Neopopulism and Neoliberalism in Latin America: How Much Affinity?

Paper for Panel on Neopopulism in Latin America: Conceptual and Theoretical Issues

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I Introduction: The Viability of Populism in the Era of Neoliberalism?

Has Latin American populism lost its political viability in the age of neoliberalism? Do the pressures and constraints emerging from economic globalization, such as the need for continued budget austerity, make populist politics infeasible by depriving leaders of the socioeconomic resources required for maintaining high popularity and preserving their precarious support? Or have Latin America’s personalistic, plebiscitarian leaders flexibly adapted to these economic pressures and constraints, changing their economic policy approach in line with the realities of globalization? Have neoliberal adjustment and market-oriented economic policies in fact given them some unexpected opportunities for enhancing their popularity and support? Thus, has Latin American populism displayed its notorious opportunism (Lambert 1969) as a new crop of personalistic, plebiscitarian leaders has embraced free-market policies that the regions classical populists--such as Argentina’s Juan Perón and Brazil’s Getúlio Vargas—shunned? Have populist leaders transformed the content of their economic and social policy approach precisely in order to maintain the basic features of populist politics?

These questions are of considerable theoretical and practical significance, and they have stimulated a lively and controversial debate. Populism has been a crucial strand of Latin American politics for about a century. Furthermore, there is widespread consensus that a number of classical populists, especially Perón, Vargas, and Mexico’s Lázaro Cárdenas, played a tremendously important role by reorienting and stimulating the economic and political development of their countries; Venezuela’s Hugo Chávez may end up having a similarly profound impact, though in a much more destructive fashion. Given its potential repercussions, it is important to investigate whether populism will continue to emerge frequently in the region or whether this chapter of Latin America’s contemporary history has been closed.

If populism is likely to persist or reemerge in contemporary Latin American, then its relationship to neoliberalism is a particularly important topic for examination. Economists, in particular, have depicted populism, with its (allegedly) whimsical and irresponsible approach to economic decision making, as diametrically opposed to the discipline required by market-oriented policies (see especially Sachs 1989; Dornbusch and Edwards 1991). These authors see the persistence of populism as an unequivocal threat to Latin America’s new development model. By contrast, some authors have advanced the counter-intuitive and controversial argument that a number of new personalistic and plebiscitarian leaders have adapted to the constraints of neoliberalism and have discovered that it actually opens up some promising opportunities for populist politics. These authors claim that populism and neoliberalism are compatible and even have some unexpected affinities (see especially Roberts 1995; Weyland 1996, 1999). Given the current concern about the political sustainability of the new market model in Latin America, this issue is of tremendous theoretical and practical significance.

The question of the relationship of populism and neoliberalism is also of deeper theoretical significance. First, it has obvious implications for the concept and theory of populism. Authors who see an incompatibility between populism and neoliberalism tend to define populism more in substantive terms, emphasizing the economic and social content of populist policies and/or the meaning of populism for the relations among different classes in society. By contrast, authors who see populism and neoliberalism as compatible draw the links between populist politics and such substantive aspects in a
much looser fashion (Roberts 1995) or define populism in purely political terms (Knight 1998; Weyland 2001).

The controversy emerging from these conceptual debates speaks to an even more basic issue, namely the question of the autonomy of politics. Is a political strategy—such as populism—tied or closely linked to specific socioeconomic policies or class bases of support, or can it emerge and prosper in a variety of socioeconomic settings? How dependent is a political strategy on a specific socioeconomic context? The conceptual and theoretical debate about contemporary Latin American populism, which at first sight might appear a bit abstruse, thus actually speaks to major theoretical and practical issues. Answers to the questions just listed have crucial implications for the political and economic future of Latin America and for important issues in the social sciences.

II. Synergies and Affinities between Neoliberalism and Neopopulism

The claims that neoliberalism and populism are compatible and may even have affinities emerged essentially from empirical observations. Two lines of scholarly writings provided crucial inspiration. The first group of pieces, such as Perruci and Sanderson (1989), Sanborn (1991), Castro Rea, Ducatenzeiler, and Faucher (1992: 126), and De la Torre (1992: 388-89), questioned the connections between Latin American populism and specific socioeconomic factors, including stage of development and specific social support base. By de-linking the concept from its presumed socioeconomic context, they opened up the way for exploring its potential connections to a seemingly un-populist economic policy approach like neoliberalism. A second group of pieces pointed to aspects of the political strategy, social support base, or social policy approach of market-oriented political leaders that looked surprisingly similar to populism. These authors, such as Dresser (1991), Balbi (1992), and Singer (1990), interpreted observable facts in new and innovative ways. Furthermore, a number of authors debated whether Argentina’s Menem was still a populist when he enacted market reform (Borón et al. 1995; Nun 1994; Adelman 1994; Sidicaro & Mayer 1995; Novaro 1994, 1995; Palermo 1998). Based on these and similar observations (e.g., Bresser Pereira 1991; Degregori and Grompone 1991), other authors began to explore the connections between neoliberalism and neopopulism (see especially Castro Rea, Ducatenzeiler, and Faucher 1992: 138, 140, 145; Knight 1992; Martuccelli and Svampa 1992; Ducatenzeiler, Faucher, and Castro Rea 1993; and Leaman 1994).

