

# The Left Variance: How Electoral Mechanisms Shape Leftist Presidential Behavior in Latin America\*

Felipe Nunes | Department of Political Science University of California, Los Angeles | felipenunes@ucla.edu

**Abstract.** *The emergence of left governments in Latin America is associated with voters' dissatisfaction with neoliberal policy outcomes after democratic transitions. Although I believe this argument to be true, the explanations for why leftist governments behave differently are still incomplete. The main question this paper addresses is why some governments are social democratic whereas others are new-populist. I argue that presidents are molded into social democrats as a result of runoffs, and the presence of structured parties in legislatures. Given the need to convince the majority of voters to win the second round of an election, candidates are more likely to adopt moderate positions. Then, the likelihood of victory in a runoff is a function of candidates' ability to make compromises and respect agreements in campaign and in office. This is especially observed when many institutional veto players compose the party system. I analyze a novel data set covering every Latin American presidential election since 1990. My results show support for the claim that the presence of strong parties in addition to runoffs encourages politicians to adopt responsible agendas, consequentially decreasing their chances of having new-populist programs.*

**Keywords.** Left governments - Political Behavior - Presidentialism

## Introduction

The emergence of left governments in many Latin American countries is largely associated with voters' dissatisfaction with neoliberal policy outcomes in the first years after democratic transition (Gasparini, Cruces and Tornarolli, 2009; Hochstetler, 2006; Lustig, 2009; Shifter, 2007). A growing informal sector, inequality and underemployment are just some of the many consequences that have influenced voter preferences for change (Gasparini, 2003; McLeod and Lustig, 2011). Many scholars have investigated the left turn in the continent, and proposed classification schemes to make sense of the diversity of leftist movements, leaders, and governments (Petkoff, 2005; Castañeda, 2006; Arnsion, 2007; Weyland, Madrid and Hunter, 2010). This paper takes the discussion a crucial step further by investigating why some left governments are social democratic (i.e., Brazil, Chile and Uruguay), whereas others are new-populist (i.e., Bolivia, Ecuador and Venezuela), when all of them were elected with similar purposes in the first place.

My research builds on the findings of Roberts and Wibbels (1999) for the causes of moderation versus a contestatory posture of the left in the continent. They argue that "left-wing forces, parties and governments in Brazil and Chile have been deeply shaped by organizational, institutional, policy-regime, and resource constraints, which have made much less of an imprint on Chavez, Morales and their supporters" (Roberts and Wibbels, 1999). Such argument will be the main reference for this paper, but I pursue a different strategy. I show, first, that all left governments had the same origin, and therefore expectations were that all of them would act similarly in power. If that was the case, I argue, we need to understand what exogenous shock produced such change in some of the groups, but not in all of them. I concentrate on the institutional effects to show that politicians are molded into social democrats as a result of the political environment.

My aim is to propose a simple theory to better explain the variation observed in the governments under investigation. But I also explore a new data set

of left governments and find evidence for the argument I claim here by examining two specific mechanisms: (1) the constitutional specification and the actual occurrence of runoffs, and (2) the presence of structured political parties inside legislatures. The implication of this argument is that Latin American left presidents' variance is not a result of the election of 'good' or 'bad' politicians, but rather is a consequence of an institutional veto setting that constrains or not the action of politicians.

My explanation, then, goes in two steps. First, the occurrence of runoffs encourages Latin American presidents to be committed to a coalition agenda before the election ends. Without such agreements, political elites will not support those candidacies, which tends to diminish their electoral chances. At the same time, given the need to convince the majority of voters to win the second round of a winner-take-all competition, presidential candidates are more likely to adopt moderate positions. The main consequence, then, is that the likelihood of victory in a runoff and of survival in a government is a function of how well left candidates are able to make compromises and respect agreements both during campaigns and in office. Changes in behavior of Lula (Brazil) and Humala (Peru) are good examples of the operation of this mechanism.

The implications of the dynamic described above are especially observed when the party system is structured around broad national coalitions, composed by many institutional veto players. Well-structured political parties in a legislature, for instance, are able not only to require that pre-electoral agreements be honored, they are also able to threaten presidential mandates, either blocking the agenda or ousting them. We should expect therefore that even radical presidents, the ones expected to produce more extreme decisions, have to take responsible positions if they want to survive under such environment - or at least adopt some positions the other parties support. The impeachment of Collor de Melo, the first elected Brazilian president after re-democratization, is a good example of how a structured Congress can punish a president that does not behave as they believe he should. And the recent constitutional changes observed in Venezuela, Bolivia and Ecuador are good examples of how populist presidents have had to eliminate congressional veto players in order to implement their agendas.

