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# Las Jefas de Sudamérica: Coalition Party Discipline in Brazil, Chile, and Argentina

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**Las Jefas de Sudamérica:  
Coalition Party Discipline  
in Brazil, Chile, and Argentina**

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## **ABSTRACT**

Political coalitions play an essential role in governance in Latin America. Scholars have analyzed policy changes as a way of measuring condition under which political actors govern. What factors contribute to coalitional stability? Based on analysis of three presidential administrations- Dilma Rousseff of Brazil (2010-2014), Michelle Bachelet of Chile (2006-2010), and Cristina Fernández of Argentina (2007-2015)- I argue that fiscal constraints, power centralization, institutional incentives, and social movement strength shape coalitional stability between the executive and legislative branches. This project concludes that while economic conditions affect coalitional stability, other factors including the distribution of power and grassroots movements play an equal if not more important role.

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## INTRODUCTION

*Anywhere in Latin America there is a potential threat of the pathology of caudillismo and it has to be guarded against.*

-Noam Chomsky

Political coalitions constitute a vital part of governing in Latin America.

Coalitions provide the power necessary for presidents in the region to pass legislation that impacts the daily lives of citizens. Yet, how do coalitions operate and what happens when coalitions break down and leave? How do we determine the success or failure of a president's coalition?

In this project, I explore the relationship between political coalitions<sup>1</sup> and factors, which impact the stability of executive-legislative agreements. My theoretical analysis is based on three presidential administration case studies, all of which operate under a multiparty coalition system: Dilma Rousseff of Brazil, Michelle Bachelet of Chile, and Cristina Fernández de Kirchner of Argentina.<sup>2</sup> Specifically, I examine the factors and processes, which lead to political stability during their political administrations.

This research illuminates the factors that lead to certain coalition dynamics, showing how coalition building extends beyond the executive-legislative relationship. For the purposes of this project, I primarily use newspaper articles, both from U.S and international sources, to situate the rhetoric behind certain executive decisions. In addition, the written portion of the thesis incorporates a historical analysis of some of the

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<sup>1</sup> I define political coalitions as an agreement for cooperation between different political parties on common political agendas, often for the purpose of contesting an election to mutually benefit by collectively clearing election thresholds, or otherwise benefiting from government formations after elections.

<sup>2</sup> Although my three case studies happen to be female, the trajectory of my work does not include a gender analysis. Instead, I focus more on the electoral politics of these three case studies and how the three Presidents managed their governing coalitions. I refrain from offering a gender analysis because of my limitations in the area.

movements, which either supported or challenged political authority. The combination of newspaper sources combined with a historical analysis provides an in depth analysis of the social building processes in Brazil, Chile, and Argentina.

My research findings suggest a relationship between political stability and economic conditions. In all three cases, coalitions were more likely to be disrupted when economic conditions worsened. Furthermore, if economic conditions reached a certain level beyond public satisfaction, coalition partners were likely to exploit political opportunities.<sup>3</sup> However, other factors including the centralization of power, institutional incentives, and social movements contributed to political stability.

Overall, economic conditions play a more influential role particularly in Brazil and Argentina whose social policies depended on higher government revenues. Government programs, more specifically conditional cash programs, have shown increasing popularity due to their innovative design as tools to attack long-term poverty. These programs make payments conditional upon school attendance and participation in health care- all social institutions, which require funding from government entities. Furthermore, conditional cash transfer programs were essential to stimulate sectors or private industry. For example, *Bolsa Familia* beyond giving extremely poor and moderately poor families cash transfers also provided food stamps. Food stamps appealed to supermarket chains that sought to build a new sense of corporate social responsibility and alliance between the public and private sectors (Hall 2006, 695). When commodity prices failed to provide the necessary revenues, South American governments reduced government spending.

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<sup>3</sup> In Brazil, coalition partners turned against Dilma Rousseff and the Worker's Party when political opponents began impeachment charges against the presidents. Coupled with a failing economy, the PT's opponents capitalized on a precarious position.

The political administrations of Brazil, Chile, and Argentina case studies all experience some form of coalition instability, with varying levels of severity and impact. They differ in important ways, yet in all three cases shifting their coalitions in some way shape or form. Differences between the case studies contrast with the similar outcomes of experiencing coalition instability, highlighting the important theoretical cohesion despite some differences. The fact that similar causal processes can be identified despite some differences points to the broader applicability of my hypothesis. In all three cases, economic conditions, power centralization, institutional incentives, and social movement impact political coalitions.

### **Theoretical Background on Political Coalitions**

At first, scholars argue that the basic institutional features of presidentialism impose practically insurmountable obstacles to effective government and democratic stability (Linz, 1990). Linz argues that the absence of incentives<sup>4</sup> to form coalitions was the first problem to overcome. In other words, minority presidents choose to work alone because their party does not have sufficient power to pass the president's agenda. Second, the rigidity of presidential terms and the difficulties in removing a sitting president makes changing the executive very difficult.<sup>5</sup> Finally, presidentialism can foster "personality politics" and make it possible for inexperienced outsiders to rise to the top. From this

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<sup>4</sup> Riker (1962) theorizes that a political coalition was more likely to be successful if the following conditions are met: 1) The two-person condition: There must be exactly two participants; 2) The zero-sum condition: The interests of the participants must be in direct and absolute conflict so that the gains of one participant exactly equal in absolute amount the losses of the other; 3) The knowledge condition: Every possible course of action open to the participants and its rewards to them must be known; 4) The rationality condition: Given a choice of courses of action one of which brings greater rewards than the others, it must be assumed to be possible that some participants will prefer the course of action with the greater rewards.

<sup>5</sup> Under this argument, term limits would make a sitting president useless because executive-legislative gridlock would turn a sitting president into lame ducks.

perspective, governments can only succeed if the president's party obtains a majority in the legislature.

However, later studies would dispute that the only factor prohibiting presidents from governing was a majority in the legislature. The authors would argue that multiparty systems tended to generate without legislative majorities. Mainwaring (1993) states that without incentives to form coalitions, the conflict between the executive and legislative branches could end in deadlock and democratic crisis. Abranches (1998) took multipartism and advanced idea that the system of government was the problem not multiple parties in the political arena.

On the other hand, Shugart and Carey (1992) called attention to the differences in presidentialism. According to the authors, the problem of presidentialism is not its basic institutional characteristics-dual legitimacy and fixed term- but the extent of the president's power. They argue:

On matters of legislation, we suggest that relatively strong assemblies should be associated with more stable and effective government relative to strong presidencies because assemblies serve as arenas for perpetual fine-tuning conflicts. Because of the diverse forces represented in an assembly, such a body has the potential for encompassing diverging viewpoints and striking compromises on them. The dual democratic legitimacies decried by critics of presidentialism are minimized to the extent that an assembly is accorded a more powerful role in legislation than is the president (Shugart and Carey, 1992:165)

The authors hypothesize two results will occur if the opposite occurs. First, strong presidents generate conflicts between the two branches, because the executive tends to impose its agenda. Institutional traits will determine whether the president would like to negotiate with the legislature. On the other hand, Negretto (2006) specifies situations in which conflicts between the legislative and executive branches or interruptions in presidential terms can occur in Latin America.



Cheibub et al. (2004) argues that strong conflicts between the executive and legislative branches depend on the control exercised by the party or governing coalition over the median or veto legislators. Their results show that presidents who emerge in the minority from the election but are able to form majority in coalitions will not face problems with the legislature. However, the authors finds that presidents who do not form majority coalitions, remaining in the minority, will tend to face a high degree of conflict with the legislature, but will not necessarily fail if they can count with the support of key veto legislators.

### **Chapter Outline**

Chapters 1-3 are divided according to each case study: Dilma Rousseff of Brazil (Chapter 1), Michelle Bachelet of Chile (Chapter 2), and Cristina Fernández of Argentina (Chapter 3). Chapter 1 explores the state of Rousseff's political coalition in Brazil, highlighting the role of transitional precedencies, economic policies, and social movements that led to her current political crisis. Chapter 2 captures the influence of Pinochet's legacy in Chilean politics, and follows the successful cooptation of radical factions into the new Bachelet political coalition. Chapter 3 demonstrates the impact of *Kirchnerismo* on the election process and governing mechanisms during the Kirchner era.

Chapter 4 consists of a comparative analysis of the three case studies, which correspond to common themes: fiscal constraints (the impact of the economy on strategic social policy), power centralization, institutional incentives, and social movement strength. Chapter 5 concludes with an overview of my analytics claims and the theoretical

implications for the future of this project. Ultimately, I argue fiscal constraints, power centralization, institutional incentives, and social movement strength shape coalitional stability between the executive and legislative branches. This project maintains that while economic conditions affect coalitional stability, other factors including the distribution of power and grassroots movements play an equal if not more important role. I close by suggesting future areas of study in the area of coalitions.

**CHAPTER ONE**  
**Iron Lady of Brazil? :**  
**Coalitional Discipline in the Age of Rousseff**

The history of political coalitions in Brazil defies the modern view of human and organizational behavior. While many political scientists hold that coalitions come together out of the need for political actors to hold policy-making power, others contend that self-interest and pork barrel spending cause coalition members to lend their support to the president. However, what role do social movements play in disrupting clientelistic agreements? This chapter analyzes the role of Dilma Rousseff in coalition discipline after inheriting Lula's successful political administration.

The rise of Dilma Rousseff depended on her predecessor's political party. An economist and longtime political activist, Rousseff, defeated her center-right opponent with 56% of the vote (Green, 2011). On the campaign trail, Rousseff declared she planned to tackle Brazil's inefficient system for collecting taxes, and reiterated her commitment for prudent spending. In 2010, Dilma Rousseff became Brazil's first female president to take the helm. Although she avoided the gender issue, preferring to adapt Lula's image and message of continuity, Rousseff vowed to reduce poverty and boost economic stability. By concentrating on the economy, Rousseff implicitly supported women although the majority of policies addressing poverty were passed during the Lula administration.

At the onset, Rousseff was seen favorably for her expansion of Lula's social policies. However, social unrest created in large part to neoliberal economic projects and corruption allegations have created a political quagmire for the Rousseff administration. Many coalitional supporters like Eduardo Cunha, member of the Brazilian Democratic

Movement Party (PMDB) and speaker of the Chamber of Deputies, have expressed their intention to break away from the majority coalition (Romero, 2015).

This chapter argues that Rousseff has failed to maintain coalitional discipline due to extraneous shocks like social movements, which disrupt clientelistic relationships between the executive branch and parties of her governing coalition. The first part of this chapter discusses political coalitions in Brazil and the institutional structure that allows clientelistic relations to form. In particular, I explore the role of social movements in traditional theories of presidential coalitions and clientelism. Second, I introduce Lula's legacy as a departure point for analyzing President Rousseff's first administration. To what extent, did Lula's support actually hinder Rousseff's ability to deal with coalitional partners and social movements? Finally, I will synthesize a new model of understanding presidential coalitions in Brazil, one that incorporates traditional clientelistic models with outside political actors.

### **Presidencialismo de Coalizão: Understanding Coalitions in Brazil**

Many scholars have analyzed the role of clientelism and patronage in constructing presidential coalitions in Brazil. Traditionally, clientelism has been used as an anthropological term to illustrate the reciprocal relationship between power holders and their dependents (Chandra in Kitschelt and Wilkinson 2007, 86-87). On the other hand, patronage refers to the transactions that voters have with politicians without the traditional social and economic dependence. Both concepts illustrate basic mechanisms of the ongoing debate on presidentialism and government formation. On the one hand, Abranches (1988), Deheza (1997, p192-230), and Meneguello (1998) argue that

presidents appoint their coalition governments (Morgenstern and Nacif, 48). On the other, Amorim Neto (1994,1995) and Thibaut (1993, p. 216-252) caution against a loose application of the concept of coalition governments to presidential systems and contend that other types of cabinets also have been formed in Brazil.

Another perspective comes from what Timothy Power calls the "dysfunctional" and "functional" views of Brazil's political institutions. In the dysfunctional view, critics of Brazil's political institutions note several deficiencies: party fragmentation leading to permanent minority presidentialism, internal weakness of the parties, an electoral system inhibiting democratic accountability, and robust federalism and concomitant "excess of veto players" (Power 2010, 19). The functional view, however, focuses on the mechanisms that allow the president to overcome party fragmentation. Methods include presidential power, decree authority, centralization of legislative deliberations or relaxed majorities for amending the constitution (Power 2010, 20). From these two perspectives, Power attempts to unify both perspectives in what he describes as "presidencialism de coalizão," or coalitional presidentialism.

Finally, a different view of coalitions challenges the duration of political alliances. Traditionally, it has been assumed that executives would like to maintain a permanent coalition, one that makes seeking allies all the more dependable. The mechanism for keeping such an apparatus amounts to the "pork" or patronage a political party receives under the ruling president. Yet, instead of forming a stable coalition, Marisa Andrea Kellam states, "Presidents may find that they can get more of what they want by changing their coalition partners between votes on one item of their legislative agenda and the next" (5). With different coalitions, presidents may be able to achieve

their various goals and political objectives at a lower price in terms of policy. However, this interpretation assumes that outside observers from the political structure will see selling their votes as either democratic or legitimate.

In essence, open list proportional representation makes gaining a governing majority impossible and generates severe collective action problems. Coalitional presidentialism recognizes that multiparty presidentialism creates an obstacle for the executive, but corrective measures exist to ensure governability. Scholars have outlined the various mechanisms that allow governability in Brazil, and to some extent how presidents engage in coalition management. These internal mechanisms ensure coalitional discipline from endogenous shocks with the institution, but many scholars overlook the role exogenous shocks play within coalitional discipline. Does the centrality of power, of budgetary clientelism, and side payments erode vertical (president-governors) and horizontal (executive-legislative) accountability?

One potential way of measuring the role of social movements in coalition discipline in Brazil is looking at the political circumstances of actors during Luiz Inácio "Lula" da Silva's administration.

### **Lula's Legacy: Advantage or Burden in Coalition Building?**

The outgoing president, Luiz Inácio "Lula" da Silva, enjoyed massive popularity during his presidential tenure. The incoming Rousseff was much more than just a co-partisan in Brazil's Workers' Party (PT): she had been Lula's Chief of Staff for five years, and the leading architect of his second term. Social projects like *Fome Zero* (Zero

Hunger) and *Bolsa Família* (Family Allowance or Grant) garnered popularity and set the stage for Rousseff's rise.

*Fome Zero* was formally introduced in 2003 when Lula took office and built off previous social programs introduced by Lula's predecessor, Fernando Henrique Cardoso. The program sought to reduce poverty and hunger as part of a targeted effort to decrease the massive inequality in Brazil. Throughout Latin America, social safety nets which Hall (2006) defines as:

A broad label to describe short-term, targeted interventions for vulnerable households designed to mitigate the immediate effects of poverty and other risks, providing assistance in the form of cash, food, housing, subsidies, fee waivers, scholarships and public work programmes (690).

In particular, many Latin American countries arranged their social safety nets as cash conditional transfers (CCT) to incentivize families to invest in themselves through a greater participation in health and educational programs. Since the 1990s, CCT programs have been introduced in Mexico (*Oportunidades*, formerly known as *Progresa*), Colombia (*Familias en Acción*), Chile (*Subsidio Unitario Familiar*), Nicaragua (*Red de Protección Social*), Argentina (*Jefes de Hogar*), Ecuador (*Bono de Desarrollo Humano*) Bolivia (*Bono Juancito Pinto and Bono Juana Azurduy*) and Peru (Juntos Program). All of these CCT programs follow the assumption of human capital investment, or the idea that by focusing on the individual's well being the poorest sectors of society can break away from the transgenerational cycle of poverty. Compared to the short-term transfer payments, CCTs, in theory were an opportunity for recipients to work with the government and eliminate any dependency on entitlements. However, as *Bolsa Família* demonstrates many politicians criticized what they saw was a patronage program.

Initially, politicians conceived *Bolsa Familia* as a tool to alleviate poverty and transition into the middle class. However, critics pose that the social program is nothing more than a politically driven mechanism, which avoids raising the minimum wage. Indeed, many of Lula's critics argued that many people would have benefited from a broad increase of income in the formal and informal sectors than a targeted attempt by the government. The polarized view of the Bolsa Familia indicates the social program's role in garnering political support. As Hall (2010) suggests:

Opinion polls have demonstrated quite clearly that during 2006, in the wake of corruption scandals, political support for Lula strengthened significantly in the Northeast, Brazil's poorest region, in which three-quarters of Bolsa Familia are concentrated. Support for Lula has been substantially higher among beneficiaries than amongst those not taking part in the programme (705).

*Fome Zero* and *Bolsa Familia* demonstrate the influence of social programs on electoral turnout. In addition, the social programs illustrate an opening for political candidates to build rapport with successful policies. Naturally, Rousseff capitalized on the political opportunity to use Lula's public image as a boost to her campaign and subsequent administration.

Dilma Rousseff owes much to her two predecessors in the *Palácio do Planalto*, Fernando Henrique Cardoso (Partido da Social Democracia Brasileira, PSDB, 1995-2002) and Luiz Inácio "Lula" da Silva (PT, 2003-2010). Both presidents offered economic and social programs, which helped set the stage for a Rousseff presidency. However, Lula became the first Brazilian president to obtain a second term and then "elect his successor."<sup>6</sup> On the campaign trail, Lula's presence gave Rousseff an enormous increase in popularity.

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<sup>6</sup> Fernando Henrique Cardoso, Lula's predecessor, failed to achieve this goal when he lost his reelection campaign in 2002.



Lula boosted Rousseff's popularity by appearing in several media outlets. More specifically, during Rousseff's last two months of her political campaign, Lula would appear directly on Dilma's TV spots to reinforce his sponsorship of her candidacy and reinforce the message of continuity (De Castro et al, 21). In the televised portion of the campaign, Rousseff's political opponent, Jose Serra, failed to deliver an effective message. His campaign slogan, "*O Brasil pode mais*," or "Brazil can do better," admitted that there was change under Lula. On the other hand, Rousseff's "*Para o Brasil seguir mudando*," or "For Brazil to continue changing" highlighted two key ideas, change and continuity. As a result, Lula's efforts to frame the presidential election as a plebiscite on his administration were highly successful as Rousseff comfortably won by a thirteen-point margin (De Castro et al, 22). The transition and continuity of the Workers' Party provided Rousseff key lessons on political governance.

Lula created a series of lessons for Rousseff's administration on coalitional building. De Castro et al. contend that the first lesson of the Lula era might be that the left cannot govern alone. The success of the Lula administration was based on pragmatic coalition building between the Workers' Party and other political power holders. Prior to Lula's election, the PT party did not ally themselves with any party outside of the traditional umbrella of leftist tendencies. This shift in political strategy was crucial in maintaining the presidency and key ministries within Brazil's government. However, interplay cooperation can often come at a price.

Coalitions that are oversized and "disconnected"- De Castro defines "disconnected" as "the constituent parties of an alliance are not ideologically adjacent to one another"- can result in the loss of control and power under the presidency (25). For

instance, the *mensalão* ("big monthly payments") corruption scandal of 2005 caused the conviction of several smaller party allies of the Workers' Party. The *mensalão* reflected the logic of coalitional presidentialism, in which the president's own party does not enjoy a majority government and must create a multi-party coalition using a variety of incentives. Under the Lula administration, cabinet ministries increased from twenty-seven to thirty-five most of which were occupied by Lula's own PT party. Traditionally, Brazil's politicians have used cabinet ministries as way to gather legislative support by appointing coalitional partner to executive positions. PT party leaders did not have an institutional mechanism to garner support, so they resorted to bribery. The *mensalão* scandal was a direct case where the government bought the support of legislators for policy.

The third lesson revolves around the Workers' Party and its relationship to historical base. Lula's pragmatic nature often pitted compromise against the support of Centro Única dos Trabalhadores (Unified Worker's Central-CUT) labor federation and the *Movimento dos Trabalhadores Rurais Sem Terra* (Landless Workers' Movement-MST). Both of these groups would resort to what De Castro et al. call *apoio crítico* (critical support), which criticized the PT government while simultaneously preventing other parties from gaining power (27). Nevertheless, *apoio crítico* represents a resentment of political ideology from grassroots issues to neo-liberal projects.