All of these experiences and some of these writings inspired the more systematic and broadly framed arguments about the compatibility of populism and neoliberalism advanced by Roberts (1995) and Weyland (1996; 1999). Their core claim is that the unexpected combination of populism and neoliberalism is not merely the result of accidental circumstances, such as IMF pressures forcing populist presidents to enact drastic market reform. Instead, there are some underlying affinities that make neoliberalism and contemporary populism coincide in important, inherent ways. In particular, populism in general is a political strategy with low levels of institutionalization, and the neopopulism emerging in Latin America during the 1980s and 1990s often had a clearly anti-organizational bent as personalistic leaders garnered plebiscitarian support in societies where some organizations already existed and organizational loyalties therefore made some sectors of the population less susceptible to
new populist mobilization (Weyland 2001: 14-16). Thus, to win mass backing, these new leaders usually targeted the largely unorganized poor who were not members of preexisting organizations, and they bypassed and marginalized those organizations. This anti-organizational bent of neopopulism is shared by neoliberalism, which seeks to protect the market from interference by special interests and rent-seeking groups. Thus, in their conceptions of democracy, both neopopulism and neoliberalism privilege numbers over special weight as political resources. The undifferentiated mass of the people following the leader is akin to the unstructured market. As populism wants to protect the unity of the people against politicking factions and selfish elites, so neoliberalism seeks to protect the equilibrium of the market against the machinations of mercantilistic rent-seekers. Since in political reality, such factions and special interests always exist, neopopulism and neoliberalism share an anti-status-quo orientation, an anti-elite discourse, and a transformatory stance.

To effect such a transformation, neoliberalism needs to rely on concentrated political power. Paradoxically, the advocates of the market therefore use the state in order to push through reform against opposition (Kahler 1990). And they ally with neopositivist leaders, who seek to boost their own autonomy and power and who thus wield the influence required for promoting the change that neoliberal experts and the international financial institutions seek. In fact, neopopulist leaders can use market reform to give their own power hunger a rational, modern justification.

Neopopulists and neoliberals also coincide considerably in their relationship to major sociopolitical actors. They maintain distance from trade unions, professional associations, and even many organized business groups, which personalistic plebiscitarian leaders see as fetters on their autonomy and power and which neoliberal experts condemn as rent-seeking special interests who seek to interfere with the market. By contrast, neopopulist leaders appeal for support especially to the largely unorganized informal sector and the rural poor, and neoliberal reformers and the international financial institutions benefit these sectors with targeted social emergency and anti-poverty programs. Neopopulist leaders eagerly use these new benefit schemes to strengthen their mass support. In sum, neopopulism and neoliberalism have a number of synergies and affinities.

III The Analytical Utility of the Synergy and Affinity Arguments

These arguments about synergies and affinities of neopopulism and neoliberalism in contemporary Latin America are crucial for understanding important phenomena that would otherwise remain puzzling. In particular, they help explain the stunning political success of important market reformers such as Carlos Menem in Argentina and Alberto Fujimori in Peru, and they also shed light on the eventual political failure of those leaders.

Established theories--both theories of populism and more general theories of Latin American politics--expected that most democratically elected presidents who enacted drastic economic adjustment and initiated bold and comprehensive market reform programs would go the way of Fernando Collor and Ecuador’s Abdalá Bucaram: Due to the tremendous social costs of neoliberalism, they would quickly lose support and be removed from office for one reason or another. In this view,
neoliberalism is deeply unpopular and therefore politically not viable outside a non-electoral, authoritarian regime. Only a dictator like Chile’s Augusto Pinochet can impose neoliberalism.

Surprisingly, however, both Menem and Fujimori made great headway in enacting profound market reforms under democratic conditions; even Fujimori advanced quite far before his self-coup of April 1992. And while both presidents—especially Fujimori—resorted to autocratic, para-constitutional or blatantly unconstitutional means, they also found widespread electoral support for their actions in reasonably free and open contests. In fact, Fujimori’s most undemocratic act—the closing of Congress in April 1992—elicited the highest level of popular support. Thus, while taking office under extremely adverse conditions—namely, virtual economic meltdown and sociopolitical chaos—, both presidents garnered striking levels of political support, which allowed them to attain tremendous political success, especially democratic reelection in 1995. For almost ten years, both presidents dominated the political scene of their countries. Who would have foreseen this success, especially in the case of Fujimori, who took office in 1990 in an exceedingly precarious position, lacking any stable base of support, organized backing, or team of advisors?

The arguments advanced in the preceding section are crucial for understanding this stunning political success. Drastic market reform gave Menem and Fujimori many useful instruments for strengthening their own political position and undermining their adversaries. The very fact that finally, a leader had the courage to attack the crisis head-on and thus deliver the country from hyperinflation demonstrated and reinforced his charisma and boosted his support. Despite the significant transitional costs, the restoration of minimal economic stability ended the great losses that hyperinflation imposed on the population, especially the poorer sectors. By making daily life again predictable, Menem and Fujimori gave people tranquility. And as growth returned, the two presidents won the opportunity to institute targeted anti-poverty programs with which they could strengthen their mass support. Given the limited aggregate cost, these programs were acceptable to neoliberals, who saw them as a useful means for enhancing the political sustainability of the new development model. International financial agencies, who pushed hard for neoliberal reforms, therefore footed a good part of the bill for these social emergency programs. Thus, market reform proved surprisingly useful for boosting the mass support of its successful initiators, allowing them to strengthen their populist leadership.

Also, a number of neoliberal reforms altered the balance of influence among sociopolitical sectors in a way that favored neopopulist presidents. Some measures enabled Menem and Fujimori to strengthen their backing. Most importantly, the privatization of public enterprises gave these presidents an opportunity to benefit powerful business sectors (Corrales 2000; Schamis 1999). At the same time, neoliberal economics allowed Menem and Fujimori to put pressure on their adversaries and keep them off balance. For instance, the fiscal necessity to shrink the state enabled them to dismiss the cronies of their predecessors, and the flexibilization of labor markets weakened trade unions, diminishing their capacity to hem in presidential autonomy and power with strikes and protests. Without invoking these unexpected synergies between neoliberal measures and populist tactics, it would be difficult to account for the unusual political and electoral success of market reformers Menem and Fujimori.
Furthermore, these synergy arguments are also useful for explaining the eventual downfall of these two leaders, as evidenced by Menem’s incapacity to win a second consecutive reelection and by the surprising collapse of the Fujimori government shortly after it accomplished that feat. The synergy of neoliberalism and neopopulism was significantly stronger in the initial, radical phase of market reform than after the stabilization of the economy, when the consolidation of the new development model acquired ever greater salience. When the country confronted a deep open crisis and neoliberals prescribed the shock therapy of drastic market reform, they relied on the boldness and transgressive tendencies of neopopulist leaders to carry out this plan of action. Personalistic plebiscitarian leaders concentrate power and display limited respect for institutional rules, and these tendencies proved highly functional for the destruction of the old development model and the enactment of market reform. But as the crisis eased and as large parts of the market reform program had been implemented, the principal task in the eyes of neoliberals shifted to the faithful administration and institutional solidification of the new development model. For this task, the transgressive tendencies of neopopulist leaders that had come in so handy in the initial phase of transformation now appeared as problems and threats to the consolidation of the market system. As a result, there was more and more tension between neopopulist presidents and their neoliberal advisors, as evidenced by Fujimori’s frequent changes of his economic team during the late 1990s.

