting in 1996, the benefit for the opposition in the legislative coalitions has been to obtain the presidency of the lower chamber of Congress and the leadership of the Municipal League (Liga Municipal Dominicana, LMD).
Fernández, as he showed from the start. It was difficult for the most powerful politician in contemporary Dominican history to let go of power and make himself vulnerable. Balaguer remained the country’s power broker and continued to pull strings.

Fernández saw his leadership project blocked and quickly learned that the encroached interests were too powerful for him to defy. Instead of fighting them, he focused on the most urgent issues, which included launching economic reforms and imposing strong sanctions for drug trafficking.59 At the time there were many scandals involving drug trafficking performed by Dominican mafias in the U.S., and the pressure from the U.S. Embassy to prosecute and break the mafias was enormous.60

During the campaign Fernández pledged to supervise tight fiscal and monetary policies as part of his program to reform and modernize the economy. His plan included privatization of state enterprises and reform of the tax and tariff system. With only three days in power, the Fernández administration announced its plan for privatization and reform of the main state production corporation,61 most of which had been operating with deficits for decades. Fernández inherited a difficult economic situation. Balaguer left mounting international debts and a growing deficit. In his last years Balaguer had increased expending on his public works, particularly in Santo Domingo, and in the maintenance of the state electricity and sugar industries. Although Balaguer had opened the economy, and the country had continuous GDP growth since 1990, as

59 Personal interview with President Leonel Fernández.
60 Interview with Anonymous DR #12.
61 Dominican Corporation of Electric Enterprises of the State (CDEEE- Corporación Dominicana de Empresas Eléctricas Estatales), Sugar State Council (CEA-Consejo Estatal del azucar), and the Corporation for the Promotion of the Hotel Industry (CORPHOTEL-Corporación de Fomento de la Industria Hotelera), as well as the twenty four companies that made up the Dominican Corporation of State Enterprises (CORDE- Corporación Dominicana de Empresas Estatales).
shown in Table 6-5 with an average of 3.2%, there were many state economic controls that distorted the economy, such as the subsidies for fuel and electricity.

Fernández asked the PRD and PRSC to join the PLD in an effort to pass necessary legislation for political and economic reforms and particularly for privatization. But after a short honeymoon period in Congress, difficulties emerged. Fernández announced a tax and tariff reform that caused problems with some of his support groups. To come to power Fernández attracted some of the most important businessmen who backed his candidacy through campaign contributions, but when he tried to raise taxes the business elite lobbied the PRSC and PRD to block his proposals in Congress. For months Fernández sought to negotiate legislation with Balaguer, but days turned into weeks and then into months. It was clear that Balaguer’s objections were intended to frustrate Fernández.

Fernández’ plan seemed to collapse at the beginning of 1997 but his offer-affirming efforts became evident when Fernández found other ways to raise revenue without interfering with longstanding arrangements. Eventually he successfully implemented a campaign to increase tax collection by expanding the taxpayer universe, which initially produced impressive results, with government income from taxes growing 31% at the end of his mandate. In another instance, during the first year of his administration, Fernández submitted a budget in order to kick start the administration, but Congress was unwilling to cooperate. In an unexpected tactical move, but Fernández managed to acquire substantial resources for his discretionary spending. In the Dominican Republic, if a budget is not approved, the previous year’s budget applies,

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62 For an excellent study of political campaign contributions see Espinal and Jimenez Polanco (1998).
63 World Bank indicators.
and any surplus resulting from higher tax revenue can be freely administered by the presidency. The Congressional majority thus had two choices: either approve the proposed budget, or reject it. Choosing the latter, provided the President with enormous funds for discrentional spending (Keefer, 2002).

Even though at times Fernández found ways to outwit the opposition, he realized that the norms of affiliated leadership failed to guide his presidential action when the old politics his predecessor established and the state institutions remained intact. From then on, Fernández adopted a partial reform strategy and set his attention on the midterm elections, hoping to break the Congressional impasse.

As many articulative presidents who step on others footprints, Fernández did not have his own long term agenda. The pressing issues involved deepening of economic reform. As his *order-creating* impulse, he managed to pass a number of laws that aimed to modernize the state and to dynamize the private sector in the Dominican Republic. In 1997 many relevant laws were approved with support of all parties: an increase for municipal governments’ budget, a budget for the judiciary and legislative branches, a general law of education, the creation of the General Office of Internal Revenues, a law that regulated the National Council of the Judiciary. Fernández sought to advance the economic liberalization agenda to boost trade, intending to eliminate the distortions created by the protectionist policies in place and to establish a strategy based on exports. In June 1997, Congress passed a law to partially privatize the electricity and sugar companies, following the Bolivian capitalization model. A follow-up law regulating foreign investment passed in September 1997. Privatization of state companies was a particularly long and difficult process and required a one-on-one

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64 For a complete account of legislation passed during Fernández I, see Espinal (2004)
discussion with many of the opposition members of Congress, as well as a strong governmental media campaign to explain privatization.  

While most of these laws were not implemented effectively, the fact that the administration addressed the issue in the context of liberalization proves his commitment to the economic order in place started by Balaguer. If on one hand Fernández tried to modernize the state by passing certain laws, on the other hand his administration sent mixed messages that undermined its own intentions of modernization. For instance, upon his inauguration he announced significant salary increases between 300 and 2,500% for ministers and senior officials, resulting in outrage since most of the public sector wages remained low. During Fernández I, 31 out of 37 cabinet appointments were reserved for PLD partisans, and state jobs held by PLD sympathizers increased dramatically, to the extent that the PRD-controlled Supreme Court issued a ruling stating that the President could not appoint lower-level public officials by decree, as he was doing with national secretaries, and directors.  

He followed the same behavior as Balaguer with regards to employing clientelistic practices. By doing this Fernández became cozy with the existing arrangements, and undermined his chance of being a true orthodox innovator and at the same time an articulative president. Fernández failed to be the leader who would shake things up and bring transparency and openness to the state. He failed to bring the state closer to the people. Instead, in a very quiet manner, he and his collaborators reproduced the system set up his predecessor to benefit his own clientelistic network. In democratic terms he failed to represent the people and contributed to the disaffection.

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65 Personal interview with President Leonel Fernández.
that has traditionally characterized the relationship between state and society in the Dominican Republic. Having realized his real strength, Fernández adopted a hidden-hand style political style that became characteristic of both of his administrations. It consisted in seeming innocuous, at the same time that he achieved governance for his presidency. For instance, he protected Balaguer and the encroached interests indirectly, by letting time pass to avoid making a decision and risking confrontation. Only six weeks after Fernández’ inauguration, a group of Dominican citizens opened corruption investigations for embezzlement and the killings of two journalists during Balaguer’s administrations. Fernández could not bring Balaguer to justice and see the rest of his administration collapse with confrontations. He was too weak to bring Balaguer to justice. Instead, his administration opened investigations of former officials close to Balaguer, causing only some resentment and irritation. Fernández said that he would not interfere with justice whether the accused was Balaguer or any other former official, arguing that the executive had to let the judicial system work, while knowingly that the justice system was effectively controlled by Balaguer’s collaborators.

As Balaguer, Fernández developed a personalistic presidential style, which was evident at home when he visited poor neighborhoods, hospitals, and schools and brought state resources, as if they were personal benefits he was granting. The difference lay in Fernández personality and charm, which contrasted sharply with Balaguer’s remote and imperious demeanor. Fernández sought to govern in a more inviting manner, but without fostering true participation. For instance, he invited regular

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67 Personal interview with President Leonel Fernández
68 During the Fernández administration only three military high ranked officers; Joaquín Antonio Pou Castro, Salvador Lluberes Montás and José Isidoro Martínez González, were arrested and condemned for participating in crimes committed before the transition to electoral democracy. There were no sentences for corruption or misbehavior (Interview with Anonymous DR #11).
citizens who wrote letters to him to visit the presidential palace and spend time with the president, but he did not empower people to seek their own solutions. He also showed tolerance and approachability by meeting often with leaders of the opposition. His contact with the media was also distinct from his predecessor. He went public permanently to try to gather support.\textsuperscript{69}

Like many other articulative presidents, (e.g., George H. W. Bush immersed in the order created by Ronald Reagan), who were content to defend the existing order at home, or who recognized they had to govern pledging to adhere to orthodoxy (Skowronek, 1993), Fernández saw an opportunity to be creative in the foreign policy arena. Indeed, the most obvious order-creating actions of Fernández I were in foreign relations, which he personally managed. In contrast to Balaguer, who was known for his disdain for foreigners and who kept the country isolated for decades, Fernández changed Dominican foreign policy by having a much more visible and active role for his country in Caribbean affairs and international forums, and by calling attention to investors to show how different the Dominican Republic was under his administration. Fernández had a special interest in attracting foreign investment, implementing privatization and increasing trade. He also made several visits to other countries, signaling his willingness to seek closer relations with the U.S., the E.U., and Caribbean and Latin American countries. Of particular importance was the shift in the relations with Haiti,\textsuperscript{70} and agreements on tourism, taxes, postal service and cultural exchange were

\begin{footnotesize}
\begin{enumerate}
\item For instance, at the end of November 1997, Fernández's response to rising food and gas prices was broadcast so the public could see working sessions of the Electricity Company (CDE) and the difficulties in reaching agreements.
\item During his first administration Fernández traveled abroad 33 times. At the first Caribbean summit he attended in the Antilles in February 1997, Fernández met with Haitian president Rene Preval. The media was attentive to the tense situation that such an encounter would entail, after Fernández' predecessor held such a long hatred toward his neighboring country. In early 1997, the deportation of around 15,000 people of Haitian descent took place, and as a result the relations with Haiti were further deteriorated. Yet Fernández gave Preval a hearty hug, a gesture that
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reached. Fernández and Preval discussed the lax border policing that allowed illegal immigrants and drugs to enter the Dominican Republic without any impediment from Haiti. For the rest of his term Fernández personally managed relations with Haiti, having become friends with Preval. Fernández’ government relied on regional and sub-continental integration, as exemplified in the signing of the 1999 free trade agreement with the Caribbean Community and Common Market (CARICOM) and with Central America. Indeed, under Fernández’ leadership the country became an important player in Caribbean affairs. He restored diplomatic ties with Cuba, participated in top-level international meetings, and hosted two international summits.

One of the most praised presidential actions in the political arena was Fernández’ control of the military. On November 1995 after three months in office, Fernández forced high officials to retire on charges of insubordination and corruption. Of the 70 generals in the Dominican military 24 generals retired early. The president asked his military Secretary of state for the Armed Forces to arrange for the civilian Attorney General to question the high command, and when he refused Fernández fired him as well for insubordination. The firing caused fear in the population and rumors of retaliation, but nothing happened. Fernández talked to Balaguer and other stakeholders, provoked a public discussion, and successfully imposed civil rule over the military. Other changes followed as Fernández was able to re-structure the Dominican police and the judiciary by purging many corrupt officials (McClintock, 2007).

would previously have seemed unthinkable. Indeed it was an historical encounter, which began high-level contacts with Haiti (See http://www.ahora.com.do/Edicion1260/SECCIONES/politica1.html).

Fernández visited Haiti in June 1998; the historic visit was the first time after 65 years that a Dominican president had made such a visit to the country. This event aimed to restore a more cordial atmosphere between the two countries.

The two summits sought to speed the process for the signature of the Central American and Caribbean Free Trade Agreements, one in 1997 and the second in 1998.

Personal Interview with President Leonel Fernández and interview with Anonymous DR #1.
transparency and trust are key elements for the creation of social capital in democracies, the appointment of new officers responded more to Fernández’ need to count on loyal officers than his intention to modernize the military and the police.

In the midterm elections of May 1998, as shown in Table 6-3, the PRD was the biggest winner with a large majority of legislative seats: 24 senators and 83 deputies and municipalities. The PLD won 3 senate seats and 49 seats at the chamber of deputies. The PRSC gained 3 senators and 17 deputies. The PRD political sweep first and foremost was a rejection of the Fernández administration that by then had already lost its shine. Citizens saw the PRD as the only political party that could offer change from the status quo. It was also a posthumous recognition of Peña, who died just before the election.

Right after the elections, but before the new Congress assumed office, some PLD and PRSC sympathizers inside and outside Congress made public statements about the “need” to amend the constitution to allow presidential re-election. It was a way of seeking affirmation of the order, a clear attempt to allow Fernández to be re-elected, taking advantage of the circumstances while the PRSC held the majority in Congress. The public statements and unofficial discussions in Congress, if not a strategy to test public opinion and the media with the idea, were maneuvers to oppose the upcoming PRD-dominated Congress. The PRD profusely opposed reelection, and civil society opinion leaders voiced their opposition on the media, strongly criticizing the re-election proponents. When the proposal did not prosper, Fernández and some PLD

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74 Interview with Anonymous DR #15
75 In a session in Congress, a PRSC leader Amable Aristy told Fernández the infamous line, “President put your pants on”, referring to Fernández’ lack of decisiveness in using his influence to put the issue on the Congress agenda. This phrase has remained in the political imagery every time Fernández was perceived as too soft.
leaders said publicly that he would not accept such a proposal and violate the constitutional order.

After the elections, the Fernández administration made a new alliance with the PRSC. Although old, blind, sick, and with less electoral support for his party, Balaguer kept his role as a powerbroker. He affirmed his political authority by offering the balance for a congressionally powerful PRD. The alliance was another affirmation of the continuity in the policies and the politics that Fernández expanded with his adherence to orthodoxy. It helped to solve some issues that Fernández sought to address, in particular to continue the implementation of economic reforms. Indeed, the administration devaluated the currency in order to promote exports, a positive move since it allowed the government to pay external debt, accumulate reserves and improve the country’s reputation as a low risk country for investments.

The alliance bribed some PRD members to vote with them on crucial issues; ten of them became “independent.” As a result, by the start of the new legislative term in August 1998, the PRD had already lost its absolute majority. With the scandal over bribes, the PRD retaliated and used its plurality in Congress to appoint a new JCE board dominated by PRD sympathizers in August 1998. In order to avoid another takeover of key public agencies by the PRD in January 1999 the alliance counterattacked with undemocratic maneuvers to wrest control and successfully stopped the PRD’s attempt to appoint more of its sympathizers to the Dominican Municipal League (LMD-Liga Muncipal Dominicana). 76 When the dispute was taken to court, the ruling was favorable to the alliance, and Amable Aristy from the PRSC was

76 The police surrounded the headquarters of the LMD, which was the entity through which the central Government transferred money to municipalities. It was a powerful tool for parties to control expenses at local levels, even though it lacked autonomy until the Mejía administration, when a new process for decentralization was launched.
appointed General Secretary of the LMD.\textsuperscript{77} Despite negotiations between the three parties, legislative activity was paralyzed, and the bitter dispute between the alliance and the PRD remained unresolved until the end of April 1999.

In an attempt to legitimate his weak government and improve governability, the administration organized a “National Dialogue” calling political actors to meet starting in May 1999 in order to reach agreements “for the good of the nation.” Political parties of the opposition, private sector, unions and civil society were called to establish national priorities (Doré Cabral, 1998). It was also meant to define the Fernández government’s medium term agenda, since protests had badly damaged the image of the government and the President. The PRD refused to participate in the dialog, as it was perceived as an attempt to distract attention while parties prepared for the upcoming presidential elections. Civil society was also reluctant to participate, since the economic advances were not shared by most of the population.

Constant criticism of the government involved the enormous expenditures on projects\textsuperscript{78} and the Cyber park, as part of an attempt to move beyond the country’s traditional export industries Fernández insisted on turning the country into a computer services economy, in hopes of becoming a major Internet data-processing center.\textsuperscript{79} Indeed, those projects were twaddle if the point was to fight poverty. Other projects that caused strong criticism were Fernández’ attempts to leave his own mark in the country in the form of infrastructure, including renovation of the presidential palace and the boulevard in the center of Santo Domingo. He made explicit his dream to make Santo

\textsuperscript{77} Aristy became the manager of one of the largest budgets in the country, a budget that was supposed to be distributed among the 115 municipalities of the country.

\textsuperscript{78} Interview with Anonymous DR #1.

\textsuperscript{79} Fernández launched the Cyberpark zone as part of his ambitious plan to expand the country’s 43 free-trade zones. It housed nearly 500 manufacturing assembly plants, with the creation of a high-tech zones in Santo Domingo.
Domingo into “a little New York,” allocating resources to improve public works in the capital. Undeniably, Dominicans saw their capital city Santo Domingo transformed as the construction of tunnels and vehicle overpasses were finished, but it was estimated that the administration paid more than 30% excess for most of the public works focused in Santo Domingo.

Fernández was successful in achieving steady economic growth as shown in Table 6-4. Indeed, the Dominican Republic grew at impressive levels, with an average of 7.9%. Increasing activities in the free-trade zone, tourism and non-traditional exports grew strongly along with manufacturing. Mining and agriculture were the stragglers. Foreign investment rose, tourism boomed, and the Dominican Republic became the Latin American country with the highest GDP growth for most of his term. It was an economic boost after the devastation of Hurricane Georges, with growth and increase in government revenues mainly coming from the fruits of the campaign against tax evasion. Imports, telecommunications and a low oil price differential at the time weighed heavily in straightening the economy. Not only did the outward-turning economy grow, but construction and commerce also increased activity. The economy also benefited from the remittances sent by Dominicans in the US.

The administration was also able to accomplish privatization, which brought fresh resources to the state. The most important privatization was the Dominican Corporation of Electricity (CDE-Corporación Dominicana de Electricidad). After years of

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80 On September 22, 1998, Hurricane Georges devastated the Dominican Republic leaving a death toll of nearly 350. It destroyed half of the power grid, damaged 70 percent of the country's bridges, and ruined 90 percent of the harvest. The costs for reconstruction were estimated as $US 500 million, more than the government's annual operating budget. International experts estimated $US 2.6 billion in damages (New York Times October 4, 1998; Miami Herald, May 17, 1999)

81 Dominican Mills (Molinos Dominicanos) were privatized in December 1998, airports were privatized in March 1999, and other state companies followed, including tourist developments, sugar and tobacco companies.
failures in the provision of electricity, the corporation was divided into production, transmission and commercialization. But despite efforts to make transmission more efficient, the demand for electricity outstripped the supply. Moreover there were no clear regulations on the pricing for electricity services, leading to high prices for consumers and the government. Although the economy stayed temporarily fiscally secure with low interest rates, the economic success was short-lived. Toward the end of Fernández’ term, public finances deteriorated, as the oil subsidy became a burden for the administration, and public expenditures for infrastructure projects rose.

On the issue of reform of the judiciary branch, the accomplishments were only formal. In practice, justice remained a promise, as the Fernández administration experienced the same ills that plagued the previous presidencies. This problem is closely related to the last issue, the end of authoritarianism, as institutionalization, transparency and accountability were more part of the rhetoric than reality.

Despite the economic growth, voters did not vote for Danilo Medina, the PLD candidate in the following elections, choosing the opposition PRD candidate instead. Corruption scandals had tainted the administration and the PLD lost credibility. The Fernández administration said the allegations were politically motivated. The government’s anti-corruption unit acknowledged that millions of dollars had vanished from state companies, but the judiciary absolved the accused, all of whom held party

82 In April 1999, the distribution operations privatized 50 percent of the shares. In May 1999 the production part was privatized and large investments in new generators eased immediate problems. Transmission was set to remain under the Dominican Republic state.

83 The Program of Minimum Employment (PEME- Programa Mínimo de Empleos), a fund intended to create jobs, and the Program for Neighborhood Action (PRODABA- Programa Acción Barrial), a program to head off labor unrest, were among the most salient and infuriating cases of corruption and cronyism during the Fernández administration. The issue involved two cabinet members who were accused of the disappearance of millions in government funds. Analysts and critics argue that there were many more cases but they were less documented. (Several interviews, see also http://www.diariodigital.com.do/articulo,21883.html)
leadership positions in the PLD and PRSC. During the Mejía administration, the accusations were re-opened and Fernández, in the opposition, said on national radio that as president he was often torn between “pay or kill” during his administration in order to maintain governability and peace.

As in previous presidencies, public administration and finances lacked transparency during the Fernández administration. Moreover, social policies (See Appendix Tables Economic Performance Variables) were weak, and Dominicans protested for lack of attention. The most salient social policies of the Fernández administration were related to education, where his administration engaged in massive spending, in comparison with previous administration. However, the educational system remained one of the poorest in the region. Fernández' understanding on school modernization was to provide computers and breakfast for children. Both of which benefited the private sector. In general, public spending was biased toward tangibles that were easy to target to specific voters or groups of voters, such as jobs, buildings and highways. Public investment whose results were harder to grasp was not a priority such as higher teacher salaries, improved school curricula, or regulatory predictability (Keefer 2002).

Fernández’ first term was challenged with 300 strikes, including some with a death toll, a higher number of strikes and protests that in previous administrations.

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84 Diandino Peña was Minister of Public Works, Simón Lizardo was the administrative secretary of the President, Haivanjoe Ng Cortiñas was a party member and Noé Camacho Ovalles was a businessmen with strong links with the PLD.

85 An investigative reporter, Juan Jose Ayuso (2002), wrote the book Pagar or Matar providing convincing proofs of the deals. During the Fernández administration, there were no sentences for corruption to any government official of his administration or of previous ones.

86 Particularly salient were the June 1997 and October 2007 protests; demonstrations over skyrocketing food and gas prices controlled by the government took place. The strike was organized by a coalition of leftist groups, grass-roots activists, public transportation drivers and students, and it reflected people's frustration with the changes that were
The protests paralyzed the Dominican Republic after much disappointment with the unfulfilled promises that Fernández brought into office when he became president. In the meantime, Dominicans kept risking their lives by taking boats toward Puerto Rico and emmigrating to the US; by the end of 1997, 15% of the Dominican population lived abroad, with about a half million living in New York City.

Justice and accountability were certainly not signatures of the Fernández presidency, not for their own government officials or for the PRSC’s officials. After the midterm elections but before the inauguration of the new congress, Balaguer exchanged the PRSC support in Congress for favors, either in the form of posts in the public sector, or through the de facto granting of immunity from prosecution for irregularities committed under Balaguer’s previous PRSC administrations. The PLD-PRSC alliance passed an amnesty law that exonerated all state employees from accusations and charges of corruption since 1978. As these actions demonstrate, Fernández’ incremental changes in the political order in place actually strengthened it even more. Instead of defying the order, Fernández put the order to his service. At the end of his administration, Fernández’ political identity was indistinguishable from Balaguer’s.

The Fernández’ presidency was trapped from the start, as Balaguer’s decision to support Fernández’ candidacy guaranteed his own reign over Dominican politics. Fernández accepted Balaguer’s “unconditional support,” but only a naïve politician would have thought that he would not have to pay for it. The electoral pact, as well as the subsequent actions of the Fernández administration, proved to be a convergence considered too slow in coming. The October protests were over chronic blackouts. In both occasions Fernández promised to find quick solutions (Marsteintredet, 2010, interviews with Ramon Tejada Holguín, Juan Bolivar Diaz, Lozano).
toward conservatism. Fernández continued the direction of the economic policies, state management, and infrastructure projects, without upsetting established interests (Keefer, 2002). When Balaguer allied again with Fernández after the 1998 elections, one more time Balaguer balanced the political forces in the country by counterweighing the PRD. As in the previous occasion Fernández was passive as in his actions with Balaguer and did no undertake leading political initiatives.

Fernández' role as president was constrained not only by institutions but by his own inability to make credible promises of targeted use of state resources to the legislature, and by his unwillingness to delegate discretion to potential competitors within his own party.87 Because of these conflicts of interest among different players in the Dominican government, the legislature was unwilling to authorize, and the president preferred to decrease total governmental use of resources to low levels.

Fernández suffered from lack of credibility during most of his term, as shown in Figure 6-3, even with positive economic performance. From the start, his alliance with Balaguer made Dominicans suspicious of Fernández, even when he enjoyed higher support than his own party.88 To a large extent during his administration, freedom of speech and human rights were respected, but discrimination against Haitians and Dominican-Haitians remained grave. Contestation was allowed and the whole political system started to open, but the three main parties gave little room for other organizations to succeed, even at the local level (Jimenez, 1999). Fernández was able

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87 Keefer (2002) argues that the Dominican Republic had considerably lower levels of spending than other comparable countries, because the president and the stalemate created in the competition with Congress generated downward pressures on spending.

88 Various interviews, particularly with Anonymous DR #12.
to reverse Balaguer’s strategy of keeping strongmen with a long trajectory in key military posts, by effectively sending the military to the barracks.

Fernández was able to exercise fully his presidency since he could not run for re-election. This is particularly important because his presidency, at the time, was a one shot opportunity. He actively supported the candidate of his party, Danilo Medina, but he did not spend the last year of his presidency focusing on the presidential campaign. Instead, one accomplishment of his last year was the establishment of his own foundation, knowing that he could remain influential in Dominican politics, not because of his party or his presidential legacy, but by establishing a think tank that would provide a space to discuss public policy and other relevant issues through a private endeavor.


The presidential hopefuls for the 2000 elections were PLD’s Danilo Medina, PRSC’s Joaquín Balaguer, and PRD’s Hipólito Mejía. Medina was a long time member of the PLD but a candidate with no charisma. His closeness to Fernández and other connections played an important role in the campaign. Despite the appearance of attempts to modernize the internal party structure of the PRSC though primaries, the party continued under the overwhelming dominance of Balaguer. Hipólito Mejía, was a respected politician and was part of the presidential ticket in 1994 with Peña. His campaign was based on strong personal contact of the candidate with voters. Mejía was portrayed as foreman and fight seeker, a disruptor of the established order who would shake things up. He was described as impulsive, business oriented and an intelligent politician, but not a soft-spoken one. He was not a cultured man, but of straightforward
manners, often on the rude side.\textsuperscript{89} He proved to be a good negotiator, as he had to negotiate with each of the PRD’s factions in order to gain support for his candidacy. He had personal ties with agribusinesses, and the Catholic Church, as well as strong support in the Cibao region.\textsuperscript{90} His electoral program was in the tradition of the PRD, including social, political, and economic reform. He planned to remake the state through decentralization, institutionalization and efficient management of public finances.

Mejía, won the presidential elections by a large margin almost reaching the 50% required for achieving the presidency. The second most voted candidate was Medina with less than 25% of the vote. Furthermore, Balaguer had previously announced that this time the PRSC would not make a pact with the PLD to oppose the PRD, leaving no chance for the PLD to win a second round. The elections of 2000 were broadly considered free and fair.

Mejía assumed office with a strong mandate because of his landslide victory. The PRD had held a majority in Congress since 1998. Despite not having a formal alliance, Mejía could depend on the PRSC for votes. Mejía and Balaguer were personally close, and they formed a personal pact which maintained support of the PRSC deputies during the Mejía administration. In exchange, the PRSC obtained immunity from prosecution for PRSC misdeeds during its administrations, as well as some posts to be held by PRSC members. As with Fernández, the pact with Balaguer guaranteed continuity of the political order; hence his presidency was also articulative. As Wiarda (1998) correctly points out, Balaguer was not only the ultimate decision maker, but even when

\textsuperscript{89} Several interviews.
\textsuperscript{90} Cibao is the second most important region in the Dominican Republic after Santo Domingo. It is also the most productive agricultural zone.
not in power, he made other politicians respond to his actions and run around his circles.

Mejía’s *order-shattering* actions consisted in trying to secure the possibility to remain in office by changing the constitution to allow immediate re-election. Taking advantage of Mejía’s strong standing at the end of 2000, a group of PRD legislators rushed to present a proposal that would modify the constitution in order to allow the extension of the terms for both the presidency and Congress. Although the proposal did not prosper, the fact that the PRD wanted to change the constitution for its own benefit signaled a negative start. Moreover, Mejía himself appointed a commission to work on the proposal.

In the economic arena, Hipólito Mejía began his presidency by announcing austerity measures that included public-sector salary cuts. In spite of Mejía’s promises during the campaign for far-reaching political, economic and state reform, during his first year in office he did not deliver much. Moreover, his plan to give the private sector a larger role in providing health care services was not put into action, nor did his plan for tariff reform. In his second year, Mejía evened domestic and international oil prices, obviating the need for fuel subsidies. In addition the Mejía administration introduced tax changes to increase revenue, including increasing taxes, widening the tax base, requiring advances on tax payments for companies’ profits, and imposing luxury taxes. Tax revenue grew, but no important reforms were passed and high levels of spending were maintained, especially on government and public works projects and reducing the fiscal surplus, thereby repeating the patterns of the other PRD presidents. Those were Balaguer’s order-affirming impulses, trying to establish his own clientelistic network
using state posts. Mejía pompously continued many of the infrastructure projects begun under Balaguer, who died at the age of 95 in mid-2002. With Balaguer’s death imminent, Mejía tried to capture Balaguer’s clients by completing the infrastructure projects that were promised to them (Keefer, 2005).

By the beginning of 2002, the economic decline was evident, due to the strong connection of the Dominican economy to the U.S., and after September 2001 tourism was reduced as well as remittances, foreign investment and the demand of Dominican products. In an attempt to reduce the external influence, the Mejía administration implemented expansionary public investment and appealed to multilateral institutions for loans. As a result, interest rates escalated leading to a reduction in private investment.

In the midterm elections held in May 2002, the PRD continued to dominate the Chamber of Deputies, where it held 73 of the 150 seats, and it also gained 29 of the 32 seats in the Senate.\(^91\) Despite the PRD’s majority in both chambers, Mejía still needed support from other parties in the Chamber of Deputies to pass constitutional amendments. The PRSC strengthened its support by doubling its seats in the Chamber of Deputies. On the other hand, the PLD which based its campaign on attacking the government without offering an alternative program, saw a reduction of its seats in both chambers.

A few months later after the death of Balaguer, the PRD-led Congress voted in favor of a constitutional amendment that reinstated consecutive presidential re-election.\(^92\) It was rumored that large payments were offered to several legislators in

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91 The PRD also won 104 of 125 municipalities.
92 The other important change was the reduction from 50 to 45 percent the minimum vote required to win presidential elections in the first round. The reform also included an increase in the chamber of deputies that went from 120 to 149 seats.
exchange for their support. In addition, the bullying tactics of Mejía’s supporters intensified fears, as memories of Trujillo’s long military dictatorship and Balaguer’s extended domination of politics were revived. Having repeatedly insisted that he would not seek re-election, the issue of the amendment created intra-party conflict and unveiled Mejía’s personal ambitions. However, the harshest criticism came from the PRD leadership, which historically had advocated for the elimination of immediate re-election, regarding it as an important step toward greater democracy.

The reelection issue was minor compared to the banking crisis that aroused shortly after. BANINTER, one of the country’s largest banks, collapsed after a long period of unprecedented fraud. The economic and financial problems with the bank turned into a major scandal when it was found that several politicians of all parties, including Mejía, Fernández and Balaguer, were financially rewarded by the bank’s management, which had contributed for years to the presidential campaigns of the three most important parties in the Dominican Republic. The government committed itself to honor BANINTER’s liabilities by paying back the deposits of domestic and external clients. The losses were severe, calculated to be about two-thirds of the national government’s entire annual budget. The banking crisis jolted Dominican society, igniting struggles between powerful families. More importantly, as the economy kept declining and Mejía failed to deliver on his campaign promises, the public became skeptical of the entire political class.

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93 Interviewees confirmed the rumors.
94 Some PRD members of Congress, as well as party president Hatuey de Camps, were opposed to reelection.
95 BANINTER had been running a parallel software system removed from the scrutiny of the bank superintendence. Nearly 80 percent of the deposits belonged to one percent of the bank’s customers, which included generals, government officials, and political figures.
The liquidity in the economy as a result of the bailout, the capital flight, currency depreciation and growing inflation deteriorated fiscal and financial accounts, forcing the government to seek financial assistance from the IMF to stabilize the economy. The Mejía administration received an aid package but the program was suspended twice as the administration continued with ill practices. In a desperate move to control the situation, the government returned to price controls, creating scarcity as a parallel market emerged and inflation rose. Moreover, the Mejía administration nationalized the electricity companies in an attempt to counteract for inflation. By the end of 2003, all trust in the Mejía administration was lost. In early 2004, the government committed again to the IMF economic recipes by introducing a series of new measures, including new temporary taxes and higher interest rates. Diligent application of the IMF’s recipes led to increasing social tensions, protests and national strikes. To make matters worse, the government also defaulted on payments and was unable to invest in electricity generation. The electricity blackouts that consistently had lasted many hours a day were more frequent toward the end of Mejía’s term, and 20-hour blackouts became commonplace.

In the last year of the Mejía administration, Dominicans protested violently, and confrontations with police forces resulted in several deaths, particularly after the government announced new taxes and the end of subsidies for electricity. At the end of Mejía term, voters had many reasons to be angry. They were discontent over the increase of the cost of living, the persistent long blackouts and the bailout, as well as the rise in delinquency and corruption.97

97 Mejía’s administration was characterized by cronyism (http://www.nytimes.com/2000/10/27/world/make-a-friend-get-a-job.html?ref=Hipólito_Mejía), and was also plagued with corruption scandals. Upon leaving office in
Mejía’s advancement in social issues during his first two years in office were obscured by the negative aspects of this presidency, particularly the economic mismanagement and the perception of widespread corruption. Dominicans were fearful of the return to authoritarianism and abuse of power. The constitutional amendment allowing successive terms was certainly a setback for the democratization process. Moreover political pacts that Mejía established with Balaguer only reinforced the political order in place. The PRD’s promised change in the nature of the relationship between state and society was virtually untouched.

Dominicans were very negative over the prospects of reelecting Mejía, and they expected change. It was no surprise that Leonel Fernández would become president for a second term, as the PRSC did not provide a strong contender. Indeed, for the first time in history, the PRSC had a new presidential candidate, Eduardo Estrella. But his candidacy did not appeal to Dominicans and in the pre-election polls Estrella consistently placed third.

With no credibility, Mejía criticized Fernández, saying that Mejía had granted immunity to Fernández when he left power in 2000, but with the economic crisis, the attacks only backfired on Mejía. His campaign slogan “Now for the good times,” which

2004, he reported an increase in his assets to more than double than twice the amount when he first assumed the presidency.

In 2001 Congress approved a progressive social security law, but it wasn’t until 2003 that the system was implemented to cover pensions, health and workplace risks. Although redistributive policies were supposed to be PRD’s main goals, by the time the implementation started the government lacked the necessary resources to launch a successful program.

Since the death of Balaguer the PRSC struggled to maintain its unity. In March 2003 the PRSC held its first primaries; Eduardo Estrella won 52 percent of the vote becoming the party’s presidential candidate. Jacinto Peynado, the PRSC presidential candidate in the 1996 general elections, garnered 48 percent of the vote and refused to concede defeat, alleging fraud. After an internal investigation and appeals, the PRSC officially declared Estrella its presidential candidate. Estrella was regarded as Mejía’s ally, and therefore his candidacy in the general elections was thought to be a façade. The party was looking for identity and leadership, making the candidacy of Estrella weak from the start.
sought to convey hope, did not resonate with people and contrasted with Fernández’ “We were better with Leonel,” which brought memories of a lost better past. With similar platforms, presidential experience, a track record of corruption in all parties, and the absence of truly representative parties, the election focused on trust and personalities. While Fernández was serious, polite, calm and soft-spoken, during the Mejía administration Dominicans learned that Mejía suffered from coprolalia, compulsive use of profanity, often uttering socially inappropriate, obscene words, and derogatory remarks. Moreover, what was once seen as an asset, Mejía’s keen sense of humor and buoyant personality, also worked against him. In times of deep economic crisis and deteriorating living conditions, Dominicans were looking for a dignified president who would tackle problems earnestly and offer proven solutions.\(^{100}\)

As shown in Table 6-2 voters supported Fernández, with 57% of the vote in the first round making a run-off unnecessary. Mejía received 34% and Estrella 9% of the vote. Fernández received overwhelming support from Dominicans living in the United States, with 73% of the overseas votes.\(^{101}\)


Fernández’ ascension to power was the second peaceful and successful transition of leadership since 1978, with no claims of electoral fraud, and from that perspective it was a sign of democratic strengthening in the country. The results signaled a rejection of the last two years of Mejía’s administration, as well as hope that Fernández could repeat the economic success of his first presidency. Voters expected Fernández again to become an *articulative* president, as his campaign implied. Not only

\(^{100}\) Moya Pons (2010) p. 469.

\(^{101}\) The 2004 elections were also unique, since it was the first time that registered Dominican voters in the U.S. could cast overseas votes.
did Fernández’ landslide victory signaled a rejection of Mejía’s record in office, it also occurred amidst turmoil in the other two parties. With the death of the three historical leaders, it was the first time that a real opportunity opened for new leadership. But the parties were immersed in rivalries and intraparty divisions. Thus, although the challenges were huge, in political terms Fernández new presidency had the advantage of having virtually no opposition. The PRD and the PRSC remained divided with factions pulling the parties in different directions, while Fernández had a unified PLD under his leadership. In addition, although the PLD formally held only two seats in the Senate and 41 seats in the chamber of deputies, Fernández received the support of the 13 PRD Congressmen loyal to Hatuey de Camps, as well as the support of the 36 PRSC Congressmen.

