Unarmed Utopia Revisited: The Resurgence of Left-of-Centre Politics in Latin America

Francisco Panizza
London School of Economics

This paper seeks to examine the extent to which left-wing forces are making a comeback in Latin America and to draw out the political implications of their political ascendancy. It argues that while left-of-centre parties have developed a persuasive critique of the failures of liberal democracy and economic neoliberalism in the region, there is as yet no conceptual clarity or distinct policy initiatives materialising from the left’s promises of deepening democracy and implementing an alternative economic model. When in power, left-of-centre parties have followed a strategy of ‘bending and moulding’ existing political institutions and the free-market economic model rather than attempting radical political and economic reforms. This paper concludes that left-of-centre parties are right in accepting that there is little room in the region for an anti-systemic model and that instead the emphasis should be placed on making states, markets and democracy work better to secure development, address social demands and attack the root causes of discrimination and inequality. But leaving behind old certainties and adapting to the new political and economic environment has come at the cost of a loss of intellectual confidence, ideological clarity and weakened identities.

In his seminal book *Utopia Unarmed*, first published in 1994, the Mexican intellectual and politician Jorge Castañeda surveyed the condition of the Latin American left in the last decade of the twentieth century. Written shortly after the collapse of the socialist bloc at a time of ascendancy of conservative, pro-business governments throughout Latin America, he wrote that though the left remained influential in the grass-roots movement and at the intellectual level, the political left was, in his own words, ‘on the run and on the ropes’ (Castañeda, 1994, p. 3). He argued that while the original causes that gave birth to the left in the region – poverty, injustice, gaping social disparities and overwhelming social violence – were as compelling as ever, with the exception of Cuba, the left had failed in its efforts ‘to take power, make revolution and change the world’ (p. 4).

Today, the left, in its different ideological shades, is making a comeback in the region. The electoral triumph of Luiz Inácio Lula da Silva in the presidential election of November 2002 in Brazil was the first for a candidate of a left-wing party since Salvador Allende’s electoral victory in 1970. The continental significance of Lula da Silva’s victory can hardly be overestimated given Brazil’s political and economic importance, but it is not an isolated case. Lula da Silva’s victory is part of a wider set of political developments in which political parties, which can broadly be characterised as being from the left and the centre-left (which for the purpose of this paper will be labelled as ‘left-of-centre’, LOC) are in power, have been in power
or have good chances of gaining power at the national, state and municipal levels throughout the region over the past years.

Just to mention some of these forces, in Chile the government of the Concertación (2000–6) has in Ricardo Lagos a socialist president and two parties with their roots in the left, the Partido Socialista (PS) and the Partido Por la Democracia (Pollack and Rosenkranz, 1986). In Brazil, previous to the current Partido dos Trabalhadores (PT) government (2003–6) the centrist administrations of president Fernando Henrique Cardoso (1995–8 and 1999–2002) had in the Partido da Social Democracia Brasileira (PSDB) a party that sought to represent the ideas and policies of social democracy (Branford and Kucinski, 2003; Kaufman Purcell and Roett, 1997). In Venezuela president Hugo Chávez (1999–2007) came to power with a radical, nationalist discourse that appealed to the poor and disenfranchised and has been backed by forces of the left such as the Movimiento al Socialismo (MAS), the Partido Comunista and Patria Para Todos (Ellner and Hellinger, 2003). In Argentina Néstor Kirchner (2003–7) won the presidency on a left-nationalist platform and leaders of the now defunct LOC Frente País Solidario (Frepaso) occupy important positions in his administration, while Frepaso was also part of the ill-fated De La Rua (1999–2001) administration (Novaro and Palermo, 1998). In Uruguay the Encuentro Progresista-Frente Amplio-Nueva Mayoría (EP-FA-NM) left-wing coalition (Lanzaro, 2004) won the October 2004 election, ending more than 170 years of hegemony of the traditional Blanco and Colorado parties. In Bolivia the candidate of the MAS, Evo Morales, came a close second in the 2002 presidential election (Nicholls, 2003) and has since become a key player in the country’s politics. In Mexico the Partido de la Revolución Democrática (PRD) has, since its creation in the late 1980s, established itself as one of the country’s three main parties (Bruhn, 1997). One of the PRD’s most prominent politicians, the mayor of Mexico City, Andrés Manuel López Obrador, is a strong contender for the 2007 presidential election. Perhaps less visibly, LOC parties have been in office at the state and municipal levels in a number of countries, including, among others, the Federal District in Mexico, the Federal Capital in Argentina, Bogotá in Colombia, several states and hundreds of municipalities in Brazil and the state capital of Montevideo in Uruguay.

Governing countries, states and municipalities have allowed the parties of the left and centre-left to confront their own myths, accumulate administrative experience and test alternative policies at the national and local levels. Electoral advances, however, have been paralleled by what many scholars regard as ideological retreat, policy uncertainty and loss of identity (Angell, 1996; Bruhn, 1997; Ellner, 1993; Kirby, 2003; Levine, 2000). One of the reasons for this state of affairs is that, as Castañeda (1994, p. 427) noted, ‘[w]herever there is a Left today, it seems intractably confronted with a central problem: devising a viable and substantively different alternative to the status quo’.