A similar shift of priorities occurred among the population. Precisely as neopopulist leaders succeeded in ending the deep initial crisis, problems such as inflation diminished in salience, and ever larger sectors directed their attention to other concerns, such as growth and employment (on Fujimori, see Weyland 2000). Unfortunately for neopopulist leaders, neoliberalism offers promising (albeit costly) recipes for quickly ending hyperinflation, but does not provide similarly magical solutions for stimulating growth and employment. The main recommendation of market reformers—namely, to boost exports—takes time to produce results. In fact, as adjustment often causes recessions and as the shrinkage of the state augments unemployment, neoliberalism often exacerbates precisely those problems that more and more people tend to focus on. Thus, the same economic policy approach that helped neoliberal neopopulists to win sky-high popularity at the beginning of their terms tended to depress their popular support over time. Ironically, one of the main reasons for this gradual reduction of support was precisely the success that these presidents attained in overcoming the grave initial crisis.

Thus, the synergies of neoliberalism and neopopulism help explain the paradoxical twists and turns in the political fate of important political leaders in contemporary Latin America. They are crucial for accounting for the initial success of presidents such as Menem and Fujimori as well as for their eventual failure. If the wave of market reform indeed constitutes a new critical juncture for the region (cf. Collier & Collier 1991), it is particularly important to understand its political preconditions and concomitants thoroughly. The arguments advanced by Roberts (1995) and Weyland (1996) elucidated these new phenomena, which were puzzling in light of old theories. In subsequent years, a number of authors advanced along similar lines, often influenced by those arguments (Armony 2000; Conniff 1999; Coslovsky 2002; Demmers, Fernández Jilberto, and Hogenboom 2001; Kay 1996; Oxhorn 1998;
IV. The Deficiency of Counter-Arguments

The arguments about synergies and affinities between neoliberalism and neopopulism have drawn withering criticism, especially from some Latin American scholars. While many of these criticisms take aim at the broader concept of (neo-)populism that Roberts (1995) and Weyland (1996, 1999, 2001) developed and applied, they arise from the refusal of these authors to classify personalistic, plebiscitarian leaders that enact neoliberal programs--such as Fujimori and Menem--as true populists (Nun 1994; Adelman 1994; Quijano 1998, Lynch 1999, Grompone 1998; Vilas 1995). These variegated--and sometimes vehement (e.g., Lynch 1999)--objections advance two central points.

First, in a similar vein as Drake’s bait-and-switch interpretation of contemporary Latin American populism (1991), some authors argue that a number of presidential candidates campaigned on populist platforms, but abandoned populist discourse and tactics immediately after winning the election, as they had to embrace neoliberalism (Nun 1994: 107, 109; see also Adelman 1994). Thus, because these authors see populism as incompatible with neoliberalism, they claim that strong external and domestic pressure for neoliberalism induced the presidents-elect to give up populism. Populism was useful for garnering votes and winning the election, but after the election, the mass populace has little political influence whereas domestic and foreign business sectors and the international financial institutions have decisive clout, given their contribution to the economic success of the new government. Therefore, a bait and switch is a structural necessity.

This claim is half-correct in an obvious and undisputed fashion, but half-wrong in a surprising and decisive way. On the one hand, it is true that during their campaigns, Fujimori and Menem seemed to advocate economic and social policies similar to those enacted by classical populists; in particular, they promised not to enact orthodox shock programs. But then, after winning the contest, they suddenly converted to neoliberalism. Thus, they performed a significant switch in substantive policy orientation. There is consensus on this side of the interpretation.

But this interpretation is demonstrably wrong with respect to political style and strategy. Fujimori, Menem, and other neopopulist leaders such as Collor did maintain the populist political strategy that they had used during the campaign. They kept basing their government on a seemingly direct connection to their largely unorganized mass base; bypassing established parties and interest organizations; attacking the political class and other established elites; using opinion polls, (the threat of) plebiscites, and other populist instruments for overcoming opposition; strengthening their personalistic leadership; concentrating power and reinforcing the majoritarian elements of constitutional arrangements; and transgressing liberal political norms and trampling on institutional rules. Thus, these leaders kept applying all the typically populist tools, tactics, and strategies (e.g., Bresser Pereira 1991; Novaro 1994). Thus, while there was a dramatic shift in substantive policy orientation, there was striking continuity in political style and strategy. Accordingly, these presidents remained political populists while enacting neoliberal programs. They were neoliberal populists. And contrary to the leftist conjecture--
and hope—that the people would reject neoliberalism, economically successful neoliberal populists such as Menem and Fujimori attained stunning levels of popularity for years. The critics' syllogism that neoliberals cannot be populists because they are necessarily unpopular proved clearly invalid.

Thus, the *bait-and-switch* interpretation is falsified in the sphere of politics, which is arguably central to Latin American populism. Given the notorious opportunism of populist leaders and their lack of firm commitment to ideologies and programs (Lambert 1969), the common element of populist experiences in the region is the leader's insatiable quest for power. Populist leaders are thoroughly political animals. Therefore, the continuity in political strategy is much more crucial for understanding Latin American populism than the switch in policy approach. The *bait-and-switch* interpretation focuses on ultimately accidental aspects, whereas the arguments about neoliberal populism do much more justice to the core—i.e., the *essence* of Latin American populism (Weyland 2001).

