

Are Parties What's Wrong with Democracy in Latin America?

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Prepared for presentation at the XX International Congress of the Latin American Studies Association, Guadalajara, Mexico, April 17-19, 1997. Research supported by the National Science Foundation and by a SSRC-MacArthur Fellowship in International Peace and Security.

Abstract

Scholars blame the deficiencies of Latin American democracies on weak political parties and volatile party systems. Among these deficiencies is mandate unresponsiveness: the tendency of politicians to pronounce themselves in favor of policies in campaigns and then abandon these policies once in office. Yet political theory and experience in Latin America yield contradictory expectations: that strong parties may enhance responsiveness and that they may reduce it. My case studies and a statistical analysis of cross-national data show that dramatic and early policy switches were carried off both by weak parties in volatile systems, and by strong parties in stable systems. To understand policy switches we must look beyond the deficiencies of political parties. I close with some reflections on the normative desirability of mandate responsiveness.

Political parties express and channel citizens' interests, provide predictable choices to voters, maintain linkages between government and civil society, impose order on legislative processes, and discipline politicians: this is the conventional wisdom. To work well, democracy requires that these functions be carried out. It is frequently observed that political parties in many of Latin America's democracies are weak or uninstitutionalized, party systems volatile and fragmented. These democracies, it is also observed, suffer from citizens with ill-defined and fluctuating preferences, campaigns that fail to predict policy, tenuous links between civil society and the state, chaotic legislative processes, and incompetent and undisciplined office-holders. Hence, it is tempting to infer that weak parties are to blame for the deficiencies of Latin America's democracies.

In this paper I examine the hypothesis that much of what is wrong with Latin American democracies is traceable to the failings of parties. I start by reviewing the functions ascribed to parties and how these may make democracy work better, focussing on the impact of parties on government responsiveness to citizens. I then contrast the thesis that parties enhance responsiveness with another according to which parties undermine responsiveness. Both theory and empirical studies from Latin America offer contradictory views: that strong parties enhance democracy and that they erode democracy.

Next I draw on empirical evidence in search of a link between weak parties and deficient democracy. Concretely, I explore the impact of party system volatility on mandate unresponsiveness: when governments promise one set of policies in campaigns and then once in office immediately and radically switch. Frequent policy switches and low mandate responsiveness are signs that all is not well in Latin American democracies; yet the evidence that volatile parties and party systems are at the heart of the problem is less than overwhelming. I conclude that mandate unresponsiveness reflects a peculiar historical juncture and sharp elite-mass conflicts over policy. These forces induced policy switches in Latin American countries with institutionalized and uninstitutionalized parties alike.

Parties and Democracy: The Ambiguity of Theory

Theory offers starkly contradictory accounts of the effect of political parties on democracy.

Parties are good for democracy. The advantages of parties are two-fold. First, they serve *electoral* purposes, increasing participation, elaborating programs, and symbolizing ideology or policy orientation, all of which makes governments more responsive to citizens. Governments are responsive to the subset of citizens who vote; increased participation will broaden the segment of the citizenry to whom governments must listen. Programs and manifestos state the policy intentions of parties; their dissemination in campaigns allows citizens to make meaningful choices in elections (Klingeman, Hofferbert, and Budge, 1994). Without strong parties, voters' choices are guided by personalistic appeals, leaving winners unconstrained by policy mandates. "Unfettered by party platforms, they make policy choices that tend to be short-term and erratic.

They are more prone to demagoguery and populism, both of which have deleterious effects on democracy" (Mainwaring and Scully:25).

Party labels convey to citizens the past and likely future policy orientation of alternative governments, allowing voters to choose without having to know in detail what incumbents have done or what challengers promise to do. Legitimacy of the democratic system is a side-benefit of predictability and responsiveness: "The people themselves do not rule, but they make choices about who does, thereby expressing their consent to the government", and parties make these electoral choices predictable and meaningful (Mainwaring and Scully: 24).

The second set of advantages offered by parties is in the realm of *governing*. They bring order to the legislative process by disciplining members and reducing the number of proposals to a manageable number, hence avoiding issue cycling and agenda manipulation. Parties may have longer time horizons than individual politicians, and use their disciplinary powers (e.g. promotions and candidacies) to hold individuals to programmatic commitments and keep them from the temptations of rent-seeking, shirking, or even disloyalty to democratic institutions. And parties enhance governability. When parties are uninstitutionalized and party discipline weak, governments may run afoul of legislatures, and immobilism and instability ensue.

Parties are bad for democracy. Among analysts of Latin American politics, the pro-party chorus has grown loud. Still, some writers past and present are in the tradition of democratic theorizing in which parties are at best a necessary evil and at worst a threat to democracy. Parties may become all-pervasive, structuring conflict throughout civil society, and making conflicts unmanageably sharp. Valenzuela's influential analysis of the breakdown of democracy in Chile under Allende underscores the polarizing effect of strong parties: "the multiparty system, with its profound ideological differences, created political pressures that made it difficult to structure national policies capable of addressing the daunting problems of underdevelopment" and eventually helped bring down democracy (1994:167; see also Valenzuela, 1977).

The same syndrome is described by Coppedge (1994) in his analysis of the decline of Venezuelan democracy. Parties "penetrate politically relevant organizations to a degree that violates the spirit of democracy. The sad consequence is that many of the informal channels of representation that are taken for granted in other democracies, such as interest groups, the media, the courts, and independent opinion leaders, are blocked by extreme party domination" (1994:2).