To make my case I analyze every Latin American election in which a leftist president was crowned victorious since 1990.<sup>1</sup> Besides the greater frequency of such events in comparison with the last democratic period in the continent (roughly between 1945 - 1965), it is also compelling to realize that there is much more left variance across countries than within countries. More specifically, while Chile, Brazil and Uruguay only have had social democrat left presidents, even having different persons occupying the office along the years, Argentina, Bolivia, and Ecuador have solely had new-populists governing

them.<sup>2</sup> My results show strong support for the claim that the presence of strong parties in addition to runoffs encourages politicians to adopt responsible agendas, consequentially decreasing their chances of having 'new-populist' agendas. My results also suggest that the presence of high levels of poverty tend to be associated with more new-populist governments.

The paper is organized in three sections. In the first I show descriptive evidence of my argument, and find reasons for why some of the cases do not fit well in my theory. Next I test my argument using a multivariate specification in order to evaluate the relevance of my claim in contrast to alternative hypotheses. Finally, I explore how well my theory explains the recent happenings in Peru, the election of Humala, and the predictions about his government's policies.

## Causes of the Left Variation

The main focus of my paper is to explain why some of the Latin American governments have pushed hard for leftist goals and challenged constraints whereas others have worked inside these limits and pursued gradual changes. Empirically speaking, I am interested in understanding the reasons why Chavez, Correa and Morales adopted a fairly radical posture, while Lula, Lagos and Vasquez preceded with caution. The most convincing argument found in the literature is that organizational, institutional and resource constraints have shaped social democratic governments (Weyland, Madrid and Hunter, 2010). Governing leftists in Brazil, Chile and Uruguay have internalized these constraints and therefore have respected them in their policies and politics. By contrast, the Venezuelan and Bolivian movements emerged out of those constraints.

Interestingly, major left parties in almost all countries were quite radical until the 1990s. The PT in Brazil, the PS in Chile, the MIR in Bolivia, the APRA in Peru, and the MAS in Venezuela were all born under the same ideological umbrella: anti-regime, socialism, and social rights. The PT was launched by a heterogeneous group, formed by trade unionists, left-wing intellectuals and artists, and Catholics linked to liberation theology (Meneguello, 1989). They were strongly influenced by the socialist movement in the 1960s. The PS in Chile is a result of socialist thoughts that have been present in the country since mid-19th century. Ideas around civil rights and social equality took hold in the labor movement at the beginning of the 20th century and were diffused through writers and political leaders (Petkoff, 2005). The MIR was founded in 1971 by a group of young Christian Democrats and was linked to the student movement that swept across the world in the latter part of the 1960s. Initially, the MIR expressed solidarity with urban guerrilla groups and had close ties to its namesake, Chile's more radical 'Movimiento de la Izquierda Revolucionaria' (Wiarda

and Kline, 2010). APRA, in turn, initially espoused anti-imperialism, Pan-Americanism, international solidarity and economic nationalism. It was a democratic socialist party that aimed to influence the whole continent (Kantor, 1953). Finally, MAS was founded by a faction of the Communist Party of Venezuela, with a view to emphasizing a socialist message (Ellner, 1986).

Some of those parties moved markedly to the center under the pressures of market reform and associated electoral incentives in the 1990s (Weyland, Madrid and Hunter, 2010). In Brazil and Chile, the left that eventually won the presidency was very much shaped by the context of the 1980s and 1990s, especially market reform and consolidating democracy, and the moderating incentives that those economic and political-institutional constraints created. On the other hand, a set of parties were not forced to do the same. In Bolivia and Venezuela, in contrast, the left-wing parties that underwent a similar process of moderation foundered on the shoals of an aborted process of market reform (Venezuela) or the disappointing outcomes of structural adjustment (Bolivia). The decline of these center-left forces opened space for the rise of much more radical left-leaning movements. As economic and political constraints were losing force, contestatory movements emerged, and the median voter was interested in more extreme political leanings.

Due to the different behavior between the two kinds of left that appeared in the last 20 years in Latin America, there is a need to investigate what happened in the pathways of some parties, but not on the others, that produced such differential result. As stated before, the literature has argued that the two kinds of left forces are different now because of historical reasons in terms of their levels of organization, the degree of institutionalization of the party system in which they arose, their orientation toward market economics, and the different resource constraints. I will focus below on why the degree of institutionalization of the party system is the key element to understand the complex variation observed.

## Runoffs, Strong Parties and Left Variance

The occurrence of runoffs and the presence of strong parties inside legislatures are the two independent variables that I claim can explain the variance in terms of the left presidents' behavior in Latin America. In Table 1 below I present a list with all 21 presidents that I analyze in this paper, including the variables under study here: presidential status, electoral rule, occurrence of runoffs, and party system structure.