The second main line of criticism admits that neoliberal populists such as Menem and Fujimori may well have used some of the political instruments and tactics applied by classical populists, but that neoliberal populism lacks one decisive feature of classical populism: Classical populism went hand in hand with social democratization, that is, the incorporation of previously excluded sectors of the population into political and social life (Lynch 1999; Quijano 1998: 183; Vilas 1995: 32, 37, 41). While many classical populists were not politically democratic, they promoted the inclusion of newly rising sectors, especially the working class. For instance, Perón, Vargas, and Cárdenas stimulated the formation of trade unions; extended ample social benefits to workers; and politically mobilized sectors that had played a marginal role in national life before. While not participating in politics with full autonomy, these newly included sectors played a decisive role for the fate of populist leaders, as for example the experience of 17 October 1945 in Argentina shows. By contrast, the critics claim, leaders such as Menem, Fujimori, and Collor demobilize the masses by weakening established intermediary organizations and by using TV to reach their own followers, thus appealing to them as passive consumers, not active participants. At the same time, these leaders pursue policies that are said to concentrate wealth in the hands of the few and cut socioeconomic benefits for the many. Thus, whereas the policies pursued by classical populism were inclusionary, neoliberalism is depicted as exclusionary. Classical populists broadened the public sphere, whereas neoliberal leaders are said to shrink it through different forms of privatization, de-politicization, and demobilization.

In fact, however, there is not nearly such a stark contrast between classical populists and contemporary personalistic, plebiscitarian leaders who enact neoliberalism. First of all, the leftist critics depict the classical populists in a surprisingly and excessively positive light. While these leaders did mobilize substantial sectors of the population who had previously been excluded, they did so in a top-down fashion that sought plebiscitarian acclamation, not authentic, autonomous participation or liberal representation. Thus, these sectors did gain some level of participation, but it is questionable how much real voice that gave them. Furthermore, while classical populists did extend important social benefits to certain sectors and fostered their organizational incorporation, most of them kept other segments of the population excluded. Most of Latin America's populists of the 1930s to 1960s focused on urban
sectors, neglecting most of the rural population. And in urban areas, they privileged the working and lower middle class in the formal sector, extending few benefits to the informal sector. Thus, classical populists benefitted the middle and upper-middle deciles in Latin America—a steep social pyramid, not the poorest sectors. In fact, the economic policies pursued by classical populists may well have hurt the material well-being of many poorer people (Cardoso and Helwege 1991). And social redistribution to the upper-middle and middle rungs of the social pyramid may have made redistribution to the poorest segments even harder. Thus, in their sudden and problematic nostalgia for classical populism, the leftist critics may well overestimate the extent of social democratization that the personalistic, plebiscitarian leaders of the 1930s to 1960s brought about.

At the same time, they clearly exaggerate the exclusionary features of neoliberal populism. In fact, these leaders also promoted a significant degree of social democratization by appealing primarily to the poor in the informal sector; by extending governmental recognition and social benefits to those long-neglected segments; and by pursuing some elite turnover in governmental and state institutions. Interestingly, these claims apply especially to Alberto Fujimori, on whom many of the critics focus (Lynch 1999; Grompone 1998; Quijano 1998; Murakami 2002).

Fujimori’s political rise depended on the effort of newly emerging sectors of the population to achieve greater social and political participation. In particular, rising segments of Peru’s informal sector—such as the entrepreneurial groups led by Fujimori’s first vice-president Máximo San Román—backed Fujimori. Also, darker-skinned cholos with provincial backgrounds disproportionately supported Fujimori in opposition to his lily-white, aristocratic, cosmopolitan adversary Mario Vargas Llosa (Degregori and Grompone 1991). Fernando Collor also was catapulted to the presidency by support from Brazil’s urban informal sector and rural poor. His meteoric rise and surprising presidential victory demonstrated to Brazil’s political class that these sectors were crucial to the outcome of presidential contests. Thus, Collor’s victory had a lasting impact in proving the political clout of the mass citizenry. It was an important step towards the political incorporation of these segments, many of whom had gained the right to vote only with the lifting of literacy requirements in 1985.

Once elected, neopopulist leaders—especially Fujimori—effected some social democratization by promoting elite turnover. To displace the well-entrenched white Lima elite, Peru’s neopopulist president deliberately drafted for his electoral vehicle ANueva Mayoría in 1992/93 provincial professionals who lacked a political background and thus did not belong to the established political class. In his nominations and appointments for Congressional, governmental, and administrative positions, he privileged sectors that had been marginal to the national elite, such as Peruvians of Asian descent. Similarly, Fujimori—like Collor and Menem—disproportionately promoted women into the political and governmental elite. And the president and his most trusted underlings sought to forge a new bureaucratic cadre by recruiting well-trained experts who had lower-middle class backgrounds, had gone to public schools (not the expensive and exclusive private schools), and also lacked political experience. In these ways, this neoliberal populist weakened distinctions of status and overcame barriers of discrimination. This lifting of relatively marginal people is a typical populist tactic. Since
those individuals lack independent bases of power, they owe their ascent to the personalistic leader, who can also dispose of them at will. Thus, the leader’s quest for concentrated political power contributed to these significant steps towards a social democratization of Peru’s governing elite.

Much less is known about elite turnover under other neoliberal populists. Impressionistic evidence suggests that Collor and Menem also promoted people who would not have risen under other governments, such as provincial cronies. Critics poked fun at Collor’s República de Alagoas and Menem’s hillbillies from La Rioja, who seemed out of place in Brasília and, especially, in sophisticated Buenos Aires. For instance, Menem’s confidant Antonio Erman González did not seem to have the stature to exercise the important governmental responsibilities with which Menem entrusted him, such as the Economy and Defense Ministries. But it is unclear to what extent Collor’s and Menem’s elite renovation went beyond the promotion of a group of personal aides to affect important echelons of the governmental apparatus. Empirical investigations of this topic could make an important contribution to our understanding of contemporary populism in Latin America.