Without Balaguer, for the first time the country had space for new leadership and the possibility to detach from the ills of the past. However, Fernández once again lost the opportunity to create a new way of conducting politics or to transform significantly the received orthodoxy. Fernández assumed office with the backing of the business community, because many of the elite former supporters of the PRSC shifted their support to Fernández. The economic conservatism of Fernández’ policies was reflected in the PLD’s success in absorbing much of the PRSC’s electoral base (Hartlyn and Espinal, 2009). Most importantly, when he reassumed power, most of his cabinet members were recycled officials who held important posts in the past. Even though the

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103 When Mejía lost the election, he also lost grounding in the PRD. Even before the election, Mejía dealt with opposition to his candidacy from of his own Vice-president, Milagros Ortiz Bosch, his powerful minister of tourism, Fello Subervi, and from PRD’s secretary general Hatuey de Camps.
104 The PRSC had put Estrella forward but he was not the uncontested leader. The divided PRSC was able to remain somehow influential after the election, not because of Estella’s leadership, but because deputies still had a margin for maneuver under the new administration.
economic team had a technocratic profile, Fernández’ cabinet appointments, were
reserved for his party; 41 out of 51 appointments were either PLD members or some
former PRSC partisans who switched allegiance.\textsuperscript{105} The government was stuffed one
more time with party men who had been involved in corruption and nepotism scandals,
it was a sign of the reactivation of a clientelistic network that supported the PLD and
Fernández, and also swelled the payroll.

In general, Dominicans were skeptical of politics, because of the widespread
corruption and poor economic management.\textsuperscript{106} But Fernández, whose first term in office
was marred by scandals involving the disappearance of millions in government funds,\textsuperscript{107}
made fighting corruption one of his pillars.

From the very start, Fernández II faced major challenges. The country was
experiencing its worst economic crisis in recent history (a mounting $6 billion debt, 32%
inflation rate, 33% unemployment rate), and therefore waves of Dominicans headed to
the ocean in boats seeking to reach the United States (Moya Pons, 2010). The
Dominican Republic was close to a default spending its resources in subsidies to
electricity, and there was no immediate solution to the energy crisis.

Right before his inauguration Fernández held a meeting with Mejía, in which they
agreed to cooperate in order to pass needed tax reforms. In his inaugural address,
Fernández announced fiscal austerity measures for his government and promised large
cuts in borrowing, in government hiring, and in heavy spending, all of which had

\textsuperscript{105} Minister of economy Vicente Bengoa was the former banking superintendent, and Temístocles Montás chief of
staff in both administrations. Fernández also appointed Daniel Toribio, the former finance minister, to the position
of the chief executive of the Central Bank, and Alejandrina German, former secretary of the presidency, became
minister of education.


\textsuperscript{107} Some of the most publicized cases were: $100 million PEME, lottery, Institute of Hydraulic Resources,
Agricultural Bank, Secretary of State for Public Works, Secretary of State for Sports, Secretary of State for Public
Health, Metropolitan Transportation Office, Sugar Corporation.
characterized Mejía’s presidency. To restore confidence in the markets, he pledged not to default on the Dominican Republic’s foreign debt and that he would negotiate a new IMF aid package and release funds for immediate use. Effectively, in the first months of his administration Fernández’ economic team prepared a set of corrective economic measures to stop the economic mess. His strategy to reassure Dominicans of his ability to restore macroeconomic stability and the international markets of his administration’s capacity to provide a better business and investment environment was successful. It led to the return of flight capital, currency stabilization and recovery of the economy, and eventually to a reduction in interest rates and an increase in international reserves.

Fernández’s order-creating impulses led him to enlist top executives and professionals from among the close to one million Dominicans living in the U.S. States to engage in joint ventures in the Dominican Republic. It was a strategic move, to use his political and economic support in the U.S., and thus helped the Dominican Republic speed the pending free trade agreement with the U.S. Indeed Fernández’ return to office helped to regain confidence not only on economic actors, but on politics as well. With support of his own party, the PRSC and some PRD Congressmen, he was able to enact important legislation to implement tax measures to increase government revenues, with concomitant cuts in expenditure, including a 10% reduction of the government payroll and removal of price controls.

The result was almost an overnight reversal in fortunes. Once again the Dominican Republic experienced an economic upswing, linked to the U.S. economic
recovery, which provided tourists, remittances, and foreign direct investment. Some analysts contended that Fernández was able to reap from the benefits of the economic recovery without any particularly brilliant strategy or effort of his own.

Fernández’ honeymoon period with Congress ended in February 2005, after only six months in office. Despite Mejía’s defeat in the election, he still had the majority of the PRD Congressmen under his control, and “in a spirit of national unity” Mejía’s loyal comrades initially co-operated with the government. Tax reform had passed quickly through Congress, since it was a pending issue from the Mejía administration. The PRD’s Congressional support for Fernández lasted until the government created an ethics commission, which reported directly to the President’s office, to investigate corruption allegation involving some PRD officials of the former administration. As soon as the PRD felt threatened, it became an active opposition. Fernández compromised his “fight” against corruption in exchange for Congressional support, thus losing credibility. No officials from either his first or second administrations were taken to justice (Morgan et al., 2009).

In economic terms, during the first three years of Fernández II, the Dominican Republic experienced strong economic growth of 7.42% on average, as shown in table 6-5, well above the Latin American and Caribbean regional average. With the international financial crisis in 2008, growth was about 5.3%, still above the regional average of 4.6%. Positive internal and external factors supported this economic expansion. Besides implementing structural reforms in the first year, in the following

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108 Mejía’s administration coincided with September 11th attacks and its negative effects on the U.S. economy. The rebound of the U.S. economy coincided with the end of Mejía’s government and the start of the Fernández administration.
109 Interview with Anonymous DR #7, Anonymous DR #15.
110 World Bank Indicators (2010).
years revenue collection and debt management were improved, the budgetary process was institutionalized, and the financial system was strengthened. The National Council of Private Entrepreneurs (CONEP- Consejo Nacional de la Empresa Privada) openly supported Fernández, particularly after his first year with the success of the stabilization. Later the CONEP lobbied actively and successfully for tax cuts. As in his first administration, Fernández’ political identity was connected to businesses, placing his political affiliation at the center right of the political spectrum, another demonstration of the continuities in Fernández II. Despite the positive tax changes, overall the tax base remained narrow, and public expenditures rose in order to subsidize mainly electricity and gas in large and poorly targeted subsidy programs.

Problems with Haiti following the ouster of Jean Bertrand Aristide by an armed revolt in 2004 escalated in political crisis, and bilateral relations reached a low point in December 2005.\textsuperscript{111} If this was a regrettable situation Fernández was able to find other successful events to counterbalance his international image. For instance, the government adapted its legal framework in preparation for the Caribbean Free Trade Agreement DR-CAFTA requirements by increasing taxes for income and for car imports. Even with a PLD minority, the Congress approved the legislation in December 2005, making only minor modifications. After years of negotiations and political turmoil, the long awaited Dominican Republic-Central American Free-Trade Agreement (DR-CAFTA) was passed by the U.S. Congress on July 27\textsuperscript{th} 2005 and came into force in 2007.

\textsuperscript{111} The historically difficult relations with Haiti due to illegal emigration to the Dominican Republic and the deplorable conditions and treatment received by Haitians, received considerable attention in 2005. The Dominican government forced repatriations of Haitian migrants, including 4,000 people in May and another 1,000 people in August. Furthermore, human rights organizations denounced persistent violations to Haitians and Dominican-Haitians. The latter were (and still are) denied citizenship.
The Dominican Republic’s perennial problems with shortages in its inadequate electrical power grid were somehow tackled as the Fernández’ administration improved the supply and conservation of energy. However, these were not more than cosmetic changes, since the improvements did not meet the demand. The government continued to subsidize electricity throughout his second term, however, by a strategic move that surprised Dominicans and international lending institutions, Fernández struck a deal with Venezuela to buy oil at preferential prices in June 2005, effectively freeing resources to be invested elsewhere.

Fernández also promised to increase social protection by improved targeting of social programs, but putting a stop to rising violence and organized crime required more than good intentions. Another pledge at the start of Fernández’ administration was war on crime, and in particular on drug trafficking. Armed clashes between drug gangs and drug shipment seizures became common. To achieve congressional support for his reforms, Fernández had to renege on his pledge to combat corruption although the U.S. withdrew visas to several Mejía collaborators that held important positions during his administration; but during Fernández’ mandate little was done to convict corrupt officials. As a trade-off, Dominican courts dismissed 80% of narcotics cases on technicalities. General crime, which increased sharply between 2004 and 2005, has been contained somewhat since 2006, in part by the public safety programs (Morgan et al., 2009)

In November 2005, it was discovered that $US 380 million were misappropriated at the fifth-largest bank, Banco Progreso, by a former president of its board of directors.

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112 Venezuela supplied up to 75 percent of oil to the Dominican Republic during the Mejía and Fernández administrations.
113 Interview with Anonymous DR #14.
This renewed concerns about internal controls and corporate governance were largely ignored by the administration. Moreover, the vulnerability of the public finances was put in evidence again when it was revealed that the government engaged in heavy spending up to the midterm elections.

Fernández did not exercise his leadership forcefully; he preferred a non-polemic presidency, in which his ministers had considerable leeway. The positive economic policies and knowing that both the PRSC and PRD were split and weakened with intraparty rivalries, Fernández strengthened his leadership. He saw an opportunity for the PLD to increase its share in Congress and in the provinces, reversing its minority in Congress in the midterm 2006 elections, by capitalizing on the president's popularity. Seeing their prospects for votes reduced, the PRD and part of the PRSC leadership made an historical alliance forming the Great National Alliance to stop the PLD in the 2006 midterm elections. However, another significant faction of the PRSC openly supported Fernández' PLD. The result was disastrous for both the PRD and the PRSC, as they saw their numbers of Senators and Congressmen both reduced. The alliance itself was perceived as a mere political strategy to get votes, with no coherent discourse. Several leaders of the PRSC had left the party before the elections, leaving the PRSC even more weakened.

In the Congressional and local elections of 2006, the ruling PLD and its allies formed the progressive block. They were rewarded with a comfortable majority in both houses of Congress. The PLD received 52.4% of the votes, with 96 deputies and 22

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114 In preparation for the midterm elections, the PRSC held primaries in June 2005. As a result, Federico Antún Batlle became the new party leader. However his leadership did not unify the party, and in fact it created more animosity between the leadership faction and some Congressmen. In the same month the PRD also held its primary elections, electing Ramon Albuquerque as the party leader.
senators; the PRD held 60 deputies and 6 senators, and the PRSC was third with 22 deputies with 4 senators.

The midterm elections strengthened governability in the second half of Fernández II and provided a unique window of opportunity to engage in solving the country’s problems: addressing the energy crisis, fighting corruption, building institutions, and improving competitiveness in the investment climate. With the strong performance in the elections, Fernández was guaranteed an easier time, but wasted a unique opportunity to make important changes. The enacted reforms were not so much of Fernández making or a carefully planned strategy. Rather, they originated in the need to prove that the country had sound economic management in order for CAFTA to enter into force.

A few months after gaining Congressional majority, in October 2006 Fernández announced he would introduce constitutional reform. His proposals included removing the limit on holding presidential office to two terms, making Congressional and presidential elections concurrent, and extending legal rights for citizens. A series of public consultations were held, but there was considerable controversy in the media and in public opinion, particularly over presidential re-election. None of the proposals passed before the end of his term, but the effort revealed a less democratic side of Fernández. In his first administration, he had a chance to change the constitution for his own benefit with the support of the PRSC, but he did not, thus retaining his democratic credentials intact. However, his proposal in Fernández II revealed his real leadership project, to retain power for himself.

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115 Various interviews including a personal interview with President Leonel Fernández.
During the second half of Fernández II, he devoted an enormous amount of time and effort to his reelection and to constructing infrastructure with his own signature. In December 2006, the PLD majority in Congress approved a fiscal reform to increase revenue by raising taxes on gasoline, vehicle licenses, insurance services, casinos and lottery, banking transactions and alcohol and tobacco. The reform was opposed by the PRD and PRSC, as well as by the business community, which up to that point was supportive of Fernández. However, unmoved by lobbyists and critics, Fernández made an agreement with the IMF, in which fiscal consolidation was prioritized and the financial sector was set to be strengthened. The IMF was concerned about the lack of attention to state and institutional reform, especially when it became evident that there were institutional weaknesses in the banking superintendence. With persistently high oil prices and the policy of fiscal transfers to the electricity sector, the budget was out of the agreed target range, forcing the administration to cut spending items for public sector in 2006. Part of the reform included a change in the state budget management that reduced the share of resources controlled by the president from 20% to 15%. Although this move was supposed to reduce the arbitrary allocation of public spending, under special ill-defined circumstances when Congress was not in session, the president could move resources between different spending items by decree. In practice, the president continued to control the budget, as there was virtually no opposition to oversee the executive.

Protests took place in early July and again in October 2007, concerning the lack of attention to social needs, low wages, high gas prices, rising prices of basic products and ties with the IMF. Social progress in areas such as education and health lacked
priority and necessary presidential support. In discourse, education was the area that the President seemed to care for the most, but spending on education as a percentage of GDP was still very low,\(^{116}\) reaching 2%.\(^{117}\) A number of initiatives were launched to improve public education, including scholarships and awards, the installation of computers in nearly every school, the creation of the Cyber Park, and the promotion of reading skills through the so-called Reading Olympics. Public school enrollment rates have improved in recent years, and as of 2008 they were high by regional standards, but on quality measures the country’s schools place at or near the bottom of regional rankings (PNUD, 2008).

A conditional cash transfer (CCT) program that targeted the poor was highly regarded for providing poor families with targeted subsidies.\(^{118}\) The conditional cash transfer program, called Solidaridad, was created in 2005, aiming to rationalize social expenditure towards efficient and effective programs.

Using the PLD control of Congress, by the end of 2006 a new electoral board (JCE) was appointed by Fernández. It was perceived as relatively independent, but with the control by the executive and legislative, there was suspicion of the JCE, particularly since the battles could move from Congress to the JCE as ground for political party pressures.

Only a few months after the 2006 midterm elections, the main political parties in the Dominican Republic started preparing for the 2008 presidential election, and both PRD and PRSC held primary elections. As in the past, intraparty personal rivalries and

\(^{116}\) During the Mejía administration, a law mandating spending on education of at least 4 percent of GDP was passed. Nevertheless, none of the Mejía and Fernández administrations obeyed the law.

\(^{117}\) PNUD 2008: 218.

\(^{118}\) See World Bank Country Partnership Strategy 2009 Dominican Republic.
struggles continued. As opposed to the first half of Fernández II, Fernández needed to prove himself. A strong gain in the midterm elections, would lead to Fernández nomination as a given. Since the three party platforms varied little and personal clienteles were key to political competition, intra-party competition also arose in the PLD. Danilo Medina, Fernández’s Secretary of the Presidency, challenged him in the primaries in May 2007. Medina was not only the executive’s strategist, but he was the party’s leading political operative. He sensed he had considerable support among PLD Congressmen and at the grassroots level, whereas Fernández had greater backing among rank-and-file party members and the general public. It became a bitter race, as Medina denounced the use of state resources in favor of the incumbent President, and he eventually realized that the party could not fight back the power of the state in the hands of the President. “I’ve been beaten by the state” Medina declared. Fernández won 71.5% of the party vote, with the remainder going to Medina. Fernández retained his party favor through the activation of a clientelistic network directly connected to him.

Starting in May 2007, Fernández became focused on his reelection instead of making significant changes, as reflected in the expansion of public expenditures. Even though during the first three years government spending remained low in comparison to other countries, it was higher than in other administrations, as shown in Table 6-5. In 2006 and 2008, government increased expenditures leading up to the midterm and presidential elections, respectively. Fernández increased public expenditures in projects

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119 In January of 2007, the PRD’s Vargas Maldonado, who was a minister of Mejía, became the presidential candidate. The party became divided, as Milagros Ortiz Bosch was supposed to be the candidate according to the intraparty deals when Mejía became the candidate in 2000. The PRSC elected the Dominican Municipal League President, Amable Aristy, as its presidential candidate on June 2007 with 55 percent of the vote over Eduardo Estrella. The election was controversial, as Estrella denounced the outcome as fraudulent, and eventually left the party.

that were highly visible and did not necessarily resolve urgent matters, in particular the construction of the Santo Domingo metro, which he saw as a symbol of his legacy in modernizing the country.\textsuperscript{121} Fernández was accused of focusing more on constructing a subway than on leading the disaster reconstruction efforts after two deadly hurricanes in 2007.\textsuperscript{122}

Fernández’ articulative presidency experienced economic rebound, while addressing crime, corruption, the chronic electricity crisis and improving the quality of life for its citizens became increasingly necessary. Progress in the latter areas was much slower than expected. Fernández policies were cautious, orthodox and market friendly, but his successes were overshadowed by corruption scandals that the president denied, only to later acknowledge and even justify.

As in Fernández I, his second administration was plagued by cases of corruption and clientelism. For example, the case of watered-down milk in students’ breakfast caught the media attention as one of the most outraging corruption scandals. The education minister, Alejandrina German, a close friend and party colleague of Fernández, was asked to resign, but she did not receive any punishment.\textsuperscript{123}

\textsuperscript{121} By February of 2008, a single line of the metro system in Santo Domingo with only two working stations was tested. The project was pushed to be finished before the elections. Fernández announced that if reelected he would build a second line. The initial $470 million estimate of the cost of the project spiraled to nearly $750 million according to some and much higher according to others. No transparent information has been released over the total cost of the first line of the Santo Domingo metro.

\textsuperscript{122} On the last days of November 2007 and after heavy rain, Hurricane Noel hit the island, causing an estimated $30 million in damages to Dominican Republic’s plantations of rice, plantain and cacao. In December another disaster happened, when tropical storm Olga hit the Dominican Republic causing floods in highly populated areas. During the storm a dam was negligently opened, devastating extensive areas and killing more than 30 people. A report absolved the government of any responsibility, after being heavily criticized for the lack of immediate action, poor preparation, and loss of life and property. The report was criticized because the commission responsible was appointed by the government, and it was clear that it served to deflect criticism.

\textsuperscript{123} In fact most of the scandals did not involve any kind of penalty for those government officials or politicians involved. Such was the case of Sun Land in which promissory notes for $130 million dollars were given by the state in exchange for public works that were never delivered. The contract was cancelled after the media discovered the obscure deals, but the state paid what it supposedly owed to the company as stipulated in the contract (see,
Fernández’s second articulative presidency was no differently led than previous administrations, including his own. Both the political order and the commitments that he was affiliated with were resilient. In his second administration, the underlying structures of the political order were much stronger than in Fernández I. Having mastered the art of politics in his first administration, and being supported by the established commitments, he had no interest in changing the status quo. Fernández did not try to fight the establishment, and he did not upset the dominating interests. To the contrary, he took the commitments to a level of making the fears aroused during the Mejía administration disappear. In his second presidency, Fernández showed commitment to free-markets, governability based on clientelism and a subsidizing state, especially for energy consumption. The product for each of these features was supposed to be economic growth strongly linked to international markets such as CAFTA. Political stability was based on the expansion of clientelistic networks and a culture of patronage that included modern tools, such as social programs for the poor like Solidaridad. Social programs were not implemented in response to society’s demands for social equality or because they had an inherent value, but because they were helpful in avoiding the public’s anger. These programs provided evidence that the state was working toward the protection of consumers and industries from the rising oil prices. In addition, public administration high use of opaque accounting and public expenditure practices served vested interests such as the use of public contracts to reward political allies and financial contributors resulted in inefficient public resource use and corruption.

http://www.tiempocomplete.com.do/?c=141&a=4306). Moreover, it was a common practice in Fernández first and second administration fro business to to overcharge for goods bought by the state, such as the Project E-Portal Dominicano, software for Imposdom, technical equipment for the National Police, and Tucano planes for the military (see http://www.acento.com.do/index.php/news/1188/56/La-corrupcion-se-acrecienta-en-los-10-anos-del-presidente-Leonel-Fernández.html).
Clientelism was the principal means of managing state resources, benefiting the president’s constituency in a very personal manner and using the party as a vehicle. His administration was nepotistic; he rewarded friends, supporters and party comrades instead of seeking the most qualified people for the job. As Kitschelt and Wilkinson (2007) theorize, in the Dominican Republic, clientelism is considered part of the political culture and the way the state relates to society. As Balaguer and Mejía, Fernández and even ordinary Dominicans did not consider the patron-client relationship as clientelistic, as a quid-pro-quo exchange of scarce and desirable goods. Instead, they interpreted it in flowery terms as an enactment of community relations and civic solidarity.

Discussion

The third wave of democratization in the Dominican Republic occurred as part of the clientelistic political order. This chapter provided an account of the advancements and setbacks of democratization in the country as a result of the role of each of the successive presidents in the duration and the intensity of the life of the political cycle. Specifically, in this chapter the two non-consecutive presidencies of Leonel Fernández explain how his actions contributed to the continuation of the clientelistic political order.

Since 1978 the politics of articulation was clear in six out of the eight presidencies. They all extended the political order started by Balaguer in the late 1960’s maintaining the continuity that characterizes the Dominican Republic. The changes that took place since then have been incremental as opposed to radical or significant. There were battles that Balaguer lost, such as the Jorge and Guzman presidencies. Both PRD’s presidents went against the political order, they were independent from the established commitments but they faced a resilient order, and for these reasons their presidencies were preemptive. Their authority was repudiative of the institutional and
ideological supports that the old establishment maintained. Not only were their presidencies weak in relation to the formidable set of institutional developments that were strengthened and consolidated by Balaguer, but there was no orientation among the citizenry for radical change, and the ruling elite was quite satisfied with the situation at the time.

The last three Balaguer’s presidencies were articulative, as he personified the establishment, and he orchestrated a political order that was strong and resilient to political and social pressures. Political actors who pressed for change were coopted by Balaguer through clientelistic practices that characterized his rule. The presidencies of Leonel Fernández I and II and Hipólito Mejía are also considered articulative, because they were characterized by the absence of significant change both at the level of affiliation with the ruling interests and support for the basic tenants of the order.

The case of Fernández suggests that leadership can be constrained by other actors and environment, but also by the leader’s own aversion to risk. Fernández lacked a vision for democratic advancement. Pushing for the participation of the historically excluded and fostering debate were not in his agenda. In his first term, Fernández’ leadership limited itself to minor actions that did not question the status quo. In fact, Fernández actions contributed to make the clientelistic order stronger as he reproduced the practices employed by Balaguer and set up his own clientelistic network. As in his first, Fernández’ articulative second presidency did not question the order in place and continued to support and be supported by the established commitments. He did not break with the attachments he established in his first presidency.
Fernández’s two presidencies demonstrate that re-elected leaders are not necessarily positive forces for democracy. When presidents’ actions reproduce a political order whose guiding ideas and organized interests do not have a referent in the population, the ill-oriented political order becomes hazardously stronger, delaying even more the possibility of democratic advancement. In a case like this, presidential interventions are negative for the politics of country, as they deny the authentic representation of interests and participation.

As Mitchell (2009) correctly points out, despite the Dominican Republic’s vulnerability to external factors, the country has shown a remarkable ability to maintain certain internal aspects that have reinforced its particular brand of political system, namely clientelistic with vertical decision making and cooptation, but no new mechanism for conflict-resolution. Politics in the Dominican Republic seem to be maintained by groups that favor the status quo. The patrimonial nature of the state that started with Trujillo (Hartlyn, 1998), has been maintained by all successive administrations. Furthermore, all of the Dominican parties have employed clientelist strategies and maintained clientelistic networks, as Dominicans see their demands somehow met though the network, with the popular sector remaining weak and with few chances to initiate change from below. All administrations faced popular discontent and all confronted the masses, but the popular sector has never been strong enough to organize and become a serious threat. Dominican society is extremely complex, and trying to understand its subtleties is made more difficult by the Dominicans’ self denial of their living conditions. Even though all Dominicans interviewed for this dissertation were open to frank conversations about sensitive topics, the idea that the government offers
rewards by making clients out of citizens was not outrageous to most of them. There are certainly some Dominicans eager for change - and the political system did not seem to be ready for change - but there is no sign of the burning popular unrest which has challenged governments elsewhere in Latin America.
Table 6-1. Dominican Republic - Presidents, types of presidencies and political orders (1978-2008)

<table>
<thead>
<tr>
<th>Years</th>
<th>President</th>
<th>Type of presidency</th>
<th>Political order</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978-1982</td>
<td>Antonio Guzman</td>
<td>Preemptive</td>
<td>Clientelistic</td>
</tr>
<tr>
<td>1982-1986</td>
<td>Salvador Jorge</td>
<td>Preemptive</td>
<td>Clientelistic</td>
</tr>
<tr>
<td>1986-1990</td>
<td>Joaquín Balaguer</td>
<td>Articulative</td>
<td>Clientelistic</td>
</tr>
<tr>
<td>1990-1994</td>
<td>Joaquín Balaguer</td>
<td>Articulative</td>
<td>Clientelistic</td>
</tr>
<tr>
<td>1994-1996</td>
<td>Joaquín Balaguer</td>
<td>Articulative</td>
<td>Clientelistic</td>
</tr>
<tr>
<td>1996-2000</td>
<td>Leonel Fernández I</td>
<td>Articulative</td>
<td>Clientelistic</td>
</tr>
<tr>
<td>2000-2004</td>
<td>Hipólito Mejía</td>
<td>Articulative</td>
<td>Clientelistic</td>
</tr>
<tr>
<td>2004-2008</td>
<td>Leonel Fernández II</td>
<td>Articulative</td>
<td>Clientelistic</td>
</tr>
</tbody>
</table>

Table 6-2. Dominican Republic - Vote share by party in presidential elections (1978-2008) (in percentages)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PLD</td>
<td>1.11</td>
<td>9.82</td>
<td>18.37</td>
<td>33.77</td>
<td>13.12</td>
<td>38.93</td>
<td>51.25</td>
<td>24.94</td>
<td>57.11</td>
<td>53.83</td>
</tr>
<tr>
<td>PRD</td>
<td>51.69</td>
<td>46.70</td>
<td>33.46</td>
<td>22.96</td>
<td>39.41</td>
<td>41.06</td>
<td>48.75</td>
<td>49.87</td>
<td>33.65</td>
<td>40.48</td>
</tr>
<tr>
<td>PR(SC)</td>
<td>42.65</td>
<td>36.55</td>
<td>40.51</td>
<td>33.48</td>
<td>41.89</td>
<td>15.00</td>
<td>24.60</td>
<td>8.65</td>
<td>4.59</td>
<td></td>
</tr>
<tr>
<td>PRI</td>
<td>7.01</td>
<td>2.29</td>
<td>1.02</td>
<td>3.29</td>
<td>3.99</td>
<td>0</td>
<td>0.59</td>
<td>0.48</td>
<td>1.06</td>
<td></td>
</tr>
<tr>
<td>Other parties</td>
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<td>3.99</td>
<td>0</td>
<td>0.59</td>
<td>0.48</td>
<td>1.06</td>
</tr>
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</table>

Source: Junta Central Electoral (JCE)
## Table 6.3. Dominican Republic - Seats by party (1978-2010)

<table>
<thead>
<tr>
<th>Year</th>
<th>PLD</th>
<th>PRD</th>
<th>PR(SC)</th>
<th>PRI</th>
<th>TOTAL</th>
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<tr>
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<td>48</td>
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<td>91</td>
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<td></td>
<td>0</td>
<td>11</td>
<td>16</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>1982</td>
<td>7</td>
<td>50</td>
<td>63</td>
<td></td>
<td>120</td>
</tr>
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<td>120</td>
</tr>
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<td></td>
<td>2</td>
<td>7</td>
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</tr>
<tr>
<td></td>
<td>12</td>
<td>2</td>
<td>16</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>1994</td>
<td>13</td>
<td>57</td>
<td>50</td>
<td></td>
<td>120</td>
</tr>
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</tr>
<tr>
<td></td>
<td>3</td>
<td>24</td>
<td>3</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>2002</td>
<td>41</td>
<td>73</td>
<td>36</td>
<td></td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>29</td>
<td>1</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>2006</td>
<td>96</td>
<td>60</td>
<td>22</td>
<td></td>
<td>178</td>
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<td>22</td>
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<td>2010</td>
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</tr>
<tr>
<td></td>
<td>31</td>
<td>0</td>
<td>1</td>
<td></td>
<td>32</td>
</tr>
</tbody>
</table>

Source: Junta Central Electoral (JCE); José Angel Aquino (2010); Espinal (2004)

## Table 6.4. Dominican Republic - Electoral data in presidential elections (1978-2008)

<table>
<thead>
<tr>
<th>Year</th>
<th>Registered Voters</th>
<th>Increase RV</th>
<th>Valid Votes</th>
<th>Null</th>
<th>Total Cast</th>
<th>Absent&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>In percentages</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>2,178,562</td>
<td>94.94</td>
<td>5.06</td>
<td>80.05</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>2,456,757</td>
<td>11.32</td>
<td>95.25</td>
<td>4.75</td>
<td>78.23</td>
<td>26</td>
</tr>
<tr>
<td>1986</td>
<td>2,933,333</td>
<td>16.25</td>
<td>96.22</td>
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<td>74.83</td>
<td>28</td>
</tr>
<tr>
<td>1990</td>
<td>3,223,333</td>
<td>9.00</td>
<td>98.05</td>
<td>1.95</td>
<td>61.21</td>
<td>40</td>
</tr>
<tr>
<td>1994</td>
<td>3,506,977</td>
<td>8.09</td>
<td>97.85</td>
<td>2.15</td>
<td>87.88</td>
<td>14</td>
</tr>
<tr>
<td>1996 (I)</td>
<td>3,735,443</td>
<td>6.12</td>
<td>98.40</td>
<td>1.60</td>
<td>79.03</td>
<td>21</td>
</tr>
<tr>
<td>1996 (II)</td>
<td>3,740,843</td>
<td>0.14</td>
<td>99.38</td>
<td>0.67</td>
<td>76.96</td>
<td>23</td>
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<tr>
<td>2000</td>
<td>4,251,218</td>
<td>12.01</td>
<td>98.70</td>
<td>1.30</td>
<td>76.14</td>
<td>24</td>
</tr>
<tr>
<td>2004</td>
<td>5,020,703</td>
<td>15.33</td>
<td>98.82</td>
<td>1.16</td>
<td>72.84</td>
<td>27</td>
</tr>
<tr>
<td>2008&lt;sup&gt;1&lt;/sup&gt;</td>
<td>5,764,387</td>
<td>12.90</td>
<td>99.34</td>
<td>0.66</td>
<td>71.36</td>
<td>29</td>
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Source: Junta Central Electoral (JCE)<sup>1</sup>;  
<sup>1</sup> JCE Boletín no. 9, no.10;  
<sup>2</sup> Hartlyn & Espinal (2008); Mitchell (2009)
Figure 6-1. Dominican Republic - Personal opinions of Joaquín Balaguer (1991-2008)

Source: Hamilton Campaigns - Dominican Republic, 1991-1996
Figure 6-2. Dominican Republic - Personal opinions of presidential performance (1991-2008)

Source: Hamilton Campaigns - Dominican Republic, 1991-2008; CID-Gallup Opinión Pública República Dominicana #17

Figure 6-3. Dominican Republic - Personal opinions of Leonel Fernández (1994-2008)

Source: Hamilton Campaigns - Dominican Republic 1994-2008
Table 6-5. Dominican Republic - Economic performance variables (in percentages) (1990-2008)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP growth</th>
<th>GDP growth per capita</th>
<th>Deficit (of GDP)</th>
<th>Public expenditure (of GDP)</th>
<th>Inflation growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>-5.80</td>
<td>-7.80</td>
<td>0.61</td>
<td>10.86</td>
<td>80.28</td>
</tr>
<tr>
<td>1991</td>
<td>0.90</td>
<td>-1.10</td>
<td>0.82</td>
<td>7.42</td>
<td>7.87</td>
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<tr>
<td>1992</td>
<td>8.00</td>
<td>5.90</td>
<td>2.61</td>
<td>9.76</td>
<td>5.16</td>
</tr>
<tr>
<td>1993</td>
<td>3.00</td>
<td>1.00</td>
<td>0.18</td>
<td>12.35</td>
<td>-55.39</td>
</tr>
<tr>
<td>1994</td>
<td>4.20</td>
<td>2.20</td>
<td>-0.38</td>
<td>12.26</td>
<td>14.32</td>
</tr>
<tr>
<td>1995</td>
<td>4.80</td>
<td>2.90</td>
<td>0.82</td>
<td>11.09</td>
<td>9.22</td>
</tr>
<tr>
<td>1996</td>
<td>7.30</td>
<td>5.30</td>
<td>0.23</td>
<td>11.43</td>
<td>3.95</td>
</tr>
<tr>
<td>1997</td>
<td>8.20</td>
<td>6.30</td>
<td>0.76</td>
<td>12.12</td>
<td>8.37</td>
</tr>
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<td>1998</td>
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<td>1999</td>
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<td>6.20</td>
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<td>13.14</td>
<td>5.10</td>
</tr>
<tr>
<td>2000</td>
<td>7.90</td>
<td>6.20</td>
<td>0.88</td>
<td>12.44</td>
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</tr>
<tr>
<td>2001</td>
<td>4.00</td>
<td>2.40</td>
<td>0.34</td>
<td>14.17</td>
<td>4.38</td>
</tr>
<tr>
<td>2002</td>
<td>4.30</td>
<td>2.70</td>
<td>0.05</td>
<td>14.53</td>
<td>10.51</td>
</tr>
<tr>
<td>2003</td>
<td>-0.25</td>
<td>-1.76</td>
<td>1.07</td>
<td>11.97</td>
<td>42.66</td>
</tr>
<tr>
<td>2004</td>
<td>1.31</td>
<td>-0.19</td>
<td>-0.54</td>
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<td>28.74</td>
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<tr>
<td>2005</td>
<td>9.26</td>
<td>7.68</td>
<td>-0.14</td>
<td>15.84</td>
<td>7.44</td>
</tr>
<tr>
<td>2006</td>
<td>10.67</td>
<td>9.10</td>
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<td>5.00</td>
</tr>
<tr>
<td>2007</td>
<td>8.48</td>
<td>6.90</td>
<td>0.64</td>
<td>17.09</td>
<td>8.88</td>
</tr>
<tr>
<td>2008</td>
<td>5.26</td>
<td>3.70</td>
<td>-3.78</td>
<td>19.63</td>
<td>4.52</td>
</tr>
</tbody>
</table>

*Source: Economist Intelligence Unit*
CHAPTER 7
LEONEL FERNÁNDEZ’ LEADERSHIP STYLE

This chapter explains Leonel Fernández’ motivations and the origins of his actions by looking at: a) his reactions to political constraints in his environment, b) his openness to information, and c) his motivations for seeking his positions. In order to do this, I use Hermann’s typology of leaders, including the seven traits important to profile a leader to assess his leadership styles. As stated in Chapter 2, motivations, perceptions and worldview hold significant importance for the politics of new democracies, when the person in the highest office in the country makes decisions that affect current politics as well as democratization prospects and ultimately the nation’s interests.

In conjunction with Chapter 6, in which the Dominican Republic’s political order was explained, this chapter adds to the analysis of political and secular time, introducing personal level variables in order to understand leaders’ actions through a personality trait analysis. When the three aspects, political time (structural patterns), secular time (current authority configuration), and the leader’s goals and agenda are aligned, the country has a better chance at deepening democratization. A necessary caveat is to remember that the concept of leadership that guides this dissertation includes moral and ethical arguments that put the search of common good above the personal.

This chapter demonstrates the importance of Fernández’ leadership styles in his actions during both of his administrations.¹ By exploring Fernández’ personality we have

¹ Fernández’s personality traits assessment is mainly based on sixteen interviews that include one with the President, and the rest with people with whom Fernández had long-term personal contact. They include elected and appointed public office holders, journalists specialized in the Dominican Republic’s Presidency, and Dominican Republic’s scholars and analysts. Other sources were official speeches, public appearances, Fernández published articles and press interviews, and special reports.
an opportunity to understand his actions and observe an example of McCoy’s (2000) political learning/over learning.

About Leonel Fernández

Leonel Fernández Reyna was born in the neighborhood of San Carlos in Santo Domingo in 1953. During his early years he lived in the neighborhood of Villa Juana, a low middle class neighborhood, with his family. His father was an army officer, and his mother a school teacher. At the age of nine, the Fernández family moved to the Bronx, New York. As many other immigrants, Dominican families looking for a better future. His mother worked as seamstress and nurse's aide, and Fernández attended public School in the city of New York. The young Fernández used to play baseball and basketball and enjoyed American pop culture. He held a U.S. green card until at least 2002. He returned to Santo Domingo at the age of sixteen and studied law at the Autonomous University of Santo Domingo (UASD - Universidad Autónoma de Santo Domingo). During his early college years, he joined the student movement of the '70s, taking active participation in political events. In 1978 he graduated as lawyer and worked in his profession, in journalism and as university professor. In his law practice at a legal firm he specialized in civil law, and he also worked at various courts of the Dominican Republic. In 1979 he started teaching various courses in social sciences, law and philosophy at UASD, as well as in other foreign universities such as FLACSO (Facultad Latinoamericana de Ciencias Sociales).

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2 The Dominican Republic allows dual-citizenship due to the large Dominican population living in the US, and traveling back and forth between the U.S. and the Dominican Republic. Unlike other countries in the Dominican Republic it is not an issue to hold a green card, not even for high profile politicians like Fernández.
Although some sources highlighted his participation along with Bosch in the founding of the PLD in 1973,\(^3\) there is no evidence he was an active member of the PLD. In fact, he was very young to be of salient influence. Only after graduation did he become an active member of the PLD, first as committee secretary in charge of distributing propaganda, then a central committee member in 1983, and a member of the political committee in 1990. He became close to Bosch working as the PLD’s press secretary and secretary of foreign affairs. In addition, Fernández worked as chief editor of the party magazine and newspaper. In the tradition of Juan Bosch’s political work, Fernández published three books: *The United States of the Caribbean: From the Cold War to the Reagan Plan* (Los Estados Unidos del Caribe; de la Guerra Fria al Plan Reagan), *Roots of the Infringed Power* (Raíces de un Poder usurpado) (1991), and *New Paradigm* (Nuevo Paradigma) in 1999. He wrote newspaper and magazine articles on communication, culture, history and law. In 1994 Fernández was part of the presidential ticket when Juan Bosch ran for the Presidency and selected him to accompany him as his vice-president. Bosch’s political anti-Americanism/imperialism posture was softened by Fernández who had great sympathy for the U.S. and its culture, and his spoken English resembled more a person from the Bronx than a native Spanish-speaker. In April 1995, Fernández was chosen by the PLD to become its presidential candidate.