In particular, left-wing social movement critiques of the Lula administration reflects the frustrations and disappointments of those supports of Lula who hoped for a more transformative and radical experience in power (Pereira, 780). According to the sociologist, Chico de Oliveira's interpretation: "The Lula presidency represents a betrayal

of the aspirations of the founders of the PT, because Lula's government presided over the consolidation of a financialized capitalist system that offered a few genuine prospects of democratic citizenship and progressive social change to its supporters" (Pereira, 780). Although the PT government shared a portion of revenue (R\$ 14b) via *Bolsa Familia*, bond holders of Brazil's internal debt made an equivalent of US \$200 billion in roughly the same time period.

From a historical perspective, the disillusionment of leftist political movements represented a structural shift in the PT's base. As Figure 1 shows the PT government was initially conceptualized as an "anti-systemic" movement composed of labor unions, labor federations, and other social movements. Guidry (2003) argues that the PT party maintained its "autonomy" as the political party never really "belonged" to any one particular interest group, yet it claimed to represent them all (84). Lula's ascendance into power represented both a shift in political support but a realization of the decentralized nature of Brazil's government. At this point, many social movement activists, such as those in the MST became disillusioned with the Lula government, as they saw a betrayal of the PT party's founding ideology. The Lula administration can be seen as a shift in the popular base of the Workers' Party. André Singer (2009) identifies the 2006 election in Brazil as the pivotal moment where Lula lost the support of the majority of the middle class but gained the approval of the poorest sectors of the population. Singer argues that Lula's economic orthodoxy, which included maintaining the macroeconomic policies of his predecessor, was crucial to winning the support of the poorest sectors of the population. However, disillusioned supporters recognized the historical transition of the party from a movement to the establishment of Brazilian government.

**Figure 1:  
Stages of Party Development and Electoral Participation**

Stages of Political Development	Self Perception and Ideology	Organizational Principles
1. Social Movement	Anti-Institutional. Anti-Systemic, Revolutionary	Social networks, personal connections, anti-hierarchical and anti-leadership orientations, "radical" democracy
2. Party Formation	"Basismo"	Adapt to formal structures of party according to laws, but only for formal reasons; electoral participation debated
3 (a). Participation in Elections (running for candidates for office)	Candidates and electoral participation as representatives of grassroots base, with party machinery acting as link between social movement organizations and candidates	Continue to adapt to formal structures of political parties according national party legislation
3 (b). After Success in Elections (Winning Office)	Internal Competition between initial revolutionary rhetorics and more pragmatically oriented approaches	Increasing of party hierarchies, professionalism, division of labor organizations into "tendencies" (factions) representing different linkages to grassroots and other political movements
4. Governance (Holding legislative and executive office)	Pragmatic approaches begin to dominate	Developed hierarchies, national organization, greater division

Source: Guidry, John A. 2003. "Not Just Another Labor Party: The Workers' Party and Democracy in Brazil." *Labor Studies Journal* 28 (1): 83-108.

As Figure 1 shows the party development of the Workers' Party and the evolution of the political party into electoral politics had major ramifications for their supporters. From the very beginning, the PT was created to challenge corporatist union structure that was used by dictator Getulio Vargas to co-opt union leaders into the political process. Instead of providing an outlet for labor reforms, Vargas and a series of dictators from

1964 to 1985 used unions to avert strikes and maintain a business friendly environment. As a result, Brazil experienced an economic "miracle" where the economy grew at annual average of 11.3 percent (Alves, 1985:107). Members of the PT movement rejected this form of political participation and aligned themselves with the New Union Movement.

The New Union Movement's power emanated from a broad incorporation of other social organization beyond organized labor. Guidry (2003) notes:

Through the late 1970s, the, the new unionists, and community leaders in neighborhood associations, squatter's organizations, and Catholic *comunidades eclesias de base* (Christian Base Communities, CEBs) began to form the basis of a social movement that represented members of the "popular" (or lower and working) classes. These groups formed the backbone of oppositions to the military regime. In the larger Brazilian context of widespread poverty, rapid and disorderly urban growth, and a "de-politicized" civil society, neighborhood associations and church groups had become the only legitimate places for organizing popular grievances, and unionists and community militants began to see common ground (88).

These grassroots organizations were important to bringing down the military junta from 1965-1979. In a political system where the military legalized two political parties, the Brazilian Democratic Movement (*Movimiento Democrático do Brasil*, MDB) and the military's own ARENA (National Alliance for Renovation), the New Union movement provided an alternative for the masses. The movement also displayed a strong desire of not being co-opted into another version of populism that might replace the military. Here, the groups wanted to renew the independent spirit of their organizations and avoid falling into disempowered and subordinate roles characteristic of clientelistic governments. In 1979, when the military government changed party laws to allow for a multiparty election, many of the grassroots organizations sought to enter the political system by creating their own political parties.

The political party system offered an opportunity to consolidate separate actors into one united force. For example, the party was founded by members of the New Union Movement; however, the party was not associated with any one union. In fact, the autonomous nature of the PT party provided a platform for competing interests to run under a single name for political office. Its structure as an "open party" (Guidry 2003, 92) invited dissatisfied members of the polity to support the Worker Party's cause. Despite the continual disagreement of ideology and method of execution, the PT party managed to keep various interests together by promoting what Brandford and Kucinski (1995, 8) call an "ethos of defiance against the dominant traits in Brazil's political culture." In particular, the PT party defied the neoliberal agenda of Fernando Henrique Cardoso (1995-2003) and any attempt to subvert the workers of Brazil. However, the biggest test for the Workers Party would be running an effective campaign against an established political machine.

Electoral politics offered the PT party an opportunity to showcase its ideas to the broader public. As a part of its political platform, the PT party announced that in addition to having a defined "worker" status, which included unionized workers, blue-collar, white-collar, and professional workers they also stated: "Workers want to organize themselves as *autonomous* political force. The PT intends to be a real political expression of *all* who are exploited capitalist system. We are a Party of the Workers, not a party to illuminate the workers" (Guidry 2003, 93). The open party system provided a degree of flexibility and established an alternative that wasn't going to be co-opted by other parties. These characteristics of the political system allowed the Workers' Party to achieve a degree of success in the 1990s by winning a number of mayorships and governorships

throughout Brazil. The ultimate culmination, however, came in 2003 when Lula da Silva was elected president.

The electoral victory of Lula da Silva presented the PT with the challenge of concerting its grassroots, *basista*, popular version of democracy into practice (Guidry 2003,99). One of the major challenges for the Workers' Party was using rather opposing the government to fulfill their agenda. The lack of experience and knowledge left the PT party uneasy with the ascension of power. In addition, many mishaps at the beginning of the Lula's administration created a series of criticisms particularly from the right. For example, some of the PT's earlier administrators were mired in corruption, most notably Gilson Menezes's 1982-1985 administration of Diadema as a part of the New Union Movement. On the other hand, the Workers' Party demonstrated a large degree of resilience and innovation through its "PT Mode of Governing."

The "PT Mode of Governing" consists of a series of programs that foster popular participation (particularly of the lower classes) to create policies, which address the needs of the most vulnerable. The "participatory budget" constitutes the main program of the "PT Mode of Governing" and it allows for popular assemblies to allocate a portion of the budget to infrastructure programs such as road and school construction (Guidry 2003,99-100). A series of other programs became integral to the social policies that the party developed. These policies allow lower-income groups and minorities to directly participate in the program's development or implementation and a transparent accountability that demonstrates the PT's commitment to ending corruption. Nevertheless, governing always engenders compromises with a party's ideology and the Workers' Party is no exception.

For supporters of the Fernando Henrique Cardoso and his Brazilian, Party of Social Democracy (PSDB), Lula's social policies represent a Latin American regressive tradition of clientelism similar to the Presidency of Juan Domingo Perón. Bolsa Familia represents a coerced version of welfare, which keeps the poor dependent on government handouts and turning them into submissive voters.

From this perspective, Lula's social policies resemble those of Getulio Vargas, nicknamed "Father of the Poor, who nationalized a number of key industries including petroleum. Ironically, the creation of Petrobras, Brazil's national oil company, would eventually create political scandals in the Rousseff administration. It also highlights the shift in party power to individual power under the Lula administration (Pereira, 779). Critics of Lula would pose that Fernando Henrique Cardoso's policy changes set the stage for economic and social change.

In this view, critics hold that Fernando Henrique Cardoso's work allowed Brazil to prosper. In addition, they also maintained Lula's administration was a government of projects and not reforms. President Cardoso privatized many state-owned industries, changed the constitution to allow for re-election of presidents, governors, and mayors, and cleaned up public finances by passing a Fiscal Responsibility Law in 2000 that enabled the Federal Government to rein in excessive public spending by the states. President Lula merely inherited this government and enjoyed the commodity boom to economic growth and popularity (Pereira, 779).

For the poor and middle classes, Lula's legacy should be seen favorably as he spent the majority of his political capital on projects rather than structural reforms. For example, complicated and unjust taxation and pension systems were brought up but never



acted upon during political campaign. From this perspective, the problem was never Lula's "authoritarian" government, but a government that was "complacent" and "lazy". In this view the Lula government missed an opportunity to capitalize on the abundant natural resources, human capital, and immense territory (Pereira, 779).

The last lesson of the Lula era extends to the Cardoso period: the marginalization of the federal opposition. Historically, this has meant all of the political parties that have been left out of the governing coalition bloc. De Castro calculates that a "clear" opposition account for 25-35 percent of the Congress (27). For the PT's opposition, PDSB, this has meant securing governorships and municipalities so they can retain policymaking power. The political maneuver illustrates the dynamic between horizontal accountability in Brazil's government and the vertical accountability that many scholars posit created the sort of decentralized government due to federalism.

### **Taking the Reins: Dilma's First Administration (2010-2014)**

At the start of her administration, President Rousseff faced a number of challenges. First, she needed to politically maneuver to move out from Lula's "continuity shadow" and establish ownership of the Brazilian government. In fact Rousseff's political coalition, "For Brazil to keep on changing" was a product of Lula da Silva. By the start of her first administration, the Congressional make up was as follows: Lulista "For Brazil to Keep on Changing" Chamber of Deputies Seats: 311, Senate Seats: 49; Opposition "Brazil Can Do More:" Chamber of Deputies Seats: 136; Senate Seats: 25; Other Non-Coalitional Parties: Chamber of Deputies Seats: 66, Senate Seats: 7 (Turner 2015, 239). On a practical level, Rousseff needed to work with a coalition, which Lula constructed

and consisted of many parties. In addition, Rousseff constructed her Cabinet ministries where no fewer than 16 ministries were "holdovers" of the Lula administration. From these 16 positions- 8 ministers were in the same job and 8 others were shuffled into other positions (Powers 2014, 30). Dilma Rousseff was allowed to campaign while Lula controlled the coalitional politics. Even so Rousseff has found ways to differentiate herself from her predecessor.

Dilma Rousseff, for the most part, has maintained Lula's legacy, but has found ways to make a name for her. For instance, in 2010, there was a massive boom for the Brazilian economy: the growth rate of 7.5 percent, which generated concerns over inflation. As a result, Rousseff along with Brazil's central bank cut projected spending and increased interest rates in an effort to reduce the money supply. Efforts by federal workers to increase the minimum wage were denied as Rousseff made it clear that her administration would be seen as "economically responsible." In these ways, Dilma tried to economically differentiate the administration from Lula's initial start in 2003-2004.

Rousseff enjoyed a broad spectrum of support as her approval ratings have reached similar levels to Cardoso and Lula. For example in September of 2012, some 62 percent of Brazilians rated her government as "excellent" or "good" and only 7 percent as "poor" or "terrible" (IBOPE, 2012). Scholars attribute Rousseff's unusual approval numbers to Weber's idea of "charismatic transfer" as Dilma was a key figure in the popular Lula government, and was his chosen successor. Many people were excited for Rousseff's administration because it stems from nearly a decade reduction of poverty and inequality even when the Brazilian government slowed down in 2011.

On the other hand, the public attributes Rousseff's initial popularity to her decisive management style. In 2011, Rousseff took a hard line when she decided to remove underperforming ministers and demonstrated impatience with any improbity in government. As Power holds, "Dilma's approach to day-to-day governance is very different from the extroverted, lad-handing style of Lula, who took a hands-off approach to detail while using the presidential office to communicate simple and easy understood principles to the mass public" (Power 2014, 30). As opposed to Lula's "reservoir of charisma," Rousseff has shown that her administration will be one of respect. However, she has garnered much attention for her slow response to public employee demands. In May 2012, Brazilian teachers went on strike demanding higher pay. Other state employees quickly followed and within a few months half the total public workforce- four hundred thousand federal employees from roughly thirty departments and agencies- had been protesting and holding strikes. Under this context, social movements like the Landless Workers' Movement have exerted enormous pressure for the Rousseff administration.

### **Providing Opposition: MST's Continued Contention**

The Landless Workers' Movement (MST) continues to battle daily for the agrarian reform they had expected under the PT government (Vanden and Provost 2012, 415). Under a context of patronage and clientelistic style of governments, the MST plays an important role in challenging well-established cultural and political phenomenon. With membership exceeding one million people, the movement has made clear their political objectives through a draft document labeled "Fundamental principles for the

social and economic transformation of rural Brazil," where they note that, "the political unity of the Brazilian dominant classes under Fernando Henrique Cardoso's administration has consolidated the implementation of neoliberalism [in Brazil],' and that these neoliberal policies led to the increased concentration of land and wealth in the hands of the few and the impoverishment of Brazilian society" (Vanden, 34). The organization's political culture and decision-making process break away from authoritarian tradition.

The MST formed as a response to long-standing social, economic, and political conditions in Brazil. Land has remained primarily in the hands of the large estate owners and the political elite. However, Gabriel Ondetti (2008) underscores a key theme in the political environment, which lead to an explosion of political activity:

The explosive growth of land occupations and the ascension of the MST to the status of high-profile political actor were products, not only of the movement's persistence, but also of changes in the larger political environment over which activists had little control. These included a shift in national governing coalitions toward less conservative, more urban-based forces in the early 1990s, and a rapid transformation in the Brazilian public's perception of the urgency of the rural land problem (2).

Ironically, the rise of the MST paralleled the rise of the Workers' Party and both shared seemingly radical roots. However, as the PT party continued an ascent of political power, the MST preferred to maintain its grassroots political operation and arsenal of radical actions, which digress from traditional political activity. The MST movement has maintained a collective identity of the landless for the landless. In other words, members collectively decide when and how the group would take its next step. The process led to direct disruptions of daily society, overt public and large estate land takeovers, local demonstrations, and a series of roadside encampments aimed to consolidate popular

support. Their ability to mobilize huge sums of people for land takeover or national marches suggests the organizational capabilities of the group. The MST's actions and rhetoric pose a threat to an increasingly globalized world and identify themselves as enemies of the dominant elite class.

Although relations between the two organizations were generally friendly at the local level with overlapping affiliations, the national leaderships remained separate and not always cordial. The MST keeps a militant line with regard to the need to take over unused land and assert their more radical agenda, whereas in recent times much of the PT leadership has wanted more conciliatory relationships with large landowners. Hunter recognizes (2007, 31) recognizes that the party has ceased to provide the institutionalized mechanisms of political influence that it once did for various social movements. Social movements have little influence on PT government platforms, on the alliances that the PT constructs to form a governing coalition, and on macroeconomic policies. The landless backed and supported Lula and the Workers' Party in most local campaigns and the national campaigns for the presidency. The difference, however, consists of the MST movement not wanting to join the political apparatus. Like many new social movements in Latin America, they did not want to risk being co-opted by the government and preferred exerting outside pressure from below.

As commercial exports contributed to the economic success of Brazil, it came at a price. Lula's Worker Party became increasingly friendly with the agricultural elite who controlled a majority of the commodities that were destined for export. As such, the MST lost the Workers' Party as a partner and was relegated to the floor. The Landless Movement pushed land reform and economic redistribution but the governmental

response was not radical. On the contrary, the PT government covered their failure at structural reform through social programs like *Bolsa Familia*, which helped promulgate a rise of the middle class. The PT government reasoned that when elections came, they could count on the support from most of the poor and most the MST supporters because of Lula's working class origins, state subsidies, and Lula's immense popularity. However, one of the biggest points of contention between the Rousseff administration and MST has been over the issue of land redistribution.

Land redistribution remains the main objective of the MST and their biggest contention with the Rousseff government. As Ana Hanauer explains to Michael Fox in an interview regarding the MST:

Our movement is ending the struggle against corporate capital, because the multinational have also imposed this agroindustrial model on the Brazilian state. It is an imposition by Lula and his cabinet, but also an international imposition. In the international division of labor, Brazil has the job of producing raw material. So the Brazilian state has to create the conditions to produce this raw material- the case of the paper pulp, the meat, the soy, the ethanol, the biofuels (Ross, Rein, and Zibechi 2014, 254).

Similar to the beginning of the PT party, the MST has shown strong resiliency in the face of government apathy. While Dilma Rousseff has continued and expanded, Lula's social programs, she has engaged multinational corporations and been reluctant to orchestrate a formal response to land distribution. In fact, the land distribution under her first administration has actually decreased from Lula's administration.

According to Miguel Carter (2015, 414), the number of families who have benefited from land reform under the Rousseff administration amounts to 5,368 families (2011-2012). On the other hand, under Lula da Silva (2003-2010), the number of families

who received land equaled 72,122.<sup>7</sup> To put this in perspective, Dilma Rousseff's flagship antipoverty program, *Brasil Sem Miséria* (Brazil Without Misery), makes no mention of the landless families in Brazil nor does it mention the historic land inequalities, even though 16.2 million Brazilians afflicted by extreme poverty identify as rural inhabitants (Carter 2015, 414). In addition, Carter notes that about one third of Brazil's national territory belongs to estates that have no official land titles or do not have a productive purpose (2015, 495). All the while, the PT government maintains strong ties to the landed elite.

The landed elite of Brazil has become integral to the Workers' Party system of support and for good reasons. For example, between 2003 and 2012, the PT administration assigned US \$288.1 billion or 88% of all federal agricultural credits, to corporate farms (Carter 2015, 415). In addition, Rousseff's government continues to provide financial assistance to large estate owners, particularly those affiliation with the Brazilian Confederation of Agriculture and Livestock (CNA), the Brazilian Rural Society (SRB), the Organization Of Brazilian Cooperatives (OCB), and related institutions. Other financial mechanisms have included: direct subsidies, tax breaks, debt negotiations, and public investments designed to benefit agribusiness (Carter 2015, 415). The PT's policies run contrary to the stated history of the MST, which states:

From the 21st century, the Brazilian countryside was hegemonized more intensively by agribusiness, whose economic model has a its center only exports, banks and large conglomerates. With the expansions and consolidation of agribusiness, the complexity of the agrarian question has increased, and the MST has taken part in that debate. Foreign capital, multinationals, and major economic groups take into account agriculture in the country to export raw materials, pulp, and energy to sustain their consumption levels. Now more than ever Agrarian

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<sup>7</sup> I based my calculations on Miguel Carter's bar distribution on p.414 of *Challenging Social Inequality* (2015). The author's calculations were based on DATALUTA (2013) for figures from 1979 to 2011 and INCRA (2013) for 2012 data.

Reform was something necessary. We need a restructuring of the land and the way we think about producing. What's at stake is the dispute between two models of society and agricultural production, the dispute between small farm projects, focused on food production for domestic consumption, and agribusiness, based on monoculture and exports (Movimento dos Trabalhadores Rurais Sem Terra).<sup>8</sup>

The PT's alignment with agribusiness and their goal of transforming Brazil into a global agricultural and agro-fuel powerhouse, explains Lula's and Dilma's support for national conglomerates of key sectors. In a similar manner, PT governments have backed the formation of other Brazilian corporate giants, which include: Vale in mining; Petrobras in oil and gas; Companhia Siderúrgica Nacional in steel; Pão de Açúcar in retail; Odebrecht in construction, petrochemical and agrofuels; and Andrade Gutierrez in telecommunications and public infrastructure. Normally, the consolidation of these key industries did not mean much as it was typical of populist leaders to nationalize industries to address the needs of the public. However, as Chavez points out, between 2003 and 2012, the Lula and Dilma administrations paid US \$846.9 billion in interest rates to the nations creditors, mostly banks and other financial investors (2015, 418). The interest rates when compared to federal government's expenditures on health, education, social welfare, national defense, transport, agriculture, public security, science and technology, agrarian development, and housing equal to each other.

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<sup>8</sup> "A partir de século 21, o campo brasileiro foi hegemônico de forma mais intensa pelo agronegócio, cujo modelo econômico tinha em seu centro apenas as exportações, os bancos e os grandes grupos econômicos, por isso o discurso que hegemônico e o de que a Reforma Agrária fazia mais sentido.