Fujimori, in particular, but other neoliberal populists as well, also promoted social democratization in his relationship to his mass base. From 1992 onward, he instituted extensive social emergency programs which gave long-neglected sectors of the population, especially the urban and rural poor, significant access to governmental benefits. A massive program of building schools and health posts; of improving roads and productive infrastructure, such as irrigation systems; and of carrying out a host of productivity-enhancing projects spread socioeconomic benefits to groups that had previously been largely excluded. In addition to the distribution of material resources, Fujimori’s programs also brought these people governmental recognition. In particular, the president himself paid innumerable visits to the marginal zones of cities and the outlying parts of the country in order to have personal contact with people, celebrate their cultural traditions (for instance, by wearing local clothing), and thus give them a sense of recognition and belonging to a national community. While these contacts were fleeting and one may question the wisdom of some of Fujimori’s social programs, such as the single-minded stress on school construction, they seem to have been important to many people, for material and symbolic reasons. Above all, for the first time a president was paying attention to them.

While Fujimori’s popular mass base was the object of governmental programs, it also was a subject of participation that had some type of voice. First, some of the social programs instituted by the president—especially the projects administered by the social emergency fund FONCODES—were demand-based; the initiative for proposing projects lay with the potential beneficiaries, not the government. Specifically, popular groups were asked to rank-order their needs and thus define their own priorities. While this bottom-up approach was often short-circuited by promoters sent from the center and while it did not exclude governmental discretion and political manipulation of these social programs, it did give people more voice than traditional handouts, including many of the social programs created by classical populists.

Second, a larger cross-section of the population had significant political voice under neoliberal
populism than under classical populism. Certainly, their political role did not entail the subjective experiences of participation that occurred during the demonstrations and mass meetings organized by classical populists, such as the mythical concentraciones in Buenos Aires Plaza de Mayo or Mexico City Zócalo. While those collective forms of plebiscitarian acclamation have fallen from fashion, a more scientific form of gauging the will of the people has spread that gives neoliberal populism more accountability and responsiveness than classical populism ever had: the opinion poll. Latin America's contemporary populists are addicted to these surveys, which demonstrate to what extent they are in touch with the people. While it is unclear to what extent governmental decision-making follows poll results, there are some striking instances in which it did. For instance, Argentina Menem commissioned a poll to gauge popular views on pension reform, especially the proper mix of the private and public sector, and followed the results of this survey (Demarco forthcoming). Poll results also have significant repercussions on the political fate of governments. For instance, Collor's low standing in public opinion by early 1992 left him vulnerable to accusations of corruption, while Menem, who commanded more popular support, managed to survive similar accusations in early 1991. At a time when Latin America's presidential system are losing their strict rigidity and when many countries have experimented with innovative forms of removing sitting presidents in a more or less paraconstitutional fashion, chief executives in general and populist leaders in particular need to be concerned about their standing in the polls. Through this new form of statistical representation, the popular masses thus have considerable impact on the fate of contemporary personalistic, plebiscitarian leaders.

The frequent usage of polls systematically extends the range of citizens who have (statistical) voice and influence beyond those working and lower-middle class sectors who were the core constituencies of classical populism. While the samples of many polls suffer from significant limitations in territorial and social scope, they are substantially more representative of the total population than the organized mass rallies of classical populism. And since they tap people's views under the cover of anonymity, they usually solicit significantly more authentic expressions of citizens' views than the orchestrated collective demonstrations of classical populism. In particular, the opposition, which classical populism often sought to silence through the use of mob squads, has free and equal voice in surveys. Last but not least, in most Latin American countries, there is a multiplicity of survey institutes, and their results are published by a variety of news outlets. Thus, while the government may be tempted to commission manipulated surveys in order to fool the public about the extent of its support, credible alternative surveys will soon deflate these lies. And while pollsters in several countries have political connections that may detract from their objectivity, the wealth of surveys that are conducted in contemporary Latin America provides a useful corrective. By contrast, governments tend to have much more disproportionate influence on mobilizing people for collective demonstrations. Therefore, while polls may be skewed and not reach perfect objectivity, in a minimally pluralistic setting, they tend to be much less skewed than the main forms of participation employed by classical populism. Thus, while not providing people with much of a subjective experience of participation (as the mass rallies of classical populists did), the survey instruments applied by neopopulists--including neoliberal populists--keep contemporary personalistic, plebiscitarian leaders more accountable and responsive to the people than their predecessors ever were.
In sum, the critics of the concept of neoliberal populism exaggerate both the inclusionary features of classical populism and the exclusionary characteristics of its present-day neoliberal variant. Like the older generation of personalistic, plebiscitarian leaders in Latin America, the contemporary reincarnations have effected significant social democratization—not to speak of their greater compliance with the political norms of democracy. The objections to the classification of leaders like Fujimori, Menem, Collor, and Bucaram as populists that authors such as Lynch, Quijano, and Murakami advance are unpersuasive.

V. The Changing Face of Neoliberal Populism: From Bold Reform to the Pragmatic Administration of the Model

As section two has shown, the arguments about affinities between neopopulism and neoliberalism were derived from the political experience of orthodox shock plans and the initiation of drastic market-oriented reform. During this early, heroic, boldly transformatory phase of neoliberalism, the synergies with personalistic, plebiscitarian leadership were particularly pronounced. Neopopulists rose as outsiders attacking the established political class and other special interests and appealing to segments of the population that felt left out, especially people in the informal sector. Similarly, neoliberal experts sought to transform the status quo, concentrating their fire on the government officials, politicians and rent-seeking interest groups that were interfering in the market. And where they sought to gain a mass backing, they extolled the informal sectors, which lacked access to political influence and therefore, in their view, was playing by the rules of market competition (see especially De Soto 1989). Thus, during this revolutionary phase of neoliberalism, its lines of confrontation and support overlapped closely with those of neopopulism.