In the mid 1980s Fernández married Rocío Domínguez; they had two children: Nicole and Omar. Fernández' second marriage was in 2003, with Dominican lawyer Margarita Cedeño, they have a daughter, Yolanda América.

\(^3\) [http://www.funglode.org/Qu%C3%A9nssomos/MensajedelPresidente/tabid/67/Default.aspx](http://www.funglode.org/Qu%C3%A9nssomos/MensajedelPresidente/tabid/67/Default.aspx)
Leadership Style

Constraints

In order to determine a leader’s reactions to political constraints, one has to look at two traits: the belief that he can control events and his need for power.

Leader’s own belief in his control and influence over events

As opposed to Gonzalo Sánchez de Lozada and Alan García, who in Chapters 5 and 9 respectively, are described as high in believing in their abilities to control and influence events, Leonel Fernández was low. Thus he enabled others, either followers or officials working for him, to make decisions or to act as emissaries.

From the start of his rise to leadership positions Fernández was aware of his inability to control events. This self-awareness worked in his favor, as he was regarded as a moderate and innocuous by his party fellows. Juan Bosch, the historical leader of the PLD, saw Fernández as a good running mate for the 1994 presidential elections, as well as a good successor for the party’s leadership. Indeed, Fernández did not step over anyone nor did he seem over-ambitious or forceful. As Fernández said himself, “to someone I don’t do any good, I also don’t do any harm”.4 Fernández let other factors play a role in his rise to national politics. For instance, his English language skills were important assets for the PLD at the time of his candidacy, as he was one of the few members of the party who could relate to the U.S. and the Dominican diaspora in the US. Moreover, he was articulate and able to communicate his party’s ideas and platform. Most importantly he was able to improve the PLD’s image, both inside and outside the country. Indeed, Fernández’ personal biography, his non-controversial past

4 “A quien no hago un bien, tampoco hago un mal”
http://www.elpais.com/articulo/internacional/Leonel/Fernández/elegido/presidente/dominicano/mayoria/absoluta/elpepiiint/20040518/elpepiiint_18/Tes
as well as his non-controversial behavior gained him the favor of the PLD leadership, as well as Bosch, the Catholic Church, and of the U.S. Embassy. Fernández provided a good balance to Bosch’s own history and personal characteristics, and was a better choice for vice-president than the other party leader, Danilo Medina.

Another display of his lack of interest in controlling events occurred in the 1996 elections when Fernández let his party choose his running mate, Jaime David Fernández, instead of imposing someone himself. Even when he became the presidential candidate, he knew he could not control his party. At this point in time, Bosch was practically retired and ill. While other party leaders were active in the politics of succession, Fernández remained calm. After stepping aside to give the party a chance to win the presidency, Danilo Medina, the other competitor, helped Fernández gain the spotlight and took charge of the party operations and the running of the campaign. Medina effectively became the PLD strategist for the campaign, as well as the architect, along with Fernández, for the future pact, formally established in June 2, 1996, right before the run-off between the PLD and the PRSC.

Another example of Fernández’ ease at letting events unfold without his intervention occurred during the first round of the 1996 elections when Fernández mildly criticized Balaguer’s regime. Because of its timid criticism, the PLD clearly became an accomplice of the PRSC. The immediate aspirations to win the 1996 election became

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5 Bosch was one of the founders of the PRD while living in Cuba and had identified with Marxist views. Throughout his life Bosch developed a political doctrine against imperialism, in a clear quarrel with the US. Moreover his nationalistic views aimed for a country “liberated” from any source of international tutelage.
6 Many interviewees and political analysts considered Medina the natural leader to succeed Bosch, as he was the strongest man in the party after Bosch. Medina was one of the early leaders of the PLD but he had a personal history that made his appointment as the successor of Bosch difficult. Medina was a radical leftist in his youth, and he had lived in Cuba, being politically active as a member of communist groups.
7 Many interviewees, who were party colleagues as well as political analysts, contend that since then, Medina felt Fernández owed him a favor for standing on the sidelines and making Fernández rise within the PLD possible.
the PLD’s priority, instead of the elaboration of a well-designed government plan. Fernández’ PLD launched a campaign highlighting the contrast of past and present without directly denouncing Balaguer’s past administrations. Since Balaguer could not run for the 1996 presidential elections, Fernández said in an interview that many voters that would have voted for Balaguer switched to Fernández because of the distance between Balaguer and his own party candidate Peynado: “My candidacy was supported by Balaguer voters without any commitment. Balaguer voters spontaneously chose me as I suddenly became the only available candidate that would oppose Peña Gomez”. Certainly Fernández did not play a role in Balaguer’s disenchantment with Peynado and his decision to support Fernández instead of the PRSC’s candidate. The closeness to Balaguer and the PRSC, changed Fernández’ party in practical terms. Prior to the 1996, elections all parties but the PRSC had a discourse that identified Balaguer as the figure preventing real democratization in the Dominican Republic. With the support of Balaguer for his candidacy, Fernández stopped his anti-Balaguer discourse, which thwarted him from criticizing the PRSC on moral grounds. Instead, he focused his attacks on the PRD and on the true “Dominicanness” of Peña Gomez.

Balaguer’s support for Fernández in rhetoric was supposed to be unconditional. However, when Fernández was declared the winner of the elections, he knew his power was limited and he approached Balaguer to ask him which secretaries of state and

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8 Fernández represented a new generation of politicians. The vitality of the 42-year-old Fernández astonished an audience accustomed to his predecessor, a blind and partly deaf octogenarian. By 1996, Fernández was already an inveterate internet surfer, and he used computer-driven presentations to persuade Dominican businessmen as well as other investors to invest in the country. Fernández’ discourse in 1996 was centered on the modernization of the country; he skillfully articulated a promising look to the future with true liberties and new beginnings without addressing how or which interests were to be touched.

9 Personal interview with President Leonel Fernández. This statement is consistent with those of other interviewees, as well as with press articles.
government offices Balaguer wanted for his partisans. Surprisingly Balaguer repeated that he did not want any post, and that he was satisfied with stopping Peña Gomez.

During both of his administrations, Fernández did not become involve in controversies; he let others fight the battles. He was not a ubiquitous president, caring instead for his image. His strategy was not to be overexposed or wear out his popularity. Rather, he spoke at limited times when he felt people should really pay attention. Regular explanations of his government’s decisions were left for his cabinet members. Fernández said he tried to coach his administrative officials on prudence and timing, because he felt that citizens cared more about their own pocket books than administration policies involving technicalities. Indeed, interviewees that were part of his administrations did not refer or perceive Fernández as a micromanager, but as a skillful politician who knew how and when to use middlemen, and when to get involved himself.¹⁰

**Leader’s need for power and influence**

In this personality trait, Fernández ranked higher than in his belief that he could control and influence events. When he first became an active member of the PLD, although Fernández repeatedly said that he did not have a particular interest in politics, some party colleagues assured that Fernández did want to participate actively in politics, and that he had asked the party leadership to be included in the lists for congress on several occasions.¹¹ Most who know him as a politician agree that Fernández would step aside when asked, in order to allow others to become public figures. Apparently his “detachment” from politics and power gained him the favor of the

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¹⁰ Interviews with Anonymous DR #2, Anonymous DR #13.
¹¹ Interview with Anonymous DR #2, Anonymous DR #13,and Anonymous DR #1.
party leadership. He remained in his role as party member at the same time that he pursued careers as a lawyer and a university professor. He impressed Bosch with his intellectual capacities and became close to the party leader, eventually becoming PLD’s press secretary, secretary of foreign affairs and press secretary of the party. In addition, Fernández worked as chief editor of the party magazine Politics, Theory and Action (Política, Teoría y Acción), and also worked on the editorial board of the People’s Vanguard, the PLD’s newspaper. Similar to Bosch, Fernández said that he personally was always preoccupied with the happenings in the Dominican Republic, but when it came to actively seeking office Fernández stated: “I did not enter politics thinking ‘I want to be president, or [because] I want power’. Simply I could not be impassive to injustice or to abuse. I wanted to be involved in politics, because I wanted to defend causes that are fair and noble. Life drove me to power, I was not seeking it”.

Fernández was described as an accidental President, as someone who was lucky enough to have things fall in his lap. As stated above, Fernández was a politician who did not seek power openly or vehemently. Fernández accepted political responsibilities as a personal challenge and, to certain extent, because “there was no one else in his party able to take the responsibility”. He was an intellectual who happened to have the right life story in a moment of time when the old leadership needed to be replaced. Fernández accepted first the vice-presidential (1994) and later

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12 Without doubt the biggest influence in his life, he contends, was Juan Bosch. Later on, when Bosch became his mentor, Fernández was able to discuss political ideas with him. According to Fernández in the aforementioned books, Bosch’s observations were valid to understand “Dominicanness”. Fernández criticized Bosch for his analytical method, which Fernández considered inappropiate for application at all times; “Bosch is the only Dominican thinker that has a finished theory of the Dominican Republic, where he explains why we Dominicans are the way we are” he said. Fernández became fascinated with Bosch, who according to Fernández had an exuberant personality. “Although he made mistakes, Dominicans have forgiven him because his merits eclipse the faults he might have had,” asserted Fernández. (Personal interview with President Leonel Fernández)

13 Personal interview with President Leonel Fernández.

14 Personal interview with President Leonel Fernández.
the presidential candidacy (1996), responding to a personal challenge, and at the insistence of the PLD leaders, who could not become candidates themselves. He surprised even himself when his style of communication and his ability to empathize, maintain and establish personal relationships made him likable and approachable to voters. These were the exact traits that party leaders had lacked throughout the Dominican Republic’s history. As President, he exploited these qualities, making sure that he shared the benefits with his party and with a reduced group of followers who developed a spirit of camaraderie, loyalty and commitment. Fernández made people feel that they were part of a bigger story, and he made sure others felt their views were appreciated and considered. He led by mobilizing and empowering others.  

His apparent lack of interest in power made Leonel Fernández an impervious leader, distant from accusations and resistance that his party colleagues and technocrats confront. When corruption scandals arose during his presidencies, very few people dared to point the finger directly at him. Fernández built an image of someone oblivious to power, which protected him from the bad reputation of others in his administration. His collegial decision-making style made cabinet members, as well as other government officials, feel empowered and responsible for their own acts.

According to Fernández, as well as most of those interviewed for this research, Leonel Fernández core personality is not political. In contrast to Peru’s President Alan García, Fernández is not a political animal who lives to and for politics. Politics does not

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15 An interviewee pointed out an interesting fact, “When Fernández wants ministers to do something he does not call them directly. He personally makes phone calls, and when the ministers’ secretaries pick up the phone he talks to them and greets them by first name. He then asks the secretaries [or assistants] to tell the ministers that he would like this or that to happen with an established deadline (usually around the corner). When the ministers call back the President to ask for details, he becomes unreachable, leaving the ministers to figure out on their own how to deal with the President’s requests at their own discretion.”
seem to come naturally to him. In fact, when asked about his early interests and his coming into politics, he said he did not have a clear view of the role that politics would play in his life until the circumstances presented themselves. He did not grow up with the idea of becoming a politician; he became a politician based on his intellectual curiosity and discipline, aspects that gained him respect and attention. Moreover, he publicly said he was not conscious of possessing any special skill for politics.

A demonstration that Fernández’ motivation for seeking office seemed not to be power for the sake for power - at least not in his first presidency – was the lost opportunity to change the constitution to run for re-election. A phrase that has remained in the public discourse since 1998 and that is commonly used to depict Fernández as weak and indecisive was coined by PRSC opposition senator Amado Aristy, who in 1998 said “President, put your pants on,” when there was a discussion about a constitutional amendment that would have allowed Fernández to run for re-election in 2000. Indeed, right before the elected congress (1998-2002) assumed office in August 1998, some members of the old congress (1994-1998), mainly PRSC and PLD congressmen, sought to move forward a constitutional amendment for re-election that would have clearly benefited Fernández. It was said that the PLD machine offered money in exchange for passing the amendment. However, Fernández refused to pursue the constitutional change; he cited democratic principles, as well as the need to focus on finishing a good administration without the distractions of a presidential campaign. Whether or not those allegations were true at the time, the fact is that, even though he could, he did not change the constitution.
Fernández tried to keep the image of a democrat, but he effectively remained the party boss despite contested primaries. Medina challenged Fernández’ leadership in 2007, when he pursued the PLD nomination for the presidential elections of 2008, but Fernández easily won the nomination. At the time, Medina publicly declared, “I was beaten by the power of the state,” alleging power abuse. It is possible that Fernández did not seek re-election during his first presidency because of his fear of Balaguer, but during the second administration, when Balaguer was no longer on the political scene Fernández made explicit his desire to amend the Constitution in order to lift term limits altogether. This was controversial, to say the least, in a country with a history of dictatorship and authoritarianism.¹⁶

**Information**

When it comes to openness to contextual information, Fernández was the paradigm of an open decision maker, who was willing and eager to receive input from others and from the political environment in general. Newness and surprises did not affect him greatly, because his style was to be accepting and he was accustomed to the ups and downs of an environment he knew he could not control and had no wish to control. According to Herman, leaders who continuously seek out information from the environment in order to know what to do and how to conform to the current situation do not have a strong sense of who they are. Often, leaders who are low in the self-confidence trait try to compensate by being open to contextual information. However, leaders who are open to receive information from the environment without a fixed idea of what to expect are more sensitive to the environment and more responsive to the

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¹⁶ The Dominican Constitution was changed and Fernández won a third term (2005-2008, but after the constitutional change re-election remained possible for a fourth term. Fernández desisted from running for re-election in 2012.
needs and wants of others than their self-confident and obstinate counterparts.

Fernández was the type of leader who made others feel that they had his complete attention and that he cared for them, coming across as a person who could empathize with, relate to, and reflect the views of those around him.

**Leader’s contextual complexity**

Fernández was a good decision maker when he was not under pressure. He was studious, thorough and engaged when making policy decisions. He was independent to the point of being perceived as a loner. More than been described as intelligent, the interviewees referred to Fernández as disciplined, knowledgeable, well-rounded and a voracious reader of Dominican history, the classics, and current worldwide publications. It seemed that he learned about problems from the environment, while at the same time he sought answers in books. Fernández has been described as someone whose attention and efforts focus on processes and not on outputs. To a certain extent, the idea of being interested in knowledge more than power fits his own assessment of his masterpiece, his foundation. FUNGLODE (Fundacion Global para la Democracia) was a source of generation of knowledge, a think tank, and a library;

“FUNGLODE was a great idea I had in order to be away from politics after I left office the first time. I needed breathing space. My party was pressuring me to take full control of it, but I did not feel it was right. It was not my ambition to be the PLD’s boss. I am not interested in power; I am

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17 The books and authors that have greatly impacted Fernández were not necessarily political but he regarded them for their beauty: “I did not like Trotsky as an historical figure, but I did like him as author, as an artist of the word; I was fascinated by the way he explained things, his reasoning… although I did not identify with his ideas.” Fernández said he read Trotsky’s autobiography called “MyLife” several times because of the style. Then he read Isaac Deutscher’s three-volume biography of Trotsky: *The Prophet Armed* (1954), *The Prophet Unarmed* (1959) and *The Prophet Outcast* (1963). Deutscher’s trilogy is written with a “beautiful prose, with extraordinary expression and it made a very deep impression on me, also for the political content.” Other favorite books are of literary value more than non-fictional content. They include; Shakespeare’s *The Merchant of Venice* and *Othello*; Victor Hugo’s *Les Miserables* and *The 93*; Joseph Fouché’s and the *Beware of Pity* of Stefan Sweig, the tales of Edgar Allan Poe and Guy de Maupassant’s short stories (Personal interview with President Leonel Fernández).
18 Interview with Anonymous DR #2.
interested in life and society; I am interested in everything…culture, education, music, art, theater… my problem is not power. It is life…When I was not in office, I put a lot of effort in the foundation, and I also needed time to reflect. I spent months, two, three in Spain, France the US…part of it participating in forums, but also taking the time to think”.19

Several sources have confirmed his inclination for learning and knowledge, from an early age to the time of the writing of this research. On the one hand, Fernández had a complex personality that often led him to intellectual isolation. On the other, he received harsh criticism for not reacting against corruption quickly enough, because he had turned a blind eye to his partisan administration, often perceived as corrupt and protected by the president. This led some analysts to question his ethical and moral principles. To some his privacy and isolation were unnerving, while for others it was his sense of practicality that was upsetting.

The following quote is another example of Fernández’ habit of studying various alternatives when making decisions:

“[I believe] the form is very valuable as it allows for someone to express his point of view…one has to express it respectfully to make it resonate with people. That is what I do and the reason why I established friendship with diverse political forces; I do not believe anyone possesses the absolute truth, but that what matters are the valuable experiences from the left to the right…we can all learn from seeing all the sides of an issue.”20

With effort and talent he gained the image of a capable professional and a politician, knowledgeable, serene and correct in his manners. On the other hand, he descends into rhetorical abstraction, spends too much time thinking about what he is doing wrong, and comes across as distant, distracted, aloof, and even phony. But Fernández’ sense of survival pushes him to do what he must in order to win; that is,  

19 Personal interview with President Leonel Fernández.
20 http://www.elpais.com/articulo/internacional/Hay/hablar/EE/UE/forma/puedan/entendete/elpepiint/20041204elpepiint_17/Tes
when he acts like a real politician. One of his colleagues said that this attitude has been well studied, and is constantly rehearsed.¹¹ His complexity is also evident when people describe his natural curiosity, his dedication to learn and his ability to move back and forth between two cultures, Dominican and American. Indeed his experience as a transnational citizen is key to understanding Fernández. “I am a product of New York City,” he said. His vision of the world was shaped by his experience of living in the U.S. He admires the American way of life, the American practical outlook to the world. Fernández believes that growing up in New York City shaped his thinking and his life, because the U.S. became a reference point that allowed Fernández to compare realities, to come up with proposals and to dream big.

**Leader’s self-confidence**

As described above, this trait refers to the leader’s ability to deal with persons and events in the environment. Leaders who are low in self-confidence easily change their positions and continually seek out information from the environment in order to know what to do and how to conform to the demands of the circumstances in which they find themselves (Hermann 2003:194-195). As explained earlier, the biggest obstacle for Fernández during his first presidency was the overwhelming power of Joaquín Balaguer in Dominican politics, which obligated Fernández to consult and seek Balaguer’s approval for governing decisions. To overcome this, Fernández chose to shy away from domestic politics; he was successful in leading an active agenda in the foreign policy arena, to the point that his Foreign Relations minister was more a figurehead than a decision maker. Fernández’ foreign policies allowed the Dominican Republic to be part of the international community and made himself an active player in regional affairs. It

¹¹ Interview with Anonymous DR #1.
was not only important for the future of the country, but it was also a process that allowed Leonel Fernández to display his sharp diplomatic skills, congeniality and knowledge. The very clever strategy envisioned by Fernández involve gaining personal recognition and respect at the international level in order to be validated domestically, particularly in a context still dominated by Balaguer. His capacity as mediator was welcomed, particularly in Latin American affairs. For instance, at the XX Rio Group Summit held in Santo Domingo in March 2008, he helped to ease tension between Ecuador, Venezuela and Nicaragua against Colombia, after Colombian military forces shot a Colombian guerrilla leader in Ecuadorian territory. Thanks to his mediation efforts, the Latin American presidents shook hands and moved on. His strategies at the domestic level aimed at gaining personal support without undermining Balaguer's. Fernández conformed within the limited opportunities that the political landscape allowed him, and he adapted to it.

Fernández was described as “humble, authentic, with a simple life”. Moreover it was said that he “accepts his mistakes quickly and tries to fix them; he has no problem admitting he does not know”. He was often perceived as “very private, well informed” and someone who “listens” with a great capacity for abstraction, often summarizing what others said, making people think he agreed with them, which made him likeable. Fernández became informed, made decisions and evaluated issues by tackling them by sector, via temporary councils or seminars with small groups of people. The groups he organized worked as small cabinets: social cabinet, economic cabinet, public works cabinet, electricity cabinet and provincial council. Other sources of information were groups formed by members of civil society. The dynamic in the groups was debate,

22 Interview with Anonymous DR #2 which was confirmed by Anonymous DR #1.
where he listened, asked questions and used the discussions to make decisions on his own at a later time. In both administrations, there were initiatives to define the administration’s agenda, such as the National Dialogue of 1999. Often Fernández’ endless discussions on what to do were perceived as lack of decisiveness. Some attribute this perception to his collegial style of decision making, while others contend that he was passive and slow in making decisions.

Although none of the interviewees indicated that Fernández was low in self-esteem, nor that there was any evidence that he lacked self assurance, some leaders with similar behavioral characteristics similar to those of Fernández compensate their low self-esteem by taking other people’s point of view as his own, in an effort to be accommodating and to avoid conflict.

He was also depicted as “very respectful and deferential” and as someone who employed articulate language at all times. Fernández liked to think that the word that described him best was “prudence”. Indeed, although he often came across as modest and unassuming, some people asserted that he was the kind of ‘smart guy’ who would not waste an opportunity to exhibit how knowledgeable he was. Possibly that was his biggest asset, to appear smart and sure about his positions. However, in this decision-making process he seemed more dubitative. Fernández was often perceived as soft due to his style of communication, which allowed more participation and dialogue; his seminar-like method, where people discussed points of views and where he mainly listened; his taking time to make decisions and not announcing his decisions directly. But these characteristics paid off as he garnered support during his first presidency, which ended with favorable high ratings, as shown in Figure 6-3.

23 Personal interview with President Leonel Fernández.
When things go wrong in a country, the tendencies in public opinion are usually reflected in a drop in the ratings of presidential performance, government performance and personal opinions of the president. An interesting quality of Fernández as a president was his likeability amongst Dominicans, who held favorable opinions of Fernández, while his government was seen unfavorably as shown in Figure 6-2 and Figure 6-3. Fernández’ imperviousness and his ability to remain in high esteem can be understood in terms of his personal characteristics, which made him popular and likeable. Indeed, from the beginning of his political career on the national stage, he proved to be a good communicator. He came across as capable, and vehement about civic duty and personal correctness. As candidate and politician, Fernández displayed his extraordinary gifts as a communicator, and his image contrasted strongly with Balaguer’s (in Fernández’ first presidency) and with Hipólito Mejía’s (in Fernández’ second presidency). While the PRSC and PRD presidents incited strong negative reactions, transmitting fear, aggressiveness, and toughness, Fernández came across as innocuous, decent, of fine manners, approachable, and respectful of his adversaries and the citizenry.

Fernández used the clientelistic network developed by the PLD as a communication channel with the party and society in general. As discussed in chapter 6, the party network informed Fernández about the needs not only of party colleagues, leadership or sympathizers, but also of society. Citizens in the Dominican Republic tend to establish relationships with all party networks, including the PLD’s, in order to satisfy their economic and social needs. At the political participation level, the clientelistic

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24 Interview with Anonymous DR #12 and with Anonymous DR #15.
25 Interview with Anonymous DR #3, Anonymous DR #6, and Anonymous DR #12.
network also served to extend the party influence in the regions of the country by co-opting and supporting local leaders. Furthermore, Fernández created a very effective information system as part of the presidential office, which provided strategic analysis of daily data and world trends, as well as public opinion and focus group research. This modern tool was the first unit created in the Dominican Republic during his first administration. During the inter-presidency period, this information system was moved to his foundation FUNGLODE, and during the second presidency it remained in FUNGLODE as an entity separate from the party and the administration.

According to Fernández, his presidential needs were so vast that in order to govern, he tried to learn directly as much as he could from society. He said he was always in constant communication with average Dominicans. Moreover, he said he was innately curious and that he tried to become an expert (he said he was passionate) about Dominicans’ issues. According to Fernández, as President he used information filters to process information. However, he tried to obtain his own information when possible, and said, “That was the reason why I need to consult a lot, to ask for people’s opinions.” Fernández’ innovation was in his use of mass communications technology as a presidential resource. Starting in 1998 the political logic in the Dominican Republic switched from class-oriented parties to a logic dominated by the media. Fernández took advantage of the new means of communication by using the power of the media to magnify his image. Particularly in his second administration, he used the media very efficiently, and there was a permanent campaign to improve his image. He went public in a very interesting manner. He was not the politician of mass rallies; he regularly

26 Personal interview with President Leonel Fernández.
27 Personal interview with President Leonel Fernández
communicated through TV, by only on key decisions. There was also considerable advertisement of public works started and finished during his administrations. Besides his capacity to communicate in a very direct way, his style made people feel the messages were individually crafted. Fernández’ rhetoric was persuasive, often appealing to people’s interests, although he was not a populist.

Fernández was very aware of the attempts to manipulate him, and his remedy against manipulation and misinformation was direct knowledge. His way of learning from people was to ask questions: “only when asking, one learns about people’s true intentions and needs…I feel that through my work and experience I have learned a lot…I have transformed. I learned to read the signs…I can tell why people say what they say, but I had to practice listening a lot, this is a continuous process…I keep surprising myself.”28 Furthermore, in his second presidency he said that despite being in office and being in a position somehow distanced from citizens, he tried to maintain contact with average people:

I have not lost touch with the people, I travel to the interior three times a week, and I ask for their insights. Dominicans are talkative. During my visits people often leave their names on pieces of paper that they hand to me. I use that personal information to call the people (at least several dozens per week) and ask for their situation. People are often surprised when they learn that it is me, their president who is calling them. I like to keep things personal, I ask about their families… I follow up with their complaints as much as I can.29

Motivation

As Hermann contends, leaders are motivated by two factors: problems or relationships. The former refers to being moved by a cause or a specific goal, while the second refers to a desire to be accepted and feel that one is part of a group.

28 Personal interview with President Leonel Fernández.
29 Personal interview with President Leonel Fernández.
Fernández’ main motivations are more in the realm of relationships, than in the realm of issues. While it true that Fernández considers himself a modernizer above all, it arises from his experience in New York, which provided him with a transnational vision of the Dominican Republic. With one foot in the Dominican Republic and the other in the U.S., he felt equally comfortable in both countries. He often expressed that he would like to make Santo Domingo, the country’s capital, a “little New York”. Fernández idea of modernizing the Dominican Republic was not modernization at the institutional level, nor at the cultural level. Fernández was concerned about joining Balaguer and Trujillo in their “modernization” vision for the Dominican Republic, which has more to do with building modern infrastructure as the basis for development. Certainly Fernández was harshly criticized for seeking to fulfill his own dreams at the expense of solving more pressing needs. Such is the case with the metro he fought for and effectively built in Santo Domingo.

**Leader’s focus on problem solving vs. focus on relationships**

When asked what he took pride in achieving as President of the Dominican Republic, Fernández spoke about the people he met who he called friends, from poor Dominicans in the remote corners of the Hispaniola Island to famous people in the domestic and international realm. Among the latter, he mentioned Dominican baseball players Juan Marichal, and Sammy Sosa, businessman Donald Trump, and hotel magnate Boykin Curry, media celebrities Charlie Rose and Fareed Zakaria, and other heads of state. Almost in an anthropological way, he referred to his fascination with

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30 None of the interviewees was able to provide information Fernández’s childhood and teenage years, nor could they point out anyone who knew Fernández during those years. Fernández has kept his personal life away from the public eye. Most of the information from his early life in this dissertation comes from an article published in Listin Diario in April 2009 [http://www.cotuidigital.com/index.php?news=2564](http://www.cotuidigital.com/index.php?news=2564).

31 Personal interview with President Leonel Fernández.
people. However, this fascination is detached; it has nothing to do with empathy. His chief concern is having a place in history along with the modernizers of the Dominican Republic. If Trujillo had been the modernizing dictator and Balaguer the authoritarian modernizer, Fernández sought to be the modernizer in democratic times.

Fernández pushed for specific projects that he sought to make happen at the expense of economic rationale during his second administration. His projects did not respond to the immediate needs in the Dominican Republic. Instead they focused mainly on infrastructure, and his administration embarked on expensive infrastructure projects, such as the Metro, bypasses, roads and highways. The urgent needs during both his first and second administration were poorly addressed, particularly when it came to affordable public health care services, social security and improved educational programs. To this type of criticism Fernández contends:

I am aware of the criticisms of the Metro. It was not my narcissistic project. I can see that the price of oil will keep going up in coming years, and we need to be prepared for the future and look for alternative sources. This is what my administration is doing; I am not governing for the next elections but for the future generations...I believe in the modernization agenda, because the gaps will be even wider if we do not tackle both.\(^{32}\)

His focus was also on relationship, as he was concerned about garnering the support and the approval of the powerful organized interests. During his first term, this relationship focus was oriented toward receiving Balaguer’s support, and in the second toward keeping the members of his party and the large clientelistic network he built strong and dependable.

\(^{32}\) Personal interview with President Leonel Fernández.
Degree of in-group bias

Hermann asserts that leaders who have low in-group bias also have a low sense of distrust of others and are likely to view politics as opportunities. Hermann contends that these leaders are proactive as opposed to reactive. Moreover, they are focused on taking advantage of opportunities and relationships.

This seems to be the case of Fernández, who did not have strong emotional attachment to a specific group, displaying this trait as moderate in his first term and low in his second. Although he protected PLD’s colleagues and technocrats, if at the personal level Fernández was a loner, at the political level he displayed an enormous capacity to cooperate with the traditional political class and to be tolerant of excesses, corruption and misbehaviors, particularly by his party colleagues. It is unclear if this tolerance is a political strategy for survival, or if there is a personal need to feel part of something, or if he wants to feel he is part of an elite to compensate for his humble origins.

His focus on processes and not outcomes, taking into consideration stakeholders and decision makers, made those involved feel empowered, in both his first and second administrations. Fernández was re-elected in 2004, not so much as a recognition of his own qualities, but because his hugely unpopular predecessor and rival, Hipólito Mejía, had poorly managed the economic and political crisis of 2003. Since Fernández had presidential experience, the people knew what to expect, and what kind of politician he was. For many Dominicans the presidential image of Fernández was the reassuring evidence of moderation, discretion and eloquence as compared to Mejía, whose outbursts, vulgarity and impetuous behavior had lowered the presidential image. Indeed, upon his return, Fernández prudently managed Dominican public opinion,
something he did easily after his first government and that he accentuated after Mejía. Fernández came back to power on a platform of reinstalling economic order. But he was also in charge of a voracious party that wanted to be back in government and to take advantage of power. He knew that he was going to be judged more on his ability to manage the economy than on his capacity to reform the state and the political institutions. Whatever the goal, he used the same style to seek support and to bring adversaries to his camp.

At the start of his second term Fernández assembled a team that quickly signaled an economic shift and implemented austerity policies. In his cabinet he kept many of the people from his first administration, mostly PLD partisans. Fernández’ argument was that his cabinet worked well the first time governing. However the support he provided to his party colleagues weakened his own public support, as corruption scandals came to light, particularly during Mejía’s administration and Fernández second administration.

The biggest disappointment of Fernández’ administration was the lack of a noticeable decrease in corruption compared to his predecessors or between his first and second administrations. Like other politicians, Fernández did not follow through on his promises to reform the state and to stop corruption. Moreover, he was perceived as a feeble decision maker, a permissive president who pretended not to see corruption. During his first administration he supposedly had an excuse for not prosecuting Balaguer and his officials, because he owed Balaguer the support to win the

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33 Some analysts contend that the PLD second administration had a pay slip of at least forty journalists and media persons in order to get favorable coverage http://www.perspectivaciudadana.com/contenido.php?itemid=21809
34 Personal interview with President Leonel Fernández.
presidency. But he did not have that excuse the second time around. Some critics say that he was even more permissive in his second administration than in his first.

Corruption scandals plagued both of his administrations, but little was done to actually prosecute and punish the accused. Thus, Fernández became an accomplice to the ethical faults of his political colleagues. During his first presidency, many friends, colleagues and family members were given state positions, thus continuing the nepotism which was a characteristic of all previous administrations. This practice continued during his second presidency. Fernández contended that in both of his presidencies he tried to promote the isolation of Civil Service from party influences, but that it was virtually impossible because the dominating political culture forced parties to appoint state employees at the expense of meritocracy. Party members in state jobs, he said, are important in order to prevent state workers from leaking information which would weaken the administration in place. Moreover, he asserted that the private sector had not developed sufficiently to provide alternative jobs.

He admitted that, despite his personal will to change behaviors, it was difficult for his party to deny access to state jobs to those party members who had worked on the campaign. He said he could fight his own party and be unrewarded. He also talked about the difficulty of bringing technocrats to key state positions on political merit, “because when times are tough for the President, there is no party to defend him,” he

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35 Fernández appointed Abel Rodríguez del Orbe as Attorney General in both administrations, and in 1997 he stated, "I am willing to use the discretionary power that I am entitled by law in order to archive any criminal investigation against Dr. Joaquín Balaguer if I think that a public action can bring any type of political or social problem." [http://www.scribd.com/doc/32990347/REVISTA-RUMBO-163](http://www.scribd.com/doc/32990347/REVISTA-RUMBO-163).

36 Fernández’ father, José Antonio Fernández Collado was Director of the Dominican Authority for Ports (Autoridad Portuaria Dominicana) and then consul in Panama. His sisters, Angela Fernández and Josefina Fernández, did not hold high ranking positions but managed budgets for charities associated with the state. Other examples include his colleague and law firm partner, Radhamés Jiménez Peña, who was Director General of Airports, as well as his former employer and partner Abel Rodríguez Del Orbe who was General Attorney.

37 Personal interview with President Leonel Fernández.
said. Furthermore, he said the state is still the main job provider and that “a parallel development of private sector and state policies is required in order to professionalize civil service in the Dominican Republic. It will take a lot of time and a change of mentality to accomplish such an endeavor.” Because of party pressure for state jobs during both of his administrations, there was a proliferation of committees of diverse nature which created multiple layers that complicated hierarchies and decision making.

**Distrust of others**

Being adverse to confrontation, Fernández’ style and capacity to convince helped him see possibilities for win-win agreements, and to build relationships through opportunities instead of threats. However, as President he shared with Balaguer the policy of rejection of the Haitian influence in the country. Because of the history of hostilities between the two nations, Dominican politicians have blamed Haitians for the ills of the country, and Fernández was no exception. With the country being the poorest in the western hemisphere, Haitians look for better opportunities in the Dominican Republic, and Haitian immigrants comprise a significant portion of agricultural and cheap labor in the country. During his two administrations Fernández has considered Haitians a source of distrust for the country, and often times he has employed an anti-Haitian discourse.

Hermann argues that leaders high in distrust are constantly vigilant and want to anticipate, as they see the world as a threat. Problems are confronted as a zero-sum game. Fernández said that in his first presidency he was naïve and too trustful; his personal challenge as a politician and President was to learn to trust only a handful of people. Fernández believed that the small battles won on a daily basis contributed to

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38 Personal interview with President Leonel Fernández.
give him a myth-like image. He said that people around him did not believe he could make mistakes; in fact they celebrated his mistakes, instead of condemning them. “I do not have a small group of advisers; instead I have councils that specialize in different sectors. The presidency is a lonely job. I take the time to think and to read, and to figure out how to express my views. I try not to be influenced by everyday burdens. I take time to think in order to make good decisions.” Certainly Fernández was a loner, rarely if at all has he trusted someone enough to ask for personal advice on political matters.

When Fernández asked others’ opinions, he used them as reference; he was not seeking their advice. Even though this behavior indicates that Fernández was not overly trustful, it does not imply that he saw threats in people. Fernández made use of a vast information network and teams. However at the end of the day, it was Fernández who made decisions alone over the course of events and policies.

His positive outlook on problems, combined with his power of persuasion, allowed Fernández to pass legislation and to be perceived as a listener instead of as a threat. He said that after dealing with an opposition-dominated Congress during his first administration, he felt that he had “earned a Ph.D. in negotiation and conflict resolution.” In fact, at the beginning of both of his mandates, he assumed office with his party PLD in the minority in both chambers of Congress as shown in Table 6-3. In his first year in office Fernández faced close to four hundred strikes, protests, and blockades. Despite the resistance in Congress, as well as in the streets, he was able to pass important legislation that reformed fiscal accounts and ordered state finances. His

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39 One group that he often met during his second presidency, because of the importance of the sector, was Temistocles Montas, Hector Valdez Albizu, Daniel Toribio, all secretaries of state in the economic sector during his second administration; two of them are PLD members and the other independent. Another person in this sector was Eddy Martinez, the Director of the Dominican Republic’s export center.

40 Personal interview with President Leonel Fernández.
consensus-seeking managerial style meant inviting people with different points of view to the discussion table, to listen to them and entertain different scenarios. His patience was also a weapon to wear out adversaries, as demonstrated when applying and approving a set of policies for fiscal reform advised by the IMF to open the Dominican economy and liberalize economic factors. He outwitted opposition Congressmen by calling for a National Dialogue that lasted several months to establish the Dominican Republic’s long-term development strategy.41 Fernández’ style of seeking consensus and avoiding confrontation was something natural in him “That is my style,” he said.42 But it was also a survival mechanism. He called for the national dialog not only because he needed a legitimacy boost, but also to gain time. His administration invited all stakeholders and asked for their opinions, an unprecedented action in Dominican history. While stakeholders discussed their views for the Dominican Republic, the administration engaged in seeking more support. In his position as President of the country, Fernández sought to meet the leaders and representatives of economic and social organizations at the one-on-one level. “It makes all the difference to get to know them at the personal level…one needed to feel that you own the process, a process of building together a different country.” 43

Discussion

This chapter characterized Leonel Fernández presidential leadership style based on trait analysis. In both terms Fernández displayed a behavior that made him a respecer of the constraints of his environment. He also demonstrated that he was a leader open to receiving information from the environment and willing to incorporate that

42 Personal interview with President Leonel Fernández.
43 Personal interview with President Leonel Fernández.
information as a key part of his decision making. When it came to motivations, Fernández’ drives were mainly oriented to relationship, rather than problems.