At the time of Castañeda’s writing this difficulty was compounded by the widespread acceptance of neoliberal economics in the region encapsulated in the so-called Washington Consensus (Williamson, 1994) (a term commonly used to encapsulate the free-market policies and structural reforms advocated by Washington-based institutions such as the International Monetary Fund [IMF] and
the World Bank [WB]). As will be discussed in more detail below, today the Washington Consensus has lost its intellectual confidence and political appeal. But this still leaves open the question of whether or not the left is any nearer to developing an alternative to the status quo than a decade ago.

Castañeda (pp. 358 and 428) argued that that a left alternative to the dominant consensus should be reformist, rather than revolutionary, based on ‘democratising democracy’ and on a ‘hodgepodge’ economic programme that successfully reconciles social justice with sound economic policy. This paper examines the critical challenges facing LOC governments in Latin America in the early twenty-first century concerning democratisation and the implementation of alternative economic policies to free-market capitalism. It agrees with Castañeda that there is little room for wholesale alternatives to liberal democracy and market economies, but argues that the project of ‘democratising democracy’ rests on a set of potentially contradictory understandings of the nature and constraints of the task, and that the failures of neoliberal economics have opened the way for a ‘post-Washington Consensus era’ in which the former overriding opposition between the advocates of neoliberal reform and their LOC critics have been substituted for a more complex game of convergence and differentiations. In this game, the ideological frontiers that once separated the Washington Consensus and its critics are being eroded and redrawn, raising both opportunities and problems for LOC parties and governments. This paper concludes that the advances of the left reflect both the achievements and shortcomings of the democratic and economic reforms in the region. It further concludes that incremental political and economic changes are possible, but policy alternatives need to be part of a political strategy that is credible for both for the citizens and the markets and contributes to the forging of a distinctive LOC political identity.

Defining the Left and the Centre-Left

Before exploring the political and ideological dilemmas of LOC parties in the region, some conceptual clarifications are in order. If talking about the left implies a high degree of generalisation, bringing together the left and the centre-left is still more problematic. The LOC parties that have become significant political forces throughout the region over the past decade are highly heterogeneous (Angell, 1994; 1996; Carr and Ellner, 1993). Their categorisation raises questions concerning which forces should be included and which should be left out. How do we define the left and the centre-left? Where do we trace the dividing line between the centre-left and the centre-right? Does it make sense to bring together such moderate political forces as Chile’s PS with more radical parties such as Brazil’s PT and Uruguay’s EP-FA-NM? Aren’t Chávez and Kirchner populists rather than leftists? What about other radical forces of the left, such as the many grass-roots movements that are represented in gatherings such as the World Social Forum (WSF) in Porto Alegre, Brazil, or radical groups such as the Movimento dos Sem Terra in Brazil and the Zapatistas in Mexico?

Political classifications are by definition arbitrary and open to contestation, but there are some criteria that both justify and limit my selection. The meaning of the left has always been elusive and more so that of the centre-left. To be of the left
has been related to ideological affiliations such as Marxism and socialism (Chilcote, 1993), political principles such as equality and justice (Bobbio, 1994), political traditions such as the social democratic and communist movements (Angell, 1994) and policy choices such as preference for state intervention and redistribution over market forces and private property (Rabotnikof, 2004). However, if trying to set up a positive definition of the left has always been a daunting task, in recent times these criteria have lost even more of their ability to define and harden political boundaries. To analyse the contemporary left and centre-left’s definition in Latin America is necessary to account for the transformations of traditional forces of the left and the emergence of new ones, to map their ideological journeys and the redefinition of their political strategies and to explore their policies and practices when in government.

After acknowledging the problems in describing the left Steve Ellner (1993, p. 15) argues that the main divide between the left and the centre is set ‘between those who advocate far-reaching structural change (...) and those who are mainly concerned with policy reforms’. He further claims that because of the fading out of radical populism in much of Latin America the left is no longer divided between pro-socialist and pro-populist wings, which would make socialist forces the only true representatives of the left. In his survey of the Latin American left in the 1990s Alan Angell (1996) lists among the forces of the left the traditional communist and socialist parties, home-grown Marxist movements, the insurgent left and the social democratic parties, but leaves out populist parties that in the past adopted, used and discarded socialist ideas and have had far more electoral success than the orthodox left. Following criteria close to that of this paper, Castañeda (pp. 18–9) claims that the left can best be defined by the right, and by stances taken by different groups in society on the major issues of the day. He defines the left according to two criteria that may also become superimposed: the ideological-political and the functional. Ideologically and politically he identifies four groups: traditional communist parties, the national-popular or populist left, the politico-military organisations and the reformist left. Functionally, he adds two groups to the above: the grass roots and the intellectual left.

This paper takes a politically inclusive and functionally restrictive approach to the analysis of the left in contemporary Latin America. Politico-ideologically it includes both the orthodox left and, for reasons that are made clear below, both its reformist and national-popular (populist) versions. Functionally, it assumes that the political forces of the left and the centre-left that have successfully contested elections and gained office have a more dense political mass than fringe groups and that those that have experience of governing at the national, state or municipal levels could provide some particularly relevant insights into the changing political landscape of the region. In contemporary Latin America these groups are mainly represented by the reformist and the populist left, which are thus the focus of this paper.