Partisan conflict may become so intense and members so preoccupied with gaining factional advantage that they become deaf to the voices of constituents. Under excessive partisanship, citizens observe the loss of responsiveness of governments and politicians and turn against democracy. Again, Coppedge:

In Venezuela, factional struggles within parties occupy a very prominent place in political life...Every time a party governs, it divides into two antagonistic factions: a group of "Ins" who want to preserve the leadership of the incumbent president, and a

group of "Outs" who are mainly interested in electing the next president. The bickering stirred up in these long, intense succession crises tends to sour voters on the parties, often so much that the governing party loses the next election. In the long run, these struggles tarnish the image of democracy itself (1994:3)

(Note that despite this factionalism, Venezuelan parties maintained discipline in the legislature; the parties were "strong" by this common criterion). Sharp partisan conflict, conflict that eroded government responsiveness, was a quality of politics in Chile (before Pinochet) and in Venezuela, two of South America's most "institutionalized" party systems (see, e.g., Mainwaring and Scully, 1995:17).

In the history of political theory, the skeptical view of parties dominated well into the 18th century. The architects of representative government in the United States, for example, were suspicious of parties and other instances of "faction".¹ (Sartori, 1976, notes that "party", derived from the Latin *partire*, to divide, and "faction" were used interchangeably until Burke). Parties, like religious sects or interest groups, display:

a zeal for different opinions...an attachment to different leaders ambitiously contending for pre-eminence and power...[Factions] have, in turn, divided mankind into parties, inflamed them with mutual animosity, and rendered them much more disposed to vex and oppress each other than to co-operate for their common good (Madison, 55-6).

Madison's arguments rely on both the reason and the emotions of the people who come under the influence of factions, which are "united and actuated by *some common impulse of passion, or of interest*" (:54). When united around interest, they will "vex and oppress" their opponents because doing so furthers their material welfare. Madison offers property-owners versus the propertyless, and creditors versus debtors, as examples of interest-based factions. But factions will also create or inflame divisions that would simply not exist or remain innocuous if not united: "So strong is this propensity of mankind to fall into mutual animosity, that where no substantial occasion presents itself, the most frivolous and fanciful distinctions have been sufficient to kindle their unfriendly passions and excite their most violent conflicts" (:56).

That parties may act against the interests of their constituents or the larger community is an idea echoed in contemporary political theory. Assume, following standard spatial models, that candidates compete by announcing policy positions along a finite linear scale, voters choose the candidate whose position is closest to their own, and the candidate who locates herself nearest the largest number of voters wins. If two candidates compete and if the distribution of voters'

¹Defined thus by Madison: "a number of citizens, whether amounting to a majority or minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community". Federalist 10: 54.

preferences is unimodal, both parties will converge at the position of the median voter (Hotelling 1929, Downs 1957; for a recent review of spatial model literature, see Ferejohn, 1993).² Because politicians are assumed to be vote-maximizers, the winning party, anticipating the next election, will implement the proposed policy once in office. The outcome is felicitous: governments implement the policies preferred by a (unique) majority of voters, and elections translate the people's will into government action.

But consider now that *parties* compete, parties which are staffed by militants with preferences that cluster at the extremes (figure 1). Militants will attempt to counteract the movement of party leaders in the direction of the median voter. They may do so by exercising "voice": complaining, protesting, and otherwise keeping leaders awake at night (Hirschman 1970:74). Or they may withdraw organizational resources such that the candidate who shifts toward the median voter risks losing votes: the votes he picks up by moving toward policies popular among citizens may be fewer than the votes he loses when militants refuse to put up posters or transport supporters to the polls (see Aldrich, 1983; Robertson, 1976). Figure 2 depicts the effect of militants of drawing their party leaders away from more popular policies. A and B are the positions that the two parties would adopt if they were in pursuit the median voter; A' and B' are the positions they adopt under pressure from militants. The sum of the horizontal distances A-A' and B-B' is the "responsiveness gap" caused by parties (for evidence contrary to these expectations, see Iversen, 1994).

To summarize, cogent theoretical arguments have been made that parties increase government responsiveness and that they undermined government responsiveness. In the Latin American literature we find cases where parties are described as excessively weak and others in which parties are excessively strong. The ambiguity of theory and experience casts doubt on the universality of the maxim that parties are good for democracy, and hence on the inference that the more institutionalized and stronger the parties, the more responsive the democracy.

Democracy and responsiveness in Latin America. The list of complaints about the quality of Latin American democracies is long. All are presidential systems, and presidential systems are unstable (Linz 1993a, 1993b, Linz and Valenzuela, 1994, Stepan and Skatch, 1994). Presidentialism is exacerbated by an absence of balance of powers, and "horizontal accountability" (O'Donnell, 1994) is violated daily as presidents by-pass legislatures and rule by decree (Bernales, 1984; Weffort, 1992; but see Carey 199x) and as they pack, influence, or ignore the decisions of courts (Helmke, 1997; Diamond, 1996; Stotzky and Niño, 1993). Democratic governments in the region have produced substantively bad outcomes: plagues, hunger, human rights abuses, and international war; and there is a certain "emptiness" to democracies that sit astride societies of vast and growing social inequality (Weffort, 1992).

²Voters at the extremes are assumed not to abstain when the candidate moves away from them and toward the center because they still prefer the party closer to them over the more distant one, however close the two come. When people at the extremes can abstain or use "voice", the results are different; see below.

O'Donnell (1994) and Stokes (1995, 1997) worry about the lack of fit between the campaign pronouncements and policies taken by governments once in power, what I call mandate unresponsiveness (see also Mainwaring and Scully 1995:25). In O'Donnell's view, this lack of fit indicates that these are not representative democracies at all but "delegative democracies": "The president is taken to be the embodiment of the nation and the main custodian and definer of its interests. The policies of his government need bear no resemblance to the promises of his campaign -- has not the president been authorized to govern as he (or she) thinks best?" (O'Donnell 1994:59-60). Early and radical policy switches, undertaken most starkly by Alberto Fujimori in Peru and Carlos Menem in Argentina (and by every Ecuadorian president in recent memory) is antithetical to representation and symptomatic of delegative democracy.