Thus, Fernández’ leadership style is what Hermann (2003) calls *collegial* (in his first and second presidency) and at times *opportunistic* (mainly during his second presidency). Fernández displayed a behavior that was responsive to constraints, in that he did not challenge the constraints, but respected them. With regards to openness to innovation, he demonstrated a great capacity to tune into the environment, as he welcomed information and adjusted his thinking and behavior to the incoming information. His focus of attention has been on assessing what is possible in the current situation and context and finding the necessary support to govern. Given that he considered himself among the Dominican Republic’s modernizers, he was concerned in leaving a legacy in infrastructure that was tangible and visible (not institutional). He was sensitive to his constituents and activated the clientelistic network built by the PLD during his tenure. The collegial aspect of Fernández style of leadership resides in his focus on reconciling differences and building consensus, on gaining personal prestige and status by empowering others and sharing accountability. Table 7-1 presents a comparison of Fernández’ traits during his two presidencies.

In his first term, Fernández respected the political constraints set to fit the existing clientelistic network that Balaguer developed and fed throughout his tenure. Fernández’ focus was on assessing his governance possibilities in a situation where politics were controlled by Balaguer. In Fernández’ second term, those constraints could have been challenged, but his openness to receive the cues of the environment dictated passivity and accommodation, which in turn helped to maintain the *status quo*. His focus
was on reconciling differences and building consensus among his support group, not among the population. For these reasons Fernández’ leadership during his presidencies did not lead to democratic enhancement. The Dominican Republic experienced instead *democratic stagnation*. The fostering/hindrance of slight democratic progress did not change amid the timid presidential impulses. Democratic transformation was not substantial in the Dominican Republic. The biggest disappointment of Fernández was his permissiveness of corruption. Like other politicians, Fernández did not follow through on his promises to reform the state and to stop corruption.

His collegial and sometimes opportunistic style of leadership provided the necessary flexibility to accommodate demands from his political rivals and from his party, and to a certain extent to acknowledge citizens’ demands. With care and talent he was able to forge a political image of a serious politician, who was knowledgeable, calm, and correct in his manners. Whether or not these features were all studied, trained and rehearsed as has been claimed, Fernández came across as an astute politician who learned quickly from Bosch, as well as from Balaguer, the art of politics: how to calculate, predict, and act. Instead of imposing, his accepting style helped release tensions and allow dialog, which was beneficial to him and to those who sought to maintain the *status quo*.

From the perspective of fitting in with the political and secular time and place, both presidencies were successful. There was no friction between the political order, the power coalition of interests and his goals and agenda. In fact, Fernández agenda was of continuation, he was more concerned with staying in power than touching on highly entrenched interests. Fernández did not seek to change the structures of power.
altogether; rather, he sought to enhance the political apparatus created by Balaguer. He also relied on his party organization to transform the practice of patrimonialism into clientelism, effectively manipulating the distribution of patronage. While clientelism is something that hinders democratic improvement, at least it was a step ahead of the Balaguer system, because the network expanded. But it did not constitute a democratic advancement. Moreover Fernández fostered debate among people, but the results were far from satisfactory. With Fernández, an opportunity opened for people to air their views, but the debate and the ideas did not necessarily become public policies.

Like Eisenhower, Fernández had what Greenstein (1982) describes as hidden-hand leadership, referring to the quiet manner in which he eliminated his rivals and kept a low-profile to enforce his executive orders. He obtained results by leading indirectly and by delegating much of the political side of his leadership to cautiously planned officials. During his administrations, freedom of speech was not called into question. However, his party and the state apparatus were able to co-opt journalists and media outlets through patronage. Participation and contestation were expanded, but they remained limited. Fernández could not get rid of the clientelistic practices that his party had maintained as a feature of the political system. The media reproduced and magnified clientelism, making people believe that they would benefit from closeness to the leader or his entourage. Moreover, urban clientelism showed a president not “serving” his people but “making favors” to people.

Personality is an aspect that tends to be consistent over time (Post, 2003; Greenstein, 1987). However, research on personality suggests that people also use contextual cues to determine their actions, suggesting that people’s traits can change
across a period of time, across topics and audiences (Hermann, 2003). Between his first and second administrations Fernández showed a distinct shift at the personal level due to the influence of Balaguer. In his first government he was concerned about his capacity to govern, while in the second he was more assured in his style and leadership.

Fernández’ laissez-faire political style during his second presidency, allowed maximum freedom to subordinates, as well as letting decisions or events pass him, were less the result of his character than of lessons learned from his first presidency. Fernández benefitted from having an administration that was not confrontational. He lacked strength in Congress, and he made effective use of persuasion and precaution to keep from disturbing the existing political arrangements, because challenging the status quo could have worked against him.

Fernández’ success as President can be attributed to his presidential style. One of the main differences between Fernández and other powerful Dominican politicians is that he did not come across as an authoritarian president. He used clever and indirect methods to achieve his goals through persuasion, passiveness and patience. Indeed, Fernández had enormous personal persuasive power, from the time of his first involvement in politics to his administration as president. He had a capacity to ask for and often obtain what he wanted. It seemed that he “understood” his interlocutors at the human level, making himself seem trustworthy and sociable.

Those who know Fernández, often mention his preference for dialogue in order to address problems. As president he showed a preference for avoiding conflict and promoting debate as a tool to propose long-term solutions. On the one hand, this is a
sign of the leadership needed in the twenty-first century; on the other it shows a weakness of character. Fernández understood that some policies needed to move away from Balaguer’s dictatorial style and isolationist policies. Foreign relations during both of Fernández’ terms shifted completely away from those of the previous administration. Fernández launched a foreign policy of openness. He started negotiations for the Free Trade Agreement with Central America, and he became active in international forums and in international organizations.
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CHAPTER 8
ALAN GARCÍA’S DISJUNCTIVE AND ARTICULATIVE PRESIDENCIES

This chapter reviews Peru’s contemporary history, particularly since the start of the third wave of democratization in 1980. This background is needed to understand the political impact of Alan García’s two non-consecutive presidencies in shaping democratization and driving its transformation.\(^1\) Each of the Peruvian presidencies is characterized in the life cycle of three political orders; oligarchic, popular nationalistic and neoliberal political order, with an emphasis on García’s first *disjunctive presidency* and second *articulative presidency*. As in chapters 4 and 6, this chapter follows Skowronek’s three premises of presidential action; *order-shattering*, *order-affirming* and *order-creating*.

Table 8-1 summarizes the classification of the presidencies in Peru during the popular nationalistic and the neoliberal orders. It also classifies each of the presidencies in its relation to secular and political time. To provide an account of the two political orders that existed in Peru since 1980, it is helpful to understand the oligarchic political order and the origins of the popular nationalistic order, which is the order in place during the first democratic presidency.

What makes the case of Alan García unique, both within the history of Peru, as well as when compared to other presidents with non-consecutive presidencies, is García’s influence in two different political orders, while other presidents exercised their authority in only one order. In his first presidency García was affiliated with the popular

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\(^1\) Even though 1980 is broadly considered the year in which the third wave started in Peru, the length of the third wave has been questioned, as many characterize the Fujimori regime as a reversal of the trend, making Peru the first case in which a democratically elected president openly restricted the system of checks and balances and severely restricted civil liberties and political rights (Tanaka, 1998; McClintock, 1999; Crabtree, 1999).
nationalistic order when it was vulnerable. In his second presidency he was affiliated
with the neoliberal order when it was resilient.

**Oligarchic Political Order**

From the nineteen century up to the 1960s, Peru’s political, economic and social
power were concentrated in the hands of a few privileged: rural white landowners,
whose behavior was characterized by political bossism; commercial and financial elites
of the coastal region; and a small group supported by foreign capital that exploited raw
materials.\(^2\) Control of public resources took place at the local and regional level, while
actions at the national level were aligned with the immediate interests of the oligarchy.
The presidential strategy consisted in avoiding an upset to the oligarchs and acting in
the name of the nation, despite the lack of legitimacy among the majority of the
population. The presidential resources were characterized by personal reputation
among the oligarchs and the military.

Political parties were formed in the 1930’s questioning the traditional order and
offering alternatives. The American Popular Revolutionary Alliance (APRA-Alianza
Popular Revolucionaria Americana) was the first reformist and mass party, and it
became a threat to the oligarchy, as the party gained many sympathizers.\(^3\) Given its

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\(^2\) The vast majority of the population, mainly Indian and mestizos, lived in rural areas and were not considered
citizens. The economic and social arenas were also controlled by the oligarchy, which had a monopoly on the means
of production and commerce. The relation with the rest of the population was of dependence. This relation of
dominance was racist and violated all principles of justice. Illiterates, women and indigenous peoples had no social
or political rights. Women did not receive the right to vote until 1955. Scholars specialized in Peru often refer to this
kind of political arrangement as “gamonalismo.” See Cotler (1978), Lowenthal and McClintock (1983),

\(^3\) APRA was founded in 1924 by Victor Raul Haya de la Torre. It started as a pan-American political organization
that postulated anti-imperialism, Pan-Americanism, international solidarity and economic nationalism, but not
Marxism. Haya de la Torre did not support Russian-like socialism, and he also rejected capitalism. It became a party
as the Peruvian branch of the APRA in 1930. Haya and other Apristas (referring to APRA members and/or
sympathizers) did not believe in class-parties and claimed that APRA was an all-class party. It gradually emerged as
a centrist left party, although many of its original members moved to the left. Haya de la Torre’s idea of bringing a
new state of affairs in Peru was to fix both the state and the political system to allow greater mass representation,
international postulates of making an indo-american sub-continental party, it was rejected in the Peruvian constitution of 1933, which explicitly did not recognize international political parties. Its leaders were repressed and sent to exile and for many years they operated underground. The Socialist Party also posed a threat, since it called for a socialist revolution.\textsuperscript{4} A series of conservative military governments allied with the oligarchy for intermittent short periods of civilian rule, which in turn advocated for moderate reform. The common denominator between civilian and military rule was the resistance to political and social incorporation and the inclusion of the majority of the population. In economic terms, over the years Peru accumulated a significant external debt; its model of development was capitalist based on exports, and this model lasted until 1968.\textsuperscript{5} As the population grew, pressed for land reform, and migrated to the cities, the coastal regions of Peru developed and modernized much more than the sierra. Important social changes took place as economic growth and migration allowed the development of a small and professional middle class.

The last government before the period known as “corporatist” was of Fernando Belaunde (1963-1968) with his Popular Action party (AP- Acción Popular),\textsuperscript{6} which along with APRA led by Haya de la Torre and the Popular Christian Party (PPC-Partido

\textsuperscript{4} The Socialist Party (PS-Partido Socialista), which asserted Marxism, was founded in 1928 by Carlos Mariátegui. Mariátegui contended that democratic and liberal institutions did not exist in Peru due to the ruling of the coastal elite who were in power only for themselves. The writings of Mariátegui had considerable influence in Latin American political thought, as well as in leftist organizations in Peru, including Shining Path and MRTA. After the death of the party leader in 1930, it became the Communist Party of Peru, and throughout the rest of the twentieth century the party suffered from numerous divisions.

\textsuperscript{5} In 1931, Peru lost its access to U.S. capital markets due to its inability to pay its debt.

\textsuperscript{6} In 1956, Fernando Belaunde Terry founded AP as a reformist party. AP’s postulates were similar to those of APRA, but its appeal was greater with the middle class, salaried professionals and non-labor workers. For most of its history, the party depended on the figure of its founder Fernando Belaunde (president in 1963-1968 and 1980-1985). Previous to the return to civilian rule, the AP pressured the most for free and fair elections. Moreover, it is the only party in Peru that produced three presidents.
Popular Cristiano), received mainly the support of the middle class, urban population and voters in the coastal regions. The Belaunde government sought to carry out a reformist leadership project of nationalization and democratization. Initially this contributed to enhance Belaunde’s political strength while debilitating support for Haya de la Torre with APRA, the main contender. However, in the end it did not carry out major reforms. It tried modest agrarian reform and focused on colonization and infrastructure projects. As peasant discontent grew, and exports were affected negatively by the end of the world recession when war-battered countries started producing domestically, support for the Belaunde administration eroded. Moreover, his market orientation of the economy was seen by many as a way to favoring foreign capital interests above those of the population.

This structural account of the oligarchic order could not be complete without including an agency approach that explains the behavior of political actors who contributed to the poor performance of the Belaunde presidency. An important set of actions during the Belaunde administration resulted from APRA’s consistent opposition to the Belaunde government. In 1956 Haya de la Torre, in alliance with conservative groups, supported an oligarchic government in exchange of his party’s return to legal status. In the process, APRA lost the support of many nationalist and reformist

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7 In 1956, Hector Cornejo Chavez founded the Christian Democrat Party (PDC - Partido Demócrata Cristiano). The PPC, a dissident faction of the PDC, was founded by Luis Bedoya Reyes in 1966. He was also a founder of the PDC, but separated from it arguing that the Cornejo faction was too radical. Bedoya’s faction also rejected the support of Cornejo for the military government. The PPC remained as an important political force in Peruvian politics despite its unimpressive support in the vote share. Among its members were experienced politicians such as Congressmen and mayors, and it managed to make meaningful alliances at important times. In 1978, thanks to its alliance with APRA, the PPC played an important role in writing the constitution of 1979 and sharing leadership in the Constituent Assembly deliberative process (Tuesta, 1995). For four years, during Belaunde’s first government, PPC remained an ally of APRA, forming a majority in Congress and becoming an important opposition.

8 At this time the Socialist Party and other Marxist parties did not play a major role.

9 In 1965, the Movement of the Revolutionary Left (MIR - Movimiento de Izquierda Revolucionaria), a guerrilla movement was formed.
sympathizers to Belaunde’s AP and the PDC. Haya de la Torre won the 1962 elections by 1% over Belaunde. However Haya de la Torre was not able to assume office, because the military intervened, only to call for elections a year later. In the 1963 elections, the alliance AP and PRD with Belaunde as presidential candidate defeated APRA. The APRA leader strengthened its alliance with more conservative groups in a deliberate effort to undermine the government’s ability to carry out its agenda. The APRA-UNO coalition attacked the government’s initiatives, opposed laws, gave a vote of no confidence to several ministers, and cut funds to important projects. With an undermined and weak administration, the Belaunde administration was interrupted by a coup d’état by General Juan Velasco Alvarado.

**Popular Nationalistic Political Order**

Compared to previous Peruvian presidents Velasco (1968-1975) was an effective political leader. He gave an enormous, unprecedented boost to the radical politics of vindication in Peru. In Skowronek’s terminology Velasco’s presidency was *reconstructive*, because he broke with the politics of the past, disengaging the state from the ruling elite’s interests, and started a new relationship between the state and society. Velasco’ political project was to break the power of the oligarchy by dismantling the liberal export model of development. His populist authoritarian military government provided a new power structure to Peru at the political, economic and social levels: an authoritarian power, state-led economy and corporatist social organization. His

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10 Over the years, APRA created a culture characterized by a cult to its leader Haya de la Torre and by the suffering of apristas during the years of persecution. This culture included the cultivation of a pervasive opposition mentality (Graham, 1990).

11 Together APRA and Odriist National Union (UNO-Unión Nacional Odriista), the political front of former president Manuel Odria, became the first majority in Congress.

12 The combination of an authoritarian rule, personalistic style, and use of an enlarged state is what O’Donnell calls “bureaucratic authoritarianism” (O’Donnell, 1973)
administration implemented policies that were significantly redistributionist and mobilizing.

The popular nationalistic vision for the country was to promote rapid economic development led by the state to end Peru's dependence on the industrial capitalist powers. It also aimed to build a strong nation-state, in which social justice was achieved and those excluded in the previous political order become feel part of the country (Malloy, 1974:60). The presidential strategy consisted in appealing for political support directly to the people at large and becoming the steward of national policymaking. The presidential resources were characterized by personal leadership backed by the leader’s organization. Indeed Velasco relied heavily on the military for technical and political assistance.

The Velasco administration was revolutionary in its tactics, as it effectively implemented many of the ideas that AP and APRA had on their reformist agendas: agrarian reform, regulation of foreign capital, nationalization, promotion and protection of industrial development, import substitution, and state-controlled commerce, all achieved via a significant expansion of the state. His government was corporatist, as it created an organization, the National System of Social Mobilization (SINAMOS-Sistema Nacional de Movilización Social), to maintain order and regulate group relations and rally support for its reforms. The reforms sought to produce economic growth, redistribute resources, and relieve enormous and historical social and economic problems. But the delivery was not through an expansion of political rights, but only through improvement in social and economic rights, was the main authoritarian characteristic of his popular nationalistic administration. Indeed, AP’s leaders and critics
of the administration were persecuted during the Velasco government. There was censoring in broadcast and print news media, and although at the time no party was illegal, the institutional spaces were closed and the official discourse was anti-party (Tuesta, 1995).

The greatest contribution of Velasco to Peruvian society was the end of servitude, the recognition of the Peruvian identity as opposed to a class identity, and the possibility to be oneself (Cotler, 1978; McClintock, 1989; Stokes, 1995; Tuesta, 1995; Contreras, 1999). Velasco’s populism developed a relation between state and society that was authoritarian in nature, in a patrimonialist fashion with corporatist features of interest representation (Klaren, 1993). While the control of political power was in the hands of the military, the overall support rested not in the force threat but in the masses. However, with a state ill-prepared to deal with its huge new tasks, natural catastrophes, an oil embargo and increasing foreign debt, new problems rapidly developed. By 1970, Velasco was accused of bringing economic collapse in the face of rising inflation and diminishing growth. Velasco became seriously ill in 1973, and with his health deteriorating, he went into voluntary seclusion and stopped governing.13 Convalescent and away from Lima, in 1975 he was ousted by his Prime Minister, Francisco Morales Bermúdez. At that time, the rivalries within the military bureau had deviated the state apparatus attention from public policy. The Bermudez administration could not reverse the negative economic trend. It focused on trying to control inflation and implement austerity programs. Despite the economic problems, the popular nationalistic order Velasco started continued for fifteen years until Fujimori’s presidency. The next three

13 His right leg was amputated in March 1973 due to gangrene derived from an abdominal aortic aneurysm.
presidencies, those of Francisco Morales Bermúdez, Fernando Belaunde and Alan García, were part of this political order.

Over time, the social actors Velasco empowered found their own voice and started a set of wide scale popular protests. Added to this was the increasing wearing down of the military government (Tuesta, 1995). Since 1977, the Morales Bermúdez’ government pursued a controlled exit from power, and the military designed a strategy (Plan de Transferencia a la Civilidad) to transfer political power to civilians. The military considered APRA as not only the only party able to manage unions and the Marxist left, as well as the least extreme of the political options. In 1978, elections were called for a Constituent Assembly, of which Haya de la Torre became the president. While there was participation from the right with PPC, Belaunde with the AP decided not to participate in the elections, arguing that the conditions necessary for an independent and sovereign Assembly were lacking due to the influence of the military. The following year national elections were held.


The general elections of 1980 inaugurated the third wave of democracy in Peru. In fifty years, from 1930 to 1980, the country experienced only seventeen years of interrupted rule of elected governments with thirty-three years of dictatorships, and seventeen years since the last elections. A system of political parties from all

14 For an extensive account of the transition, see Cotler (1986) and Dietz (1986).
15 Although APRA had a history of reactionary alliances, betrayals, and political deals with the military and civilians, the military put its trust in APRA as a lack of another choice. APRA was to manage the transition from authoritarian rule, although APRA lost the monopoly of the social movement organized by the left. Both the Catholic Church and the U.S. under President Jimmy Carter played a role in promoting the transition.
16 At the age of 83, terminal ill, Haya de la Torre became the most voted member of the Assembly. He was able to sign the new Constitution and died in 1979.
17 The elections were considered free and fair; these were also the first elections in which all Peruvians of appropriate voting age were able to participate.
inclinations of the political spectrum emerged, consisting mainly in three blocks. On the left there was the United Left (IU-Izquierda Unida); in the center left was the APRA, and on the right there were the PPC and AP. The political system in this new atmosphere interacted actively with civil society, which was represented by business interests, workers and new social movements. The transition to democracy also coincided with the inauguration of violent antigovernment actions by Shining Path.

One more time, Belaunde returned to power after winning the elections with 45% of the vote, while APRA received 27% of the national vote with Armando Villanueva as its presidential candidate, as shown in Table 8-2. The results were surprising, since AP did not participate in the 1978 elections, but the results showed that the AP had since grown in political strength, particularly because Belaunde appeared as the catalyst of a deeply rooted anti-military sentiment (McClintock, 1983; 1989; Cotler, 1986; Tuesta, 1995). Moreover at the actors’ level, Belaunde’s professionally run campaign for the presidency was centered in his charisma and in ambitious promises for employment and liberty. Two aspects that worked against APRA in the elections was its closeness to the military junta, and the death of Haya de la Torre with no clear successor.

The new administration enjoyed legitimacy, but a pile of problems demanded urgent attention. Belaunde inherited a country that was quite different from the one he

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18 The three blocks had roots in important traditions of political and intellectual ideologies and tendencies dating back to the 1920's.
19 At first, Shining Path was thought to be a radical wing of the Communist Party of Peru, but later it was considered a guerrilla movement that seriously contested and challenged the very existence, nature and legitimacy of the Peruvian state. Its ideology was of Maoist tendency. However it was more than a doctrine; the group assassinated local authorities to the extent that police action was surpassed. Years later the state labeled it as a terrorist organization. It developed its organization and support in the Ayacucho region of Peru for over eight years before it began its violent operations in 1980. It started with violent isolated actions in Ayacucho but soon the extent was such that police action was surpassed. In 1982, Belaunde ordered military intervention in the region, only to be extended to other regions as time went on. In mid August 1984, signs of massacres were found (fifty bodies were found near Huanta, Ayacucho). The government attributed the massacre to Shining Path, although reports on missing people from Ayacucho pointed to government troops. In 1985 violent actions started in the main cities of Peru.
governed in his first administration: an enormous and inefficient state apparatus, a huge external debt, the immediate problem of rising inflation which in turn deteriorated living standards. In terms of powerful groups and main stakeholders, the elite he once knew was debilitated, and the expansion of political rights effectively incorporated hopeful and active masses. Belaunde’s leadership project was to have an administration that would plant the seeds for democracy and to accomplish the unfinished development agenda from his first term. For this reason, his presidency was preemptive; he opposed the basic premises of the popular nationalistic order and the established arrangements, at a time when political order was still resilient. His plan to go back to his old politics, with the same political attachments and political ways, debilitated the existing order at the same time that hindered Belaunde’s authority, tipping the point of the political cycle into a descent. The order-shattering impulse in Belaunde was perceived as soon as Belaunde assumed office. For example newspapers were returned to their owners, effectively restoring freedom of speech and the press. Excitement about the new political atmosphere was so great, that only four months after the new administration assumed office, AP’s candidates also swept the municipal elections. The AP’s candidate became Lima’s mayor; while APRA’s national share of the vote in municipal elections remained weak, United Left (IU-Izquierda Unida) became the second political force, winning important mayoral elections in the south of Peru.

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20 Stokes (1995) contends that even though the economic prospects were doomed, the Peruvian state was not in financial trouble. The military regime left a positive current account balance and more than $US 1 billion in foreign reserves.
21 During the first six months of Belaunde’s administration, 308 strikes were registered involving 192,654 workers and 2,970,682 man-hours lost (Desco, 1980:12)
22 Since 1980 only two candidates from the party government won the Lima municipal elections: AP’s candidate Eduardo Orrego Villacorta won the elections in 1980 and APRA’s Jorge Del Castillo in 1987.
As in his first administration, Belaunde attempted to reform and liberalize the economy, and his order-affirming and order-creating impulses become more clear when contrasted to the Velasco’s corporatist administration. Even though Belaunde became more conservative, his authority and policies can hardly be considered as a neoliberal revolution (Stokes, 1995). He surrounded himself with advisers and technocrats with experience in international financial organizations. They were ready to install a liberal economic program that would reverse Velasco’s nationalization to privatization (Klaren, 1993). These decision-makers were affiliated with conservative interests of the once-powerful oligarchs and the coastal white elite, particularly with liberal economy policies. Belaunde made efforts to attract foreign investment, promote mining and oil exports, and to initiate housing projects. The administration’s plan was to invest in social infrastructure, instead of alleviating poverty via food subsidies initiated by Velasco. Belaunde’s focus was not to find an alternative economic model, but merely to keep the economy afloat and to continue a development model based on an isolated export sector. Soon after the 1980 elections, APRA allied with PPC, as it did in Belaunde’s first government, and the two parties formed a majority in Congress with a strong opposition for the Belaunde administration, as shown in Table 8-3.

Despite good intentions, the accumulated economic problems, natural catastrophes and adverse international environment took their toll in public support for the administration.23 By 1983, the surmounting problems included an increase in

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23 In 1983 a particularly severe El Niño phenomenon disrupted fisheries and agriculture, triggering an economic crisis which originated in accumulated debt and was exacerbated by plunging commodity prices in the international market. The Belaunde administration refused to meet the terms of the IMF’s adjustment programs and rejected a cut back in public spending, devaluing the currency. Belaunde’s administration committed on several occasions to IMF’s programs but it did not follow through. Trade credits were cut and banks withheld disbursements. Peru could not pay its debts starting in March of 1983, and did not pay loan interests starting in July of 1984. Belaunde
violence with growing leftist terrorism, a wave of human rights violations, increased narcotics trafficking, and new fears of military intervention. Moreover, in the months previous to the municipal elections, Prime Minister Ulloa’s cabinet resigned, signaling the government’s failure to control political initiative. The second municipal elections of November 1983 served as an assessment of Belaunde’s government, which was unable to solve the country’s deep economic and social problems. In the nationwide municipal vote, AP candidates were rejected and received only 18% of the vote, as shown in Table 8-4. In general, voters supported leftist parties, which made significant gains. The municipal elections also signaled a revival of APRA, which won the municipalities of the main cities, becoming the single most important political force. Alan García appeared for the first time as a real leadership alternative in the political spectrum. The elections also made IU’s Alfonso Barrantes, the newly elected mayor of Lima, the clear leader of the once dispersed Peruvian left.

maintained investment in electrification and housing projects and assigned one third of the budget to the armed forces, approving the purchase of Mirage fighter airplanes from France. A year later in 1984, the Túpac Amaru Revolutionary Movement (MRTA - Movimiento Revolucionario Tupac Amaru) started its violent actions in the northeastern region of Peru. Like the Shining Path, it assassinated local authorities, but it also engaged in kidnapping of entrepreneurs and politicians, in exchange for large amounts of money and was closely related to drug trafficking. The “guerrilla” violence that started in Ayacucho spread to other regions, sporadically reaching Lima and other larger cities. Violence was attributed not only to Shining Path, but since 1984 also to Tupac Amaru Revolutionary Movement (MRTA-Movimiento Revolucionario Tupac Amaru), as well as the counterrevolutionary fight. The Truth and Reconciliation Commission (CRV) 2003 Report calculated that between 1980 and 2000 there were 69,280 deaths; two thirds were caused by Shining Path and the rest by state and paramilitary agents. In Peru’s political language, the President of the Council of Ministers, who has the role of the American equivalent of the Chief of Staff, is called Prime Minister. Traditionally, the Prime Minister’s role (also known as Premier) makes the title holder the second most powerful official after the President (See El Poder en el Peru, results 1980-2011). The turnout was 64 percent, despite terrorist attempts to frighten the public with bombings in the days just before the vote. AP, the party in government won 35 of 159 municipalities. APRA doubled AP’s number of municipalities winning 78. While in 1980 the IU and APRA had garnered 46 percent of the national municipal vote, in 1983 they garnered 62 percent (ONPE: Electoral results various years). Starting in 1983, Alan García became part of the list of “The ten most powerful individuals in Peru,” and has unevenly remained the most powerful politician (See El Poder en el Peru, results 1981-2011). García, who was elected national deputy in Peru’s Congress (1980-1985), emerged as APRA’s general secretary in 1982. From 1982 to 1985 García traveled throughout Peru building the party and recruiting members. His efforts were fruitful as the
Fernando Belaunde was a *preemptive* president; he was independent from the opposition as well as from the establishment. While he had freedom of independence from the established commitments of the still resilient popular nationalistic order, his repudiative authority was manifestly limited by the political, institutional and ideological supports that the establishment maintained. Moreover, as the first president of the new democracy, the stakes were extremely high for him. There were many hopes in democracy at all levels.

With a glooming economic environment, exemplified by the negative GDP growth rates, as shown in Table 8-5, the economic situation, which was pretty much out of his control, given Peru’s dependency on the international market, social demands that voiced open discontent and high expectations, and a newly formed and active political party system, his leadership could not channel the democratic burst and overcome an adverse economic scenario. Furthermore, the debt crisis all over Latin America, global demonstration effects, and increasing levels of social mobilization tested the ability of Belaunde’s government to carry out policy programs. Also demographic shifts to urban centers and changes in the economic structure placed severe loads on the political

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29 Barrantes increased his popularity by engaging in high profile programs in Lima. The most important was “Vaso de Leche,” which was the provision of breakfast to schoolchildren, a glass of milk to up to 1 million poor children. He engaged the Catholic Church, major industries, foreign aid, and banks to donate and organize the distribution of the milk in 8000 committees throughout the poor neighborhoods of Lima.

30 For an account of the Peruvian left’s lack of union see, Rubio (1982).
Belaunde assumed the priorities already established by previous governments and tried unsuccessfully to carry out his own leadership project. His policies attempted to assault the established coalition by reversing Velasco’s reforms, but Belaunde failed to build new personal bases of support outside the regular alliances with the military and the masses. At the end of his government (1980-1985) Peruvians had ambivalent feelings toward Belaunde. He was seen as ineffective and indecisive, and yet he was respected as a symbol of morality and decency.  

The Alan García Disjunctive Presidency (1985-1990)  

This section describes the general characteristics of the first Alan García administration in order to place it in part of the political order cycle. In Skowronek’s terms, García’s first administration was a disjunctive presidency. If at first it seemed that he order-affirmed the popular nationalistic order started by Velasco Alvarado by providing a renewed strength to a state-led model of development, at the same time he order-shattered and repudiated Belaunde’s policies. In the second part of his administration, García contributed only to accelerate the nadir of the order, not because he no longer believed he could influence politics, but because of it. His attempt to control banking and finances in 1987 in order to strengthen his economic model of development soon became an improvisation of policies that actually contradicted the very meaning of his order-creating efforts. For instance, when García started his presidency, Peru’s economy was already in trouble. However, good politics drives economics, not vice versa, and García’s politics was bad because he put immediate political calculus above the rationality of sound economic policies. At the social level

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31 By 1985, less than one third of Peru’s population was rural as seen in Table Social Variables: Poverty, Inequity, Investment and Population found in the annex.
32 See APOYO (April 1985)
García started his government with unbeatable popularity and legitimacy, but his politics and the failure of his policies played a major role in the demise of the order. More importantly, his discourse and oratory contributed to the escalation of aspirations that were not matched with results, eventually leading to a decline in expectations with the sharp economic downturn. The enormous gap between aspirations and expectations is what politically made his administration a failure.

In the 1985 elections there was a sense of hopelessness, compounded by the political experimentation of four years with democracy preceded by twelve years of military rule. Given the poor performance of the Belaunde administration, Peruvians had high expectations for change. Early in the race and throughout the election campaign, García became the favorite among nine candidates. The other two main contenders were Lima’s mayor Alfonso Barrantes of the United Left (IU-Izquierda Unida), who led a leftist coalition that lacked coherence and called for the installation of socialism in Peru, and Javier Alva Orlandini of the salient rightist party, AP. In his intensive and extended campaign, García traveled throughout Peru leading massive rallies and meeting with special interest groups. APRA’s campaign avoided talking about policy. His discourse included a leftist orientation or “the people’s cause,” along whose lines were the general themes of integration of the indigenous, agricultural development, and decentralization (Dietz, 1986). The campaign focused on providing hope and relied on

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33 Barrantes cultivated an image of an honest, humble man, who belonged to Peru’s poor and not the coastal white elite. He was popular and perceived as a person who could ignite enthusiasm among the poor and the non-politicized population.

34 Alva had an image of a party professional who cared more for partisan activities than reaching out.

35 Only a few days before Alan García assumed power, at APRA’s XV National Congress he presented his government strategy to tackle the difficult economic situation called CONAPLAN. Even though some of the APRA interviewees participated in the formulation of the plan and asserted that there had been a plan since 1983, the official plan was only made public in 1985. The plan itself was known by a reduced number of APRA leaders (See Lopez, 1989). See also Diehl, Jackson. “Pragmatic Leader Emerging in Peru.” Washington Post, Dec 31 1984, A8.
García’s inspiring aura. His campaign rhetoric reclaimed Velasco’s popular nationalistic project.

As seen in Table 8-6, election results signaled a strong sense of belief in the political system. With 91% of registered voters effectively voting, the 1985 presidential elections resulted in the highest turnout in the period of study. The election results shown in Table 8-2 signal the strength of the political forces. On one hand, there was a turn to the left, as APRA and IU garnered 78% of the vote, but on the other, badly weakened moderate and conservative forces that had dominated Peru for decades, which together received 19%. It also signaled a strong mandate for García, who doubled the votes of his closest rival, garnering 53% of the vote. IU’s candidate Alfonso Barrantes received 25% of the vote and AP’s Javier Alva Orlandini received only 7% of the total votes. As per the 1979 constitution there was supposed to be a run off in April since García did not get 50% plus one vote. However, Barrantes conceded making the run off unnecessary. The coalition of interests that supported García in power was not highly organized. To a large extent, the voters García claimed to represent were those who once applauded Velasco’s reforms. However, García’s supporters also included businessmen who contributed to his campaign and those disenchanted with the first democratic experiment. He received support from the poor urban and rural population, from those who did not have much to lose, as well as from businesses and those who

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36 After the elections, the AP engaged in restructuring but was never again able to remain as an important contender, as later municipal elections confirmed.
37 A 1985 electoral law was passed interpreting that valid votes included the null and blank votes. Therefore APRA was obliged to go to a run-off despite winning more than fifty percent of the vote in the first round.
38 During the elections there were countless terrorist attacks. Before the scheduled run-off vote and after an attempt to assassinate the National Elections Board president, Barrantes withdrew from the race.
39 Reyna (2000) contends that powerful businessmen like Dionisio Romero contributed to the campaign and became close to García. However Reyna points out that they also contributed to other candidates as businessmen tend to distribute risk.
chose to put their faith in an inexperienced politician, whose nationalistic, democratic and popular vision was preferred to the more radical option that Barrantes personified. Burguess and Levistky (2003) argue that economic and electoral environment shape the incentives for party leaders to undertake adaptive strategies, whereas party organization affects their capacity to implement those strategies. García’s APRA had no strategies. García had no incentive to change toward the right or a market-oriented strategy, because IU was still strong when García competed. In 1983, the IU candidate, Alfonso Barrantes, defeated APRA in the Lima mayoral election. This defeat caused APRA to maintain its leftist tendency, since it needed to compete for the popular sector vote. Moreover, by 1985 there was no successful market-oriented strategy that could serve as referent in the region. When García assumed office, the situation was delicate, but it was not critical. García faced a moderate crisis inherited from an orthodox administration.

García’s inauguration took place in a difficult context. At the social level there were massive protests and rising violence at the economic level there were reduced international reserves and inflation eating away Peruvians’ salaries, effectively shrinking the living standards. Moreover, the country was about to become ineligible for international credit, as it was unable to pay its debt. However, politically the new administration was in a better position. As shown in Table 8-3, APRA was able to control both legislative chambers with 32 of 60 senate seats and 60 of 107 house seats,

40 Social turmoil due to the deteriorating living conditions was such that during the week prior to the inauguration over, four hundred thousand state employees went on strike.
41 From 1981 to 1985, seventy states of emergency were declared, first by the police and since 1982 by the military. Rumors about suppression of liberties and military intervention increased, given the existing “state of emergency” declared by the Armed Forces in six departments due to terrorist violence (See "La subversion se extiende como una mancha de aceite. Alto mando militar declara para EFE’. La Republica, June 18 1985, 2)
providing an opportunity to govern without major opposition. Moreover, García had the opportunity to order-create; he was given a mandate to control political definitions.

To order-create García needed to first order-shatter some of the existing arrangements. He gained international attention when he unilaterally decided to stop paying Peru’s debt as soon as he assumed office. He also rescinded the operating contracts of three foreign oil companies. At the time, his actions were considered heroic by other highly indebted countries and a blunt defiance to industrialized countries and the international financial system. This made Peru a leader to the non-aligned countries and a pariah to the financial markets. García’s order shattering impulses as well as his order affirming impulses deviated from Belaunde’s path. Unlike his predecessor, García was able to curb the military. One of the most delicate issues that García confronted was his relationship with the military and the police. While the Belaunde government almost invariably yielded to military requests, García did not (McClintock, 1989). From the beginning of his mandate, he systematically sought to reduce the power of the military and the police. The most dramatic demonstration was the case of the Mirage jets of 1985. He also retired hundreds of generals and officers, reduced the military’s

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42 In order to address the pressing issue of the international debt, particularly with the U.S. Peru’s main creditor. Specifically, he announced that the Peruvian government would pay only the equivalent of 10 percent of its exports towards his international debt, and would refuse to negotiate its economic policies with the IMF. One of the most important oil companies, Belco, left the country and the government seized its assets and passed unattractive foreign investment legislation. A year later García rescinded all contracts with foreign oil companies (El Peruano, Normas Legales August 1985-July 1986).