**Table 1.** Summary of Left Presidential Elections from 1990 to 2011

Country	Leftist Elected	Status	Election Rule	2 round	Party System
Argentina	Kirchner - 2003	NP	Runoff	Yes	Weak
Argentina	Kirchner II - 2007	NP	Runoff	No	Weak
Bolivia	Morales - 2005	NP	Maj. Congress	No	Weak
Bolivia	Morales - 2009	NP	Runoff	No	Weak
Ecuador	Gutierrez - 2002	NP	Runoff	Yes	Weak
Ecuador	Correa - 2006	NP	Runoff	No	Weak
Ecuador	Correa - 2009	NP	Runoff	No	Weak
Nicaragua	Ortega - 2006	NP	Runoff	No	Strong
Paraguay	Lugo - 2008	NP	Plurality	No	Weak
Venezuela	Chavez - 1998	NP	Plurality	No	Weak
Venezuela	Chavez - 2000	NP	Plurality	No	Weak
Venezuela	Chavez - 2006	NP	Plurality	No	Weak
Brazil	Lula - 2002	SD	Runoff	Yes	Strong
Brazil	Lula - 2006	SD	Runoff	Yes	Strong
Brazil	Rousseff - 2010	SD	Runoff	Yes	Strong
Chile	Lagos - 2000	SD	Runoff	Yes	Strong
Chile	Bachelet - 2006	SD	Runoff	Yes	Strong
El Salvador	Funes - 2009	SD	Runoff	No	Strong
Uruguay	Vasquez - 2004	SD	Runoff	No	Strong
Uruguay	Mujica - 2010	SD	Runoff	Yes	Strong
Peru	Humala - 2011	SD	Runoff	Yes	Weak

Source: Political Databases of the Americas, Weyland et al. (2010), and Gasparini et al. (2009)  
SD: Social Democrat / NP: New-populist

1. Presidents are classified as social democrats (SD) or new-populists (NP) based on how they set their government policies. The former make efforts to redistribute resources and equalize society without challenging the liberal policies implemented before. New-populists, in the other hand, challenge the liberalization policies and have come to power appealing to specific groups in society (i.e., indigenous communities, unemployed, informal sector) (Leaman, 2004; Arnson, 2007; Hawkins, 2009; Weyland, Madrid and Hunter, 2010).
2. The occurrence of runoffs is a combination of two variables, one institutional and another political. Instead of analyzing the association of the institutional requirement of runoffs with the status of presidents, I decided to explore whether or not the second round was de facto observed. Hence, countries such as Ecuador in 2006 and Argentina in 2007 are not classified as having had runoffs, although the electoral rule states they did.
3. Party systems are classified as strong if the electoral volatility is low, the parties competing for

presidential election are regularly the same, and it is easy to identify different agendas among the parties in competition. Otherwise, the party system is classified as weak (Coppedge, 1997; Roberts and Wibbels, 1999; Sartori, 2005; Dalton and Wel- don, 2007). I measured that combining presidential volatility information from Philip (1998), and ideological position of political parties that run for presidential election from Saiegh (2009). Based on both information sets I classified the systems as strong or weak.<sup>3</sup>

As one can see in Figure 1 below, there have been many more new-populist than social- democratic left governments in Latin America, and most of them were elected without the neces- sity of a second round, and in weak party systems.<sup>4</sup> The precise comparison shows that 75% of elections in which a leftist president won and that was decided in the second round were won by a social democrat, whereas only 17% of elections in which a left candidate won and was decided in the first round had a social democrat winner. The differences are statistically significant (Chi-square 5.54, d.f. = 1, p-value = 0.01).

**Figure 1.** Left Presidential Status by Runoff Occurrence in Latin America

	1st round	2nd round
<b>New-populist</b>	Chavez (1998) Kirchner II (2007) Chavez (2000) Morales (2005) Chavez (2006) Morales (2009) Lugo (2008) Correa (2006) Ortega (2006)* Correa (2009)	Kirchner (2003) Gutierrez (2002)
<b>Social Democrat</b>	Funes (2009) Vasquez (2005)	Lula (2002)* Lagos (2000)* Lula (2006)* Bachelet (2006)* Rousseff (2010)* Mujica (2010)*

\*Strong party system

The explanation that I provide, therefore, works for the majority of the cases, but fails to explain five situations: (a) the election of Kirchner in Argentina in 2003, (b) the election of Gutierrez in Ecuador in 2002, (c) the election of Ortega in Nicaragua, (d) the election of Funes in El Salvador, and (d) the election of Vasquez in Uruguay in 2004. In the next paragraphs I present reasons to justify why those cases did not fit my framework.

I start with Argentina. In 2003, for the first time since the return of democracy (1983), the *Partido Justicialista* (PJ) failed to agree on a presidential candidate, and three strong candidates emerged from this party: former President Carlos Menem, Santa Cruz Province Governor Nestor Kirchner, and San Luis Province Governor Adolfo Rodriguez Sa. None were officially supported by the party, though President Eduardo Duhalde publicly endorsed Governor

Kirchner close to the election. The PJ suspended its convention, opting to allow all three contenders to run under the Peronist mantle.