For opposite reasons this leaves out the grass-roots left and the politico-military organisations of the left: the latter because of their decreasing relevance in the region. It is only in Colombia and in Mexico that armed left movements of any significance are still operative: the Fuerzas Armadas Revolucionarias (FARC) in
Colombia and the Frente Zapatista de Liberación Nacional (FZLN) in Mexico, which I believe should be better understood in their national rather than regional contexts. Conversely, grass-roots movements broadly identified with the left (Lievesley, 1999) have greatly grown in numbers and influence in Latin America, but the focus of this paper is on the political parties of the left, which are the only organisations capable of holding state power and making electoral alliances. However, references are made below to the relations between social movements and LOC parties.

Changes in the region’s politics and economy also define the scope of our enquiry. In the last two decades of the twentieth century the twin processes of democratisation and economic reform dominated the political landscape in Latin America. These region-wide developments were paralleled by the collapse of the socialist bloc in Europe and the ascendancy worldwide of the Anglo-Saxon model of free-market capitalism. In recent years it has become evident that the democratic reforms and the so-called ‘neoliberal’ economic reform programmes have failed to live up to their promises to deliver a better life for the majority of the Latin American people. However, in contrast to simplistic view of recent Latin American history (Petras and Harding, 2000), this is not to dismiss some real achievements of democratisation and market reforms. Today Latin American societies are more open and more democratic (Reid, 2004), while economic reforms have corrected some of the unsustainable policies of the import substitution industrialisation (ISI) era. But despite advances, most political systems in the region are still characterised by a significant democratic deficit, entailing a dearth of effective mechanisms of accountability, public mistrust of political parties and a failure by governments to address voters’ grievances. In the economic sphere, the attainment of macroeconomic stability has not been followed by sustained economic growth or any substantial reduction in poverty and inequality (Economic Commission for Latin America and the Caribbean, 2004).

The left has traditionally seen itself as the political force best positioned to channel demands for radical democracy and economic justice (Kirby, 2003). It has generally promised to deepen democracy and advance the interests of those most in need. However, the left has not been left untouched by the political and economic changes of recent decades: it has reacted, adapted and accommodated itself to the challenges of democratisation and neoliberal economics by redefining its ideological principles, changing its political strategies and adopting new economic policies. This paper examines the significance of these changes.

**LOC Parties and Democracy**

Historically, the Latin American left has had an uneasy relationship with liberal-democratic institutions (Barros, 1986; Bruhn, 1997). Its approach has ranged from the vindication of democracy, usually in an ill-defined ‘substantive’ or ‘participatory’ format as a popular conquest to considering it as little more than a facade for elite manipulation and the masking of unequal class relations to be superseded either by evolutionary or revolutionary means (Lievesley, 1999). Even when participating in the democratic game the left tended to subordinate democracy to higher goals such as social justice, economic development, national emancipation...
and socio-economic equality (Castañeda, 1994). This was the case even for parties that were heavily engaged in electoral politics, such as Chile’s communist and socialist parties (Funk, 2004).

The dictatorships of the 1970s in which left-wing militants were the main victims of state repression made the left revise their instrumental view of liberal democracy and assign a higher priority to human rights and democratic institutions (Angell, 1996, p. 11). In the early days of transition to democracy the left’s adoption of the language of citizenship and human rights over that of socialism and class struggle could have been regarded as the product of a special historical conjuncture. However, in contemporary Latin America the language of democracy has acquired a new centrality and for all its many flaws, electoral democracy, though not necessarily in its full liberal clothes (Philip, 2003), has become to all practical purposes the only game in town (Przeworski, 1991, p. 26).

The left’s ideological shift from an instrumental view of democracy to the adoption of representative democracy as the best medium for progressive politics (and of the ballot box as the path to power) has been a significant ideological change. But in the regional context of post-transition democratic politics, the left’s embracing of representative democracy cannot be the end of its ideological journey. Even as they have sought to advocate democracy as an ideal, LOC parties have denounced the failures of the democratic order in the region (Aguero and Stark, 1998). Meanwhile, LOC governments have sought to change the flawed political status quo. However, the quest for alternatives to the region’s faulty democracies has been constrained by lack of conceptual clarity, the logic of electoral competition, the harsh realities of the politics of power and social changes that have affected the support base of LOC parties.

LOC parties’ proposals to build up a better democratic polity have been based on ideological elements drawn from three intellectual currents, which in a revised version of O’Donnell’s (1998) classification, are here labelled as the liberal-republican, the populist and the grass-roots democratic traditions. The liberal-republican tradition (O’Donnell, 1998, pp. 113–5) stresses the importance of individual rights, the rule of law, public institutions and public-minded officials in both shaping and limiting political life. It privileges citizens’ rights and duties and the responsibility of public figures as custodians of the common good against sectional interests. It rejects the authoritarian enclaves that still characterise a number of actually existing democracies in the region. It stresses the fight against corruption and for electoral transparency. From the liberal tradition it incorporates a strong emphasis on human rights and the importance of checks and balances. From the republican one, it regards representative institutions, particularly parliament and political parties, as the privileged site for political activity, mistrusting forms of political participation outside the public arena.