Com a expansão e consolidação do agronegócio, a complexidade do debate em torno da questão agrária aumentou, e os Sem Terra tiveram que qualificar o debate. O capital estrangeiro, as transnacionais, os grandes grupos econômico tomaram conta da agricultura no país, para exportar matérias-primas, produzir celulose e energia, para sustentar o seu modo de consumo.

No entanto mais do que nunca a Reforma Agrária era algo necessária. Uma reestruturação não só da concentração da propriedade da terra no Brasil, mas do jeito de produzir. O que estava em jogo é a disputa entre dois modelos de sociedade e produção agrícola, ou sejam a disputa entre os projetos da pequena agricultura, voltada para a produção de alimentos para o consumo interno, e do agronegócio, baseado em monocultivo e voltado a exportação."



Together, the preferred treatment of the landed elite, the conglomeration of mega corporations, and the enormous interest payments to investors provides a darker image of the PT party as a party for the elite and not for the poor as it once started. What explains this shift in interests and how did the MST respond?

### **Presidential Cohesion Amidst Social Movement Challenges**

The PT's shift in policy to benefit multinationals and other large institutions had many factors. First, the political economy worked in Lula's favor as commodity prices saw an increase during his first administration. This global development, however, reinforced the agrarian elite's historic political influence over relevant state institutions such as the Ministry of Agriculture. Furthermore, given Brazil's "open party policy" the PT party needed to consolidate majority support from a variety of political parties including those that favored agribusiness. Beyond the National Congress the Workers' Party needed to look for a number of allies in a number of political institutions including: the National Congress, the State Assemblies, Judiciary, Public Ministry, and the Union's Court of Accounts, along with numerous civil society organizations, and the corporate news media. The vested interests of the moneyed elite required the once grassroots PT party to make friends through a number of concessions and payoffs typical of a clientelistic system. But, the PT government attempted to balance these concessions through social and other policies.

Through its social policies, Lula and Dilma's administrations tried to convince the MST of its commitment to leftist policies. First, a number of local and state level PT officials refused to prosecute the MST for trespassing and seizing private land, which

demonstrated a degree of sympathy to their cause (Carter 2015, 419). Finally, as mentioned previously, the PT increased state funding to welfare programs, foster economic opportunities, and improve the living conditions of many of family farmers. These policies though beneficial in the short term circumvent the social inequalities of Brazil and categorize a third disappointment for agrarian reform. In 1964, the military coup against João Goulart who was seen by many as the leftist president prior to Lula's election remained a bitter disappointment to land activists. Another attempt at land reform in 1985 was produced nothing as President José Sarney abandoned the issue when he faced considerable conservative opposition. Yet, the PT party had no major reason to avoid land redistribution and instead caused a series of mobilizations from their own base.

By 2008, the MST entered a stage of resistance and entrenchment against the state characterized by a decreased desire to influence state policies through public activism. Carter (2015) writes, "During the second period (2008-2012), the number of land occupations carried out by all land groups in Brazil fell by half (1,428 land take overs) while the number of people involved in these actions decline by 65% (to 140,270 families)" (421). Meanwhile, the number of demonstrations has remained roughly the same, which could suggest a shift in protest tactics, to a greater reliance on marches, sit-ins, and blockades. The decline in land occupations may indicate the impact of social programs such as *Bolsa Familia*, greater employment prospects, higher minimum wage, and expanded social security coverage which diminished the number of new recruits for the MST's landless camps. The MST's actions can support what De Castro et al. (2014) call *apoio crítico* (critical support) from earlier in the chapter.

The combination of critique and support for the MST represents a precarious position in Brazil's political environment. On the one hand, the MST has actively denounced the neoliberal deals of the Rousseff administration. Between 2008 and 2012, the MST took part in 2,712 protest actions throughout Brazil, which constitutes 56% of all such events. Yet, many movement leaders found it difficult and indeed too high of a cost to remove a popular president like Lula whose administration did not view them as a "national threat." On the contrary, the MST aligned themselves with Lula while criticizing his neoliberal measures. The MST were much more interested in keeping an ally than returning to the era where they were labeled as "criminals" by Fernando Henrique Cardoso and the conservatives of the Party of Brazilian Social Democracy. Regardless, recent challenges have tested the strength of Rousseff's governing coalition.

To characterize the MST as a simple rural movement, which desires land reform or a change to agrarian practices, simplifies the group's role in Brazilian democracy. The MST's unconventional land seizures reflect a failure of traditional political channels to provide popular representation to marginalized groups. For lack of comprehensive agrarian reform, many peasant groups have pressured the Rousseff government to provide relief. Therefore, the MST's radicalism must be seen as a reaction to an ineffective system rather than a threat to democracy. Given the number of land takeovers and other mobilizations have made coalitional partners reconsider their position with the Rousseff coalition. With the 2018 elections just three years away, parties must evaluate the costs and benefits of remaining with an unpopular president.

## **Coalitional Partners: Friends till the End?**

Many interviews have indicated a fundamental shift in the position of many political parties in the Rousseff coalition. For instance, political Rafael Moreira who studies the Brazilian Democratic Movement Party (PMDB) states:

The PMDB historically makes this kind of movement. They entered the Lula government when he was on the rise, with popular support and international recognition. Now begins the move and the approach leading the opposition to the 2018 election. I do not know if the party will leave government soon, they still have three years until the election. They also have the power of the ministries with billionaire budgets (BBC News Brasil).<sup>9</sup>

On November 17, 2015 the PMDB, the PT's historic ally under Lula and Rousseff, reunited for Ulysses Guimarães Foundation to strategize the next moves of the party. As of 2014, the PMDB controls 18 senators compared to the PT's 12 senators while the PT holds 70 deputies compared to the PMDB's 66 deputies in the chamber. To a certain extent, the PMDB holds a certain amount of power over the Rousseff government. Given Rousseff's unpopularity in recent polls and enduring criticism due to the Petrobras scandal many coalition party leaders may seek to undermine the Rousseff administration. Kellam (2007) argues however that the PMDB has not been a party known for presidential aspirations. Indeed, she holds:

Rather than an ideological or programmatic reputation, the PMDB is known for its pragmatism-and opportunism. In Brazil's highly fragmented party system, the PMDB has frequently been the largest party in congress, holding about one quarter of the seats in the lower chamber, on average, since the return to democracy. Although the party has never elected one of its own to presidency, the party still enjoys the pleasures of power by negotiating its support for whoever currently occupies the presidential palace. It has done so with every government since the return to democracy (3).

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<sup>9</sup> "O PMDB historicamente faz esse tipo de movimento. Estrou no governo Lula quando estava em ascensão, com respaldo popular e projeção internacional. Agora começa a ser movimentar e se aproximar de oposição de olho de 2018. Mas não sei se deixaria o governo tão cedo, ainda tem três anos (até a eleição). Tem ministérios de peso, com orçamentos bilionários. Isso o deixa em evidência, mas não tão em evidência como o cargo de presidente da República( alvo das principais críticas)."

Historically, Brazilian presidents hire the PMDB because its support increases presidents' capacities to get approved in the legislature without having to make major policy compromises. Many other parties from both the left and right demand policy concessions while the PMDB offers its votes solely in exchange for government largesse. The PMDB allies itself with the president to secure the federal funds required to satisfy supporters. While representatives of the party, deputies, senators, governors, mayors, share nothing in coming with one another, they all share one common objective: to maximize the amount of government patronage and meet their constituents' demands through government posts and bloated budgets (Kellam 2007, 4). When asked whether or not the PMDB would take a leap forward and put forth a candidate for 2018, former-minister Geddel Vieira Lima stated, "The impeachment of Dilma Rousseff does not depend on us, but with the people. The removal of the PMDB would allow us to build a party that has speech" (BBC News 2015).<sup>10</sup> The political opportunity for the PMDB and their more conservative counterpart the Brazilian Social Democracy Party (PSDB) witness some violent protests throughout Brazil.

Protests dominated Brazil's political scene in 2013, a year of social and political tumult in which parties daces unrest and grappled with how to capitalize. In particular, protesters challenged local political parties and the national leadership as they prepared for the upcoming presidential elections in 2014. Part of the challenge was that the PT had to institutionalize the support of Lula da Silva and move beyond what Amaury de Sousa (2011) calls "the politics of personality." In addition, the growing disenchantment from

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<sup>10</sup> "O impeachment ou não impeachment não depende da gente, mas tem algo que depende. Não é o afastamento da Dilma Rousseff da Presidência da República, mas o afastamento do PMDB dela, para que possamos construir um partido que tenha discurso."

party politics sparked protests when bus fares were raised in the city of Sao Paulo prior to the World Cup.

In the first week of June 2013, a non-party affiliated social movement called the *Movimento Passe Livre* (Free Ride Movement) initiated a series of protests against a bus fare hike in Sao Paulo's public transportation system. The bus fare increase disproportionately affected low-income individuals and those earning minimum wage. Ironically, Brazil was spending enormous amounts of money preparing the infrastructure necessary for the World Cup and the Olympics. Initial estimates predicted that Brazil would spend anywhere from \$6 billion to \$24 billion (Sweet, 2014). Construction of new stadiums and lavish hotels also prompted further protests from residents who were dislocated because of new private investment. Saad-Filho (2013) maintains:

These enormous demands upon the state come in the wake of the decomposition of the traditional working-class and the demoralization and disorganization of the left parties and trade unions, after the transition to democracy, the transition to neoliberalism, and the elections of Lula and Dilma. Their outcome is that, while the middle class is confused, angry, and disorganized, the workers are unhappy, mostly for different reasons, marginalized, and disorganized. This is a recipe for political volatility, and it poses difficult problems for the left.

In response the local police of São Paulo took extraordinary measures against the protesters. In many instances, the police brutalized protesters and journalists alike by attacking them with rubber bullets and imprisoning Brazilians with menial offenses like vandalism. Media coverage which at first portrayed protestors as unruly and disruptive to the local flow of traffic changed drastically when reports came of the brutal police repression. Indeed, by late June over one million people had taken part in the protests throughout various urban centers in Brazil (Saad-Filho 2013 659). Furthermore, the recent protests were distinctive from traditional social bases because they were composed

of students and left-wing activists. Besides advocating for a lower bus fare, the *Movimento Passe Livre* had other demands such as education, public health, and issues of governance (Saad-Filho 2013, 658). The protests spread due to a broader view of the Rousseff administration as corrupt and incompetent particularly in the middle and higher classes. The government's response proved that massive protests, which incorporated several classes, threatened to destabilize the Rousseff presidency.

Traditional political alliances would not subdue and clear partisan calls casted a shadow over the 2014 presidential election. As a result, Sweet (2014) outlines five policy initiatives that hoped to quell protests and win enough votes for the midterm election. They included: 1) a proposal to address increasing inflation, 2) implementation of mechanism for participatory involvement similar to the New Union Movement's local initiatives 3) changes to the penal code which enhanced the penalty for corruption from 2 years to 4 years 4) a set of proposal to restore the health and educational systems. In the short term, Rousseff's administration planned to hire foreign doctors, namely Cuban doctors, to address the lack of medical personnel in underserved areas. In addition, Dilma Rousseff planned to use the royalties from oil production to fund public universities and address the lack of education. However, the most urgent issue proposal was to create an "urban mobility agreement" which in effect earmarked the government's budget for public infrastructure and reduced taxation on diesel to lower the cost of transportation for the people of Brazil.

As her legislative agenda developed, Rousseff sought to negotiate her transportation plan with municipal leaders, which caused an outcry from the PSDB. In particular, Aécio Neves (the PSDB candidate for the 2014 elections) and Sao Paulo's

governor Geraldo Alckimin criticized the allocation of money for public infrastructure. The protests helped spur a restructuring of new party alliances. On the one hand, Mariana Silva who served as environmental minister to Lula da Silva and garnered the third most votes in the 2010 elections failed to receive enough signatures to put her name on the ballot. As a result, she formed a political agreement with the Brazilian Socialist Party (PSB), which united the Socialist Party with the Green Party.

Under the agreement, Mariana Silva would run as vice president while her counterpart, Eduardo Campos ran under the presidential ticket. Unfortunately, Eduardo Campos perished while traveling, which allowed Mariana Silva to run under the presidential ticket and received 20 percent of the popular vote. Aécio Neves, however, bested Silva with 32 percent of the popular vote in the second round. Silva would eventually support Neves as he narrowly lost the election in the second round of voting.

The re-election of Dilma Rousseff in 2014 has demonstrated the resilience of the governing coalition, but consistent lower polling has attracted many coalitional partners to distance themselves from the president in the hopes of competing for the presidency in 2018. On a macro level, social movements have demonstrated the power of popular protest and popular demand. Nevertheless, leftist social movements cautiously tread the line between supporting and criticizing the governing Workers' Party. Eduardo Cunha's recent announcement to begin impeachment proceedings against President Rousseff has raised questions about the condition of the PT's governing coalition. As Dilma Rousseff wrestles with a lagging economy and a new series of corruption scandals and restructuring of her cabinet, the impeachment process may hamper any support at austerity measures. A two-thirds majority in the lower house could avoid an



impeachment process all together, but a short time table prior to Congress's winter recess may postpone the vote until 2016.

Many PT party members have begun to appeal to Brazil's Supreme Court to allow an injunction that would stop the impeachment process. On December 2, 2015 President Rousseff appeared on national television and defended herself against Eduardo Cunha, emphasizing the lack of testimony in the allegation. To the contrary, Mr. Cunha has several allegations of illicit enrichment and foreign bank accounts as assumed in ISTOÉ's magazine cover (Image 1 below).

Whatever the case, the impeachment comes at a time where the lack of economic growth has allowed political opponents to attack a vulnerable Rousseff.

**Image 1:  
The Saboteur of the Republic**



Whatever the case, the impeachment comes at a time where the lack of economic growth has allowed political opponents to attack a vulnerable Rousseff. The magazine cover alleges, in order to maintain a PMDB-PT government alliance, the speaker asks for more power and money at the cost of dismantling Dilma's base and hindering progress in the country. Most importantly, it may indicate what Kellam (2007) describes as one of the deficits in a traditional long-term alliance. Traditionally, the PMDB has maintained alliances with parties in power by securing a significant amount of the seats in both chambers of Congress. Given the low popularity of the government the PMDB might see an opportunity to distance their party from an unpopular administration. While the PMDB might have served as a reliable coalitional partner in the past, currently the cost of working with the party might strain relations between both parties. Indeed, many PT party leaders plan to encourage Lula da Silva to run once more in 2018 (Romero, 2014). As Dilma Rousseff wrestles with a lagging economy and a new series of corruption scandals and restructuring of her cabinet, the party needs a familiar face that everyone can gather around and knows can maintain a coalition.

## **Conclusion**

Political scientists have long analyzed the various factors that contribute to coalitional stability in Brazil. Yet, many scholars have not studied the impact of social movements on coalitional stability. In this chapter, I have argued that when governments experience extraneous shocks on governing coalitions, like the Landless Workers' Movement (MST) actively protest the agendas of the Workers' Party (PT), coalitional partners reevaluate their position with the President.

Part of the reason, has to do with strong presidents who control the majority of government resources and play the role of broker between the parties. The theoretical framework presented in this chapter suggests that open party systems create a bottleneck effect for parties. The controlling party must create coalitions in order to pass legislation at the federal level. In this case, the Workers' Party must negotiate with various parties like the PMDB to maintain its coalitional stability. I have offered the transition between the Lula and Rousseff presidencies to highlight how social movements and coalitional partners view both presidents from the same party.

On the one hand, Lula da Silva enjoyed considerable success in balancing the transition of the Workers' Party from a historical grassroots movement to an established political party. Lula orchestrated a transition of party supporters from the mostly middle class to the poor and the economically powerful. Social initiatives *Bolsa Familia* allowed for many impoverished sectors of Brazil to achieve the middle class. Yet, social movements like the MST continue to demand land reform from both leftist presidents and have received nothing.

A parallel and historical analysis of the PT and MST reveal the similarities and the continuous sympathetic relationship between both groups at the local level. At the national level, both the MST and the PT continue to distrust each other due to a lack of land reform. Most of the tension aligns with Lula's decision to foster a relationship between the PT and major industries such as agriculture. The relationship has allowed the former president to strike a balance between grassroots social classes and the traditional landed elite who maintain a strong foothold in national politics. Rousseff's push towards

a more neoliberal government given a sluggish economy has galvanized the traditional supporters of the PT in 2013.

Social unrest and protests throughout Brazil convinced Dilma Rousseff of the need to address the base and created an opportunity for coalitional partners and opponents to support or attack the president. Protests of this magnitude, at least from a qualitative perspective, impact the way supporters and opponents of President Rousseff view her administration. Similar sentiments can be found around South America, where leftist political bastions are falling or under intense pressure from popular protests and/or the ballot box.

In Venezuela, the United Socialist Party received a heavy blow when voters ousted Chavista loyalists who have served the party for the past 17 years. In Argentina, President Mauricio Macri was voted into office after a surprising win against President Kirchner's hand picked successor ending 12 years of Peronist rule. In Ecuador, protestors have taken to address the cutback in social programs in the Correa administration due to falling oil revenue. In all four cases, leftist governments have felt the impact of a globalized market, which has necessitated a rollback on social programs, which have defined these leftist governments. In most instances, social movements have been a mechanism, which has pressured governing coalitions to either stand with or against the ruling party. Yet, in most instances it remains unclear who decides whether or not to break off a coalition? How do coalitional partners maintain party discipline within their own ranks? A quantitative analysis on social movements and their impact on the internal structure of Brazil's national government can offer more evidence to this ongoing relationship.

**CHAPTER TWO:  
La Madre de Chile?:  
Bachelet's Entanglement with Concertación, Neoliberalism, and Education**

On January 15, 2006, Socialist candidate Michelle Bachelet was elected president of Chile. Bachelet's election had enormous political and cultural implications for the Chilean people, especially women. On a symbolic level, Bachelet's presidency also signified a shift from the post-Pinochet authoritarian regime into a "citizen's government" (Traverso, Moreno, and Drouillas, 85). As a young woman, Bachelet saw the death of her father under the Pinochet regime and was tortured along with her mother and was exiled to East Germany, the Soviet Union, and then Australia until her return in 1979. When she returned, Bachelet was a divorced mother of three and a pediatrician who was blacklisted by the Pinochet regime forcing her to work for a small clinic. It was not until 2000 when President Ricardo Lagos appointed her Minister of Health and then Minister of Defense in 2002 that Michelle Bachelet became widely known in politics. It was then no surprise when *Concertación de Partidos por la Democracia* (Concertación) named Bachelet their candidate in 2005.

As she made her way throughout Chile, the future president highlighted women's concerns promising more services for domestic abuse victims, free child care, and a cabinet with gender parity (Ross, 2006). She kept her promise when in January 30th, Bachelet announced the first cabinet with 50-50-gender parity (Ross, 2006). Many analysts were concerned on the number of newcomers who were chosen to represent Bachelet's cabinet. However, Bachelet refused to play the "gender card" during the campaign because as Jennifer Ross states, "Chilean women tend to be more conservative

and they don't vote for women (728). While Bachelet refrained from using her gender, her proposed policies reflected many of the progressive ideas that voters wanted.

Yet, Michelle Bachelet continues to increase her approval ratings as she faces stunted economic growth and high-profile corruption scandals. But even more so her decision to dissolve Concertación and for Nueva Mayoría raises the question: To what degree does Bachelet's decision to create a new coalition impact her political maneuverability in times of crisis? This chapter argues that Michelle Bachelet succeeded in maintaining old political partners while inviting new political partners to form a broader coalition. The decision to create a new coalition was influenced by the historic and economic impact of Concertación and neoliberalism on education in Chile.

The first part of the chapter provides a historical and political overview of Concertación including party affiliates, the political process in Chile, and the influence of the Ricardo Lagos's administration. Second, I will focus on neoliberalism in Chile and neoliberalism's impact in the realm of education. I will analyze the Organic Constitutional Education Law, a law that was passed during Pinochet's regime, and subsequently still impacts education today. Finally, I will look into the new social conflicts under Bachelet including the "Penguin Revolution" and Bachelet's subsequent decision to dissolve Concertación for Nueva Mayoría at the start of her second administration. To what degree did Bachelet's decision to form a new coalition affect her credibility with Chileans on education? An analysis of the new coalition reveals the role of the Communist Party in social movement activism, which challenged the presidencies of Ricardo Lagos and Michelle Bachelet. However, Concertación's founding reveals crucial characteristics, which played a role in Bachelet's first administration.