For the first time since 1916 too, the UCR was not a major party in the election. After the political collapse at the peak of the economic crisis that led to the resignation of President Fernando de la Rúa at the end of 2001, popular support for the PJ's traditional opponents, the centrist *Union Civica Radical* (UCR), was at historically low levels. Two strong former members of the UCR founded parties based on their politics: Congresswoman Elisa Carrio founded a left-of-center party, the ARI, and economist Ricardo Lopez Murphy founded a right-wing one, RECREAR.

These five strong candidates were practically tied in all the pre-election polls. Menem obtained the most votes in the first round, but not enough to be elected

(about 25%), so a runoff election against Kirchner (22%) was required. After two terms in office from 1989 to 1999, Menem's popularity was very low, and anticipating a landslide defeat (the polls favored Kirchner 70%-30%), he forfeited the runoff four days before the election. Kirchner immediately became the president-elect. Given such happenings it is reasonable to believe that a runoff would not have happened if the PJ had gone to the election united. Good evidence for my argument as well is that without the *de facto* realization of a runoff, Kirchner assumed the presidency without needing to reach agreements between the first and second rounds. The PJ dominated the election, given the weakness of the UCR.

The Ecuadorian case has also particularities, as Gutiérrez might not be properly classified as a left new-populist president. Gutiérrez ran for President in 2002 as the candidate of the PSP, through a partnership with the leftist and indigenous movement parties, MPD and Pachacutik. His main platform was fighting corruption and reversing neoliberal economic reforms. He defeated Alvaro Noboa, the wealthiest man in the country, in the second round of the election with 55% of the popular vote. Gutiérrez alienated many of his supporters by supporting the Free Trade Area of the Americas and by keeping the status-quo on economic issues. After three months of government, he broke his alliance with leftist parties and reached an agreement with the PSC, continuing the economic policies of its predecessors and increasing ties with the US.

The government attracted increasingly frequent accusations of corruption and nepotism. After two years, Gutiérrez broke the agreement with the PSC, further weakening the government politically. In November 2004 his former left-wing supporters joined with the conservative Social Christian Party (PSC) in launching an effort to impeach him, which failed when two legislators broke party lines, and a majority (51 votes) could not be reached to continue the proceeding. In 2005, following a week of massive demonstrations, the Congress of Ecuador, on the grounds that Gutiérrez had abandoned his constitutional duties, voted 60-2 to remove him from office and appointed Vice President Alfredo Palacio to serve as President. Unfortunately, this case does not fit my story very well. Ecuador's parties are notoriously weak, and the main opposition to Gutiérrez came from his leftist supporters because he broke campaign promises. This is not a story of moderation imposed by an electoral alliance, but rather one of moderation imposed by economic forces beyond presidential control.

The Uruguayan and Salvadorian cases are simpler to explain. In El Salvador, as in all Central America, runoffs have never happened because usually two big parties control the elections.<sup>5</sup> Hence, it would be impossible to imagine that the social democratic behavior of Funes was associated with the occurrence of second rounds. On the other hand, however, it is reasonable to believe that the agreements and commitments to a responsible agenda could happen because the parties are strong enough to veto anything else.<sup>6</sup>

In Uruguay, the non-occurrence of a runoff in 2003 can be considered a consequence of a random event. The election of Tabare Vazquez was not decided in the second round by 1.67% of votes. Had the Colorados done a little bit better in Montevideo, the election would have gone to the second round, and a struggle with the *Nacionales* would have happened. Moreover, the strong structure of Uruguayan parties seems to have been sufficient to ensure that the president fulfilled his electoral arrangements.<sup>7</sup> What is hard to argue, however, is that Vasquez would have been more moderate if he had had to forge a coalition.

The only case for which I do not have a reasonable justification for not fitting in my theory is Nicaragua. It is, at the same time, the one that strikes me the most. It has an institutionalized runoff mechanism, but the election is decided in the first round; there is a strong party system, but a populist candidate won an election there. And even worse, the Congress does not seem to be mobilized to veto, block, or stop the agenda that Ortega is implementing. Given the features described to justify Funes' position, I would also expect Ortega to behave in the same way.

Although I tried to understand the reasons why some of my cases do not fit well in the theory I propose here, I am aware that one should not expect an argument to explain 100% of cases. It is important to remember that there are lots of idiosyncratic events in the world. The main focus of this section, though, was to present an argument about how runoffs and strong party systems tend to leave small chances for populists to emerge and win elections in presidential systems. Although I believe that both mechanisms are in operation at the same time, I recognize the party system structure as more important than runoffs. The reason is very simple. The median voter (or the majority) sometimes supports new-populist or more extreme policies. That appears to be true in recent years in Bolivia, Ecuador, and Venezuela; and possibly in Nicaragua. If the median voter supports such policies, but the legislature's median party does not (as in Ecuador and Bolivia before constitutions were rewritten and new elections were called), then policy may be moderate, which means that new-populists will have small chances to succeed.