The populist tradition (Canovan, 1999) adopts the form of the ‘politics of anti-politics’. Its key political actors are the people (as the underdogs) rather than the citizens. Its narrative on democracy strongly stresses the notions of popular sovereignty and popular will over the rights of the individual. It mistrusts political parties and other representative institutions as the instruments of corrupt politicians and entrenched oligarchic interests. It privileges majoritarianism over the checks and
balances of liberal politics. It regards pacts and political negotiations as forms of corruption and potential obstacles for the expression of the popular will. While not advocating the complete abrogation of representative institutions, it privileges the identification between the people and their political leader, unmediated by corrupt professional politicians and divisive parties. Political mobilisation, often controlled from the top, and mechanisms for direct political participation such as plebiscites and referenda, are characteristic of the politics of populism.

The grass-roots democratic tradition (Lievesley, 1999) shares the populists’ mistrust of political parties and liberal institutions, but instead of privileging the links between the people and the (populist) leader as the embodiment of the general will, it calls for a new politics based on new social actors (Novaro, 2002). Grass-roots democracy does not reject representative institutions, but advocates the deepening of democracy by incorporating new forms of political participation that give voice to civil society organisations in the policy-making process. It favours the decentralisation of power and the institution of mechanisms for consultation, which both limit and complement representative institutions and challenge the political parties’ monopoly of representation.

LOC parties have incorporated elements of the three traditions in different mixes according to their ideological leanings and the political contexts in which they operate. The influence of the liberal-republican tradition has been particularly important in parties that operate within strongly institutionalised party systems, such as the PS in Chile and the EP-FA-NM in Uruguay and, more recently, in Brazil, where the PT has increasingly centred its action in Congress rather than relying on its traditional grass-roots mobilisation and support (Branford and Kucinski, 2003; Keck, 1992). It has also been part of the discourse of LOC parties in countries that face a legacy of human rights abuses, such as Argentina, Brazil, Chile and Uruguay, although the discourse of human rights has also become an important element of the grass-roots tradition.

Radical populism has flourished in countries in which political institutions are weak or have fallen into disrepute. The highly mobilised and polarised Venezuelan polity is an example of the politics of populism (Roberts, 2003). President Hugo Chávez’s weekly TV and radio programme, ‘Aló presidente!’, is a modern-day example of a populist leader’s attempt at directly communicating with the people. In Argentina, the electoral victory of Néstor Kirchner has to be framed in the context of the de-institutionalisation of the country’s party system that followed the 2002 economic collapse and of Kirchner’s ability to retrieve elements of Peronism’s national-popular tradition abandoned during the Menem era. In Bolivia, Evo Morales has stepped in and out of the country’s formal political institutions as the presidential candidate of a political party (MAS) while playing a significant role in the events that led to the resignation of president Sanchez de Losada in October 2003. Morales – who came to prominence as leader of the coca-growers (cocaleros) – has sought to build a national-popular identity based on Bolivia’s resurgent ethnic identities, cultural symbols such as the coca leaf and the defence of natural resources, such as coca and natural gas against foreign (US and Chilean) interests. An anti-status quo dimension was also evident in the short-lived alliance of Colonel Lucio Gutiérrez and the Patchakutik indigenous movement in Ecuador that led to the
aborted 2000 attempt at seizing power by an alliance of military officers and indigenous organisations and the subsequent election of Gutiérrez as president in November 2002.

LOC governments have sought to introduce mechanisms for grass-roots political participation and direct democracy at both the national and local levels. At the national level participatory democracy has been at the heart of Chávez’s Bolivarian Project, as shown in the preamble to the national constitution, which states the aim of re-founding Venezuela as a ‘democratic and participative society’ (http://www.enoriente.com/constitucion/). The constitution determines the participation of organisations of civil society in the nomination of judges (including those of the Supreme Court), the National Controller, and members of the Electoral Commission. In Brazil, the PT government set up in 2003 an Economic and Social Development Council (Conselho de Desenvolvimento Econômico e Social [CDES]) which brings together the government with representatives of business, labour and social organisations plus independent personalities in a consultative forum for policy discussion and advice. The CDES has been paralleled in Uruguay by the new EP-FA-NM administration’s institution of a tripartite consultative forum comprising representatives of business, the unions and the government to discuss labour and economic issues. Although not promoted by an LOC government, Bolivia’s 1994 Law of Popular Participation and, more recently, the National Dialogues of 1997, 2000 and 2003, have been presented as models of participatory policymaking in development (Booth and Piron, 2004).

It is not clear, however, how these divergent political traditions can be articulated to promote a better form of democracy. Governments of the left and centre-left have found that participatory arrangements often conflict with the working of representative institutions, which are after all, their source of legitimacy and main levers of power. This potential clash has raised questions about whether participatory institutions are genuine attempts at devolving power to society or mechanisms for winning legitimacy without losing power. There is also the danger that the integration of civil society organisations to neocorporatist bodies may end up co-opting and hollowing out civil society (Baiocchi, 2003; García Guadilla, 2003).

The conflict between different democratic traditions is illustrated by the case of Venezuela, in which ‘Chavismo’s’ progress in implementing participatory democracy has been so far limited. Popular mobilisation has not translated into organisational advances (Ellner and Hellinger, 2003). The key role the constitution assigns to civil society in the nomination of public authorities has not been matched by its real influence in these processes (Alvarez, 2003). Overall, the rhetoric and practice of participatory democracy coexists uneasily in Venezuela with a highly personalistic, plebiscitarian political regime and the increasing power of the military, which although it has allowed for advances in popular participation, resembles traditional populism as much as participatory democracy (Roberts, 2003). In Argentina, sectors of the Piquetero Movement have been used by the Kirchner administration to strengthen its political base in an updated version of traditional Peronist populist politics.