## **Concertación and Pinochet: The 1988 Compromise and the Binomial System**

Political coalitions hold many benefits for candidates who can obtain association, but it can have drawbacks as well<sup>11</sup>. The Concertación de Partidos por la Democracia (Concertación) formed as a direct result of underground organizing by previous parties that once supported Salvador Allende. These parties included: the Communist Party, sections of the Socialist Party, and fragmented sectors of the Christian left- and the radical Revolutionary Left Movement (Movimiento Izquierda Revolucionario-MIR). These parties gained momentum as the political backdrop shifted in Chile beginning in 1974.

As student movements and social organization like Families of the Disappeared, which included members of the arpillera movement, rallied against the initial disappearances by the Pinochet regime, they were met with ruthless repression. According Fernandez and Vera (2012), "The repression included the extrajudicial execution of more than 2,000, the torture of almost 30,000 and the still unsolved disappearance of over 1,000" (7). While most of the repression was felt in large urban centers like Santiago, shantytowns were more likely to be targeted given their concentration of organized workers, intellectuals, artists, and university students who supported Allende.

Months of protests particularly in Santiago grabbed the international community's attention and sparked condemnation over the atrocities committed. In 1988, Chile held a

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<sup>11</sup> A breakdown of the Chilean legislature is as follows: Under the 1980 constitution, Chile retains a bicameral legislature composed of the Chamber of Deputies and the Senate. The Chamber of Deputies consists of 120 members, two for each of the sixty congressional districts. All deputies serve for four years on the same election cycle. The Senate consists of 38 members who serve 8-year terms with half of the body coming up for election every four years. Prior to 2006, 9 Senators were appointed into the Senate as part of the compromise with the Pinochet regime. Augusto Pinochet and Eduardo Frei at one point were appointed senators for life until Pinochet resigned and Frei was kicked out in the 2005 reforms.

national plebiscite to determine whether Augusto Pinochet would remain in power for another eight years.<sup>12</sup> Continued resistance from social movements supported the "No" campaign, that voted Pinochet out of power. On the other hand, leaders of the political parties who were sent underground negotiated the departure of the military and the replacement of Pinochet with a civilian president.

The emerging democratic platform saw the union of leftist and moderate parties into Concertación, and right and extreme right parties organized, into the National Renewal Party and the Democratic Independent Union, called the Alliance for Chile, or Alianza (Fernández, 8). One major difference in the structure of these coalitions was that extreme right parties like the Communist Party which had formed part of the Allende's Unidad Popular (UP) was rejected by the Pinochet regime. As a result, from 1990-2013 the Communist Party found itself marginalized in electoral politics although strong social demonstrations often mitigated the lack of institutional power.

The electoral agreement that was created between Concertación and Alianza produced a system of two-representative districts in which the two majority-voting blocs (Siavelis 2005) received the same congressional seats even if they had the same voting counts. Siavelis and Valenzuela (2005) have hypothesized that the compromised electoral system was designed to overrepresent conservative forces in Chile to compensate for Pinochet's defeat. The narrow civic space created by the left-leaning Concertación and

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<sup>12</sup> According to Robert Barros (2001), "Scholars have generally read the 1980 constitution from the perspective of the standard account of the regime as a personalist dictatorship, because, in the short run, the constitution appeared to do nothing but prolong Pinochet's hold on power. Although the main body of the text structured an essentially republican, albeit controversial, representative regime, a set of Transitory Dispositions (TDs) appended at the end of the document suspended much of this framework, reinstated the status quo of dictatorship, constitutionalized the structure of the junta, and prolonged military rule for one eight-year presidential term." In many ways Pinochet's new 1980 constitution constituted the neoliberal frameworks of other spheres of society such as education. I will talk about the impact of the constitution when I introduce the "Penguin Revolution."



the right-leaning Alianza have made it difficult for outside candidates to emerge (Fernández, 9-10). In fact, the 1999 Chilean election gathered 95 percent of the popular vote, very similar to the 2005 Presidential elections (Fernández, 10). The heavy reliance of political coalitions to win the Presidency comes at a cost of candidate selection power in these two groups. Nevertheless, *Concertación* was a crucial mechanism in electing presidents from its party members.

Concertación used its name recognition as the coalition that defeated Pinochet to put forward Patricio Alwyin for the presidency and a list of candidates for congressional seats. However, the binominal electoral system prevented Concertación from gaining the majority in Congress even though the coalition would win popular support. As members of Concertación negotiated the democratic transition from the military, they tried to limit the number of parties that could participate while simultaneously overrepresent conservative parties.<sup>13</sup>

One of the most important aspects of this binomial system is that it encourages parties to form coalitions. Siavelis (2005) argues that the condition to create and maintain a coalition will be highest if the following conditions are met: 1) Candidate selection is facilitated by relative equality in support of electoral sub-pacts within the coalitions; 2) A likely presidential victory provides governments with the ability to compensate coalition members who lose competitive races; and 3) Elections are concurrent (57). On the first condition, candidates from parties strive to create coalitions because the competitive dynamic of Chilean political system creates a high threshold for representation. Siavelis

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<sup>13</sup> The binomial system works as follows: " Each coalition or party presents two seat lists of candidates. To win both seats in a district, the first place list must double the vote total of the second place list. So, if the top polling list double the vote shares of second place list it garners two seats. If it does not, each of the top-polling lists wins one seat. After determining, whether a list wins one or two seats, seats are allocated to individual candidates based on their vote shares" (Siavelis 2005, 58-59).

states that no single party ever receives more than 25 percent of the vote. Parties outside of the coalitions, like the Communist Party, fail to win representatives in Congress. The second condition, similar to the case of the Worker's Party in Brazil, provides a compensatory method for coalition members to gain access to the government. Finally, the third condition as it relates to the presidency ensures that party members of a particular coalition provide strong candidates.

The focus on coalitions overshadows the role of individuals in setting the stage for new candidates to emerge. The perceived fairness in outcomes of candidate selection processes has been central to the maintenance of the *Concertación*. Given the lack of a majority party and the continued existence of an ingrained multi-party system, in order to effectively compete within a system characterized by strong thresholds and small magnitudes, parties must form pre-electoral lists.

One of the results of these lists is that parties must pair up candidates with partners who differ in their ideology to have a good shot at winning both congressional districts. For example, the pairing of Socialist Ricardo Lagos with Christian Democrat Andrés Zaldívar in the Seventh Senate district in 1989 proved to be a disaster (Siavelis 2005, 70). Ricardo Lagos garnered 30.6 percent of the vote and Zaldívar tallied 31.3 percent; however, according to Siavelis (2005) because their "total list vote (61.9 percent) did not double the total list vote of the right (32.5 percent), the right won one of the two seats in this district, and Lagos was defeated"(70). The binomial system often rewards candidates who take risks in competitive districts because political coalitions compensate their members with ministry positions.

Prior to the election of Michelle Bachelet, Ricardo Lagos governed Chile from 2000 to 2006. Ricardo Lagos was seen as a major leader in the No campaign and a major participant in the Socialist Party. In many respects, as Chile's first Socialist president since Salvador Allende and was instrumental to Bachelet's rise to the presidency.

Under Lagos, Bachelet served as Minister of Health and National Defense and has displayed enormous loyalty to the former president. Izquierdo and Navia (2007) argue that there are several reasons why Bachelet might have benefited from her former employer. First, Under Lagos administration (2000-2006), the Chilean economy expanded on average 4.1% every year while maintaining inflation below 3% (77). Second, despite all the Presidents coming from the same governing coalition, Ricardo Lagos represented the Socialist Party and maintained an active role in reducing poverty and unemployment. These marked differences provided a healthy opinion of the Lago's presidency as one of "progress." On the other hand, scholars criticized Ricardo Lagos for not achieving significant social changes beyond rhetoric and maintaining the neoliberal model developed under Pinochet.

Calvo and Murillo (2014) hold that the programmatic differences in social policy in Chile result from institutional constraints and bureaucratic government (25). In particular, the authors note that several service reforms reduced Chile's national parties from allocating public positions to loyal supporters. Furthermore, quotas require a certain number of representatives from the community to serve on political tickets and government positions. The author's interview with an advisor to President Bachelet reveals that:

[Patronage is a survival strategy that brings [political] bread today and [political] hunger tomorrow. President [Bachelet] in current survey has an honesty index of 91%. there are more people in Chile that think that the president is honest than people that think their grandmother is honest. And that gives you great political benefits, much more than to hire your cousin, nephew, and brother-in-law. If the crooks knew how good a business is to be honest, they would be honest because of how crooked they are (Calvo and Murillo 2014, 25).

The absence of a political machine a party and the presence of a strong state explains the patterns of marginal political targeting in Chile for two reasons:1) Incumbents have more autonomy than machine-party leaders to design political investment strategies, but due to their inability to implement clientelistic monitoring, they are less certain about their investments; and 2) they have less discretionary funds available than incumbents implementing less well-designed/ bureaucratically monitored programs, but they also have access to better quality information for fine-tuning investments of the scarce resources that are available for political targeting.

### **"The Penguin Revolution" and Education Reform: Bachelet and Piñera's Entanglement with Students**

The rule of Augusto Pinochet helped cement an education system reflective of neoliberalism. The central purpose of the neoliberal education model was to transfer fiscal responsibility of public elementary and secondary schools from the national government over to municipal governments. In addition, Pinochet's education reforms also encouraged an expansion of state subsidized private schools. Burton (2012) attributes the "liberalization" of education in Chile to an "incomplete democratic transition" (36). In other words, the changes implemented by the military regime introduced a market-oriented model based on the recommendations of the Washington Consensus and the Chicago Boys. The result of the fundamental shift in education was

the drastic decline in student participation in municipal schools and a drastic increase in private school enrollment.

The military regime's rationale was embedded in an attempt to decrease the foreign debt in the 1980s and ironically sparked a series of protests from the parties that would then constitute Concertación. Another consequence in dealing with the Chilean dictatorship meant that two main goals took precedence over social demands: 1) economic balance and 2) stability in transition. The lack of social political actors beyond the business elite reflected a political culture that valued stability over conflict. The transition reflected a compromise not of leftist parties with the military regime, but a pact of the social elite with the Pinochet government. As a result, the democratization of Chile saw an increase in technocrats and the power of mass medium. However, what was the role of the *Orgánica Constitucional de Enseñanza* (Constitutional Statutory Law of Education) in this development?

One of the main drawbacks of the Pinochet's implementation of neoliberal policies was the lack of citizen participation. *El Bloque Social* (2006) comprised of university and high school students, parents, professors, and education association make this clear in their attempt to bolster a debate on the education of Chileans:

El Bloque ha participado responsablemente en el Consejo Asesor Presidencial convocado por la Presidenta Michelle Bachelet este año 2006, intentando construir e instalar propuestas. No obstante, se considera necesario apostar por la participación ciudadana en el debate educativo, como también por intentar evidenciar las grandes diferencias que nos separan de los sectores que defienden una visión meramente economicista de la educación (2).

The introduction of the piece highlights one of the biggest inequalities of the Chilean education system. By 2010, the number of students attending private universities (305,769) for the first time surpassed those attending public ones (281,528) (Aguayo

Ormeño, 2011). In addition, tuition university fees have increase over 60% in the past 12 years. The end result of such privatization has allowed banks to provide loans to students, which has fueled a student debt bubble. Larrabure and Torchia (2015) state, "Debt loads can be so high, however, that loans can take several years to repay. Indeed, debt loads reached such a level that Chilean students began to migrate to neighboring countries in search of more accessible education" (254). Students often find themselves going to Argentina or Brazil to continue their higher education. However, the problem extends into social classes as well.

The post-secondary system in Chile is highly class-divided. At both the public and state-subsidized schools, working-class students receive a second-rate elementary and second education. As Larrabure and Torchia (2015) point out, "Those who move on to postsecondary studies find themselves in underfunded public universities or in poor-quality private ones in programs that offer highly uncertain opportunities in the labor market (254).

Neoliberal education in Chile has led to growing resistance among secondary and university students who demand that the education system must be based on inclusivity and equality. The first signs of unrest occurred in 2006 when high school students began a series of protests, known as "La Revolución Pingüina"<sup>14</sup> or the Penguin Revolution, which shook institutional actors and the political sphere. The widespread frustration in these students served as challenge to citizen passivity but also highlight the lack of economic opportunities linked to educational advancement. The Organic Educational

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<sup>14</sup> The Penguin Revolution was so called because student uniforms made them look like penguins (Ruiz 2012, 75).

Law became a political burden for the Bachelet administration and pointed the blame to the Constitution.

The revolution, beyond addressing educational concerns, served as a mechanism to speak out for other social ills. Ruiz (2012, 75) synthesizes three aspects of the movement, which illustrated other problems in society. First, the character of the movement reflected innovative tactics, surprising strength, unprecedented social scale, and indifference to known political identities. Second, the student movement received widespread support not among the popular sectors but also the middle sectors in particular the Chilean middle class. Finally, the existing education model imposed barriers to social mobility, calling into question between social advancement and education. In comparison to Brazil, Chile lacks the culture of long term social movement, which characterizes certain political parties like the Worker's Party.

According to Ruiz (2012) the national government attempted to quell the social movement in many ways. Bachelet's government ignored, discredited, stigmatized, criminalized, repressed and then "repented" (a police officer was removed), negotiated, changed ministers, and directly intervened by the president herself (76). In the end, the government did not know how to handle the movement and was criticized for being incompetent. A key aspect of the student movement revolved Bachelet's image as an agent for institutional change.

At the start of her first presidency, Bachelet symbolized change and had high approval ratings to show for it. However, she lost the image of someone against the establishment when she was absorbed into the political machine. The "compromise state" (Ruiz 2012, 73) as Chile became known opened a gap between democratic institutions

and formal politics and the regulation of grassroots social relations. Before the social movement began, years of economic reforms under neoliberalism hindered many of the traditional social mechanisms such as labor unions and state-owned enterprises.

A culture of silence permeated not only in Chilean social relations, a reminder of the disappearances under Pinochet, but in the political sphere. Martínez and Tironi (1985) hold that two key actors in previous periods were no longer a part of the political arena: the waged bureaucratic middle and the working classes gave rise to a new social map. Deindustrialization in the neoliberal era not only shrunk the size of the old working class, but also made working conditions flexible to eliminating political problems. The student movement filled the gaps, which caused the government to negotiate a new set of educational reforms and propose changes to the Chilean Constitution.

### **Dealing with Dissent: Bachelet and La Nueva Mayoría**

Despite the widespread popularity of Michelle Bachelet (2006-2010) the leftist governing coalition lost Chile's presidential election in 2010. Concertación's main candidate, Eduardo Frei Ruiz-Tagle of the Christian Democratic Party and former Chilean President (1994-2000) lost to Sebastián Piñera from the National Renewal Party (RN). Quiroga hypothesizes (2012) that the governing coalitions lost for three reasons: 1) The candidate selection process through the primaries excluded qualified candidates which reflected the erosion of the coalition; 2) The right candidate captured key Concertación constituencies: the middle class and sections of the poor and working class; 3) The right reduced the number of voters who entered "split tickets."<sup>15</sup> Out of the three

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<sup>15</sup> Taagepera and Grofman (as quoted in Quiroga 2012, p104) define "split-ticket voting" as "voting for the presidential candidate from party A and for a candidate for deputy from party B. The difference in votes



explanations, the split ticket hypothesis plays an important role in determining voter confidence in elected representatives on a national level.

Mainwaring (2009) argues that "split tickets" often reflect a voter's loyalty to a particular party. In Chile which has an institutionalized electoral system and concurrent elections for the presidency low rates of "split tickets" demonstrate a voter's consistent approval of both the local deputy and the coalition's selection for the presidency. On the one hand Quiroga explains that the right consolidated support around the Coalition for Change by enlisting candidates whose ideologies were close to or matched the personality of Sebastián Piñera (2012, 103). On the other, the split ticket revealed the left's inability to create a cohesive ballot, which reflected the instability and conflict within the coalition at hosting a closed primary.

The protests revolving around social inequality and education funding through "The Penguin Revolution" highlights a lack of support on the leftist portions of the electorate. For example, Camila Vallejo, president of the University of Chile Student Federation (FECH) and a Communist Party (PCCh) member, criticized the neoliberal structure of education by denouncing transnational corporations who prohibit the Chilean government from gaining additional revenue through its natural resources (Larrabure and Torchia 2015, 256). Vallejo's denouncement of both the Bachelet and Piñera government articulates the notion that grassroots leftist parties were never co-opted by either coalition thus diminishing the number of potential supporters particularly in education.

One of the key features of the student movement highlights social movement disdain for institutionalized politics, which contributed to the Concertación's defeat.

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between the presidential candidate from party A and a candidate for deputy also from party A corresponds to the split-ticket rate."

During the Chilean student mobilizations, students occupied the party offices for the right wing and Socialist parties and debated certain issues through assemblies and not representatives (Larrabure and Torchia 2015, 258). The emphasis on direct democracy rather than government mediators kept students from cooptation. However, the political potential of the students interested both sides of the political spectrum since the movement began in 2006.

When the Concertación lost in 2010, the coalition members not only dissolved the agreement amongst its members but it tried to reconfigure the association of parties by including more grassroots movement. Bachelet capitalized during Piñera's administration to create a new coalition, which included traditional power holders but became more receptive to the needs of the far left. Bachelet's political reconfiguration of former and new members into The New Majority created an opportunity for the left to capture the presidency and address the demands of its newest members..

The New Majority, *La Nueva Mayoría*, refers to the governing alliance of center-left parties, which is built around the former Concertation of Parties for Democracy, which held power prior to losing the presidency to Sebastián Piñera in 2009. The new members of the governing coalition include: the Communist Party of Chile (PCCh), the Broad Social Movement (MAS), and the Citizen Left (IC)- are all positioned to the left of Bachelet's Socialist Party and the Christian Democrats which constitute the two largest parties in the political bloc. Beyond a superficial change, the coalition represents the recognition of Chilean elites that it needs to bring into government parts of the leadership of the student movement in order to ensure governability. While the incorporation of

student leaders like Camila Vallejo<sup>16</sup> and Camilo Ballesteros ignited fierce criticism when they joined Bachelet's coalition, the benefits of eliminating cross-class manifestations meant a victory for the traditional elite. In fact, Bachelet's reelection to the presidency confirmed the success of the coalition when she received 62 percent of the vote, compared to 38 percent for her opponent, Evelyn Matthei (Romero and Bonnefoy 2013). From the congressional perspective, the New Majority controlled 68 seats in the 120-seat lower house and 21 seats in the 38-seat Senate, which constitutes a Parliamentary majority.<sup>17</sup> Although the New Majority's majority does not constitute a "supermajority" (a supermajority would have allowed the coalition to pass legislation without opposition) the majority does signal great political opportunities. With new allies, Bachelet hoped to introduce key legislative reforms in the areas of education, corruption, and constitutional amendments.

At the onset of her presidential victory, Michelle Bachelet proposed an ambitious political agenda including education, tax and electoral reforms. As a part of her education agenda, Michelle Bachelet outlines key areas in education where her administration

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<sup>16</sup> In fact, a few members of the Communist Party or its local affiliates opted for seats in Chile's legislature in the 2013 national elections. As Gligorevic (2013) states "Camila Vallejo, the Communist Party member and daughter of two fellow Chilean Communists who constituted parts of the Chilean resistance against Pinochet, was voted into the Chamber of Deputies as a representative for La Florida, a district in the southeastern Chile. Karla Cariola, who also worked with Vallejo in the Communist Youth in Chile and who was the head of the organization prior to the elections, also earned a seat, representing the northern Santiago suburb of Recoleta. Guillermo Teillier, President of the Communist Party of Chile, was re-elected to his post in the Chamber as the representative of several small districts in south central Greater Santiago. The other 3 Communist Party Deputies hail from Tarapacá, Coquimbo and Atacama Regions in the far northern Chile."