Yet under some circumstances, governments that abandon their campaign promises early in the term may still be acting as good representatives; indeed they may have to switch in order to represent. What are these circumstances?

- **Changed conditions:** The context in which governments must operate may change after the election, rendering the campaign platform inappropriate. For example, a government that promised in the prior campaign to avoid stringent austerity measures may face a spike in inflation after the election, which may make the avoidance of austerity costly for the government's own constituents.³

- **New information:** Once in office the new government may learn information available only to office-holders; better informed, the government realizes that the policies it campaigned on are inappropriate. For example, in the campaign the incumbent may lie about the size of the budget deficit; when the challenger comes to office he finds a bigger-than-expected deficit and must adjust.

- **Unstable voter preferences:** A politician may believe that unpopular policies are actually in the longer-term best interest of voters, lie in order to win office in the first election and switch to policies that voters mistakenly feared *ex ante* in order to win reelection later (Harrington, 1993). For example, when stabilization and structural reforms are effective, they usually bring on a period of reduced consumption before growth resumes (Przeworski, 1991).

³If these changes are foreseeable, such as when they are endogenous to elections, we would expect the candidate or party that wishes to act as a good representative to anticipate these effects in formulating campaign positions. So, for example, a left-of-center politician may wish to avoid harsh stabilization measures, measures that will increase unemployment, when inflation is not excessively high. But she may also know that if she wins the elections, the markets will be sent into a tizzy and inflation will mount, and that under high inflation it is in the best interests of her lower-class constituents to stabilize. If this inflation effect, endogenous to the election, is known in advance to candidate and constituents, then any anti-stabilization message in her campaign will ring hollow.

Politicians considering reforms may believe that voters' opposition arises out of myopia: they cannot see past the trough, but after growth resumes, and before the next election, they will recognize that reforms were in their best interests after all.

Of course politicians may also switch because they are unresponsive to citizens. They may switch policies under pressure from special interests, or they may be corrupt or indifferent to citizens' preferences or views (a posture encouraged, perhaps, by term limits). Note that in all these scenarios, policy switches happen either because governments are unresponsive or because voters are ill-informed. Although O'Donnell may be too hasty in inferring a failure of representation whenever policy switches occur, he is correct to worry about the frequency of such switches in Latin American democracies.

Do Weak Parties Cause Mandate Unresponsiveness?

In theory, political parties may act as anchors on politicians who might otherwise be pulled away from the positions they outlined in campaigns. Recall the scenario described earlier, in which party militants had preferences that were extreme relative to those of voters. If parties were able to use exit or voice not only to press office-holders to enact policies closer to their (extreme) positions, but also to advocate these positions in campaigns, parties would be a force for *mandate* responsiveness (campaign-to-government consistency), even though they undermined general responsiveness of the government to the citizenry. Parties with preferences outside the mainstream might insist on a public airing of their beliefs and ideology in campaigns as a strategy to shape voters' identity or beliefs over the longer term, even if this means losing the next election (Przeworski and Sprague, 1986).

Consider another scenario, this one with four actors: voters, party militants, candidate/office-holders, and special interests -- e.g., investors, exporters, creditors, and international financial institutions. Assume that the distribution of voter preferences is bimodal and skewed, as represented in figure 3: the larger mode is at the "Left" end of the scale, the smaller at the "Right". Two parties, Socialists and Liberals, compete, and their militants' preferences are now just slightly more extreme than those of the median voter at each mode. These positions are articulated clearly in the party's manifestos and on the campaign trail. The Liberal candidate is kept from drifting too far toward the Left by his party militants, and his Socialist opponent wins.

Now enter the special interests. Their preferences cluster far to the right, and they have recourse to various sorts of threats -- disinvestment, denial of loans, loss of international reputation, blocked access to campaign funds -- which, if properly deployed, may force the new Socialist government to adopt policies to the Right of those preferred by party and constituents: they may induce a policy switch. Clearly the stronger the party militants, the more they may act as a countervailing force against the pressures of special interests. In this scenario, as in the earlier one, parties acted to enforce mandate responsiveness; but in this scenario they enforced general responsiveness to citizens as well.

In short, we have good *a priori* reasons to link strong parties with mandate responsiveness. But what can parties do, more concretely, to keep government policies in line with campaign pronouncements? One answer is that parties generate both a "blueprint" for policy in the form of their manifestos (Klingeman et al., 1994) and the personnel to staff ministries. In settings where parties are strong, parties govern.

Conversely, when parties are weak, manifestos may be non-existent or skeletal or appear only after the election, and party organizations may fail to provide the personnel of government. Analyzing South American experiences where policies have shifted radically, it is clear that parties failed to capture critical positions in the new government, and this failure may have left presidents more vulnerable to pressures from special interests.

A review of the experience of several South American policy-switchers is suggestive of a connection between weak parties and mandate unresponsiveness. In 1990 Alberto Fujimori ran for the presidency of Peru without the support of a political party. His campaign organization, such as it was, consisted of leaders of informal-sector organizations, protestant churches, and politically independent, neo-Keynesian economists (Adolfo Figueroa, Santiago Roca, and Oscar Ugarteche, among others; for details see Stokes, 1997a). Fujimori ran against Mario Vargas Llosa, who had the support of the rightist Partido Popular Cristiano and Acción Popular parties, as well as his own Movimiento Libertad -- together the three formed the FREDEMO coalition.