## Multivariate Analysis

In this section I apply a multivariate analysis to test the implications of my theory, controlling for other relevant rival hypotheses. First, however, I want to recapitulate what I am trying to address in this paper. As stated before, I do not think it is possible to define a populist or a social-democratic president *a priori*. Although the level of divergence between electoral messages and government policies is high (Stokes, 2004), politicians make choices given the constraints that the institutional setting and the political environment impose on them.

Therefore, instead of explaining the emergence of outsiders as elected officials, I want to address the question of what make politicians decide between a populist or a social democratic strategy. A populist strategy is based on the personalistic relationship between the politician and the voters, or in other words, the populist discourse frequently buttresses an authoritarian, top-down process of political mobilization in which the leader addresses the masses without the mediation of institutions. The social democratic strategy, in contrast, is defined by the presence of political parties as the main competitors in the democratic process. In this paper I argue that the emergence of new-populists, especially in Latin America, is a direct consequence of the lack of strong constraints on their behavior. The reasons for such lack could be economic, as is the case of Argentina and Venezuela, where institutions were strong until the moment when the lack of resources made the population very angry with their governments. Or it could be because of insiders' failure to build strong constraints to their competitors.

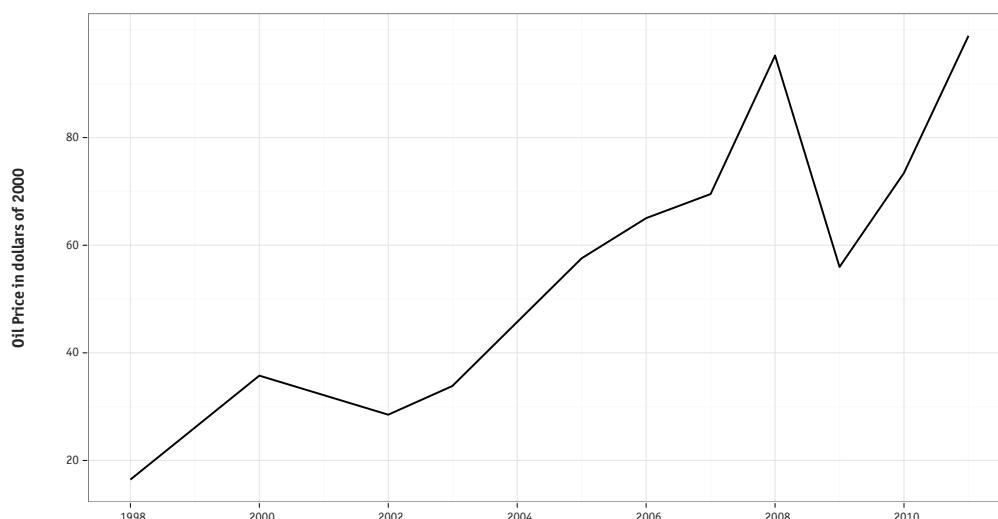
But, how do runoffs impede the election of new-populists? In a nutshell the answer is by forcing politicians to compromise and target the majority in order to win the election, and survive in government. And this process tends to happen in presidential systems with runoffs, in which the party system is strong. The two best examples to illustrate this argument are the well-documented changes of Lula and Humala in the consecutive elections they contested. The former union leader and leftist politician, Lula da Silva, won the presidency in Brazil in 2002 and 2006. But this only happened when Lula was able to moderate his position, and compromise with center and right sectors of society. The same happened to Humala. In order to win the Peruvian presidential election in 2011, he had to move away from his image as an extreme leftist, and had to convince the Peruvian median voter that the 'old' politician that lost the contest to Garcia, and who was very similar to Chavez, was now a reproduction of the moderate Lula.

To claim that runoff is the mechanism through which politicians and voters are able to constrain politician strategies, I need to show that two other alternative hypotheses do not hold. First, the runoff-strong-party environment effect has to be observed controlling for whether the country is an oil/gas exporter, and the price in the international market is high enough. It is possible that presidents pursue populist strategies because they have access to resources necessary to afford the distribution of particularistic benefits to their constituents, and they are not contingent on international investors. The absence of need to make investors happy would allow new-populists to do whatever they want. Therefore, the higher the economic dependence on such commodities, and the higher the price in the international market; the higher the chances that a president will seek independent policy strategies, the ones typical of new-populists.