In Brazil and Uruguay stronger representative institutions and a more autonomous and less polarised civil society have prevented the populist turn taken by parti-
cipatory democracy institutions in Venezuela. But members of Brazil’s CDES are appointed by the President (http://www.cdes.gov.br), raising questions about their status and accountability (Pinto, 2004). Moreover, the Council has so far had a marginal influence in the country’s policy-making process, which remains firmly rooted in Congress. In Bolivia the experience of national dialogues has shown that it is questionable whether or not these deliberative institutions have achieved better participation of society in policy-making processes and whether or not civil society participation in national policy-making is really the best way to make government policy more responsive to social demands.

LOC governments at the municipal level have more widely and, arguably, more successfully introduced grass-roots forms of participatory democracy. Cases in point are the participatory budget process and deliberative health councils set up by local PT administrations in Brazil. A study of the participatory budget experience in Porto Alegre found that it has had considerable success in fostering new social organisations in previously unorganised areas and in promoting the allocation of public funds to the poorer sectors of the population (Baiocchi, 2003). But Porto Alegre’s achievements are dependent on a number of conditions that are not easily replicable elsewhere, including a capable and relatively autonomous local state, strong horizontal ties within civil society and a clear political vision. (Baiocchi, 2003; Schönleitner, 2004). As Günther Schönleitner’s (2004) study of deliberative health councils in Brazil shows, in the absence of these conditions, underlying assumptions that civil society is inherently a pro-democratic force and that participatory institutions enjoy sufficient autonomy from local power dynamics to be able to democratise state action have proved to be rather simplistic.

The ideological shift in the LOC parties’ views on democracy corresponds to an equally significant change in their political strategies. Increasingly, electoral battles, particularly in the growing number of countries that have adopted a two-round presidential contest, tend to be fought on the political centre ground. As elsewhere, technological changes have also affected the nature of politics in Latin America. At the risk of generalising, the new politics is more pragmatic and less ideological. Political campaigns have become more professional and more personalised as the electorate has become more fragmented and de-aligned. Relations between voters and leaders are more direct and the role of party machines and party activists at election time has been eroded by the dominance of marketing experts and the decisive importance of TV as a campaign medium.

Electoral participation has required not only that parties moderate their political programmes in order to extend their appeal to wider sections of the population (as exemplified by the PT’s campaign in 2002 and the EP-FA-NM’s in 2004), but also that they seek out new political alliances. These new alliances are no longer defined in terms of class alliances to be hegemonised by parties of the working class. Instead, highly pragmatic alliances with parties of the centre and the centre-right, shaped by electoral calculations as much as by ideological affinities, have become common to LOC parties throughout the region. Cases in point include the ruling Concertación in Chile and the PT-Partido Liberal coalition that backed Lula da Silva’s presidential bid in 2002. After the election, the coalition was enlarged by the incorporation of other smaller centre-right parties, such as the Partido Trabal-
hista Brasileiro and the Partido Popular. In Uruguay the Frente Amplio, itself a broad coalition of radical and moderate left-wing forces, expanded its electoral appeal by incorporating the Christian Democrats and dissident Blanco and Colorado factions grouped in the Encuentro Progresista-Nueva Mayoría coalitions.

Programmatic moderation has been born not only of the compromises necessary for coalition politics, but also of broader political and social change. The old notion of class exploitation that provided an ideological referent for the sectors of the population that the left considered its natural socialist constituency seems of little use in the new post-socialist world. Throughout Latin America inequality has increased, and large sectors of the population are unaffiliated with formal social and political institutions. The shrinkage of the working class of the ISI years, cutbacks to public sector employment and a parallel expansion of the informal sector and of the ‘new poor’ middle classes present LOC parties with a much more fragmented popular sector. This introduces additional complications into LOC parties’ pursuit of the – always illusionary – ‘unity of the oppressed’ (Lindenboim, 2004; Paramio, 2003; Power and Timmons Roberts, 2000). These political and economic considerations have further encouraged LOC parties to transcend their traditional constituencies to appeal to the business sector.

The electoral consequence of these changes have taken the form of LOC parties receiving the support of ‘losers alliances’ (Luna, 2004; Morais and Saad-Filho, 2003), a heterogeneous electoral base composed of their traditional supporters, including the industrial unions and public sector workers, plus a new constituency of the impoverished, self-employed, middle classes, informal and unemployed workers and sectors of the business elite, with which they have little in common but their opposition to neoliberalism. But candidates, particularly those running for office in countries with a large external debt burden, need to court not only their traditional followers and the newly discontent but also the financial markets. Candidates from LOC parties are only too aware that a radical discourse can frighten investors, provoke a catastrophic run on the currency and lead to capital flight. Two recent examples illustrate the LOC candidates’ awareness of the need to win the confidence of the financial markets: The ‘Letter to the Brazilian People’ issued by Lula da Silva during the 2002 presidential electoral campaign (Panizza, 2004) and the pledge announced during a trip to Washington, DC, at the outset of his own campaign by Uruguay’s EP-FA-NM’s presidential candidate, Tabaré Vázquez, that moderate economist Danilo Astori would be his economy and finance minister.2