<sup>17</sup> The political landscape of the Chile's Congress (as of 2013) is as follows: Chamber of Deputies: 67 New Majority (21 Christian Democratic, 16 Socialist, 15 Party for Democracy, 6 Communist, 6 Social Democratic Radical, 1 Citizen Left, 2 New Majority's Independents); 47 Chile Vamos (29 Independent Democratic Reunion, 15 National Renewal, 1 Political Evolution, and 2) Chile Vamos' Independents); There are 3 non-coalition Independents, 1 Amplitude, and 1 Liberal representative. Senate: 21 New Majority (7 Christian Democratic, 6 Socialist, 6 Party for Democracy, 1 Broad Social Movement, and 1 New Majority's Independent); 14 Chile Vamos (7 Independent Democratic Reunion, 6 National Renewal, and 1 Chile Vamos Independent); There are 1 non-coalition Independent, 1 Amplitude, and 1 Patagonian Regional Democracy representatives.

would want to provide equal educational opportunity for Chileans. Bachelet begins by stating:

La sociedad chilena enfrenta variados y significativos desafíos para convertirse en una sociedad verdaderamente desarrollado, que supere profundas desigualdades. El desafío primordial es la Educación. Además de aquellos elementos asociados directamente a ganancias en productividad y equidad, un acceso igualitario a educación de calidad ayuda a configurar una sociedad con más oportunidades, más justa, que empodera a la ciudadanía en su quehacer cotidiano (Programa del Gobierno 2013, 16).

Bachelet's educational reforms focus on reaching equitable levels of educational attainment for all Chileans. The pillars of her educational program include: quality of education, segregation and inclusion, universal education, and an end to market based educational attainment. First, Bachelet maintains that in order to have a good quality education the Chilean government must ensure fiscal resources for each school (Programa del Gobierno 2013,16)<sup>18</sup>. Second, the president proposes a more integrative system, which socially and culturally integrates Chilean society to achieve a universal societal objective not only an educational one. Third, Bachelet advocates for a universal education system, which offers all Chilean students an opportunity for a quality education regardless of income. Finally, rather than end the market based education system that Pinochet imposed, Bachelet compromises and offers a mixed education system which increases the role of the state. While Bachelet's education proposals reflect many student's demands in The Penguin Revolution and other movements, there still exist political obstacles to implementing these reforms.

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<sup>18</sup> The plan proposes the following, "Todos los establecimientos educacionales deberán ser de excelencia. Para esto debe entregarse las herramientas y recursos necesarios para mejorar la calidad y asegurar una efectiva fiscalización, como el debido apoyo y acompañamiento. Esto requiere que la profesión docente esté dentro de la más valoradas socialmente y de la más exigentes, así como también entregar el espacio y las herramientas necesarias para que los profesores, directivos y asistentes de le educación puedan desarrollar su labor."

In 2015, Bachelet's administration passed numerous educational bills, which sought to increase educational opportunity for Chile's students. On May 21, 2015, President Bachelet guaranteed free, complete and effective higher education, without grants or loans, to many of the most vulnerable students enrolled in public universities (Abad 2015). However, the proposal does not cover students who attend private and autonomous universities. In addition to providing inadequate coverage, the right criticizes that many of the educational reforms involve banning profits, tuition fees, and selective admissions in privately owned primary and secondary schools that receive state subsidies.

Another critique comes from the same students who now form part of her political coalition. Although Bachelet's education proposal covers a wide range of areas, students who formed part of earlier social movements claim that she is not doing enough. According to the Council of Hemispheric Affairs, the students "want Bachelet to guarantee that economic status will not influence the quality of a person's education by increasing state subsidies for scholarships and ending the country's school voucher system"(O'Neill 2014). In fact, Bachelet's educational reforms have drawn massive criticism from members of the Chilean middle class. Professor and Chair of Political Science at Vassar College, Katherine Hite, explains Bachelet's predicament:

During her campaign, Bachelet had promised to make good on major reforms to create a more level social playing field, especially in education. The response from the right opposition was immediate. Politics degenerated into hostile, ideologically charged exchanges. The opposition claimed that the proposed tax reforms would devastate a weakening economy, and that free education and open admissions were unworkable as well as unwise. Chile's right leaning major media fueled anti-reform flames. The government's plan for educational reform proved confusing. Both politicians and much of the public were alarmed by a possible end to the state subsidization of private K-12 schools, attended by most middle-class children. The Bachelet administration proposed free education for all children and open admissions, which many interpreted as a threat to the better performing schools rather than a boost to struggling ones.

While the right wing parties of Chile's government do not have the political capital to impede the New Majority's agenda, they can instigate the fears of the entrenched middle class. Indeed, one of the drawbacks of a heavily institutionalized government reflects a certain political distance of Chilean lawmakers to the Chilean people. Ricardo Camargo (2012, 23) holds that the technocratization of Chile's democracy obscures any cause and effect association with an unjust socioeconomic structure. The political distance discredits any political proposal, which seeks to undermine the old established order, created by Pinochet's regime. In an interview with Camargo, Enrique Correa, a former participant of the Popular Unity Party Movement and informal adviser to the Bachelet government, stated:

We have an important level of investment in education, you know what I mean? but we do not see improvement in the quality of education proportional to the increase in expenditure. I believe there needs to be a serious discussion regarding whether we have actually created a model of growth with equity not because we have not increased expenditure (actually there has been an important increase in social expenditure) but that the efficacy of this expenditure is limited (2012, 24).

In light of Chile's fiscal responsibility to the people, Bachelet articulated a more progressive tax structure. President Bachelet's speech to the Brookings Institution outlined four goals for tax initiatives: 1) To increase the tax burden in order to finance ongoing expenditure with ongoing revenue which would reduce the government's deficit, maintain or increase expenditures in social welfare policies and education; 2) To improve income distribution and tax equity; 3) To introduce new and more efficient ways of encouraging saving and investment; 4) To implement measure to decrease tax evasion and avoidance. Bachelet noted that in most industrialized countries experienced far higher tax rates in earlier years of development. In her rebuttal to her political opponents

emphasized that only tax rates would be changed not the actual structures, which provide stability and confidence to investors. Natural resources play an important role in her national agenda.

Michelle Bachelet's economic proposals stressed the importance of innovation, production, and competitiveness within the Chilean economy. One of the areas improvements reduces Chile's reliance on copper revenues to a more diversified resource portfolio, increased participation of women and youth in the private and public sectors, and equal opportunity for loans and state subsidies for businesses of all sizes. Bachelet seeks to interact with Brazil and Argentina who traditionally have been rivals to Chile, but their participation marks an important step to regional integration.<sup>19</sup> Beyond emphasizing international economic relations, President Bachelet spoke to key reforms to Chile's constitution.

The country's current constitution remains largely unchanged since General Pinochet stepped down from power in the 1980s. The binomial representation system imposed by Pinochet causes an overrepresentation of conservative members of the legislature. By implementing a proportional representation electoral system, Bachelet aims to increase women and indigenous representation in government. In the current system, larger alliances tend to coopt smaller alliances, which quells independent voices from participating in the electorate. With a majority in Congress and the voting reform bill passed in the Chamber of Deputies, the president stands a good chance in making

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<sup>19</sup> Chile Foreign Minister Heraldo Muñoz recently suggested a convergence of the Pacific Alliance, a trading bloc that includes Chile, Mexico, Peru, and Colombia, with Mercosur. The sub-regional trading bloc includes Argentina, Brazil, Paraguay, Uruguay, and Venezuela. In the same speech, Bachelet also alluded to potential Pacific partnerships with Costa Rica and Panama with a broader Pacific Asian partnership via the Trans Pacific Partnership. However, cultural and political barriers like increasing debt in Argentina, political polarization in Venezuela, and a stagnant economy in Brazil forced Chile to rethink the integration of South America.

institutional reform. However, recent polls have indicated that corruption and a staggering economy remain as obstacles to the Bachelet administration.

In recent days, corruption allegations against President Bachelet have shaken the public's confidence in her administration. Guillermo Holzmann (2015), professor at the University of Valparaíso, Chile states:

Chile's democracy faces one of its greatest challenges: demonstrating the institutional capacity to neutralize corruption in any form. First, there is the co-called Penta<sup>20</sup> case, where a group of companies used illegal political financing as a mechanism to avoid taxes. Then comes the so-called Cabal case, which involves the president's son and broad criticism over him obtaining a loan for millions of dollars and where there is an investigation about the use of privileged information for obtaining millions in profits.

According to Holzmann, corruption creates substantive effects in democratic nations in Latin America. First, the decrease in institutional credibility can impact voter turnout<sup>21</sup>, which damages the legitimacy of results in a region haunted by corruption. Second, ideological polarization diminished the capacity of the coalitions to seek compromise. Third, corruption has negative effect on the government's reform plans because the political arena changes and increases social and political distrust among the representatives. Fourth, Bachelet's political capital diminishes because her action's addressing corruption does not meet the public's expectations of a "clean" government. Finally, the judicial system faces the greatest challenge of transparency and independence to prosecute individuals involved in corruption. The recent scandals divert President

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<sup>20</sup> According to the Pascale Bonnefoy (2015), "Pentagate as the local new media has labeled the case, has become a test of the judicial system, which has often been criticized for leniency towards white-collar crime, as well as for the democratic system itself." The case highlights public perception of the collusion between money and politics.

<sup>21</sup> Chile replaced mandatory voting with voluntary voting formally in 2009 but in practice in 2012. All voters over the age of 17 are registered to vote but only those who are 18 and over on Election Day may vote. Although voting has become voluntary, polling officer duties are not if the commission chooses a Chilean citizen for the position. Naturally, the transition to voluntary voting has meant a significant decrease in voter turnout in recent elections.



Bachelet's attention away from her public policy goals and feeds Chilean disillusionment in the political elite.

## **Conclusion**

The election of President Bachelet reflected Chilean desire to create a "citizen's government" or a government which reflected the people and not the political elite. Initial speeches and campaigning made Bachelet casted her as the emblem of a fundamental change in Chile. However, President Bachelet faced many difficulties balancing public pressure and established politicians within her coalition, the Concertación de Partidos por la Democracia. The Concertación's long and successful history in putting up candidates who won the presidency was essential to maintain power in culturally conservative country.

Bachelet's initial attempts to reform the country were met with initial backlash by students in education, copper miners in labor, and transit workers in transportation. However due to strong commodity prices, Chile invested copper revenues into pension plans, social programs, and a stimulus package which allowed the country to manage in the global 2009 economic crisis. As a result of President Bachelet's economic policies, the Chilean public approved of her first administration. Nevertheless, strong political campaigning and low voter turnout allowed the Coalition for Change to capture the presidency in 2009. The failure of the Concertación to demonstrate a strong front was due to many factors.

The Concertación poor showing in the 2009 highlights fundamental weaknesses in the coalition's design. As discussed, the Concertación inability to connect with voters

allowed the Coalition for Change to capture key constituencies, which would have voted for the left leaning alliance. The Chilean middle class, nervous of the student movements and Bachelet's economic policies, threw their support to the right wing establishment. Furthermore, concurrent elections made running the Concertación's candidate under Bachelet's successes all the more difficult.

The rise of Sebastián Piñera caused a rift in the Concertación, which caused Bachelet to dismantle the coalition and create a new coalition, the New Majority. Although the new political body contained many of the same parties there was a crucial difference: the coalition now included members of the Chilean Communist Party (PCCh). The inclusion of the Communist Party was crucial to gaining the support of students and other far left public members because they were the primary instigators of the Penguin Revolution and other social movements during Bachelet and Piñera's administrations. On an institutional level, the inclusion of the Communist Party and many of the social activism highlighted a key generational difference between the older and younger generations. Students were not afraid to protest against the government, an idea unheard of in the older generation who grew up with the Pinochet regime.

When Bachelet took office in March 2014, the president promised to raise taxes on corporations, to reform education, to revise the constitution, and to advance many social issues including the legalization of therapeutic abortion. The common thread to her promises was the belief that the free market approach when applied to social policy created an unequal society. While Bachelet administration managed to pass a tax reform bill that increased the corporate tax rate from 20 percent to 27 percent many other issues such as education were less agreed upon. In addition, Bachelet's plans came to a

screaming hold when Chilean media revealed that Sebastián Dávalos, Bachelet's son, was accused of using his influence to obtain a \$10 million bank loan. Although the president claimed she did not know of the transaction, public faith in her administration diminished. In May 2015, Bachelet asked her entire cabinet to resign with the exception of the Ministers of Defense, Labor, and Justice. The treacherous political landscape in Chile highlights both the successes and failures of President Bachelet's administration. While the president has demonstrated her ability to lead the country, external factors like decreasing commodity prices and corruption scandals inevitably leading the head of state to make key decisions. As Bachelet finishes her term, questions regarding her successor and longevity of the New Majority will test the cohesion of the new coalition.

**CHAPTER THREE:**  
**La Esposa de Nuevo Peronismo:**  
**Cristina Fernandez, Inflation, and the Kirchner Political Machine**

In 2007, Néstor Kirchner refused to run for re-election and instead supported the candidacy of his wife, Cristina Fernández de Kirchner. In the first round of election in October 2007, Christina Fernández won in the first round election with 45.3 percent of the votes over Elisa Carrió, who garnered 23 percent (Vandan and Provost, 443). For the first time in Argentine history, not only had a woman been elected president but the two most voted for candidates were women.

In addition to winning more than three-quarters of Argentina's 23 governorships, the Justicialist Party (PJ) and other pro-Kirchner allies won large majorities in both legislative branches (Levitsky and Murillo, 16). As Aldo Vacs notes, Cristina Fernández announced in her inaugural speech that she would focus on eliminating poverty, promote social welfare, pursue an independent foreign policy and regional integration, women's issues, and defend human rights (Vandan and Provost 443). In fact, Levitsky and Murillo argue, "Kirchner's success, however, was rooted not in her gender but in her status as the candidate of a successful incumbent government" (2007, 17).

The first part of the chapter provides an overview of the events leading up to the election of President Néstor Kirchner and his subsequent administration and policies. In addition, I will begin outlining what many scholars see as a continuation of Peronism in Argentina. Second, I will focus on the political environment in Argentina including: the election process, political coalitions, and democratic mechanisms, which Cristina Fernández will operate under as president. Finally, I will analyze Argentina's enduring economic inflation and the subsequent *cacerolazo* of 2012. Combined with the coalition

literature on Brazil and Chile, Chapter 3 will attempt to answer: To what extent did the economic crises and popular protests impact Cristina Fernández's political coalition under "Kirchnerismo"? Mauricio Macri's most recent victory against Cristina Fernández's handpicked successor, Daniel Scioli, presents a case where a relatively popular regime fails to secure a continued legacy. Macri's electoral win reflects a greater regional trend in South America where voters reject primarily leftist policies which fail to capitalize on their populist social welfare programs and increased nationalism.

### **"Kirchner to Fernandez": Understanding the Peronist Strategy**

Scholars would agree that Néstor Kirchner left office as the most popular outgoing president in modern Argentine history. Support for the former president was rooted in public policies. Within the parameter of an export-led model and conservative fiscal policy, the Kirchner government pursued policies, which garnered broad support. For one, Kirchner's debt renegotiations resulted in the largest debt reduction in history—an outcome that both won public support and eased the fiscal situation. Second, Kirchner encouraged unions' collective bargaining and pushing through a series of minimum wage increases. Kirchner also pushed social-security reform that extended access to unemployed and informal-sector workers, which bringing more than a million new people into the system (Levistky, 17). Investment in public works increased more than fivefold under Kirchner, producing a major expansion in housing and infrastructure, while funding for public education and scientific research increased as well (Levistky, 17).

Other noneconomic policies also garnered support for the Kirchner government particularly among middle class voters. For example, Kirchner reformed the Supreme Court, which was severely stuffed by President Carlos Menem's supporters and was viewed as highly corrupt (Levitsky, 17). Acting on Kirchner's encouragement, the Argentine Congress impeached or forced the resignation of six of the Supreme Court members and replaced them. Kirchner successfully appealed for the annulment of the 1986 Punto Final (set a deadline in which human rights cases needed to take place), 1987 Due Obedience Laws (protected junior officers), and the 1990 pardon of top generals responsible for the Dirty War. While Néstor Kirchner garnered immense popularity from his supporters, he faced many critics.

Although Kirchner's brand of populism created enormous support for his administration, many scholars would critique these reforms as superficial. For instance, Pablo Pozzi (2015) argues that "the achievements' under the Kirchners to have been at best mixed and at worst cosmetic, ranging from erratic foreign policy to massive corruption, the violation of constitutional rights and persecution of opposition figures" (5). For Pozzi, Kirchner's attempt to prosecute military officials during the Dirty War have centered on retired members or officials who do not hold any power. However, Pozzi understates the importance of trying military leaders regardless of whether they hold substantive power at the moment of prosecution.

Prior to Kirchner's prosecution of several junta leaders, many military leaders of authoritarian regimes went unscathed. Argentina's attempt to transition into democracy ran parallel a campaign to seek justice for those harmed by the military regimes. The Kirchner administration's attempt to prosecute offenders came as a strategic attempt to

gain the domestic political support of Argentinians. Acuña and Smulovitz's "insider-coalition category" contextualizes why Néstor Kirchner would go after military officials who had no power. the insider coalition category explains why Kirchner succeeded in alleviating the unemployment crisis in Argentina.

In regards to the economy, national legislators and economists like Claudio Lozano question official statistics and assert that poverty has not improved under the Kirchners (Lozano, 2012). On social issues, the lack of enforcement of same-sex and abortion laws has been lax in Peronist strongholds. Ultimately, Pozzi deems the Kirchner era as a postmodern version of Peronism<sup>22</sup>, which emphasizes progressive rhetoric over substantive progressive action. However, Pozzi overlooks the degree to which the 2001 economic crisis led to the renewal of the labor movement in Argentina.

The resurgence of the union movement was evident in 2001 as many people to the streets and collective bargaining took the form of segmented neocorporatism. Indeed, the election of Néstor Kirchner served as a pedestal for new employment opportunities as President Kirchner sought to take advantage of an improved economy, but two important historical shifts. First, the deindustrialization of Argentina did not involve a shift of production toward sectors that traditionally have not been unionized or were difficult to unionize (Cató and Ventrici 2011, 49). Menem's neoliberal reforms targeted three main industries foodstuffs, transportation, and oil production. Second, the union movement had received important concessions in the 1990s to maintain power, namely centralized

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<sup>22</sup> Scholars often disagree as to what exactly Peronism encompasses as its main tenets. Scholars maintain that the political ideology contains three basic facets: economic independence, social justice, and political sovereignty. These tenets do not necessarily align themselves with either capitalism or communism but seek to find a middle ground between the two ideologies. Peronism readily relies on corporatism and seeks to incorporate various classes of society, particularly the working class and capital industrialists, to form a working relationship. Historically, main supporters of Peronism include the lower and working classes. In addition, opponents of Peronism have denounced the authoritarian tendencies of its supporters and critique the decrease in democratic sustainability through the increase of corruption.

collective bargaining, plant level methods of representation, and social programs for workers (Marshall and Perelman, 2002). The barriers of creating political-organizational processes that promote participation, autonomy, and challenge the politically coercive traditional institutional channels of power have caused a centralization of power in a few unions.

On the one hand, the labor union structure severely limited workers from organizing outside the centralized mechanisms of control and subordination characteristic of labor unions. On the other, the co-optation of the institutional apparatus by power groups that control leadership position and block any emergence of opposition to the official political stance. Centralized unions created an important support mechanism for the Kirchners as they sought to consolidate power. Alternative lines of opposition became crucial to the appeal of Néstor Kirchner in 2002. Alvarez (2015) contends that:

At this point the piquetero groups became a social alternative that would represent the most combative sectors of the working class. Coordinating different groups was key. The government's action served to rupture this unity by granting privileges in exchange for not participating in the mobilization (50).

The election of former governor of Santa Cruz, Néstor Kirchner, to the presidency ushered in a new era of growth and prosperity in Argentina. Kirchner's tenure also laid the foundation for his wife to assume office in 2006 when he backed her presidential bid. The transition from Kirchner to Kirchner-epitomized South America's left turn at the start of the 21st century. However, an analysis of Argentina's political institutions reveals the mechanisms available to Cristina Fernández at the start of her presidency in 2009.



## **The Peronist Political Machine: Clientelism, Coalitions, and Chaos**

The Argentine political system is complex and filled with a number of large parties and unstable coalitions. Argentina is a federal state, composed of 23 provinces. The federal district, the city of Buenos Aires, has the status of province and retains its own regional legislature and executive along with hosting the national government. The President and the Vice President are elected together by the Argentine people by a two-ballot procedure.<sup>23</sup> Three senators represent each province in the National Congress.<sup>24</sup> Senators are elected for six years, and one third of the Senate runs for reelection every 2 years.