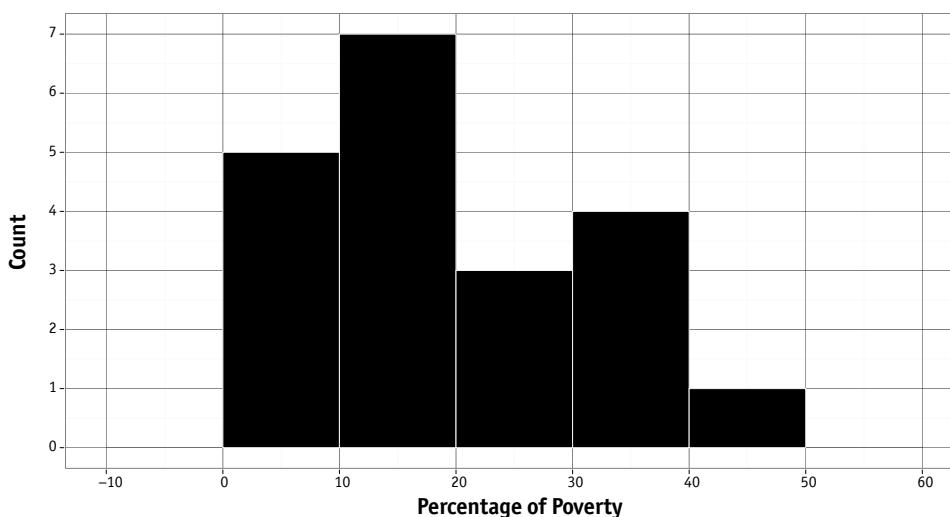
Figure 2 shows the oil price since 1998. The need to control for *oil price* is evident in this picture. Countries such as Bolivia and Venezuela, which have economies highly dependent on commodity prices, can elect new-populists because of the abundance of oil royalties. Both presidents Chavez and Morales were running their respective countries under good performance of the economy. Therefore, one could argue that the abundance of resources was the explanation for the variance in the continent.

Second, I also have to control for the countries' general socio-economic conditions. Given that poor people are more dependent on state transfers and policies, it is likely that they tend to prefer populist presidents that appeal to them by promising to deliver specific short-run benefits. When the living standards of the poor are really bad, they have incentives to accept the offers of populists in order to improve their conditions as soon as possible. Therefore, we should observe less constraint to the election of new-populists in very poor societies. Figure 3 shows a skewed distribution of the percentage of people below the poverty line in the countries studied here.

**Figure 2.** Oil Price in 2000 Dollars by Year



**Figure 3.** Distribution of Poverty in Latin America



I also assessed the effect of *union support*, which measures whether or not a president was electorally supported by worker organizations; *lag of economic growth*, which was measured as GDP per capita in the previous year; and *vote margin*, which is measured as the difference in the percentage of votes by which the president won the race. I fitted a Bayesian logit regression model to test my claims. As the number of observations I am dealing with is small ( $n = 21$ ), I had to fit variables separately and decide on my final specification based on the substantive importance of the results. *Oil price* and *growth* are highly correlated, so I decided to exclude the latter

from my model. *Vote margin* does not show a substantial effect, so I also excluded it from the model.

The model for  $y_j$  given the probability  $\pi_j$  that  $y_j = 1$  is:

$$Pr(y_j = 1 | \pi_j) = E[y_j | \pi_j] = \pi_j$$

$$\text{Logit}(\pi_j) = \log\left(\frac{\pi_j}{1 - \pi_j}\right) = \mathbf{x}_j^t \boldsymbol{\beta}$$

where  $\mathbf{x}_j = \{2^{\text{nd}} \text{ round, strong party, oil price, poverty, union support}\}$ . The results are presented in Table 2 below.

**Table 2.** Bayesian Logit Model for Likelihood of Social Democratic President in LA

	Mean	SD	SE	2.5%	97.5%
Runoff ( $\beta_1$ )	4.19	5.59	0.40	-6.58	15.47
Strong party ( $\beta_2$ )	18.38	6.89	0.49	6.76	35.46
Oil price ( $\beta_3$ )	-0.047	0.12	0.008	-0.32	0.16
Poverty ( $\beta_4$ )	-0.67	0.35	0.03	-1.49	-0.13
Union support ( $\beta_5$ )	2.03	6.30	0.45	-8.15	14.97
Runoff $\times$ party ( $\beta_6$ )	6.94	5.02	0.35	-3.07	16.68
Prior mean $\{\beta_1: 2, \beta_2: 4, \beta_3: -1, \beta_4: -1, \beta_5: -1, \beta_6: 5\}$					

Prior precision  $\{\tau_1: .021, \tau_2: .011, \tau_3: .020, \tau_4: .013, \tau_5: .012, \tau_6: .034\}$

# observations = 21, Iterations = 1010:3000, Thinning interval = 10 Number of chains = 5, Sample size per chain = 200

Posterior distributions and diagnostics plots in the appendix

To interpret the results of the Bayesian model, I calculate mean, standard deviation, naive standard error, and 95% confidence interval for the posterior densities of each variable regressed over the variable 'social democratic president'. The mean can be interpreted as a beta estimated from a classic logit model. The same is true for the standard error and the confidence intervals. The results are mostly consistent with the expectations presented before. The combination of runoffs and strong party systems tends to produce higher odds of a social democratic