If populism has overshadowed grass-roots democratic participation, the realities of power have tarnished the left’s republican credentials. LOC forces have found that politics requires negotiations and compromise as much as transparency. They have found that it is often difficult to distinguish patronage from the legitimate use of political resources, such as political appointments to public office and the allocation of funds as a bargaining currency. In the business of governing, the left’s criticism of traditional politics has been muffled by its need for pragmatic alliances with forces that epitomise ‘old politics’, as is the case of the close relations between the PT and political coronéis (political strongmen) such as José Sarney and Antônio Carlos Magalhães in Brazil. LOC forces have also been tainted by allegations of
corruption as has been the case of the PT in 2005, of the PRD government of the Federal District in Mexico City in 2004 and of the Socialist Party in Chile in 2003. This has also weakened the credibility of LOC forces’ criticisms of ‘traditional politics’.3

While the new political pragmatism of the left has reaped considerable electoral benefits, it has also created new problems. By moderating their discourse, LOC forces have been able to reassure the markets that they have become more responsible in the management of the economy. By also becoming more integrated into the political establishment, LOC parties have been able to gain the support of sectors of the middle class and even of business, without whom it is difficult to gain office, let alone govern effectively. The broadening of their social base has made LOC parties less dependent on their narrow historical constituencies and LOC governments less dependent on the support of radical sectors inside and outside parliament.

But while the drive to win elections has papered over political differences during electoral campaigns, it has alienated rank-and-file supporters and internal divisions have surfaced in their aftermath of electoral contests.4 Cases in point are the expulsion from the PT in December 2003 of one senator and three deputies from the left of the party and the decision of 100 PT activists, made public during the 2005 WSF in Porto Alegre, to abandon the party.5 And while at the time of writing this paper president Lula da Silva continues to ride high in the opinion polls, the defeat of the PT candidates in São Paulo and Porto Alegre in the municipal elections of October and November 2004 has been attributed to the disillusionment of middle-class voters with the government’s economic policies (Pinto, 2005).6 In Uruguay, the moderate stances taken by the newly elected EP-FA-NM government prompted union leaders – even before the Vázquez administration took office – to warn against the abandonment of the party’s programme.7 Even in Chile, where free-market economic policies attract broader public support than anywhere else in Latin America, the Concertación’s continuity with many elements of the economic policies of the Pinochet era, and its slow progress in addressing significant problems of inequality, have left some of its grass-roots members and core voters alienated and disaffected (Posner, 1999) as reflected in low electoral participation and the inroads made by Joaquín Lavín’s populist right presidential candidacy in the PS’s traditional support base in the 1999–2000 presidential campaign (Funk, 2004).

Left of Centre (LOC) Parties and the Neoliberal Turn

Matters of social justice and economic development have been at the core of LOC parties’ identity in Latin America. Historically these issues crystallised in proposals for the redistribution of wealth through progressive taxation, structural reforms (such as agrarian reform), the expansion of welfare services, the protection and expansion of workers’ rights, a strong participation of the state in the process of industrialisation and hostility to foreign capital. With different emphases most of these policies were also part of mainstream economic development strategies of the 1960s and 1970s. However, in the rare cases in which governments of the left sought to implement these policies, they were often enacted as part of heterodox, economically populist (Dornbusch and Edwards, 1991) or ill-conceived Keynesian
policies that had scant regard for matters such as fiscal deficits, productivity and inflation. As a result they ended in failure, producing unsustainable bursts of growth followed by recession and rising inflation, harming the poor and destabilising the governments. The ghost of Chile’s Allende is a case in point.

Following the collapse in the 1980s of the inward-looking model of economic development, LOC parties defined their identity more in opposition to neoliberalism than in terms of an alternative economic vision. Opposition to the neoliberal agenda of the so-called Washington Consensus became the constitutive outside (Torfing, 1999, p. 51) of LOC parties’ political identity.

However, political attacks on the neoliberal model obscured a rethinking of many LOC parties’ approach to economic development. This shift entailed the practical acceptance of some of the principles and policies originally associated with the so-called neoliberal model while attempting to make policies more compassionate and sensitive to the needs of the poor and the excluded (Kirby, 2003). Thus many tenets initially associated with the neoliberal policy agenda became part of a new economic common sense to which LOC parties in Latin America now subscribe in different degrees. These include the importance of a sound fiscal policy, the importance of low inflation, an awareness of the inefficiencies associated with many forms of state intervention and state ownership, the acceptance of the primacy of the market in setting up prices, the abandonment of economic protectionism in favour of at least relative economic opening and regional integration and a general welcoming of foreign investment.