Fujimori won the election, and swiftly shed his campaign advisors in favor of a more partisan group, one that included people associated with Vargas Llosa, FREDEMO, and its constituent rightist parties (Fujimori also picked up some cabinet members from APRA and the United Left, but most deserted soon after the neoliberal "*cambio de timón*" began). Notable figures recruited from the camp of Fujimori's erstwhile right-wing opponents were Juan Carlos Hurtado Miller, an Acción Popular member who had been minister of agriculture under the Belaúnde government (1980-85) and became Fujimori's first economic minister, and Hernando de Soto. De Soto, author of *El Otro Sendero*, was a pronounced neoliberal who was associated with Vargas Llosa in the early days of Movimiento Libertad; De Soto's views on economic policy could not have been more at odds with the gradualism and neo-Keynesianism proposed by Fujimori in the campaign. De Soto was critical in precipitating the switch: he helped arrange a meeting in July 1990 in New York between president-elect Fujimori and the heads of the U.N. and international financial institutions. In the meeting Fujimori was pressured to adopt a program of pro-market reforms. After similar meetings in Japan, Fujimori returned to Lima and shed his neo-Keynesian advisors.

One can conjure up a counterfactual in which Fujimori, the candidate of a long-standing Social Democratic party, is subjected after the election to pressures from domestic intellectuals, the IMF, and the Peruvian bourgeoisie to abandon positions announced in the campaign. But Fujimori is kept from drifting too far by members of the party's leadership who will become cabinet members and who control valuable political resources, such as access to party committees around the country.

Ecuador provides another example of policy switches in the context of uninstitutionalized parties. In Ecuador, presidents seem always to do just what they promise in campaigns not to; Ecuadorian voters are probably better advised to read tea-leaves than to listen to campaign rhetoric if they want to guess the policies of a future government. By some counts, Ecuador also has the most volatile party system in South America; as Coppedge (1995) notes, its volatility index is such that the party system virtually remakes itself from one election to the next. Again, there is *a priori* appeal to the idea that Ecuador exemplifies a link between uninstitutionalized parties and mandate unresponsiveness.

And the same linking mechanism suggested by the Peruvian analysis, namely the absence of parties that both run campaigns and staff governments, is also much in evidence in Ecuador. For example, the second round of the 1992 presidential elections pitted Sixto Durán Ballén of the newly created Partido Unidad Republicana (PUR) against Jaime Nebot of the Partido Social Cristiano (PSC). Durán had himself been a member of the PSC until 1988 and had served as vice-president of Ecuador in the Social Christian administration of León Febres Cordero (1984-88); he left the party after a dismal performance as PSC presidential candidate in the 1988 election and later created the PUR. Facing each other in the run-off, Durán and Nebot tried to carve different images. Durán in particular drifted toward a centrist, even populist position, promising massive new housing campaigns and to reduce the price of basic foods and medicines (Cornejo Menacho, 1992). His running mate, Alberto Dahik of the Partido Conservador Ecuatoriano (PCE), denied repeatedly in television appearances Nebot's claim that Durán would raise the price of gasoline by 100% once in office.

Durán won the election in July 1992 and on September 3 announced that gasoline prices would increase 125%. This and other austerity measures were part of a major policy initiative, the Nuevo Rumbo, that would liberalize trade and deregulate and privatize the domestic market. Key cabinet members who tried to implement the Nuevo Rumbo had held positions in the prior PSC government of Febres (recall that the PSC's Nebot was Durán's opponent in the recent elections). Pablo Lucio Paredes, Durán's planning minister, had been an advisor to the Junta Monetaria under Febres Cordero; Mario Ribadeneira, Durán's minister of finance, was Febres's ambassador to Washington; and Ana Lucía Armijos, Durán's Central Bank chief, had been the head of monetary policy at the Bank under Febres.

Would mandate responsiveness have been greater in Ecuador under the counterfactual of institutionalized political parties? In a less volatile party system the incumbent party's share in the 1988 elections might not have fallen as sharply (by definition: this sort of abrupt change of electoral fortunes, along with short-lived parties, is what produces high volatility indexes). And Durán would have been less likely to found a new party after losing the presidential race. He might well have foreseen a future in his own party, including another run for the presidency. It is common in the better-institutionalized party systems of the OECD countries for parties to run candidates repeatedly despite losses. Had Durán not jumped the PSC ship after 1988, he would not have been in the rather artificial situation of opposing his former co-partisans and feigning ideological discrepancies with them in the campaign of 1992, only to turn around and incorporate them into his government once the niceties of the election were behind him.

More examples could be offered of policy-switching governments rich in leadership and technical advice coming from people associated with parties they just defeated at the polls. In Bolivia in 1985, Víctor Paz Estenssoro won the Congressional election for the presidency and announced the Nuevo Programa Económico (NPE), a radical program of pro-market reforms, reforms that ran counter to Paz's past record and which were not spelled out in the campaign.⁴ In contrast to Peru and Ecuador, Paz's party (MNR) did dominate the cabinet that would implement the NPE. But the MNR cabinet members were figureheads. Real policy was being decided by a team of economists and businessmen led by Juan Carriaga, who in the campaign had served as the bridge between General Hugo Bánzer, Paz's chief opponent. In the campaign Carriaga had worked closely with Jeffrey Sachs, the international economist, in putting together a blueprint for pro-market reforms that was to be implemented by Bánzer.⁵ Once the early, contentious months of the NPE had passed the figurehead MNR cabinet members were replaced by the real, non-MNR players.

In sum, policy switches did happen in countries with uninstitutionalized parties where "governing" parties were either absent (Peru) or marginalized (Ecuador) or where the parties' presence in government was symbolic (Bolivia). Therefore it is tempting to draw a causal connection between uninstitutionalized parties and mandate unresponsiveness.