43 According to the survey “El Poder en el Peru,” during the Belaunde administration the most powerful institution in Peru was the military, above the Presidency and the rest of the executive. From 1985 to 1990 the military took a back seat and in its place the Presidency and the Executive became more powerful. The Catholic Church also increased its power, along with the Legislative and Judicial Branches of the government. (El Poder en el Peru results 1980-2006)

44 Not only did he reduce the budget, particularly in 1986, but he also reduced acquisitions of military guns. García partially stopped an overpriced acquisition of Mirage planes by the Belaunde administration. During the administration’s first year, key high ranking military and police officers were retired. (“Cesan a 37 Generales De La Gc Y De La Policia De Investigaciones.” La Republica, August 20 1985, 2-3; El Peruano, September 1985- May 1986).
budget and replaced the existing War, Navy and Air Force ministries by creating the Ministry of Defense in 1987.\footnote{There were rumors of coup d’
état after García’s decision to create a Defense ministry. See “Noches (Y Dias) De Ronda.” Caretas 948 March 30 1987.}

At the domestic level, he also caused a shock when he implemented his “emergency plan” the day after his inauguration. This plan included stopping all working activities for two days while the new officers managed to freeze all banking accounts in foreign currency.\footnote{This policy affected mostly the middle class, which depended on their savings for future consumption. On the other hand, it made national and foreign investors wary of the administration.} The plan also included reducing the size of government by firing of hundreds of bureaucrats and state companies’ managers, and capping high ranking government salaries.

García’s order-creating impulse led him to implement a heterodox economic experiment, in which the government stimulated the demand and controlled prices. It also increased salaries for state workers (i.e. teachers, blue collar workers of state corporations and social expenditures, at first the experiment produced dynamism in the economy, achieving impressive growth, as shown in Table 8-5, with 12.10 GDP growth in 1986. The government was assigned the delicate task of distributing and allocating resources to the poor masses, even if it meant affecting the interests of the middle class and the economic elite, including foreign capital. In this sense he displayed his order-affirming impulse.\footnote{His ideas are best depicted in his 1982 book "El Futuro Diferente", particularly in the first sections “Essential principles and its continuity”, “Doctrine proposals”, and “Historical analysis and its complements.” See García (1982)}

Instead of creating a corporatist structure as Velasco did, García’s decision-making style involved the participation of his party as a vehicle to rally his own personal leadership. As explained in the next chapter, García made sure that all important (and
often times less important) decisions would involve his personal involvement. The cabinets and top leadership positions of the administration that accompanied García were chosen based on partisan loyalty and on García’s personal feelings of them, rather than on their professional experience. Indeed most of his cabinet members had never held important public offices. García’s first term was an excessively partisan administration. APRA’s long-awaited gain of power was 61 years in the making, during which many generations of APRA members strived for the power to put their ideas into action. As a result, the executive was under overwhelming pressure for government jobs, from high ranking officials to less important and even unnecessary public positions. García promised he would put into practice the “Great revolution with bread and liberty that Haya de la Torre had drafted.” Meaning that Peru would break free from “imperialistic” influences that precluded the country from developing on its own terms. As explained earlier, Velasco implemented many of the vindications that APRA had historically supported. As the APRA principles involved redistributive plans, when the party was in control it sought to continue the work of the popular nationalistic government. Indeed, in the following months García did what he said he would. Not only did he act assuming the role of a decisive president, but he also assumed an ideologue posture García shared Velasco’s belief that society’s group interests should be controlled by the state apparatus through policies.

The positive results of his *order-affirming* economic experiment lasted for more than a year, but the experiment was unsustainable, because economic agents did not

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48 During his first administration, 33 out of 55 ministers were APRA members. In his first cabinet thirteen out of eighteen ministers were APRA members. The other five ministers were: an ally from the Christian Democracy, the foreign relations minister, who was a career diplomat, and the three defense ministers, who were members of the military. A table with all cabinet positions and members can be found in the appendix.

behave the way the García administration predicted. In order to oblige economic agents to invest in Peru, in 1987 the administration sought to nationalize the banking industry. His affiliation was not so much to a coalition of interests, but rather it was to the popular nationalistic ideology. When he launched a frontal assault on the mainstays of Peru’s economy to nationalize banks in 1987, he did not try to shake a strong pillar of his own support. His obstinacy in seeing his state-led development model succeed overshadowed the reality that his model was unsustainable, given the lack of coherence and the breeding distrust of economic agents.

The faulted economic policies of García produced the opposite effect of what they were intended to achieve (e.g. unintended reduction of private investment). Most importantly, the decision to nationalize the banks after months of García’s dismissal of rumors provoked strong economic and political uncertainty. During the last three years of his administration, the economy entered into recession with an average of -9.30% GDP growth and an average of 3.82% in inflation growth, as shown in Table 8-5. If the political right had been weak since García assumed the presidency, from 1987 on it rallied and organized behind the world famous Peruvian writer Mario Vargas Llosa. A personal rivalry started in 1987, and Vargas Llosa’s opposition was decisive in stopping García’s political project. García lost control of the political narrative, and the dormant political right reorganized and became a strong opposition to the administration for the rest of his term.

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50 Vargas Llosa’s arrival to the political arena was in his own words “a quirk of the wheel of fortune” (Vargas Llosa, 1993) after he publicly opposed bank nationalization. His personal fame as a writer launched his becoming the spokesperson of the opposition when he wrote an influential editorial in a conservative newspaper “Towards totalitarian Peru.” (See Vargas Llosa, Mario. “Hacia El Peru Totalitario.” El Comercio, August 2 1987.) Vargas Llosa’s main objective was to stop García, as Vargas Llosa saw nationalization as a way of curbing economic and political freedom. He received enormous support from the powerful national business community and the political right. Newspapers and other media outlets were highly indebted, and therefore governmental control over the banks meant control of the freedom of the press.
García’s actions were the opposite of what political vision would dictate. García’s giant leap was to a certain extent the same bold action as Thomas Jefferson’s embargo on Britain’s trade in 1807. Both tested the resolve of their nations in standing behind their leaders. In the case of García it backfired completely, as the nation turned against him when the political right organized and regained strength. In the case of Jefferson, his vision allowed the United States to emerge as an important world player independent of England (Skowronek, 1993).

The approval ratings in Figure 8-1 and 8-2 show two phases in Alan García’s first administration. In the first phase the approval ratings were above the disapproval ratings, when the order-shattering and order affirming impulses of his presidency were more evident. As shown in Figure 8-1, García as President maintained continuous approval ratings until October of 1987, and even some approval ratings until January of 1988.

The data for the overall Peruvian government, shown in Figure 8-2, indicate that the government started to receive disapproval ratings as early as March 1987. As we saw in other chapters, personal approval ratings of other presidents tend to be higher and last longer than their administration’s approval ratings. This effect is telling of the way a President’s persona is perceived by citizens. Citizens attribute successes and failures more to persons than they do to the workings of governments or administrations. While many scholars on Peru have noted that negative economic indicators raised red flags on the direction of the country as early as 1986, Peruvian public opinion of García himself gave him room to maneuver until the end of 1987.
Figure 8-2 also shows the impact on public opinion of the rumors and then the effective announcement of García’s policy to nationalize banks in July 1987, as well as his decision to back off from nationalization once he faced a strong opposition. Both rumors and his decision reversed public opinion, tuning it against him for the rest of his administration. In Figures 8-1 and 8-2, the second phase of the García Presidency is marked by disapproval ratings being higher than approval ratings.

The three impulses inherent to a presidency can be seen in García’s approach to terrorism, one of the most pressing and dramatic issues suffered by Peru. Like Belaunde’s policies, García’s actions were faulted from the beginning. Terrorism was conceived as a response to the poor social and economic conditions of the population in the rural areas, particularly in the Andean south. The order-shattering impulse was evidence in his administration’s attempt to elevate the Peruvian agro industry by raising the importance of the Ministry of Agriculture and by passing laws that provided credit to peasants. The order-creating impulse was exemplified by a series of policies toward establishing a direct relationship between his administration and peasant organization, with the Rimanakuy meetings, the relaunching of Agrarian Bank, and the decentralization attempt being the most salient.51 The order-affirming impulse led to the implementation of an anti-insurrection strategy that called for the respect of human rights and social development in the most violent areas. However, as the economy became unmanageable and terrorists increased attacks in the cities, the government deviated its attention from rural areas and even paralyzed the process of

51 Rimanakuy meetings were encounters between García, his cabinet and peasant communities in rural areas. The administration became aware of demands and the Rimanakuy meeting served for the development of decentralization policies (Reyna, 2000).
decentralization (Schmidt, 1989). It was only toward the end of his administration that a specialized counterterrorism unit was created.52

The first García presidency was *disjunctive*. As explained in Chapter 2, Skowronek’s disjunctive presidency is characterized by the president’s political affiliation with an existing authority structure while being embedded to a vulnerable political order. Indeed García was an affiliated leader in a vulnerable political order. The state’s authority and structure were set up during the military regimes, and the political order began with Velasco’s decline.

García exercised his first presidency unaffiliated with the structure of authority that Belaunde had left. However, because of links to the coalition of interests that had once supported Velasco, García was able to gain support temporarily. When García assumed the presidency in 1985, the political order at first sight did not seem vulnerable. However not only were the Morales Bermúdez and Belaunde presidencies able to reverse some of Velasco’s policies, but also the times had changed dramatically, calling into question the way the state related to society. García tried to resurrect the nation’s political project envisioned by Velasco, but the project was no longer viable, as the guiding ideas did not suit reality and the conditions for its implementation had changed dramatically. If at the beginning of his mandate, García possessed the ability to be heard, after 1987 he struggled to keep his leadership project, and with the rise of the political right a new project was envisioned. García’s affirmation of the course set up

52 In March 1990, a special intelligence group (GEIN-Grupo especial de Inteligencia), was created as part of a police Agency against Terrorism (DIRCOTE-Dirección contra el terrorismo). Its task was to focus on intelligence operations that sought to capture the main leaders. In June 1st, 1990 GEIN found a house in Lima where Shining Path’s leader, Abimael Guzman, was hiding. They missed him for a few days but were able to find key information, which according to many, led to his final capture and therefore to the understanding of Shining Path’s strategy and to the defeat of Shining Path (Personal interview with Anonymous PER#2).
by Velasco, no longer held much hope for effectively addressing the most pressing questions of his day. The end of the 1980s signaled the demise of an era throughout the world.\textsuperscript{53} Disappointment associated with state intervention was exacerbated with the new balance of forces that the municipal elections of 1989 revealed and that the presidential election of 1990 confirmed. Table 8-4 shows the growing importance of independent candidates and platforms during those years.\textsuperscript{54}

Toward the end of his presidency, García’s contradictions were more clearly manifested in his economic policies. He ordered his economic team to launch more orthodox policies in order to control inflation but disregarding its effects in the population. The magnitude of the economic disaster was so great that all the social conquests, such as higher salaries, enhanced working rights, and even low guaranteed prices of basic goods, were disregarded. However, his own lack of conviction to the policies guaranteed their failure from the very start.

As Figures 8-1 and 8-2 show, Alan García’s first administration ended with extremely low approval ratings for both García and the government. The same can be said about his party; in the next three elections electoral support for APRA dramatically decreased from 22.5% in 1990, to 4.14% and 1.38% in 2000. During these elections García did not participate as a candidate. In 1990 there was a constitutional ban on reelection, and in 1995 and 2000 he was exiled, because a legal campaign was launched against him.

\textsuperscript{53} In the U.S. the New Deal lasted about 50 years. Keynesian welfare capitalism was ubiquitous in Nordic countries and industrialized democracies with social democratic development models.

\textsuperscript{54} In the 1989 Municipal Elections, the rightist coalition FREDEMO became the strongest political force at the national level. FREDEMO received 32 percent of the vote, APRA 20 percent, IU 18 percent and ASI 2.3 percent. FREDEMO won in most of the districts but lost important cities. In the country’s capital, Lima, Ricardo Belmont, an independent who launched a new party OBRAS, became the mayor obtaining 45 percent of the vote.
Neoliberal Political Order

The neoliberal order in Peru emerged as a real alternative during the 1990 election campaign, and the election results marked a transformation in the thinking. The popular nationalistic order, based on state-led development, inward orientation, and social and infrastructure investment programs that disregarded macroeconomic balance, gave way to change. In a context of crisis, the political actors who proposed economic stability, even if it meant having an unknown type of relationship between state and society, were granted a chance to achieve a new balance.

The neoliberal political order stems from economic policies associated with the Washington Consensus. However, it is much more than a set of economic policies. It is a way of understanding development, the role of the state and the political ordering of society: “it involves extending and disseminating market values to all institutions and social action” (Brown 2003:np), including politics and culture; it is the “globalization of the most antisocial form of capitalism” (De Sousa Santos, 2009:374).

With priorities shifting toward economic soundness, new policies that followed included a combination of fiscal prudence and monetary restraint, greater openness to foreign trade and investment, privatization and deregulation. Tacitly it also included financial deregulation and improved property rights (Fraga, 2004). The policy goals were economic, with financial stability as a sine qua non condition for development. There was a conviction that economic growth would translate into the social front through investment in human capital, particularly in the provision for better education.

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55 On one hand, the Washington Consensus was a doctrine of economic freedom that suited new Latin American democracies after the rule of military dictatorships (Williamson, 1993). On the other, it was perceived as an unjust set of policies imposed by multilateral Washington-based international financial institutions (Williamson, 2002).
and health. Eventually the trickle-down effect of growth was supposed to reduce poverty and inequality.

The interventionist role of the state became reduced to one that facilitated market functioning. Ronald Reagan’s assertion that “Government is not the solution to our problem. Government is the problem.” resonated in Latin America. Peruvians who lived through Alan García’s economically perilous experiment, and who saw how an impulsive president affected economic, social and political expectations, embraced the proposal of a non-interventionist state. The new paradigm relied on open markets to solve the relevant development challenges and viewed any state interference in the economy with suspicion (Birdsal et al., 2010).

Just as the state’s role changed, so were institutional political references. Political Parties were no longer appealing to the electorate. Their doctrines and platforms lacked ideological credibility, and the new political players relied on direct appeal of the leader to the masses, disregarding party structures and stances. Instead they relied on their personal credentials, whether it was charisma or a proven managerial record. Leaders “went public,” asking for personal trust and appealing directly to citizens.56

After the acute economic and social crisis of the 1980s manifested in outstanding hyperinflation, rising violence, the deterioration of living conditions, lack of trust in the political class, and de-legitimization of the state, Peru was prepared for change. A new

56 Kernell (1997) makes an argument concerning the tendency for American presidents to increasingly resort to "going public" or promoting themselves and their policies by appealing directly to the public for support. I believe his argument is appropriate when explaining the ways in which Latin American presidents relate to their fellow citizens. Kernell argues that this strategy is a break from pluralist explanations of behavior, asserting that presidents in the last few decades have preferred to "go public," because it offers a better prospect of success than it did in the past. The result of this change is a decrease in bargaining amongst Washington leadership. Kernell utilizes case studies to demonstrate that presidential success is dependent on the ability to "go public" effectively and knowing when to use traditional bargaining methods.
social contract with its concomitant political order and development paradigm was necessary.

The Alberto Fujimori Reconstructive and Articulative Presidencies (1990-2000)

Fujimori’s first term (1990-1995) can be compared with Andrew Jackson’s presidency, in that he made a clean break along both organizational and political time lines of order and secular change. With Fujimori, there was a categorical change in the mode of governance and a change of the governments’ basic commitments of ideology and interest. On one hand, he reduced the role of political parties in government by relying on technocrats instead; on the other, he ushered a new era in the way the state and society related.

While hyperinflation and the political and social crisis called for immediate decisive action, Vargas Llosa’s insistence on implementing shock therapy to achieve economic stabilization made voters fearful of his leadership. In contrast, Fujimori proposed gradual change and portrayed himself as an independent minded person absent from the political battles between the traditional parties that overwhelmed Peruvians. A skeptical electorate allowed the rise of Alberto Fujimori to Peru’s presidency as an outsider. Lacking the support of an established political party, and with the positive results of the Lima municipality in the hands of another outsider, the election of Fujimori in June 1990 came as a surprise. This was especially true, because a month prior to the first round, he was virtually an unknown agronomist, dean of a private university, and a second generation Japanese immigrant.  

During most of the

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57 In the Municipal Elections of 1989, the rightist coalition FREDEMO became the strongest political force at the national level. FREDEMO received 32 percent of the vote, APRA 20 percent, IU 18 percent and ASI 2.3 percent. FREDEMO won in most of the districts but lost in important cities. In Lima, Ricardo Belmont, an independent who launched a new party, OBRAS, became the mayor obtaining 45 percent of the vote. Among the other candidates,
1990 long presidential campaign, Mario Vargas Llosa was consistently the favorite, but not with a sufficient margin to win the election. The 1990 election campaign started as early as 1987 for the Peruvian political right. Opposition to García made Vargas Llosa the official candidate, and the most significant leader of the opposition, because was able to mobilize and get the political right behind him. For almost three years, the pre-election polls pointed at Vargas Llosa as the next likely president of Peru. However, to many Peruvians, Vargas Llosa seemed snobbish and distant (Tanaka, 1997).

Fujimori and his loyal candidates participated in other elections under different names: New Majority NM (Nueva Mayoria) in 1995, Peru 2000 in the 2000 elections, Yes, It honors (Si Cumple) in 2006, and Force 2011 (Fuerza 2011).

García used his influence in several ways to favor Fujimori even at the expense of his party’s own candidate. García did not support the candidacy of Alva Castro, who was his main rival inside the party. Being unable to run for re-election and with the fear of losing grasp in his party, García actively supported Barrantes until March 1990 when polls indicated that Alva Castro started to trail Vargas Llosa. This is when García shifted his support and propelled Fujimori. From calling attention to the press, to using official sources to undermine Vargas Llosa’s candidacy (i.e. tax reports), García’s involvement in the campaign was such that he announced that, since no one was “standing up against” Vargas Llosa, he, the President himself would do it. The “dirty war” which involved harsh exchange between García and Vargas on subjects from policy to personal attacks, captured the media’s attention (Vargas Llosa, 1993).
elections result were: traditional parties won 68% in the first round; Mario Vargas Llosa, running for the FREDEMO coalition, garnered 32.57%; Fujimori with Change 90 (Cambio 90) received 29.09%; APRA’s Luis Alva Castro received 22.5%; and the Socialist Left (Izquierda Socialista) of Alfonso Barrantes was divided between a reformist and a revolutionary wing, resulting in Barrantes’ final break with IU. In the run-off, Fujimori obtained 62.38% of the vote and Vargas Llosa 37.62%.

Fujimori’s mandate was not strong; he faced a great challenge passing legislation with an APRA and FREDEMO-dominated Congress, as shown in Table 8. With little to lose, as he was not affiliated with any political party and had no particular allegiances to groups, and lacking experience, a government plan, and a team that would join him in his presidency, Fujimori was able to take advantage of an opportunity for a reconstructive presidency. He dared to test the limits of what was possible in an environment where hopelessness was the rule and where any action would be better than the unbearable status quo characterized by growing violence, rampant hyperinflation, an economy in shambles and a collapsed state. The crisis stressed the accumulated problems of the old order. His immediate political concern was governance. At first he sought support in parties with government experience and organized his first cabinet comprised by members of other parties. Upon his inauguration, Fujimori realized he needed to implement an orthodox approach of structural adjustment if he wanted to have a successful economic program. In

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61 In addition, the fear that Alfonso Barrantes would become “other Allende” was raised in the campaign.
62 APRA and the two leftist parties, IU and Socialist Party (IS) held 182 of 242. FREDEMO held 84 seats in Congress, with 63 in the deputies’ chamber and 20 in the senate and APRA 72 seats with 53 in the lower chamber and 18 in the senate. Cambio 90 held 46 seats in total, 32 seats in the lower chamber and 14 seats in the senate.
63 This realization came as a result of his travels as president-elect to the U.S. and Japan, where he contacted multilateral institutions that convinced him to implement a program easy to administer (Tanaka, 1997).
Skowronek’s terminology, there was an order-shattering opportunity to implement a new program even if it implied high costs.

Fujimori’s order-shattering impulse surprised everyone, as he broke his campaign promises only a week after his inauguration in August 1990; and enacted neoliberal reforms via shock therapy. Although initially Fujimori maintained significant approval ratings throughout 1990, in 1991 shock therapy for economic stabilization reversed the trend until October. Although initially shock therapy caused riots, looting and social protests, by late 1991 it started to pay off, and Fujimori managed to stabilize the economy in time, before his administration started to wear out (Tanaka, 2005). Public opinion was very positive for Fujimori from October 1991 to June 1997, his order-affirming period. There was a perception that his strategy was successful in stabilizing the economy and in achieving significant advances in internal security by defeating the Shining Path terrorist movement. Fujimori’s reconstructive presidency was characterized by his success in significantly reordering Peru’s political, social and economic structures and their relation to the state. As described in the previous section, he set the country on the path of the neoliberal order. His first government initiated an aggressive privatization of state companies, professionalization in the economic public sector, and implementation of liberal policies. Order and a sense of direction were welcomed by the majority of Peruvians, who valued stability in their

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64 See Figure 3, Approval Rating of Alberto Fujimori as President of Peru, and Figure 4, Approval Rating of Alberto Fujimori’s Governments in the Appendix.

65 Fujimori retired hundreds of police generals and allied with the military in order to have control in the fight against terrorism. Between January to November 1992, violence escalated and Shining Path’s recruitment became open leading many to believe that revolutionary victory was about to happen. But the administration’s response turned tougher. Perhaps the biggest victory for Fujimori after his authoritarian venture was the capture of Abimael Guzman, Shining Path’s leader, in September 1992. Although the capture was the result of the diligent work of a specialized unit of the police created during the García government, Fujimori capitalized on it and solidified his assertive image.
daily lives, particularly after many years of turmoil. With the help of new loans and economic growth, the state reorganized its finances and was able to invest in infrastructure and social projects. Also Fujimori’s populist style helped him maintain the image of a charismatic leader who seemed to care and who was close to his people.  

Fujimori’s approval ratings peaked in April 1992, when he launched a self-coup d’état. Even though he gained to power through legal means, he dissolved the national congress and unlawfully assumed extraordinary powers that would have not be possible without the coup. Contrary to what could be expected from someone who writes off fragile democratic institutions, the self-coup did not diminish Fujimori’s approval ratings. In fact it allowed him to continue with bold decisions destined to stabilize the economy and curb terrorism. This period highlights the order-creating impulse of his presidency, although he received an overwhelmingly negative international response. His high popularity allowed Fujimori to change the Constitution, extend the power of the executive and be re-elected. With a strong mandate, Fujimori started his second term with a strong order-affirming impulse, with a carte blanche to continue governing without

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66 Particularly helpful were his frequent visits to projects and trips to remote regions, in which he personally supervised public works, such as road repairs and school construction, and gave the impression of a father figure.

67 From the self coup until the election of a new constituent Congress, Fujimori’s government was by definition a dictatorship. For the authoritarian nature of the Fujimori administration and the consistent actions that debilitated the existent political institutions, most academics and political analysts concur in calling the rest of Fujimori’s term “the Fujimori regime”[a unique set of arrangements that allowed Fujimori to be accepted as an elected president , but not one that behaved in a democratic way]. Moreover, Mainwaring and Perez-Linan (2005) consider Fujimori’s coup as the end of the expansive democratic cycle in Latin America.

68 OAS passed a resolution against Fujimori’s coup, the U.S. and other countries suspended all aid, the strategy of reinsertion to the international markets was threatened when many international financial organizations delayed planned or projected loans, and key countries that supported Peru’s efforts to clear debts with the IMF threatened to withdraw their support.

69 After the enormous international pressure Fujimori called for elections for a Democratic Constituent Congress (CCD) that produced a legislature that served both to craft a new constitution and as a Congress. APRA and AP boycotted the constituent assembly, becaused they alleged fraud and manipulation since there were no constitutional guarantees. With a Congressional majority, Fujimori’s party took control of the political process as major parties remained marginalized. Peruvians granted Fujimori another five years in the presidency in the 1995 elections, even though in the municipal elections of 1993, 1995 and 1998 official candidates did not make major gains in the largest cities.
constraints. In the following months the administration issued more harsh measures against subversive activities. Under this measure, suspected guerrillas and their sympathizers were tried without due process by military tribunals and “faceless” courts, whose members wore hoods to conceal their identities. Even though the government tried to hide the “mistakes” it made in the war on terrorism, it soon became apparent that Fujimori and Vladimiro Montesinos, his obscure political operative and head of the National Intelligence System (SIN-Sistema de Inteligencia Nacional), had pushed beyond the bounds of legality by launching a clandestine campaign of widespread human rights violations. However, it was not until November 1996 that his approval ratings reversed. His increasing authoritarianism, manifested in his control of all four branches of government (thanks to his formidable intelligence service) extended to his decisive influence in the media, the judiciary and eventually the Constitutional Court, which gave him a legal route to a third term. Peruvians gradually started to withdraw support from him and his administration, and from June 1997 his disapproval ratings were much higher than his approval ratings. This public opinion trend continued until January 2000. It was only through a massive fabricated campaign engineered by Montesinos that Fujimori was able to reach positive approval ratings in the second half of his last year in office, eventually winning a third term. In addition to this, public

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70 See Figure 3 Approval Rating of Alberto Fujimori as President of Peru, and Figure 4 Approval Rating of Alberto Fujimori’s Governments in Appendix.
71 In preparation for the 2000 elections, Fujimori undertook socio-economic programs that benefitted the poorest Peruvians. While his prudent macroeconomic policies had endeared him to the business class, once more the opposition was divided with nine candidates under separate banners. Intimidations to the media and targeted opposition figures were discredited by the work launched from the SIN, especially when it could not turn media into tools of the administration. As in the previous election Fujimori’s Peru 2000 coalition became the largest Congressional majority, yet it was not an absolute majority. At the time, extreme abuse of state resources and control of the media through public ads, tax-investigation threats, bribery and blackmail during the campaign, and signature forging and lack of transparency in the first-round vote count, led the OAS observers to withdraw before
expectations of job creation were thwarted by slowing economic growth and increasing socioeconomic gaps, as shown in Table 8-7.

Four months into his third administration, a massive corruption operation recorded in thousands of videos was aired by the press. It showed Montesinos bribing Congressmen to desert the opposition and to support Fujimori. Fujimori started his third term with an adverse public opinion amid allegations of ballot rigging. Angry citizens joined a massive march protesting against Fujimori’s inauguration. As the scandals grew by the day, Fujimori called for new elections in September and tried to distance himself from Montesinos. In a desperate attempt to save himself, in October Fujimori engaged in talks sponsored by the OAS about democratic reforms, but weeks later he flew abroad in search of protection from possible legal sanctions at home. He resigned in mid-November.

The Fujimori presidency is characterized as reconstructive. He was the president who inaugurated the neoliberal order in Peru, not a new era of democracy. The change in the organization of government and the relationship between state and society that followed were of great significance, since he altered the terms of prior governmental commitments and the conditions under which previously established interests were served. The transformation of the neoliberal order started with the enactment of economic policies. This was not without strong opposition, but Fujimori’s resilience at first showed that his survival depended on immediate results in the economic realm and in his success combating terrorism. When public opinion became adverse, he relied on

the run-off and the opposition to boycott the run-off. Without a contestant, in the run-off Fujimori was declared by the National Electoral Jury (JNE) as the winner of the election.

72 See Figure 3 Approval Rating of Alberto Fujimori as President of Peru, and Figure 4 Approval Rating of Alberto Fujimori’s Governments in Appendix A.
Montesinos to maintain power. The order Fujimori created was not based on political institutions or higher ethical and moral goals, and it did not follow an envisioned strategy for the country. It surged as a survival mechanism of a leader who assumed office extremely weakened, and whose ambition was to remain in power. His modernization of the state apparatus was a pragmatic action, as he needed to rely on an efficient institution in order to implement populist policies. Fujimori could have used his economic reforms simultaneously to advance social causes and to strengthen state institutions. The only institutionalized area he left was the state economic sector, which responded to the needs of the market. The dramatic fall of the Fujimori regime revealed the mixed nature of charismatic authoritarianism. Fujimori’s presidency combined populism with economic reform, as well as guile and manipulation. On one hand, there were mixed economic achievements under the appearance of a capable, efficient apparatus. He was feted at home and abroad for his resolute commitment to market economic reform. But these achievements occurred under the cloud of authoritarian power relations and massive corruption. In this regard, Fujimori’s political legacy in Peru is unequivocally illiberal.\footnote{During Fujimori’s administrations the Peruvian political system transformed from a fragile democracy to a competitive and authoritarian regime (Levitsky, 1999; Levitsky and Way, 2002, 2006, 2010), although not really competitive, since Fujimori’s political force “Fujimorismo” became the only political actor, effectively discouraging political opposition and curtailing the rise of political alternatives. Furthermore, his administration also engaged in electoral fraud in the general elections of 2000.} Not only did he systematically attempt to exclude his country’s political class from office, invoking instead professionals who filled the technocratic ranks but largely limited their activity to produce technical efficiency, his actions also weakened the political system at the expense of socialization and incorporation of citizen demands through democratic channels.
What is striking about Fujimori is that his authoritarianism was perceived by many Peruvians as necessary in order to stabilize the economy and fight efficiently against terrorism. Considerations such as human and civil rights, transparency, and legality were secondary to the sense of order his regime provided. Moreover, his centralism prevented decentralization and the opening of political spaces in the regions. Even as late as 2011, Fujimori remained a powerful player in Peru’s politics.74

**The Valentín Paniagua Articulative Presidency (2000-2001)**

The eight-month Paniagua presidency was a transitional administration that emerged as a temporary solution to the political crisis left by Fujimori’s power vacuum. With the presidency and the Congress badly tarnished, the AP Congressman rose to power based on his personal reputation. Paniagua and his brief administration helped to bring democratic procedures and institutions to the forefront of reform. It also started judicial and court reform and engaged efficiently in filing corruption charges, bringing to light the obscure dealings of the Fujimori regime and investigating human rights abuses. However, the steps taken during his eight month administration pointed toward practical solutions and agreements for the short term.

The Paniagua presidency was a continuation of the neoliberal order, and in this sense it was an *articulative* presidency. He did not project a political alternative; He knew his task had an expiration date, although he was a candidate for the 2001 elections. He did not impugn his own mandate, and his reputation as a decent man

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74 In 2005 Fujimori was detained in Chile; in 2007 he was extradited to Peru to face trial, the same year he was sentenced to six years in jail for abuse of power. In 2009 he was found guilty of human rights abuses and corruption and sentenced to 25 years in prison. Alberto Fujimori was considered one of the most powerful men in Peru in the last thirty years, after businessman Dionisio Romero and Alan García, who was second (El Poder en el Peru, 1980-2011). More recently, one of the issues that divided voters in the 2011 polarized presidential election was the announcement by Keiko Fujimori, the daughter of the former president, that she would pardon her father if she were elected president.
who did not have ambitions of political power for himself remained untouched. He helped to enhance the relationship between the state and society by restoring credibility to government. His legacy is one of political institutions; he brought back credibility to the government by appointing a cabinet of prominent Peruvians, and he pushed for transparency laws in government action as well as national reconciliation. These were not minor tasks, but they did not shake the nature of the political order already in place.

Paniagua accomplished his objectives while he received wide public support. His administration lived a honeymoon period as the political elites and society groups rallied behind him. Paniagua did what he was assigned to do. He called general elections that allowed the return to multiparty political competition and pluralism. After Fujimori’s fall there was an explosion of regional vindication for decentralization aided by NGOs. During Paniagua’s administration significant steps were taken toward regionalization in preparation for the 2002 regional, municipal and provincial elections. Traditional parties reemerged with APRA in the center, AP and PPC on the right, and Alejandro Toledo’s PP in the center left, with no important party on the left. However, the party system remained dramatically weak (Tanaka, 1998, 2005; Levitsky and Cameron, 2003; Kenney, 2003).

The Alejandro Toledo Articulative Presidency (2001-2006)

During the 2001 presidential campaign, politicians lived in fear of appearing on TV. For months, Peruvians had watched videos of Congressmen from each party accepting bribes from Montesinos, along some of the corrupt politicians were also journalists and businessmen. Discredit was widespread in the eyes of the electorate, and almost all politicians were presumed guilty. The campaign was about credibility as

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75 See Figure 5, Approval Rating of Valentín Paniagua as President of Peru in Appendix.
well as capability to continue the economic path traced by Fujimori. The preferred candidates were Alejandro Toledo with his party Possible Peru (PP-Perú Posible) and Lourdes Flores, the former Christian-democrat Congresswoman from PPC leading the National Unity (UN - Unidad Nacional) coalition. Toledo was the strongest candidate from early polls. His participation in the first round of the 2000 rigged elections and his refusal to participate in the run-off made him the front runner the following year. Moreover, Toledo had no ties to any established party and remained the most vocal politician after his challenge of Fujimori.

Most of the campaign happened amid name-calling and scandalous personal revelations between Toledo and Flores. Amidst these confrontations, the APRA candidate, Alan García benefited, as his campaign skillfully defined Toledo and Flores as leftist and rightist, respectively, placing García in the middle.\(^7\) This smart move along with García’s moderate rhetoric and concrete proposals aimed to portray him as an assured, restrained and experienced candidate, who had made mistakes before as President, but who learned from them and was the most prepared candidate as a result. The election results of the first round were surprising, as García received more votes than Flores by just over 1%. Although he did not eventually win the run-off, García’s comeback as a politician was astonishing. Peruvians were left to choose between an experienced candidate with an awful past and an inexperienced candidate. Because of

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\(^7\) With Fujimori’s self-coup in April 1992, government forces pursued of García to arrest him and prosecute him for corruption charges. García escaped and went into hiding, eventually making his way to Colombia. He lived in France from 1995 to 2001. García’s image was badly tarnished by the corruption cases that hunted him during his absence. Throughout the Fujimori regime, García came to personalize corruption as several charges were filed against him and multiple investigations were opened, primary while he was in exile. He alleged that the various charges against him were false and politically motivated. The opportunity to return to Peru came precisely because of the way the Fujimori regime fell. García ran for president after the courts ruled in his favor, and after Congress repealed the so called “anti-Alan law” on the grounds of unconstitutionality.
Toledo’s participation in the fall of Fujimori and his behavior during the crisis, he was rewarded with the presidency.

By the time Toledo assumed office, the honeymoon period that Paniagua enjoyed was coming to an end. There was a need for a long term vision for the years to come. While Peruvians expected effective leadership to get Peru back on track, Toledo did not provide a plan for government. What Toledo promised during the presidential campaign was an intense war on poverty, and he did not seize the opportunity of the political moment. The positive experience, during the Paniagua administration of reaching responsible political agreements among the political elite and other influential sectors of society prompted Toledo to call a National Accord to establish the long term goals for Peru. From 2001 to 2002, the government, political parties, private sector, labor interests, the Catholic Church, and other society groups were engaged in the development of a strategy that established priorities for the next twenty years in the areas of democracy, justice, competitiveness and transparency. If at first this was a positive action, as time passed the population became increasingly impatient. Peruvians did not wait to make long-held demands, and Toledo faced increasing protests as society groups pressured the government to provide solutions to their needs.

The Toledo presidency was a set of trials and errors. The inherent impulses of a presidency were at best inconsequential, since Toledo himself was an irresolute president. The order-shattering impulse was, at the best, weak. Toledo did not want to break with the legacy of Paniagua, since it provided the only institutional framework the country had, and he did not want to abandon Fujimori’s economic policies, since

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77 Garay and Tanaka (2009) assert that the highest number of protests in Peru occurred during the Toledo administration, with 2002 as the year with worst labor-related protests. The most conflictive years were 2003 and 2005, as protests against his economic model reached a peak.
neoliberalism was the only option he considered to be available at the time. He was not a populist president either, as he was interested in being accepted by the elite, more than on relating to the masses. Unlike U.S. President Eisenhower, whose seeming lack of intervention in a course already set but whose “hidden hand” was in fact underground in active leadership (Greenstein, 1982), Toledo was indeed an apathetic president who let his mostly capable cabinet govern, while he spent considerable time and energy dealing with personal issues. There was disenchantment with the economic model, especially because the second half of Fujimori’s second term was characterized by poor economic performance in a context of international crisis. Lacking a plan, but trying to continue with sound economic management, Toledo’s presidency had a fundamental order-affirming impulse, as it did not want to disturb the existing economic and political arrangements. The Toledo administration was plagued by personal scandals, personal disputes and allegations of corruption. He asserted his authority with an incorrect idea of what presidential authority is, using it to defend personal feuds instead of leading the country.

Disenchantment with Toledo grew quickly; only five months into his administration Toledo’s disapproval ratings were much higher that his approval ratings, a tendency that remained for the rest of his term.\textsuperscript{78} Toledo’s own indecisiveness, as well as his lack of organization and vision, did not contribute to a firm stand in government, and it prevented him from giving reign to order-creating impulses. These characteristics, along with lack of a cohesive party in Congress, weakened Toledo’s leadership from early in his presidency. Toledo had to rely on the opposition and his feeble block in Congress to launch liberal economic policies and the long overdue decentralization

\textsuperscript{78} See Figure Approval Rating of Alejandro Toledo as President of Peru in Appendix.
process. In the first regional and municipal elections of 2002, the president’s party had a poor electoral performance, as shown in Table 8-4. Given the internal problems of the president’s party in Congress, APRA’s reputation of being a disciplined party gave the impression that the stability of the political system depended not on institutions or Toledo’s leadership, but on the opposition leader Alan García and his chance to maneuver the opposition to yield to Toledo. There was a “responsible opposition,” in the sense that party leaders proposed and negotiated state institutional reforms, agreed on passing key legislation, especially laws aimed at furthering trade and commerce and at keeping the economy growing steadily, as well as transparency laws. When the opposition took control of Congress after the internal elections in July of 2004, it seemed that Toledo’s party, the PP, was on the verge of disintegration. Moreover, questions about Toledo’s capacity to finish his term arose, leading some analysts to believe that democracy would collapse again.