During the initial stages of radical reform, the political strategies and institutional instruments of neoliberalism and neopopulism also coincided. Personalistic, plebiscitarian leaders by nature seek to concentrate power. When they serve as presidents of complex states, they therefore seek to strengthen the institutional apex of the state and to skew the separation of powers so as to privilege the executive branch over Congress and judiciary and thus to attenuate checks and balances to their own authority. While neoliberals are in principle averse to a strong state, they paradoxically need such a strong state during the enactment of market reform in order to break resistance to the radical transformation they are promoting. Therefore, neoliberal experts and the international financial institutions initially accepted and supported the power grab of neopopulist leaders and in this way provided a modern, technical rationale for it.

Last but not least, the severe open crisis triggering the enactment of neoliberal shock programs gave neopopulist leaders the opportunity to demonstrate and reinforce their charisma. By confronting head-on the deepening problems that their predecessors had failed to resolve, they displayed great courage and gave the suffering population the assurance that their new leader was prepared to make every effort to confront the crisis. In fact, the most pressing problem at that time, hyperinflation, was the type of difficulty that determined action—based on neoliberal recipes—was able to stop quickly. Thus,
the bold neoliberal measures undertaken by neopopulist leaders did in fact bring relief by restoring minimal economic stability and thus guaranteeing the predictability that people need for planning their daily lives. This success, in turn, led to an outpouring of popular support, which strengthened the position of neopopulist leaders and allowed them to forge ahead with their ambitious program of market reforms.

Over time, however, this very success began to slowly erode popular support for neopopulist leaders and their market reform agenda. As the most pressing problem gradually faded away into memory, personalistic plebiscitarian leaders faced greater difficulty in justifying their bold leadership. In particular, as people shifted their attention to other issues, they came to focus on problems such as poverty and unemployment that neopopulist leaders could not easily resolve. In particular, while neoliberalism had offered a promising blueprint for extinguishing hyperinflation, its insistence on continued budget austerity and its warnings against overheating the economy hindered any determined effort to quickly boost growth and create employment. Thus, the very success of neoliberal populists in ending the initial crisis came to weaken their political standing over time and to cause a growing tension and divergence between the political interests of neopopulist leaders and the economic discipline enforced by neoliberal experts and the international financial institutions.

The restoration of basic economic stability and the quick advance of the market reform process also created an increasing divergence in the preferred political strategies neoliberal experts and neopopulist leaders. As countries left the radical phase of neoliberalism behind and the main task shifted from the bold and profound transformation of the status quo ante to the consolidation of the new development model and the pragmatic administration of the new status quo, neoliberal experts and the international financial institutions became less dependent on the transformatory boldness of neopopulist leaders. Whereas the transgressive tendencies of a Menem and Fujimori had been functional for dismantling the old development model and pushing through painful reforms against significant opposition, they now came to be seen as obstacles to the institutional consolidation of the new development model. The concentrated political authority of neopopulist leaders, which had served so well for enacting reform, turned into a potential threat to the smooth functioning of the new market model. In the initial, heroic phase of market reform, neoliberal experts had taken advantage of--and perhaps even promoted--the para-constitutional maneuvers of neopopulist leaders; but now they stressed more and more the need for respecting the rule of law, which limited the discretion of personalistic, plebiscitarian leaders. In sum, the preferred political strategies of neopopulist leaders, on the one side, and of neoliberal experts and international financial institutions, on the other, came to diverge ever more.

Finally, with their very success in defeating the established political class and pushing through profound market reforms that did not only overhaul the country’s development model, but also reshapes its politics, neopopulist leaders lost their main enemy. To whip up mass support, populists seek to depict the world in us vs. them terms, thus emphasizing the constitutive cleavage of politics (cf. Schmitt 1987). Their victory greatly diminished the importance of this cleavage. Also, neoliberalism, which had
initially attacked established elites--especially the political class and rent-seeking, mercantilistic entrepreneurs--as well, now prescribed favorable treatment of new elites, such as the foreign and domestic investors that the country had to attract in order to boost growth. For instance, many privatization deals offered significant benefits to the buyers, who were therefore widely seen as receiving privileges. Thus, while neoliberalism and neopopulism had initially coincided in an anti-elite stance, neoliberalism now seemed to favor new elites, thus weakening popular support for neopopulist leaders.

At the same time, the new market model was not producing the sustained prosperity that neoliberal experts and neopopulist leaders had promised and that many people were expecting. While neoliberal populists did extend new social benefits to poorer groups, especially in the informal sectors, other elements of the recently installed development model, such as its incapacity to create additional employment on a massive scale, disappointed popular hopes. In the eyes of more and more people, neoliberalism was not providing sufficient benefits to the main support base of neopopulist leaders, the informal sector. For these reasons, the political appeals of personalistic, plebiscitarian leaders--anti-elite, pro-poor--came to diverge from the economic realities of neoliberalism, which more and more people came to see as pro-elite and anti-poor. While objective facts--such as data on changes in levels of poverty and inequality--reveal these impressions as exaggerated or incorrect, these sentiments have a political reality of their own.

In sum, the synergies and affinities between neoliberalism and neopopulism, which were quite strong during the initial phase of shock treatment and bold market reform, became looser over time. As more and more tensions between these two poles emerged, the political position of the first generation of neoliberal neopopulists weakened. Even the most successful leaders, Menem and Fujimori, failed to perpetuate their power even further.

Was neoliberal populism therefore a fleeting phenomenon, which was viable only during the revolutionary phase of neoliberalism? Now that this stage has passed, will populism and economic liberalism diverge more and more and soon come again to form polar opposites, as was the case during most of Latin American history? Will the next generation of Latin American populists follow the example of Venezuela's Hugo Chávez, who rejects neoliberalism, promotes socio-political polarization, and therefore faces opposition from very similar sectors as those that lined up against classical populists, such as Perón and Vargas (see recently Ellner and Hellinger 2003)?