The problem is that policy switches also occurred in countries with relatively well-institutionalized parties, such as Venezuela, Argentina, and Costa Rica. In these countries too, leaders from the "ruling" party found themselves marginalized or had to accommodate themselves to the about-face.

Consider Argentina. Carlos Menem's decision to break with Peronist tradition and his own campaign positions occurred immediately after Menem had won the *internas* against Antonio Cafiero, six months before the general election in May 1989. Some Menem insiders were aware that the campaign they were witnessing was misleading; in the campaign, for example, Menem called for a "*salario*" in response to the *paquetazos* being imposed as emergency measures by the Alfonsín government. But many Peronists were surprised and unhappy after the election, when Menem announced austerity measures and surprising cabinet appointments, such as of Miguel Roig and later Néstor Rapanelli, both of Bunge y Born, to head the finance ministry. Bunge y Born was the Argentine conglomerate that had symbolized the "*vendepatria*" bourgeoisie in the rhetoric of decades of Peronists (Smith, 1991). Equally surprising was the appointment of Alvaro Alsogaray as Menem's chief debt negotiator in Washington. Alsogaray had been the presidential candidate of the right-wing

⁴The political dynamics of Bolivian economic policy-making bore a strong resemblance to those in other countries where politicians changed course. However, because Paz Estenssoro provided some hints in the campaign that he would pursue austerity policies and liberal reforms, this case is not coded as one of a policy switch in the LACAP database (see below).

⁵The only member of the real policy team from the MNR was Gonzálo Sánchez de Lozada, a businessman who would later succeed Paz as president.

CCD. Surprised and disgruntled Peronists had no choice other than to acquiesce or leave. And some did leave: Menem's policy switch provoked a split in the Peronist labor confederation, the Confederación General de Trabajadores (CGT), with followers of Saúl Ubaldini abandoning the CGT and the government in the wake of its neoliberal turn. In sum, Argentine political parties, especially the Peronists, were relatively institutionalized *until* Menem's radical policy switch, at which point the party cracked.

Venezuela demonstrates equally well the fallacy of the formulation, "uninstitutionalized parties = mandate unresponsiveness". Venezuelan parties, as we saw earlier, were if anything too institutionalized and pervasive, none more so than Acción Democrática (Coppedge, 1994). In 1989 AD's Carlos Andrés Pérez announced "*El Gran Viraje*", a program of stabilization and pro-market reforms not anticipated by Pérez's prior career or in his campaign. The cabinet that was to oversee the *Gran Viraje* tilted toward non-AD economists and businessmen. These included the "IESA boys" Miguel Rodríguez (minister of planning) and Moisés Naim (industrial development). Pedro Tinoco, a powerful businessman and banker, became president of the Central Bank. When Pérez moved to deepen the reforms in mid-1990, he added three more IESA boys: Roberto Smith (transport), Jonathan Cole (agriculture), and Herbert Torres (investment fund). As in Argentina, a strong, enduring, highly structured party was no guarantee of party government or of mandate responsiveness. Pérez's neoliberal turn and non-AD cabinet were all the more surprising given that he had relied on labor support to win a contentious inner struggle for the AD presidential candidacy in 1988.

Party-System Volatility and Mandate Unresponsiveness: A Cross-National Statistical Test

For a more systematic test of the hypothesis that volatile party systems cause mandate unresponsiveness, I constructed a database which includes observations for all competitive presidential elections in Latin America between 1982 and 1995. I coded each election as one in which the winning party went on to implement policies during the first year that were consistent with campaign pronouncements or one in which the government switched (see table 1). I also collected measures of GDP change, inflation, nominal exchange rates, and fiscal deficits, from the periods before and after elections. The data base also includes election results, the majority status of governments, term limits, and other political and institutional variables. The discussion that follows is supported by analyses of these data; for more details see Stokes, 1997b.

In 13 (30%) of the 44 elections, governments later switched; in 5 (11%) campaigns were too vague to deduce any policy predictions; and in the remaining 26 (59%) campaigns accurately predicted early government policy.⁶ Consistent with the findings of other scholars (see

⁶The coding was conservative in that politicians were not considered to have switched if they promised to do something and then didn't. To count as switchers they had to promise specifically *not* to do something and then do it and that something had to be a salient part of the campaign. My focus is on economic policy promises and performance because the economy so dominated

Coppedge, 1995, Mainwaring and Scully, 1995), average party-system volatility in Ecuador, Brazil, and Peru was very high compared to typical scores for advanced industrial countries. Other countries not included in the studies mentioned, such as Guatemala, had volatility indices off the scale in comparison with Western Europe and the U.S.

To test the hypothesis that volatile party systems cause mandate unresponsiveness, I estimated a probit model of switches in which party-system volatility for each election was an independent variable. All switches occurred from "Left" to "Right", or from expansionist and gradualist campaigns to government austerity and neoliberal reforms. Therefore I estimated the probability of a switch conditioned on the election of a security-oriented candidate. A model of policy switches that includes party system volatility for each election as an independent variable is reported in table 2. We see that the coefficient on "VOLATIL" was positive but not significant; in other models the sign sometimes became negative. The results offer little support for the hypothesis that party-system volatility is a cause of mandate unresponsiveness.

The causes of mandate unresponsiveness in recent Latin American politics lie not in weak parties but in the deep conflict between voters and markets over economic policy. Voters pulled politicians toward economic security-oriented policies and gradualism in the campaigns leading up to elections; markets pulled them toward efficiency-oriented policies and "big bang" unsequenced reforms after the ballots were counted and the winner declared. These sequential tugs, toward voters before elections, toward markets after, induced policy switches in systems with strong parties and weak parties alike.