In order to ensure that all three senators run for reelection at the same time the 24 districts are divided into three groups of 8 districts each. Every second year, 8 districts hold elections for senators. In order to ensure minority representation in the Senate, each party or alliance registers only two candidates; the party or alliance that obtains the most votes elects both candidates. The first position on the ballot of the ticket that has the second-largest number of votes determines the third senator.<sup>25</sup> On the other hand, the Chamber of Deputies has 258 members, elected for four-year terms. Seats are distributed

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<sup>23</sup> In order for the President and Vice President to win the first ballot one of two must happen: 1) The winning ticket must obtain 45 percent of the votes or 2) the winning ticket must obtain 40 percent of the vote and advantage over the second-place ticket of at least 10 percent of all votes. In all other cases, the two tickets receiving the most votes compete in a runoff election.

<sup>24</sup> A constitutional amendment approved in 1994 raised the number from two to three, with the aim of allowing the third senator to represent the most important minority party or alliance in each district. In recent years, however, the Peronist Party managed to overrepresent its party by using listas collectoras as a mechanism to run several party tickets under a similar ideology. As a result, a complex procedure was introduced to ensure such a result: all three senators representing the same district are elected at the same time; the party that gets the most votes obtains two senate seats; and the third seat is assigned to the party with the second-largest number of votes.

<sup>25</sup> In the 1990s the Argentine legislature passed a gender quota law, which ensured women one third of the legislative seats. Pursuant to this law, one of the two candidates that make up each senatorial ticket must be female. Thus, even if female candidates occupy the second place in all tickets, the second candidate of the ticket receiving the most votes will be one of the three senators selected.

among the provinces in accordance with their respective populations, but each province receives a minimum of five representatives regardless of their population. Each party and alliance registers a list of candidates equal to the number of deputies to be elected that particular year by each district.<sup>26</sup> The Argentine electoral system then allows political parties, like the Justicialista Party (PJ) to maneuver within the parameters set by the Argentine government.

The Justicialista Party (PJ) is one of the best-organized parties in Latin America. It possesses a powerful grassroots organization and a membership in excess of three million (Helmke, 187). The locus of the decision-making process lies outside the party's formal structure. During the presidency of Juan Perón, the founder of the party, decision-making authority was concentrated in the executive (Helmke, 187). During the 1980s and the 1990s, the PJ became a patronage-based party with a few officeholders controlling most of the power. Under President Néstor Kirchner in 2004, when the National Council's mandate expired and the party congress failed to elect a new council, the body was left vacant, leaving without any formal leadership (Helmke, 189). However, as Argentina's only mass party, the PJ possesses a stable electoral base as well as a grassroots organization and activist base that dwarfed those of its rivals.

In many interior provinces, where clientelism is most extensive and Peronist machines are most dominant, Cristina Kirchner's victory was overwhelming (Levitsky, 18). While it may seem that the PJ is formally structured as a European-style mass

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<sup>26</sup> In order for the Chamber of Deputies to comply with the gender quotas law, each group of three candidates must include at least one woman. Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guatemala, Paraguay, Peru, and Uruguay all use the D'Hondt proportional representation system to distribute seats in each district among different parties and alliances. The D'Hondt system slightly favors larger parties and alliances by giving the groups an additional representative if they meet a certain threshold requirement in the overall calculation from the popular vote.

bureaucratic party, in practice, the formal structure is an "empty shell." The most evident example of the "empty shell" phenomenon in Argentine politics revolves around former Vice President, Julio Cobos. Cobos was elected along with President Kirchner in 2007 supported by the Peronist Party, the Front for Victory<sup>27</sup> (*La Frente Para La Victoria*), and the *Concertación Plural de Radicals* all joined the governing coalition. However, by mid-2008 the alliance had broken apart and Cobos became an adversary to President Kirchner until Amado Boudo replaced him in 2011. The power and subsequent rise of Fernandez de Kirchner can be explained by a party mechanism that is fluid, decentralized, organized through patronage, and contains informal rules.

Helmke and Levitsky (2006, 128) articulate the "informal" rules of Argentine politics that determine whom voters will elect.<sup>28</sup> First, the "retrospective socio-tropic rule" states that the growth of the economy increases the likelihood of a incumbent being re-elected. Second, the "retrospective egocentric rule" dictates that if a voter's salary increases their likelihood to vote for the incumbent increases. Third, the "socialization rule" predicts that a voter will vote for the political party of their parents. Fourth, the "spatial rule" compares the "distance" between a party's platform and the voter's ideologies and preferences. Fifth, if a voter's preferred candidate (a candidate who's platform closely aligns or minimizes the "distance" with the voter) stands no possibility of winning, the "strategic rule" determines that a voter will pick the candidate who stands a better chance at keeping the candidate I dislike out of office. Sixth, the "directional rule

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<sup>27</sup> Former President Néstor Kirchner created The Front for Victory as movement to attract non-Peronist voters who sympathized with many of his policies but wanted to maintain their independence from the "Peronist" label.

<sup>28</sup> Helmke and Levitsky state the following regarding the eight informal rules of candidate selection, "Much is at stake for democracies in the informal and grammatical decision-rules that voters adopt. Consider eight rules, each of which has a large political science literature behind it, claiming that it is the rule that voters use (2006, 126)

highlights voter preference for the most extreme statements of the parties. Seventh, the "ethnic rule" predicts people will elect for parties who have the highest number of people from the same ethnic group. Finally, people will choose candidates who promise private goods of the highest value, also known as the "clientelistic rule." The combined rules create the informal institution's environment of predictability and "expected patterned actions" (Helmke and Levitsky (2006, 128). As a result, electoral behaviors which Argentine parties engage in become the expectations for electoral politics in the nation.

*Listas colectoras* provide a perfect example of the decentralized and fluid nature of Argentine politics<sup>29</sup>. The lists reflect multiple candidates who compete for the same regional or local positions (e.g. governorship or mayorship), but contain the same presidential candidate. In 2011, Mauricio Macri<sup>30</sup> won the governorship of Buenos Aires despite the fact that the province supported Cristina Fernández de Kirchner as President. The use of the *listas colectoras*<sup>31</sup> allowed voters to support Kirchner on the national level while supporting Macri at a regional level as well. The lack of a centralized system for political parties to operate causes executives to seek ways to govern. As a result, a concentration of power becomes necessary for the President of Argentina to pass the

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<sup>29</sup> Other "listas" include: 1) Listas Espejo: An identical list which is presented various times through the support of many political parties; 2) Listas Sámana: A system of voting for legislative positions where candidate lists apportion a seat to every member on the list. The voter then chooses the political party and depending on how much of the popular vote the party receives, the candidates become representatives based on the list order. Many people critique the listas sábana because they create closed off candidate lists, so the voter decides based off party platforms or ideologies rather than the individual candidate chosen.

<sup>30</sup> Mauricio Macri represents the Republican Proposal (PRO), which identifies as a center-right political party in Argentina. Initially, Macri created the party as an alliance between smaller conservative parties to form a formidable bloc against the Front for Victory. When the alliance faced several obstacles to winning, Macri and other conservative leaders decided to separate from the coalition and have PRO stand as a political party.

<sup>31</sup> *Listas colectoras* differ from split ticket voting in the U.S due to the large number of political parties in Argentina. In the United States, institutional barriers to entry have effectively blocked other smaller parties from participating in the political arena. On the other hand, Argentina's number of political parties allows voter's to choose from a wider array of parties at the local and regional level while keeping support for the national candidate.

legislation when the governing coalition fails to compromise. Argentina's system of checks and balances keep the President from growing too powerful.

Institutional checks and balances enforce the mechanisms necessary to hold the President accountable. In Argentina, beyond the legislature, the judiciary, and the executive, central banks, auditors general, anticorruption agencies, ombudsmen, and special prosecutors play an important as well. As Guillermo O'Donnell (1994) argues that in delegative democracies like Argentina horizontal accountability is limited due to the "encroachment" of one branch of government on another. Argentina follows a similar trend like Brazil where the quick composition and enactment of policies can constitute a more efficient yet volatile government. For instance, Argentina's president can issue executive documents that have legal force for an extended period of time. Ackerman, Desierto, and Volosin (2011, 257) highlight four executive practices common to Argentina: 1) delegated decrees, 2) legislative declarations of emergency, 3) partial presidential vetoes, and 4) necessity and urgency decrees [*decretos de necesidad y urgencia*]. Under delegated decrees, the legislature can delegate to the President the power to issue decrees with the force of law on specific issues, and the Supreme Court can uphold such delegations. In the second type, if the legislature declares an emergency (economic, social, sanitary, etc.) it usually delegates to the President broad powers to enact proposals, which alleviates the crisis. In recent years, Argentine presidents have used emergency decrees and partial presidential vetoes with respect to funding bills and discretionary spending. On the other hand, these two methods differ from the necessity and urgency decrees (DNU). Ackerman, Desierto, and Volosin acknowledge

Under the Constitution, the President can issue DNUs during a state of emergency, without prior legislative authorization or explicit delegation. Because

the decree can concern matters that normally require legislative approval, the President can use a DNU to encroach on Congress' law making prerogatives (2011, 258).

In 2008, President Cristina Fernández de Kirchner issued her first necessity and urgency decree to increase the federal budget by \$11.6 billion. She justified the increase by stating there was an urgent need which caused major opposition from members of the legislature. In January 2010, President Kirchner forced the chief of the Central Bank to resign by issuing a DNU removing him from office when he refused to comply with another DNU requiring a transfer of funds from the bank to the government to pay for Argentina's debt. However, the other branches of government, the lower courts and the opposition, stopped the president from proceeding.

Although the legal challenges never made their way to the Argentine Supreme Court, the arguments made by the opposition and the Executive reveal the extent to which Argentina's president sought to insulate herself from government oversight. On the one hand, the executive argued that the courts had no jurisdiction to regulate a DNU's factual bases. The courts rebutted by asserting that the judiciary does have a strong role in reviewing the facts and the president's scope to when they can declare an emergency must be limited. Argentina's history does provide evidence that the courts did grant the executive the ability to issue DNUs as noted in the case of *Peralta Luis A. y otro c. Estado Nacional* (1990). As Ackerman, Desierto and Volosin (2011) note:

The Court accepted the constitutionality of the emergency decree, but also established three limits: 1) there has to be a situation of grave social risk that endangers the existence of the Nation and the State; 2) the measure have to be reasonable in terms both of the means chosen by the rule and their goals, and of the proportionality between the measures and the period in which they are in force; 3) the decree has to be recognized by Congress, either expressly or tacitly (261).

Besides horizontal accountability, an active Argentine public provides strong vertical accountability for all parts of local, regional, and national government. As Levitsky and Murillo state, "Argentine democracy is buttressed by a broad societal commitment to civil liberties and an extensive infrastructure of civil society organizations committed to their defense." For example, the political climate in early 2001 saw a mobilization of Argentine workers who blocked roads and highways, burned roofs, and challenged the state's repressive powers.

Social conflict and institutional crisis began in December when the national government decreed a *corralito*, which prohibited the withdrawal of personal savings and limited the availability of wages (Alvarez 2015, 49). Indeed, the fall of de la Rúa represents an instance of backlash against the politics and politicians associated with the failed neoliberal adjustment started by Carlos Menem. The culture of "¡Que se vayan todos, que no se quede ni solo uno!" emphasizes a dissatisfaction with the corrupt political elite. However, the people marching and protesting did not demand a seizure of political power, which characterized Argentine politics during the 1970s and 1980s. Rather, the political protests rejected the existing social structure and representation and created a public space for the renewal of popular power and protest. In fact, the popular protests highlight one characteristic of public politics in Argentina: the people's low tolerance for corruption and ineptitude.

The authoritarian means that populist administrations have used in implementing policies analyzing the systems of checks and balances versus corruption have been lacking. Luigi Manzetti (2014, 192) finds that the more the executive branch concentrates political power and becomes less accountable to institutional checks and balances, the

greater the chance for corruption and misuse of government funds. The author maintains that under Carlos Menem the propensity for corruption to implement free market reforms was evident. Manzetti argues that from 2003 onwards Argentina endorsed strong government regulation, renationalization of strategic companies, and generous welfare transfers (2014, 192). In both instances, the administrations attempted to unilaterally eliminate the institutions of horizontal accountability. Therefore, vertical accountability acts as an alternative method of checking the executive's power. In many instances, however, popular accountability faces setbacks when popular support depends on how well the government provides the projects and infrastructure the public demands.

Despite the various corruption scandals, the Kirchners have enjoyed a high degree of support and public understanding. In many regions of Latin America, the public's tolerance of corruption lessens when commodity export prices boom in the international market. Export taxes allowed both administrations to keep public support by transferring money to cash-strapped provinces, funding various public works and maintaining social welfare programs. Manzetti (2014, 193) cautions however that the Kirchners' political model faces an unsustainable future. Corruption and the lack of the rule of law, discourages foreign investment and creates a political environment of distrust. In fact when federal prosecutor Alberto Nisman died in January 2015, the controversy created rifts between civil society and political institutions as many Argentines accused the Kirchner administration of covering up his untimely death.<sup>32</sup>

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<sup>32</sup> Alberto Nisman devoted his last 10 years investigating the bombing of a Jewish center in Buenos Aires that killed 85 people on July 18, 1994. A few weeks prior to Nisman's death, the Argentine prosecutor openly accused Cristina Kirchner and Foreign Minister Hector Timerman for downplaying the Iranian role in order to ensure a major supply of oil for the nation. At stake for the energy strapped country was a supply of oil in exchange for wheat exports. The controversy demonstrated dividing lines in public opinion.



The president's administration role in the economy remains an important aspect in securing the public's support. Calvo and Murrillo (2012, 158) state, "If Argentina's economic performance declines, voters may also begin attaching more weight to problems —among them corruption, poor governance, and public-sector inefficiency — that had previously eroded the president's popularity." For presidents who seek to control political power accountability play a crucial role in government credibility. In the cases of Bolivia and Venezuela, referendums legitimize institutional support through the public's approval and disapproval. In turn, the executive justifies their increase in power with the promise of keeping the public content through infrastructure and private projects. For many people, the government and labor have been key institutions of accountability.

De la Garza (2008) reopens the substantive discussion of union democracy, unions' representative role, and their legitimacy, adopting a historical approach to the problem. For the author, the dominant model of union structure based on a centralized, delegated, clientelistic representation entered into a crisis when neoliberalism weakened the corporate's status between labor and the state. As a result, contemporary labor unions have found themselves looking for alternative methods of protesting and voicing their satisfaction with the government. Rather, labor unions seek to preserve the status quo and the privileges of their leaders. Labor union leaders discourage activists from joining their ranks for fear that their presence disrupts their unfettered control over positions and perks. Such resistance to outside challenges to power resembles many of the authoritarian tendencies of Argentine government, which impacts the democratic tendencies of

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The opposition's inability to capitalize and create a culture alternative to Kirchnerism remains a point of improvement for conservative forces.

addressing societal concerns. As a result, grassroots mobilization and direct intervention become important to understanding Kirchner's response to such challenges.

### **Dealing with the Economy and Inflation: Cristina's "Popular" Approach to Coalitions**

The downward decline of Argentina's economy in 2011 necessitates a discussion of the post-neoliberal<sup>33</sup> paradigm. Phil Cerny (2014, 359) describes neoliberalism as "a hegemonic paradigm, which maintains dominance in the face of global transition in patterns of trade, investment, production, technology, knowledge and security because of its flexibility and adaptability." Neoliberalism has three main goals when it comes to the role of the state in the marketplace: 1) the government's role must be limited and economic efficiency should be sacrificed for individual freedom; 2) the market place will fix and regulate itself (the laissez faire principle); 3) government's determination to provide the welfare of the nation creates allocation inefficiencies because the state serves the interests of the politically influential groups. In Argentina, the three ideas constitute the framework in which the Kirchners operated under when implementing their redistribution policies.

During the Presidency Cristina Fernández from 2008 onwards a number of underlying issue have manifested into points of contention between her administration and the public. In 2008, there was widespread social unrest in the agricultural sector as farmers all over the country blocked major routes and roads to ports and cities, preventing

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<sup>33</sup> Grugel and Riggiozzi (2012) describe post-neoliberalism as "a set of political aspirations centered on 'reclaiming' the authority of the state to oversee the construction of a new social consensus and approach to welfare, and a set of economic policies that seeks to enhance or 'rebuild' the capacity of the state to manage the market and the export economy in ways that not only ensure growth but are also responsive to social need and citizenship demands (3)."

the passage of agriculture commodities. The protesters responded to the government's announcement of a flat tax on 35 to 45 percent of the soybean production (Wylde 2016, 13). Part of what made the Kirchners' administration so successful was the overlap with an increased demand for raw materials and agricultural products.

The commodity price boom under both Kirchners, in both value and volume, became integral to the left's success. Calvo and Murillo (2012) note:

Between 2003 and 2010, Argentina experienced its highest growth in a century, with rates above 8 percent every year except for 2008 and 2009, when the impact of the global economic downturn was felt. Unemployment dropped almost 20 points, to 7.3 percent, while real salaries in the formal sector recovered to their precrisis levels in 2005 and continue to grow until 2010 (151).

The Kirchner government then proceeded to invest in public works, commodity exchanges that favored industrial production, and a number of subsidies on food, energy, and transport. Government subsidies, import restriction, and an increase of domestic consumables aided industrialists and in turn support the Peronist administration. However, the domestic success of Argentina overshadowed the international issues that the Kirchner government had with international creditors.

The government's strategy to regain access to international credit was derailed by an unexpected series of events in the US courts, which rove Argentina into an unintended default on its external debt in 2014. Néstor Kirchner responded to the initial default by negotiating with bondholders who agreed to accept losses in exchange for new bonds with interest rates aligned to the rate of inflation.<sup>34</sup> However, not all bondholders accepted Kirchner's strong-armed approach to the debt renegotiation. Instead, the few

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<sup>34</sup> Indeed, President Kirchner persuaded bondholders by including a provision stipulating that creditors who had not participated could not receive better terms than those who did: The Right Upon Future Offers (RUFO) clause, which expired in 2014.

holdouts decided to sue the Argentine government American and European courts<sup>35</sup> where judges decided in favor of the holdout bondholders. The judges halted new payments until the original debt (for those who did not accept the government's offer) were paid in full. The result ended in a technical default in August 2014 and a lockout of Argentina from international capital markets which caused a shortage of foreign currency domestically. High inflation exacerbated the problem of class division among members of Argentine society.

The enduring impact of inflation on Argentina has meant a reevaluation of class tensions in Argentina. The middle class has historically and frequently been victim of economic crises and faces difficulties in saving given the propensity of inflation. Wylde argues that, "The working classes and trade unions have been hit as a result of the erosion of real wages that this has begun to facilitate." Traditionally, the national government's response to inflation has been to set price controls and subsidized everyday needs. However, as the value of the Argentine peso decreased and courts abroad blocked access to foreign currency reserves made the economic situation worse.

By mid- 2012, the administration was aware of the impending economic crisis and Kirchner's political popularity took a toll. According to Schamis (2013, 72):

A president who won reelection in October 2011 with 54 percent of the vote, and was inaugurated in December 2011 with a 70 percent approval rating, saw that positive image halved to 35 percent approval by September 2012. With her popularity in free-fall Fernández began to look out of touch.

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<sup>35</sup> According to Victoria Murillo (2015, 58), "To allay fears of default arising from the weakness of Argentine institutions, the government had issued bonds in different legal jurisdictions (Europe, the United States, Japan) during the 1990s. Since 7 percent of creditors had not accepted the restructuring offer, the door to litigation remained open." Ironically, Menem's economic policies kept Argentina stuck with the government's promises and transactions prior to the Kirchner era.

The continued success of the Kirchnerista strategy depends heavily on restoring fiscal balance after intense years of public spending. Although government revenues finance social spending, banks (namely the National Bank, Central Bank, and the social security administration) have loaned the administration money in order to accommodate increased expenditures. Combined with Brazil's, Argentina's main trading partner, devaluation of its currency, the fiscal stresses of the economy led the president's administration to cut energy subsidies and public official surplus payments (Calvo and Murrillo 2012, 158). The resurgence of popular protests resembled the manifestations in 2001-2002.