While growing popular criticism of neoliberalism has indeed increased support for non-neoliberal populists, the very failures of the Chávez government--most evident in economic policy--and the resulting eruption of serious turmoil and conflict have served as a clear deterrent for other Latin American leaders. For instance, Ecuador's new president Lucio Gutiérrez, who has a very similar personal, political, and ideological background as his Venezuelan counterpart, has since the moment of his electoral victory made it very clear that he will not follow Chávez's path. Instead, while maintaining political populism, he has accepted the confines of Ecuador's new market model--including the country's tight convertibility scheme--and has sought good relations with the International Monetary
Fund, the worldwide guardian of neoliberal orthodoxy. As this case suggests, a mass defection of Latin America’s contemporary populist leaders from neoliberalism is unlikely. The bases of sustainability of the new market model are too strong to allow for such deviations (Weyland 2002b).

In fact, most leaders whose political strategy relies on important elements of neopopulism—such as Colombia’s Alvaro Uribe, Peru’s Alejandro Toledo, Mexico’s Vicente Fox, Bolivia’s Gonzalo Sánchez de Lozada, and Chile’s Joaquín Lavín—accept the basic principles of neoliberalism. While they may try to soften the edges of the new development model and enhance its social face, they all (credibly promise to) comply with the demands of budget equilibrium, maintain and enhance trade openness and capital market liberalization, promote further privatization of public enterprises, and keep state interventionism limited. Thus, contemporary populism in Latin America continues to pursue a predominantly neoliberal policy orientation.

Given the diminished synergies between neoliberalism and neopopulism, the political position of these leaders is more precarious than that of Menem and Fujimori during the early to mid-1990s. For instance, due to his incapacity to fulfill his generous promises of socioeconomic benefits, the popularity of Peru’s Toledo quickly plummeted, prompting concerns that he may be forced out of office. And only six months into his second term, an effort by Bolivia’s Sánchez de Lozada to raise taxes and thus enhance fiscal stability and please the IMF triggered bloody riots that led to calls for his resignation. Thus, neoliberalism now poses more obstacles to the political success of neopopulist leaders than it did in the early 1990s.

On the other hand, market reform also helped to pave the way for the emergence of these leaders by weakening intermediary organizations such as political parties and interest associations. Trade liberalization and stiffer foreign competition as well as the deregulation of labor markets have permanently debilitated trade unions. The mass dismissal of public employees, privatization of para-state enterprises, and elimination of many subsidies and controls has undermined patronage networks that underlay many parties. And the controversial debates about market reforms has torn asunder several long-established parties. In all of these ways, market reform has loosened the institutional infrastructure of democracy (Hagopian 1998; Oxhorn 1999), creating more space for the emergence of personalistic, plebiscitarian leaders. In this way, neoliberalism continues to make important contributions to the rise of neopopulism—and is likely to do so for years to come.

Furthermore, in the era of economic globalization, market-oriented policies are a precondition for sustained economic success. As the experience of Chávez shows, defiance has disastrous results, especially for the poorer sectors, who are the mass base of neopopulist leaders. If contemporary personalistic, plebiscitarian leaders want to provide economic and social benefits to their core constituents, they have little choice but to play by the currently prevailing rules of the economic game. While the new development model does not produce the prosperity that neoliberal experts had promised, it offers the only realistic option for preventing countries from suffering the deterioration affecting present-day Venezuela. Realistically speaking, this model constitutes the best bet for
neopopulist leaders.

Since the maintenance of the new development model’s basic outline is a practical necessity for populist presidents in contemporary Latin America, these leaders have tended to emphasize a theme already advanced by Menem and Fujimori after the successful enactment of market reforms, namely the reconciliation of conflictive societies (Weyland 2002a: 191-193). Personalistic plebiscitarian leaders often promote the unity of the people by calling for an end to factional conflicts and ideological rifts. Since the market system has defeated its grand ideological rivals and since even most sectors of the left have accepted its basic principles, severe political polarization has diminished in Latin America. Contemporary neoliberal populists seek to reinforce this by depicting as the main task of politics the pragmatic administration of things. For instance, Chile’s almost successful right-wing candidate Joaquín Lavín campaigned on a platform offering effective solutions for concrete problems plaguing specific people, rather than proposing any grand vision (Silva 2001). Similarly, Colombia’s Alvaro Uribe promised to get down to business and finally resolve the serious problems afflicting his country. This pragmatic effort to focus on benefitting the people directly while refraining from ideological debates and--wherever possible--avoiding conflictual issues is very similar to Fujimori’s basic approach during his presidency. It holds clear appeal in societies that had long been rent by conflict, such as the cleavage between Peronists vs. anti-Peronists in Argentina, between the supporters of the military regime vs. the opposition (Concertación) in Chile, and between various ideological parties in Peru during the 1980s. Overcoming such factionalism is a typical populist theme, and founding this new consensus on generalized acceptance of basic market principles is of interest to neoliberals. Thus, there continue to be underlying affinities between neoliberalism and neopopulism in contemporary Latin America.

Despite this unity message, however, populist leaders like boosting their mass support by combating some enemy of the people. While the first generation of neoliberal populists arose in response to the grave, hyperinflationary crisis confronting their countries in the late 1980s, the new leaders, who emerge at a time of reasonable economic stability, have emerged in opposition to specifically political challenges. Mexico’s Vicente Fox and Peru’s Alejandro Toledo demonstrated their courage by taking on decaying authoritarian regimes or autocratic leaders. As presidents, they have both sought to keep this threat awake. For instance, Fox has used revelations of corruption to put pressure on the old regime party, Partido Revolucionario Institucional (PRI), and Toledo has invested significant political and diplomatic capital in seeking the extradition of ex-president Fujimori from Japan. Especially in the case of Toledo, whose governmental performance has elicited severe criticism, this effort to prosecute his neoliberal populist predecessor looks a bit like typical populist scape-goating—a diversionary tactic designed to divert attention from his own failings.