A probit model of the probability of election of an economic security-oriented candidate, one promising economic expansion and a gradualist approach to stabilization, is reported in table 3. The results suggest that the pull toward economic security by voters was stronger when output and employment were declining and when inflation was relatively low; note the negative signs on the coefficients on GDP and inflation in the model of security-oriented candidate victories. The pull toward austerity by markets was also stronger when output declined: in the probit model of policy switches in table 4, changes in GDP and prices in the period leading up to the election were negatively and significantly associated with switches. Hence, under conditions of falling output and low inflation, candidates promising to revive growth and avoid austerity were both more likely to win elections and more likely to switch policies once in office.

politics in the post-debt crisis era.

The formula for volatility was

$$V = 1/2 \sum_{i=1}^p |P_{i,t} - P_{i,t-1}|,$$

where $P_{i,t}$ is the percentage of the vote won by party i in the election at time t . This is the formula used by Coppedge, 1995, following Przeworski, 1965, and Bartolini and Mair, 1990.

Coming to power after a government that had pursued a "heterodox" approach to inflation stabilization intensified the cross-pressures governments faced and made them more likely to change course (note the positive and significant coefficient on "POSTHETERODOX" in table 4).⁷ Why was this true? To understand the behavior of post-heterodox switchers, it is useful to recall the concept of signaling, due initially to Spence (1973). A principal must choose an agent but is unable to observe directly the trait of the agent (productivity, for example), that distinguishes ones who will perform well from ones who will perform badly. The principal knows that both good and bad agents are to be found in the applicant pool. An action or signal that only people well endowed with the good trait can perform will allow the principal to distinguish the good from the bad.

Lenders and investors who are considering putting resources into Latin American countries in the post-debt-crisis period see themselves as in a position like the principal in this scenario. They believe that if their loans are to be repaid and investments to yield sufficient returns, governments must pursue austerity and liberalization. Yet embarking on efficiency-oriented reforms, and persisting in them in the face of resistance, is seen as requiring "political will". Like productivity and predestination, political will cannot be observed or measured directly but might be reflected in a government's actions.

Prone as they are presumed to be to "populist" temptations, elected governments of any stripe in Latin American were viewed as having a low endowment of political will; this view was shared by the political leadership of international financial institutions, officials in private banks, and by academic economists (see for example Dornbusch and Edwards, 1991). This low benchmark estimate of political will was even lower when politicians had professed security-oriented predilections in campaigns, lower still when the prior government had deviated sharply from the economic policies preferred by domestic markets and international lenders. A "heterodox" government was seen as having political will that approached zero, and its successor would have to work all that much harder to prove that it was capable of persistence in the face of domestic resistance.

From this perspective, it is easy to see policy switches to efficiency programs as signals by politicians who followed heterodox governments. The greater the price paid -- the more betrayed and injured constituents felt -- the more a change of course signalled sufficient underlying political will to carry them forward along the path of efficiency-oriented reforms over the long haul, even after the national strike had been organized or the mid-term election lost.

⁷The heterodox governments were those of Raúl Alfonsín in Argentina (1983-89), José Sarney in Brazil (1985-89), Alan García in Peru (1985-90), Rodrigo Borja in Ecuador (1988-92), Hernán Siles Suazo in Bolivia (1985-89), Jaime Lusinchi in Venezuela (1983-88), and Daniel Ortega in Nicaragua (1984-90). Postheterodox governments, then, were those of Carlos Menem in Argentina (1989-95), Fernando Collor in Brazil (1989-94), Alberto Fujimori in Peru (1990-95), Sixto Durán in Ecuador (1992-96), Víctor Paz Estenssoro in Bolivia (1985-89), Carlos Andrés Pérez in Venezuela (1989-94), and Violeta Chamorro in Nicaragua (1990-96).

Policies were more likely to change when the government came to power in a close election. The factor labelled "MARGIN" in table 4 is the difference between the percentage of the vote going to the winner and to his or her closest opponent. The coefficient on MARGIN is negative and significant, indicating that narrow victories were associated with an increased probability of policy switches.

One way to think about this effect is as follows. Campaign-to-government policy consistency can be enhanced in one of two ways. Either the politician may adjust his campaign rhetoric so that it is more predictive of future policy -- a "type I adjustment" -- or he may adjust policy so that it is more in line with what was said in the campaign -- a "type II adjustment". A politician in a tight race would be unlikely to make a type I adjustment if he thought it would cost him the election, whereas one who is far ahead might be more willing to make such an adjustment.

Consider the case of a challenger who enters the campaign promising to fully reverse the policies of the incumbent, but who thinks that some of those policies are in fact irreversible. Midway through the campaign the incumbent stumbles and her ratings in public opinion drop precipitously. The challenger may then adjust his campaign strategy, and reveal to voters more of what he expects his policies to look like.⁸ Of course if the change in strategy brings him down in the polls to the point where he may be overtaken by the incumbent, he will back off; we may assume that during the campaign he cares more about winning the next election than about his reputation for reliability over the longer term. And if he anticipates this effect he will not adjust his strategy. But if the incumbent is down in the polls for some reason unrelated to the policy dispute between them, the challenger will take advantage of his lead to prepare voters for the future.

Why would the challenger who is far ahead make any such adjustment? In some situations, politicians face a choice between reliability -- sticking to one's promises or mandate -- and responsiveness to voters preferences. This will be true when politicians know or have an intuition during campaigns that they will later come under effective pressure to take actions that are unpopular with voters (as was true of Menem in 1989 and of Fujimori in 1990). Reneging on campaign commitments is never costless, and when the commitments were recently made and external conditions have not obviously changed, the costs rise. Even in the case of a politician who was sure that voters would retrospectively realize that the policies he or she was changing to were better for voters than the ones promised in the campaign, abrupt reneging poses a threat to the politicians' reliability or reputation for consistency (Downs 1957). Will he or she ever be believed in the future? For this reason, politicians who anticipate that they may have to take actions that are unpopular may try to communicate these actions to voters in advance.