Marina Farinetti (1999, 2000) diagnosed the new modalities of popular protest that occurred in 2002. She characterizes the Argentine movement as follows: 1) a shift in the locus of labor conflict from industrial to the public sector; 2) a decrease in the demands for wage increases and an increase in the demands for arrears and job security; 3) a diminution in the number of strikes and an increase in the number of roadblocks; 4) the intensification of protests in provinces, outside Buenos Aires where an overwhelming proportion of the roadblocks occur; and 5) the increased centrality of provincial and municipal unions as main contentious actors.

Reminiscent of the "cacerolazos," the demonstrators who famously protested with pots and pans against the 2001-2002 collapse of the Argentine financial sector, thousands of Argentines gathered in the main plazas and intersections cities across the country including Buenos Aires, Rosario, Córdoba, and Mar del Plata. The government's response to the protestors made matters worse. Schamis (2013, 72) stated, "The government once again responded as if out of touch with reality, claiming that the

protests were staged, a destabilizing conspiracy by opposition media together with members of the upper classes with only care about purchasing dollars and vacationing in Miami." At the same time, 107 members of the house and 28 senators from opposition parties signed an agreement intended to block a second reelection of Cristina Kirchner and presented it to the legislature in early November 2012. Unfortunately for Kirchner, the members of Congress who oppose a third term constitute 40 percent.

### **Transition Over to Macri: Lessons from the Kirchner Era**

The economic difficulties faced by the Kirchner administration worsened in 2014 and caused major societal disruptions. Police strikes in many parts of Argentina led to massive rioting in many cities (Murillo 59). The energy shortage in the metropolitan area of Argentina created significant manifestation in the city centers. The rise of Mauricio Macri came as an opposition to the Kirchner regime. As a result, when presidential elections occurred in October, Macri delivered a stinging defeat to Kirchner's handpicked successor Daniel Scioli, 53.58 percent to 46.52 percent. After a controversial presidential ceremonial session, Macri outlined his vision for Argentina. According to the Minister of Estate and Finances, Alfonso Prat Gay noted:

Por primera vez en 15 años Argentina empieza a salir definitivamente del default. Esto es la mejor manera para apuntar al desarrollo económico y al crecimiento, tener mejores empleos y un programa de inclusión social. Lo demás es verso. Llegaremos a fin de año a una situación de economía ordenado, en crecimiento, con vocación de incorporar inmensos proyectos de inversión locales y extranjeros, y la posibilidad de mirar el largo plazo. (La Nación, 2016).

Macri's social program seeks to tackle the weak growth, high inflation, and fiscal deficit after 12 years of free spending by the leftist Kirchner administration. However, the

current composition of Argentina's Congress leaves President Macri in a position where he must negotiate with Kirchner allies.<sup>36</sup>

In turning to a politician of the center-right to lead the country, Argentina may be setting the precedent for the rest of South America. The normal desire of the voters in democracies for an alternation of power is now playing against the left's incumbent governments. Mr. Macri's victory may thus mark the stop of the "pink tide" that has ruled over the region since the early 1990s. The shift to a center right politics indicates the electorate's desire to obtain a clean of corruption government and a return to rapid economic growth amid high inflation rates and unemployment rates.

## **Conclusion**

Kirchner and Fernández belong to a group of populist and leftist leaders in Latin America who emphasized social justice and a commitment to economic equality. In all cases, these leaders often used their vast popularity to make the argument that in order to expedite their redistribution efforts, the president needed more time and power. Néstor Kirchner's rise to power and subsequent administration proved the public's desire to create a more just society through public investment in education, infrastructure, and

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<sup>36</sup> The breakdown of the 2015 Argentine Congress is as follows: Senate- Front for Victory and Allies: 39 (Justicialist Party-Front for Victory: 32; Civic Front for Santiago: 2; Justicialist Party-La Pampa: 2; Front for Integration: 2; Popular Front: 1); Cambiemos: 20 (Radical Civic Union: 10; Union PRO: 2; Civic and Social Front of Catamarca: 2; Cordoba Civic Front: 2; Civic Coalition ARI: 1; Unión por Chaco: 1; Union For Entre Ríos: 1; Liberal Party of Corrientes: 1); Federal Peronism & Allies: 5 (Justicialist Party-Federal Commitment:2; Justicialist October 8: 1; Santa Fe Federal: 1; Federalismo Santafesino: 1); Progresistas: 4 (Proyecto Sur:1; Generation for a National Encounter: 1 ; Socialist Party: 1; Frente de Todos: 1); United for a New Alternative: 1 (Producción y Trabajo: 1); Others: 3 (Neuquén People's Movement:2; Fueguino People's Movement:1). Chamber of Deputies- Front for Victory and Allies: 132 (Justicialist Party-Front for Victory: 119; Civic Front for Santiago: 7; New Encounter Front: 3; Justicialist Party-La Pampa: 1; Popular Solidarity Movement: 1; Front for Social Inclusion: 1) Cambiemos: 68 (Radical Civic Union: 36; Union PRO: 18; Civic and Social Front of Catamarca: 2; Cordoba Civic Front: 2; Civic Coalition ARI: 1; Sum +: 1; Cordoba Civic Front:2; Popular Conservative Party: 1; Union For Entre Ríos: 1; Liberal Party of Corrientes: 1; Democratic Party (Mendoza): 1; UDESO Salta).

social programs. However, the commodity price boom of 2003-2009 helped aid an increase in government revenue. In addition, Néstor Kirchner's work in the areas of international finance and human rights earned him more support. One key theme in the individuals who supported Kirchner revolves around the informal, decentralized, fluid political environment. The working, middle, and poor classes felt the impact of the 2001-2002 economic crisis, which saw massive social mobilization against the establishment. Néstor Kirchner's success in mitigating the economic crisis and decreasing the unemployment rate provided the groundwork for his wife's win.

Cristina Fernández de Kirchner's win symbolized a continuance of Peronism and an ongoing centralization of power. The Kirchners have been partners in a manner of governing that has contributed to the institutional decay that served their goal to stay in control. The use of emergency presidential powers to legislate from above circumvent the "horizontal accountability" necessary to maintain a healthy democracy. In Argentina's history, the cyclical economic fluctuations have determined the stability of a democratic state. The main challenge for Argentina moving forward will be to regulate and distribute influence to other branches of government. Kirchner's subsequent second administration highlights the degree to which Argentina's volatile democracy depends heavily on mobilizing the public to keep the government accountable.

Mauricio Macri's rise to power represents the public's dissatisfaction with politics as usual in Argentina. Just as Néstor Kirchner and Cristina Fernández built their position and authority by critiquing the neoliberal policies of Carlos Menem, Macri followed suit and decried the Kirchner movement as one of crisis, polarization, and fiscal



irresponsibility. As the new president begins his first term in office, the country will wait and judge whether the call for change was indeed the correct choice.

## **CHAPTER FOUR: Political Coalitions During Crisis in Brazil, Chile, and Argentina**

Scholars have analyzed the nature of policy changes as a way of measuring the conditions under which institutional rules and the power of key actors govern. However, not much attention has been given to political coalitions. Pereira, Singh, and Mueller (2011, 61) state, "the features of a nation's policy environment can be understood as a function of interactions between key policymakers, conditioned on institutional arrangements." In other words, executive-legislative coalitions impact the types of policies passed during an administration. One result of the variation of executive-legislative dynamics has been the disparity between successful and unsuccessful administrations.

As the previous chapters indicated, the disparity in success depends on each president's ability to interact with key coalition partners and constituent bases. In Brazil, corruption charges against Dilma Rousseff, Lula da Silva, and other top Worker Party officials caused a decrease in public support.<sup>37</sup> The recent nomination of Lula da Silva as Chief of Staff in Rousseff's Cabinet raised a firestorm of criticism from the public because the position would provide legal protection at a time when prosecutors seek his arrest. According to a new opinion survey by Datafolha, 68 percent of Brazilians favor impeaching Ms. Rousseff (Romero 2016).<sup>38</sup> In Chile, the most divergent case, student

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<sup>37</sup> At the moment Ms. Rousseff faces two legal challengers which could undermine her presidency: 1) Charges have been filed in the Petrobras corruption where the president served as the chairwoman of the company's board from 2003 to 2010, when the scheme was active; 2) The Superior Electoral Court, which oversees national elections, received claims that President Rousseff took illicit contributions from the corruption scheme at Petrobras to fund her 2010 and 2014 campaigns.

<sup>38</sup> Simon Romero (2016) summarizes the impeachment process as follows, "The complex process of impeachment in Brazil starts with committee deliberations in the Chamber of Deputies. If that chamber then votes to impeach Ms. Rousseff, she could appeal to the Supreme Court before a vote to open proceedings is held in the Senate. If the appeal fails and the Senate votes to commence impeachment hearings, Ms. Rousseff would be suspended from office for 180 days while she was tried in a process

education movements have pressured Bachelet's administration to compromise on privatization of education, but not necessarily eliminate Pinochet era reforms. Finally, Cristina Fernández's ability to engage both union and agricultural partners have come under scrutiny as the nation faces inflation and unemployment.

Each country shared similar factors, which influenced the health of each political coalition. Coalitional discipline contributes to the success and/or failure of a president for many reasons. First, the presidents of Brazil, Argentina, and Chile count on a disciplined coalition to pass their legislative agenda. In all cases, the presidents will do everything in their power to ensure that their party or, in the case of Chile, political coalition obtain a majority in their national legislature. When the party or coalition fails to secure a majority in the legislature, the president will use ministerial posts or legislation to create a governing coalition. The overlying variable within each country case include: fiscal constraints, power centralization, institutional incentives, and social movement strength, which shape coalitional stability between the executive and legislative branches. This chapter serves to highlight and elaborate political coalition theory and analyze how each characteristic impact governing coalitions in each country.

### **Political Coalition Theory: Understanding Coalitions in Brazil, Chile, and Argentina**

Most legislative decisions are determined by majority rule. The basic question when forming a coalition is, who joins the majority? Is the group stable or changing? Scholars have tackled the question of coalition cohesion and have raised important

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overseen by the chief justice of the high court, with the Senate acting as jury. Vice President Temer would provisionally take over in the meantime, with the authority to appoint his own cabinet."

theories in what makes coalition partners work together.<sup>39</sup> Amorim Neto and Santos (2001, 213) argue that party discipline was above all a function of president's legislative coalition-building strategies based on the dispensation of patronage to parties. The patronage coalition model creates two factions within each party: one pro-presidential, the other anti-presidential. The biggest determinant between the size<sup>40</sup> and discipline within the faction was the amount of budgetary resources given to the faction. Amorim Neto and Santos assume that any amount of money will influence legislators. However, if their hypothesis is true, what are the sources of opposition to incumbent presidents?

In Brazil, the president's inability to run for reelection after two terms raises the question: Why would presidential aspirants care so much about incumbents if incumbents could not seek a third term? Neto and Santos (2001) state:

Because the Brazilian presidency concentrated so many political resources, it became the highest political prize, the obvious consequence of which was that all relevant parties and political leaders had winning their presidency as their ultimate goal. Hence presidential hopefuls had a conspicuous interest in defeating the incumbent president's agenda so as to maximize their chances of winning the next presidential race. Presidential hopefuls thus used whatever political clout

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<sup>39</sup> To put the Latin America electoral system in perspective we can compare the differences with the US system. In the US the primaries have a nomination mechanism with a simple plurality single-member system, which favors a personal versus a partisan one. Candidates win electoral contests by having a good reputation, among other aspects, with the American people. Once in the legislative arena, these politicians will defy party preference if the measure conflicts with the majority preference in their districts. We will see relatively low rates of party cohesion in the US Congress. However, low rates of party cohesion do not mean members of Congress will switch parties in a two-party system. Rather, we see members go along with the party because they have no other party alternative beyond switching parties. In contrast, a combination of a closed party lists with proportional representation generates incentives for a partisan vote. As a result, a candidate's campaign depends on the electoral success of their party label, and on their place on the party list. The comparison between the two models explains why there's a large degree of internal party cohesion in Latin America, but does not explain why political coalitions will vary in success when these parties come together.

<sup>40</sup> On the issue of party size, Olson (1965) argues that the size of a group is a key determinant of its ability to efficiently monitor and punish defectors. Hence, the larger a party's legislative contingent, the lower its adhesion and the more likely the coalition will fail to unite. In addition, the governing coalition incurs an incumbency cost to rally coalition members. Compared to opposition parties, Amorim Neto and Santos hypothesize that governing coalitions face a problem of having coalition members betray the coalition if doing so allows former coalition members to obtain a higher political position.

they had to promote political circumstances unfavorable to the incumbent president (222).

Some presidents attempt to stage a comeback after their two term or one term limits. In the cases of Argentina and Brazil, term limits stopped popular presidents from running for third terms which they could have won easily. In Chile, the one term limit eliminated any possibility for Michelle Bachelet to run for reelection, but she remained immensely popular as she left office in 2010. Thus, presidents used the resources available to them through their office either to fuel their political operations or to create a new one in the event the sitting president lacked solid partisan support.

Many incumbents often try to promote the candidacy of a successor. If incumbents were successful during their terms, their record could boost the electoral chances of their heir-apparent, which, in turn, would lower the chances of opposition parties from taking over. Indeed, in all three case studies<sup>41</sup> the presidents were elected because their successor had a good track record leaving office. In the cases of Brazil and Argentina, Presidents Lula da Silva and Nestor Kirchner openly campaigned for their successor to win. In Chile, the Concertación's long history of winning elections implicitly meant they would support the next candidate's presidential run.

To an important degree legislators join parties or other legislative groups due to shared interests, ideologies, or affinities with the group. Poole and Rosenthal (1991, 1997) and Londregan (2000, 2002) offer ideologically based explanations for the structure of legislative voting in the United States, respectively. Scully and Patterson (2001) find that even accounting for partisanship, ideology has a separate and measurable

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<sup>41</sup> Although Chile has a one-term presidency, with reelection possibilities, many opinion polls indicated that Michelle Bachelet would have easily won a second term if the Constitution did not prohibit consecutive presidencies.

impact on legislative voting in the Ohio legislature. Aldrich and Rohde (1997, 2001) address specific questions about changing force of party leaders and the changing levels of unity within the party, which shifted immensely in the 1990s. Their studies coalesced under the principal-agent theory, which predicts that a rational leader, the principle, will delegate power to party members, the agent; affect both the performance and efficiency of the party. The importance of polarization to unity is clear for parties in Latin America. But what occurs when a shift in economic conditions makes it much more difficult for a governing coalition to implement legislative policy?

### **Fiscal Constraints**

Scholars have often pointed to the economy as the cause of political stability in Latin America. For example, Rodrik (1991) demonstrates the private sector will withhold economic investment until the uncertainty that comes with changing policies dissipates, even moderate amounts of policy uncertainty can greatly reduce investment. On the other hand, Barro (1991) finds governmental instability to be negatively related to GDP because of its adverse effect on property rights. Finally, Alesina et al. (1996, 191) reach the same conclusion, noting that risk-averse economic agents may be hesitant to take economic initiatives in unstable nations, perhaps choosing instead to invest abroad. Similarly, foreign investors are also likely to prefer stable political environments, thus keeping their money away from unstable political systems.

In general, Latin America has undergone numerous transformations and shifts. The effect of the 2008-2009 world economic crisis helped consolidate in power Latin American leftwing governments. Advocates of unregulated markets lost popular appeal

and market-friendly policies were blamed for the crisis. In Chile, after one four-year term in opposition, the center-left Concertación coalition returned to power under the new label of Nueva Mayoría, with a slightly more leftist tone. The international crisis strengthened leftist governments, which actively steered economic policies.

The region shifted once more, in 2015, as the commodity boom ended and Latin American economies slowed. Historically, nations that have enjoyed commodity booms have been able to achieve success during their time in office. Castañeda (2016) points out that:

From roughly 2003 through 2012, Latin America enjoyed one of the greatest commodity booms in its modern history. Exporting everything from oil to soybeans, Latin American government received windfalls, which they spent on social programs, which were often well designed and affordable. The problem is that no one saved up for the inevitable rainy day. When prices began to plummet, both new sovereign wealth funds and traditional tactics, like fiscal stimulus, proved inadequate. Country after country saw growth rates fall, social spending shrink and citizens get angry.

At a regional level, countries like Venezuela and Bolivia each felt the loss of popular support as President Nicolas Maduro deals with a right-wing controlled legislature and President Evo Morales experienced a setback to extend his presidency. In Argentina, Cristina Fernández was unable to justify the exceedingly amount of inflation and increased unemployment rates. As a result, Mauricio Macri won an unexpected election against President Fernandez's handpicked successor, Daniel Scioli. Chile compared to Argentina and Brazil managed to fare better for many reasons.

First, Chile's governing coalition has done much to strengthen the country's macroeconomic performance under Sebastián Piñera, but has suffered from deep inequalities in economic and education opportunities. Second, Chile usually follows innovative and fiscally responsible policies. For example, Michael Boskin (2013) states,

"Chile's copper revenue, which compromises 13 percent of the budget, must be spend on the basis of a long-term, independently verified planning price, with excess revenue accumulated in a fund when the price of copper drops." Third, Chile's central bank keeps inflation low and the government prioritizes a balanced budget. The country's pensions system emphasizes private savings and individual responsibility.

On the other hand, Argentina focuses on social welfare policies, which resembles Brazil's *Bolsa de Familia*. With a population twice the size of Chile, newly discovered energy deposits, and urban metropolis in Buenos Aires. When confronted on the issues of inflation, The Guardian reports:

The spread between the official exchange rate and the black-market rate- the so-called "Dólar Blue"- now stands at 60 %. Unsurprisingly, virtually every retailer in Buenos Aires quotes a dollar price and a peso price. This can be explained partly by high inflation, which independent analysts put at roughly 25%-more than double the official estimate of 10% (Boskin, 2013).<sup>42</sup>

From 2003-2007, Argentina's political economy was characterized by *Kirchnerismo*, which depends on a set of national and international relationships that fuse populism with neoliberalism.<sup>43</sup> The stress on neodevelopmentalism through a strategy of growth based on selective protectionism and targeted state intervention to facilitate macroeconomic stability and economic growth contrasted with Peronism's developementalist policies of state intervention through import substitution

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<sup>42</sup> In 2007, Kircher replaced the lead inflation statistician at the National Statistics Institute; Argentina's official inflation figures have been conspicuously lower than other estimates. While Chile's inflation figures have been criticized to a smaller extend. However, Chile's state statistics institute is far more independent as an institution than Argentina's. According to Baskin (2013) "Fernández's government bullies and nationalizes businesses, and pressures the central bank to use international reserves for debt payments. And Argentina's major trade agreement, Mecrosur, has fallen short of its potential. Over the next five years, the International Monetary Fund expects Argentina to experience weaker growth, higher inflation, and more unemployment than Chile.

<sup>43</sup> *Kirchnerismo* differed from traditional *Peronismo* of the 1940s and 1950s, and to *Menemismo* of the 1990s. Unlike *Peronismo* there was no clear link between citizenship and social welfare in *Kirchnerismo*; instead it was closer to *Menemismo* and neo-liberal style social safety nets. *Kirchnerismo's* relationships with both business and trade unions were qualitatively different.



industrialization and citizenship defined in terms of economic rights. However, the stability of an economic model faces major opposition from farmer's strikes, negotiation with international creditors, continuing problems of inflation, falling international commodity prices, a declining fiscal surplus, and turbulent economy characterized by massive systemic banking failure during the global recession in 2007.

Most scholars would agree that economic factors contribute to the political, social, and cultural environment of each case study. However, institutional factors like power centralization and how the president uses their executive powers and privileges merits discussion.

### **Power Centralization**<sup>44</sup>

The real power disparities between branches of government of the region impact the president's role in maintaining a political coalition. Traditionally, legislative branches have been perceived as either "rubber stamps" or impediments to the president's agenda (Siavelis, 79). Most of the scholarly literature on Latin American executive-legislative relations primarily focuses on the executive branch. Scholars have assumed either overwhelming strength or perceived strength in many post-authoritarian Latin American presidencies. Needler (1995, 156) contends that, "In the sense of formal constitutional attributions of power the legislature is stronger where the president is weaker." Indeed, in the case of Chile, the unique party system, the extent of support in

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<sup>44</sup> Brazil has a culture of centralizing the executive branch to maximize patronage in the national government. Starting in the 1930s, a process of administrative centralization gained substantial momentum in Brazil, and an enormous range of powers came to be concentrated in the hands of the federal executive at the expense of the political and administrative autonomy of the states. Patronage as a basic currency works best for political transactions under a local electoral system in a country with a large, poor rural population.

the legislature, and the political situation caused by the democratic transition have provided incentives for presidents to avoid using extreme presidential powers.