Does this mean that LOC parties cynically denounce the Washington Consensus in opposition only to adopt its policies when in office? The reality is more complex than suggested by a narrative of betrayal and surrender. Shifts in economic development thinking on the part of LOC forces are rooted in the discrediting and failure of previous development policies, in a new awareness of the political and social benefits of low inflation and in a rethinking by the left of the role of the state. A common argument is that, rather than a conversion of the heart, the adoption of policies associated with neoliberalism is a pragmatic response to the constraints of high indebtedness and the conditionality of the international financial institutions, but that policy orthodoxy may be abandoned as soon as these conditions ease. But as illustrated by the very different approaches to their countries’ external debt adopted by the Lula da Silva administration in Brazil and the Kirchner administration in Argentina, there is always a significant element of choice even regarding such internationally sensitive policy decisions. And while the economic policies of the PT’s administration reflects a pragmatic understanding of the political and economic constraints under which all national economies operate, there is nothing in the statements of finance minister Antonio Palocci, who enjoys the strong support of president Lula da Silva, to suggest that the government’s market-friendly policies are provisional and short-term. The same can be said of the initial economic policies announced by Uruguay’s new EP-FA-NM government.

One consequence of the left’s rethinking of economic policy is that, in terms of alternatives to the status quo, it is not always easy to draw a clear dividing line between the reformulation of the policies of the Washington Consensus by the multilateral institutions (seen as the architects of the original model), and the
changes championed by its critics from the left and the centre-left. But this is not only because LOC forces have adopted some of the principles of free-market economics but also, conversely, because the guardians of the free-market orthodoxy of the 1980s and early 1990s have revised their original views and moved towards a post-Washington consensus agenda, which incorporates elements of the left’s discourse against the old orthodoxy. As a strategy document of the Inter-American Development Bank (IADB) (1999, p. 10) put it:

The current state in the development debate is one in which old orthodoxies of the ‘Washington Consensus’ are being re-examined, the importance of reducing poverty and inequality are being moved to the centre of the agenda, along with the critical importance of good policy and good governance. There is also widespread agreement that macroeconomic growth alone cannot be sustained with macroeconomic policies alone.

Typical of the post-Washington Consensus agenda is the view of development as a complex process of social, economic and institutional change in contrast with the economic reductionism of the Washington Consensus. The new approach includes the recognition of market failures and the increasing importance assigned to strengthening state institutions in contrast with the early emphasis in shrinking the state and the self-sustained role of the markets (Meier and Stiglitz, 2001; Singh et al., 2005; Stiglitz, 2002). There is also an explicit acknowledgement that political-institutional weaknesses, derived from a persistent democratic deficit, discourage the efficient functioning of the markets and promote rent-seeking and speculation (IADB, 2002).

The incorporation of politico-institutional and social concerns to the original model does not signify that the Washington institutions have moved to the left in any significant meaning of the term. Leftist critics of the post-Washington Consensus argue that the neoliberal framework of the Washington Consensus has been left largely untouched within this regeneration, a claim that is partly born out of the IMF’s assessment of the failures of economic development in Latin America in the 1990s (Cammack, 2002; Fine, 2001; Singh et al., 2005). But these critics are in danger of throwing out the baby with the bath water. What is politically relevant for LOC governments is that the agenda of the post-Washington Consensus has shifted towards a terrain in which the left should feel naturally at home: to the negative consensus about the undesirability of returning to the old policies of state-led development and the positive consensus on the importance of sound macroeconomic management, the new consensus has incorporated a new agenda about the value of democracy for economic development, the strengthening of state institutions, the need for strategic state intervention, the importance of investment in health and education and a higher priority for social justice and the fight against poverty.

Does the new agenda mean that LOC parties have now joined a new cosy consensus with the ‘more enlightened’ Washington institutions such as the IADB and post-Washington Consensus development economists? The answer is both yes and no. The post-Washington Consensus is an arena of contestation as well as of consensus, or in Gramsci’s (1971) terms, it has become the terrain of a hegemonic struggle. Arguably by colonising the agenda of their critics the international finan-
cial institutions have successfully blunted one of the LOC forces’ most effective political weapons to criticise the failures of neoliberalism. However, the employment by the international financial agencies of the rhetorical and linguistic devices of their critics and their mimicking of the concerns of those who previously attacked them, means that the ideological foundations of the debate have shifted (Buckingham, 2004). To put it in different terms, the ideological struggle that is at the heart of the post-Washington Consensus is not any more the case of when one interlocutor says ‘white’ and the other ‘black’, but when both say ‘white’, yet each understands something different by whiteness (Arditi, 2003, p. 91).

The 2005 parallel meetings of the World Economic Forum (WEF) in Davos, Switzerland, and of the WSF in Porto Alegre neatly illustrate the complex nature of the game of assimilation and differentiation being engaged in by neoliberal globalisers and their critics. Originally perceived as advancing opposite agendas based on different values, principles and policies and including different actors, the relation between the two forums has changed over time. In 2005 Davos gave prominence to many of the themes that were originally part of the WSF, particularly the priority of the struggle against poverty, prompting the head of the British Confederation of Industry to complain that the WEF had been hijacked by non-government organizations who wanted business to apologise for itself. Meanwhile, in Porto Alegre, WB and IMF representatives attended the WSF for the first time, and agreed on a worldwide call ‘to fight poverty’. President Lula da Silva’s shuffling between Porto Alegre and Davos exemplifies the attempt of an LOC leader to influence the agenda of global development by bridging the gap between the two meetings. But bridge-builders are always in danger of being perceived to have ‘crossed to the other side’. By doing so, they risk opening a gap between themselves and their grass roots, as seen by the less than rapturous reception received by Lula da Silva in Porto Alegre, particularly compared to that awarded to the more vocally rejectionist president Chávez.