Colombia’s Alvaro Uribe faced an even clearer enemy. He rose by taking a hard line against the brutal FARC guerrilla, which had extracted significant concessions from his hapless predecessor but had nevertheless refused to take any serious step toward ending armed violence. The growing revulsion against FARC among the population gave Uribe a great opportunity to rally mass support and
demonstrate his courageous leadership. Thus, while promoting the unity of the largest sectors of the population, the new crop of personalistic, plebisicitarian leaders takes advantage of political threats to boost their populist leadership. Given that Uribe faces the gravest threat from a small minority that is widely discredited in the eyes of the population, he has the best chance of these three presidents to gain significant, lasting mileage from this new front line.

In sum, the new generation of neoliberal populists in Latin America faces a political and economic context that is less dangerous than that confronting the first wave of such leaders, but that is also less conducive to boosting their leadership and giving them a dominant political position, as Menem and Fujimori enjoyed it in the early to mid-1990s. The grave crisis of the late 1980s created significant risks of failure, as the case of Brazil’s Collor shows. But it also allowed some leaders to turn adversity into advantage, boldly cut the Gordian Knot, reshape the political and institutional framework, and reign virtually supreme for years. The present situation of greater economic stability, yet volatile and, on average, mediocre growth has narrowed the probability distribution of potential outcomes. While neoliberal populists now face less danger of spectacular political failure, they also enjoy fewer opportunities to win political supremacy. While making Latin American politics less colorful, this normalization of (neoliberal) populism is likely to have a salutary effect on the consolidation and quality of democracy in the region.

VI. Conclusion
This essay has extended the discussion on neoliberal populism in Latin America in three ways. First, it has sought to demonstrate how this concept and the underlying theoretical ideas can account for important developments that other approaches leave unexplained. The stunning political success of Presidents Menem and Fujimori, in particular, came as a surprise to most observers. The unexpected synergies between neoliberalism and neopopulism are crucial for understanding this success. Interestingly, the same arguments also help explain the eventual decay of Menem’s and Fujimori’s leadership. Thus, these arguments, which emerged from empirical observations, have a significant empirical pay-off.

Second, this essay has sought to refute the criticisms advanced against these arguments by a number of authors. The claim that candidates campaign with populist tactics but then abandon populism upon taking office and enacting neoliberalism is simply not true as far as their political style, tactics, and strategy are concerned. Instead, leaders like Menem, Fujimori, and Collor kep using typically populist political tactics while in office, and the application of these tactics had a great impact on the political fate of these leaders. Furthermore, like classical populism, neoliberal populism also has significant inclusionary features. Certainly, it does not benefit the same sectors as classical populism did and therefore can be called exclusionary towards those sectors, especially organized formal-sector labor. But it does extend material benefits and symbolic recognition to the long-neglected poorest segments of the population. And it effects an elite renovation by promoting provincial groups, middle and lower-middle class sectors, ethnic segments, and women. Thus, neoliberal populism also advances social democratization. Furthermore, through opinion polls, it gives a much broader cross-section of the
population a voice in public opinion and some influence on governmental decision-making than classical populism with its orchestrated mass rallies did. And of course, despite undeniable transgressions, neoliberal populists have played much more by the rules of the democratic game than leaders like Perón, Vargas, and especially Cárdenas did (Dix 1985). Thus, the claim that personalistic plebiscitarian leaders who enact neoliberalism are exclusionary and therefore cannot be classified as populists is rather unconvincing.

Third, this essay has used the arguments about neoliberal populism to shed light on the opportunities and problems facing contemporary leaders like Fox, Lavín, Toledo, and Uribe. With the end of the severe crises of the late 1980s and early 1990s, the synergies between neopopulism and neoliberalism have weakened, as the decline of Menem and Fujimori leadership already showed. Furthermore, the mediocre economic performance of the new market model and the frequent need for new rounds of adjustment limits the resources that presidents can distribute to their mass followers. On the other hand, the widespread acceptance of the market model diminishes sharp political conflict and allows these leaders to gain support by unifying the people and focusing on pragmatic solutions to concrete problems. Last but not least, political challenges—such as the specter of Fujimori in contemporary Peru or the havoc wrought by FARC in Colombia—give some of these leaders good opportunities to boost their leadership by protecting the people from sinister enemies. As a result of all these tendencies, neoliberal populism remains a viable strategy of rule in present-day Latin America.
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Notes

1. Since I have recently analyzed the concept of populism (Weyland 2001), the present paper does not address this topic. I continue to use the political definition explicated in Weyland (2001). Also, for the sake of stylistic variation, I use the terms populism and personalistic, plebiscitarian leadership interchangeably. Furthermore, since I see neopopulism as a classical subtype of populism (cf. Weyland 2001: 14-16), I often use the phrase neoliberal populism instead of the more precise, but cumbersome neoliberal neopopulism.

2. Interestingly, neopopulism emerged in several instances--especially in Brazil and Peru--right after the third wave of democratization had led to the lifting of literacy qualifications for voting and had thus brought universal suffrage. Neopopulists like García, Fujimori, and Collor in fact drew disproportionate support from the poorest and least educated sectors, i.e., precisely the newly enfranchised groups.

3. See especially Blondet 2(002). Like Fujimori, Menem passed a quote law designed to increase women’s participation in electoral and Congressional arena. And Collor was, to the best of my knowledge, the first Brazilian president to appoint a woman to the crucial post of finance minister.

4. Similarly, the drastic drop in Hugo Chávez’s popularity ratings in the course of 2001 exposed this non-neoliberal populist to growing attacks from organized civil society that culminated in the coup attempt of April 2002.

5. Obviously, surveys do not exclude all forms of social pressure, such as the spirals of silence analyzed by Noelle-Neumann. For an application of this idea to neoliberal populism see Conaghan’s interesting analysis (1995).


7. Even Toledo seems to have emerged from the real danger zone as his popularity ratings have gradually recovered from the low point of early to mid-2002.

8. In my view, only Uribe faces this opportunity, in case he manages to deal a strategic blow to the FARC guerrilla.