The coalition system developed after the Pinochet regime divided the political arena into three groups: the left, the right, and non-affiliated. In the years prior to the election of Salvador Allende, the political formation of a strong moderate party became crucial to the political stability of Chile. Under the new system, the president has less power than most scholars would characterize. Siavelis argues, "While Chile's institutional structure is characterized by an exaggerated presidential system, its two post authoritarian presidents, Patricio Aylwin and Eduardo Frei, have been decidedly moderate and measure in the use of presidential prerogatives" (81). The political situation in which post authoritarian presidents have operated has not necessitated the use of executive orders. Many Chilean presidents have been able to rely on a coalitional majority in the lower chamber and near majority in the upper chamber. A major difference between Chile and the other countries revolves around electoral institutions.

Ironically, the same binomial representation, which allows conservative parties in Chile to retain power, creates a more moderate political environment. In Argentina, the high level of relative party discipline in the PJ, Partido Justicialista and UCR, Unión Cívica Radical, stems primarily from the relationship between the party and the political careers of Argentine legislators. Jones lists five explanations for high levels of party discipline.

First, the provincial-level, and to a lesser extent the national-level, party has a great deal of control over a legislator's access to the ball, and their opportunity for reelection. Second, most legislatures pursue political career pathways that are strongly

linked to the party. Third, legislators who consistently vote against their party are likely to be expelled. Once expelled, legislators normally have a difficult time achieving either reelection or pursuing a career elsewhere in politics due to the lack of an alternative viable political party to join.

Fourth, linked to the first three factors, party discipline in the legislature is also the product of the congressional leadership's ability to determine the amount of resources that a legislator has to engage in political entrepreneurship at both the provincial and national levels. Regardless of the legislator's career ambition (discrete, static, progressive), these resources play an important role in a politician's career. Finally, assuming a Peronist (PJ) or Radical (UCR) identity forms a major part of a legislator's social relations and networks within the party. In other words, party association creates social capital for the career politician. To face expulsion jeopardizes a party member's entire career which incentivizes loyalty from individual members.

On the other hand, Brazil the political environment revolves on creating coalitions to pass key legislation, but inevitably looks for opportunities to undermine each other. For example, the ongoing political crisis in Brazil severely undermines the credibility and performance of the multiparty system. In fact, the president's ability to appoint various coalition party members to their cabinet acts as an informal agreement of the coalition. When President Rousseff appointed Lula da Silva, the president received considerable outrage from the public.

Amorim Neto (2002) outlines various consequences of such an arrangement. First, a presidential cabinet joined by politicians from two or more parties should not be assumed to constitute a coalition executive. Only cabinets displaying a high

correspondence between the cabinet and the legislature can act as a coalition. Second, the allocation of cabinet posts to parties must be based on the proportionality norm. In other words, cabinet positions should be allocated based on the performance of parties in the legislature with the president's agenda thereby constituting a sort of currency. Third, more ideological parties display a more consistent coalition behavior over time. In all cases, the executive wields varying degrees of executive power. In Argentina, the executive's emergency powers through necessity and urgency decrees were crucial to the country's financial health.

Similarly, Chile's president retains certain emergency powers but compared to Argentina and Brazil they're less likely to use them. Siavelis (2002, 92) notes, "The Chilean president has broad powers to declare legislation urgent at most stages in the legislative process." Originally, the president's emergency powers were designed to protect the country's future by expediting crucial legislation. However, the presidential urgency power became the Chilean president's standard legislation tool.

There are three levels of urgency: *simple urgencia*, *suma urgencia*, and *discusión inmediata*, each with different requirements concerning how fast the president's request should be considered. Siavelis (2002, 97) concludes by stating, "With a change of coalitional and political circumstances urgency powers may become a more important tool for presidential- agenda setting and in turn may enhance the potential for interbranch conflict." Thus, partisan considerations, the formation of party power, and coalitional and transition politics has helped to ease the president's legislative task and have created few incentives for strict and inflexible exercise of presidential urgency powers. The culture of executive powerbrokers in Latin America explains why the executive would ideally have

the power to control the stability of a coalition. However, a president cannot simply force coalition members to cooperate. In fact, institutional incentives through patronage and other coercive methods contribute to political stability.

### **Institutional Incentives**

In Brazil, the traditional mechanisms of institutional and popular support have suffered from what scholars call "The New Generation of Officials." In essence, the law enforcement offense taken against the Worker's Party began with the prosecution of many members of the "Mensalão" scandal.<sup>45</sup> On a similar note, studies of the Argentine public administration have usually underlined the weakness, lack of autonomy, high politicization, and low performance of Argentine state bureaucracies (Oszlak 1999; Spiller and Tommasi 2007). In Chile, persistent government initiatives to reform pay incentives over the two decades came as a result of neoliberal educational reforms during the Pinochet regime. The formal institutions of the judicial system have improved through a series of reforms to the legal structure, changes in procedural rules, and increase in staffing. The courts have heightened their efficiency and access to the public. On the other hand, however, many deem the "convenient" prosecution of PT officials as an indirect coup d'état against a popular president. Government supporters state, "The detainment of Lula, the release of the phone conversations, and the impeachment proceedings against Rousseff represent an affront to democracy"(Purdy, 2016). Among

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<sup>45</sup> Sotero (2016) writes, "The law enforcement offensive is being led by a new generation of federal judges, prosecutors, and police officials who grew up in the environment of political freedom and democracy reinstated in Brazil in 1986 following two decades of military rule. Most are well educated and well paid. Many have studied abroad. Their actions are anchored in the constitution adopted in 1988 and in judicial reforms that began in 2004 with the creation of institutions of external control of the judiciary branch of government."

other points, Purdy points to five events, which have caused much damage to Brazilian democracy.

First, the PT's treatment by the media, the Right, and other stakeholders has been unjust and even outright outrageous<sup>46</sup>. In other words, to many lower and working class Brazilians the prosecution of the Left represents a "witch hunt" on their elected officials. Second, the corrupt practices of the Worker's Party have bolstered support for the Right. Despite campaigning on a founding platform that emphasized ethics in politics, the PT has engaged in the same corrupt practices of other parties. While economic inequality has shrunk during the past fourteen years under PT governments, large business holders and many party members have also increased their personal wealth.

Third, former president Lula da Silva has used political office to enrich himself via legal and illegal means. The nomination of the former president to Chief of Staff was not an accident. Cabinet ministers are subject to Supreme Court's rulings, not the lower judicial bodies that want Lula prosecuted. On the other hand, appointments in Argentina have been associated with mass patronage. But most importantly, Argentine parties use patronage in the federal state mainly as a mode of government. Patronage in its most traditional sense does exist in both countries. However, patronage runs second to a party's main goal to dominate state institutions thus circumventing having to incentivize non-party members. Indeed, for many opponents of the PT, the irony of a former auto industry worker turned millionaire via Brazil's highest public office has become a cornerstone of their critique against the administration.

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<sup>46</sup> Specific instances include the more recent detention of Lula da Silva in March 2016. Many media outlets were warned about the police action against Lula beforehand and conveniently surrounded his home when the authorities appeared. Furthermore, many of the same wealthy donors that former president Fernando Henrique Cardoso enjoyed at one point supported Lula da Silva during his presidency.

Fourth, the PT's problems go way beyond corruption. One of the consequences of the economic slowdown in 2015 forced Rousseff's administration to implement austerity measures. Massive cuts to health care, education, social welfare, and pensions rights coupled with the government sponsored anti-terrorism bills have limited social mobilizations in Brazil's urban centers. The major problem for the PT has been the fundamental transformation of the party into "Lula's party" (Purdy, 2016). As expressed in Chapter 1, the Worker Party's shift from an urban grassroots movement during the 1970s and 1980s into the establishment alienated many supporters. In particular, many militant and far left members were marginalized from the establishment and their policymaking.

Finally, the growth of the non-PT left threatens the PT government as the Rousseff administration struggles to compile a political coalition. For members of the far left, the choice between supporting the Rousseff government dwindles down two main ideas: 1) The PT was instrumental in increasing the incomes of many poverty stricken areas of Brazil; 2) In recent years due to the economic slowdown in China and decreasing commodity prices, the Rousseff government was forced to scale down on social spending. In Chapter 1, the idea of *apoio crítico*, or critical support, allowed the PT government to govern without the full support of its historical base. However, when President Rousseff announced austerity and tax reforms to alleviate high inflation and replenish the government coffers, the public protested. Purdy (2016) argues:

Militant teachers' strikes have broken out in Rio de Janeiro and São Paulo, and the combative homeless movement continues to mobilize large numbers in building and neighborhood occupations. Feminists and LGBT rights activists have launched important initiatives in recent months that cut against both the traditional right and the government. A plethora of antiracist groups and organizations against police violence are mobilizing throughout the country.

The causes of corruption across Latin America- a lack of accountability, a culture of lawlessness, weak institutions and civil society impact both the left and right. Many of the leftist elites came from humble origins: the Worker's Party came from Brazil's 1960s and 1970s labor movement, Concertación's Socialist Party resulted from political activism against Augusto Pinochet, and the Peronist Justicialist Party emerged after the Dirty War. The social movements demanding their departure emerged as frustrations against broken promises made by the left never came to fruition. Social movements, which emerged after the left took power, account for a pivotal mechanism in keeping new political elites accountable.

### **Social Movement Strength**

From the outset of the 21st century, radical leftist and moderate leftist governments that came to power as part of the "pink tide" of leftist advances in Latin American displayed both common and distinct characteristics. Moderate leftist presidents were elected in Brazil and Argentina tried to retain power by electoral means for extended periods of time. In the case of Chile, one term limits prohibited the possibility of endure presidency. The success of leftist presidents like Lula da Silva, Dilma Rousseff, Nestor Kirchner, and Cristina Fernandez showed demonstrated the weakness of right wing and conservative parties to present alternatives to very unpopular neoliberal agendas. The success of these presidents was due to popular grassroots support.

In Brazil, the support of automobile trade unions, left wing intellectuals and artists, and militants opposed the military regimes of the late 20th century gave rise to the PT Party. In Chile, the Socialist Party and other members of the governing Concertación



formed under a unified opposition against Pinochet, which found success after the country's democratic transition. On the other hand, the Justicialist Party founded under Juan and Evita Perón was based with labor unions and other populist supporters. In all cases, social movements became the catalyst for the electoral victories of all cases studies. However, as discussed in Chapter 1, the distance from a party's origins and their position in government can have ramifications for a coalition's stability.

### **Coalition Consistency**

Coalition politics have been central to the histories of many Latin American countries. Dehaza (1997) found that more than half of all governments formed in postwar Latin American have included more than a single party. Scholars of presidential regimes have traditionally focused on the share of legislative seats of the president's party to classify forms of government in a regime (Negretto, 2006).

From this perspective, there exist only two options: 1) A unified government where the president's party holds the majority of legislative seats or 2) A divided government where two phenomenon may exist a) "divided control," when a party other than the president's has control over the majority or b) "no majority situations", when neither the president's nor any other majority (the case in Brazil's Federal Senate and Chamber of Deputies and Chile's Senate and Chamber of Deputies).

In most instances, students and scholars of Latin American politics tend to agree that divided government will inevitably result in gridlock; unconstitutional, unilateral actions; and interbranch conflict. Naturally, minority presidents have been considered a part of government instability. Therefore, a president must coalesce a governing coalition

if they have any desire to have a governing administration. Beyond using a variety of transactional options to gain the loyalty of a party, presidents in all three case studies used their executive powers to varying degrees to pass legislation. However, to what degree does fiscal constraints, power centralization, institutional incentives, and social movement strength have over coalition stability?

**Table 1: Factors Impacting the State of Political Coalitions in Brazil, Chile, and Argentina, 2006-2015**

	<b>Brazil</b>	<b>Chile</b>	<b>Argentina</b>
<b>Fiscal Constraints</b>	High	Moderate	High
<b>Power Centralization</b>	High	Low	High
<b>Institutional Incentives</b>	Structural	Electoral	Structural
<b>Social Movement Strength</b>	High	Moderate	High
<b>Coalition Stability</b>	Low	High	Moderate

Table 1 summarizes the factors and their levels in the analysis of Brazil, Chile, and Argentina. The economy and fiscal constraints contributed to stability of political coalitions. In countries where the focus of legislation attempts to redistribute political wealth to marginalized classes the health of the economy can determine social program feasibility. In all three cases, the drop in commodity prices and China's decreased demand caused varying degrees of damage to their economies. Brazil and Argentina shared similar characteristics when their economies struggled post recession. The push caused Dilma Rousseff to implement austerity measures, which were viewed as highly unpopular

while in Argentina low foreign investment, high inflation, and a plummeting peso contributed to Cristina Fernández de Kirchner's unpopularity.

In the realm of power centralization, given the frailty of government coalitions and the high number of parties competing for seats, Rousseff and Fernández were more likely to use their executive powers to protect key coalition partners or pass legislation. Bachelet, on the other hand, hesitated to use executive powers given the institutional makeup of the Chilean Congress and Pinochet era legacy. From a different perspective, we see that given the high number of political parties in Argentina and Brazil, structural incentives became crucial for both presidents to incentivize coalition members while in Chile the highly institutionalized nature of its government makes using public posts for patronage difficult.

Finally, coalitional stability varied for all three administrations. In the case of Chile, Bachelet's ability to coopt the leftist factions of social protest allowed the president to form a more unified coalition. In Argentina, although President Cristina Fernández's successor failed to secure the presidency, the Front for Victory political coalition remains intact with majorities in both chambers of Congress. Brazil, on the other hand, members of the Worker Party's governing coalition face severe opposition from the public and political opponents.

In March 2016, a crucial part of Brazil's governing coalition withdrew support for President Dilma Rousseff, which increased the likelihood of her impeachment. At the moment, the 68 lower house members of the Brazilian Democratic Party, voted to split with the PT party. Past communications between PMDB officials and other member of Brazil's government indicate that in the event of a Rousseff impeachment Vice President

Michel Temer would take over. However, the likelihood of a Temer presidency is unlikely for two reasons: 1) Public support for the Vice President hovers around 11 percent as of February 28, 2016 (Jelmayer, 2016); 2) President Rousseff retains the ability to challenge any legal proceedings to Brazil's Supreme Court. Vinod Sreeharsha writes:

Ms. Rousseff still has opportunities to thwart impeachment, or at least delay proceedings. If the full lower house voted to impeach, she could appeal to the high court and the Senate would have to await a ruling before voting on whether it could commence its own impeachment deliberations (2016).

The intersection of corruption scandals, ladled with a failing economy, and political opportunity for Rousseff's opponents led to the current failure of the president's coalition. These variables explain why presidents may heed the opportunity to secure loyal members to their governing coalition. Whether or not the prosecution of the Worker's party can be characterized as an informal "coup d'état" is for scholars to debate. However, the failure of Rousseff's coalition serves as a departure point for larger discussion on the culture of governance and the institutional changes necessary to ensure efficient government. Unfortunately, as long as politicians continue to view political office as a pulpit of power without regard to the overall concerns of the country, Rousseff's possible impeachment perhaps will not be the last in years to come.

## CONCLUSION

*"Just as it is important in Latin America to discuss ideas that come from North America, I think it is interesting for North Americans to discuss ideas that come from Latin America and do not insert themselves into capitalist interests."*

-Paulo Freire

My research explores the factors that contribute to coalitional stability in Brazil, Chile, and Argentina. I argue that factors like fiscal constraints, power centralization, institutional incentives and social movement contribute to coalitional stability. I use the case studies of Dilma Rousseff of Brazil, Michelle Bachelet of Chile, and Cristina Fernández of Argentina to demonstrate how their governing coalitions supported or turned against the president during their time in office.

The theoretical implications of my findings extend beyond Brazil, Chile, and Argentina. I argue that coalitional stability impacts any country, which depends on executive-legislative coalitions. In Latin America, coalitional stability may indicate the state of the ruling political party. In countries where political polarization dominates the political arena, like Venezuela, the implications for stability may have broader consequences. Ultimately, I point to the variability in fiscal constraints, power centralization, institutional incentives, and social movements as the cause of different outcomes in my case studies.

This project argues that fiscal constraints and power centralization impacted my case studies to a larger degree than the other variable. In Chapter 1, I argued that the failure of the Rousseff coalition resulted from a failing economy which affected social programs which satisfied the bastion of the Worker Party's political support. In Chapter 2, I argued that Michelle Bachelet's coalition succeeded in broadening the coalition to

include parties and political factions, which were historically marginalized from the ruling coalition, the Concertación de Partidos. I also demonstrated that Pinochet's historical legacy on institutional mechanisms, namely political representation and the constitution, limited power centralization in the executive branch. As a result, Bachelet's administration worked with coalition partners rather than circumvent the legislative process altogether.

In Chapter 3, I showed that Kirchner's coalition success varied due to two outcomes of her administration. First, the Kirchner political machine kept loyalists committed to leftists causes albeit at the expense of political polarization. Second, Sciolli's electoral loss in 2015 represented a defeat for Kirchner ideology, but a win for legislative supporters of the Kirchner regime. Although President Mauricio Macri serves as Argentina's president, he must work with the Justicialist majority in both chambers of the Argentine government. Similar to Brazil, Argentina faced major hurdles in taming inflation. Nestor Kirchner's debt renegotiation with international creditors boosted his popularity; however, inflation did not disappear after he handed the government over to Cristina Fernández. In this instance, the economy contributed to shifts in attitude towards the Kirchner administration.

In Chapter 4, I discussed the overall effects of fiscal constraints, power centralization, institutional incentives, and social movement on coalitional stability. In all cases, the economy and executive control determined executive maneuverability in shifting coalitional partners. In other instances, institutional incentives and social movement became more important when executives faced extreme criticism from political opponents or social bases. Overall, the outcomes varied across the board though

Argentina and Brazil share some common characteristics in power centralization and the use of presidential decrees. The use of presidential decrees though a short-term solution to legislative gridlock can potentially lead to an imbalance in political power.

In the case of Brazil and Chile, to a certain extent, conveyed how leftist social movements became integrated into the political establishment. However, Chile merits certain distinction as President Bachelet followed certain neoliberal policies, particularly in education, which scholars argue proves her left of center position. Brazil, on the other hand, shifted dramatically from their traditional base when Lula da Silva negotiated and worked with major businesses (construction, oil, and agricultural). Argentina, on the other hand, remained ideologically left and in clear opposition to the conservative ideology.

In all cases, governments who were products of social movements like the Worker's Party and Justicialist Party needed to define what it meant for the left to be in government. As Robinson (2014, x) asks, "How can the radical lefts in power push forward an anti-capitalist program while the countries they govern must continue to participate in a global economy dominated by transnational corporate capital and driven by the dehumanizing logic of exchange value?" In all cases, the ideological rhetoric, which perpetuated the "pink tide", suffered from institutional realities of political office. The reality of political office for many leftist parties became the cornerstone of negotiating with the plethora of parties and interests.

Scholars have typically analyzes political coalitions from the executive-legislative perspective. However, I complicate this traditional understanding of political coalition by arguing that in times of crisis other factors beyond the institutions are required to get a

holistic understanding of political cohesion. In all three occasions, social movements and a historical analysis of political institution offer context for what occurs in the present. As such, none of the case studies should be understood as separate occurrences, but rather a broader regional shift in public interests.

Given the constraints on this work in terms of time-span, lack of objective data, and lack of primary source material, my project has not yet exhaust its analytic and theoretical connections. In particular, I have not addressed other instances where the same characteristics may exist but provide very different results in terms of coalitional stability. I am left with the following questions: would coalitional stability remain constant if other case studies across time were included in the analysis? What role, if any, does gender play in coalitional stability? Do informal institutions contribute to coalitional stability? Is a lack of coalitional stability necessarily "bad" for Latin American presidents?

With these questions left unexamined, I hope to continue active conversations about coalitions in the political sphere. Increasing our understanding of political coalitions in presidential multiparty states may lead to thriving democratic states. The characterization of Latin America as a caudillo state, or a state in which the executive seeks to extend political authority, exists from a lack of legislative and judicial accountability. By understand to seek what leads to both strong coalitions and accountability; I hope my project can add to the existing conversation. Yet, as stated in the thesis introduction, political coalitions account for only one part of a dynamic system of political actors, coalition partners, and challengers. As such, future research may want to seek explanations for political stability beyond traditional executive-analysis.



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