Conclusion

This paper has sought to examine the extent to which left-wing forces are making a comeback in Latin America and to draw out the political implications of their political ascendancy. The electoral growth of the left in Latin America is the product of both the successes and the failures of the democratic and free-market reforms that were implemented throughout the region in the last two decades of the twentieth century. Almost without exception, the parties of the left are not the same forces either ideologically or in terms of their electoral constituency as they were 20 years ago. They have had to reshape themselves and adapt to political and social changes, which have forced them to appeal to a more fragmented constituency. With the important exception of Chávez’s Venezuela, successful left and LOC forces are those which have broadened their appeal by moderating their policies and entering into pragmatic alliances with centrist and even right-of-centre forces. One consequence of this is that in power, LOC forces must often face the disenchchantment of their traditional rank-and-file supporters.

LOC forces have been able to develop a persuasive critique of the failures of democracy and neoliberalism in Latin America but as yet have no ready-made model for
improving the region’s democracies and addressing the failures of economic development. On democracy, the existence of LOC alternatives to the conservative parties that dominated the region in the 1990s has strengthened the legitimacy of political institutions, as seen in Brazil, Chile and Uruguay, and also helped the political re-institutionalisation of Argentina. Experiences of participatory democracy, particularly at the local level, have achieved some promising results. However, as the cases of Bolivia and Venezuela show, relations between radical populist, participatory and liberal democracy are problematic. Participatory democracy can only prosper within an institutional setting that strengthens rather than undermines representative bodies. Otherwise the politics of populism may put the sovereign people in the streets at times of turmoil but it will hardly provide the conditions for real grass-roots participation. On the economy, while there has been an acceptance on the part of LOC forces of some of the principles associated with the Washington Consensus, there has also been a sustained advocacy of efforts to make policies more tailored to the needs of the poor. As such, the ascendency of LOC forces has been an important factor in the reassessment of the orthodoxies of the Washington Consensus and in the framing of a post-Washington Consensus agenda, which has become an arena of both agreement and contestation.

Perhaps a way of conceiving an LOC agenda for twenty-first-century Latin America would be to accept that there is little room in the region for an anti-systemic model and that instead the emphasis should be placed in making states, markets and democracy work to better represent the people, promote development, address social demands and attack the root causes of discrimination and inequality. Part of this agenda should be an acknowledgement that new forms of political participation can only be built on the foundations of strong representative institutions and that a more just economic order requires a stable macroeconomic environment and internationally competitive economies. But this agreement should be a floor rather than a ceiling for LOC governments. Ideological change, political pragmatism and economic constraints still leave significant room for the implementation of better democratic practices and economic policy initiatives. Moreover, it is not possible to achieve these goals in a political vacuum. Rather they need to be part of a political strategy that ensures continuous electoral growth for LOC forces, a discourse that is credible both for the citizens and the markets and the forging of a distinctive political identity.

In the last decade of the twentieth century Jorge Castañeda (1994, p. 428) wrote about the left’s painful choice between erecting a different model (to the Washington Consensus’ orthodoxy) or bending and moulding existing ones into something new, yet not totally opposed to the status quo. In the first decade of the new century the parties of the left and centre-left have opted for the strategy of ‘bending and moulding’ the existing political institutions and economic model rather than doing away with them. Critics of this strategy argue that it nibbles at the margins of the existing political and economic institutions rather than attacking the causes of their failures. But it may be that when the margins are bent and moulded enough, they will change their relation to the core to the extent that the core itself will become something different and better. Speaking at the 2003 G8 summit, president Lula da Silva spoke about the need to forge a new development paradigm
that combines financial stability with economic growth and social justice. To define and implement such a paradigm will be a tall order, but the future of LOC parties in Latin America may depend on whether or not they rise to the task.

(Accepted: 11 April 2005)

About the Author
Francisco Panizza, Department of Government, London School of Economics, Houghton Street, London WC2A 2AE, UK; email: F.E.Panizza@lse.ac.uk

Notes
1 The crisis of identity became evident in the debate on the twenty-fifth anniversary of the Partido dos Trabalhadores (PT). See, for instance, the interview with the PT’s president, José Genoino: ‘Genoino afirma que PT ainda é de esquerda’, Folha de São Paulo, 9 February 2005.
3 For the corruption scandal in Brazil, still unfolding at the time of writing this article, see the blanket coverage in Folha de São Paulo, June-September 2005. For Chile, see http://www.americaeconomica.com/numero4/256/noticias/memixicocorrupcionlu.htm. For Mexico, see http://www.cedes.gov.br.
7 See ‘Hay cosas que dice Astori que van contra el programa del FA’, El Observador, 14 January 2005, and ‘Futura administración afronta críticas de una parte de la izquierda por sus anuncios’, Búsqueda No. 1291, 10–6 February 2005.
8 For the argument that the PT government’s economic policy was forced by economic constraints presented by a cabinet minister, see ‘Para Tarso, ver gestão Lula igual a FHC é “má-fé”’, Folha de São Paulo, 12 November 2004.
11 On the rapprochement of the left-of-centre forces with the International Monetary Fund, see, for instance, ‘Radicales sorprendidos ante la sensibilidad del “Viejo vampiro”’, El Observador, 21 January 2005.

References