⁸Changing campaign rhetoric may also be considered a sign of unreliability and inconsistency. But voters are less likely to infer that the politician has switched for unjustified reason, as they may when the office-holder, newly secure in power, does.

Small margins of victory are indicative not only of a close finish but, one suspects, a close race during the campaign when decisions are being made about what message to send to voters. And in the Latin American cases I studied, close races significantly and robustly increased the likelihood that the winning politician would abandon some significant part of the security program early in the term. To the extent that this effect reflects the unwillingness of politicians in close races to make type I adjustments, it shows a kind of hyper-responsiveness of politicians to voters during campaigns. After the race is over, politicians' attention to voters flags and they begin paying attending to other voices.

To summarize, the particular juncture of the post-debt-crisis era in Latin America exacerbated social conflict over economic policy. This conflict is endemic in capitalist democracies; but it took on an especially zero-sum quality in our context and found expression in the post-campaign about-faces that stunned citizens and scholars. Acute social conflict over policies in the context of recession, rather than weak parties, gave these systems the appearance of "delegative democracies".

Yet perhaps truly strong, institutionalized parties might have effectively anchored politicians to their campaign positions (type II adjustment) or induced politicians to announce more truthfully in campaigns the policies they knew markets would force them to impose later (type I adjustment). Perhaps my research design does not allow a test of the impact of party institutionalization on mandate responsiveness because contemporary Latin America does not offer any cases of sufficiently institutionalized parties; in another context, perhaps we would observe party-imposed mandate responsiveness despite voter-market policy polarization.

My intuition is that although parties may anchor politicians in normal times, the storm over economic policies of the intensity experienced in Latin America during the past 15 years would have induced mandate unresponsiveness in democracies with strong parties and stable party systems as well. Although policy switches of the unabashed sort we observed in Argentina and Peru are less frequent in the advanced capitalist democracies, they are not unheard of. And when they have happened they have had some of the same characteristics of the Latin American ones: Left governments under pressure from markets have reneged on campaign commitments. When parties are strong, these conflicts over policy are played out in intraparty conflicts; but campaign pronouncements may still be forgotten.

France under Mitterrand illustrates the point.⁹ As Cameron (1996) has shown, early in the term the Mitterrand government faced a dilemma over exchange rate management, and beyond it persistence in its pro-labor policies. The choice was whether to devalue heavily, against the wishes of Germany and perhaps with the necessity of temporarily leaving the European Monetary Union; versus conforming to German wishes, avoiding a major devaluation,

⁹Another instance was in 1976 when the West German SPD, immediately after winning the election and forming a new government, reneged on a major campaign pledge to raise old-age pensions by 10%.

and switching to an austerity program which implied abandoning the socialist reforms. Eventually Mitterrand decided for a type II departure from mandate responsiveness: he devalued the franc only modestly and abandoned reforms on which the socialists had run. A well institutionalized Socialist party was not sufficient to anchor the government to its promises, nor had it been sufficient to force a campaign that anticipated these actions. The struggle over policy, as Cameron aptly demonstrates, simply played itself out in an internal conflict within the party and among Mitterrand's advisors.

Conclusion: Parties and Democratic Responsiveness in Latin America

To explain a multitude of deficiencies, analysts of Latin America's democracies have blamed the absence for strong, institutionalized political parties. The assumption is that the stronger the parties, the better the democracy. Yet at the very least we might expect strong parties to be associated with a variety of results, some desirable and others not. Strong parties, for example, may enhance the efficiency of government at the same time that they undermine the responsiveness of government. We have seen that parties may undermine responsiveness if they are organizations of militants with extreme preferences relative to those of citizens. But parties may enhance responsiveness, for example, if militants anchor office-holders to popular positions against pressure from elites and special interests.

In this paper I examined the connection between party system institutionalization and mandate responsiveness: the consistency of campaign promises with government policy. Latin American politicians have shown a troubling propensity to say one thing in campaigns and do something quite different once in office. O'Donnell doubts that such politicians can act as representatives of the interests of citizens, and Mainwaring and Scully blame programmatic inconsistency on uninstitutionalized parties. I show that politicians from strong parties, operating in the context of what by Latin American standards are stable party systems, are as likely to abandon campaign pronouncements as ones from weak parties in uninstitutionalized systems. Among the many deficiencies of Latin American democracies, mandate unresponsiveness is one that should be blamed on other features than weak parties.

How desirable, finally, is mandate responsiveness? We saw that under some circumstances politicians who wish to promote the interests of citizens may have to violate their mandate. Conditions may change or new information may be learned that make the policies they campaigned on inappropriate; and voters may be myopic, failing to recognize that they will approve of policies four years hence that they disapprove of today.

And yet one suspects that changed conditions and new information are uncommon causes of inconsistency. The more common inducements are pressure from special interests and the sense that voters don't recognize *ex ante* the merits of policies that they will approve of *ex post*. In the latter case, it may appear to politicians easier and less risky to dissimulate and switch than to use campaigns to explain and persuade. But the easy route is not risk-free. There are pragmatic reasons why mandates should be generated in campaigns and then followed by governments: as Jones (1990) indicates, without a mandate governments have more difficulty

justifying their actions and mobilizing support for their policies. For every Fujimori and Menem who violated their mandate and went on to win reelection, there is a Durán whose mandate violation is greeted with disapproval, a disapproval that never dissipates, or a Pérez or Bucáram, policy switchers who fail even to serve out their term.