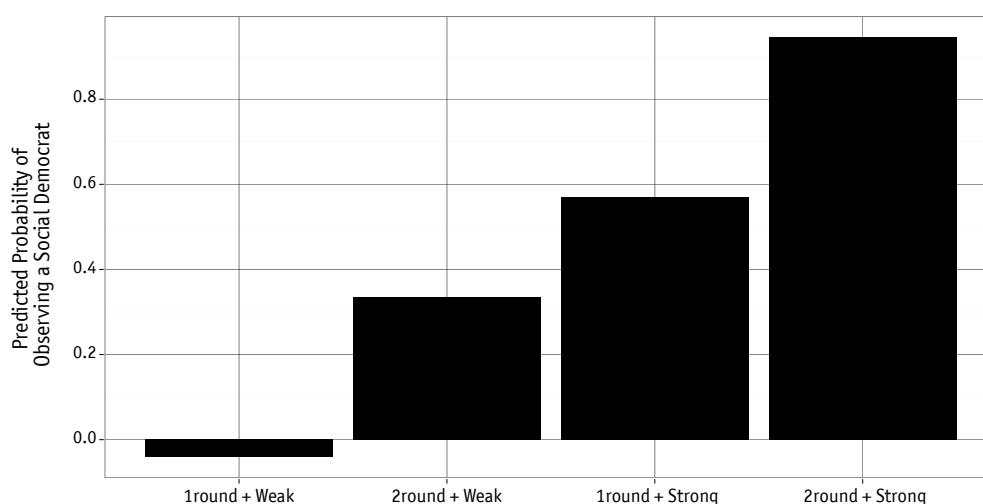
president. The runoff coefficient ( $\beta_1$ ) has a posterior mean of 4.19, which implies that elections decided in runoffs are more likely to produce social democratic presidents than to produce new-populists. Although large, this effect cannot be considered generalizable, since the marginal posterior 95% HDR of it ranges from -6.58 to 15.47, overlapping zero. The strongest and most consistent outcome observed is the positive effect of strong party systems on the chances to elect a social democratic president in Latin America ( $\beta_2 = 18.38$ ). According to my results,

an election where the party system can be classified as strong has a much greater likelihood of observing a social democratic president than a populist. For the posterior distribution of 'strong party system', the marginal posterior 95% HDR ranges from 6.76 to 35.46 and does not overlap zero.

The results for the interaction between both variables also point in the expected direction. Elections decided in the second round and where the party system is considered strong tend to observe social democratic presidents with likelihood 6.94 times greater than observing new-populists. When calculating predicted values for the different scenarios, the distinctions arise even more clearly. In Figure 4 I plot the predicted values for a social democratic president in a hypothetical weak par-

ty system, and compare the results with the other possible combinations: weak party system and runoff, strong party system and first round election, and strong party system and runoff election. As described before, the interaction of strong party system and runoff seems to have a huge impact on the likelihood of observing a social democrat. However, the relevance that a strong party system has over runoffs stands out. Even under first round elections, the predicted probability of a social democrat is big when the party system is strong. The contrary is not true. Note that runoff elections tend to produce a much smaller chance of a social democratic president when the party system is weak. It is important to highlight that the results described above considers all control variables in the model.

**Figure 4.** Predicted Probability of Social Democratic President



Given that my multivariate analysis seems to confirm the descriptive evidence presented before, it is possible to say that my claims are reasonable. Given the number of cases, however, I cannot implement any technique to allow me to claim a causal effect. Nor can I expect my coefficients to be statistically significant. But I believe my results suggest that Lula is a good representative of the idea that I advocate here. Unlike Morales, Chavez and Correa, the Brazilian president had to adapt his attitudes to win the election. This was required because candidates have to compromise and negotiate to win elections when runoff and organized party systems coexist. In Chile and Uruguay, on the other hand, the structure of the runoff and of the party system is so well established that it is hard to even find potential populist candidates.

In the last section of this paper, I present an analysis of the recent election of the Peruvian president, Ollanta Humala. His case is very interesting for the argument that I make here because, as in the case of Lula, he lost one election before, and had to change his profile in order to convince the veto players that he would not be a new-populist.

## Discussion and Peruvian Presidential Election

In this paper I argue that presidents are molded into social democrats as a result of runoffs and the presence of structured parties in legislatures. Given the need to convince the majority of voters to win the second round of an election, candidates are more likely to adopt moderate positions. Hence, the likelihood of victory in a runoff is a function of candidates' ability to make compromises and respect agreements in campaign and in office. This is especially observed when the party system is composed of many institutional veto players in the legislature. I analyze a novel data set with every Latin American presidential election in which a leftist president was winner since 1990. My results show support for the claim that the presence of strong parties in addition to runoffs encourages politicians to adopt responsible agendas, consequentially decreasing their chances of having new-populist programs.