If Toledo’s presidency was plagued with allegations of political scandals and corrupt activities, at the economic level it was diligent in opening opportunities for investment and keeping Peru’s economy growing, the only signs of order-creating actions. As shown in Table 8-5, during the Toledo administration the economy grew steadily by over 5% annually from 2002 to 2006. Particularly important, were the efforts

79 Toledo’s Perú Posible won only one of the 25 regions, while APRA controlled 12, independent regional groupings seven, and the left-leaning Unión por el Perú (UPP) two. Nuevo Izquierda, Somos Perú and the Frente Independiente Moralizador (FIM) each won one region. Unidad Nacional won the Lima Municipality. For Toledo, this was unwelcome news, because it meant the strengthening of APRA, not only as the main opposition in Congress but also at the regional and municipal level.

80 Between 2001 and 2006 Congress maintained a legislative initiative producing 80 percent of the laws and delegating legislative faculties only twice (Moron and Sanborn, 2007: 57).

81 Perú Posible lost control of the leadership of Congress after the resignation from the party of two of its founding members, thereby reducing its Congressional representation to 36, 11 fewer than in 2001.

82 Toledo narrowly survived impeachment in May 2005 when Congress was prompted to vote against him. A Congressional commission found that Toledo led his party’s campaign to forge many of the necessary signatures in order to register Perú Posible for the 2000 elections.
leading to free trade agreements with the United States, Common Southern Market (MERCOSUR- Mercado Común del Sur), the Andean Community, and Thailand.

For the 2006 elections, once again the party in government showed its weakness by not being able to present a presidential candidate. PP invited two independents to run for office but, given the lack of unity and pressures from the party, they eventually backed down.83

The Toledo presidency benefited from fluky events that happened almost independently of Toledo’s actions. In contrast to the badly blemished image of Fujimori, Toledo was better by default. He presided over five consecutive years of economic growth in a favorable international environment with no questions about his democratic credentials. Congress’ decision not to impeach him, despite ample evidence that his PP party falsified signatures to register as a legal party back in 2000, was not influenced by considerations of Toledo’s figure, but by the fear of a new political crisis. Moreover, his government was able to receive an apology from Chile, which sold guns to help Ecuador during the brief border war with Peru in 1995. These propitious events allowed him to survive to complete his term.

Toledo’s presidency was articulative of the political order in place; he did not move from the political frame established by those before him. He left basic commitments of ideology intact, even with a discourse of “capitalism with a human face.” Even though he had low popularity during most of his term, he reinforced the path for long-term economic growth and poverty reduction.

83 In December of 2005, only five days after Jeannete Emanuel Tejada became the official PP candidate, she backed down. Carlos Bruce, the candidate for the first vice-presidency, also resigned after receiving criticisms from the first vice-president David Waisman. Another announced presidential candidate, Rafael Belaunde Aubry, also resigned his candidacy when internal fights over the ranking on Congress’ ballot list emerged.
Toledo’s appointment of highly regarded and respected professionals allowed him to manage a steadily growing economy, which benefited the usual powerful interests while redistributing little. Although he put together a capable team, he failed to construct managerial capability for the government; his vision was for the short term. The trickle-down effect was hardly felt by the lower segments of society. Like Fujimori, Toledo defended and propelled market principles, taking a step further by pushing for free trade agreements and preparing the country to become a player in the global markets. With regard to the state, beyond the successful decentralization with the elections of regional and provincial authorities, the intention to undertake a profound reform was abandoned. There were a few areas where professional officials were able to increase efficiency and transparency, but the state failed as provider of services and safety network.

**The Alan García Articulative Presidency (2006-2011)**

As explained in Chapter 2, in Skowronek’s terminology, an *articulative* presidency is characterized by the president’s political affiliation with an existing authority structure while being embedded to a resilient political order. This is precisely the case of Alan García’s second presidency (García II), which was almost the antithesis of his first *disjunctive* presidency. Structural conditions were different than in García I, and García was able to read the times in the light of their own term, he seemed to have learned from the past and strived not to repeat the same mistakes.

In the 2006 general elections, there were twenty candidates competing for the presidency. While this number reflected political pluralism, it also confirmed party fragmentation. From the start, the main contenders who enjoyed name recognition and solid party backing were Lourdes Flores Nano of the right-wing National Unity Party
(UN) and Alan García with the APRA. But Ollanta Humala of the Peruvian Nationalist Party (PNP-Partido Nacionalista Peruano), who ran under the banner of For Peru’s Union (UPP - Union por el Perú), became the surprise candidate, as he quickly rose in the polls starting in December 2005 (McClintock, 2006). The challenge for the presidential candidates was to bridge a divided society. There was an emphasis on Peru’s divisions and contrasts at the economic, regional and cultural levels. On one hand, there were Lima, its surroundings, and the north coast that were more prosperous, modern, and racially whiter. On the other, there were the poorer, marginalized and more indigenous Amazonic and southern regions. The latter regions supported Ollanta Humala and other leftist candidates, while for the former supported the systemic and pro-market candidates.

Alan García was the charismatic contender with a difficult past, and Peruvians were very wary of him. García campaigned on the premise that he was a different man, a changed man. His campaign slogan “Alan Peru: Responsible Change” highlighted the apparent maturity of a fifty-year-old politician, a state reformer and a committed social democrat, like Brazil’s Luiz Inácio Lula da Silva or Chile’s Michelle Bachelet, who seemed upright and reliable. He was quick to acknowledge the mistakes of his first presidency, and he promised to pursue more careful and moderate economic policies, especially to prevent inflation. He also explained that he had changed his thinking in the era of economic globalization, having realized the need to reassure international investment. “Do you think I want my tombstone to read, ‘He was so stupid that he made the same mistakes twice?’,” he said in an interview just before the first round. The García campaign was skillful in branding Flores as the candidate of the rich and in
raising the fear of instability if Humala were to become president.\textsuperscript{84} García displaced Flores to third place in the first round, making him eligible for the run-off. The campaign was dominated by an atmosphere of disillusionment with government, and the rise of Humala to near victory signaled growing discontent with the prevailing political system of the contemporary ruling class. Furthermore, not only were voters disenchanted with an economic growth that did not produce visible results in poverty alleviation, but Peruvians were also clearly affected by six years of scandals during the Fujimori and Toledo presidencies.

After a long and bitter campaign, the choices at stake in the run-off between wither continuation with the current path or stepping into the unknown. With a recent history of authoritarianism, and the accusation that Humala’s received funds from Venezuela’s President Chavez, García came to represent the political order in place, while Humala represented a radical change.

For this reason García’s second presidency was \textit{articulative} from the start.\textsuperscript{85} In the run-off, García became the anti-populist candidate who, by default, was supported by the elite who had supported Flores in the first round; they had no choice but give him a chance. During the campaign he acknowledged mistakes during his first government. However, many questioned his sincerity, particularly after García made strenuous efforts to maintain an ambiguous stance against the free trade agreement with the US; saying he was skeptical and advocating for a re-evaluation of the agreement. Although

\textsuperscript{84} Humala had campaigned calling for a constituent assembly to write a new constitution and to change the rules of the game.
\textsuperscript{85} Humala was the populist outsider, who stood for a doctrine, so-called ethno-cacerism, which was racist in nature. He sought a vindication of nationalistic principles and called for the return of strategic industries and natural resources to state management. His liberal democratic credentials were dubious, particularly coming from a military tradition and accused of human rights violations in the 1990s, and for leading a military uprising in 2000 against Fujimori.
it was not clear where he stood on many issues, García made clear he was not a
Chavez sympathizer. At the time, the “pink tide” was sweeping Latin America\(^\text{86}\) and
Chavez’ influence in the region was at its peak. There was a fear of Chavez-like
populism and the “socialism for the 21st century,” particularly after the success of left-
leaning candidates, such as Evo Morales in Bolivia in 2005, and the enormous amount
of attention to leftist candidates that extended to Ecuador with Rafael Correa and Daniel
Ortega in Nicaragua.\(^\text{87}\)

García’s victory in the elections was a win by contrast, instead of a win based on
his own weight. Unlike his successful run in 1985, and like his unsuccessful run in 2001,
in 2006 García was far from controlling the events that eventually led to his victory. Fear
and the economic scenario helped him win, but his mandate was fragile. When he took
office he needed to strengthen the economy and the market-oriented policies to prove
to his once unlikely supporters that they did not make a mistake. García was fearful
himself, but his fear was that he would be seen as the same person he was in the past.

García started his second presidency with auspicious circumstances. As table 8-
5 shows, Peru’s economy had been growing steadily four years in a row; moreover the
price of the commodities Peru exported were on the rise. However, Peruvians were
yearning for more jobs and to see the benefits of growth in their daily lives. At the social
level there was growing social discontent for the lack of attention to services, especially
in the education and health sectors.

As Figure 8-2 shows García started his administration in a weak position, with
relatively low approval ratings, and a honeymoon period of about a year. With a 58% of
\(^{86}\) See Weintraub (2006).
\(^{87}\) Rafael Correa was elected at the end of 2006 and assumed office in January 2007. Ortega was elected in 2007.
approval rating, García tried to move quickly to demonstrate that he was about to preside over a different administration than his first, with a different leadership project and orientation.

As shown in Figure 8-3 he started his second administration with much lower ratings than those of any other president at the start of his term. He also tried to portray himself as moderate, and as a changed man. In this regard, his order-shattering impulse was an effort to vindicate from his own past and to mark a contrast with his predecessor. The contrast with Toledo was stark; while Peruvians perceived Toledo as an indecisive president, García’s image was of strong leadership, of someone who was on top of the political game, with many initiatives and at the political center stage. After he was declared the winner of the 2006 presidential election and before his inauguration, García sought to gain legitimacy, among Peruvians as well as his immediate peers in other countries.88

Once in office, García realized he needed to garner allies in Congress, as shown in Table 8-3 of the seats by party for the 2006 election. Although APRA (2006-2011) enjoyed a plurality of Congress after UPP’s split, García sought support in Unidad Nacional (UN) and in the pro-Fujimori Congressmen of Alliance for the Future (Alianza por el Futuro) in order to pass legislation and gain the needed majority. Opposition forces in Congress were not strong. After the collapse of the party system under Fujimori, party discipline was weak, and due to the personal zeal of certain individuals, there was no organized opposition. García’s actions at the domestic and international levels aimed at constructing an image of a president who compromised with the

88 García traveled to Brazil, Chile, Colombia and Ecuador and met with the presidents. His trips aimed to garner political support from his peers, as well as to assure them his democratic credentials and his willingness to contribute to regional peace and economic development.
neoliberal order, an indication of his order-affirming impulses. While he differed from Toledo in his style, in terms of content and the interests he represented his administration was an extension.

As shown in Figure 8-3, public opinion during García’s second presidency can be divided into four stages: the honeymoon period from his inauguration until June 2007, this is when the order-shattering and order-affirming impulses were manifested more clear; the gradual decline of both the president’s image and the administration’s, when the negative ratings surpassed the positive ratings; the period starting in June 2009 with social conflicts in the Amazonic region of Bagua;89 and the second half of 2010, when his approval ratings began to improve only to go down again in March 2011, when he made unfortunate comments over the election. In the last two stages, his meager order-creating impulses were mostly articulated.

During the honeymoon period García sought to give assurance, as exemplified by his inaugural speech, in which he was careful not to give frightful announcements as he did in his first presidency. He pledged to maintain macroeconomic management, to continue the positive economic growth trend by boosting investment and production, and to make Peru a competitive country. While his discourse aimed to calm citizens, his supporters, and investors about the direction of the economy, as he had repeatedly said during the campaign, his second presidency aimed to be “a responsible change,” revealing his affiliation with a structure of authority that was already in place. He also declared the four major emphases of his administration: state reform through fiscal

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89 Police and indigenous forces clashed over the approval of regulation of the use of amazonic resources
austerity measures, decentralization, cut of red tape, and transparency; poverty reduction through creation of jobs and opportunities for investment; increase of social opportunities by implementing policies targeted to specific groups (women, children, youth); and security, by increasing citizen security policies.

García learned from Toledo that instead of qualified party colleagues, he needed technocrats in his cabinet and in key government positions. Toledo appointed independent technocrats of rightist orientation to manage the economy and leftist professionals for social issues. The latter became critics and opposition once they left their posts. (Tanaka, 2008). García appointed a 16-member cabinet, which included 9 independent professionals, 6 APRA ministers, including the Prime Minister, and a minister from the conservative party PRN. If in his first administration he governed using advice from friends, in the second he was more isolated, he made little effort to reach out, except to few people with key economic posts. García avoided appointing independent professionals with leftist leanings in the social sectors to avoid criticisms, particularly since many of them were promoters of human rights trials for violations committed during García’s first administration. These appointments denied the possibility to implement important social reforms (Tanaka, 2008).

As his administration progressed, Peruvians’ anxiety grew to see problems solved and to see the promises become reality. A series of protests started in 2007, when the administration moved forward to pass legislation to show Peru’s commitment

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90 He announced immediate executive proposals for Congress to pass in order to reduce the salaries of the president, his ministers and other governmental officials’ salaries such as Congressmen.

91 A complete list of cabinet members can be found in the Appendix.

92 Some of the interviewees for this dissertation pointed out that in his second government García did not have a close group of advisers or party loyalists as he did in his first term. Among his informal advisers in the second term, there were businessmen who were personal friends of García. They did not represent big business but they provided a view on the private sector and the economy. This is particularly relevant since it signals that García was alone in the decision-making process.
to free trade and liberalization. Indeed, García’s presidency continued the market-oriented and US-friendly stance started by Alberto Fujimori and maintained by Toledo. Some critics asserted that his vision of the state was deliberately racist and that infrastructure projects were preferred over social policy. While Fujimori built schools and health posts, García preferred more ambitious and larger-scale schemes, such as roads, ports, massive irrigation developments and natural resource exploitation projects. García’s second administration emphasized economic growth and stability, but also addressed other aspects, such as education, effectively curbing the once powerful teachers union. He worked to attract domestic and international investment grade for Peru, but the administration also passed several laws that curbed the right to protest, that lifted responsibility from police action in confrontation, and tried to supervise NGOs’ activities. These added to several corruption scandals in the executive and in Congress, eroding support for García and his government.

In the second phase of García’s administration, with negative approval ratings exceeding positive, García sought to rally Peruvians to his cause and plan for development. García’s rhetorical pledges on social issues were not credible, given the emphasis on economic matters. In practice, García’s shift was described as a change “from an exacerbated reformist voluntarism to hyper-realism with no illusions,” with an administration economically conservative, poorly ambitious, and with no impetus for redistribution at the social level (Tanaka, 2008). García renewed the political project that considered capitalist leanings as the only acceptable way to greater levels of development. The role of the state as market facilitator was to a large extent also a

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93 Drinot (2011) argues that García picked his enemies in the indigenous population, and that his “dog in the manger” rhetoric was not only economic and political but also cultural.
vision of development that imposed a capitalist/globalizing state discourse over the backward environmentalist/protectionist anti-capitalist defense. García’s rhetoric was not moderate; he wrote a series of newspaper articles that portrayed his lack of tolerance for those who dissented with his politics, calling them “dog(s) in the manger,” and identifying them as those whose backward mentality went against progress and improvement. He saw his interests and those of his constituency threatened by the views of the indigenous, human rights advocates and environmentalists, who joined forces to obstruct the path of his development-friendly leadership project. García criticized the “dogs in the manger” for not having a development agenda, but he missed the point of the protest. Peruvians, like the indigenous of the Amazonic region, who had traditionally been out of the scope of the state, expressed their frustration with the way the central government handled the resources in the region. They were not consulted when the central administration passed laws to increase exploitation of natural resources, and the lives of the population living in the areas of exploitation were overtaken by the effects of mining, logging, and hydrocarbons. Protesters opposed the use and distribution of resources that pertained directly to them.

During 2008 and 2009, social discontent grew over the government’s attempts to reinforce liberal economic policies and to promote businesses interests. Protestors argued that García’s administration put foreign and business interests above those of the people. The third phase of his second administration started in June 2009 with the violent confrontation in the Amazonic region of Bagua. This was the pinnacle of the tensions between the García administration and Peru’s other population over the mode of development. The latter did not identify with the political system and did not see the
benefits of the economic growth proudly touted by the Fujimori, Toledo and García administrations. As shown in Figures 8-3 and 8-5, García and his government, respectively, were not able to recover positive ratings for the rest of his term. Moreover, other protests against administration policies included strikes, marches and road blockades in other regions of Peru: Moquegua (2008 and 2009), Quillabamba (2010), Puno (2010 and 2011), Arequipa (2010 and 2011), Cuzco and Piura (2008-2010) and Huancavelica (2011). All of them contested the central administration’s decisions over the use of their natural resources, such as water and land, and over the distribution of royalties and future state income.

Despite the ongoing tensions between the two visions of development, the once seemingly insurmountable political and economic problems of the past seemed to be ameliorated. A comparison of public opinion at the beginning and end of the García administration demonstrated a sizable shift in public sentiment starting in 2006. While poverty and inequality remained a challenge, the most important pressing issues in public opinion changed from employment and poverty to corruption and citizen insecurity.94 While the latter involved delinquency and gun violence, the sources of insecurity involved more complex phenomena such as a dysfunctional political culture, corruption, lack of civility, institutional weakness, and social polarization. García presided over a period of a growing economy and prosperity, but inequality was not reduced significantly. As Table 8-7 shows, the GINI coefficient was 49.5 in 2006, by 2009 it was almost 2% lower. At the end of his presidency there was a booming economy with soaring commodity prices, GDP growth, rising incomes, and poverty reduced from 45 to 31%. However, no significant social policies had been implemented.

94 See Ipsos-Apoyo monthly polls (2006-2010)
The “Juntos program,” a conditional cash transfer program, was a timid public policy, considering the country’s potential and unprecedented economic growth.

Despite economic growth, the Peruvian state remained weak during the García administration. State weakness was also persistent given the independence of technocrats from parties and the state. There were “pockets of efficiency” in the management of the economy and monetary policy, but the technocrats were orthodox and emphasized the functionality of the market with little commitment to the solution of social needs (Tanaka, 2011).

During the García administration, Peru also enjoyed relative political stability, but the distortion or extinction of moral welfare and ethics were as negative as inequality. García did not create a culture of trust and respect for the rule of law, and overall the corruption and abuse of state power continued.

The presidential election of 2011 showed once again a polarized country, between regions and between rich and poor. For most of the 2011 election campaign, it was almost unthinkable for observers (Tanaka, 2011; Levitsky, 2011) to envision Humala’s strong comeback, because they thought his constituency had shrunk. Both of the run-off candidates Keiko Fujimori and Humala, favored strengthening the state. According to Levitsky (2011), in general state weakness has been the root of citizens’ discontent and the reason they expressed their rejection of the establishment. In this regard Garcia’s promise to reform the state to bring it closer to people and to satisfy social demands was not accomplished. Dissatisfaction with democratic institutions remained high in Peru compared to other Latin American countries (Levitsky, 2011). If democracy is to deepen, the ones that were in most need of the rule of law and
institutions are the poor. The democratic agenda for the subsequent presidency under Humala included once again the strengthening of the state, with transparent decision-making in all areas of the public sector.

As opposed to his first disjunctive presidency, García’s second presidency was articulative. García continued to enforce neoliberal order, to the point that he seemed a completely different president when it came to defending the guiding principles of the distinct political, economic, and cultural trends of the neoliberal order, the pursuit of free market policies in a globalized economy. His administration was an example of Peru’s resilience to high inequality. During his term, the state engineered policies that were implemented from the top down, and did not upset the traditional structures of power allied with APRA. García’s second administration did not try to change neoliberalism through revolution or reform; it was a mere adaptation to the order in current time. He tackled issue by issue with a pro-market mentality, instead of adhering explicitly to the neoliberal order. Perhaps that was his biggest mistake: failure to provide a future society as an alternative to the liberal Peruvian capitalist society. Even more, he discredited those who questioned the order and sought an alternative to neoliberalism as the only type of capitalism.

Discussion

This chapter has shown that the two García administrations fit two different political orders. Moreover, it showed that the ingrained impulses of all presidencies

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95 Not only did APRA made an ideological transition to the political right during the 1990s, there were also common interests with pro-Fujimori forces. Even though García lived in exile during the Fujimori years, starting in 1998 widely published rumors of arrangements between García and pro-Fujimori operatives were aired (See http://www.caretas.com.pe/1998/1536/alan/alan.htm). At the end of the 1990s it was speculated that Fujimori would allow García to return to Peru in exchange for support for Fujimori’s reelection in 2000 and to put up a democratic gimmick. Moreover, some analysts claim that the secret “alliance for impunity” would first benefit García by wiping out corruption charges against him, and later Fujimori by providing him privileges that improved his jail conditions.
result in different politics that presidents make within the rise and fall of a political order. This applicability becomes clearer when the García administrations are compared with those that came before and after his. All other administrations were part of only one political order, while García’s administrations took place in different stages in the lives of two political orders.

From 1980 to 2011, six presidents have ruled Peru. The first two, Belaunde’s presidency and García’s first presidency, were embedded in the popular nationalistic political order. While Belaunde’s presidency was preemptive, as it took place when the order was resilient, García’s was disjunctive, as García encountered an order in decay that he was temporarily able to bring back to life by purposely trying to revive it on his own terms. Indeed, García failed to exploit the reconstructive opportunities that were initially handed to him when he encountered enervated political conditions.  

García did not realize that political will was not sufficient to make his project work. By insisting on the currency of his project, he contributed to add uncertainty to an already difficult situation. García was the disjunctive president, as no other, who demonstrated that pressing the most extensive warrants imaginable for independent action, even with his great popularity, he could not simply revamp his leadership project at will. He committed political suicide in his effort to jump over the limits of his initial warrants for action and assume a reconstructive posture. His first presidency was a failure precisely because he tried to renew the order with a coalition of interests whose political project was no longer appropriate, because the guiding ideas did not suit reality and the conditions for its implementation had changed dramatically. The impact of

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96 García encountered an “enervated” system characterized by a high state of entropy and low capacity to perform work (Nichols and Myers, 2010).
García’s decisions for democracy was severe, as he alienated those who could have helped to create a new project. He enacted erratic policies that responded timidly to the spiral of economic turmoil. He did not want to lose the masses’ favor by implementing needed painful economic policies, which would have required his administration to stop distributing favors and cut spending on populist endeavours. García’s mistakes cost him legitimacy, as he reached the point where his political maneuvers were exceeded by economic deterioration; with hyperinflation no populist policies could compensate for the lost stability.

As we know, missed conditions for reconstructive leadership do not disappear; they remain available for others, in this case for Fujimori, to exploit (Nichols and Myers, 2010). Fujimori’s presidency was reconstructive, but he betrayed his original postulates to acquiesce to the critical economic circumstances at the expense of democracy. Paniagua’s, Toledo’s and García’s second presidencies were all articulative and embedded in the neoliberal political order.

García’s second presidency was articulative because he continued the nation project started by Fujimori in his reconstructive presidency, maintained by Paniagua’s brief presidency and reinforced by Toledo. García’s second administration took place when the political order was resilient. However, there have been signs of erosion, as the model of development and the state itself were contested. In his second presidency García became affiliated with the coalition of interests that were in place and powerful. García learned to adapt to those interests to maintain the status quo.

Toledo and García did not make major reforms to the political order in place. They responded to immediate needs and continued the policies that overemphasized
markets. Each sought to transform the country without changing its politics. As affiliated leaders in a robust order, they both grappled with the problem of trying to coordinate change.

Since Peru’s return to democratic politics, García has been the only president who transited two distinct orders and who identified completely with them at two different stages of the political order’s life. The fact that the same person as president can transit the politics of a country in two political orders, and disrupt its politics differently each time, is extraordinary to say the least. Skowronek has not encountered such a case in the history of the United States, to my understanding, nor has he mentioned this possibility for other countries. From all the presidents studied in depth, as well as the other presidents that provide context in this dissertation, Alan García is the only one who fit this transitional model. The next chapter, takes the analysis to an agent level to understand the personality traits that allowed García to make this transition.
Table 8-1. Peru - Presidents, types of presidencies and political orders (1980-2011)

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Table 8-2. Peru vote share by party in presidential elections 1980-2006 (in percentages)

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Source: Oficina Nacional de Procesos Electorales (ONPE), Tuesta (2001)

¹ Run as Frente de Centro (FC) in 2006
² Run as Convergencia Democrática (CODE) in 1985
⁴ CODE and País Posible were an alliance in 2000 which changed name to Perú Posible
⁵ Run as an alliance between AP, PPC and Movimiento Libertad
### Table 8-3. Peru - Seats by party (1980-2006)

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*The 1993 constitution established a single chamber Congress.

**Leftist parties with small share of votes and Congressional representation.

1 The 1979 constitution established the former presidents became senator for life. Fernando Belaunde became senator for life after serving his 1980-1985 term.

2 Alan García became senator for life after serving his 1985-1990 term.
Table 8-4. Peru - Vote share by party in municipal and regional elections 1980-2010 (in percentages)

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* Includes other parties and independent political organizations.
Table 8-5. Peru - Economic performance variables: economic activity, fiscal sector and inflation (1981-2011) (in percentages)

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*Estimated values

Source: Economist Intelligence Unit
Table 8-6. Peru - Electoral data in presidential elections 1980-2006

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<th>Null</th>
<th>Total cast</th>
<th>Absenteeism</th>
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<td>6,471,105</td>
<td>-</td>
<td>77.13%</td>
<td>7.88%</td>
<td>15.00%</td>
<td>79.97%</td>
<td>20.03%</td>
</tr>
<tr>
<td>1985</td>
<td>8,333,433</td>
<td>22.35%</td>
<td>86.16%</td>
<td>6.53%</td>
<td>7.31%</td>
<td>90.54%</td>
<td>9.46%</td>
</tr>
<tr>
<td>1990(I)</td>
<td>10,013,225</td>
<td>16.78%</td>
<td>84.72%</td>
<td>8.00%</td>
<td>7.28%</td>
<td>78.13%</td>
<td>21.87%</td>
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<tr>
<td>1990(II)</td>
<td>10,007,614</td>
<td>-</td>
<td>90.45%</td>
<td>1.95%</td>
<td>7.60%</td>
<td>79.52%</td>
<td>20.48%</td>
</tr>
<tr>
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<td>11,974,396</td>
<td>16.38%</td>
<td>82.09%</td>
<td>8.00%</td>
<td>7.28%</td>
<td>73.52%</td>
<td>26.48%</td>
</tr>
<tr>
<td>2000(I)</td>
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<td>17.80%</td>
<td>91.88%</td>
<td>5.87%</td>
<td>2.25%</td>
<td>82.83%</td>
<td>17.17%</td>
</tr>
<tr>
<td>2000(II)</td>
<td>14,567,467</td>
<td>-</td>
<td>68.88%</td>
<td>1.19%</td>
<td>29.33%</td>
<td>81.00%</td>
<td>19.00%</td>
</tr>
<tr>
<td>2001(I)</td>
<td>14,906,233</td>
<td>2.27%</td>
<td>86.44%</td>
<td>10.28%</td>
<td>3.28%</td>
<td>82.28%</td>
<td>17.72%</td>
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<td>2001(II)</td>
<td>14,906,233</td>
<td>-</td>
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<td>16,494,906</td>
<td>-</td>
<td>91.48%</td>
<td>1.09%</td>
<td>7.43%</td>
<td>87.71%</td>
<td>12.29%</td>
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Source: Jurado Nacional de Elecciones (JNE), Oficina Nacional de Procesos Electorales (ONPE), Tuesta (2001)

Figure 8-1. Peru - Approval ratings of Alan García as president of Peru during his first presidency (1985-1990)

Source: APOYO Opinión y Mercado S.A - Peru, 1987-1990
Figure 8-2. Peru - Approval ratings of Alan García’s first government in general (1985-1990)

Source: APOYO Opinión y Mercado S.A - Peru, 1985-1990
**Table 8-7. Peru - Economic performance variables: population, employment and income (1981-2011)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (millions)</th>
<th>Unemployment (%)</th>
<th>GDP per capita ($US)</th>
<th>GDP growth per capita (%)</th>
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<td>N/A</td>
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</tr>
<tr>
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<td>18.59</td>
<td>N/A</td>
<td>N/A</td>
<td>1.20</td>
</tr>
<tr>
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<td>19.06</td>
<td>N/A</td>
<td>N/A</td>
<td>-0.40</td>
</tr>
<tr>
<td>1986</td>
<td>19.51</td>
<td>N/A</td>
<td>N/A</td>
<td>9.50</td>
</tr>
<tr>
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<td>19.96</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
<tr>
<td>1988</td>
<td>20.42</td>
<td>N/A</td>
<td>N/A</td>
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<td>20.89</td>
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<td>23.42</td>
<td>8.80</td>
<td>1,917.40</td>
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<td>8.30</td>
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<td>2011*</td>
<td>30.36</td>
<td>7.10</td>
<td>5,640.00</td>
<td>4.80</td>
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</table>

* Estimated values

Source: Economist Intelligence Unit
Figure 8-3. Peru - Approval ratings of Alan García as president of Peru during his second presidency (2006-2011).

Source: Ipsos – APOYO Opinión y Mercado S.A. - Peru 2006-2011

Figure 8-4. Peru - Presidential approval ratings (1985-2011)

Source: Ipsos – APOYO Opinión y Mercado S.A. - Peru 1987-2011
Figure 8-5. Peru - Approval ratings of Alan García’s second government in general (2006-2011)

Source: Ipsos – APOYO Opinión y Mercado S.A - Peru 2006-2011
Table 8-8. Peru - Economic performance variables: social sector (1981-2010)

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<tr>
<th>Year</th>
<th>Poverty (% of pop.)</th>
<th>GINI index</th>
<th>Social expenditure* (% of government expenditure)</th>
<th>Rural population (% of pop.)</th>
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<td>N/A</td>
<td>N/A</td>
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</tr>
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<td>N/A</td>
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<td>47.9</td>
<td>36.3</td>
<td>28.5</td>
</tr>
<tr>
<td>2010</td>
<td>31.3</td>
<td>N/A</td>
<td>31.7</td>
<td>28.4</td>
</tr>
</tbody>
</table>

* This variable combines public expenditure in education and health.

CHAPTER 9
ALAN GARCÍA’S LEADERSHIP STYLES

The previous chapter situated and characterized Alan García’s presidencies in the life cycle of each political order. Accounting for García’s presidencies on a larger historical canvas, as a particular rendition of a disjunctive presidency in his first term and an articulative presidency in the second, was useful in terms of placing his leadership in political and secular time.

Drawing from Chapter 8, particularly regarding García’s presidencies, across time, across political orders, across different relations with the establishment, this chapter demonstrates that García’s styles of presidential leadership style were central to his political stance in both of his administrations.¹ By looking at Hermann’s seven specific personality traits that involve the ways in which García responded to constraints, information and his motivations and drives, in this chapter we will see that García’s calculated strategies were aimed to gain political advantages in the moment at hand, but they were also reflections of aspects of the man’s character that permitted him to vindicate his place in history.

About Alan García

Alan García Perez was born in Lima to middle-class parents in 1949. He grew up in a highly ideological APRA political family, as his parents were political activists. For the first four years of his life he was raised by his mother only, because his father was in jail as a result of his clandestine political activities. As a child and later in his youth, García was part of APRA organizations in Lima where he was indoctrinated into the

¹ García’s personality traits’ assessment is based on twenty-one interviews. They include: public office holders elected and appointed, journalists specialized in the Peruvian Presidency, analysts and Peruvian scholars. Other sources are official speeches, public appearances, García’s published books and press interviews, and special reports.
party’s ideas and ideals. Early in his life García stood out for his exceptional
communication skills. After being captivated by young García’s intelligence, Victor Raul Haya de la Torre, the utmost APRA leader, selected him to be tutored as part of an elite
group. He studied law first at the private Catholic University of Peru (PUCP - Pontificia Universidad Católica del Peru), but graduated from the San Marcos National University (UNMSM - Universidad Nacional Mayor de San Marcos), a public university. As a student he became a salient member of the APRA University Command (CUA – Comando Universitario del APRA) and was known as a “buffalo.” For graduate school he went to first study law at the Universidad Complutense de Madrid and later sociology at Sorbonne University in Paris after being sponsored by APRA’s leader Haya de la Torre. With his recommendations and contacts, young García was exposed to influential intellectual and political figures from around the world and, he obtained a doctorate in 1977. From 1977 to 1982 he was APRA’s National Secretary of the Organization (Secretario Nacional de Organizacion), a post that allowed him to take effective control of the party at the grassroots level. He became a member of the Constituent Assembly (1978 -1979) and remained close to Haya de la Torre until the latter’s death.
Alan García displaced contenders for the leadership of the party with the help of Armando Villanueva. He relied heavily on the old radical populist school, rather than the

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2 Since age eleven, García was part of APRA’s Children Organization (ONA – Organización de Niños del APRA), and later he joined the APRA youth group (JAP Juventud Aprista Peruana).
4 APRA Buffalo is a term commonly used to refer to APRA members who were part of clash groups and who defended the party interests at all cost, often using violence. Interviews with Anonymous PER#7, PER#8 and PER#9.
5 The APRA national secretary of the organization is one of the three top leadership positions of the national executive committee of the party, and it is charge of coordination of the activities all regional committees engage in, its main function is to preserve and maintain the structure of the party to keep it up with the times, it is key since it keeps the official registration of party membership.

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retreating moderate stance (Graham, 1992). In 1980, García was elected national deputy in Peru’s Congress (1980-1985), where he became nationally known for his daring interventions in the Congress. From 1982 to 1985 García was APRA’s general secretary. During that time he traveled throughout the country recruiting members, wrapping APRA messages in sparkling rhetoric and displaying a charismatic personality. He became the APRA presidential candidate and, from early in the race he was described as a mover and shaker with modernizing ideas.⁶

García is married to Pilar Nores an Argentinean national. He has six children; Carla from his first marriage. Josefina, Gabriela, Luciana y Alan Raúl with Nores, and Dante a son born out of wedlock.

Leadership Style

Constraints

García was a leader who, at first sight, would rank high in the belief he can control events and high in the need for power in Hermann’s categorization. Leaders with these traits portray themselves as leaders in charge, overconfident that they know what needs to be done. An illustration of the strength of these traits in García can be appreciated in his own words on November 27, 1989, after more than two years of polls indicating that Vargas Llosa would be the likely next president of Peru for the 1990 elections, Alan García announced during a press conference that since no one was “standing up against” Vargas Llosa, the president himself would do it,⁷ reasserting his influence in the outcome of the election. The second example is a quote from January 2010, when García said, “a President cannot make someone he wants to win [the

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presidency], but he can make someone he does not like lose,” when referring to his belief in his own influence in making the presidential elections of 2011 tip the way he wanted.\(^8\)

García was certainly a leader who generally challenged, directly or indirectly, the constraints of the environment, and pushed the limits of what can be done. The strength of these traits was clearly displayed in García’s first administration. However, he softened these traits during his second administration. After a failed first presidency he learned that it was not possible to control the environment. Moreover, he also learned that having less control also made him less accountable, and he could shift or distribute the blame to his cabinet.

**Leaders’ own belief in his control and influence over events**

As described in Chapter 2, when leaders have a view of the world believing they can control events, they tend to control policy making and implementation. What is particularly interesting is that there is a self fulfilling prophecy with these leaders, given that they are more likely to initiate policy-making and make sure that policies are enacted and executed. Those who believe they can control the environment are less likely to delegate authority for tasks they consider important for the achievement of their goals. They are also less likely to compromise and deal with others, and they convey strength and confidence in their decisions.

In his first administration, García’s belief that he could control events was much higher than in his second. Some of the interviewees talked extensively about García’s micromanager urge during his first presidency, such as calling businessmen personally

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asking them about the magnitude and success of their investments. Moreover, they mentioned how García visited hospitals in the middle of the night to check personally how emergency services were working. Some of the interviewees talked about García’s extensive travels to inaugurate medical posts, schools, drainage systems, and other public works, that would show Peruvians they had a President who cared for them and who fulfilled his promises.

As Sánchez de Lozada in Bolivia, García’s inclinations also fit Wasserman’s (2009) description of a confident leader, someone who is convinced that, despite the difficulty, with will he can convert his ideas into reality. Neustadt (1960) described Franklin Delano Roosevelt as an overconfident leader who, as no other U.S. President in the twenty century, “had a sharper sense of personal power, a sense of what it is and where it comes from; none has had more hunger for it.” While this confidence occasionally allows leaders to accomplish what most people would not dare to do, it also means that it is difficult to predict whether or not their plans will be successful. García was similar in this regard. As a risk taking leader, García’s boldness and challenging authority were particularly positive in dealing with the military and police. During his first three years of government, in addition to restructuring the military leadership and negotiating civil power over the military to decrease the military budget, he also purged the police. At times boldness and defiance can have terrible consequences, and it is difficult for others to make leaders change their minds or convince them of the fragility of their plans. For instance, his lack of public service and managerial experience, added to his youthful impetus, led to a toxic combination, as his

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9 Neustadt (1960: 135-136)
voluntarist approach to problems did not mean that there was governmental economic coherence and capacity to effectively manage public policies.