From a normative perspective as well, dissimulation and switching is undesirable, even if the switch is to good policies and for good reasons. Historic changes in orientation ought to be anticipated and aired publicly in campaigns. At their best, campaigns can be moments of public debate about the challenges a society faces and about how best to meet these challenges, a debate which the citizenry ought to be able to hear and intervene in by voting. Changes of course entail many uncertainties; they involve risks that even rational citizenries may wish not to accept (Fernández and Rodrik, 1991). The liberalization of Latin American economies has produced winners and losers; the consequences of various reforms have been shrouded in uncertainty, for citizens as well as for experts; and in all the process has been one of trial and error.¹⁰ To impose such losses, and to take on such risks, without a prior airing of proposals for change violates the implicit democratic norm that basic decisions about the course of individual and collective futures remain in the hands of citizens. This implicit rule holds even though representatives, who are better informed, must formulate the choices that citizens face, and even though citizens must delegate to representatives the everyday tasks of governing.

¹⁰Even pro-market enthusiasts like Sebastian Edwards implicitly accept the trial-and-error view of reforms; see Edwards 1995:18, *passim*.

Table 1

Presidential Elections and Policy Switches
in Latin America's Democracies, 1982-95

Country	Year	Country	Year
Argentina	1983 s	Ecuador	1984 s
	1989 s		1988 s
	1995 s		1992 s
Bolivia	1985	El Salvador	1984
	1989 s		1989
	1993		1994
Brazil	1989	Guatemala	1985
	1994		1990
Chile	1989		1995
	1993	Honduras	1985
Colombia	1982 s		1989
	1986		1993
	1990	Nicaragua	1984
	1994		1990
Costa Rica	1982	Peru	1985
	1986		1990 s
	1990 s		1995
	1994	Uruguay	1984
Dominican Rep.	1982 s		1989
	1986		1994
	1990	Venezuela	1983
	1994		1988 s
			1993 s

s Denotes an election followed by a policy switch.

Table 2

Binomial probit model, dependent variable probability of SWITCH^a, independent variables party system VOLATILITY (and others^b), 30 observations

Variable	Coeff.	Std. Error	t-ratio	Prob t ≥x	Mean of X	Std.Dev. of X
Constant	1.49	1.695	0.877	0.38039		
INFYEAR	-7.82	6.747	-1.16	0.24644	0.25849	0.61733
GDP	-0.40	0.224	-1.77	0.07727	2.3567	4.2906
AFTEREX	0.176	0.140	1.260	0.20764	4.0633	11.584
MARGIN	-0.25	0.167	-1.47	0.14054	12.193	11.734
POSTHET	9.20	43.40	0.212	0.83210	0.1667	0.37905
VOLATIL	0.025	0.039	0.649	0.51645	27.52	18.175

Maximum Likelihood Estimates

Log-Likelihood	-5.082758
Restricted (Slopes=0) Log-L.	-19.71473
Chi-Squared (6)	29.26395
Significance Level	0.5422259E-04

Frequencies of actual & predicted outcomes
 Predicted outcome has maximum probability.

		Predicted		
		0	1	TOTAL
Actual	0	18	1	19
	1	1	10	11
TOTAL		19	11	30

^aProbability of switch conditioned on election of security-oriented candidate.

^bINFYEAR -- inflation in four quarters before quarter of election; GDP in 12-month period leading up to election; AFTEREX -- exchange rate depreciation in *month* after election; MARGIN -- difference in the proportion of votes going to first- and second-place finishers; POSTHET -- Dummy for elections after government implementing heterodox reforms; VOLATIL -- index of party-system volatility.

Table 3

Binomial probit model, dependent variable election of probability of SECURITY candidate victory, 34 observations

Variable	Coef.	Std. Error	t-ratio	Prob t ≥x	Mean of X	Std.Dev.of X
Constant	0.311	0.49	0.628	0.53011		
INFL ^a	-0.89	0.56	-1.60	0.10948	0.29958	0.64314
GDPY ^b	-0.21	0.08	-2.64	0.00840	2.3676	4.1245
TRANS ^c	0.045	0.02	2.049	0.04046	15.176	13.144
Log-Likelihood				-16.06781		
Restricted (Slopes=0) Log-L.				-23.03481		
Chi-Squared (3)				13.93400		
Significance Level				0.0029964		

Frequencies of actual & predicted outcomes
 Predicted outcome has maximum probability.

Actual	Predicted		
	0	1	TOTAL
0	10	4	14
1	4	16	20
TOTAL	14	20	34

^aAverage inflation rate four quarters leading up to election.

^bGDP in 12-month period leading up to election.

^cYears since first competitive presidential election.

Table 4Binomial probit model, dependent variable probability of SWITCH^a, 34 observations

Variable	Coef.	Std. Error	t-ratio	Prob t ≥x	Mean of X	Std.Dev.of X
Constant	2.237	1.232	1.816	0.06939		
INFYEAR	-12.8	7.187	-1.78	-0.076	0.299	0.64314
GDP	-0.48	0.21	-2.32	0.02034	2.5118	4.2499
AFTEREX	0.292	0.19	1.560	0.11871	5.8559	14.534
MARGIN	-0.22	0.12	-1.94	0.05301	12.253	11.316
POSTHET	6.667	2.84	2.353	0.01864	0.1765	0.38695

Maximum Likelihood Estimates

Log-Likelihood	-7.817781
Restricted (Slopes=0) Log-L.	-22.07444
Chi-Squared (5)	28.51333
Significance Level	0.2888269E-04

Frequencies of actual & predicted outcomes
 Predicted outcome has maximum probability.

Actual	Predicted		
	0	1	TOTAL
0	21	1	22
1	2	10	12
TOTAL	23	11	34

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