The case of the current Peruvian president, Ollanta Humala, jibes with my findings. He is a nationalist former army officer who won Peru's last presidential

election in 2011. He has sworn on the Bible that he is not the same radical who first emerged in 2006. Back then, in a failed bid to win the presidency, he had pledged to intervene in the economy and take Peru into the leftist orbit led by Venezuela's populist president, Hugo Chavez. He edged out Keiko Fujimori, daughter of a disgraced former president, to lead Peru over the next five years. But Peruvians are asking themselves which Humala will govern. Will he be the fiery leader who once pledged to overturn the economic order, or the moderate centrist who said his government would 'promote more investment'?

The explanation I present here makes me believe he will be a social democrat. Facing a party system somewhat better structured than it used to be, an organized opposition, and many public promises, Humala will tend to reproduce Lula's style while in government. Otherwise he will lose Congressional and popular support very easily. People in Peru, however, are not sure yet. Although his first trip abroad as president-elect was to Brazil, Humala has yet to prove that he has changed. International investors, to be sure, were unnerved, prompting the suspension of trading after Lima's stock exchange plunged 12.5 percent. The stocks of some of the world's biggest copper and gold mining companies were off by 20 percent, and regulators urged Humala to name a cabinet to calm investors.

The Humala who had once sent tremors through the Andean country of 30 million was the former lieutenant colonel who commanded an uprising in 2000 and encouraged his brother when he, too, led a revolt five years later. In the election in 2006, Humala expressed admiration for Chavez, who is not popular in Peru, made antagonistic comments about neighboring Chile and promised to squeeze transnational mining companies. But now, a new, more centrist Humala seems to have emerged. Instead of promising a complete break with Peru's economic order, Humala talks of emulating Brazil's left government, which has lifted millions from poverty through a mix of orthodox economic policies and innovative social programs, like the '*Bolsa Familia*'.

The economic situation of Peru also leads to the prediction that Humala will not be a new-populist like Chavez. In 1998, when Chavez was elected, Ve-

nezuela was in the throes of a grinding economic slide, which gave resonance to Chavez's message of a sharp break with the past. Peru, though, has registered the fastest economic growth in South America over the past decade, with poverty falling 15 percentage points. Moreover, Peruvians' past experiences with leftist governments - the Velasco military dictatorship in the 1970s and Alan Garcia's government in the 1980s - left the country in economic tatters. Therefore, it is reasonable to believe that Peruvians will be less susceptible to appeals for extremist solutions.

Humala also faces political realities that call for consensus. Humala's movement has 47 seats in the 130-member Congress, which means he will have to seek an alliance with the Peru Possible party run by Alejandro Toledo, a former president. Toledo, who lost to Humala and Fujimori in the first round of voting in April, was among a small group of influential figures in Peru's establishment who threw their support behind Humala in the second round. They warned that a victory by Fujimori would mean a revival of the corrupt 1990s-era regime led by her father, Alberto Fujimori, who is in prison. The biggest show of support came from Mario Vargas Llosa, Peru's Nobel laureate author and a former presidential candidate who lost to Alberto Fujimori. The backing of figures from the center-right, such as Vargas Llosa, may also have served to nudge Humala toward a more moderate position.

Humala is expected to raise taxes on mining firms, but that is hardly radical in the region. The president-elect said the revenue the taxes would generate would be used to fund social programs. At the same time, he has also made advisers of technocrats who are well regarded by business interests. Given all that, produced by the necessity to run in a second round of the presidential election, he can be expected to be another member of the select group of social democratic presidents in Latin America. His first year in office shows very moderate positions and almost no change in the economic policy of the country. If he keeps pursuing this strategy, but increments his policy in terms of redistribution, then it will be possible to classify him as a social democrat who won election to emulate his counterpart in the continent.

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## Notas

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- 1 Perhaps I should have used all elections in my analysis, but I could not think of a way to fit other presidents in the categories of social democrats or new-populists. I would appreciate any suggestions on this matter.
  - 2 The same comparison cannot be made to other countries such as El Salvador, Nicaragua and Venezuela, because although they have had more than one leftist government, they were led by the same president.
  - 3 This classification is not as precise as I would like, but it is highly correlated with an index extracted from a factor analysis applied to this data. I decided to use my own classification, however, in order to produce meaningful interpretation of my results.
  - 4 President Humala was not included in this figure because I do not know whether he would be a social democrat or a populist president. His case, however, will be analyzed at the end of this paper. I could also speculate about Moluka's behavior in Colombia, but I will leave that for the future.
  - 5 The exceptions are Panama and Guatemala, where electoral coalitions were formed.
  - 6 Of course, this only matters if the president does not have a majority in congress.
  - 7 Thanks to Daniela Vairo for the information about Uruguayan elections.