García’s belief he could influence events was evident from the start of his first presidency. He moved at once to carry out what he understood was the voters’ mandate, i.e., free rein. Major reforms followed quickly, but they created fiscal, monetary and currency imbalances that eventually led to hyperinflation. García assumed office lacking a clear plan, and his “heterodox” economic plan dealt with short-term measures. After the second year of his administration, this deficiency allowed the mounting problems to thorn the government from many directions. The country became increasingly split about García. At first his voluntarism was welcomed, but over time his intemperance, quick decision making and almost blind belief in his development program made things worse. His haughtiness did not help, as it was often reported that no one could tell him he was doing wrong. Over the years, the sectarianism of García and his team led to his own marginalization. García came to be the only center of decision making. His centralization of power did not have a counterweight in his Cabinet or in Congress. The underlying logic was to put political considerations over economic matters. The bureaucracy beneath the economic team was not up to the task of the administration of the economy. There was no reservoir of institutional or personal skills, since the public administration was plagued with party members and sympathizers.

As Greenstein (2003) reminds us, emotional intelligence is critical for a president, in that his public actions cannot be distorted by uncontrolled passions. In times of crisis, it is crucial to have a level head, a president with the ability to control emotions. García’s lack of impulse control as president was lethal for monetary policy, as witnessed by

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10 Interview with Anonymous PER#2, and PER#4.
some of the interviewees, who assured that when they presented sound policies to stop hyperinflation, García changed the numbers in the formulas without considering the technicalities. He did so out of his need to favor personal support over policy soundness.

For some, García was a dreamer, with grandiose ideas. They described him as someone who has an ability to dream big dreams and who is a risk taker. To others, García was irresponsible and impulsive. Indeed, in his first government he was often referred to as the “wild horse” (caballo loco) for is tempestuous behavior. His impulses seemed to have tempered with time, since no one described him in those terms in his second administration. Yet impulsiveness with animated outbursts and bad temperament may be part of his personality, leading some people to refer to him as bipolar. During his first presidency there were rumors about García’s mental instability. He was thought to be manic-depressive;11 due to his apparent need for lithium to placate his mood.12 In his second term, he was criticized for his visible and uncontrollable anxiety for food. Despite all the mechanisms of control he set up in his second administration there were still signals of García’s ingrained policy-making impulses. Some think that he still believes voluntary actions can change destiny, although he denied it: “I am no longer among those who believe you can change history with good will or a change of paradigm [of] social justice rather than investment. I am among those who believe it is cumulative change that generates historical transformation.”13 García attempted to speed up public policies by creating regulations that would make implementation more relaxed. An example of this occurred in

11 Interview with Anonymous PER#5, and PER#9 .
12 Jaime Bayly interview with Alan García. 2001 El Francotirador.
13 2010 Financial Times interview with Alan García.
December, 2006 and January, 2007 when then Economy Minister Carranza was out of the country, and García pressed to loosen the restrictions on the National System of Public Investment (SNIP Sistema Nacional de Inversión Pública).14

Leaders’ need for power and influence

Leaders whose need for power is high put significant effort into manipulating the environment. They are inclined toward strong and forceful actions, in order to have control and influence and to appear successful and charismatic (House et al., 1991). Hermann maintains that these leaders are generally daring and charming, and they prefer face-to-face interaction. They generally like to test the limits before taking action. To see how far they can go, on the way they negotiate, pushing the rules they themselves set and changing them to secure their current interests or goals. They see people in terms of their usefulness to the leader’s own ends.

It is almost impossible to separate Alan García the person from the politician, because in Alan García’s life, politics permeated who he is. As someone who was born into a political family, grew up suffering persecution, and spent most of his active life in politics, he is the archetype of the political animal. García was someone who has lived “to and for” politics. Politics is all he has ever really done, and he has used his political savvy to be close to power.15 There are dozens of anecdotes that illustrate the discipline and the personal sacrifices he chose to have, from gaining the favor of APRA’s leader Haya de la Torre,16 to dealing with the ups and downs of politics; from skipping social

14 Interview with Anonymous PER#15.
15 García had little experience working outside of politics. After graduation from UNMSM he worked as a lawyer and won a few cases. In 1971, García graduated as lawyer, and a year later he went to study law in Europe. After his return from Europe he taught law at the Federico Villarreal University briefly.
16 García deeply admired and respected Haya de la Torre throughout his life. García said that as a child, knowing APRA’s symbols and having heard of a mysterious character who was nicknamed ‘Old’, he felt driven to learn more about the party and from the leader. Once he saw Haya de la Torre for the first time, “I did not want anything else
life during his university years,\textsuperscript{17} to not prioritizing his family,\textsuperscript{18} to spending nine years in exile.\textsuperscript{19} What would seem as mere anecdotes are not really isolated stories. They reveal a drive for politics, a character whose life experience has been political inside and out, and whose personality leans toward power. García has been widely depicted as someone whose quest and need for power is instinctive. With a life that was forged in the political fires, García had a drive as an intense dynamo; he was mover, shaker, and doer. For friends and supporters, García’s understanding of politics meant to reach the highest country office.\textsuperscript{20} Once there, other goals - development and modernization for Peru – would follow.

There are many reasons why people engage in politics. On one hand, there is a narcissist element, in which people consider themselves chosen to lead others. On the other, there is a sense of duty, the need to serve. Friends, sympathizers and foes who knew García since his early days in politics think of him as a man whose major interest was not an unselfish devotion to his country, but an aim for political power. Similar to American President Lyndon Johnson, he was an energetic man who brought to the

\textsuperscript{17} According to Carlos Roca, a close friend of García and a party comrade, the selected youngsters that Haya de la Torre mentored personally were required to attend party meetings every day, including weekends and nights, and to carry out partisan obligations. Cavero, Elizabeth. "Retratos Del Poder: Alan García Pérez. No Una, Sino Dos Veces." La Republica, March 12th 2006.
\textsuperscript{18} According to his wife, Pilar Nores, Alan García’s dedication to his family “was not satisfactory.” Cavero, Elizabeth. "Retratos Del Poder: Alan García Pérez. No Una, Sino Dos Veces." La Republica, March 12th 2006.
\textsuperscript{19} “Despite persecution, in France Alan dealt with his condition of exile quite well; he never thought about not coming back to Peru even knowing that Fujimori could stay in power for a long time. He never gave up on politics.” Interview with Anonymous PER#4.
\textsuperscript{20} Interview with Anonymous PER#7, PER#8 and PER 11.
Presidency a genuine love of politics, of the bickering and conniving and the sense of public interest (Walker and Shafer, 2000). Some critics believed he did not interiorize the concept of public service or civic action as conviction, but that he sought power simply because he liked power.21 There is a consensus that García was not an accidental politician. Rather, he prepared himself to become a politician,22 which in his mind meant that a successful politician reaches the highest office in his country, the presidency. Those who know him well at the personal level, say that he had a vocation for politics. He was often described as a professional politician with a great advantage, politics came naturally to him; he was made for politics.

For his friends and for people who developed a close working relationship with him, García the politician was very different from García the person.23 As a person, they described García as very unpretentious and even considerate, funny and witty, charming and delightful to be with. But in public he had two attitudes, one as candidate or politician, and the other as president. The President was more distant, more serious, and solemn. He maintained an emotional distance which seemed rooted in self-sufficiency and that often transmitted grandeur, even despotism. The politician or candidate was more approachable; he seemed to listen and pay careful attention before he spoke. Friends and foes agree that García was a mesmerizing speaker, with a powerful oratory. He had a swaggering gait and charisma with a great capacity for

21 Interview with Anonymous PER#3, PER#6, PER#11, PER#14.
22 When García returned to Peru, after the Morales Bermúdez’ administration presided over the return to civilian government and allowed the reorganization of other political parties, he became Haya de la Torre’s favorite for succession. By 1977, García’s education and efforts paid off. With Haya de la Torre’s recommendations and contacts, young García was exposed to influential intellectual and political figures. In 1974 García went to France to study at Paris-Sorbonne University, he also established relationships at high level politics with members of the Socialist International. In Europe García developed his intellect further and sharpened his political skills. After his return, the old Haya de la Torre became proudly impressed with García, who quickly became part of the new generation of APRA leaders.
23 Interview with Anonymous PER#4, PER# 8, PER#10 and PER#15.
persuasion. By capturing the atmosphere in public events, García seemed to devote his energy to socially productive endeavors, being talkative and seeming to understand and say what people needed to hear.\textsuperscript{24} This is not to say that he empathized sincerely; it had a political skill and he knew how to use it.

**Information**

Hermann (2003) contends that, when self-confidence is high and conceptual complexity low, leaders tend to be closed to information. They feel they know what is right and what should happen, and they seek to persuade others of the correctness of their decisions. They believe their interpretation of reality is the appropriate one. Usually their decision-making processes are organized in a vertical manner to maintain control over the nature of the decision.

While García seemed to be less open to information in his first administration, in the second he became more strategic and focused his attention on what was doable. In his first presidency, he moved quickly and too far for the political temper of Peru, as a result, he ended his term with extremely low ratings. His first year in office was an exercise of political excess, but with high popularity ratings and positive economic results he felt confident. In the last two years, the situation was the complete opposite. However, he did not change his views and insisted on applying policies that he thought could save his political program, the heterodox economic policies which he manipulated to make them seem populist. After his return to Peru in 2001, he spent four years stumping the country, assuring others that he had changed his ways and promising that

\textsuperscript{24} In an October 2005 a public opinion poll asking about García’s main qualities, the order of the responses was: 1) He is a good communicator and knows how to get to people; 2) he is a leader; 3) he is smart and capable; 4) he is likable and charismatic; 5) he is democratic; 6) has a vision; 7) is brave; 8) is efficient; 9) is a hard worker; 10) loves his country; 11) is socially sensitive; 12) is calm and reflexive. Among the least mentioned qualities were honesty, truthfulness, sincerity, and responsibility.
he was in tune with globalization. He returned to office in 2006, and from then on his political comportment was by all accounts more measured and responsive to political reality.

García’s more openness in his second presidency is exemplified by García’s 42% approval rating when he left office after his second term, compared to 14% at the end of his first. In his first administration García fought the restrictive economic international environment reflected in the external shocks that hit Peru. His response to the economic crisis of the 1980s was a voluntaristic approach to the immediate problems. He held grimly to the conviction that the course he had chosen was one of honor and national interest, and that the ordeal simply had to be borne. In his second administration, he adjusted his beliefs and understood that structural economic considerations were as important as political considerations, but still he failed to acknowledge the relevance of social considerations. When elected in 2006, his administration adopted market discipline and deepened neoliberal reforms in several critical areas, keeping the economy growing under orthodox economic management. But García failed to implement substantive social policies that should have accompanied growth. His conditional cash transfer program “Juntos,” which was intended to provide poor families a safety net, was limited because it lacked the presidential impulse that other programs in the region, such as Lula’s Bolsa Familia, received. Moreover, primary and secondary education and public health services did not improve substantially. As shown in Table 8-7, social expenditure during the García administration was lower than during Toledo’s, with average 34.05% and 36.32%, respectively.
Leader’s contextual complexity

The contextually complex leader who ranks high, explores and sees a variety of reasons for a particular position, and finds the environment ambiguous, responding to a wider array of stimuli in the environment compared to someone who tends to use shortcuts and stereotypes. Within the contextual complexity continuum, García leaned toward low contextual complexity in contrast to other leaders. He tended to see things in black-and-white more than in shades of gray. This allowed him to make decisions quickly, which can be useful particularly in times of crisis. However, relying on his intuition and preferring action rather than planning or gathering information was counterproductive, particularly in his first presidency.

García was regarded as an extremely intelligent person by friends and foes, and he seemed to be very aware of his intelligence. For the behavior displayed during his first presidency, he ranks low in contextual complexity but higher in the second. In general, García was a public figure at the top of the game. He was a politician who knew who he was and how to sell himself. He was perceived as a man of steadfast resolve, who was politically intelligent, and shrewd, and one who knew how to manage the public agenda. Some saw him as an artful manipulator, as someone who could misinform and lie with a straight face, a trust-unworthy politician who would go into ideological falsehood and opportunism, and creates a lot of resistance. Despite the noteworthy personal characteristics and skills, the political animal in him seemed to prevent him from having a long-term vision, particularly in his first administration.25 His sense of politics was in the short term. When describing him during his first term, some

25 García supported Fujimori against all other candidates including the candidate of his own party, in the 1990 elections. Particularly in the run-off, García contributed with the use of the state apparatus to prevent Vargas Llosa from winning.
interviewees referred to García as an opportunist and a pragmatist, but not as a statesman. Some people thought he was a pedestrian politician, a clever one, a witty one, but they did not consider him extraordinary. It seemed that “doing” took precedence over “reflection,” and it seemed that he was not a reflective person by nature. The immediate events and the day-to-day politics seemed to hold most of his attention, particularly when he was in office.

His self-perception as an intelligent leader was particularly damaging in his first term, when it made him a lonely thinker and the ultimate decision maker, who was not used to teamwork. However, in his second he showed noticeable attempts to reach out by seeking advice, seriously considering others’ viewpoints and brainstorming with others.

Leaders’ self-confidence

García remained low to moderate in self-confident during his two presidencies. Even though a confident president is desirable, the over-confident leader ranks low because he does not search for more information on which to evaluate his decisions and actions. Information is filtered and reinterpreted based on the leader’s sense of self-worth.

According to friends, colleagues and foes, as well as those who had followed him closely, García saw his role in political history as someone whose duty was to make the great changes in Peru. According to one account, “He sees himself as the leader who has a prominent role in Peru’s history. He often thinks about the future and history. After the bad experience of his first government, he not only wanted to make up in his second
government but also to prove to himself that he could be a good president.” García aimed to finish his second term in good standing, not only for vindication, but also because he was already thinking of a successful reelection in 2016. Moreover as García has said on numerous occasions, “my political period is one that will last long.” García’s personal goals are more aligned with his self-perception of being a chosen one than with a sense of duty. When referring to his coming to power as Peru’s youngest president, he once said, "being 35 years old and bringing the victory to the party after 55 years out of government was like crossing the Red Sea. I felt it was my destiny.” Indeed, for many García comes across as arrogant, proud and haughty. He has been described as extremely self-assured with a “colossal ego.” For most, García was extremely ambitious to reach the top, and he did not necessarily choose the scrupulous road. Those who knew him well personally said that García thought he had a personal destiny that was intertwined with Peru’s. García thought he had an historical mission and he would use what he could in order to achieve it. This does not mean that he sought personal benefits from the alleged corruption in his party, especially after his first government. His ethics and morals were secular and formal. From early in his life, García expressed his desire to become president of Peru. Most agree that García

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26 Interview with Anonymous PER #8.
27 See Financial Times 2010 interview with Alan García.
28 Interview with Anonymous PER #4.
30 Interview with Anonymous PER#1, PER#6, PER#13, PER#14, and PER#17.
31 This was the phrase that the American Ambassador in Peru used to describe García’s personality in a diplomatic cable disclosed by Wikileaks. See http://www.elpais.com/articulo/internacional/Todo/mundo/coincide/Alan/García/tiene/ego/colosal/elpepuint/20101216elpepuint_17/Tes
enjoys the exercise of power, as part of his narcissistic personality as well as his personal belief that he has been handed a mission and has a call, almost a mystical call, to be president. He did not seem to be afraid of power and, even after a traumatic first presidency, García was not traumatized by responsibilities. Some of the interviewees think that García genuinely feels he is the best person to be the president of Peru. Even Mario Vargas Llosa, the main opposition figure during García’s first presidency, refers to García as a self-assured and likable person. Vargas Llosa’s impression when he first met García was of someone smart but tremendously ambitious and willing to do anything to get to power (Vargas Llosa, 1993).

**Motivation**

In his second presidency, García approached problems differently than in his first, and he was more careful about testing what was possible than in imposing his views. High in distrust and high in group bias, García’s focus was in eliminating potential threats and problems, displaying highly assertive and aggressive behavior.

**Leader’s focus on problem solving vs. focus on relationships**

Regarding task focus, Alan García demonstrated a preoccupation with relationships over particular problems. In his first presidency, the feelings and needs of relevant constituencies took precedence over dealing with the problems faced by the government. This preoccupation was more notorious in the first presidency, as he sought to establish relationships with those who did not vote for him, to keep the loyalty of his constituents, and to keep high morale and the spirit in his political party.

García seems to fit what Post (2003) calls a narcissistic personality, one in which the leader makes a sustained effort to seem selfless to his countrymen, while he actually seeks to gain recognition, fame and glory. The self-absorbed leader has intense
ambitions, and in his interpersonal relationships there is a quality of personnel exploitation by surrounding himself with admirers, as García did in his first term, and dropping them when they are no longer needed. This is evident from his teacher-like and condescending attitude, as well as his self-perception as indispensable.33

The implications in decision making of this type of personality can be severe, as witnessed in García’s first presidency. During his first term, García’s his arrogance made him assemble a cabinet to obey García and not to question his decisions, and he relied on a team of advisers who held views similar to his own.34 When making decisions, it was always García deciding, usually alone, behind closed doors.

Although García enjoyed intellectual discussions, there were very few people he considered intellectually worthy of his conversations.35 The way to captivate García was through creative thinking that could challenge him, and to contribute to setting challenging policy objectives. 36 Some people who worked closely with García, particularly in his second administration, said he often had a teacher-like attitude, a need to explain to others almost as if he wanted to convince them.

In his second term, García attempted to become more open to others’ ideas and to be convinced. He seemed to be more passive and had learned to control his temper and his impulsive behavior. At least he played the part of a president in control. In his

33 With his party people, at the executive level García’s behavior was described as cold with a perverse twist. For guests and technocrats who witnessed cabinet meetings, the behavior they saw was a president mistreating his own people with no apparent objective, and it seemed that García rejoiced by bullying his own people and felt superior by putting them on the spot. The cabinet meeting atmosphere was described as similar to a royal court; García showed little respect for social norms, and he did not see his teammates as equals or even as worthy of his respect. 34 The small group of advisers surrounding García during the first three years was led by Daniel Carbonetto, an Argentinean engineer who led the economic plan designed according to a model developed in the leftist phase by Velasco Alvarado supporters at the Studies Center of Development and Participation (CEDEP). García’s inner circle was formed mainly of an APRA group that worked on the electoral program (CONAPLAN) and that had ministerial posts: Gonzales Posada, Enrique Cornejo, and image specialist, Hugo Otero. 35 Interview with Anonymous PER#5. 36 Interview with Anonymous PER# 10 and PER#15.
second term he created mechanisms with venues of control where he tested his ideas first, much like a very private consulting system. Each of these outlets had its own format and included a variety of people with different professions that ultimately he trusted. One group was formed by his closest personal friends, about five of them, including businessmen, long-time friends, and citizens who were not necessarily involved in politics. Another group was a younger generation of APRA members known as the “cuarentones.” There was also a group of technocrats that he respected and listened to, including his two-time economy minister, Luis Carranza, who is regarded as one of the few who could say “No” to García. These technocrats held the necessary credentials, and they were also creative thinkers, who challenged García and contributed to make his dreams even bigger.

His style for negotiation leaned more on the attempt to convince side than on the giving-in side. He has been described as the negotiator with the advantage, and he let the other party know. Therefore, when agreements were reached, it seemed like he “allowed” something, instead of reaching a mutual benefit by true consensus.

Some of the interviewees thought García had an authoritarian personality, while others believed that he had a domineering style without seeming despotic. Most agree that, in general, that García has remained bossy and often manipulative. However, even though García had the personal characteristics of an authoritarian, for the most part he has remained respectful of democratic forms, if not for conviction, at least for practical reasons. Whether he was a convicted democrat remains questionable, but he respected the principles of democracy in his behavior. In contrast with other Peruvian presidents,

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37 This group of technocrats included three-time minister Mercedes Araoz, former minister Veronica Zavala and prime minister (and former minister of education) Jose Antonio Chan.
namely Belaunde and Fujimori, García did not participate in coups of any sort. Nor did he utilize authoritarian mechanisms to curb the press. It also did not appear at any point that García himself sought to change the constitution to allow his own reelection. Part of this may be attributed to respect to democratic principles, but García was also a realist who understood the political cost and tedium of such an endeavor. Although there were attempts to change the constitution in 1987, when the non-APRA deputy Hector Marisca released the idea of constitutional change allowing reelection, it seems that Marisca did so to ingratiate himself with the President. Clearly, though, if García had wanted to change the constitution, he could have done so. At the time his popularity was still high, circumstances were in his favor, and there was no organized opposition to stop him in congress. The 1987 event involving Marisca and the rumors in 1989 of an attempt to extend his first term to 1992 were not substantive. There were discussions in the media, but there was no sustained effort from APRA or from García himself to strive for an extension of unconstitutional power. García understood that APRA needed to play by the rules and accept the results of the democratic game, “For García, it was more important to maintain a working democratic system in order to be able to come back, as opposed to bending the rules to allow his reelection.”

Degree of in-group bias

Hermann discussed in-group bias as a leader’s actions that demonstrate a high concern to protect his own kind. A leader with high in-group bias has a strong emotional attachment to his group. The extent of his in-group bias provides evidence concerning the leader’s motivations, particularly whether the leader is driven by perceived threats or problems, or by perceived opportunities to form cooperative relationships (Hermann,

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38 Interview with Anonymous PER#4.
1991, 1998, 2001, 2003). García ranked high in the in-group bias trait in both presidencies, in his first presidency however this bias was more noticeable. He displayed his concern when other groups or organizations tried to meddle in what he perceived as internal affairs. This is illustrated by the strong reaction he had toward the IMF at the peak of the debt crisis during his first administration. García became an overnight international phenomenon when he spoke at the United Nations and at forums of the non-aligned countries, where he drew a line between the "imperialistic financial interests" and those of the indebted countries such as Peru. He showed an excess of zeal when it came to defending Peru, accusing multilateral organizations of keeping their own selfish interests above those of the countries they were supposed to help. Another illustration that highlights his effort to keep others out of Peru’s businesses occurred in 1986 at a summit of nonaligned countries in Zimbabwe, where the Cuban president Fidel Castro advised García on how to make a presentation and what to say. García replied to Castro, that even though he welcomed Castro’s recommendations, as the President of Peru he would not tolerate manipulation, in his own words "...You know what? I do not like being held by the nose," he said to Castro.39

To have a bias toward one’s group would not be much of a problem, but Hermann (1998, 2001, 2003) contends that leaders whose personality reveals high in-group bias are prone to perceive only the good aspects of their own group and to see others groups as threats. Moreover, they can become aware relatively late of problems that undermine their authority when they are too protective of their kind. Another illustration of García’s high in-group bias is the cabinet dynamic and loyalty he expected

from his members, especially during García I. Furthermore, while he sought to portray an outside image of one cohesive cabinet, he was protective of advisers and partisan ministers in his cabinet, but only to the extent that they showed loyalty. In his first presidency, García selected people who he perceived as loyal and who identified with his immediate group, choosing advisers on the basis of their partisanship and sense of community; 33 out of 55 of his cabinet members were mostly APRA colleagues.40 García himself, the advisers, and his party were soaked in ideology, and their reading of reality was through ideological lenses. García used his personal popularity to provide autonomy to his team.

The contrast between cabinet management and decision making in his first and second terms is stark. For his second term he put together a politically independent technocratic group of cabinet members. While he did not protect them zealously, he did protect the image he thought the cabinet should have. Most of his ministers during García II had long careers that dealt with the public and private sector and had a proven track record. In his second administration only 22 out of 64 cabinet posts were party colleagues.41 Even though García had more respect for his cabinet during García II, he still kept his own image above his team’s. The venues to discuss disagreements among policy makers were cabinet meetings. During these meetings, ministers and other participants exchanged ideas and opinions freely, yet the way in which they addressed disagreement could not highlight the President’s’ mistakes, but could alert him of the dangers of taking certain positions. It was at the private level, at one-on-one encounters when García showed he could be persuaded to change his ideas, but not when there

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40 Cabinet composition and membership can be found in the Appendix.
41 Cabinet composition and membership can be found in the Appendix.
were others present. At the private level, he seemed open to learn more. He was curious, asked questions and revised the logic and consistency of his and the others’ ideas on the table.  

In his second term he was more willing to analyze government and policy errors. At cabinet meetings he made his government errors and mistakes a shared responsibility. In this regard he was very formal and spoke in the plural, describing the scenarios but not assigning specific responsibility to individuals. He has often been depicted as a condescending boss, as someone overbearing and denigrating. But, he disciplined himself to listen, maintaining a paternalistic style that often generated fear, respect and also admiration.

Early in his second term, he reprimanded his ministers severely for disagreeing with him in public (after a public disagreement over the death penalty for rapists). He instructed his ministers to keep a unified government public image, and he was not willing to tolerate behaviors that would diminish his leadership stature. He maintained the tendency, as he did in his first term, to oversee everything, and he made the important decisions. García recognized in private that he tended to micromanage, yet he thought that, “it is better to be alert and to oversee than to complain about the things others did later on.” To a certain extent, the same groups where he tested his ideas were the groups that he trusted to keep him in sync with the happenings. These were the people that became his radar, because he was in office and while there he could not relate to the common citizen.

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42 Interview with Anonymous PER#10.
43 Interview with Anonymous PER#15.
44 Interview with Jaime Bayly in El Francotirador.
Despite García’s political experience and the skills of his cabinet team, García II encountered more difficulties in the implementation of his leadership project than he did in García I. As a comeback president, García did not come, as he did in his first term, with a strong mandate or with high popularity ratings. His still gripping oratory did not carve as it once did into citizens’ hearts and minds. Sixteen years had passed since he left office. The times were different, and so was the response of the citizenry to politicians. There was a noticeable change in him, which apparently developed slowly; he was more open to ideas that were different from his, and he was at ease in breaking the molds he had created and moving out of his comfort zone. This change caused him problems, as his discourse, campaign promises and aims were different from what he actually did in government. While his ambiguous stance was good for the campaign, it also made him less trustworthy.

**Trust vs. distrust**

The leader’s outlook about the world and its problems largely determines the confrontational attitude of the country and the likelihood of taking initiative. When this trait is high, the leader perceives the actions of others to be detrimental to his project (Hermann, 2003). García displayed high distrust with others in first presidency and more moderate in the second. Hence he preferred to do things on his own. Moreover, his inherent distrust for others prevented him from envisioning a successor, as well as from benefiting from the ideas of others whom he perceived as challenges to his authority. Both as president and as party leader, he did not have a program to promote new leadership. García recognized individuals’ skills for politics and made no issue in helping those he considered valuable. But he liked to be in control of the situation in which his protégés were developing, and as long as they did not become a threat he did
not intrude. He seemed to care genuinely for those in the cabinet whom he considered his closest team members. He taught and advised on issues as diverse as public image to personal ways to deal with public responsibilities. In García II his most successful cabinet members developed a different relationship with him compared to those in García I. Despite not being seen as “equals,” they were able to get García’s attention when they showed audacity and innovation. They were able to arouse his enthusiasm by proposing daring objectives that he would support in full force.

**Discussion**

Like Sánchez de Lozada, Alan García was a comeback president with two leadership styles, one in each of his presidencies. However, in contrast to Sánchez de Lozada, García demonstrated *positive political learning*, because he was open to new information. He would fit what Hermann’s describes as “evangelistic” leadership style. As shown in Table 9-1, during García’s first administration he challenged the environmental constraints that he encountered and remained closed in his ideas. His focus on relationships took precedence over his attention to problems. He focused on persuading others to accept his message and sought to have them join his cause. Driven by self-confidence, at first García exploited his good relationship with his constituency, making himself the star performer in the national drama, and not being strongly affiliated with the establishment.

In his first administration, García displayed a behavior that made him a challenger of the constraints of his environment. However in his second administration he became a respecter, not for conviction, but because he understood that it was what people expected from him. His openness to receive information was limited during his first administration, but in the second he became more open. Regarding motivations,
García’s drives during his first administration were mainly oriented to relationships, while in the second they were oriented to problems. Thus García is a president with an evangelistic style in his first administration and opportunistic style of leadership in the second.

García was a case of democratic learning, his perceptions of what Peru needed. The way he reacted to circumstances and his drives were of paramount importance, as in his first presidency he speeded up the end of a political order. In the second presidency, instead of obstructing the political process in place, he contributed to the maintenance of the political order, albeit at a high cost.

During his first term García tried to rally the economically powerful interests to join him in his mission to save Peru and to make it an example for others, and for a short period it seemed that he was succeeding. However, when he realized that powerful economic interests took advantage of the loopholes of his economic plan, he reacted fiercely and alienated the elites. He also alienated his supporters, as Peruvians experienced one of the highest hyperinflations in the world, eventually worsening the living conditions. With regard to his need for control, the state’s span of control of the economy failed, not only as a result of bad economic policy, but mainly because García was so fixed in his own ideas. He was convinced that his voluntaristic approach to problems was sufficient, and he failed to have a reading of reality, which required that he change his ideological mind and become open to new ways to approach problems. After his attempt to nationalize the banking industry and his popularity plummeted, his presidency became focused on the negative relationship with the newly formed opposition. García focused his efforts on blocking the success of his political rivals,
especially of his archenemy, the leader of the united political right, Vargas Llosa, and his own party’s presidential candidate, Alva Castro.

In his second presidency García displayed an “opportunistic” leadership style; he focused on assessing what was possible as the situation presented and as the context permitted. After his disastrous first administration, García had learned that it was impossible to control the environment effectively. He also learned that if he wanted to succeed he needed to ride the wave started by others, in order to vindicate a positive place for himself in Peru’s history. García overcame his own personality and displayed a different leadership style in his second administration. This contributed to Peru’s democracy, as his behavior favored dialogue over confrontation, compromise over a zero-sum battleground of ideas vs. ideologies, moderation over extremism. His approach on the economy is perhaps the most salient example of this, a clear shift from his first famously disastrous foray into the issue. García learned that willingness to produce changes in society was not sufficient, and that soundness, continuation and consistency are at the core of governance.

García’s political acumen was such that he became the only Peruvian president who against all odds exercised the presidency twice non-consecutively since the return to democratic politics. His two terms were separated by sixteen years, during which three other presidents ruled the country. Given the poorly institutionalized system that García encountered upon his return, he could have chosen to build on the legacy of his predecessors or begin anew. García chose to build on the existing policies, demonstrating that political learning is possible when political time, secular time, and the leader’s goals and agenda are aligned.
García’s attempts to lead by staying within the limits of the neoliberal model are indicators of the weakness of his leadership the second time in office. A big difference between the two presidencies is that, while in his first presidency, there was rhetoric over what fostered common good, but in his second presidency this moral argument was entirely absent from the discourse. The continuation of neoliberal policies and the embracement of global competition were taken as a given. García expected that the market-efficiency arguments provided by the neoliberal order would be embraced by all, whether or not people benefited from the development model. The historical context provided the perfect opportunity to make a moral argument over the benefits of liberalism. He needed to be explicit about the reasons behind his enforcement of the neoliberal order and his leadership project, particularly since he was able to return to the presidency as a default choice, when compared to the moral arguments Ollanta Humala made during the election campaign. García wrongly interpreted that his return as President holding the neoliberal flag was a carte blanche for the continuation of the development model, instead of interpreting that Humala’s appeal to Peruvians was a wake-up call to the viability of the model.

García’s behavior as a contribution to democracy was limited. On one hand, his behavior in his second presidency signaled greater respect for democratic politics than in his first presidency. However, at the end of García’s second presidency, Peru did not have a clear road to follow. He did not contribute to develop credible new leadership inside his party. His faint attempt to support an independent candidate to run under his party banner resulted in APRA’s failure to offer a viable presidential candidate. Just as in the 2006 general elections, in 2011 the first round of the vote did not result in a clear
mandate for the next president. To the surprise of many, Humala, once considered radical candidate, won the elections over the conservative candidate Keiko Fujimori. Indeed, by then Humala had softened his anti-neoliberal rhetoric, but he still affirmed that the neoliberal framework imposed by Fujimori should be abandoned. Uncertainty was such that skeptical investors panicked and the Lima stock market capitalization dropped dramatically following the first round of balloting.45

García’s second presidency benefited from a positive economic environment. Despite the financial crisis of 2008, Peru continued to have an economy in good standing, and the unprecedented bonanza widened the scope of discretion for García. He could have opted for a spending spree and to increase his popularity toward the end of his mandate (as it is common with other leaders about to step down), however he did not. García’s most significant behavioral contribution was his willingness to compromise and to adopt softer tones and middle-ground solutions. His behavior set an example for other politicians. The benefits of containing oneself and recognizing that the constraints of the environment contribute to moderation, far outweighs the tendency for grandiose ideas and outbursts. The fact that García became more predictable in his behavior, let the door open for his return in a very likely 2016 presidential run.

45 http://www.economist.com/node/18805443
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<td>Belief can control events</td>
<td>High</td>
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<td>Need for power</td>
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<td>Motivation: Problem/relationship</td>
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<td>Task vs. interpersonal focus</td>
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CHAPTER 10
CONCLUSIONS

In the absence of strong institutions in Latin America, and with politics developing in a context of democratization, this research examined the role of presidents in the process of democratization. While recent scholarship in the region has been prolific with regards to the enactment and implementation of policy under certain presidents, this dissertation has focused on the role of presidents acting within a democratic regime struggling to exercise their authority. Therefore, it is not an analysis of policies per se, but an analysis of the way presidents act to legitimate their actions. In this regard, this dissertation adopted a Skowronekean approach; it was not about the policies that presidents make but about the politics that presidents make.

Because the dissertation centered on the impact of individuals in politics, the issues of experience in office and re-election, which are often claimed as necessary for leadership effectiveness, were analyzed. By designing a study that involved what seemed dissimilar cases, at different times, this research looked at three presidents who held office twice non-consecutively, operating in three different countries. In turn, the selected case studies offered three advantages: 1) by placing the presidencies in a larger historical context it was possible to trace the evolution of a political order in a country and its impact on democratization; 2) by identifying the place in time in which their presidencies occurred it was possible to observe structural opportunities and the constraints presidents experience while they are in office; 3) by analyzing presidents’ leadership styles based on personality traits at two different times, it was possible to evaluate key actors’ political learning.
The explanation of political dynamics in new democracies, the process of
democratization, through an account of three presidents acting in three countries,
cannot be undertaken in terms of a straightforward structure or an agency explanation.
This study demonstrates the advantages of an approach that combines the two.
Asserting that presidential leadership depends upon political conditions, historical
forces, and leaders own visions is a complex matter. When and how they affect
democratization is a multidimensional issue. It involves different levels of interaction
between micro and macrosocial phenomena, from leadership projects being in tune with
social forces, to decisions that vary in nature, and whose impacts are hard to grasp.

The three case studies suggest that most leadership challenges are shared by all
presidents. Experience in office does not guarantee a leader's capacity to enhance
democracy. Problems with implementing policy are ubiquitous; most leaders have
articulative presidencies as they are reluctant to oppose powerful organized interests
and to reject the guiding ideas, institutions and existing tools of the political order. Party,
opposition and social conflict is all too common. By evaluating whether or not
experienced presidents have better second presidencies than firsts, I suggested that
presidents returning to office after an inter-presidency period do not necessarily have a
better second term than their first. As time goes by, polities change, and experienced
presidents do not always respond adequately to new developments. They do not act in
the best interests of the people. Unless they adapt their leadership styles and keep in
tune with the demands of the current conditions, there is no guarantee that experience
leads to an effective presidency that can contribute positively to deepening
democratization. Moreover, the sources for political learning are all different and can

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happen at different times. For instance, for Sánchez de Lozada one instance of democratic learning happened after he lost his first presidential election. One similar instance for García happened after he lost the election on his second attempt to reach the presidency. Fernández did not lose an election but his chosen successor did. These findings are similar to studies that look at re-election and suggest that second-term presidencies tend to be less enriching than first term experiences (Amorim Neto, 2006; Baliev, 2006; Cheibub and Przeworski, 1999). It also confirms Skowronek’s assertion that few presidents are able to maintain control over the political changes they have set in motion, and that presidents alter the political landscape whether or not they succeed in keeping control.

The findings described below, derived from data gathered through interviews, archival research and survey data, support Skowronek’s hypothesis. I analyzed context and leadership styles, first, situating presidencies across time and place, and second, characterizing leadership between individuals, using two frameworks. First, following Skowronek (1993), I considered presidencies within extended political cycles. Each presidency was placed in either a rise or fall of a political order, and each president was assessed according to his affiliation or opposition to the prevailing structure of authority. These dynamics, which involved four different scenarios of successive incumbents coming to power in new situations, helped me to indentify similar conditions. In this regard, I have demonstrated that what may seem as dissimilar: different presidents, acting in different countries at different times are, in fact, comparable. In each country chapter there is a description of the different ways in which each president sought to reconcile the inherent problems that his actions created: that is, the preservative
purposes, the transformative purposes and the affirming purposes. While all of them struggled to reconcile these impulses, they did so within differently configured situations.

I have also used tools offered by political psychology, specifically trait analysis as developed by Hermann (1991, 1995, 2003), to understand leaders’ responses to situations that required their decisions. While I cannot claim to predict the actions presidents would make, an understanding of a president’s leadership style helps to understand the type of reactions he is likely to have given certain events.

Some presidential actions influence unidirectionally, strongly, and directly. Some are consistent over time. Most are subtle or indirect and are contingent in strength and direction upon the presence of other factors.

Results

As shown in Table 10-1, Alan García I and Gonzalo Sánchez de Lozada II had more in common with each other than with their respective other presidencies, or with their immediate predecessors or successors. Both led disjunctive presidencies: García I in the context of the popular nationalistic order, and Sánchez de Lozada II in the context of the neoliberal order. Sánchez de Lozada’s first term, Leonel Fernández both terms and the second term of García also have commonalities, as all were articulative presidencies in the context of the neoliberal order.

Disjunctive Presidencies

Indeed the two disjunctive presidencies in this dissertation, García I and Sánchez de Lozada II, share the fact that they were presidents in the most unfortunate contexts, they were affiliated with vulnerable political orders, García with the popular nationalistic and Sánchez de Lozada with the neoliberal order.
As in the presidencies of John Quincy Adams, Franklin Pierce, Herbert Hoover and Jimmy Carter in the US, García I and Sánchez de Lozada II were presidents whose actions seemed inconsequential to solve the problems of the day. The instinctive stance of these presidents to remain affiliated with the establishment became a threat for the vitality of their nations, and their leadership collapsed as they lost credibility. These two presidents and Bolivia’s president Hernán Siles (1982-1985) are the only disjunctive presidents found in the three countries of study.

While García was initially handed reconstructive opportunities, he failed to exploit these reconstructive possibilities, because he insisted on continuing politics of the past. García’s experiment only enhanced already enervated political conditions. Sánchez de Lozada did not have this possibility. The results of the 2002 elections revealed from the start that his political capital was scarce.

**Articulative Presidencies**

According to Skowronek, the majority of the U.S. presidencies have been articulative, with James Monroe, James Polk, Theodore Roosevelt, and Lyndon Johnson as examples of this type. The characterization in this dissertation seems to confirm this tendency. Four out of the six presidencies studied in depth, as well as most of the other presidencies in Bolivia, Dominican Republic and Peru since the return to democratic politics, were found to be articulative presidencies typified by presidents’ innovative orthodoxy. As Skowronek (1993) reminds us, innovation, albeit orthodox, is intrinsically destabilizing. The merely constructive leadership project is a chimera because the affiliated leader cannot deem independent ground without eventually taking on the role of the heretic. The only way to be a president in one’s own right is to become a great repudiator and go against the buttress of received power. In this context,
political disruption becomes equivalent to presidential significance, which in turn is reserved for reconstructive leaders. The presidencies of Sánchez de Lozada I, Leonel Fernández I and II, and Alan García II suggest that new achievements depend on established foundations, as well as on the personal work of the presidents, who need to assert their own legitimacies continuously.

**Reconstructive Presidencies**

Seldom do historical conditions present themselves so that the opportunity to reconstruct the politics of a country is possible. While virtually all presidents seek to differentiate from the previous administration, and all of them seek to affirm their authority and to transform politics; they do so in different ways. However, most of them contribute only marginally. Only a handful of presidents were effective in changing politics altogether and these were the reconstructive presidents. These are the ones that Neustadt (1960) considers “leaders” because they persuade and shake politics altogether. These are the presidents that Burns (1978) calls “transformational” leaders, those whose goals of leadership lead to fundamental and comprehensive change in political structures, society, and values. According to Skowronek (1993), in the U.S. these presidents were: Thomas Jefferson, Andrew Jackson, Abraham Lincoln, and Franklin D. Roosevelt. In the countries and period analyzed in this dissertation those presidents were Victor Paz (1985-1989) in Bolivia, and Alberto Fujimori (1990-2001) in Peru. None of these presidents was studied in depth in this study.

**Personality Traits**

As Winter reminds us (2003), the effects of leaders’ personalities will always depend on the situations in which they find themselves. Personality trait analysis itself cannot predict exact situations, but it can tell about the types of reaction certain leaders
tend to have at certain times. Presidents’ reactions to the challenges of their time can play a role particularly under extreme conditions.

This dissertation has demonstrated that the identity of the presidents is important because the types of considerations required for decision-making depend on a president’s reactions to the environment: whether he perceives threats or opportunities, whether he nourishes from the information on the environment or selectively picks information that suits his views. In this regard, this dissertation speaks to the issue of reelection. As the case of Leonel Fernández in his second administration shows, when immediate re-election is the goal the and the president campaigns, his decision making changes, because the electoral calculus demands that he stop, postpone or make certain decisions that he would not normally make. Moreover, when immediate re-election is not possible, but there is a possibility to return to power in future times, a president does not allow his own party’s new leadership to succeed, as demonstrated in the cases of Sánchez de Lozada and García after their first terms; and Fernández after his second. The quality of presidential decisions does not, however, increase with fewer elections; on the contrary it requires more and better democracy.

As shown in Table 10.2, both Sánchez de Lozada II and García I were crusaders, in the sense that they challenged the constraints of the environment while remaining basically closed to receive information. They stuck to their beliefs that they could control events. This combination of traits proved toxic for their disjunctive presidencies. Not only were they unable and unwilling to compromise, but they insisted on imposing their own views. By doing so, they failed to perceive that the conditions of their presidencies were not incidental. They also failed to perceive that the conditions
were not prone to their management, but that the conditions had changed and required flexible leaders, willing to negotiate and compromise.

Both Fernández I and II, and García I, took advantage of the opportunities presented to them. Not only were they accommodative, but they also let the environment inform them. They were able to engage in consensus building and in finding compromise. These leaders realized that there was little room for them to make structural changes, because the constraints in which they found themselves were strong, and their goals were modest as a result.

The implications for democracy of the leadership style of Fernández and García are at best mixed. While they each provided predictability to the process their countries were embedded in, in the case of García it was positive as Peru’s politics demanded continuity. However, Fernández’s leadership style was detrimental for deepening democracy as he maintained the status quo, which has kept Dominican Republic’s politics corrupt and clientelistic. He replaced and extended the clientelistic network held by the PRSC and transferred it to his own party. While Fernández teamed and reached consensus with other powerful players, this consensus maintained political control in the hands of dominant players and did not benefit the population at large. The Dominican Republic’s politics remained asymmetrical in nature and closed to prospective political players. Since it had found ways to cope with political frustrations through clientelism and immigration, there was no positive change to allow more inclusion, contestation and social progress for the masses. While civil rights for Dominican nationals have remained largely respected, the same cannot be said for thousands of citizens of Haitian origin or ancestors who cannot exercise political rights and who remain powerless.
Leadership Styles

Leadership style is thought to be one the most permanent characteristics of a leader, given its stable association with constraints, motivations and perceptions of reality (Hermann, 2003). As shown in Table 10-3, two of the three presidents analyzed in this dissertation present fairly stable leadership styles. Sánchez de Lozada was basically a challenger whose focus was solving problems that he considered priorities; the main difference between his two terms was the degree of openness to incoming information. Leonel Fernández was essentially a respecter whose focus was in developing/maintaining a relationship with the powerful interests in place so that he could govern without fright; the main difference between his two presidencies was the identity of the keeper of those powerful interests: in his first term it was Balaguer, and in the second the political and economical establishment. García was the president whose leadership style varied the most, which makes his case the most striking, as he changed his responsiveness to constraints, his degree of openness to incoming information, and his focus.

Fernández exhibited a collegial leadership style, whose focus was on reconciling differences and building consensus, on retaining power and authority by building relationships and taking advantage of opportunities. He was predisposed to compromise, depending on others to work with him to make things happen. As a hub for information, Fernández was involved in all aspects of policy-making without being a micro-manager. This allowed him to share on the accountability and the blame with others. Fernández assumed the presidency under the shadow of Balaguer, the overpowerful incumbent, and assumed his non-confrontational position by becoming acquiescent to Balaguer’s demands. Fernández’ collegial style made him adopt a
flexible position that involved building relationships via extensive communication with
the threat of Balaguer in the opposition.

Sánchez de Lozada’s leadership style changed from his first presidency to his
second. In his first presidency he was generally more strategic; he was an actively
independent leader, interested in discussing and innovating issues, but on his own
terms and without compromising his power. In his second presidency his style shifted to
expansionistic. He showed less willingness to receive input from the environment, while
keeping his drive to achieve his policy goals. While being focused on solving problems,
he became more distrustful of others. Sánchez de Lozada’s expansionistic style is
manifested in his defensive reactions at a perceived threat. When a bullet was found on
the presidential chair after the confrontations of February 2003, he became aware of his
precarious position, and his entourage’s exacerbated fears convinced him that there
was a conspiracy to remove him from power. Determined to continue with his agenda
Sánchez de Lozada exercised his authority and adopted an intransigent position with
protesters. His reaction to a blockade that involved extreme violence was broadly
condemned.

As with Sánchez de Lozada, García’s leadership style also changed from one
presidency to the other. While in the first one he displayed an evangelistic leadership
style, in his second his style shifted to opportunistic. García’s evangelistic style
combined with impulsiveness played a significant role in the escalation of inflation
during his first government, as he refused to assume the political costs of economic
shock therapy. Because García perceived Vargas Llosa’s rising popularity and strength
as a threat, he supported for an obscure candidate, eventually catapulting Fujimori to
the presidency. In his second administration García became more opportunistic according to Hermann (2003), leaders with an opportunist style have abilities to move between relationship-building and openness to information from the environment. They take advantage of a situation to move toward their goals. Although García’s predisposition leaned toward an evangelistic style of leadership, his learning experience after persecutions, sixteen years out of office, exiles and a lost election led him to become more tolerant to dissent in García’s second administration. He was more flexible in letting specialists do the job, and more sensitive to what was feasible and doable given the constraints. Being at the center of the information network, he took advantage of what he perceived as opportunities from the environment and adapted his behavior accordingly. He understood that in order to be politically effective he needed to become more flexible and open.

The ideal leadership style of a president for democracy is the actively independent leader. He is open to information and is able to read the cues of a changing the environment. He is a challenger of the constraints of the environment, but he does not change the rules to benefit himself since he puts the country first. Such president is guided by the desire to solve problems, even at the expense of losing popularity and affecting those who supported him in the first place. He listens, takes risks, and has the courage to be on his own ideas. This kind of leader will probably be misunderstood in the short-term; however his legacy will be one of institutions, because the ideas that guided his actions envisioned the common good.

While this kind of leader would navigate well at any point in the life of a political order, his impact will be more noticeable if his presidency occurs at the beginning of a
political order. His presidency will therefore be a reconstructive presidency. The actively independent leader will have less impact during an articulative presidency because he will need to challenge fewer constraints than in the reconstructive case, as the political order is resilient. In an articulative presidency the problems of the day do not require solving major issues, and the leader will seek to solve day-to-day problems. If the actively independent leader finds his presidency at the end of a political order, he will sacrifice himself, as he will realize that the ideas and the problems he considers important require solutions that he cannot provide. He will lose the support of those organized interests that he is affiliated with, but as he puts the country first, he will accept the fact that new leadership is required. He will step aside and let the political order disintegrate. He will realize he is fungible and with his example democracy will benefit, demonstrating that the ideals he held were more important than the policies he sought to implement, and the politics he had to fight.

A president with the second most desirable leadership style for democracy is the opportunistic leader. As this leader is a respecter of constraints, his impact will always be less significant than the impact of a challenger. A president with any of the other leadership styles is either closed to information or focused on keeping or maintaining a relationship with his constituents. A leader closed to information is perhaps the most damaging trait for democracy, as the leader stops representing his people, since he does not receive feedback. A leader who is focused on a relationship rather than on solving the country’s problems will put his interests first and not the nation’s. He will care more about being popular than solving problems.
Political Learning in Democratizing Countries

Table 10-4 summarizes the findings of the dissertation. It shows the type of democratization process that the countries experienced as a consequence of the administration of each featured president during his two non-consecutive terms, as well as the types of political learning as a consequence of the variation (or not) in presidential leadership style between terms. The combination of the type of presidency - based on political and secular time - with the type of political learning at the individual level – based on a president’s capacity to learn from his experiences- suggests that a president’s role in the political processes of new democracies can be positive if he learns from his mistakes. But it can be negative if he cannot adapt his behavior to new political dynamics, or if delays democratic advancement by reinforcing a deleterious status quo.

The case of Bolivia’s president Gonzalo Sánchez de Lozada, who had a first articulative and a second disjunctive presidency, illustrates that even though a first presidency was positive overall and the president led the country in a positive direction, there was no guarantee than his return to power would produce similar results. Leading a country by articulating commitments of ideology, and with the support of institutionalized interests is less problematic than leading a country when the political order and the coalition of interests that support his authority are both vulnerable. Although willing presidents may be guided by noble motives, they have no control over the direction and magnitude of the approaching tide of change. They may be able to delay change and buy time for themselves, but in practical terms they cannot stop the tide. Structural conditions are stronger than voluntaristic efforts. For this reason, non-
immediate re-election, often seen as a way to reduce the power of the president, should be reconsidered.

The case of Gonzalo Sánchez de Lozada also illustrates the issue of the actor’s political learning. When he returned to office, he was equipped with the same sets of motivation and attitude toward constraints. Sánchez de Lozada’s first political success shaped the leadership style he used in his second term. But the context and the nature of the problems changed, and when Sánchez de Lozada reassumed office with his established vision, he found himself out of touch with the processes in which Bolivians were engaged. His efforts failed, because social processes unfolded faster than his understanding of the changing environment. He could not provide leadership, because he lacked the vision and the capacity to tune in with Bolivia’s polity. By becoming closed to the cues of the environment, selecting only the information that fitted his established ideas, Sánchez de Lozada failed to perceive the need for change. Sánchez de Lozada is a case of political unlearning. Confrontation, inflexibility, and overuse of the monopoly of violence against the country’s own population during Sánchez de Lozada’s second presidency exacerbated an enervated political order. While these were actions that sought to affirm the president’s power, the result was democratic regression, as he lost legitimacy, his own legitimacy as well as the legitimacy of the presidential office and the institutional architecture of the political system. With an already weak political coalition and Sánchez de Lozada’s unwillingness to compromise in his views, he was ousted from the presidency, and a power vacuum was created, which eventually was filled by political actors who opposed the institutional architecture in place and held different views than Sánchez de Lozada’s.
The case of Leonel Fernández in the Dominican Republic serves as an example of a president whose two *articulative presidencies* did not change the patterned arrangements of politics, nor did they change the structure of authority institutionalized by Balaguer. As a political actor, Fernández exhibited *political over learning*, which impedes or slows subsequent learning for new situations. In his first term he respected and maintained the political constraints that fit the existent clientelistic network developed by Balaguer. Although in his second term those constraints could have been challenged, his openness to receive the cues of the environment dictated passivity and accommodation, which in turn helped to maintain the status quo. For this reason, during his presidencies the country experienced *democratic stagnation*. The meager democratic progress did not change amid the timid presidential impulses and democratic transformation was not substantial in the Dominican Republic.

The case of Peru’s president Alan García is quite the opposite from that of Bolivia’s president Gonzalo Sánchez de Lozada. His first *disjunctive presidency*, with negative consequences for his country as well as for his own personal life, became an important lesson for García as a political player. After prosecutions, exiles and an election loss, García’s humbling experience was a lesson of political heuristics. His was a case of *positive learning*, as in his second administration he was able to recognize that the impact of his actions was limited by the opportunities available within the structural patterns. With a robust order in place and with no intention to reinvent politics, his second presidency was *articulative* of both the existent commitments and of the patterns of politics. In his second presidency García adapted his behavior, so that he respected political constraints. He seemed to be more open to information from the
environment and became less focused on strengthening relations with others than on attempting to erase the memories of his past administration. Moreover, he sought to build the image of a statesman who could attune to his country, and by doing so he may have opened an opportunity for a third return to the presidency. The consequences of García’s positive learning helped democratic advancement, because he respected the existent democratic institutions that were gradually evolving since Valentín Paniagua (2000-2001) resuscitated them.

While the three presidents with two non-consecutive terms analyzed in this dissertation had disjunctive and articulative presidencies, the results suggest that presidents can strengthen or corrode democratic politics at any point in the life cycle of a political order. However, the presidential action effect is usually short-term and marginal. The opportunities for leaders whose presidencies are disjunctive are more limited, as the room for maneuverability is more reduced, than in articulative presidencies. Seldom do historical conditions present themselves so that the opportunity to reconstruct politics is possible. While virtually all presidents seek to differentiate from the previous administration and to affirm their authority and to transform politics, all of them do so in different ways, but contribute only marginally. As Skowronek (1993) suggested, only a handful of U.S. presidents were effective in changing politics altogether; these are the reconstructive presidents: Jefferson, Jackson, Lincoln and F.D. Roosevelt. For the three countries analyzed in this dissertation, reconstructive presidents were Victor Paz (1985-1989) in Bolivia and Alberto Fujimori (1990-2001) in Peru, neither of whom were analyzed in depth in this dissertation.
Other Cases

A study of the other three Latin American leaders, whose presidencies were circumscribed in the third wave with non-consecutive presidencies but were not analyzed in this dissertation, is likely to confirm that comeback presidents are not necessarily good for democratization. At first sight, the second presidencies of Costa Rica’s Oscar Arias, Nicaragua’s Daniel Ortega and Uruguay’s Julio María Sanguinetti seemed to be more democratically challenging in comparison with their first terms.

Costa Rica is widely considered the oldest and most stable democracy in Latin America. However, Oscar Arias, who was president from 1986 to 1990, was able to have the Supreme Court interpret the Constitution in his favor so that he could run for re-election.¹ Arias returned to power in 2006, sixteen years after his first election, at the time when Costa Ricans were disappointed with politics by a sequence of corruption scandals and the imprisonment of two former presidents. Rafael Calderon (1990-1994) and Miguel Ángel Rodríguez (1998-2002). Even though Arias had a highly regarded first term,² in which he pursued an aggressive liberalization leadership project that formed the basis of Costa Rica’s modern economy,³ he won a narrow victory over his rival after a manual recount of the votes and a series of legal challenges. During his second administration, Arias spent most of his political capital pushing for the approval of the Central American Free Trade Agreement (CAFTA) with the U.S. Under his lead, Costa Rica experienced the highest political polarization since 1949, which was resolved with

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¹ The 1969 Costa Rican constitutional amendment banned re-election, but Arias challenged the ban unsuccessfully in 2000 and then again in 2003 (Martinez-Barahona 2010).
³ Arias agenda included trade and privatization, with only few deficitary State corporations being privatized.
voters narrowly approving a referendum over the signing of CAFTA (Vargas Cullell, 2008).

In Nicaragua, Daniel Ortega became president for the first time in 1984. His first administration led to a mix of advancements and limitations toward liberal democracy (Kampwirth, 2008; Anderson 2006; Anderson and Dodd, 2009, 2005; Hoyt, 1997). On one hand, it established the procedural foundation to contest power through elections and permitted the inclusion of the electorate, thereby allowing vertical and horizontal mechanisms of accountability to expand. On the other, it granted vast executive authority that Ortega used to implement land reform among other sweeping land and social reforms. Toning down his former revolutionary rhetoric to seem moderate, after sixteen years and three electoral losses, in 2006 Ortega was narrowly re-elected. In his second term Ortega (2006-2011) benefited from an economic boost. However, his administration moved increasingly toward centralization of power, with a solidification of his party’s control of the courts (Martinez-Barahona, 2010), the electoral tribunal and the police, as well as manipulation of the political system (Anderson and Dodd, 2009; Bay, 2010). Ortega was re-elected in 2011 for a third term after the Supreme Court interpreted that he was eligible for consecutive re-election.

In Uruguay, Julio María Sanguinetti (1985-1990) was the first democratically elected president after thirteen years of military rule. In his first presidency, even though

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4 The 1995 Nicaraguan constitutional reform allowed non-consecutive re-election only once.
5 Ortega maintained a market approach and kept close ties with leftist populists leaders, which allowed the country to receive substantial help from Venezuela’s Hugo Chavez, who provided massive loans and cheap oil.
he did not have a majority in Congress, he forged political agreements to pass key legislation and to unify diverse parties against the specter of a military threat (Gillespie, 1992). He received informal support of the opposition figures, some of whom participated in the cabinet without explicit support of their parties (Blake, 1998) Most importantly, he sought consensus when he sensed that Uruguayans were deeply concerned over the issue of human rights after one of the most repressive military governments in Latin America, by pushing for amnesty for political prisoners and the military. Unable to run for immediate re-election, Sanguinetti waited for the next presidential cycle and was re-elected for a second term in 1995 in a near three-way dead heat, without a plurality of popular vote. His Colorado Party negotiated the 1996 constitutional reform, which strengthened executive power against the legislature and undertook a profound reform of the electoral system. The reforms were later approved by a plebiscite. During his second administration the social security system became a mixed, state–private system, the country was decentralized and the central administration was reformed (Panizza, 2004).

These three cases suggest that non-consecutively re-elected presidents have a harder time in their second terms than in their first terms, because the conditions they managed and the tenets they defended in their first terms changed during the time they were out of office in a way that they fail to grasp.

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7 Economic reforms included liberalization of trade and fiscal discipline but did not include privatization.
8 The plebiscite passed in April 1989 (Altman, 2000).
9 The “Ley de Lemas”, which allowed party factions to present separate candidates’ lists from the main party, stipulated that the winner was the most voted candidate from the most-voted political party, which post-election gathered all party factions vote (De Riz, 1986). Sanguinetti was elected under the banner of the Colorado party made up of seventeen factions (Altman 2000).
10 It included a second round for the presidential race, which reduced factionalism and separation of regional elections from national elections (Eaton, 2004).
11 The plebiscite took place in December 2006.
Final Observations and Contributions

This dissertation has also demonstrated that leaders’ styles of leadership - which are reflections of their personalities and which are expressed in their political actions - shape and channel political structures, because their decisions at critical junctures shift the course of events. Presidential leadership style matters as it enables presidents to understand their roles in political time and the necessities of the times. With globalization and technological change, there is a great divide between the times in which political actors move and democratic time. While leaders’ decisions can have immediate consequences for current politics, it takes a long time for a country to democratize. This dissertation suggests that countries have different trajectories of democratic development, and that democratization is not a linear process in new democracies, as it was not for established democracies; it has periods of progress and backsliding, as well as possibilities of stagnation. If we are able to step back and conceive history cyclically, then democratic deepening is possible. However, it is necessary to remember that democracy takes more than a president, more than two terms, more than a generation, and more than a political order to develop. While the chances for democratic breakdown in Latin America are still possible, democratic breakdown does not happen when a president is simply deposed or replaced, or whether deposition or replacement occurs with military intervention or with civilian influence. Using Huntington’s (1991) metaphor of democratization waves, a zoom out to the past may teach that in order to understand democracy, we not only need to look at democratic waves, but rather, we should look at democracy as a slow process that comes in tides. As Anderson (2005) reminds us, authors with negative perspectives of

12 Tilly (2007) calls these democratic changes democratization and de-democratization.
Latin American democracies who tend to idealize democracies elsewhere usually tend to be impatient with the long term processes and imperfections that democracy entails. Democracy took a long time to develop in other regions and other times and is still continuously problematic.

This dissertation has focused on the extent to which continuity is part of the democratization process. Most studies of democratization emphasize the newness of democracy’s break with an authoritarian past. However, that break is constrained by continuities, such that no new presidency is entirely a new slate. Neither in Latin America nor in the United States are presidents completely free to write their own slate. Instead they write upon a slate already filled with past events. There are assets and problems for their own agendas. Every presidency is in some way shaped by the context that preceded it. Recognizing the power of legacies is particularly important in Latin America today, because democracy in most countries has approached a significant age, twenty to thirty or more years, by now. New presidencies in these “new” democracies are beginning to resemble presidencies in established democracies.

The conclusions of this dissertation draw from the empirical evidence of three cases. To some extent they are limited in perspective to Latin America, given that the region comprises more presidential systems that any other region in the world. However the results speak in general terms to other developing democracies in three contexts.

First, this study demonstrated the applicability of Skowronek’s framework, developed to understand American presidents, in countries other than the United States. To consider politics as cyclical helps compare leaders across time and space. Leadership is not limited to presidents, but it can be extended to the role of prime
ministers and other heads of states, such as kings and princes. But such studies must avoid rigid application of frames of analysis refined in the study of American Politics to Latin America or any other country. The understanding of political orders, particularly in democratization, requires a broad sensitivity to the structure of the state and its policies and cultural specificities, since “political order” draws its conceptual inspiration from the notion of a relatively long period of political stability punctuated by brief but intense political upheavals. The role of economic and social trends can also be regional or global; however a political order’s length and timing depend on elites, programs, and ideologies, and the legitimacy granted by citizens, all of which are country specific.

Second, this dissertation also suggests that Hermann’s framework rooted in personal psychology is useful to understand politicians’ constraints and goals, as well as their views of their roles and the limits of their personal possibilities. While Hermann’s framework was developed to grasp leaders’ behavior in the international arena, this dissertation demonstrates its value in applying to understand leaders’ actions in domestic politics.

Third, aside from the formal powers of the president usually expressed in a constitution, this dissertation demonstrates that the roles of most presidents go beyond constitutional prerogatives. In this sense, presidents shape democratic contours instead of remaking politics altogether. Politics and the feasibility of leadership projects cannot escape circumstance, whether it is the slowly changing character of the political order or a rapidly moving call for reform. But politics is also about choice, about how elites

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13 Defined as idiosyncratic customs and traditions.
14 In the case of democratic political orders, periods of electoral stability (Key 1949, 1966) need to be taken into account, as the vote is the fairest institutional arrangement for coordinating political activity.
behave in ways that affect the public realm, and how citizens respond to their leaders’ legitimacy claims.

In addition, this dissertation raises a red flag to those politicians, reformers and constitution designers who advocate for the extension of term limits. For instance, since the return of democratization in Latin America, many presidents have reformed the constitutions arguing their personal indispensability for comprehensive social and political change.\(^\text{15}\) Among those who have promoted constitutional changes in order to allow immediate reelection are: Fernando Henrique Cardoso in Brazil, \(^\text{16}\) Álvaro Uribe in Colombia, \(^\text{17}\) Evo Morales in Bolivia, \(^\text{18}\) Rafael Correa in Ecuador, \(^\text{19}\) Daniel Ortega in Nicaragua, and Hugo Chávez in Venezuela.\(^\text{20}\) This dissertation also raises questions about recycled presidents who seek election after a hiatus, often preventing new party leadership from emerging. Former presidents who used their name recognition and influence to run again unsuccessfully for office are: Eduardo Frei in Chile in 2009, Hipólito Mejía in the Dominican Republic in 2004, Lucio Gutiérrez in Ecuador in 2009, Daniel Ortega in Nicaragua in 1990, 1996 and 2000, and Luis Alberto Lacalle in Uruguay in 1999. The question is not that re-election *per se* undermines democracy (Navia, 2009); in fact arguments about public opinion supporting re-election and even

\(^\text{15}\) See Penfold (2010).
\(^\text{16}\) In June 1997 the Senate approved a Constitutional amendment amid opposition denouncing vote buying and corruption.
\(^\text{17}\) In February 2010 the independent Colombian Constitutional Court ruled against the attempt of Uribe to succeed himself, after his successful maneuvers of the legislature, party system and public opinion.
\(^\text{18}\) In December 2007, 164 out of 255 members of the constitutional assembly passed a constitutional text by pressure of the Bolivian executive. Amid protests and an opposition boycott, the text was slightly changed, but in January 2009 a referendum passed a new constitution allowing immediate presidential election. Morales benefited from the constitutional change, being reelected in the elections of December 2009.
\(^\text{19}\) In September of 2008, a referendum passed the new constitution, in which immediate reelection is possible. Correa has already benefited with this change, as he was reelected in April of 2009. The constituent assembly passed the text in July 2008 with pressure from Correa.
\(^\text{20}\) Chavez’ first attempt to allow immediate re-election after his first re-election was defeated in the referendum of 2007. When he extended the re-election prerogative to other elected posts in the referendum of 2009 the proposal passed, allowing any elected official the chance to run for office indefinitely.
improving accountability have been put forward (Griner, 2009). But as time passes, conditions change and leaders need to adapt to the changes. Leaders need to retool and continue listening to their constituencies. In turn, citizens grant legitimacy both to leaders’ leadership projects and to the political order in which leaders seek to be re-elected.
Table 10-1. Presidents in political and secular time

<table>
<thead>
<tr>
<th>Strength of political order</th>
<th>Relation with the contingent authority</th>
<th>Order</th>
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<tr>
<td>Opposed</td>
<td>Affiliated</td>
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</tr>
<tr>
<td>Vulnerable</td>
<td>Reconstructive presidency</td>
<td>Disjunctive presidency</td>
</tr>
<tr>
<td>Gonzalo Sánchez de Lozada I</td>
<td>Alan García I</td>
<td>Popular nationalistic</td>
</tr>
<tr>
<td></td>
<td>Gonzalo Sánchez de Lozada II</td>
<td>Neoliberal</td>
</tr>
<tr>
<td></td>
<td>Leonel Fernández I and II</td>
<td>Neoliberal</td>
</tr>
<tr>
<td></td>
<td>Alan García II</td>
<td>Neoliberal</td>
</tr>
<tr>
<td>Resilient</td>
<td>Preemptive Presidency</td>
<td>Articulative presidency</td>
</tr>
<tr>
<td></td>
<td>Gonzalo Sánchez de Lozada I</td>
<td>Neoliberal</td>
</tr>
<tr>
<td></td>
<td>Leonel Fernández I and II</td>
<td>Neoliberal</td>
</tr>
<tr>
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<td>Alan García II</td>
<td>Neoliberal</td>
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Table 10-2. Presidents’ leadership styles: scores on seven traits

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<th>Characteristic</th>
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<th>Fernández</th>
<th>García</th>
</tr>
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<td>Actively Independent</td>
<td>Collegial</td>
<td>Evangelistic</td>
</tr>
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<td>Challenger/respecter</td>
<td>Challenger</td>
<td>Respecter</td>
<td>Challenger</td>
</tr>
<tr>
<td>Belief can control events</td>
<td>High</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Need for power</td>
<td>Low</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Openness information</td>
<td>Open</td>
<td>Open</td>
<td>Close</td>
</tr>
<tr>
<td>Contextual complexity</td>
<td>High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Self-confidence</td>
<td>Moderate</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Motivation: Problem/relationship</td>
<td>Problem</td>
<td>Relationship</td>
<td>Relationship</td>
</tr>
<tr>
<td>Task vs. interpersonal focus</td>
<td>Problem</td>
<td>Relationship</td>
<td>Relationship</td>
</tr>
<tr>
<td>In-group bias</td>
<td>Low</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Distrust of others</td>
<td>Moderate</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Second presidency</td>
<td>Expansionistic</td>
<td>Collegial</td>
<td>Opportunistic</td>
</tr>
<tr>
<td>Challenger/respecter</td>
<td>Challenger</td>
<td>Respecter</td>
<td>Respecter</td>
</tr>
<tr>
<td>Belief can control events</td>
<td>High</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Need for power</td>
<td>Moderate</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Openness information</td>
<td>Close</td>
<td>Open</td>
<td>Open</td>
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<tr>
<td>Contextual complexity</td>
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<td>High</td>
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<tr>
<td>Self-confidence</td>
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<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td>Motivation: Problem/relationship</td>
<td>Problem</td>
<td>Relationship</td>
<td>Problem</td>
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<tr>
<td>Task vs. interpersonal focus</td>
<td>Problem</td>
<td>Relationship</td>
<td>Problem</td>
</tr>
<tr>
<td>In-group bias</td>
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<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Distrust of others</td>
<td>Leaning high</td>
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Table 10-3. Presidents’ leadership styles as a response to constraints, information and motivation

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<th>Motivation Problem focus</th>
<th>Relationship focus</th>
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<tr>
<td></td>
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<td>Sánchez de Lozada II</td>
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<td>Charismatic/Directive</td>
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<td></td>
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<td>Incremental</td>
<td>Influential</td>
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</tr>
<tr>
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Table 10-4. Presidencies, presidents and democratization

<table>
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<th>Peru</th>
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</tr>
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<td>Democratic regression</td>
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<tr>
<td></td>
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### APPENDIX A

**VARIATION IN DEMOCRATIZATION VARIABLES IN LATIN AMERICAN COUNTRIES**

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APPENDIX B  
DATA COLLECTION

IN-DEPTH INTERVIEWS 
The empirical materials supporting this dissertation consist of 51 face-to-face semistructured interviews and 2 telephone interviews. Even though most interviewees agreed to be recorded many expressed uneasiness in having their names revealed, therefore the author treated all interviews but those of the presidents as anonymous. The questionnaires in English and Spanish are included.

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APPENDIX C
SEMI-STRUCTURED INTERVIEW GUIDE FOR PRESIDENTS

Introduce myself, explaining why it is important that I talk to him, being explicit about the objectives of my dissertation and the interest in learning about his particular case.

Read and handle informed consent form (when applied)

1. Tell me about your early life and how you became interested in politics.
2. Tell me about the most influential events that shaped your political views.
3. Tell me about the most influential people that shaped your political views.
4. Tell me about how you go making decisions with regard to whom to surround yourself with.
5. Tell me about your view of democracy.
6. Tell me about the difference between the president as a public person and the private person.
7. Tell me when, where, and how did you learn the most important things to be a president.
8. “A good president is someone who…” Could you please complete the sentence while also describing what makes a bad president?
9. How do you see yourself more as…a former president? A family man? A statesman? A businessman

First term
10. Tell me about the process of making the decision to run for President the first time.
11. Tell me about the reasons why you think you won the presidency the first time.
12. Tell me about the ways in which you learned about the needs and wants of the people.
13. Tell me about the ways in which you connected with voters and people in general.
14. Tell me about the toughest decisions you made in your first term.
15. Tell me about the state of the State, and the country when you first assumed office, how different things were from what you expected?
16. Tell me about the things/policies/decisions that you are most proud of accomplished or done during your first term.
17. Tell me about the most critical moments during your first term.
18. Tell me about the vision you had for your country when running the first time.
19. Tell me about the team members that were most helpful and critical during your first term.
20. Tell me what you thought your countrymen needed and were asking for in your leadership during your first term.
21. Tell me about the biggest obstacles you encountered in the implementation of your plans during your first term.
22. Tell me about how was your life, your personal life or personal space during your first term.
23. How do you think was your image your countrymen kept of you after your first term?
24. What did you feel you left out in your first term?
25. After your first term, what did you think changed on you as a person?
26. Tell me about the best lessons you learned from governing the first time.

Second term
27. Tell me about the process of making the decision to run for President the second time.
28. Tell me about the reasons why you think you won the presidency the second time.
29. Tell me about the ways in which you learned about the needs and wants of the people.
30. Tell me about the ways in which you connected with voters and people in general.
31. Tell me about the most though decisions you made in your second term.
32. Tell me about the state of the State, and the country when you assumed office for the second time, how different things were from what you expected?
33. Tell me about the things/policies/decisions that you are most proud of accomplished or done during your second term.
34. Tell me about the most critical moments during your second term.
35. Tell me about the vision you had for your country when running the second time.
36. Tell me about the team members that were most helpful and critical during your second term.
37. Tell me what you thought your countrymen needed and were asking for in your leadership during your second term.
38. Tell me about the biggest obstacles you encountered in the implementation of your plans during your second term.
39. Tell me about how was your life, your personal life or personal space during your second term.
40. How do you think was your image your countrymen kept of you after your second term?
41. What did you felt you left out in your second term?
42. Tell me about the best lessons you learned from governing the second time.
43. After your second term, what did you think changed on you as a person?
APPENDIX D
SEMI-STRUCTURED INTERVIEW GUIDE FOR PRESIDENTS' ENTOURAGE

Introduce myself, explaining why it is important that I talk to him, being explicit about the objectives of my dissertation and the interest in learning about his particular case.

Read and handle informed consent form (when applied)

1. Tell me about how you got to know the president.
2. Tell me about your position or relationship with the [president's administration] during his first and second terms.
3. Tell me about the difference between the president as a public person and the private person.
4. Tell me about your experience and your assessment about the style of making decisions of the president.
5. Tell me about your experience and your assessment about the way the president communicates with his countrymen, and his sources of input.
6. Tell me about the hardest moments you experienced as part of the circle of the president, and the hardest moments you think the president experienced during his first and second terms.
7. Tell me about the biggest obstacles you think the president encountered in the implementation of his plans during his first and second terms.
8. Tell me your opinion about personal characteristics of the president that might have contributed to give a special character to his presidency, first and second terms.
9. Tell me your opinion about the president's biggest successes and regrets in the first and second terms. The differences between terms.
10. Tell me about the legacy you think the president wanted to be remembered for in his first and second terms, and as his legacy as a statesman.
APPENDIX E
SEMI-STRUCTURED INTERVIEW GUIDE FOR SCHOLARS, ANALYSTS, JOURNALISTS

Introduce myself, explaining why it is important that I talk to him, being explicit about the objectives of my dissertation and the interest in learning about his particular case.

Read and handle informed consent form (when applied)

1. Tell me about your general view of [president's name] presidency during his first and second terms.
2. Tell me about your position or relationship with the [president's administration] during his first and second terms.
3. Tell me about the difference between the president as a public person and the private person.
4. Tell me about your experience and your assessment about the style of making decisions of the president.
5. Tell me about your experience and your assessment about the way the president communicates with his countrymen, and his sources of input.
6. Tell me about the hardest moments you think the president experienced during his first and second terms.
7. Tell me about the biggest obstacles you think the president encountered in the implementation of his plans during his first and second terms.
8. Tell me your opinion about personal characteristics of the president that might have contributed to give a special character to his presidency, first and second terms.
9. Tell me your opinion about the president's biggest successes and regrets in the first and second terms. The differences between terms.
10. Tell me about the legacy you think the president wanted to be remembered for in his first and second terms, and as his legacy as a statesman.
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Ana María (Ani) De la Quintana was born during dictatorship in La Paz, Bolivia. She grew up surrounded by family; her parents, two siblings, grandparents and extended family. From an early age she started playing the piano and riding horses. She went to a Catholic school in La Paz, after graduation she became an exchange student in the United States. For four years Ani took economics classes at both Universidad Catolica Boliviana and Universidad Mayor de San Andres, but not satisfied with the answers economists often provide to understand societies’ problems she decided to change fields and got her bachelor’s degree in political science from Universidad Nuestra Señora de La Paz instead. Learning about power was only the start. In order to have a hands on approach to solving problems she pursued a master’s degree in public policy in Bolivia, but a life twist prompted to move to the United States in 2002. She became interested in learning about the best ways to get leaders elected through democratic means and she received her master’s degree in political science with a certificate in political campaigning in 2004 from University of Florida. With more questions in her head she became a doctorate student at University of Florida’s Political Science Department. In the fall of 2007, she moved to Washington, DC to work for Hamilton Campaigns, a political campaigning firm. She currently resides in the District of Columbia with her husband Miki and daughter Amelia.